

Disposition of State Lands and Facilities 2011 Annual Report

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Division of State Lands*

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Division of Real Estate Development and Management*

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Disposition of State Lands and Facilities

I. Executive Summary

A. Background and Purpose

1. Purpose

Chapter 2010-280, Laws of Florida (SB 1516), created Section 216.0153, F.S., requiring the Department of Environmental Protection (DEP) and the Department of Management Services (DMS) to provide a report to the Governor and Legislature by October 1 of each year, listing real property disposition candidates. Due to the November 16, 2010 final passage of SB 1516, DEP and DMS provided this report as an interim version in March 2011 (hereinafter referred to as the March Report) and are now providing a final report on October 1, 2011 (hereinafter referred to as the Annual Report). The Annual Report includes state-owned land and buildings compiled by DEP and DMS for disposition.

2. Disposition Process

State property owned by the Board of Trustees of the Internal Improvement Trust Fund (Board of Trustees) must go through a specific process before it can be disposed, pursuant to statute and rule. Steps vary depending on whether the property is conservation land or non-conservation land. This includes but is not limited to first offering to lease the property to universities, community colleges and state agencies before offering the property for sale. Then local government is given the right to purchase the property for market value. If there is no local government interest, the property is made available to the public.

3. Interagency Collaboration

As the statewide custodian of real property information, DEP is responsible for development, maintenance and required reporting for the new comprehensive system of all state-owned real property, known as the Florida State Owned Land And Records Information System (FL-SOLARIS). DEP is working together with DMS, Department of Revenue (DOR), Department of Financial Services (DFS), County Property Appraisers, Agency for Enterprise Information Technology (AEIT), and the Board of Governors (BOG) on the development of the FL-SOLARIS comprehensive real property database.

In addition to the development of FL-SOLARIS, DEP and DMS collaborated closely with nearly 50 state government entities in the development of this report. The state government entities provided valuable information on the utilization of state-owned real property, and helped DEP and DMS identify potential disposition candidates. This report could not have been accomplished without the constructive feedback we received from the state government entities.

4. Scope of the October 2011 Disposition Report

The Annual Report lists state-owned property with potential for disposition in three categories:

1. Under Contract/In Negotiations
2. Active
3. Possible Surplus/To Be Determined (TBD)

Lists of properties sold and properties placed under management leases between July 1, 2009 and January 31, 2011 were included in the March Report. The Annual Report includes updated information from the March Report as well as a move toward a fiscal year reporting period for activities and findings.

DEP: In addition to all disposition candidates identified in the March Report, data regarding conservation land and properties leased by cities/counties is being evaluated for this and future reporting. Due to this ongoing process, not all candidates have been evaluated to the point where they can be included in this October 2011 report. Also, many of the properties reported in March which were within the Possible Surplus/TBD category have been further evaluated.

DMS: The March Report listed state-owned facilities that are potential disposition candidates, as determined by the state government entities. For the purpose of this report, the terms “buildings” and “facilities” are used interchangeably. Chapter 2010-280, Laws of Florida, requires agencies to submit facility information to DMS by July 1 of each year in a format prescribed by DMS. Additionally, the law requires DMS to collect state-owned facility information including but not limited to location, size, occupancy, operating costs, and valuations. Unlike the March Report, where agencies only self-reported their disposition candidates, DMS took the additional step of reviewing the facility information provided on July 1 for operating inefficiencies, including facilities with no FTE’s, high operating costs or poor utilization. DMS worked closely with the agencies in using the information gathered on July 1 to identify additional disposition candidates.

B. Findings

1. Completed Disposition Actions (July 1, 2010 – June 30, 2011)

Since July 1, 2010, 21 properties have been disposed. Two were exchanges, one was a conveyance with no consideration received and 18 were sales. Total revenue received was \$851,324 and 186 acres of land valued at \$5,002,800 was received through the exchanges. Inquiries initiated by the public resulted in eight transactions, while 13 properties were sold through the proactive efforts of DEP. Three transactions involved conservation properties and seven sales were to local governments or municipalities. Eight properties were claimed by state universities or by various state agencies before they could be offered for sale to the public.

2. Active Dispositions in Process

Under Contract/In Negotiations: There are 13 properties (vacant and improved), for which potential purchasers have been identified, in the negotiation, under contract for sale/exchange or closing phases. The total value of these properties is estimated at \$3.2 million, but because several properties involve land exchanges only an estimated \$2.2 million in revenue will be generated.

3. Identified Vacant and Improved Property Candidates for Disposition

a) Active: 444 properties are available for disposition or for lease to a state university or government entity. The total estimated value of the property in this category is \$38.9 million. One property accounts for \$25 million of the estimated value.

b) Possible Surplus/TBD: There are 523 properties in this category under evaluation. They may have possible conservation values yet to be determined, unresolved title or ownership issues, restrictions or dedications which hinder their marketability, inexact locations, or a variety of other conditions which need additional examination and resolution. After evaluation, these properties are either moved to the "Active" category or no longer considered candidates for disposition and are retained in state ownership. Due to the large number of properties in this category and uncertainty as to their marketability, their combined estimated value of \$26.5 million probably cannot be realized.

Due to ongoing evaluations, negotiations and dispositions, parcels change from category to category, such as from Possible Surplus/TBD to Active, and so on. Such status changes are included in the body of this report and reflect changes from January 31, 2011 (cutoff for March Report) to June 30, 2011.

II. Body of Report

A. Introduction

Chapter 2010-280, Laws of Florida, created Section 216.0153, F.S., requiring a list of state-owned property recommended for disposition to be submitted to the Governor, President of the Senate, and the Speaker of the House of Representatives by October 1 of each year. This report lists state-owned land and facilities with potential for disposition. In order to meet the broader requirements of Section 216.0153, F.S., DEP formed a project management team to develop and plan the implementation of a comprehensive system for all state land and real property leased, owned, rented, occupied or managed by the state, including the judicial branch, universities, community colleges and the water management districts. At the heart of this process will be the Florida State Owned Lands And Records Information System (FL-SOLARIS), an expanded version of the Lands Inventory Tracking System (LITS) which was required when Chapter 2008-229, Laws of Florida, amended Section 253.0325, F.S. System development for the FL-SOLARIS was awarded in March 2011. Implementation will be accomplished in phases and completion is scheduled for February 2013. DEP is responsible for development, maintenance and required reporting for the comprehensive system. This cannot be accomplished without the expertise of DMS, which has collaborated closely with DEP in the design and implementation of the FL-SOLARIS. These agencies will jointly prepare the required annual reports.

