

**AGENDA  
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND  
APRIL 15, 2008**

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**Item 1        Minutes**

Submittal of the Minutes from the February 26, 2008 Cabinet Meeting.

(See Attachment 1, Pages 1-8)

**RECOMMEND APPROVAL**

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**Item 2        City of Key West Utility Board Option Agreement/Florida Keys Ecosystem  
Florida Forever Project**

**REQUEST:** Consideration of an option agreement to acquire 54.72 acres within the Florida Keys Ecosystem Florida Forever project from the Utility Board of the City of Key West.

**COUNTY:** Monroe

**LOCATION:** Section 20, Township 66 South, Range 28 East

**CONSIDERATION:** \$1,938,000

<u>PARCEL</u>	<u>ACRES</u>	APPRAISED BY:		<u>APPROVED</u> <u>VALUE</u>	<u>SELLER'S</u> <u>PURCHASE</u> <u>PRICE</u>	<u>TRUSTEES'</u> <u>PURCHASE</u> <u>PRICE</u>	<u>OPTION</u> <u>DATE</u>
		Benson (07/22/06)	Magenheimer (07/22/06)				
10180	54.72	\$2,000,000	\$2,280,000	\$2,280,000	\$33,000*	\$1,938,000** (85%)	208 days after BOT approval

\* The property was purchased by the City of Key West in 1967. In 1996 a Florida court held that by enacting Chapter 65-1770, Laws of Florida, the Florida Legislature had acted to create the Utility Board of the City of Key West, Florida, and, further, that said legislation provided that the Utility Board has the exclusive right and power to manage, operate, sell, and convey by deed all property used in connection with the electric public utility owned by the City of Key West.

\*\* Price per acre is \$35,417.

**Noted Features of Subject Property:**

The subject is a 54.72-acre tract on the west side of Blimp Road, one-half mile north of Overseas Highway on Cudjoe Key. This is a sparsely-developed, rural residential neighborhood with scattered commercial and industrial uses. Zoning is low-density residential; the property was valued with a highest and best use for dedication in the ROGO system. The site has 1,320 feet of frontage on Blimp Road, and is improved with an asphalt road which bisects the property from east-to-west and provides access to a solid-waste transfer station and closed landfill located west of the property. The appraiser considered the road's effect on value.

**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 February 26, 2008. The project contains 11,863 acres, of which 6,562 acres have been acquired or are under agreement to be acquired. If the Board of Trustees approves this agreement, 5,301 acres, or 45 percent of the project, will remain to be acquired.

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**Item 2, cont.**

**Project Description**

The unique 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 these islands. 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.

**Mortgages and Liens**

All mortgages and liens will be satisfied at the time of closing. There is an existing unrecorded 40-foot-wide paved road that bisects the property. It provides access to Blimp Road for the Monroe County transfer station and the Clear Channel Metroplex, Inc. radio tower properties, which are west of the subject property. The title search did not reflect a recorded easement; therefore the seller will prepare a 50-foot-wide easement, to be recorded prior to the deed of conveyance, which will follow the existing road and include a portion of the shoulder. The easement will be between the seller, Monroe County and Clear Channel Metroplex, Inc. The seller will include the managing agency and the Department of Environmental Protection (DEP) staff in the preparation of the easement. The existing road was considered in the final value based on the physical location. 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.

There was a mean high water line study performed on the subject property. Any portion of the subject property below the mean high water line is not part of the value or the purchase price, but will be part of the conveyance.

The appraisal stated the west boundary line appeared to have an encroachment. The seller had the boundary line surveyed and found there to be no encroachments. The purchaser will provide a final survey of the property, and any encroachments will be rectified prior to closing.

**Closing Information**

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

**Management**

The parcel will be managed by the United States Fish and Wildlife Service as an addition to the National Key Deer Refuge.

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**Item 2, cont.**

**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 2, Pages 1-34)

**RECOMMEND APPROVAL**

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**Substitute Item 3    Babcock Ranch Preserve Update**

**REQUEST:** Update on the Babcock Ranch Preserve.

**COUNTIES:** Charlotte and Lee

**STAFF REMARKS:** The 73,239-acre Babcock Ranch Preserve (Preserve) is located in southern Charlotte and northern Lee Counties. Ownership of the Babcock Ranch Preserve is held by the Board of Trustees for the portion of the property located in Charlotte County, and by the Lee County Board of County Commissioners for the portion located in Lee County.

