

**Consent Agenda
April 28, 2009**

Resource Management Committee

**Appraisals, Exchange/Purchase Agreement and Resolution Requesting Funds –
Upper Hillsborough Project, SWF Parcel Nos. 10-400-167 and 10-400-168S**

Purpose

To recommend the Governing Board approve the exchange of 3.39 acres (SWF Parcel No. 10-400-168S) owned by the District, and the acquisition of 33.32 acres (SWF Parcel No. 10-400-167) owned by Paul D. and Judith Schaper within the Upper Hillsborough Project. The value of the District ownership will be utilized as part of the consideration in this transaction. General location maps of the parcel are included in the board packet as exhibits to this item.

Background/History

The property owner requested the District consider an exchange and purchase of property that will consolidate each of the respective ownerships and boundaries. Pursuant to Section 373.089 (4), Florida Statutes (F.S.), and Article X, Section 18 of the Florida Constitution, the Governing Board may dispose of District owned lands designated for natural resources conservation for other lands within the State upon a determination that the land to be exchanged is no longer needed for conservation purposes.

District staff supports the proposed exchange and acquisition due to the three-acre parcel having limited wildlife value (planted pine habitat), and its isolation from the District's core property, effectively eliminating any recreational benefits along with inefficient property management costs. The 33-acre Schaper property under consideration for acquisition has wildlife benefits; approximately half of the property is mesic flatwoods and has open marsh and slough areas. By obtaining this parcel adjacent to Berry Road, prescribed burns can be conducted on the property that will also facilitate burning larger blocks on the existing Upper Hillsborough tract.

Acquisition of this parcel is consistent with the District's Florida Forever Work Plan which specifically identifies the Upper Hillsborough Project. The Schaper property is contiguous to 16,688 acres that the District currently owns in the Upper Hillsborough Project.

Acquisition of these lands will meet the following Florida Forever program goals:

- Enhance the coordination and completion of land acquisition projects
- Increase the protection of Florida's biodiversity at the species, natural community, and landscape levels
- Increase natural resource-based public recreational and educational opportunities

These Florida Forever goals are consistent with the District's goals for water resource management.

Property Description

Location and Access – Both the District and Schaper properties are located along the northeast side of Berry Road, also known as, CR 35A, northwest of CR 54 in southeast Pasco County.

Utilities and/or Improvements – Electric is provided by Withlacoochee River Electric. The subject properties do not have public water and sewer service.

Zoning – Both the District and Schaper properties are zoned A-R agricultural residential district. This zoning allows single family dwellings with a minimum lot size of one acre. The Schapers provided information about development approvals for a ten-lot subdivision on the 33.32-acre property being offered to the District.

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Summary of Appraisals and Value Comparisons

In accordance with District policy, two appraisals were obtained for these parcels. The reports were prepared by Robert S. Sutte, MAI with Real Property Analysts and from Woodman Herr with Herr Valuation Advisors, Inc. and were completed on September 5, 2008 and August 26, 2008, respectively. Both appraisals were reviewed by Stephen J. Jamir, MAI of Jamir and Associates, Inc. The appraisal reports meet the necessary legal or District requirements and contain the appraiser's factual data leading to the value conclusion.

Highest and Best Use – The highest and best use was determined by the appraisers to be low density single family residential development based on the physically possible, legally permissible and financially feasible uses for these properties.

The appraisers applied the Sales Comparison Approach (Market Approach) to determine the value of these properties. The appraisers relied on recent sales of comparable property in Pasco County. The sales were adjusted for differences that included, date of sale, location/access and physical characteristics including size and topography.

The following is a comparison of the appraised value for the District property offered for exchange as part of the compensation for the transaction:

SWF Parcel No. 10-400-168S Offered as Exchange 3.39 Acres	Recommended Exchange Value	Appraised Value Sutte	Appraised Value Herr
Total Value	\$95,000	\$86,500	\$95,000
Per Acre Value	\$28,024	\$25,516	\$28,024

The District exchange parcel is contiguous to the land that the Schapers currently own and use as their primary residence.

The following is a comparison of the appraised value of the Schaper property to be acquired by exchange:

SWF Parcel No. 10-400-167 Schaper Property 33.32 Acres	Appraised Value Sutte	Appraised Value Herr
Total Cost	\$816,000	\$830,000
Per Acre Cost	\$24,490	\$24,910

The recommended cash offer considered the value difference between the appraisals for both the District and Schaper properties.

The following is a summary of the negotiated exchange including the District parcel and a cash payment:

Proposed Exchange Offer	
District Parcel Value (10-400-168S)	\$95,000
Cash Payment	\$570,000
Total Consideration (10-400-167)	\$665,000

The proposed transaction includes the land exchange of SWF Parcel No. 10-400-168S which has been valued at \$95,000 and a cash payment of \$570,000. The total consideration for parcel 10-400-167 would be \$665,000, or \$19,958 per acre. The recommended exchange and purchase offer is approximately 18.5 percent below the appraised value in the Sutte reports and 19.8 percent below the appraised value in the Herr reports.

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Purchase Agreement

- The seller agreed to deliver marketable title free of all encumbrances objectionable to the District
- An environmental site assessment will be completed prior to closing
- Boundary surveys will be completed prior to closing.