This (October) Annual Report is an update of the March 2011 Interim Report (hereinafter referred to as the March Report) and includes data from DEP, DMS, DOR, and a survey of nearly 50 state government entities.

Data regarding conservation land and cities and counties which lease state-owned lands are currently being evaluated. Due to this ongoing process, not all candidates have been evaluated to the point where they can be included in this October 2011 Annual Report. New parcels have been identified as TBD and added to this report. Ongoing evaluations of the parcels in the TBD category continue resulting in parcels being moved to the Active category, and some determined to be no longer available for surplus are removed from the report. The report's findings of surplus and possible surplus properties are contained on the CD (Attachment A) included within this annual report.

B. Background

Chapter 2008-229, Laws of Florida, amended Section 253.0325, F.S., to require DEP to include lands acquired by all agencies under the Florida Preservation 2000 (P-2000) Act pursuant to Section 259.101, F.S., or the Florida Forever (FF) Act pursuant to Section 259.105, F.S., in its initiative to modernize state land records. This includes land records from 1990 to present, as well as records of future land purchases involving P-2000 and FF funding. DEP contracted with an outside vendor to conduct a feasibility study which resulted in the LITS project. The Legislature subsequently determined that DEP will become the clearinghouse for the data and will be the sole repository for state-owned real property information.

In February 2010, DMS and DEP agreed that leveraging DEP's proposed LITS database presented the best option for creating a comprehensive database of all state-owned property. Chapter 2010-280, Laws of Florida (SB 1516), subsequently directed DEP to develop, administer and maintain a comprehensive system for real property leased, owned, rented, occupied or managed by the state including the judicial branch and the water management districts. This requirement was beyond the scope of LITS, which was still under development.

Development of LITS continued after the Governor vetoed SB 1516 (2010 legislation), but development of the comprehensive FL-SOLARIS system was suspended. When the Legislature overrode the Governor's veto in November 2010, DEP and DMS collaborated on the design of the comprehensive system and DEP negotiated with the contractor of LITS to expand its scope by incorporating development of the new system. LITS was then renamed FL-SOLARIS.

C. Scope of the October 2011 Annual Disposition Report

This 2011 Annual Report is an update of the March Report and lists state-owned property with potential for disposition, including property consisting of primarily vacant land and facilities compiled by DEP and DMS.

The disposition candidates are categorized in Attachment A as:

1. Under Contract/In Negotiations
2. Active
3. Possible Surplus/TBD

Two additional lists in this report (Attachments B and C) show transactions occurring between July 1, 2010 and June 30, 2011. The DEP Sales Report (Attachment B) itemizes each of the 21 properties sold, and State Land Real Property Release of Lease and Re-Lease to Other Agencies (Attachment C) is a list of properties for which the management lease has been transferred from one state agency or government entity to another.

D. Disposition Process

State-owned property must go through a "surplus" process before it can be disposed. Steps in the process vary depending on whether the property is "conservation land" acquired with Conservation and Recreation Lands, Environmentally Endangered Lands, Save Our Coast, Save Our Rivers, Land Acquisition Trust Fund, P-2000 or FF funds in accordance with Chapter 259, F.S., or prior land conservation programs or "non-conservation land" acquired pursuant to Chapter 253, F.S., or other legislative authority. State Parks, Wildlife Management Areas and State Forests are examples of conservation land; examples of non-conservation land include office buildings, courthouses, correctional facilities, hospitals and universities. Managing Agencies along with DEP are tasked with recommending areas that may no longer be needed.

The Acquisition and Restoration Council (ARC) must review the proposed disposition of conservation land and recommend to the Board of Trustees of the Internal Improvement Trust Fund (Board of Trustees) whether they should be retained or sold. For conservation lands to be disposed, the State Constitution requires that it must be determined to be no longer needed for conservation purposes by a majority vote of three members of the Board of Trustees.

DEP's Division of State Lands' Office of Environmental Services (OES) has been proactive in establishing an internal process of evaluating state-managed conservation lands. This involves the review of nearly 250 management units including over 400 sites (many composed of multiple parcels) made up mostly of Board of Trustees lands, but also including non-Board of Trustees lands (lands owned by other state agencies, federal, district or local governments or private entities) and lands having multiple owners sharing ownership, one of which is the Board of Trustees.

Board of Trustees owned property:

In addition to conservation lands owned by the Board of Trustees, OES reviews other lands owned by the Board of Trustees such as Murphy Act and Swamp and Overflow lands for values from a resource perspective, which will determine whether they become active for disposition, with or without restrictions that protect the significant resources, or be removed from surplus consideration and be retained in public ownership. For now, initial candidates which appear to have insufficient value from a resource perspective are to be placed in the Possible Surplus/TBD category until this review can be completed. This review is ongoing and will continue to update the status of parcels being offered for disposition.

In both conservation and non-conservation lands, the property must have title confirmed as state-owned and be offered for lease to state universities, community colleges and state agencies first. If no interest is expressed, the property is then offered for sale to local governments (counties first, followed by municipalities). This is referred to as "noticing." If a local government expresses interest to purchase, it is then valued and sold to that entity for appraised value. If no interest is expressed by the local government it is made available to the public and the marketing effort begins. Parcels valued under \$100,000 can be sold by any reasonable means; parcels valued over \$100,000 are required to be competitively bid. Parcels are proactively marketed and when a buyer is identified a contract is prepared. All contracts for conservation land must be approved by the Board of Trustees; for non-conservation land, contracts of \$500,000 or more must be approved by the Board of Trustees.

When a university, community college or state agency responds to the "notice" requesting the property, the property is placed under a "management lease" to the university, community college or the agency and goes no further in the disposition process. The university, community college or agency then becomes responsible for use and maintenance of the property. Management leases are used for state agencies, local governments or other programs regardless of whether the property is a park, recreational trail, forest, wildlife conservation area, university, community college or state office building. A more detailed discussion of this disposition process is included in Attachment D.

Non-Board of Trustees owned property:

OES has developed procedures for water management district (WMD) properties and other non-Board of Trustees owned property. These procedures include other entity submittals of information prior to initiating a surplus disposal process to ensure that such lands are not needed by state agencies for other public purposes before the WMDs or other entities (e.g. federal government) offer them for sale to private entities. This process also provides DEP oversight and supervision of water management district land disposition activities to ensure that the public is receiving an equitable value when such lands are sold to private entities.

E. Data Collection and Analysis

1. Overview

Because of the initial difference in the data needs between agencies, DEP and DMS conducted separate data collection surveys. The specific approaches for data collection and subsequent analysis methodologies were different for primarily vacant land compiled by DEP and land with facilities compiled by DMS. The results gathered from each agency's mostly manual collection efforts are combined in the compilation of this annual report.

