

From: Roberts, Jim
Sent: Tuesday, November 24, 2009 6:55 PM
To: Mariella Smith
Cc: Vanderploog, Paul; Sheahen, John; Weiss, T. Barton; Stewart, Edith; Farris, Mary Helen; Larson, Eric
Subject: FW: No answer yet: Public Records Request - Cone Ranch

Ms. Smith,

I offer the following information relative to your 11/10 inquiry to Commissioner Sharpe.

1. Cone Ranch Accounts.

- a. The book value of Cone Ranch is \$12,189,394, the amount paid for the property in 1988. The approximate amount invested by the enterprise in Cone Ranch to date for bond principal and interest is \$28,000,000.
- b. The book value less the remaining debt is \$7,216,637 ($\$12,189,394 - \$4,972,757 = \$7,216,637$). However, actual equity would also consider the current market value of the property which has not been appraised in many years.

c./d. See attached spreadsheet of operating revenues and expenses by account category. I do not have complete information prior to FY92 or after FY07. The Audubon Ranch lease commenced in 1993; the agenda item for that award indicated an existing lease payable at \$108,000 annually, but I have no accounting documentation to verify actual payments received under that lease. In FY08, it was determined that separate accounting of any individual enterprise asset was no longer necessary. I have included two versions of the spreadsheet. The "rotated" view may be easier to print in landscape (depending on your printer), and the upright view may be easier to enlarge and view on your screen.

FCEG presentation attributes the \$500,000/year carrying costs to a 1999 memo from this department's former director. The term "carrying costs" typically refers to the interest on installment debt. In this case, the director appeared to be referring to the net of all income and expense associated with Cone Ranch. The attached spreadsheet notes a net loss of \$540,131 for 1999.

Ongoing expenditures to support security personnel for Cone Ranch are anticipated. Procurement of a design/build contract for replacement of a bridge over the Itchepackesassa Creek was suspended after FCEG's proposal was submitted.

2./3. The lease granted to Audubon Ranch was the result of a formal Request for Proposals (RFP) to which the County received two proposals. The Audubon Ranch proposal was the highest received. The RFP was developed by the County's Real Estate Department based on the recommendation of a committee which determined cattle grazing to be the best use of the property prior to its development as a wellfield. The committee included staff from the Planning Department, WCRWSA (the predecessor of Tampa Bay Water), SWFWMD, FL Game and Fish Commission, the Parks Department, the Real Estate Department, and WRS. The Board of County Commissioners awarded the lease based on staff's recommendation.

I have no information on how the proposer determined the amount proposed. A 1998 memo from the Real Estate Department indicated that the rental rate payable by Audubon Ranch was above market.

4. The County has not placed a value on TBW's water-development rights. Those rights extend over the entire Cone Ranch property. An appraisal of the value of the property's development rights (such as one to determine the value of a prospective conservation easement) might indicate the upset limit of TBW's rights, but the actual value may depend on what TBW would be willing to accept for the release of its rights.

Please contact me if additional information is desired. I will return to the office on Monday, 11/30.

Jim Roberts, General Manager II
Hillsborough County Water Resource Services
925 East Twiggs Street
Tampa, Florida 33602
Phone: 813-272-5977 (x43204)
Fax: 813-272-5589
Email: RobertsJ@HillsboroughCounty.org

WRS is committed to quality service. Please visit the link below to rate the level of service you received from the author. Thanks!
http://hcbocc.websurveyor.net/wsb.dll/13/WRS_Q1_2010.htm?WSB28=BUSSVC

From: Roberts, Jim
Sent: Friday, November 20, 2009 5:25 PM
To: Mariella Smith
Cc: Stewart, Edith; Vanderploog, Paul; Sheahen, John
Subject: RE: No answer yet: Public Records Request - Cone Ranch

Ms. Smith,

WRS received a copy your 11/10 inquiry today. I have most of the information you are seeking and should be able to respond early next week.

