

**AGENDA
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
SEPTEMBER 19, 2007**

Item 1 SFWMD Sale and Purchase Contract/Determination

REQUEST: Consideration of (1) a determination that, pursuant to section 18-2.018(3)(b)1.c., F.A.C., the sale of approximately 160 acres to the South Florida Water Management District provides greater benefit to the public than its retention in Board of Trustees' ownership; (2) a request to sell the approximately 160-acre parcel of non-conservation, state-owned land to the South Florida Water Management District.

COUNTY: Miami-Dade

APPLICANT: South Florida Water Management District (District)

LOCATION: Section 20, Township 53 South, Range 39 East

CONSIDERATION: \$864,000 to be deposited in the Internal Improvement Trust Fund

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY:</u>		<u>APPROVED VALUE</u>	<u>SALE PRICE</u>	<u>CLOSING</u>
		<u>Sutte</u> <u>(10/14/03)</u>	<u>Parker</u> <u>(10/12/03)</u>			<u>DATE</u>
District	160*	\$2,025,000*	\$1,145,000*	\$864,000**	\$864,000	120 days after BOT approval

* Original appraisal was for a total of 202.5 acres as part of an exchange with Florida Rock Industries, Inc.

** Approved value reflects appraised value for the approximately 160-acre parcel without deed restriction and reverter.

STAFF REMARKS:

Background

On November 25, 2003, the Board of Trustees approved an exchange agreement in which the Board of Trustees would convey 238.70 acres of state-owned land for 202.5 acres of land owned by Florida Rock Industries, Inc. At that time the item stated that the Division of State Lands' intent would be to then sell to the District an approximately 160-acre parcel, and the remaining land would be sold to Miami-Dade County (County) as part of its wellfield protection program. The exchange and the conveyance to the District and the County were recommended for approval at the April 13, 2003, Acquisition and Restoration Council Public Hearing. The conveyance to the County was approved by the Board of Trustees on June 15, 2006.

Public Interest

Pursuant to section 18-2.018(3)(b)1.c., F.A.C., the Board of Trustees may determine that conveyance of the parcel by sale provides a greater benefit to the public than its retention in state ownership. Department of Environmental Protection's (DEP) staff recommends the Board of Trustees find that it is in the public interest to convey this parcel to the District for the following reasons:

- the Lake Belt Implementation Committee was directed by the Legislature to develop a plan for the Lake Belt area that would enhance the water supply for the county and the Everglades as well as maximize the efficient recovery of limestone while promoting the

Item 1, cont.

social and economic welfare of the community and protecting the environment. These lands have been targeted in the Lake Belt Plan for acquisition, enhancement and management with mining mitigation funds as outlined in section 373.41492, F.S;

this parcel is also located within the Pennsuco wetland system, a wetland prairie that is a prime wildlife habitat and serves as a buffer between the County to the east, and the Everglades, to the west; and

this is an area that the District is acquiring to assist in the implementation of the Comprehensive Everglades Restoration Plan.

The property will be conveyed to the District subject to a deed restriction and reverter that the property will be maintained in its natural state and not be developed or altered in any way, except for restoration, enhancement, rehydration and/or maintenance of wetlands and general upkeep of the property.

Noticing

Pursuant to sections 253.111 and 253.115, F.S., notification of the sale was sent to all property owners within 500 feet, the county and state agencies. No objections were received.

Comprehensive Plan

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 1, Pages 1-31)

RECOMMEND APPROVAL

Substitute Item 2 BOT/St. Joe Deed Restriction/Reverter Modification/DMS Lease Extension/ Determination/DOA

REQUEST: Consideration of (1) a modification of deed restriction and reverter in two special warranty deeds, each between The St. Joe Company, a Florida corporation, and the Board of Trustees; (2) extending the term of Lease No. 3885 between the Board of Trustees and the Department of Management Services to 99 years; (3) a determination that, pursuant to section 18-2.018(3)(a)1., F.A.C., the extended term lease is in the public interest; and (4) delegation to the Secretary of the Department of Environmental Protection, or designee, to amend the modification of deed restriction and reverter, if agreed upon by The St Joe Company, to extend the deadline for commencement of construction of the office building on Parcel 2 from July 1, 2008 to January 1, 2009.

