

LAND ACQUISITION EXECUTIVE SUMMARY

PROJECT: Northern Everglades and Estuaries Protection Program

COUNTY: Martin

SIZE: 2266 +/- acres

ACQUISITION PRICE: Donation

APPRAISED VALUE: \$53,500,000 (12/2006)

OWNER: Lake Pointe Phase 1 LLC.
Rusbridge Family Trust, Harold D. Rusbridge, Trustee
George Lindemann, Sr.
Frayda Lindemann
Adam Lindemann
George Lindemann, Jr.
Francis Judson Laird, IV

REQUEST: Authorize developing and entering into an agreement for donation of land and construction services to the South Florida Water Management District

HIGHLIGHTS: Creation of stormwater treatment area and stormwater management lake fronting on C-44 Canal with permitted outfall easement to Lake Okeechobee and L-8 right of way extension allowing for connection to Loxahatchee River and the L-8 Reservoir

CONSIDERATIONS: The 2266 acre subject tract is located in Martin County with its northern boundary fronting on the C-44/St. Lucie Canal while its eastern boundary is adjacent to the SFWMD owned 21,875 acre DuPuis Management Area. (See Exhibit A)

The property's location, adjacent to C-44 with a permitted discharge easement to Lake Okeechobee and the L-8 right of way extension on its southwestern boundary will play an integral part in phosphorous reduction and water storage possibilities for the Northern Everglades and Estuaries Protection Program.

Approximately 1,000 acres of the property is currently fully permitted by all agencies for a private polo development with 44 ranchette sites, a polo field already constructed on site and a mining operation encompassing approximately 160 acres. The owner has an option to expand the project to approximately 100 homes by exercising an option to buy the additional 1,200 acres by August 14, 2008. In December 2006, the South Florida Water Management District appraised the raw land at a value of \$53,500,000.

The main components of the donation agreement to be developed are as follows:

- a. Donation of approximately 2,200 acres to the District with the retention by Owner of the rock mining rights under approximately 1,000 acres for approximately 20 years
- b. 1,000 acres mined under Martin County permit and, in accordance with District stormwater management lake requirements, to maximum depth of 20 feet at Owner's expense
- c. Approximately 600 acres to be utilized as stormwater treatment areas constructed at Owner's expense in conformance with District specifications
- d. Approximately 150 acres in the northeastern uplands corner of the property adjacent to the C-44 to be donated to Martin County and for use as a recreational site under an agreement to be developed with Seller, the District and Martin County.
- e. The donation is contingent upon Seller obtaining all required mining permits and approvals.
- f. The property may be donated in phases.
- g. The Seller will be responsible for completing the stormwater management lakes and stormwater treatment area components in accordance with the District's engineering standards.
- h. Seller's completion of work will be certified to the District by a Florida licensed engineer.
- i. The District will update its due diligence inspections (including environmental, title, and project-related work) prior to accepting a phase of the Project from Seller as complete.
- j. The District is responsible for managing the recreational area for passive recreational uses compatible with the project in accordance with a recreational management plan to be developed by the District in cooperation with the Martin County.
- k. Martin County is responsible, at its expense, for installing any recreational improvements to the recreation area that are compatible with the recreational management plan.

Previously, in April 2008, the Governing Board approved entering into a non-binding letter of intent regarding this donation transaction. At that time, the Board requested that a detailed feasibility analysis be performed to ensure the viability of the intended project use of the donated property as a 1000 acre stormwater management lake and 600 acre stormwater treatment area.

The feasibility team has run various modeling scenarios balancing treatment with water availability to provide a range of environmental benefits through phosphorus load reduction and delivery of water to the Loxahatchee River. These benefits are being quantified with the cost of construction and operating the facility to determine the cost/benefit of the project.

The initial results appear to indicate that the facility has the potential to capture and treat additional "excess" basin water and make it available for other water related needs while at the same time providing flexibility to function as a kidney for the treatment of Lake Okeechobee water. Preliminary analysis shows a measured benefit in three different directions: Lake Okeechobee, the L-8 and St. Lucie Estuary. The final analysis will be presented to the full Board at the August meeting.

The benefits of this donation and construction proposal include:

- Ability to cleanse, store and convey water between Lake Okeechobee, C-44/St. Lucie Canal and the L-8 via 3 existing permitted pumps

- Creation of 1,600 acres of storage and water quality sites

- No land acquisition cost for the land other than closing and due diligence costs with substantial amount of the project construction completed upon delivery of excavated portions of the property

- Opportunity to reduce phosphorus loads to assist with achievement of the Total Maximum Daily Load (TMDL) for Lake Okeechobee

- 150 acres of recreational upland acres to Martin County

- Compliance with Martin County mining requirements to maximum depth of 20 feet

- Creation of local limestone source for necessary public work projects such as the Herbert Hoover Dike remediation

Governing Board Members
August 14, 2008
Page Four

Timing is critical. The Owner must exercise its option to acquire the remaining 1,200 acres by August 14, 2008.

FISCAL IMPACT: No monetary cost for land acquisition other than closing and due diligence costs with substantial amount of the earthwork for the stormwater management lake and stormwater treatment area being provided by the Owner.

RECOMMENDATION: That the Governing Board of the South Florida Water Management District authorize developing and entering into an acquisition agreement for donation to the South Florida Water Management District of 2266 +/- acres in Martin County and construction of substantial project components at no cost to the District for the Northern Everglades and Estuaries Protection Program.

Prepared by: _____
Ruth P. Clements, Director
Land Acquisition Department

Date

Approved by: _____
Kenneth G. Ammon, P.E.
Deputy Executive Director
Everglades Restoration Resource Area

Date