

AGENDA
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
OCTOBER 4, 2005

Item 1 Minutes

Submittal of the Minutes from the August 9, 2005, August 23, 2005, and September 7, 2005 Cabinet Meetings.

(See Attachment 1, Page 1-58)

RECOMMEND APPROVAL

Item 2 Miss Becky's Seafood Leases Renewal

REQUEST: Consideration of an application for the renewal of a one-year sovereignty submerged lands lease containing 71,732 square feet, more or less, for a five-year term.

COUNTY: Duval
Lease No. 160099922

APPLICANT: Miss Becky's Seafood

LOCATION: Section 38, Township 01 South, Range 29 East, in the St. Johns River, Class III Waters, within the local jurisdiction of the city of Jacksonville
Aquatic Preserve: No
Outstanding Florida Waters: Yes
Designated Manatee County: Yes, with an approved manatee protection plan
Manatee Aggregation Area: No
Manatee Protection Speed Zone: Yes, 300-foot shoreline buffer

CONSIDERATION: \$9,626.43, representing the initial lease fee computed at the base rate of \$0.1342 per square foot. Sales tax will be assessed pursuant to section 212.031, F.S., if applicable. The lease fee may be adjusted based on six percent of the rental rate, pursuant to section 18-21.011, F.A.C.

STAFF REMARKS: The lessee has requested the renewal of the existing sovereignty submerged lands lease which expires October 24, 2005. The lease contains 71,732 square feet, more or less, and authorizes the operation of a docking facility with a non-water dependent fish processing plant, other previously grandfathered structures, and allows for the mooring of commercial fishing vessels and the SunCruz VI, a "cruise to nowhere" gambling vessel.

A sovereignty submerged lands lease was first executed on November 20, 1978, that authorized the preemption of 30,500 square feet of sovereignty submerged lands. A lease modification approved by the Board of Trustees on September 5, 1985, increased the lease area

Item 2, cont.

from 30,500 to 52,035 square feet to include all grandfathered and existing structures. Subsequent delegated lease modifications and renewals executed after 1985 increased the preempted area from 52,035 to 69,718 square feet.

The most recent renewal and modification of the lease was approved by the Board of Trustees on August 24, 2004, and included: (1) removal of a special lease condition that prohibited the mooring of gambling cruise ships; and (2) expansion of the lease area to 71,732 square feet. The lease renewal was limited to a one-year term because several noncompliance issues were unresolved. Specifically, the lessee had failed to comply with a special lease condition requiring the lessee to install and maintain: (1) a manatee informational display and manatee awareness signs; and (2) a literature display to distribute "Duval County Manatee Protection Zones" booklets. Further, the lessee was discharging water used for fish cleaning at a seafood processing plant directly into the surface waters of the state, the St. Johns River. This action constituted a further violation of the Department of Environmental Protection's (DEP) rules.

The lessee corrected the lease violations/noncompliance issues and the lessee has not incurred any additional violations of the lease or other DEP rules. In addition, the lessee corrected the unauthorized discharge of waste water used in the operation of the facility by connecting the discharges to a collection system which discharges to a city maintained sewer system. Staff most recently inspected the facility on August 10, 2005 and found that the above corrective actions taken continue to function and are being maintained by the lessee. Therefore, DEP recommends approval of a five-year sovereignty submerged lands lease.

The existing lease authorizes fueling facilities and sewage pump-out facilities, and prohibits liveboards. Currently slips are available for up to 12 vessels with marginal mooring available for 3 to 5 vessels including a gambling cruise ship. A DEP environmental resource permit is not required, because there are no additional structures proposed. There are no seagrasses or other resources at this site. The Florida Fish and Wildlife Conservation Commission manatee protection provisions are contained in the existing lease. The proposed lease renewal is not required to be noticed, pursuant to chapter 253.115(5)(i), F.S.

A local government comprehensive plan has been adopted for this area pursuant to section 163.3167, F.S.; however, the Department of Community Affairs (DCA) determined that the plan is not in compliance. In accordance with a Compliance Agreement between the DCA and the local government, an amendment has been adopted which brought the plan into compliance. The proposed activity is consistent with the adopted plan as amended according to a letter received from the city of Jacksonville, Planning and Development Department, dated October 23, 1998.