2. DEP Data Collection Process

The collection process began with a review of DEP's internal surplus property files. Vacant land records in DOR's property appraisers' database for each county were then compared to DEP's surplus land files and discrepancies were resolved, or are in the process of being resolved. Properties under management leases were removed from consideration. State agencies leasing Board of Trustees land were asked in a survey to identify any land that is not necessary for state agency purposes and could be a candidate for disposition. All of this was included in the March Report which identified 1,098 Board of Trustees owned properties containing an estimated 24,555 acres. In addition, DMS identified 56 facilities recommended for disposition which were included as a separate attachment in the March Report and not included in the above numbers. These properties are now reflected in Attachment A. Some of these properties are now in the surplus process, some are in the process of being leased to other agencies or local governments, and some have not yet been released for surplus by the managing agency. Thirty-four of the 56 facilities are located at the A.G. Holley State Hospital in Lantana, and all 34 are reflected as one property in this report. In total, the 56 facilities had a combined assessed value of \$49.5 million (assessed value is provided by the county property appraisers, and it may not reflect the actual appraised value of the facility if taken to market).

Subsequent to the March Report, another request was sent to state agencies, universities and community colleges asking for information on lands and facilities owned by those agencies which they have determined to be surplus to their needs. Also, a request was sent to cities and counties which lease state-owned lands and/or facilities asking for information on any lands and facilities they no longer need to lease. The result of this process is the list of properties shown in Attachment A which includes Board of Trustees owned lands as well as lands owned by other agencies.

Ongoing analysis of facility information is being performed by both DEP and DMS. DEP is proactively addressing identified candidates for potential disposition by contacting agencies regarding lease status, if DEP has not yet received a request to release the identified property from lease.

3. DMS Data Collection Process

DMS has maintained a program to collect facility information on state-owned facilities since 1985. This program is called the State Facilities Inventory (SFI). Section 216.0152 F.S., originally required DMS to collect information on state agency facilities over 3,000 square feet. The original inventory consisted of approximately 4,000 facilities.

Chapter 2010-280, Laws of Florida, requires DMS to collect information on all state-owned facilities, regardless of size. It also requires state universities, community colleges and the water management districts to report facility information to DMS. These changes modified the scope of the SFI from 4,000 facilities to approximately 18,000 facilities.

Chapter 2010-280, Laws of Florida, increased the facility data elements DMS is required to collect from the state government entities. Before the passage of this law, DMS only collected basic information on facilities such as the building address and square footage. DMS now collects detailed information including but not limited to operating expenses, space uses, assessed values, building restrictions and lease revenues. This information has never been captured in a single location, and will help DMS and the state government entities conduct strategic analyses of their owned assets.

In an effort to collect the information required in Section 216.0152, F.S., DMS on March 16, 2011 released a web-form for the agencies to populate their facility data element requirements. This web-form requested 28 different data elements per facility, and the information was due to DMS on July 1, 2011. As a result of this process, state government entities reported 17,999 facilities to DMS, encompassing 154 million square feet of space.

DMS reviewed the data submitted on July 1 for possible disposition candidates. Due to the limited timeframe, DMS primarily focused on office and lab space for underutilized and inefficient facilities. DMS developed a list of potential disposition candidates, and reached out to the state government entities to validate the list of candidates. DMS also requested the state government entities identify any additional facilities with disposition opportunities.

Once DMS received the final disposition candidates from the state government entities, department staff analyzed the candidates and compiled the list for this report. The results of this process are found in Attachment A.

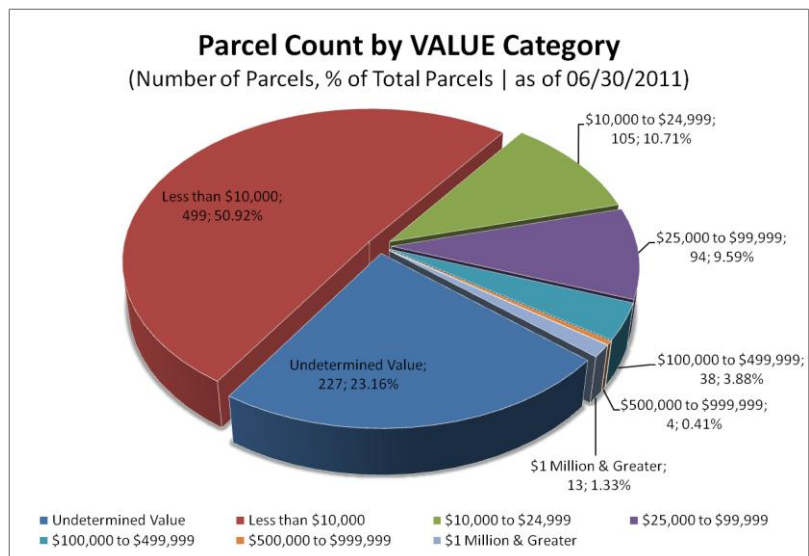
F. Findings and Results

1. Overview

In the March Report, DEP identified 1,098 Board of Trustees surplus properties throughout the state, containing an estimated 24,555 acres with an estimated value of \$56.1 million. In addition, DMS identified 56 facilities with an estimated value of \$49.5 million. Thirty-four of the 56 facilities are located at the A.G. Holley State Hospital in Lantana. All of the properties have been combined into one spreadsheet for this October Report as Attachment A. Eleven properties are still in the TBD category, two have been moved to the Active category including the 34 A.G. Holley facilities which are now reported as one. Ten have been removed from the report, of which four will have the lease transferred from the Department of Highway Safety and Motor Vehicles (DHSMV) to the local county. One was determined as no longer available for surplus by the state agency, and five were either not state-owned or not considered real property.

As of July 1, 2011, the report contains a total of 980 surplus or possible surplus properties, containing an estimated 10,053 acres with an estimated value of \$68.5 million. Of the 980 properties, there are 16 that are improved with some sort of facility, one is in negotiations with an estimated value of \$2 million, four are in the active category with an estimated value of \$32.5 million and eleven are in the TBD category with an estimated value of \$7.8 million. These values do not reflect possible revenue as all values are estimated or based on assessed value provided by the county property appraisers, and it may not reflect the actual appraised value of the facility if taken to market. In addition, many of the properties may be leased by state universities, community colleges or state agencies. These 16 improved properties represent less than 1 percent of the total parcel count but 60 percent of the estimated value. These numbers will constantly change due to ongoing evaluations, newly identified surplus properties, property re-leased to agencies, universities and community colleges in the noticing process, ongoing negotiations and dispositions of property.