Substitute Item 2, cont.

COUNTY: Leon

APPLICANT: Department of Management Services (DMS)

LOCATION: Sections 16 and 21, Township 01 South, Range 01 East

STAFF REMARKS:

Background

In 1990, The St. Joe Company (St. Joe) donated 273.1 acres, more or less, of land to the Board of Trustees for the development of a state agency office complex in Tallahassee. The resulting Capital Circle Office Center (CCOC) includes several buildings housing state agencies such as DMS, Department of Health (DOH), and the Department of Community Affairs (DCA). DMS is the managing agency for the CCOC under Board of Trustees Lease No. 3885.

Background on Deed Restriction/Reverters

In 1998, St. Joe approached DMS with an offer to exchange four parcels of land for a 73.69-acre parcel of state-owned land. The state-owned parcel was a portion of undeveloped land originally donated by St. Joe. The Board of Trustees conceptually approved the exchange on June 24, 1998. Subsequently, on December 8, 1998, the Board of Trustees approved an exchange agreement under which the Board of Trustees would convey the 73.69-acre parcel to St. Joe in exchange for four parcels of land containing 45.93 acres (Parcel 1), 47.83 acres (Parcel 2), 14.91 acres (Parcel 3), and 37.13 acres (Parcel 4).

The exchange agreement was subsequently executed and contained reverter conditions which were later incorporated into Special Warranty Deeds, further identified as: (1) Special Warranty Deed dated April 16, 1999, between St. Joe and the Board of Trustees, as recorded in Official Records Book R2245, Page 00040, Public Records of Leon County, Florida, (Deed 1) conveying Parcels 1, 2, 3, and 4; and (2) Special Warranty Deed dated March 29, 2001, between St. Joe and the Board of Trustees, as recorded in Official Records Book R2495, Page 02222, Public Records of Leon County, Florida, (Deed 2) conveying Parcel A which is adjacent to Parcel 3.

Deed 1 contains a deed restriction/reverter placing a January 1, 2008 deadline, for commencement of construction on Parcel 2 or Parcel 3 reverts back to St. Joe. Also, Deed 1 contains language stating Parcel 4 will revert back to St. Joe if commencement of construction on Parcel 2 does not occur by January 1, 2010. Deed 2 contains a deed restriction/reverter also placing a January 1, 2008 deadline, for commencement of construction on Parcel 2 or Parcel A reverts back to St. Joe. DMS and St. Joe have agreed to change the January 1, 2008, deadline in both Deed 1 and Deed 2 to July 1, 2008. Further, DMS and St. Joe agree that fee simple absolute title to Parcels 3, A, and 4 will automatically vest with the Board of Trustees, provided DMS commences construction of an office building of at least 80,000 gross square feet on Parcel 2 by July 1, 2008. In the event that an additional extension of six months is required to commence construction, staff is requesting the delegation of authority to amend the modification of the deed

Substitute Item 2, cont.

restrictions and reverter language with approval of St. Joe to extend the deadline for commencement of construction of the office building on Parcel 2 from July 1, 2008 to January 1, 2009.

Additionally, St. Joe and DMS have agreed that the term "commence construction" as referenced in Deed 1 and in Deed 2 shall mean the completion of a foundation system as described in the construction documents and approved by the local permitting authority.

DMS is obtaining amendments to the Development of Regional Impact (DRI) for the CCOC as well as designing buildings for the Department of Revenue and the First District Court of Appeals.