(See Attachment 2, Pages 1-4)

RECOMMEND APPROVAL SUBJECT TO PAYMENT OF \$9,626.43

Item 3 City of Winter Park Conveyance/Declare Surplus

REQUEST: Consideration of a request to: (1) declare surplus a five-acre, more or less, parcel of state-owned land in Orange County; and (2) convey the parcel to the City of Winter Park.

COUNTY: Orange
 Deed Number 31485

APPLICANT: City of Winter Park (City)

LOCATION: Section 01, Township 22 South, Range 29 East

CONSIDERATION: \$540,000 to be deposited in the Internal Improvement Trust Fund

		APPRAISED BY			
<u>PARCEL</u>	<u>ACRES</u>	Robinson <u>(06/28/05)</u>	<u>APPROVED</u> <u>VALUE</u>	<u>PURCHASE</u> <u>PRICE</u>	<u>CLOSING</u> <u>DATE</u>
McCarty Building	5.00	\$540,000	\$540,000	\$540,000*	90 days after BOT approval

*Value is for building only and does not include land value.

STAFF REMARKS: The Department of Management Services has notified the Department of Environmental Protection (DEP), Division of State Lands, that its McCarty Building is surplus to its needs. The land on which the building is located was acquired in 1956 at no cost from the City. Last used by the Department of Children and Families, the building is now vacant. Pursuant to section 253.034(6)(f)2, F.S., surplus lands acquired by the state prior to 1958 by a gift or other conveyance for no consideration from a municipality, and which the department has filed by July 1, 2006, a notice of its intent to surplus, shall first be offered for reconveyance to such municipality at no cost, but for the fair market value of any building or other improvements to the land, unless otherwise provided in a deed restriction of record. The City has requested title to the property. The City will use the building to temporarily house employees from its City Hall while that building is being remodeled, after which the City will consider whether to use the former state building as a library or other community facility.

Unless otherwise provided in deed restrictions of record, the Board of Trustees' mineral, metal and petroleum interest has not been reserved pursuant to section 253.03(3), F.S., which states that the provisions of section 270.11, F.S., requiring the Board of Trustees to reserve unto itself certain oil and mineral interests in all deeds of conveyances executed by the Board of Trustees, shall not have application to any lands that inure to the Board of Trustees from other state agencies, departments, boards, or commissions under the terms and provisions of this act.

Item 3, cont.

A consideration of the status of the local government comprehensive plan was not made for this item. DEP has determined that land conveyances are not subject to the local government planning process.

(See Attachments 3, Pages 1-26)

RECOMMEND APPROVAL

Item 4 Palm Beach County Conveyance/Impose Declaration of Restrictive Covenant/Florida Atlantic University

REQUEST: Consideration of a request to (1) convey a 2.09-acre state-owned parcel to Palm Beach County; and (2) impose a Declaration of Restrictive Covenant on 19.44 acres of the Board of Trustees' property, currently under lease to Florida Atlantic University, for educational purposes.

COUNTY: Palm Beach
Deed No. 31488

APPLICANTS: Palm Beach County (County) and Florida Atlantic University (FAU)

LOCATION: Section 01, Township 47 South, Range 41 East

CONSIDERATION: (1) The County will execute Release, Termination and Quitclaim of Reservation, for the excavation rights it holds on a 12.17-acre parcel of state-owned land; (2) Board of Trustees will convey a 2.09-acre parcel to the County; and (3) the Board of Trustees will impose educational restrictions on its remaining 19.44 acres currently under lease to FAU.

VARIOUS APPRAISAL OPTIONS	ACREAGE	APPRAISED BY HOLDEN (08/20/05)	APPROVED VALUE
A	9.44 unencumbered fee simple	\$124,250 per acre	\$2,415,000
B*	19.44 encumbered w/education restriction	\$ 43,450 per acre	\$ 845,000*
C	19.44 (12.17of which are encumbered by County's reservation of excavation rights)	\$ 25,000 per acre	\$ 486,000
D	2.09 unencumbered fee simple	\$124,250 per acre	\$ 260,000

* Preferred option

STAFF REMARKS: The Department of Environmental Protection, Division of State Lands (DSL), received a request on August 1, 2005, from the County to acquire a 2.09-acre parcel of land currently under FAU lease number 2724. FAU has executed a partial release of lease for

Item 4, cont.

the 2.09-acre parcel. The County needs the 2.09-acre parcel to assist them in the development of a new public library on land it owns immediately north of FAU's lease area.

