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Commissioner Platt believed the public wanted full sunshine on what was being lobbied about. That was where the annual registration fell short. It would be impossible for anyone at the beginning of the year to disclose all the issues they were going to be discussing within that one year. That too was the problem with the Ordinance on the floor. This was why she had gone with a policy, which was less stringent, but had the stronger language dealing with the specific issues. The policy was for one year with the option to consider it as an ordinance next time.

Upon call for vote, the motion carried five to two, Commissioners Platt and Talley voting no.

Commissioner Iorio moved to set the public hearing on the proposed Ordinance for March 16, 1988, at 1:30 p.m. The motion was seconded by Commissioner Poe and carried six to one, Commissioner Platt voting no.

IV-C-9. Mr. Brown requested Board approve Interlocal Agreement with West Coast Regional Water Supply Authority (WCRWSA) for purchase of Cone Ranch. (Agreement) (County Attorney)

In 1974, a five party agreement creating the WCRWSA became effective and authorized the Authority to develop, store and transport water, and to sell and deliver water for County and municipal purposes. The Authority and the County entered into an agreement which granted the Authority the right to develop and operate future water supply resources in the County to meet the County's future water needs.

The latest needs and sources study of the Authority calls for development of a large public wellfield in northeast Hillsborough County and the Authority has planned to construct this wellfield on a tract of land of approximately 12,700 acres known as the "Cone Ranch".

On January 12, 1988, the WCRWSA entered a Contract For Sale And Purchase of Cone Ranch with A. K. Florida Properties. Specified approvals were required as a condition of closing. The Contract For Sale and Purchase included an Option to Purchase Certain Real Property to be executed simultaneously with the closing of the Purchase contract.

The proposed Interlocal Agreement provides in part:

1. That the West Coast Regional Water Supply Authority will purchase the "Cone Ranch," approximately 12,700 acres, at \$950.00 per acre.
2. That simultaneous with the closing on the "Cone Ranch," the County will purchase the land from the Authority for the purchase price plus the Authority's expenses.
3. The purchase contract contains an option to purchase additional land which may be contaminated and subject to Superfund liability. The authority is currently litigating the contamination issue.

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4. The Interlocal Agreement provides for liquidated damages to the Authority in case the County does not provide the financing for Cone Ranch by the closing date required in the Purchase Agreement.

The following are the costs incurred to date by the Authority and purchase price for the acquisition of Cone Ranch:

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| Purchase Price for approximately 12,411 acres under contract | \$11,790,450.00 (at \$950.00 per acre) |
| Purchase Price for approximately 196 acres under option (if exercised) | \$ 186,200.00 (at \$950.00 per acre) |
| Cost of acquisition incurred by the Authority as of January 30, 1988, (includes surveys, hydrogeology, attorneys fees and costs relating to bankruptcy proceeding and negotiations of purchase) | \$ 316,847.26 |

The above acquisition costs for Cone Ranch do not include the cost of option for the contaminated 200 acres which is currently being negotiated. Upon finalization of negotiations on the consideration to be paid for the option and the term of the option, the cost of the option will be supplied.

Mr. Bourey gave the background that on November 4, 1987, the Board of County Commissioners authorized the Administrator to execute a memorandum of understanding between West Coast Regional Water Supply Authority (WCRWSA) and the County for the purchase of the Cone Ranch. The actual purchase required the passing of an interlocal agreement with the purchase to be approved by the Board of County Commissioners. The Interlocal Agreement was before the Board this day and called for various actions, one of which was the requirement that WCRWSA purchase the Cone Ranch and the County then to, in turn, purchase from WCRWSA.

For continuation of this item, see page 232.

I-C-20. Chairman Padgett interjected a request to deal with Agenda item

I-C-20. Mr. Brown requested the Board approve right-of-way map delineating the maintained right-of-way limits on Crosby Road from Turkey Creek Road easterly for 1,310 feet. (Real Estate Department) (Project 87-185-R.)

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The Real Estate Department has been requested to process for execution and recording, a maintained right-of-way map for Crosby Road. Subject map having been prepared by the Survey and Mapping Department in conjunction with the Road, Bridge, Traffic and Inspection Department. County Land Agent recommends approval.

Mr. Mike McCarthy, Engineering Services, requested the item be taken after lunch. Some of the citizens who were here to speak had been advised the matter would be taken after lunch. Commissioner Colson indicated he had only withheld it because it was in his area and he was leaving at noon. Mr. McCarthy informed the Board this was intended to be a fairly regular filing of a maintained right-of-way map; however, around December of 1987, it was drawn to the attention of the Road Department that there was a developer working along Crosby Road and actually installing some fencing in the road right-of-way. Certain citizens used this right-of-way and so informed the County. The developer was told to remove the fencing, which he did immediately.