Extended-term lease

The CCOC is managed by DMS under Board of Trustees' Lease No. 3885. The Lease was approved on July 23, 1990 by the Department of Environmental Protection (DEP), Division of State Lands, under delegation of authority, for a standard 50-year term, expiring on July 22, 2040. DMS is requesting a 49-year extension to the existing 50-year lease, for a total lease term of 99 years. Prior to 1978, leases were granted for a term of 99 years. At that time, lease terms were reduced to 50 years to reflect the amortized life of most improvements.

Since 1978, the Board of Trustees has approved four requests for extended term upland leases: (1) El Centro Espanol de Ybor Building for a 65-year lease term; (2) DGN, Inc. (Miami Jewish Home and Hospital for the Aged, Inc.) for a 80-year lease term; (3) Flagler County for a 99-year lease term; and (4) DMS and USA (Southcom) for a 50-year lease term, with four 10-year renewal options.

Public Interest

Pursuant to section 18-2.018(3)(a)1., F.A.C., a lease shall not exceed a maximum term of 50 years unless the Board of Trustees determines that it is in the public interest.

The lease extension is a component of meeting the City of Tallahassee's (City) land use requirements. As part of the original DRI for the CCOC development, a habitat management area encompassing 82 acres was set aside for a conservation management area. This conservation area is owned by the Board of Trustees. DMS is working with the City to obtain the needed land use approvals for additions to the CCOC for the Department of Revenue and the First District Court of Appeals buildings and to accommodate future expansion needs. As part of the DRI amendment to accommodate the CCOC's growth, the City has requested that the management plan for the area be extended from 50 years to 99 years. The management plan is coterminous with the current lease; therefore, in order to extend the management plan, a lease extension is required. DEP staff recommends that the Board of Trustees determine that the requested 99-year lease term is in the public interest.

Substitute Item 2, cont.

Comprehensive Plan

The proposed action is consistent with the adopted comprehensive plan for the City of Tallahassee.

(See Attachment 2, Pages 1-38)

RECOMMEND APPROVAL

**Item 3 Coyle/Doyle Option Agreement/Survey Waiver/Florida Keys Ecosystem
Florida Forever Project**

REQUEST: Consideration of (1) an option agreement to acquire 7.88 acres within the Florida Keys Ecosystem Florida Forever project from Mary Coyle, Eugene P. Coyle as Personal

(AGENDA CONTINUED ON NEXT PAGE)

Item 3, cont.

Representative of the estate of Richard Coyle, John F. Wagner, Eugene P. Coyle, all individually, and Margaret J. Doyle and Eugene P. Coyle, as trustees of Grassy Key, Inc., a dissolved Florida Corporation; and (2) the authority to waive the survey requirement.

COUNTY: Monroe

LOCATION: Sections 24 and 25, Township 65 South, Range 33 East

CONSIDERATION: \$1,608,500

PARCEL	ACRES	APPRAISED BY:		APPROVED VALUE	SELLER'S	TRUSTEES'	OPTION
		Pallardy (08/10/2005)	Catlett (09/07/2005)		PURCHASE PRICE	PURCHASE PRICE	
*14625 through 14640	7.88	\$1,164,000	\$1,195,000	\$1,195,000	\$240**	\$1,608,500***	120 days after
*14807 through 14822						(135%) ****	BOT approval date
*14850 through 14865							

* Total amount of lots: 48 located in Crain's subdivision in Grassy Key.

** The property was previously acquired by the State under the Murphy Act; then purchased by the seller in two different transactions in 1947 for the amount of \$240. The property has been family owned since 1947.

*** Price per acre \$204,124.

****31 lots valued at \$38,000 x 125% = \$1,472,500; 17 lots valued at \$1,000 each plus \$7,000 incentive each = \$136,000. These prices are based on delegated authority approved on February 16, 2005.

Noted Features of Subject Property:

The neighborhood is Crain's Subdivision, a platted subdivision on Grassy Key which has inaccessible lots, lots with no homes, and bay front lots with good water access and estate-sized homes.