Properties identified as of July 1, 2011 came into state ownership through a number of sources, but 854 of the total 980 properties were acquired through the “Murphy Act” as a result of defaults for non-payment of taxes during the Great Depression. The Murphy Act properties represent 87 percent of the total parcel count, but they represent only 48 percent of the total acreage and only 15 percent of the estimated value. Many of the Murphy Act parcels are scattered small lots within undeveloped subdivisions which have

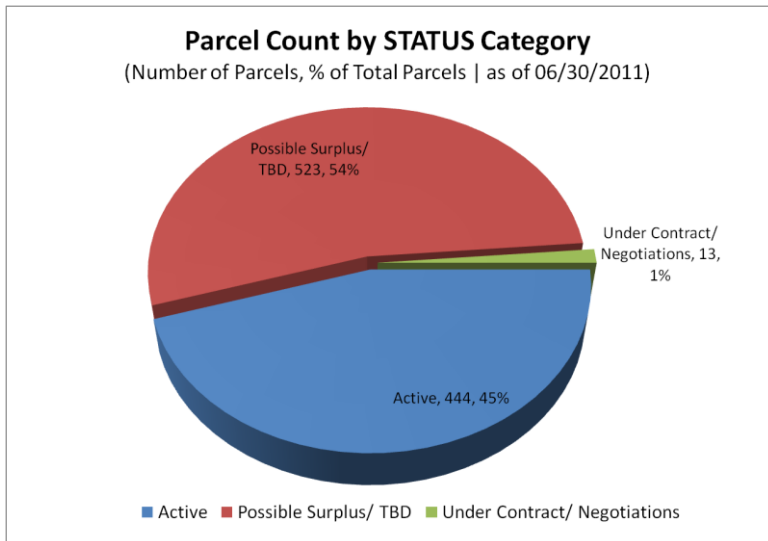


no roads, water, sewer or electrical utilities. The remaining properties were acquired via donation, exchange, purchase, original grant at statehood, re-conveyance, or other miscellaneous methods. Properties purchased by the state were typically acquired in conjunction with a larger property at the request of a state agency which needed the land.

Over the years, the surplus properties with the greatest utility have been either placed into governmental use or sold to the private sector. Most of those remaining in state ownership are unusually small, irregularly shaped, landlocked, have title issues, or a combination thereof and have little economic utility. Many properties on the list are large marshy wetland areas. Past direction has been that these should be retained in state ownership. Regardless, these wetland properties are included as potential candidates for disposition should the Governor, Legislature and the Board of Trustees determine that this is in the best interest of the state.

2. Attachment A - State-Owned Land & Facility Dispositions in Process or To Be Determined

Due to the number of properties listed, this data is provided on a CD as Attachment A to this interim report. The spreadsheet has a status column that includes the categories as discussed below. It should be noted that the size of the various properties on the list is that reported to DOR by the county property appraisers and has not been verified with a survey. Similarly, the values shown are the result of the county property appraisers' mass valuation techniques, not appraisals on the individual properties. This should be considered in giving weight to the sizes and values reported.



Under Contract/In Negotiations:

These are properties for which potential purchasers have been identified and are in the negotiation, contracting or closing phases. The property will move to either a "Sold" category after closing or back to "Active" if the negotiations end or if the contract is terminated without a sale. Exchange properties that were not identified as surplus prior to initiation of the exchange are an exception to this. They return to the control of the managing agency and

are no longer available for disposition.

Of the 13 properties in this category, 7 are Murphy Act parcels. The total estimated value of these parcels is \$3,169,843. However, several of the 13 properties are exchanges with a combined estimated value of \$995,905. Typically the state will receive land of equal value rather than cash for these exchange properties. Therefore, the actual anticipated revenue from these properties is estimated to be \$2,173,938. Another property on this list is under negotiation with the Okeechobee Utility Authority and could result in their paying in cash, a land exchange, or a combination thereof.



Active: The properties in this category consist of parcels that are being noticed or require noticing, properties in the valuation process prior to marketing, and properties available for disposition. Those with economic utility/saleable value are identified and actively marketed. This may be done through direct sale or competitive bid, notice to surrounding property owners, brochures to area real estate offices, advertising in the local newspaper or on the internet, signs on the property, and postings on the DEP Surplus Property website (www.dep.state.fl.us/lands/buy_sale.htm). Parcels with little economic use or value include those that are small slivers or

small odd shaped parcels such as the one shown in the aerial photograph. They may be too small to be buildable per local codes, narrow strips along roadways or have other miscellaneous characteristics. DEP notifies adjoining property owners of the availability of the uneconomic parcels and may place them on DEP's website, but because of the limited market for them there is minimal established marketing activity. This Active category contains 444 properties, 423 of which were acquired via the Murphy Act. The total estimated value of the property in this category is \$38.9 million. One improved property, the A.G. Holley State Hospital in Lantana, accounts for a little over 100 acres and an estimated \$25 million of the value in this category.

Possible Surplus/TBD: Properties in this category are under evaluation. They may have possible conservation values yet to be determined, unresolved title or ownership issues, restrictions or dedications which hinder their marketability, inexact locations, or a variety of other conditions that need to be resolved. After evaluation these properties are moved to the Active category or retained in state ownership. Of the 523 properties in the TBD category, 424, or 81 percent, are Murphy Act parcels. Many of these properties are wetlands. For several years, direction has been that all surplus wetland properties remain in state ownership. Thus, they previously would not have been included on this list. Also included are reclaimed lake bottoms, properties with flowage easements, and unmanaged properties abutting and within managed or project areas. None of these wetlands or unmanaged properties has been offered for sale in the past. Whether these properties are moved to the Active category and offered for sale, or removed from the list and retained in state ownership, depends on direction provided by the Governor, Legislature and the Board of Trustees. Due to the large number of properties in this category and uncertainty as to their marketability, their combined estimated value of \$26.5 million probably cannot be realized.

Attachment A includes a tab for Board of Trustees-owned properties as well as a separate tab containing 37 properties owned by WMDs and properties having shared ownership between WMDs and the Board of Trustees. These 37 properties contain a combined estimated 2,144 acres and a total estimated value of \$1.98 million. The information on these 37 properties was obtained as a result of DEP's request for surplus properties from other state agencies. These 37 properties are not included in the previously mentioned 980 total properties as this information is currently being evaluated, as described in section D herein.