In 1963, the County donated a 21.53-acre parcel near the corner of Yamato Road and State Road 7 (U.S. 441) to the State Board of Education (BOE). In 1971, the BOE conveyed this property to the Board of Trustees pursuant to chapter 67-269, General Laws of Florida.

The County originally donated the subject 21.53-acre parcel to the BOE for use by FAU in constructing a television tower. Due to the nature of this use, the County reserved excavation rights over the balance of the parcel (approximately 12.17 acres) that were not needed for the tower and supporting guy wires. The proposed tower was never constructed by FAU and the property remains vacant. The County's deed to the BOE did not contain a reversionary clause that caused the property to revert to the County in the event the television tower failed to be built. The excavation rights retained by the County severely limit the use of the property for any other purpose other than as a tower site.

In 1992, FAU requested that the County release its excavation rights on the property so that the property could be sold to raise funds for construction of FAU's Abacoa campus. The County refused to release its excavation rights on the 12.17 acres and the property has remained vacant.

The County is proceeding to develop a new public library facility on County-owned lands, which lie immediately north of the 21.53 acres of state-owned land. Approximately 2.09 acres of state-owned land protrudes into the County's adjoining land. The County and FAU have been trying to resolve the deed restriction issue on this property and the County has requested the state agree to reconvey the 2.09-acre parcel needed for the construction of a public library as part of the plan being developed for the temporary Scripps facility at FAU's Abacoa campus. The County has conditioned its funding of the temporary facility at FAU's Abacoa campus upon the state agreeing to reconvey the 2.09-acre parcel needed for the construction of a public library. The County has agreed to release its excavation rights on 12.17 acres of the 21.53-acre parcel leased to FAU, provided the Board of Trustees agrees to place a restriction for educational purposes only on the remaining 19.44-acre parcel of state-owned lands currently under lease to FAU.

The Board of Trustees' mineral, metal and petroleum interest has not been reserved pursuant to section 253.03(3), F.S., which states that the provisions of section 270.11, F.S., requiring the Board of Trustees to reserve unto itself certain oil and mineral interests in all deeds of conveyances executed by the Board of Trustees, shall not have application to any lands that inure to the Board of Trustees from other state agencies, departments, boards, or commissions under the terms and provisions of this act.

Item 4, cont.

DSL staff recommends approval of this item for the following reasons:

- Use of the 21.53-acre parcel under lease by FAU is severely limited by the current excavation rights held by the County;
- If the County releases its excavation rights on the remaining 19.44 acres of FAU's lease and, the Board of Trustees imposes an educational restriction on the subject property, FAU will be able to develop the land for educational purposes under its lease;
- The County is proceeding to develop a new public library and the 2.09-acre parcel will assist the County in its efforts to develop the library;
- The boundaries of both the County's property and the land under lease to FAU will be more squared off. Currently the 2.09-acre parcel protrudes into adjacent County-owned land; and
- The County and FAU have been working together to facilitate the construction of a second temporary Scripps facility in Palm Beach County. As part of their cooperative efforts, the County has asked for the Board of Trustees' favorable conveyance of this parcel to facilitate a new county public library.

A consideration of the status of any local government comprehensive plans was not made for this item. DEP has determined that the proposed action is not subject to the local government planning process.

(See Attachment 4, Pages 1-26)

RECOMMEND APPROVAL

Item 5 SFWMD Conveyance/Determination/Everglades Construction Project

REQUEST: Consideration of (1) a determination that pursuant to section 18-2.018(3)(b)1.c., F.A.C., the conveyance of 344.90 acres of Board of Trustees-owned land provides a greater benefit to the public than its retention in Board of Trustees' ownership; and (2) a request to convey the 344.90 acres of Board of Trustees-owned land to the South Florida Water Management District for inclusion in the Everglades Construction Project.

