

AGENDA
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
NOVEMBER 20, 2008

Item 1 Minutes

Submittal of the Minutes from the September 30, 2008 Cabinet Meeting.

(See Attachment 1, Pages 1-17)

RECOMMEND APPROVAL

Item 2 Land Management Uniform Accounting Council Report

REQUEST: Consideration of a Land Management Uniform Accounting Council Report on a Methodology and Formula for Allocating Land Management Funds

LOCATION: Statewide

STAFF REMARKS: Section 259.032(11)(c), F.S., as amended by Senate Bill 542 (Chapter 2008-229, Laws of Florida), requires the Land Management Uniform Accounting Council (LMUAC), established in section 259.037, F.S., to develop formulas and methodologies for allocating interim and long-term management funding from the Conservation and Recreation Lands Trust Fund (CARL) to state agencies. LMUAC's report on the methodology and formula for allocating land management funds must be presented to the Acquisition and Restoration Council (ARC) and the Board of Trustees before being delivered to the Legislature no later than December 31, 2008. Both ARC and the Board of Trustees must review and modify the report, if appropriate.

Overall, many funding and revenue sources provide the bulk of the state agencies' funds for managing conservation lands. The CARL land management funding formula funded only 40 percent of the total management costs of the state agencies for FY 07-08. Thus, formulas were developed in an attempt to allocate this fractional amount equitably between the agencies without causing undue harm to any existing programs that depend on the CARL funds.

The new law required that the formula for allocating interim management funds must be based on estimated land acquisitions for the fiscal year in which the funds will be expended. The long-term management funding formula was required to address different levels of natural, recreational and historical resource management, as well as the contributions of secondary managers, the anticipated revenue generated, the impacts of multiple-use management, and invasive plant and animal infestations.

LMUAC held three public meetings/workshops on September 12 and 26, and October 3, 2008, that reviewed the new legislative requirements, considered the data availability and applicability for each of the factors, agreed on the development of interim and a long-term management funding formulas. ARC subsequently reviewed the report at a public hearing on October 9, 2008 and approved the report for submittal to the Board of Trustees on October 10, 2008.

Item 2, cont.

The interim management funding formula was based on the amount of land acquired and the amount spent for interim management during the past eight years, which varied from \$1 to \$4.5 million since 2001 with an average of \$2.45 million per year. Twice in the last eight years the total per annum spending for interim management exceeded \$3 million, but in both cases spending for interim management during the subsequent years was below \$1.7 million. To increase equity in interim management funding across years, LMUAC recommended that a set amount of \$3 million annually should be requested pursuant to section 259.032(11)(e), F.S., for interim (= startup) management funds.

For long-term management funding, the funding allocation of 10 percent of the base allocation for long-term management funds to the Division of Historical Resources (DHR) was proposed to continue under the new funding formula. DHR provides management assistance to all agencies and curates all archaeological and historical artifacts, and it is currently funded at this level.

For the remaining 90 percent of long-term management funding, data was available or reasonably obtainable to address each of the legislative requirements, although refinement and standardization in data collection was determined to be a critical need to the successful use of the formulas developed for allocating long-term CARL funds. Not all of the factors addressed were included in the final formula. Some factors overlapped with others and were not readily separable, while for others it was difficult to ascertain relative contribution in an equitable manner. The long-term management funding formula included 13 funding unit values and 16 variables under three categories of conservation land management: resource management, recreation visitor service, and capital improvements (i.e., infrastructure and facilities).

Recommended Formula Provides Funding Allocations Similar to Current Levels

Agency	Current formula	Resource Mgmt.	Public Attendance	Capital Improvements	New CARL formula
DEP Div. Rec. & Parks	\$27,532,895	\$12,655,689	\$10,362,838	\$4,679,180	\$27,697,706
DEP Coastal & Aquatic Mgt.	\$1,371,195	\$1,238,116	\$230,042	\$25,403	\$1,493,562
DEP Greenways & Trails	\$2,625,761	\$1,418,324	\$1,645,028	\$1,102,549	\$4,165,900
DACS Div. Forestry	\$26,183,248	\$22,509,068	\$590,000	\$3,107,944	\$26,207,012
Fish & Wildlife Cnsv. Comm.	\$21,086,142	\$18,127,190	\$675,000	\$2,298,980	\$21,101,170
DOS Div. Historical Resources	\$8,755,471	n/a	n/a	n/a	\$8,755,471
TOTALS	\$87,554,712	\$55,948,386	\$13,502,908	\$11,214,056	\$89,420,821
Amount above 1.5 % of Cumulative Deposits					\$1,866,109

Due to the new legislation, the amount of conservation lands included under the new formula more than doubled those included under the old formula: from 1.7 to 3.4 million acres. Another 4.05 million acres of mostly submerged lands managed by the state also qualify for inclusion in the long-term management funding formula, but they were excluded primarily due to limited revenue projections for CARL and their substantial impact on funding allocations to the agencies. LMUAC voted unanimously, by December 2009, to: (1) further study the relative contributions of secondary managers, anticipated revenue generated, and impacts of multiple-use management; and (2) complete data verification and a comprehensive land management needs assessment.