Babcock Ranch Management, LLC (Preserve Manager), a for-profit limited liability company, is managing the Preserve, for a term of up to ten years under the provisions of a Management Agreement approved by the Board of Trustees on November 22, 2005. Pursuant to the Babcock Ranch Preserve Act, sections 259.1052 through 259.1053, F.S., management of the Preserve is overseen by multiple entities:

- Babcock Ranch, Inc., a legislatively created not-for-profit corporation, is an advisor to the Preserve Manager during the term of the Management Agreement. It is comprised of a nine-member board of directors, including four members appointed by the Board of Trustees, the executive director of the Florida Fish and Wildlife Conservation Commission (FWC), the Commissioner of the Department of Agriculture and Consumer Services (DACS), a representative from the Babcock Florida Company, a representative appointed by the Charlotte County Board of County Commissioners, and a representative appointed by the Lee County Board of County Commissioners. At such time as the Management Agreement terminates, Babcock Ranch, Inc. will assume management responsibility for the Preserve.
- FWC and DACS, Division of Forestry, are co-lead managing agencies acting in a technical advisory role to the Preserve Manager.
- Lee County, in addition to being an owner, is acting in a technical advisory role to the Preserve Manager for the Lee County portion of the property.

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**Substitute Item 3, cont.**

- The Acquisition and Restoration Council (ARC) is required to review all management plans for conservation lands greater than 160 acres and submit to the Board of Trustees its recommendations, pursuant to sections 253.034(5) and 259.032(10)(f), F.S.
- The Board of Trustees is required to approve the Preserve management plan pursuant to section 259.1053(9)(b), F.S., the business plan pursuant to paragraph 2 of the Management Agreement, and the Operational Report pursuant to section 259.1053(10)(c), F.S.

**Operational Report**

The Management Agreement, approved by the Board of Trustees on November 22, 2005 requires submittal of an Operational Report to the Board of Trustees annually detailing all activities on the property of any nature during the prior year, including those matters addressed in the management and business plans and the Management Agreement, together with information regarding funding, expenditures, permit applications, and design or building contracts for the prior year. The Operational Report was submitted to Division of State Lands (DSL) on January 31, 2008 for the period August 1, 2006 through July 31, 2007. DSL responded in writing suggesting that additional clarification and information be provided by March 20, 2008. The Preserve Manager discussed the suggestions with DSL staff on March 18, 2008, and indicated a willingness to adopt the suggestions. The Preserve Manager is preparing a revised Operational Report and has advised DSL that a detailed financial audit was ordered in January 2008 for the 2007 calendar year. During this discussion it was suggested that the reporting period for the Operational Report be changed to the calendar year to coincide with the Preserve Manager's audit reporting period. DSL has requested in writing that the revised Operational Reports (2006 and 2007) and financial audit be provided to DSL by May 16, 2008.

**Management Planning Process**

The Management Plan for the property is required to be prepared in accordance with sections 253.034(5) and 259.032(10), F.S. The Management Plan is required by statute to be approved by the Board of Trustees no later than two years following the date of acquisition. The property was acquired on July 31, 2006. The Department of Environmental Protection's DSL received the Management Plan in March 2008. In accordance with the Management Agreement, Lee County approved the Management Plan on February 26, 2008. The Babcock Ranch, Inc. board approved the Management Plan on March 17, 2008, with five concerns. On April 11, 2008, ARC approved the Management Plan with the provision that Section 3.4 of the plan dealing with silviculture (pages 66-70) be removed. Babcock Ranch Management, LLC will continue to follow Section 21 (silviculture) of the Management Agreement until completion of the Red-cockaded Woodpecker (RCW) and Timber management plans for the property. The RCW and Timber management plans will be brought to ARC for approval.

(See Attachment 3, Pages 1-52)

**RECOMMEND DISCUSSION**