

From: Merrill, Mike

To: Norman, Jim; Hagan, Ken; Ferlita, Rose; White, Kevin; Beckner, Kevin; Sharpe, Mark; Higginbotham, Al

Cc: Bean, Pat; Lee, Renee - CAT; Hamilton, Samuel; Helvenston, Edward; Ennis, Hank; Adams, Mark-David <MAdams@eapdlaw.com>; Miller, Richard <RMiller@eapdlaw.com>; Vanderploog, Paul; Simon, Timothy; Kelly, Benjamin; Ottino, Sandy; Cury, Della; McGlocklin, Steve; Reidy, Richard; Corsentino, Amanda; McCray, Cedric; Nash, Mark; Taylor, Lex; Hurley, Deanna; Larson, Eric; Stewart, Edith; Morgan, Hank <Hank.Morgan@gray-robinson.com>

Sent: Thu Dec 17 19:01:59 2009

Subject: Cone Ranch

Commissioners, in light of the discussion yesterday concerning the fair market value requirement for disposal of the Cone Ranch property, I want to transmit to you the documents to which I referred in my comments on this subject. These documents, particularly the bond counsel opinions, clearly set forth the fair market value requirement which the County has consistently applied.

Regarding Championship Park, see my attached analysis from Sept. 2005 regarding this issue which clearly states that fair market value must be paid. My statements to that effect are on the record from the September 21, 2005 Board meeting (see attached). That analysis was very preliminary in terms of operating costs and revenue projections; the Leib study was the more definitive study on the operating and facility construction side of the equation. The October 2007 BOCC agenda item regarding Championship Park states that the Leib study does not assume land acquisition costs: this statement simply brings to the Board's attention that the \$40 million proposed price tag did not include an allowance for land, not that it isn't owed to the Utility System.

Attached is a 1999 opinion from then County Bond Counsel, Holland & Knight, clearly stating and defining the Fair Market Value/Highest and Best Use requirement. This document was provided to the Advisory Panel and to the public, and is on the County's website link for the Advisory Panel.

Also attached is a May 2008 opinion from our current bond counsel, Edwards Angell Palmer Dodge, reiterating the applicability of the fair market value requirement in connection with a Lowry Park Zoo request for a nominal lease arrangement on Cone Ranch.

As I explained in my comments yesterday, and as supported by the attached legal opinions rendered by experienced and competent bond lawyers, the bond covenants require fair market value in the sale of Utility System assets; Cone Ranch is an asset of the System. In order to determine fair market value at highest and best use, an appraisal is the accepted approach. The bond covenant requires the opinion of an Independent Consultant which, as it relates to valuation, includes any and all experts (including appraisers) who can carry out that charge.

Staff has responded timely and completely to all public requests for information about the bond covenants and related matters. As part of the early presentations to the Advisory Panel, relevant documentation on this subject was provided to the Panel by Staff, our bond counsel made a presentation on the subject, and copies of bond counsel opinions were placed on the County's website.

I hope this is helpful. Based on the action you took yesterday and the recommendation of the Advisory Panel, the common goal in this matter is to find a way to permanently preserve Cone Ranch in a manner that is legal, financially supportable to both the Water Utility and ELAPP, and is economically fair to all parties. We will continue to work toward that goal.

Michael S. Merrill
Utilities & Commerce Administrator
and Affordable Housing Officer
Hillsborough County, Florida
601 E. Kennedy Blvd., 24th Floor
Tampa, FL 33602
813.272.6576
813.276.2231