(See Attachment 2, Pages 1-76)

RECOMMEND APPROVAL

Substitute Item 3 City of Doral/50-Year Lease/BOT/DMS/Southcom

REQUEST: Consideration of a 50-year lease to the City of Doral for 5.8 acres, more or less, located in Miami-Dade County, Florida.

COUNTY: Miami-Dade

APPLICANT: City of Doral (City)

LOCATION: Section 28, Township 53 South, Range 40 East

STAFF REMARKS:

Background: The Board of Trustees owns a 66.87-acre parcel of land in Miami-Dade County (County), of which 55.42 acres are leased to the Department of Management Services (DMS) for the United States Southern Command (Southcom) facility, and 5 acres are leased to DMS, under a separate lease, for a communications tower. There is a 40-foot-wide strip reserved for a road on the west side of the project area that encompasses 0.65 acre. This leaves 5.8 acres of state land available.

On September 19, 2006, the Board of Trustees approved a lease amendment, sublease, and leaseback agreement between DMS and a private developer for construction of the Southcom building. Subsequently, on November 15, 2006, the U.S. House of Representatives, Committee on Armed Services, disapproved the Army's proposal to lease space from a private developer on state property, and instead recommended pursuing a federally-funded military construction project. As a result, the lease amendment, sublease, and leaseback agreement which were presented to the Board of Trustees on September 19 were not executed. On December 19, 2006, the Board of Trustees approved an amendment to DMS' lease and a new sublease to the United States of America (USA) for 55.42 acres. The remaining state land available for lease totals 5.8 acres.

Current Request

As part of the Board of Trustees' action on September 19, 2006, the Department of Environmental Protection (DEP) was directed to present the County's first right of refusal to the current Board of Trustees for consideration. However, prior to staff preparing the agenda item for consideration, the County submitted a letter dated September 19, 2008, stating it has no objection to the Board of Trustees issuing a lease to the City for the 5.8 acres; therefore, DEP staff is requesting Board of Trustees' approval to grant the City a 50-year lease. The City prefers a 50-year lease at this time instead of seeking acquisition of the property for appraised value. The City is to pay an annual administrative fee, which is currently \$300, pursuant to section 18-2.020(8), F.A.C., but no additional consideration is required since this is a public lease to a governmental entity. The Miami-Dade Fire Rescue Department was also contacted directly regarding its interest in the parcel and has confirmed it is not interested in acquiring the 5.8 acres.

The City is proposing to build a police station on the leased premises estimated to be between 40,000 and 50,000 square feet, with approximately 150 to 200 parking spaces. The lease will contain a condition requiring the City to break ground within three years from the effective date of the lease, or the leased premises will revert back to the Board of Trustees.

Substitute Item 3, cont.

Southcom Approval

Southcom submitted a letter dated May 29, 2008, stating its support for the City's lease on the remaining 5.8 acres. Southcom followed up with an email, dated October 10, 2008, stating it fully supports the City's intent to build a police station, with adjacent parking lot, on the 5.8 acres.

Heightened Public Concern

Although DEP has delegated authority to approve leases and subleases to governmental entities, Board of Trustees' approval has been requested because the state-owned property at Southcom has been a subject of heightened public interest due to its strategic location and value as a public asset.

Noticing

DEP noticed state agencies on August 15, 2007, pursuant to section 18-2.019(5), F.A.C., which states, "Before a parcel of land is offered for lease, sublease or sale to a local or federal unit of government or a private party, it shall first be offered to state agencies." There were no interested parties.

Comprehensive Plan

A local government comprehensive plan has been adopted for this area pursuant to section 163.3167, F.S. The Department of Community Affairs determined that the plan is in compliance. The proposed action is consistent with the adopted plan.