Due to ongoing evaluations, negotiations and dispositions, the numbers in each category will continue to change. The following is a brief accounting of the status changes of disposition candidates for the period of January 31, 2011 (cutoff for March Report) to June 30, 2011 (cutoff for this October 2011 Annual Report):

Category	January 31, 2011	June 30, 2011
Total	1,098	980
Under Contract/In Negotiations	28	13
Active	398	444
Possible Surplus/TBD	672	523

Eight new records with approximately 691 acres and an estimated value of \$32.3 million were added to the Active category since the March Report. Ten parcels which were Under Contract/In Negotiations have been sold and have been removed from the report. Continuing review and evaluation of the TBD category resulted in 162 records being moved; 34 were moved to Active, while 128 were removed from the report. The majority of these consisted of parcels that were determined to have conservation or water resource values, and 9,440 acres having conservation value are being added to existing leases under various land managers. Approximately 4,450 acres are being considered for conveyance to the WMDs pursuant to Section 373.056(1)(a), F.S.

3. Attachment B - DEP Sales Report (July 1, 2010 - June 30, 2011)

Revenue generated by surplus land sales in recent years is shown below:

Fiscal Year	Sale Revenue
04/05	\$ 1,385,609
05/06	\$18,315,850
06/07	\$ 1,684,911
07/08	\$10,573,855
08/09	\$ 2,011,568
09/10	\$ 6,481,085
10/11	\$ 851,324

The 21 properties that have sold since July 1, 2010 are listed in Attachment B. Of the 21, two were exchanges (a detailed description of the exchange procedure is included as Attachment E) in which the Board of Trustees received 186 acres valued at \$5,002,800. One was a conveyance with no consideration as part of a joint venture between the National Park Service,

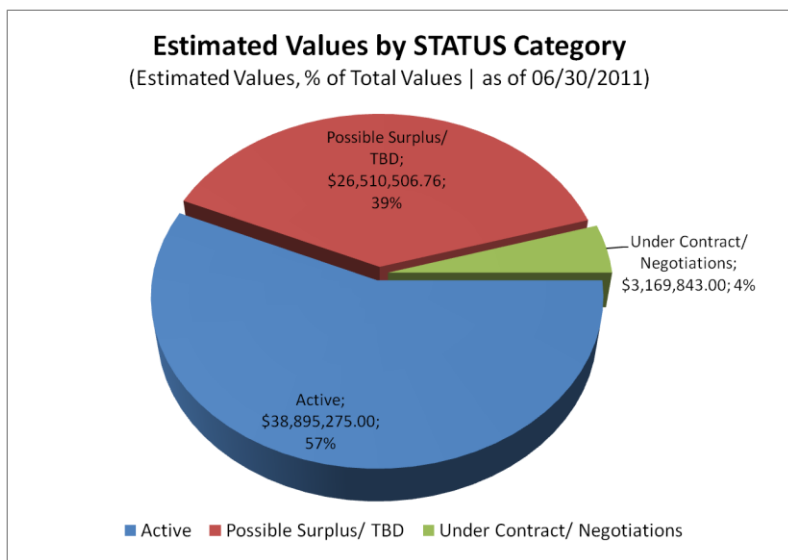
the City of St. Augustine and the University of Florida to achieve historic preservation and stimulate heritage tourism. The remaining 18 transactions were sales consisting of 49 acres totaling \$851,324 in revenue, which calculates to averages of \$17,374 per acre and \$47,295 per property. These amounts include two sales of improved properties. Excluding the two improved property sales, the remaining 16 transactions would yield averages of \$9,230 per acre and \$26,957 per property. This analysis illustrates the general characteristics of many of the properties on the surplus list, that is, numerous small properties at low dollars per property.

Direct requests resulted in eight sales/exchanges totaling 159 acres. The remaining 13 properties were sold through the proactive efforts of DEP. Seven sales were to local governments or municipalities.

In most cases revenue generated from the sales goes to the Internal Improvement Trust Fund (IITF). All fiscal year 2010/2011 revenue has gone to the IITF except for \$300 received for the sale of a very small strip of conservation land.

By statute, when land acquired with conservation funds is sold, the fund from which the land was purchased must be reimbursed. There are also isolated instances where the sale proceeds benefit other agencies through specific legislation. For example, proceeds from the Sunland Hospital sale in fiscal year 2005/2006 totaling \$5,285,000 went to the Department of Children and Families, and in fiscal year 2009/2010 the University of Florida/Institute of Food and Agricultural Sciences Relocation and Construction Trust Fund received \$6,203,000 for the sale of Board of Trustees land.

In prior years, DEP successfully sold property at or above appraised value. As the real estate market continues its decline, it is clear that buyers are much less willing to pay appraised value. In spite of current market conditions, DEP staff negotiated sales and exchanges resulting in a combined total of revenue and land received exceeding their total appraised value. This does not include the parcel conveyed to the National Park Service for no consideration. This was accomplished even though sales to local governments must be at appraised value, and three of the properties were sold at less than appraised value. Two of these were vacant buildings which required thousands of dollars in renovation and continued maintenance. One of these sales consisted of multiple small parcels of non-contiguous lots with over half of them not buildable and a quarter of them remnant parcels, some with encroachments. All below-appraised-value transactions were previously bid more than once at or below appraised value, without success.