COUNTY: Palm Beach
 Deed No. 31487

APPLICANT: South Florida Water Management District (SFWMD)

Item 5, cont.

LOCATION: Section 11, Township 47 South, Range 38 East

STAFF REMARKS: The Florida Legislature, in the Everglades Forever Act (EFA), section 373.4592, F.S., declared that it is necessary for the public health and welfare that the Everglades water and water related resources be conserved and protected. It was recognized at that time that certain public lands might be needed for the treatment and storage of water prior to its release into the Everglades Protection Area. To accomplish this, SFWMD was given the responsibility of implementing the Everglades Construction Project, and of acquiring any lands necessary to meet the goals of the EFA.

SFWMD requested that the 344.90-acre parcel be released from the Board of Trustees' Lease No. 2376 with the Okeelanta Corporation and deeded to SFWMD in order to accommodate its fast-track plans under the Acceler8 Program to expand its existing Stormwater Treatment Area 2 (STA). The Acceler8 Program was formalized on October 14, 2004 with the signing of a memorandum of agreement between the State of Florida and SFWMD, stepping up the pace to complete 8 critical environmental projects more than a decade ahead of schedule. In support of the request, the Board of Trustees' Lease No. 2376 for 344.90 acres of land was amicably terminated with Okeelanta Corporation on May 31, 2005. At the time of the release of lease, the annual income produced by this lease was \$46,074.

Department of Environmental Protection (DEP) staff finds that a greater benefit to the public is obtained from this land as part of the Acceler8 Program, and the Everglades Agricultural Area Stormwater Treatment Areas Expansion Project. This project will expand the size and enhance the performance of existing STAs created as part of the Everglades Construction Project. These constructed wetlands naturally reduce stormwater runoff pollution levels flowing from the Everglades Agricultural Area before entering the Everglades. SFWMD has already acquired all of the other large acreage parcels necessary for the construction of this project that will expand STA-2 by an additional 2,000 acres.

DEP staff has determined that this land can be conveyed to SFWMD if the Board of Trustees makes an affirmative finding, pursuant to section 18-2.018(3)(b)1.c., F.A.C., that the conveyance of this land to SFWMD provides a greater benefit to the public than its retention in Board of Trustees' ownership. SFWMD has indicated that the 344.90-acre parcel will be used solely and perpetually for the purposes of section 373.4592, F.S., which is known as the Everglades Forever Act. In the event that the land is not used for those purposes set forth in the Everglades Forever Act, the property shall, at the Board of Trustees' option, revert back to the Board of Trustees. This language will be included in the deed.

On May 13, 2003, the Board of Trustees approved the conveyance/donation of an 82.09-acre parcel to SFWMD for inclusion in the Everglades Construction Project as part of the Everglades Forever Act.

Item 5, cont.

A consideration of the status of the local government comprehensive plan was not made for this item. DEP has determined that land conveyances are not subject to the local government planning process.

(See Attachment 5, Pages 1-11)

RECOMMEND APPROVAL

Item 6 Barbara J. Rees Purchase Agreement/Survey Waiver/Coupon Bight/Key Deer Florida Forever Project

REQUEST: Consideration of (1) a purchase agreement to acquire 2.34 acres within the Coupon Bight/Key Deer Florida Forever project from Barbara J. Rees; and (2) the authority to waive the survey requirement.

COUNTY: Monroe

LOCATION: Section 22, Township 66 South, Range 29 East

CONSIDERATION: \$720,000

<u>PARCEL</u>	<u>ACRES</u>	APPRAISED BY Johnston (03/18/05)	APPROVED <u>VALUE</u>	SELLER'S PURCHASE <u>PRICE</u>	TRUSTEES' PURCHASE <u>PRICE</u>	CLOSING <u>DATE</u>
Rees	2.34	\$720,000	\$720,000	\$1,640*	\$720,000** (100%)	120 days after BOT Approval

* Seller purchased property on 6/8/79.