(See Attachments 3, Pages 1-31)

RECOMMEND APPROVAL

Substitute Item 4 **TNC Option Agreement/DACS/DOF/Blackwater River State Forest Additions and Inholdings Project**

REQUEST: Consideration of an option agreement to acquire fourteen, non-contiguous tracts of land consolidated into seven parcels totaling 1,041.08 acres within the Department of Agriculture and Consumer Services' Division of Forestry's Blackwater River State Forest Additions and Inholdings project from The Nature Conservancy.

COUNTY: Okaloosa

APPLICANT: Department of Agriculture and Consumer Services' Division of Forestry (DOF)

LOCATION: Sections 11 & 14, Township 04 North, Range 25 West; Section 36, Township 05 North, Range 25 West; Sections 12, 22, & 26, Township 05 North, Range 24 West; Sections 07 & 19, Township 05 North, Range 23 West

**Board of Trustees
Agenda - November 20, 2008
Substitute Page Five**

Substitute Item 4, cont.

CONSIDERATION: \$2,339,581.37 (\$2,244,191.50 for the acquisition; \$37,442.00 for overhead costs; \$57,947.87 for reimbursable expenses. The Nature Conservancy is not charging holding costs of 0.02 percent of seller's purchase price per day, allowable under the DOF Multi-Party Acquisition Agreement).

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY</u>		<u>APPROVED VALUE</u>	<u>SELLER'S PURCHASE PRICE</u>	<u>TRUSTEES' PURCHASE PRICE</u>	<u>OPTION DATE</u>
		<u>Ryan (06/12/08)</u>	<u>Griffith (06/12/08)</u>				
Tracts 24-26	386.86	\$1,083,000	\$928,500	\$1,083,000			120 days after
Tract 21	151.65	\$ 425,000		\$ 425,000			BOT approval
Tract 27	76.44	\$ 260,000		\$ 260,000			
Tracts 29-32	79.37	\$ 310,000		\$ 310,000			
Tract 33	156.89	\$ 471,000		\$ 471,000			
Tracts 34-36	37.33	\$ 146,000		\$ 146,000			
Tract 37	<u>152.54</u>	<u>\$ 488,000</u>		<u>\$ 488,000</u>			
	1,041.08	\$3,183,000	\$928,500	\$3,183,000	\$2,244,191.50*	\$2,339,581.37**	(74%)

* Seller purchased the properties in June 2008.

** \$2,247.26 per acre.

STAFF REMARKS: This acquisition was negotiated by DOF under its Florida Forever Additions and Inholdings Program.

Property Description

This acquisition consists of property within the Blackwater River State Forest and will afford natural resource conservation and allows additional outdoor recreation activities under a multiple-use management regime. Acquisition of these parcels will significantly improve the ability to utilize prescribed fire and positively impact the overall management of the Blackwater River State Forest.

Multi-Party Acquisition Agreement

DOF field staff was made aware that Rayonier Woodlands, LLC (Rayonier) was preparing to auction numerous small holdings within Okaloosa County. Fourteen of the tracts to be auctioned were within the optimum boundary of Blackwater River State Forest. DOF approached The Nature Conservancy (TNC) requesting their assistance in acquiring these properties. DOF made its request for assistance pursuant to the Multi-Party Acquisition Agreement (MPAA) entered into on February 19, 2002, by letter amendments dated May 20, 2002, November 11, 2002, April 15, 2003, and March 27, 2008 between TNC, DOF, and the Department of Environmental Protection's (DEP) Division of State Lands (DSL). TNC purchased the property totaling 1,041.08 acres in June 2008 from Rayonier Forest Resources, L.P., successor in interest to Rayonier at a purchase price of \$2,244,191.50.

If this acquisition is approved, the Board of Trustees will acquire the property from TNC for a purchase price that is the sum of TNC's expenses, to include: (1) the purchase price that TNC paid Rayonier; (2) DOF/DSL-approved direct expenses associated with the purchase price; (3) TNC overhead, pursuant to the MPAA, not to exceed \$75,000. In no event will the Board of Trustees' purchase price exceed the approved value of \$3,183,000.

Substitute Item 4, cont.

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

This acquisition consists of fourteen, non-contiguous tracts of land consolidated into seven parcels. Four of the fourteen tracts have no legal access; however, they do have physical access as they adjoin or are an inholding of Blackwater River State Forest and can be accessed via existing forest roads. There are outstanding oil, gas, and mineral reservation over all fourteen tracts. The Bureau of Geology has indicated the property holds little economic significance for exploration. The appraisers considered these interests in their valuation of the property and the future managing agency, DOF, will manage the property with these outstanding interests in place. Because these issues were discovered during preliminary due diligence, further research may change the facts and scope of each issue.

Closing Information

A title insurance commitment, a survey, and an environmental site assessment of the property will be provided by DOF prior to closing.

