

Hazlett, John

To: Stewart, Edith
Subject: RE: Request for Agenda time at Cone Ranch Advisory Panel meeting on November 16, 2009

From: Roberts, Jim
Sent: Friday, November 13, 2009 3:13 PM
To: Wesley Bailey
Cc: Stewart, Edith; Weiss, T. Barton; Sheahen, John
Subject: RE: Request for Agenda time at Cone Ranch Advisory Panel meeting on November 16, 2009

Mr. Bailey,

I offer the following clarifications for your analysis of Cone Ranch regarding the enterprise system.

The analysis refers to a "surplus property" status since 1999 and states that continued "ownership" by the enterprise is inconsistent with that status.

Only two of the three bond covenant requirements were met in 1999 to achieve surplus status. The BOCC did not complete the process and declare it surplus. Since the BOCC did not act on the approvals given by the then-director of WRS and the then-engaged bond engineer, those approvals are presumed to have expired upon expiration of the respective County tenures of that director and consultant in such capacity.

The analysis refers to the presumed maturity of the Series 2001 bonds in 2012 and states that new bonds need not include Cone Ranch within their control.

The Series 2001 bonds mature in 2015. New bonds must be issued this year before an appropriate valuation of the Cone Ranch property could be reasonably completed. The exclusion of individual system assets appears to have no precedent. In fact, the Series 1991B bonds issued solely to refinance the Cone Ranch acquisition subjected all system assets to its covenants. Assuming that such an exclusion was legally available to the County, it would have to be disclosed with the offering and would presumably limit competition or interest for the new bonds, thereby increasing the cost to the enterprise through a higher interest rate.

The analysis refers to \$500,000 annual carrying costs for the property and the elimination of that cost upon a sale or transfer of Cone Ranch.

The interest paid on outstanding enterprise bonds for FY09 was approximately \$5,615,000. Of that amount, approximately \$347,000 would be allocated to Cone Ranch. A transfer of the property would not reduce enterprise interest payments which are fixed by the amortization schedule until the bonds mature. The proceeds from the sale would be placed in the enterprise renewal and replacement reserve for capital improvements.

The analysis refers to a requirement for two independent appraisals of Cone Ranch.

The bond covenants do not specify the number of appraisals required. However, the Real Estate Department recommends a minimum of three or four appraisals based on the size of the property.

The analysis refers to a cessation of ranching activities upon transfer of property to ELAPP.

The lease renews automatically each year but may be cancelled by the County giving the prescribed notice in the prior year. However, cancellation would not be automatic upon a transfer to ELAPP or a third party.

Please contact me if additional information is desired.

Jim Roberts, General Manager II
Hillsborough County Water Resource Services
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Tampa, Florida 33602
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http://hcbocc.websurveyor.net/wsb.dll/13/WRS_Q1_2010.htm?WSB28=BUSSVC

From: Wesley Bailey [mailto:wkb@baileyandson.com]

Sent: Thursday, November 05, 2009 4:05 PM

To: Stewart, Edith

Cc: Denise Layne; Felix T. Haynes; Heidi McCree; Hugh Gramling; Pamela (Pam) Jo Hatley; Rosanne Clementi; Vivienne Handy; Alligator Bob Young; Barbara D. Aderhold; Bev Griffiths; Bill Roberts; Charlotte Butler-Nelson; Cori Cuttler; Dennis Carlton; Diana Ferguson; Jack Berlin; Jane Gibbons; John McGrath; Joyce Newnam; Kristin Bennett; Marcella O'Steen; Mariella Smith; Neil Cosentino; Pam Clouston; Scott Emery; Shawn College; Gran, Stephen; Terry Flott; Vivia Bacca; Andrew Zodrow; Bethany R. Leytham; Stetler, Bob; Michel, Carol; Helvenston, Edward; Eric Sutton; Ennis, Hank; Morgan, Jean; Roberts, Jim; Sheahen, John; Keith R. Fountain; Ken Jones; Hudson, Lori; Garsys, Lucia; Jones, Maria; Mark-David Adams; Kelly, Mike; Merrill, Mike; Vanderploog, Paul; Harvey, Paula; Fowler, Peter; Lee, Renee - CAT; Richard Miller; Pinol, Sandra; Steven Blaschka; Fernandez, Susan; McElroy, Terry; Simon, Timothy; Will Bissett; Higginbotham, Al; Norman, Jim; Hagan, Ken; Beckner, Kevin; White, Kevin; Sharpe, Mark; Ferlita, Rose

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Dear Ms. Stewart:

I would like to request an opportunity to present this analysis of the Cone Ranch question at the November 16, 2009 meeting of the Cone Ranch Advisory Panel. Ideally, I would like up to an hour for this presentation and the opportunity to answer questions from the panel, or as long as is permissible.

Please let me know when the agenda for this meeting is formalized and if I am confirmed.

Sincerely,

Wesley Bailey