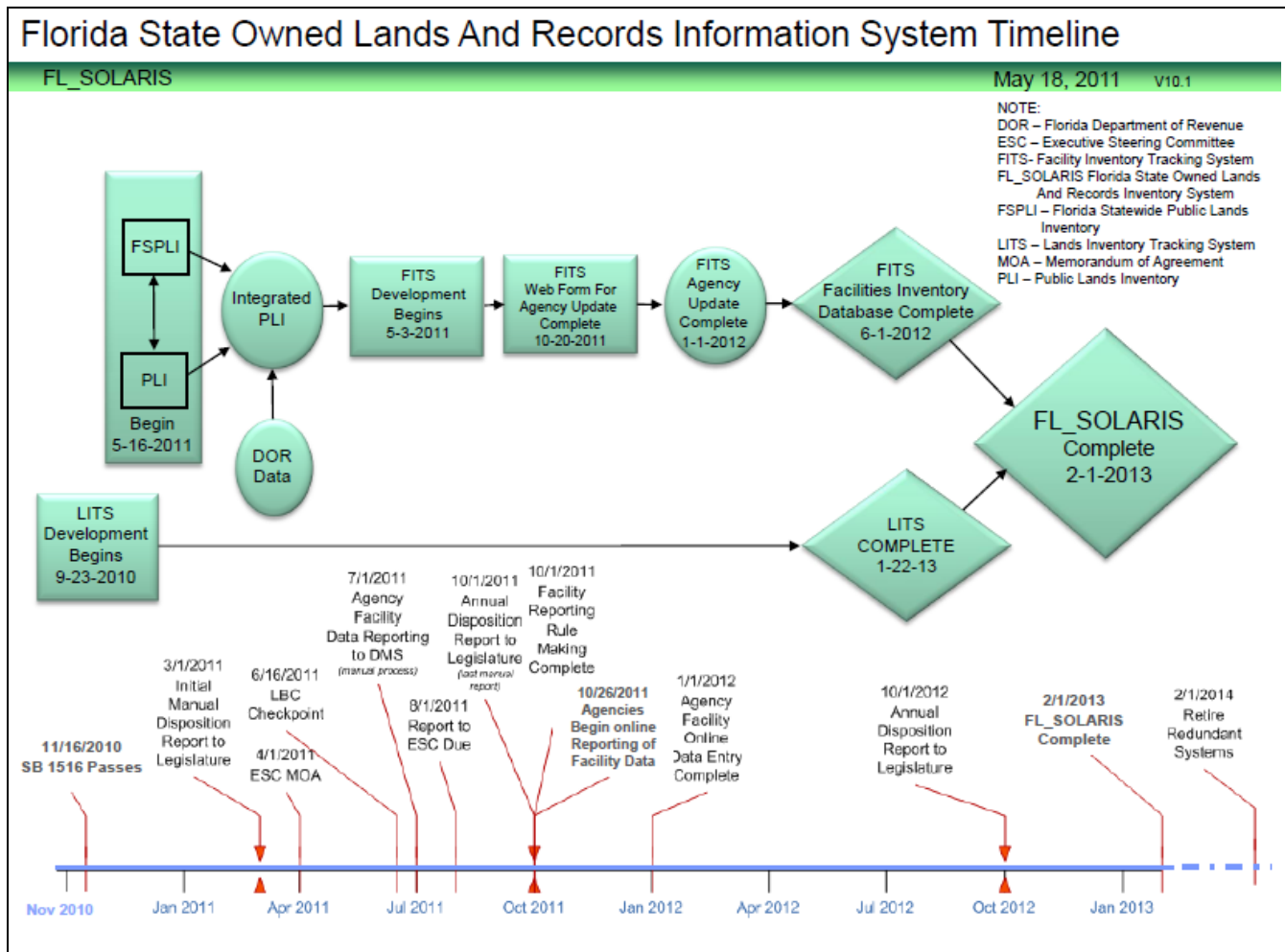
4. Attachment C - State Land Real Property Release of Lease and Re-Lease to Other Agencies

When a university, community college or state agency has a need for property that has been deemed as surplus, it is placed under a management lease to the agency and goes no further in the disposition process. The agency then becomes responsible for use and maintenance of the property. Management leases are used for state agencies, local governments or other programs regardless of whether the property is a park, recreational trail, forest, wildlife conservation area, or state office building. The listing in Attachment C illustrates recent lease transactions.

G. Next Steps

1. Progress Update on FL-SOLARIS

The contract for system development for FL-SOLARIS was awarded in March 2011. Implementation of the comprehensive database system will be accomplished in phases and is scheduled for completion in February 2013.



2. Future Agency Actions

A survey of nearly 50 state agencies, offices and departments, state universities and community colleges was conducted to determine any leased or owned land and facilities surplus to their needs. This yielded data which, along with other properties within the Possible Surplus/TBD category, will continue to be evaluated. Annual updates will be requested from agencies and DEP and DMS will dedicate staff resources on properties which have the greatest potential of producing significant revenue. Sold properties will remain as part of the report unless direction to the contrary is received.

III. Attachments

A. State-Owned Land & Facility Dispositions in Process or To Be Determined

(Database provided via CD)

B. DEP Sales Report

July 1, 2010 through June 30, 2011

DEP SALES REPORT

07/01/10-06/30/11

Conservation

07/01/10-06/30/11

County	Type Property	Acreage Surplused or Exchanged	Appraised Value of Surplused Property	Pro-active or Request	Type Transaction	Purpose of Surplus or Exchange	Comments: Surplus or Exchange Details	BOT or Delegation	Revenue Received	Land Recd in Exchange	Exchange Value	Proceeds to:	Closing Date	Deed Number
Polk	Conservation	111.27	\$3,668,600	Request	Exchange	City Park requires lighted paved road to access the new City Park isolating the exchanged parcel from the main management area.	Approved by ARC. The exchanged property owned by the state was in need of habitat restoration and exotics control; however the proposed City Park Rd would make management of the area difficult. Closed 01/11/11.	BOT	\$0	125.47	\$4,352,800	n/a	01/11/11	32099
Monroe	Conservation	0.019	\$300	Pro-active	Sale	Deed to cemetery-cemetery lot encroachment area.	Original Surveyor missed 8' x 105' encroachment of cemetery lots.	BOT	\$300			Florida Forever Trust Fund	07/02/10	32164
St. Johns	Conservation	0.22	\$588,000	Request	Conveyance	Not needed by state government.	In Partnership with the University of FL and the City of St. Augustine (who donated .25ac) the US plans to build a Visitors Orientation Center in the Historic District of St. Augustine.	BOT	\$0			n/a	02/10/11	32247
		111.51	\$4,256,900						\$300	125.47	\$4,352,800			

Non-Conservation

07/01/10-06/30/11

County	Type Property	Acreage Surplused or Exchanged	Appraised Value of Surplused Property	Pro-active or Request	Type Transaction	Purpose of Surplus or Exchange	Comments: Surplus or Exchange Details	BOT or Delegation	Revenue Received	Land Recd in Exchange	Exchange Value	Proceeds to:	Closing Date	Deed Number
Jefferson	Murphy Act	2.00	\$15,000	Request	Sale	Not needed by state government.	Parcel was sold to highest bidder.	Delegation	\$17,500			IITF	07/29/10	32046
Nassau	Murphy Act	35.00	\$125,250	Pro-Active	Sale	Not needed by state government.	Bulk Sale-459 Noncontiguous lots-majority are not buildable.	Delegation	\$101,491			IITF	07/28/10	32098
Volusia	Murphy Act	0.06	\$3,000	Pro-Active	Sale	Not needed by state government.	Purchased by Adjacent Property Owner.	Delegation	\$3,734			IITF	10/27/10	32126
Hillsborough	Murphy Act	0.13	\$7,500	Pro-Active	Sale	Not needed by state government.	City is Adjacent Property Owner.	Delegation	\$7,500			IITF	09/09/10	32163
Hardee	Murphy Act	0.38	\$4,000	Pro-Active	Sale	Not needed by state government.	Purchased by Adjacent Property Owner.	Delegation	\$8,360			IITF	08/16/10	32183
Bradford	Non-Consrv	0.35	\$2,100	Request	Sale	Not needed by state government.	Sold to resolve encroachment. Parcel is isolated from Parent Tract by R/W. Lease#3515; DOC ok'd Partial Release.	Delegation	\$2,100			IITF	09/24/10	32189