Management

The parcels will be managed by DOF as an addition to the Blackwater River State Forest approved management plan.

Comprehensive Plan

This acquisition is consistent with section 187.201(22), F.S., the Agriculture section of the State Comprehensive Plan.

(See Attachment 4, Pages 1-65)

RECOMMEND APPROVAL

Substitute Item 5 **Rakestraw/Hodnett Option Agreement/Florida First Magnitude Springs Florida Forever Project**

REQUEST: Consideration of an option agreement to acquire 54.74 acres within the Florida First Magnitude Springs Florida Forever project from James F. and Elania T. Rakestraw, John B. and Reta A. Rakestraw, and Irma P. Hodnett.

COUNTY: Leon

**Board of Trustees
Agenda - November 20, 2008
Substitute Page Seven**

Substitute Item 5, cont.

LOCATION: Section 29, Township 02 South, Range 02 East

CONSIDERATION: \$3,395,000

<u>PARCEL</u>	<u>ACRES</u>	APPRAISED BY:		<u>APPROVED VALUE</u>	<u>SELLER'S PURCHASE PRICE</u>	<u>TRUSTEES' PURCHASE PRICE</u>	<u>OPTION DATE</u>
		Candler (02/15/08)	Asmar (05/09/08)				
Rakestraw	54.74	\$3,273,000	\$3,395,000	\$3,395,000	unknown*	\$3,395,000** (100%)	120 days after BOT approval

* Family owned since the early 1900's.

**\$62,020 per acre.

STAFF REMARKS: The Florida First Magnitude Springs project is one of the top 21 projects on the Florida Forever A list and is in the Critical Natural Lands and Partnership and Regional Incentives categories of the Florida Forever Priority List approved by the Board of Trustees on September 16, 2008. The project contains 14,081 acres, of which 6,182 acres have been acquired or are under agreement to be acquired. If the Board of Trustees approves this agreement, 7,844 acres, or 56 percent of the project, will remain to be acquired.

Project Description

Large springs of clear, continuously flowing water are among Florida's most famous and important natural and recreational resources. The cavernous, water-filled rocks of the Floridan aquifer system supply water to the largest springs. By preserving land around springs, this project will protect them, and the Floridan aquifer, from the effects of commercial, residential, and agricultural runoff, clear cutting and mining, and unsupervised recreation. This project will ensure that Floridians and visitors from all over the world will be able to enjoy Florida springs for years to come.

The property contains a natural bridge of dry land interrupting the surface flow of the St. Marks River that flows through the property and resurfaces at the St. Marks River Rise just south of the property. There are at least eight large karst windows that run north to south on the property. The property overlies an extensive network of underwater conduits that comprise the Natural Bridge Cave System (NBCS) and contains the majority, if not all, of the known access points. In 2006, divers from the Woodville Karst Plain Project surveyed 12,108 feet of underwater cave passage in the NBCS making this system the fourth-largest cave system in the Wakulla Karst Plain (WKP). It is possible when additional mapping is complete that this may become the third-largest cave system in the WKP. The largest cave system in the WKP is now the Leon Sinks/Wakulla Springs cave system that was recently linked by cave divers.

Emergency Archaeological Funding

This 54.74-acre parcel, located adjacent to the Natural Bridge Battlefield Historic State Park (Natural Bridge State Park) listed on the National Register of Historic Places, contains essential historical, cultural, and hydrogeological resources. The Department of State's Division of Historical Resources submitted a letter to the Department of Environmental Protection's (DEP) Division of State Lands (DSL) requesting this acquisition be purchased using funds from the

Substitute Item 5, cont.

Florida Forever Trust Fund reserved for an emergency acquisition, pursuant to section 253.027, F.S. If DSL is unable to purchase the property, the property owners will pursue marketing the property for sale to a private individual or a corporation. This historic site including artifacts, relics, and the historic significance may be irretrievably lost if this property is sold.

The Civil War Preservation Trust (CWPT) has listed the subject property on its list of the top ten endangered Civil War sites in the United States. CWPT, a national non-profit organization dedicated to the preservation of Civil War battlefields, fully supports this purchase. It has offered to pay up to \$20,000 at closing towards the Board of Trustees' due diligence products necessary for the acquisition of this property.

The Natural Bridge State Park is adjacent to this property and each year there is a re-creation of the historic battle. Additionally, there are deadhead logs located in the karst windows/spring runs that are on the property. Not only do these windows/spring runs contain well-preserved artifacts from the Civil War period, but they also contain Pleistocene megafauna and artifacts that range in age from Paleoindian (12,000 to 10,000 years old) to 20th century.