** \$307,692.31 per acre or \$36,000 per residential lot or per ROGO allocation, (20 ROGO allocations).

Noted Features of Subject Property:

Value based on potential sale as ROGO points.

Non-waterfront, platted residential site

STAFF REMARKS: The Coupon Bight/Key Deer project is an "A" group project on the Florida Forever Small Holdings Project Interim List approved by the Board of Trustees on August 23, 2005. The project contains 4,014 acres, of which 1,503.67 acres have been acquired or are under agreement to be acquired. After the Board of Trustees approves this agreement, 2,507.99 acres, or 62 percent of the project, will remain to be acquired.

All mortgages and liens will be satisfied at the time of closing. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to Department of Environmental Protection (DEP) the authority to review and evaluate marketability issues as they arise on all

Item 6, cont.

chapter 259, F.S., acquisitions and to resolve them appropriately. Therefore, DEP staff will review, evaluate, and implement an appropriate resolution for any title issues that arise prior to closing.

A title insurance policy and an environmental site evaluation will be provided by the purchaser prior to closing. It is the opinion of the Bureau of Survey and Mapping that the available boundary information is sufficient to reasonably protect the public's interest and any additional benefit derived from a survey is minimal relative to its cost; therefore, a waiver of the requirement for a survey of the property is being requested pursuant to section 18-1.005, F.A.C.

The purchase price is based on a February 16, 2005 agenda item. This item allowed DEP's Division of State Lands to (1) extend offers and approve any contract for the sale and purchase of land pursuant to section 259.041(1), F.S., at \$7,000 over, or up to 125 percent, per parcel of the current appraised value, whichever is greater, when purchase price per parcel does not exceed \$100,000; (2) recognize and appraise as Rate of Growth Ordinance parcels those parcels that previously qualified for Rate of Growth Ordinance designation; and (3) allow payments in lieu of litigation to settle claims by private landowners to lands that appear to be sovereignty lands, such payments not to exceed \$1,000 per parcel.

The subtropical pine forests of rapidly developing Big Pine Key and the islands around it are the home of the endangered Key deer and many Caribbean plants found nowhere else in the country. Rich coral reefs and other hardbottom communities flourish in shallow water around the islands. The Coupon Bight/Key Deer project will protect the remaining underdeveloped land on Big Pine and No Name Keys (without which the Key deer will not survive), protect water quality of the Coupon Bight Aquatic Preserve and the other waters surrounding the islands, and provide the public an area to appreciate the unique natural world of this part of Florida.

The property will be managed by the U.S. Fish and Wildlife Service as an addition to the National Key Deer Refuge.

This acquisition is consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

(See Attachment 6, Pages 1-48)

RECOMMEND APPROVAL

Item 7 Kitson & Partners, LLC, Purchase Agreement/Managing Agency Designation/Management Policy Statement Modification and Confirmation/Direction/Babcock Ranch Florida Forever Project

REQUEST: Consideration of (1) a purchase agreement to acquire approximately 74,000 acres within the Babcock Ranch Florida Forever project from Kitson & Partners, LLC; (2) designation of the Florida Fish and Wildlife Conservation Commission as the managing agency; (3) modification and confirmation of the management policy statement; and (4) direction to Department of Environmental Protection staff to develop legislation for creation of a non-profit corporation to operate the Babcock Ranch.

COUNTIES: Charlotte and Lee

LOCATION: Sections 01 through 36, Township 41 South, Range 26 East; Sections 01 through 36, Township 42 South, Range 26 East; Sections 01 through 07, 09, and 12, Township 43 South, Range 26 East; Sections 19 through 36, Township 41 South, Range 27 East; Sections 01 through 36, Township 42 South, Range 27 East; and Sections 04 through 09, 17 and 18, Township 43 South, Range 27 East

CONSIDERATION: Total of \$xxxx in a series of five phases for the five phases as follows:

	<u>Option Term</u>	<u>Purchase Price</u>
Phase I	July 2006	\$ xxxxx.
Phase II	July 2006	\$ xxxxx.*
Phase III	July 2007	\$ xxxxx.*
Phase IV	July 2008	\$ xxxxx.*
Phase V	July 2009	\$ xxxxx.*

* Amounts are approximate, based on value of the acreage acquired in each Phase.