County	Type Property	Acreage Surplused or Exchanged	Appraised Value of Surplused Property	Pro-active or Request	Type Transaction	Purpose of Surplus or Exchange	Comments: Surplus or Exchange Details	BOT or Delegation	Revenue Received	Land Recd in Exchange	Exchange Value	Proceeds to:	Closing Date	Deed Number
Manatee	Murphy Act	0.05	\$4,000	Pro-Active	Sale	Not needed by state government.	Purchased by Adjacent Property Owner for Parking.	Delegation	\$6,000			IITF	09/21/10	32190
Monroe	Non-Consrv	0.03	\$33,500	Pro-Active	Sale	Not needed by state government.	Sold to resolve encroachment.	Delegation	\$60,000			IITF	12/27/10	32241
Sumter	Murphy Act	0.12	\$900	Pro-Active	Sale	Not needed by state government.	City is building playground.	Delegation	\$900			IITF	12/31/10	32261
Manatee	Non-Consrv	0.13	\$3,600	Request	Sale	Not needed by state government.	20'x290' strip of land between two residential owners. Sold by Competitive Bid. Advertising (\$117.18) Pd by Buyer.	Delegation	\$5,628			IITF	04/19/11	32265
Bay	Filled Formerly Submerged Sovereignty Lands	3.856	\$192,750	Request	Sale	Not needed by state government.	Panama City Airport is being relocated. BOT parcel is landlocked within old airport & needed for the sale of entire old airport. Also Release of Easement #25091 (2273-03)	BOT	\$192,750			IITF	05/05/11	32176 (5857-03)
Brevard	Non-Consrv	2.03	\$350,000	Pro-active	Sale	Not needed by state government.	Sold by Competitive Bid. Building damaged by Hurricane, vacant since 2004, ordinance violations.	BOT	\$245,001			IITF	05/11/11	32201
Jackson	Murphy Act	0.56	\$1,520	Pro-Active	Sale	Not needed by state government.	Purchased for City Infrastructure Projects. .14ac-M/A & .42ac former DOF Towersite.	Delegation	\$1,520			IITF	05/19/11	32279
Putnam	Murphy Act	3.74	\$19,000	Request	Sale	Not needed by state government.	Parcels are almost adjacent/split by r/w. Three Parcels-one has access by a paved road, two have access by a dirt road.	Delegation	\$20,000			IITF	05/02/11	32263
Pinellas	Non-Consrv	0.37	\$240,000	Pro-Active	Sale	Not needed by state government.	Vacant since 2008. Sold by competitive bid to adjacent property owner. Property was bid 3 times since 2009.	BOT	\$175,000			IITF	06/27/11	32283
Sumter	Murphy Act	0.15	\$2,700	Pro-Active	Sale	Not needed by state government.	Purchased by adjacent owner-unbuildable 50'x130' lot with 75' setback.	Delegation	\$2,700			IITF	05/02/11	32287
Sumter	Murphy Act	0.16	\$600	Pro-Active	Sale	Not needed by state government.	Purchased by adjacent owner-landlocked 50'x135' lot with 75' setback.	Delegation	\$840			IITF	05/20/11	32288
Escambia	Non-Consrv	37.25	\$650,000	Request	Exchange	Not needed by state government.	University of West Florida Exchange provides greater benefit to the public; parcel connects 2 halves of West Campus optimizing development .	BOT	\$0	60.58	\$650,000	IITF	06/29/11	32275
		86.37	\$1,655,420						\$851,024	60.58	\$650,000			

	Acreage Surplused or Exchanged	Appraised Value of Surplused Property	Revenue Received	Land Received in Exchange	Exchange Value
Conservation:	111.29	\$3,668,900	\$300	125.47	\$4,352,800
Conservation Closed Since Last Report:	0.22	\$588,000	\$0	0.00	\$0
Total Conservation:	111.51	\$4,256,900	\$300	125.47	\$4,352,800
Non-Conservation:	38.12	\$195,250	\$207,585	0.00	\$0
Non-Conservation Closed Since Last Report:	48.245	\$1,460,170	\$643,439	60.58	\$650,000
Total Non-Conservation:	86.37	\$1,655,420	\$851,024	60.58	\$650,000
TOTAL	197.874	\$5,912,320	\$851,324	186.05	\$5,002,800

Sales - Last Report: 07/01/10-01/31/11

Sales Since Last Report: 02/01/11-06/30/11

C. State Land Real Property Release of Lease and Re-Lease to Other Agencies

July 1, 2010 through June 30, 2011

July 1, 2010 through June 30, 2011

DSL FILE NO.	ACREAGE	COUNTY	PROPERTY NAME	COMMENTS	DATE RELEASED and RE-LEASED	LOCATION
3895	multiple lots	St. Johns	DOS/St. Augustine	Re-leased to Univ. of Florida in lease #2734	07/08/2010	Various Historic Downtown Properties, St. Augustine, FL
4103	43.00	Pinellas	OGT/Weedon Island	Re-leased to Pinellas County in lease #3985	07/08/2010	Eastern banks of Pinellas County South of Gandy Road
4276	5.00	Miami-Dade	DMS/FAA Tract	Re-leased to City of Doral in lease #4602	08/18/2010	Adjacent to 9301 NW 33rd St, Doral, FL
4194	47.19	Gadsden	TCC/ Pat Thomas Academy	Re-leased to Dept. of Corrections in lease #4661	10/04/2010	HWY 90 Midway, FL
3973	2.65	Leon	DMS/Bloxham Building	Property partially re-leased to Leon County School Board lease #4665	10/13/2010	727 South Calhoun St., Tall, FL
3151	2.00	Leon	District Court of Appeal	Re-leased to FSU in lease #2736	01/11/2011	301 S. Martin L. King Blvd., Tall, FL
3910	149.10	Lake	General James Van Fleet State Trail	Re-leased to Division of Recreation and Parks in lease #2741	01/28/2011	Section 06, Township 23S, Range 24E
3973	2.60	Leon	DMS/Firestone Building	Property partially re-lease to FSU in lease #2736	07/01/2011	409 East Gaines St., Tall, FL