Benefits/Costs

Management Costs

In Fiscal Year 2008 the District paid an average annual cost of \$19.25 per acre for recurring management costs. Recurring management costs include, but are not limited to, fencing, prescribed burning, exotic species control, resource monitoring, road maintenance, recreational development, resource protection, restoration and contract administration. Based on the District's average annual management costs, it would cost \$576.15 annually to manage the tract. No fixed capital outlay has been identified at this time.

Impact If Not Funded/Funding

Funds are available from the Florida Forever Trust Fund. In order for funds to be released from the Trust Fund by the Florida Department of Environmental Protection, a resolution signed by the Governing Board must accompany the request.

Staff Recommendation:

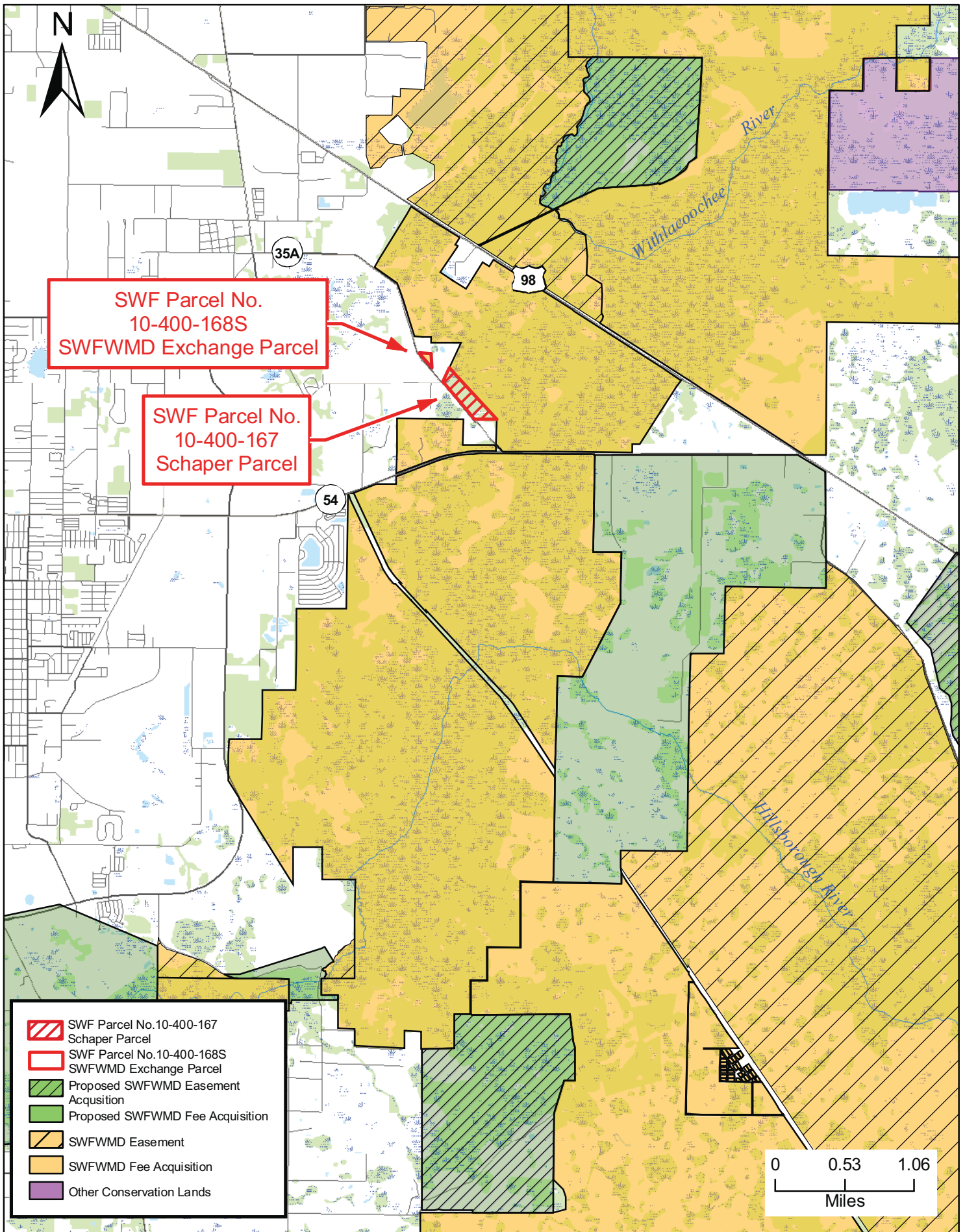
See Exhibits

Recommend the Governing Board:

- (1) Accept the appraisals;
- (2) Approve the Exchange/Purchase Agreement;
- (3) Approve the resolution requesting funds for SWF Parcel No. 10-400-167;
- (4) Declare SWF Parcel No. 10-400-168S as surplus and no longer needed for conservation purposes (two-thirds majority required) and convey the property to Paul D. and Judith Schaper subject to the terms of the Exchange/Purchase Agreement; and
- (5) Designate SWF Parcel No. 10-400-167 as having been acquired for conservation purposes.

Presenter: Eric Sutton, Director, Land Resources Department

Upper Hillsborough



Upper Hillsborough