Jim Roberts, General Manager II
Hillsborough County Water Resource Services
925 East Twiggs Street
Tampa, Florida 33602

Phone: 813-272-5977 (x43204)
Fax: 813-272-5589
E-mail: RobertsJ@HillsboroughCounty.org

From: Mariella Smith [mailto:insightgraphics@earthlink.net]
Sent: Friday, November 20, 2009 11:42 AM
To: Sharpe, Mark

Cc: Farris, Mary Helen; Larson, Eric
Subject: No answer yet: Public Records Request - Cone Ranch

Dear Commissioner Sharpe,
10 days later, and still no response to the public records request you directed staff to answer. We still need these answers to effectively monitor any Cone Ranch sale — especially if the deal is made with ELAPP.

Thanks for your help!
Mariella

Begin forwarded message:

From: "Larson, Eric" <LarsonE@HillsboroughCounty.ORG>
Date: November 10, 2009 9:04:54 AM EST
To: "Farris, Mary Helen" <FarrisM@HillsboroughCounty.ORG>
Cc: Mariella Smith <insightgraphics@earthlink.net>, "Chan, Sandy" <ChanSM@HillsboroughCounty.ORG>
Subject: **FW: Public Records Request - Cone Ranch**

Mary Helen,

Please respond to the attached Public Records Request.

Thank you.

Eric Larson
Legislative Aide
Commissioner Mark Sharpe, Dist. 7
Ph. (813) 272-5735
larsone@hillsboroughcounty.org

From: Mariella Smith [<mailto:insightgraphics@earthlink.net>]
Sent: Tuesday, November 10, 2009 8:49 AM
To: Sharpe, Mark
Subject: Public Records Request - Cone Ranch

Dear Commissioner Sharpe,

After reviewing all the public meetings, presentations, and online documentation, several facts pertinent to the value of Cone Ranch are still not clear. I hope you can help me get answers quickly, as the matter seems to be finally coming to a head.

Please consider this a formal public records request, pursuant to FL Statutes Ch 119.

We've been told that the water utility is an enterprise system which operates like a business, so I assume they keep business-like books including balance sheets

summarizing their assets, liabilities and equities like a business. I would like answers to the following questions about those bookkeeping numbers. I know others are interested in these figures as well, so please have these questions posted, along with their answers, on the county's Cone Ranch website, and send a copy to me via e-mail.

1. What are the dollar amounts carried on the Water Utility's current balance sheets for the Cone Ranch site as an asset/liability?

a. Asset value of the property carried on the books

b. Total equity in the property accrued to date

(in a July 21 e-mail M. Merrill wrote that the amortized debt remaining is \$4,972,757)

c. Total revenues associated with this asset since its acquisition - itemized if possible

(only 3 years of income are covered in the online doc "Income Sources")

d. Total costs associated with this asset since its acquisition - itemized if possible

FCEG has recently stated* Cone Ranch is costing the Water Utility \$500,000/year. Is that figure accurate for all 20 years the Water Utility has owned the property? What, exactly, have we spent this money on? What do we expect to pay in the next few years ahead? [*p.19 "Cone Ranch Preservation Plan - Final 08/14/2009" posted online]

2. How was the \$150,000/year figure determined for the lease to Dennis Carlton? Is this based on a percentage of the value? Is there any relation between the lease figure and the value of the property? (1% of the value -- which would be a very low rate -- would mean you are valuing the property at \$15 million?) Was this determined to be "fair market value" for the lease? If so, how was "fair market value" determined. If not, why is "fair market value" necessary for a sale, but not a lease?

3. Was the lease put out for competitive bid? How was it given to Mr. Carlton? Was he the only one who asked for any use of the property? Whose decision was it to grant this lease to Mr. Carlton at this price? What was this decision based on?

4. The total value of the property as an asset owned by the Water Utility must be minus the value of the water rights now owned by TBW. What does the water utility's bookkeeping show for these values: Property value (owned by water utility) [minus] water rights value (owned by TBW) [equals] net asset value (to the water utility).

Wherever there are no hard figures available to answer my questions above, I would like the people in charge to provide a best-guess-ballpark-estimate or at least some kind of price-range.

Sincerely,

Mariella Smith
108 Janie St., Ruskin, FL 33570
813-645-4218