**Funding Sources: \$XXM Florida Forever, \$XXM General Revenue (proposed), \$XXM Lee County, \$XXM FWCC

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY</u>		<u>APPROVED</u>	<u>SELLER'S</u>	<u>TRUSTEES'</u>
		<u>Xxxxxx</u>	<u>Xxxx</u>			
		<u>(xx/xx/xx)</u>	<u>(xx/xx/xx)</u>		<u>PRICE</u>	<u>PRICE</u>
Kitson& Partners	74,000	\$TBA	\$TBA	\$TBA	\$TBA*	\$TBA (xx%)

*Seller purchased an option in July 2005, with closing scheduled for April 2006. The Babcock family bought property in pieces over time beginning in early 1900's. Purchase price unknown.

STAFF REMARKS: The Babcock Ranch is an "A" group project on the Florida Forever Full Fee Project Interim List approved by the Board of Trustees on August 23, 2005. After the Board of Trustees approves this agreement, the project will be complete.

Item 7, cont.

The Department of Environmental Protection (DEP) was notified on July 20, 2005, by Mr. Sydney Kitson of Kitson & Partners, LLC (Kitson&Partners), that he had acquired an option to purchase the Babcock Corporation and was interested in selling a major portion of the real estate assets known as The Babcock Ranch to the state if the state was still interested. Since that time, Kitson&Partners and DEP's Division of State Lands (DSL) have been working with representatives of Charlotte and Lee Counties and a myriad of state, regional and local interests to put together a plan to provide for the purchase of approximately 81 percent of the land associated with Babcock Ranch, preservation of the natural and cultural resources that come with the property, and creation of a unique management regime that will support what has been a successful commercial ranch.

Details of the Purchase Agreement:

Pursuant to section 259.041(9)(a) F.S., a purchase agreement is being utilized for this acquisition. Patterned after the successful Board of Trustees' acquisition of the Guana Tract in the mid 1980's, the purchase agreement is designed to provide for approval today of five separate closings contingent on future appropriations of funding by the Florida Legislature and from our funding partners. DSL proposes to make the purchases starting on the eastern boundary and working to the west. The first closing will occur no later than July 31, 2006, with each subsequent closing occurring by the following July 31st, and the final closing during fiscal year 2009-10. Because we are in the middle of the 6th year of the Florida Forever Program and only have four more years of funding to go, staff has recommended the Legislature fund a portion of this purchase with General Revenue in the amount of \$100 Million. If appropriated during the 2006 Legislative Session, the \$100 Million General Revenue will enable DSL to close on the first two phases simultaneously. Lee County has also committed to participating in the acquisition to protect the lands that are within that county. The Florida Fish and Wildlife Conservation Commission (FWC) will also be a funding partner with \$10 Million of that agency's Inholdings and Additions funding.

Management Agreement

Pursuant to section 259.032(9)(e), F.S., staff recommends that the Board of Trustees designate FWC as the managing agency for this site. FWC will receive management money for hunting and wildlife management. The management of the working ranch will continue under a Management Agreement (MA) between the Board of Trustees and Kitson&Partners/Babcock Corporation that will incorporate the management plan as adopted by the Board of Trustees and continue the predecessor's successful management of the property. It also directs Kitson&Partners as the Ranch Manager to cooperate with FWC in the management of wildlife and game species on the property. Under the proposed MA, Kitson&Partners will manage the property for five years, commencing on the closing date of the first phase, with an option to extend management for an additional five years. For the purposes of this item, the managing

Item 7, cont.

agency is FWC and the on-site manager is Kitson&Partners, until such time that the non-profit corporation assumes on-site management responsibilities.