Zoning is residential.

None of the lots to be purchased are buildable; however 31 of the lots are valued as ROGO allocation lots and 17 are not. These 17 have only a part of the lot above mean high water or are part of an interior pond, and have limited marketability and minimal value.

Only 8 of the subject lots have paved street frontage; however, this is not a consideration in determining ROGO values.

STAFF REMARKS: The Florida Keys Ecosystem project is an "A" group project on the Florida Forever Full Fee Project List approved by the Board of Trustees on August 28, 2007. The project contains 11,854 acres, of which 5,288.86 acres have been acquired or are under agreement to be acquired. If the Board of Trustees approves this agreement, 6,565.14 acres, or 55 percent of the project, will remain to be acquired.

Project Description

The unique pine rocklands and hardwood hammocks of the Florida Keys, forests of West Indian plants that shelter several extremely rare animals, are being lost to the rapid development of the islands. Public acquisition of the Florida Keys Ecosystem project will protect all the significant unprotected hardwood hammocks left in the Keys and many rare plants and animals, including the Lower Keys marsh rabbit and Key deer. It will also help protect the Outstanding Florida Waters of the Keys, the recreational and commercial fisheries, and the reefs around the islands, and also give residents and visitors more areas for enjoying the natural beauty of the Keys.

Item 3, cont.

Survey Waiver

It is the opinion of DEP's 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 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.

Closing Information

A title insurance policy and an environmental site evaluation will be provided by the purchaser prior to closing.

Mortgages and Liens

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 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.

Management

The property will be managed by the City of Marathon. DEP's Office of Greenways and Trails (OGT) may need to use all or part of these parcels as a rest stop/trailhead, canoe/kayak launch, or an access point for the public to utilize as part of the Florida Keys Overseas Heritage Trail (FKOHT) and the Florida Circumnavigational Saltwater Paddling Trail. The City of Marathon will coordinate with OGT to incorporate these uses (when appropriate) into the land management plan and will coordinate a schedule for implementation with OGT. In addition, OGT may need to use these parcels for mitigation for wetlands impacts resulting from construction of the FKOHT (pending approval of the South Florida Water Management District). If OGT determines these parcels are feasible for any of the above uses, then the City of Marathon will include the use(s) in the land management plan based upon an agreement with OGT. Cost incurred by OGT use will be paid for by OGT.

Comprehensive Plan

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 3, Pages 1-65)

RECOMMEND APPROVAL

**Board of Trustees
Agenda - September 19, 2007
Substitute Page Seven**

Substitute Item 4 Florida East Coast Railway, L.L.C. Option Agreement/OGT/East Central Regional Rail Trail Project

REQUEST: Consideration of an option agreement to acquire 668.35 acres (50.65 miles) within the East Central Regional Rail Trail project from Florida East Coast Railway, L.L.C.

COUNTY: Brevard and Volusia

LOCATION: Various; abandoned rail corridor in the jurisdiction(s) of Brevard and Volusia Counties.

CONSIDERATION: \$16,000,000

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY</u>		<u>APPROVED</u>	<u>SELLER'S</u>	<u>TRUSTEES'</u>	<u>OPTION</u>
		<u>Wingo</u>	<u>Allen</u>	<u>VALUE</u>	<u>PURCHASE</u>	<u>PURCHASE</u>	<u>DATE</u>
		<u>(6/08/06)</u>	<u>(6/08/06)</u>		<u>PRICE</u>	<u>PRICE</u>	
FEC	<u>668.35</u>	\$26,323,000	\$23,200,000	\$26,323,000	unknown*	\$16,000,000** (61%)	120 days after BOT approval

* Property has been owned by Florida East Coast Railway, L.L.C. since the early 1900's

** \$23,940 per acre

Noted Features related to the appraised value of the FEC Parcel, Brevard and Volusia Counties:

- This corridor connects three very different types of communities. The city of Titusville is strongly influenced by the Kennedy Space Center along the Indian River Lagoon in Brevard County; Enterprise is a growing suburb of Orlando along I-4 at Lake Monroe in Volusia County; and Edgewater, which is also along the Indian River Lagoon and a suburb of the Daytona Beach and New Smyrna Beach communities also in Volusia County.
- Although the corridor totals over 50 miles long, it acts very much like three corridors, in that it is readily accessible from several neighborhoods with close proximity to the central hub (Maytown) from each end point.
- This long, continuous corridor has 18 different valuation segments, suggesting a huge variety of different types of land habitats/uses through which it passes. These include several different types of residential neighborhoods, along with different commercial and light industrial centers, agricultural and timber tracts, and numerous natural, untouched habitats including wetlands and natural drainage sloughs crossed by former raised trestle-ways.
- Across-the-fence methodology is used in the valuation of corridors. Simply put, this method looks for predominant values for property adjacent to (across the fence from) the subject corridor. For a corridor of this magnitude, the 18 valuation segments described above cover a very wide range of across-the-fence values. In this case, the range is from approximately \$2,600 per acre (\$0.06 per sq. ft.) to \$283,000 per acre (\$6.50 per sq. ft.). However, these across-the-fence properties have no corridor uses such as power transmission lines, transportation routes, pipelines for a variety of utilities, or product transmissions.
- The unique group of corridor uses is recognized by an adjustment to the across-the-fence values, which is called a corridor factor. The corridor factor can represent the high cost of having to assemble a comparable corridor by purchasing small portions of all the adjacent (across-the-fence) properties. This is somewhat like a "jigsaw puzzle" challenge, and usually involves expensive attorney fees to complete. In this case, the corridor factor is a very modest 1.13 or a 13% adjustment above the across-the-fence values.

STAFF REMARKS: The East Central Regional Rail Trail project has been identified on the Department of Environmental Protection (DEP), Office of Greenways and Trails' (OGT) Florida Forever approved acquisition list. DEP, Division of State Lands, on behalf of OGT, negotiated this acquisition under the Florida Forever Greenways and Trails program. If the Board of Trustees approves this agreement, the project will be complete.

Substitute Item 4, cont.

Property Description

The property consists of a lengthy, abandoned rail corridor owned by Florida East Coast Railway, L.L.C. (FEC) beginning in the community of Enterprise in Volusia County and ending in city of Titusville in Brevard County. An additional spur branches off in Maytown (the central hub) and runs northeasterly to the city of Edgewater. All together, the corridor extends 50.65 miles, providing a unique opportunity for developing a recreational trail. This acquisition has been a high priority of OGT for several years, due to its potential as a trail for recreation and alternative transportation. Within reach of the corridor lie some of Florida's unique natural areas, such as the Merritt Island National Wildlife Refuge, the Canaveral National Seashore, the St. Johns River, Buck Lake Conservation Area, Green Spring and Gemini Springs.

Encumbrances

A 1,100-foot-long by 100-foot-wide section (2.53 acres) of the rail corridor in Volusia County contains six homes that were built in the middle of the corridor, creating a gap in the corridor. Though this section has been removed from the acquisition, Volusia County, at its expense, will provide a continuous, uninterrupted trail in this area, assuring the Board of Trustees a dedicated trail system. Cures under consideration include routing the trail along existing Maytown road right-of-way or purchasing additional right-of-way.