Mortgages and Liens

All mortgages and liens will be satisfied at the time of closing. The property is improved with two single-story residences built in 1986, a single-story residence built in 1964, some perimeter fencing, and one entrance gate. The appraisers considered these improvements in the valuation of the property, and the future managing agency, DEP's Division of Recreation and Parks (DRP), has determined that the property can be adequately managed with the existing improvements. 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 these and any other title issues that arise prior to closing.

Closing Information

A title insurance commitment, a survey, and an environmental site evaluation and, if necessary, an environmental site assessment will be obtained by the Board of Trustees prior to closing. The CWPT will contribute up to \$20,000 to the Board of Trustees for these products at closing.

Management

The property will be managed by DRP as part of the Natural Bridge Battlefield Historic State Park.

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 5, Pages 1- 72)

RECOMMEND APPROVAL

Item 6 Project Orlando Option Agreement/Pine Plantation/Wekiva-Ocala Greenway Florida Forever Project

REQUEST: Consideration of an option agreement to acquire 35.69 acres within the Wekiva-Ocala Greenway Florida Forever project from Project Orlando, LLC.

COUNTY: Orange

LOCATION: Section 05, Township 20 South, Range 28 East

CONSIDERATION: \$2,000,000 (100% of DSL approved value. The option agreement calls for the price to be \$3,600,000.00 or DSL approved value, whichever is less.)

<u>PARCEL</u>	<u>ACRES</u>	<u>APPRAISED BY</u>		<u>APPROVED VALUE</u>	<u>SELLER'S PURCHASE PRICE</u>	<u>TRUSTEES' PURCHASE PRICE</u>	<u>OPTION DATE</u>
		<u>Carpenter (10/10/08)</u>	<u>Clayton (10/08/08)</u>				
Project Orlando	35.69	\$2,000,000	\$1,900,000	\$2,000,000	\$1,750,000*	\$2,000,000** (100%)	60 days after BOT approval

* Seller purchased the property in 2006.

** \$56,038 per acre. Both of the appraisals were amended on 11/3/08 with a letter addendum to address minor acreage changes.

STAFF REMARKS: The Wekiva-Ocala Greenway project is one of the top 21 projects on the Florida Forever A list and is in the Critical Natural Lands and Partnerships and Regional Incentive Lands categories of the Florida Forever Priority List approved by the Board of Trustees on September 16, 2008. The project contains 82,048 acres, of which 46,243 acres have been acquired or are under agreement to be acquired. If the Board of Trustees approves this agreement, 35,767.6 acres, or 43.5 percent, of the project will remain to be acquired.

Project Description

This acquisition consists of two parcels containing a total of approximately 35.69 acres within the Wekiva-Ocala Greenway. The parcels are separated by County Road 435, and the easternmost parcel is adjacent to existing state-owned land. Project Orlando, LLC has obtained an appraisal for the property and valued it at \$3,600,000. The Department of Environmental Protection (DEP) has obtained two appraisals for the site in order to determine a final approved value for the property in accordance with Section 259.041(7), F.S. Since this appraisal process was not complete at the time that the option agreement was entered into, the proposed agreement calls for the purchase price to be the lesser of the seller's appraised value or DSL approved value. The recently obtained appraisals show that DSL approved value falls below the seller's value, and so the purchase price reflects that lower figure.

The springs, rivers, lakes, swamps, and uplands stretching north from Orlando to the Ocala National Forest are an important refuge for the Florida black bear, as well as other wildlife such as the bald eagle, swallowtailed kite, Florida scrub jay, and wading birds. The Wekiva-Ocala Greenway will protect these animals and the Wekiva and St. Johns River basins by protecting natural corridors connecting Wekiwa Springs State Park, Rock Springs Run State Reserve, the

Item 6, cont.

Lower Wekiva River State Reserve, and Hontoon Island State Park with the Ocala National Forest. It will also provide the people of the booming Orlando area with a large, nearby natural area in which to enjoy camping, fishing, swimming, hiking, canoeing, and other recreational pursuits.

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

Closing Information

A title insurance commitment, a survey, and an environmental site assessment will be obtained by the Board of Trustees prior to closing.

The property is improved with two manufactured homes that were built in 1979 and 1985. The manufactured homes will be removed from the property prior to closing.

Management

This acquisition will be managed by DEP's Division of Recreation and Parks as an addition to the Wekiwa Springs State Park.

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 6, Pages 1-30)

RECOMMEND APPROVAL