The MA provides for the following: (1) the manager will be responsible for the traditional activities associated with the business operation of the ranch; and (2) the existing sod farm, silviculture, cattle and equine operation, in accordance with the Natural Resources Conservation Service, local soil and water district and/or State of Florida Department of Agriculture and Consumer Services' Best Management Practices while researching improved ways to ranch and farm to better protect environmental resources and water quality. The manager shall establish a nursery to propagate native species for use by the Board of Trustees and Kitson&Partners. The manager shall establish an Environmental Research and Education Center, in cooperation with the Florida Gulf Coast University, on the property. Off highway vehicles, as defined in section 317.0003(1), F.S., shall not be allowed on the property except for maintenance activities. Pastures currently improved for cattle and equine operations may continue to be used as improved pasture. The manager may exercise the rights to wildlife viewing and nature study on or related to the property during the term of the MA. The manager shall operate and manage the Cypress Lodge until the management plan is in place, and shall cooperate with the Board of Trustees to develop and place a camping and cottage system within the area of the final phase of the property. The manager, in concert with FWC and the management planning process, may develop a comprehensive greenway system for the use of the public. In addition, the manager shall continue to manage and operate the ecosystem tour program currently in operation on the property, while working with the Board of Trustees (or its designees) to improve the quality of the experience.

Creation of Non-Profit Corporation to Operate Babcock Ranch:

The 74,000-acre parcel the Board of Trustees is acquiring has many complex activities associated with it. For example, there is cattle ranching, timbering, an ecotourism business and a sod farm. The traditional plans for public use add their own complexities: hunting, hiking, bicycling, horse stable with trail rides, various types of camping, state park-type cabins, etc. The local community (at-large) has embraced the opportunities provided by this acquisition of Babcock Ranch with their own contributions for increasing value. For example, Florida Gulf Coast University wants to establish educational opportunities both on the property the Board of Trustees will buy and within the Kitson&Partners development (to which Kitson&Partners has agreed) for a number of its programs. These programs include the university's Hospitality, Bio-Pharmaceuticals, Bio-Engineering, Environmental Education, and Urban Planning Programs. The areas environmental organizations want to be involved in environmental education, science, and other efforts on the ranch.

The Babcock Ranch is currently managed with a staff of 75 employees: ranch hands, office staff, field crews, tour guides, etc. Most of these employees have been with the Babcock Corporation over a long period of time and have a good working knowledge of both the land

Item 7, cont.

and the operations of the ranch. Many live on the ranch and their housing is factored in as part of their compensation package.

The manager intends to keep the current 75 employees on the payroll. The manager also intends that the area businesses that have depended on the ranch for their livelihood will continue to have that business relationship; and with the addition of the public recreational uses the surrounding area will receive the additional economic benefits attendant with money spent on bird watching, camping, hunting and recreating on state recreational lands.

Taking into account the varied interests, complex issues, and desire on everyone's part to see Babcock Ranch continue to be run as a successful ranch, but adding a wide variety of public recreational activities as well, DSL staff has prepared a unique proposal for the overall management of this fabulous state/regional resource. After consulting with FWC staff, DEP is recommending that a legislatively created non-profit corporation be established to operate the Babcock Ranch. An appointed Board of Directors with a wide range of backgrounds, such as business administration, agribusiness, timber management, environmental engineering, etc., that benefit the ranch operations would help ensure a successful business with any profits going back into the operation of the ranch. Additionally, these profits would provide the means for the Babcock Ranch operation to fund itself, as well as, provide additional funds to benefit scientific studies and wildlife management on these lands and the adjacent public lands to the east (Fred C. Babcock-Cecil M. Webb Wildlife Management Area) by enhancing the long-term viability and protection of significant wildlife populations and their habitats. Currently, FWC does not receive management dollars for the management of the Fred C. Babcock-Cecil M. Webb Wildlife Management Area.

Development of the Management Plan:

Legislative establishment of the non-profit corporation in 2006 would allow the non-profit board to begin initial work with Kitson&Partners and the state and local governments as the management plan and business plan are developed, even though the non-profit won't take control until termination of the MA. The management plan alone will take at least 18-24 months to prepare and approve. Additionally, the Board of Trustees may want this management plan to come to the Board for review due to the statewide importance of this purchase.