Upon further discussion with the developer, it appeared he was in the process of platting certain single family lots, the rear lot lines of which would encroach into what staff thought was a road right-of-way. It was, in fact, an improved roadway and had been so improved since about 1935, according to the records of the Road Department. Staff suggested the developer adjust his platting to achieve his necessary lot dimensions and setbacks, et cetera, outside of what was anticipated the need of that right-of-way to be. Efforts for compromise were unsuccessful and staff was directed to draft up a maintained right-of-way map to legitimate as fully as possible the road right-of-way. This was the map before the Board.

Mr. Gary Nelson appeared representing the Walden Lake Development Group which had a contract to purchase the property which the road was now serving. The transaction was due to close in March or April. Unfortunately, his attorney would not be present today until after lunch. Mr. Nelson requested a continuance until then. Seeing the Board was not willing to continue the matter, Mr. Nelson stated further, the developer had no objection to the fact that the first 780 feet of the road had been, since 1935, used as a public right-of-way; however, developer had a certified survey, dated 1985, showing the road to stop at the 780 foot mark. His aerial photograph would also show that the limerock base stopped at 780 feet in 1983. Sometime during 1986 the road was extended and several trailers were added to the property.

Mr. Nelson advised Walden Lake Development had gone through the platting procedure through Plant City and recorded the plat in Hillsborough County showing the property line to the center of Crosby Road, which property was within Plant City. It was beyond the first 780 feet that the difference of opinion occurred. Mr. Nelson did not want to see the property platted necessitating the developer to later apply to vacate the plat.

Assistant County Attorney Guilene Theodore called attention to Statute 1990.361. It addressed the filing of a map of right-of-way. Actually, that particular road had been constructed and maintained by the County for thirty-five years. The Statute did not require that the road be

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maintained for thirty-five years, it only required four years of maintenance. It was her belief the County had done much more than that, in terms of constructing and maintaining. At this time, the roadway was not being extended as alleged. For the entire period of time mentioned, the maintenance had continued for the part of Crosby Road as shown on the survey. The advantage of filing the map at this time was that it served as what is called "prima facie" evidence or sufficient evidence of ownership by the County, should this matter be disputed at some time in the future.

Mr. Nelson indicated he was not disputing that the road was maintained, but was disputing the length of the road maintained. Mr. Nelson produced a survey by Heidt & Associates, done in 1985, which clearly showed the road stopped at 780 feet and said he could show further evidence of this fact. He believed the County records showed the road as maintained for .2 miles and the map before the Board showed maintenance for .25 miles. After purchase, it was his intent to vacate the mobile homes (toward where the road deadended).

Commissioner Poe asked clarification of the question before the Board as to whether the issue was to map it or not to map it. Mr. McCarthy stated the question before the Board was whether to file this maintained right-of-way survey map. To his knowledge, the activity Mr. Nelson was pursuing involved the entire right-of-way and well beyond. He also had some problem with the certified boundary survey by Heidt & Associates. For the protection of those people who needed this road for access, he urged the Board to act on the map today. If, later there was a need for the County to vacate a portion of the roadway, it could be done.

Commissioner Colson moved to approve, according to staff recommendation. The motion was seconded by Commissioner Poe and carried seven to zero.

SCHEDULED FOR 11:00 a.m.

IV-C-9. (continued) Mr. Brown requested Board approve Interlocal Agreement with West Coast Regional Water Supply Authority for purchase of Cone Ranch. (Agreement) (County Attorney)

Mr. Bourey introduced Attorney Rick Gilbert representing West Coast Regional Water Supply Authority (WCRWSA). He stated Bond Counsel, Underwriters and Financial were also represented.

Attorney Richard Gilbert, de la Parte, Gilbert and Gramovot, general counsel to WCRWSA, advised that the Authority on Monday approved the Interlocal Agreement between the County and WCRWSA for purchase of the Cone Ranch. This Agreement would serve as the financing tool for the acquisition of Cone Ranch by the County. Simultaneously with the closing of the transaction between the seller and the Water Authority, the County will provide the selling price and the property will be transferred from the Water Authority to Hillsborough County, reserving to the Authority such rights and interest as would be necessary or reasonable to construct the wellfield.

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County Attorney Mount advised that this purchase included an option for 200 acres which the County was not purchasing at this time because of some Super Fund questions. He asked that Attorney Gilbert explain those questions, the ramifications, and how the County intended to resolve those issues and protect the Board from Super Fund liability.

Attorney Gilbert advised extensive testing was done to determine the water resource potential of the land wherein it was determined the land was capable of producing up to 50 million gallons per day. As part of that examination, some contamination of both the surficial and groundwater and Floridan Aquifer was determined to be confined to the northwest corner of the Cone Ranch. That parcel of 196 acres which included all of the contaminated property plus a buffer zone had been left out of the purchase. Under the current state of the Florida and federal law, it was possible that a landowner was responsible for the cleanup. WCRWSA was presently negotiating an option with the seller for that 196 acres which could be exercised in five years, once it was determined the property had been cleaned up or once the potential liability had been eliminated. Consequently, the purchase included 12,411 acres.

