

From: Merrill, Mike
Sent: Tuesday, December 22, 2009 6:06 PM
To: MSalinero@tampatrib.com
Cc: Vanderploog, Paul; Stewart, Edith; Hamilton, Samuel; Adams, Mark-David; Roberts, Jim; Kelly, Mike
Subject: Cattle Grazing Lease - Cone Ranch

Mike, in response to your question on the Cone Ranch cattle grazing lease, I have found the attached bond counsel opinion. The opinion concludes that, given the nature of the lease, it does constitute a "disposition" of property. Consequently, the lease is not governed by the fair market value requirement of the bond covenants. Nevertheless, the lease award to Audubon Ranch was the result of a competitive bid which in fact does establish a fair market value.

In the attached opinion, bond counsel refers to Section 11.06 as the bond covenant addressing fair market value; at the time of the opinion Resolution R85-0225 was the governing bond resolution by virtue of the utility debt issued in 1985. I point this out because, as we discussed the other day when we met, in the current governing bond resolution adopted in 2003 (R03-112) this bond covenant is numbered 11.07.

Let me know if you need further information.

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