D. Overview of State Land Real Property Disposition Process

- 1) The Asset Management Section within the Department of Environmental Protection (DEP) pro-actively markets unmanaged state-owned real property* and real property requested to be released by the managing agency.
- 2) Conservation land may not be sold unless a determination is first made that the land is no longer needed for conservation purposes as required by the Florida Constitution and Florida Statute [Article X, Section 18, Florida Constitution, and Section 253.034(6), F.S.]. Requests to surplus conservation land must be submitted to the Acquisition and Restoration Council (ARC). ARC acts in an advisory capacity to the Board of Trustees of the Internal Improvement Trust Fund (Board of Trustees) on land management issues. ARC makes its recommendation as to whether the state land is no longer needed for conservation purposes [Rule 18-2.021(7)(c)3, F.A.C.]. For land acquired with conservation funds, the acquisition fund from which the land was purchased must be reimbursed for the price received for the property.
- 3) The property must first be offered for lease to state agencies, community colleges and state universities, with universities and community colleges given priority consideration. Properties leased to state agencies, universities and community colleges are at no cost except for a nominal annual administration fee of \$300. [Sections 253.034(6) and (15), F.S., and Rule 18-2.019, F.A.C.]
- 4) The property is also offered for purchase, for 45 days, to the local government and state agencies that can hold title. If no interest to lease the property is expressed by any state university, community college or state agency, the first right of refusal to purchase is given to the county and then the local municipality, then the state agency [Sections 253.034(6)(f), and 253.111, F.S., and Rule 18-2.019, F.A.C.]. A resolution must be received by the local government or municipality within 45 days of receipt. (Steps 3 and 4 are generally noticed simultaneously to expedite the process.)
- 5) For properties not claimed by universities, community colleges or state agencies which can be sold, market value of the property is determined by an appraisal or staff evaluation pursuant to Section 253.034, F.S., and Chapters 18-1 and 18-2, F.A.C. Appraisal fees are paid by the applicant. When appraisal services are obtained prior to an applicant or purchaser being identified, funding will be provided by the requesting agency or DEP if there is no requesting agency. The funds will be reimbursed to the state by the purchaser, lessee or sub lessee.
- 6) Asset Management staff prepares a negotiation strategy and markets the property for sale or bid as required by Section 253, F.S. Marketing is done by advertising via newspaper, for sale signs, and DEP surplus land website (www.dep.state.fl.us/lands/buy_sale.htm). Buyers are required to pay all costs of the sale including but not limited to survey, appraisal, title work, and environmental assessment.

7) Asset Management staff prepares a contract and handles the sale transaction in coordination with DEP's Office of General Counsel.

8) DEP has delegation of authority to approve and execute contracts for the sale of any Murphy Act parcel and non-conservation parcels (1) with a market value of \$100,000 or less (pursuant to Chapter 18-2, F.A.C.) and (2) with a value over \$100,000 and under \$500,000 that are being conveyed at a price equal to or exceeding the value (pursuant to chapter 18-2, F.A.C). All other contracts for the sale of real property go to the Board of Trustees for approval.

9) Deed is prepared and submitted to the Board of Trustees for execution, and closing is scheduled.

*Prior to making a determination to pro-actively market an unmanaged parcel, Asset Management staff reviews the parcel for the following:

- Wetlands
- Abuts or is within a Florida Forever project or is within a managed area
- Whether the parcel is needed for conservation purposes
- Encroachments
- Title issues
- Marketability

E. Overview of State Land Real Property Exchange Process

- 1) Applicant initially contacts the managing agency for a determination that the agency supports the exchange. In its evaluation the managing agency will:
 - a) Make an initial determination of state ownership of the properties involved. If the state land was acquired with bond monies (Florida Forever, Preservation-2000, etc.), the exchange could be denied because such exchanges could represent a conversion of lands acquired for conservation purposes, and such conversion may result in a loss of the tax exempt status of the bonds. Each transaction is reviewed on a case-by-case basis in order to ensure that the bonds are not affected. [Section 253.034(6)(k), F.S.]
 - b) If conservation land is involved, the managing agency will make its recommendation as to whether the exchange will provide a net conservation benefit to the Board of Trustees of the Internal Improvement Trust Fund (Board of Trustees). [Section 253.034, F.S.] Exchange parcels may need to be adjusted to provide the required benefit. The managing agency will also need to make its recommendation that the state-owned land proposed for exchange is no longer needed for conservation purposes as required by the Florida Constitution and Florida Statute. [Article X, Section 18, Florida Constitution, and Section 253.034(6), F.S.]
- 2) If the managing agency supports the exchange, the applicant will submit an application for exchange to the Department of Environmental Protection (DEP). Applicants are advised in the application form that they are required to pay all costs of the exchange including but not limited to surveys, appraisals, title work and environmental site assessment. [Rule 18-2.018(3)(b)3.b., F.A.C.]
- 3) Confirmation of title and acquisition funding will be made by DEP's Title and Land Records Section.
- 4) For conservation lands only, a biological assessment of the parcels proposed for exchange will be prepared.
- 5) Notification of the application is provided to state agencies, state universities and community colleges. If no interest is expressed by any of the agencies, universities or community colleges for the state land to be given up in the exchange, processing of the application will continue. Exchanges are exempt from county noticing. [Section 253.111, F.S.]
- 6) Exchanges involving conservation lands are reviewed by the Acquisition and Restoration Council (ARC). ARC acts in an advisory capacity to the Board of Trustees on land management issues. ARC will make its recommendation as to whether the exchange provides a net conservation benefit to the Board of Trustees [Rule 18-2.021(7)(e), F.A.C.] and whether the state land is no longer needed for conservation purposes [Rule 18-2.021(7)(c)3, F.A.C.].

- 7) If approved by ARC, survey and appraisal work will be completed and an exchange contract prepared by DEP. If the state-owned parcel is higher in value than the private parcel, the applicant will be required to pay the difference to ensure a value-for-value exchange. If the privately owned parcel is greater in value than the Board of Trustees land, the Board of Trustees will not be required to pay the difference.
- 8) DEP has delegation of authority to approve and execute contracts for the exchange of any Murphy Act parcel and non-conservation parcels (1) with a market value of \$100,000 or less (pursuant to Chapter 18-2, F.A.C.) and (2) with a value over \$100,000 and under \$500,000 that are being conveyed at a price equal to or exceeding the value (pursuant to chapter 18-2, F.A.C.) All other contracts for exchanges of real property go to the Board of Trustees for approval.
- 9) The approved file is forwarded to DEP's Closing Section, which completes the Board of Trustees' acquisition requirements, including title work, environmental site assessment and closing documents. DEP's Bureau of Public Land Administration prepares the Board of Trustees deed which is submitted to the Board of Trustees for signatures.
- 10) Closing is scheduled.