In addition, Miami Corporation (Miami Corp) owns approximately 57,000 acres of land abutting a 12-mile section of the rail corridor in Volusia County. Miami Corp claims to have been using a portion of the corridor as logging roads for its timber operations and has claimed a prescriptive easement over that portion of the corridor under its use. In order to proceed with this acquisition DEP, FEC, and Miami Corp agreed to a shared-use arrangement, which will allow Miami Corp to use a portion of the corridor for its activities without restricting the development of the area as a trail. This acquisition will convey, at closing, an easement to Miami Corp for ingress and egress of silvicultural traffic over the portion of the corridor currently used for that purpose. This easement terminates when Miami Corp no longer needs the area for its agricultural activity. During the meantime, Miami Corp will be allowed to use the entire width of the corridor abutting its property until trail construction begins. Miami Corp will also be granted vehicle crossings at specified intervals along the trail. All of these encumbrances were taken into account by the appraisers.

Federal Procedures

This property is being acquired using federal acquisition procedures in accordance with the Federal Intermodal Surface Transportation Efficiency Act and the Code of Federal Regulations Title 49. On June 22, 1999, the Board of Trustees approved a recommendation to substitute the land acquisition procedures of the Federal Highway Administration for the State of Florida's procedures outlined in section 259.041, F.S., for the projects that qualify for federal enhancement funding, as administered by the Florida Department of Transportation. Under the federal guidelines, DEP is required to disclose the full appraised value of the parcel at the beginning of negotiations.

Substitute Item 4, cont.

Closing Information

A title insurance policy, a survey, an environmental site evaluation, and if necessary, an environmental site assessment will be provided by the purchaser prior to closing.

Mortgages and Liens

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. DEP staff will review, evaluate, and implement an appropriate resolution for these and any other title issues that arise prior to closing.

Management

OGT will be the interim manager, while Brevard and Volusia Counties will be the long-term managers of the property. Both Brevard and Volusia Counties have committed to funding development of the project, including adding future improvements such as paving and establishing trailheads and waysides.

Florida's Statewide Greenways & Trails System

The major components of the Florida Statewide Greenways and Trails Program were established through a legislatively adopted plan. This plan was developed through the work and consensus of a broad range of groups and stakeholders, such as recreational users, conservation groups, and private landowners. The foundation for its development consisted of various legislative actions and efforts which occurred throughout the more than 20 years prior to its adoption in 1999. OGT is charged with overseeing the establishment of the statewide system of greenways and trails, in coordination with the Florida Greenways and Trails Council (Council).

One important component of the Florida Greenways and Trails Program is the identification of ecological and recreational connections (opportunity areas) throughout the state. These areas have been identified, mapped, prioritized, and are the basis for developing and evaluating acquisition projects.

OGT Application Process

Applicants apply for OGT 1.5 percent (\$4.5 million) annual allocation of Florida Forever funding through an application process. The applicants must meet criteria specified by chapter 260, F.S., and detailed by rule in chapter 62S-1, F.A.C. Applications are initially reviewed by OGT staff and biologists and then forwarded to the Council for review and approval. The Council consists of 21 members, as outlined in chapter 260, F.S. At a public meeting, the council evaluates the projects before recommending a final acquisition list. The list is then forwarded to the Secretary of DEP for final approval.

In order to be eligible, applicants must apply for and receive a Certificate of Eligibility. A Certificate of Eligibility is approved by OGT staff if: (1) the proposed project meets the definition of a greenway or trail, as defined in chapter 260, F.S.; (2) the planned project corridor is located within or adjacent to at least one opportunity segment on one or more of the

Substitute Item 4, cont.

Recreational Prioritization Maps; (3) at least 80 percent of the planned project corridor has a landowner willing to negotiate; and (4) the project has a willing manager. Once the Certificate of Eligibility is approved, the project application may be submitted to OGT during an open cycle period. Proposed projects are evaluated based on the following criteria: (1) the rank (high, medium, or low) assigned to the project based on the Recreational Prioritization Maps; (2) percentage of any matching funds available or committed to the project; (3) the percentage of acreage that is proposed for less-than-fee acquisition; (4) ecological values; (5) recreational attributes; and (6) historical and cultural resources.

Comprehensive Plan

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 4, Pages 1-105)

RECOMMEND APPROVAL