As with all of the Board of Trustees' conservation lands, the Babcock Ranch property will require the preparation of a management plan. Even the most complex management plans have taken about a year to develop. These are done with a lot of public input, with staff holding workshops and working with stakeholder groups on a variety of issues. Again, the complexity of issues involved with this property and running a ranch add to the time and effort required to draft, workshop, finalize, and implement this management plan. The four-year take down schedule with ongoing management, by the commercial Babcock Corporation, will give staff

Item 7, cont.

and all interested parties adequate time to map out a strategy for accommodating a variety of public recreational opportunities, while protecting the wildlife and natural areas and providing for restoration in those areas where it's desired.

Development of Business Plan for the Ranch Operations:

The state has never acquired an operating ranch before, and certainly not one that the community at large desired to continue to run as a business. This will require that we prepare a business plan for the ranch. Mr. Kitson has agreed to assist the state/non-profit corporation in the preparation of that plan as he learns from his experience as the CEO for the Babcock Corporation. Clearly, this is one of the most important benefits of having a private board of directors to oversee the operations of the ranch once Kitson&Partners turns over operation of the ranch to the state at the end of the Management Agreement period.

All mortgages and liens will be satisfied at the time of closing. On June 22, 1999, the Board of Trustees approved a staff recommendation to delegate to DEP the authority to review and evaluate marketability issues as they arise on all chapter 259, F.S., acquisitions and to resolve them appropriately. Therefore, DEP staff will review, evaluate, and implement an appropriate resolution for any title issues that arise prior to closing.

A title insurance policy and phase survey will be provided by the purchaser prior to each closing. The seller will provide a perimeter survey of the entire property and environmental site evaluation or site assessment for each closing, for which purchaser will reimburse seller 50 percent at each closing.

The mixture of old-growth forests and mesic (wet) flatwoods in the Babcock Ranch area not only provides habitat for endangered species, but it also provides a vitally needed water-recharge area for the Southwest Florida area. As demand for water increases across the state, protection and management of ground water recharge areas will have to increase so that both natural systems and the citizens of the state have sufficient quantities of water. This project also provides significant natural habitat for the Florida panther, the black bear, the red-cockaded woodpecker, and for many other species of concern. Protecting the Babcock Ranch uplands and wetlands would also contribute to a large landscape-sized protection area of more than 400,000 acres, strategically closing the gap between conservation land projects that now extend from Charlotte Harbor east to Lake Okeechobee. Acquisition of the Babcock Ranch project would meet Florida Forever goals of ensuring sufficient quantities of water for Southwest Florida, and increasing protection of Florida's biodiversity of species. Varied public recreational uses could include camping, picnicking, nature appreciation, hiking, and horseback riding. This would depend on how the project is acquired, and what management plan is adopted.

Item 7, cont.

Section 259.032(9)(e), F.S., requires that the Board of Trustees, concurrent with its approval of the initial acquisition agreement within a project, "evaluate and amend, as appropriate, the management policy statement for the project as provided by section 259.035, F.S., consistent with the purposes for which the lands are acquired." The management policy statement for this project was included in the 2005 Florida Forever Interim Report adopted by the Board of Trustees on August 23, 2005. At the time the project was put on the list, staff did not anticipate the strong desire to continue the operation of Babcock Ranch. So at this point, staff recommends that the Board of Trustees confirm the management policy statement as modified:

Babcock ranch is proposed eventually to be managed by a legislatively created non-profit corporation consisting of an appointed board of directors with a range of backgrounds such as business administration, agribusiness, forest management, ecotourism, and environmental engineering in cooperation with Florida Fish and Wildlife Conservation Commission. Initially Kitson & Partners, LLC., will manage the ranch until such time that the non-profit corporation assumes on-site management responsibilities. Management activities will enhance the operations of the existing working ranch and help ensure the conservation, protection, and restoration of environmentally unique native habitats, important ecosystems, landscapes, forests, water resources, and the protection of threatened or endangered species. The tract will also be managed to provide public recreational opportunities as well, such as hunting, camping, hiking, horseback riding, environmental and cultural resource education and interpretation, ecotourism, and other natural resource-based activities.

This acquisition is consistent with section 187.201(9), F.S., the Natural Systems and Recreational Lands section of the State Comprehensive Plan.

(See Attachment 7, Pages 1-25)

RECOMMEND APPROVAL