Mr. Mike Merrill, Financing Specialist, Revenue Management, reported that, together with the financial advisor and senior underwriter, he had examined three options for financing. Four issues were kept in mind. First, that the property was not intended to be revenue producing for a number of years. Second, there were other uses in the intervening period, such as land banking for parks and so forth being considered. Third, the rating agencies, Moody's and Standard and Poors would review the County Friday for a rating on the \$216 million bond issue (second conversion of the bi-modal issue). Fourth, the funds will have to be paid over for the purchase of the land at closing. Consequently, there were no funds to invest nor to offset the interest cost. If the Board would recall, the Resource Recovery Facility cost was handled this way, with a pledge to appropriate non ad valorem taxes. Staff was not asking for the approval of the use of those funds, but to go forward and obtain bids to do the research on the non ad valorem taxes and come back to the Board with that information. Again, staff was recommending the use of a five or six year promissory note which would be sold through a bank or underwriter, backed by a letter of credit. The interest would be payable only at the beginning with the principal paid toward the end of the issue. There would be a pledge to appropriate money from the general fund to pay principal and interest, but the actual source of the repayment would be the Utility Fund moneys.

Mr. Gene Heath, WCRWSA, gave the information that he estimated the wellfield would come on line about the year 2000. Commissioner Selvey estimated there would be a cost of \$1 million, in interest only, per year. Mr. Merrill stated a variable rate would be obtained and the interest ought not be over \$700,000. Commissioner Selvey thought that would still cost the County, over the twelve years, nearly \$9 million. Mr. Merrill commented that regardless of what method was used, the County would have to look to the Utility Fund. It was recommended to keep it outside of the \$216 million issue.

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Mr. David Fischer, Sun Trust Securities, County Financial Advisor, reported that the original program of bonding and project expansion actually called for the County to issue \$31 million additional bonds to complete the total program in 1991. That was the long range plan, even after the \$216 million. There was a period of perhaps four to five years to fold into that plan. This gave the system room to grow and expand to get additional hookups which would satisfy the insurers and rating agencies (one of their problems right now). He wished to take the Cone Ranch program out of the picture for three or four years into a bond program of its own, having an annual appropriation if necessary. This should not be necessary because there was a 120 times coverage provision on the utility revenue bonds. The pledge gives this project the ability to get insurance in its own right. A low floating rate of about 4-1/2 percent was anticipated as the most cost effective financing which could be obtained.

Commissioner Iorio concluded the bonding of \$366 million plus \$15 million had within it an original amount of \$9 million for the Cone Ranch which had been replaced with other projects. The Board needed to see what those other projects were, why they were in there and why they took the place of the Cone Ranch project. Now the County was borrowing \$381 million to do what was needed. To pay this money back, the County would be looking at the same source of funding that would pay back the \$366 million. This left the \$15 million with no source of funding. Mr. Fischer answered the County was required, by ordinance, to have rates that cover not only just one times the debt service, but also one point two times the debt service on those coverages intended to pay the \$366 million borrowing. The surplus coverage would be used for the \$15 million, as it was for any lawful purpose of the utilities system.

Commissioner Platt did not recall the Board having a discussion on removing the \$9 million from the bond issue and replacing it with other projects. Mr. Bourey advised that in the program presented to the financial people the Cone Ranch project had been removed, but not formally so by an act of the Board. Commissioner Platt acknowledged the County needed to purchase this property as it was the keystone for the future water supply of the County. She again asked for a recommendation as to how best to financially accomplish this.

Mr. Bourey concurred with Mr. Merrill's proposal as being the staff recommendation.

Commissioner Selvey inquired if West Coast or the State had any funds which could be used. Mr. Heath responded there were no state funds available, unless it was done through Southwest Florida Water Management District (SWFWMD) on their list. He had spoken with someone from West Coast about a year ago and, at that time, several other lands having priority, was told it would be five years before the Cone Ranch could even be considered.

Commissioner Talley expressed the Board's concern as to what was originally in the \$360 million, for staff to bring the Board up to date and show how everything was changed. The way to move forward today was to go

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ahead and authorize the short-term funding. The County would have to borrow on short-term funding to purchase the property. When the Board received the full story, then the decision could be made how the short-term borrowing was going to be repaid.

When the Chairman inquired if that was a motion, Commissioner Talley moved the Board act on the Interlocal Agreement, approve the short term funding and say it was coming out of the \$360 million where it originally was. Then when staff presents the program to the Board, if the Board agrees with staff, they would take it out of there and do it somewhere else. Commissioner Iorio stated if he was saying it would come out of the original \$366 million and then the Board could review that, she could support that. She did not support borrowing on top of the \$366 million, until the Board had an opportunity to see what had changed from that original program. She would second the motion. (This motion was not voted on.

Commissioner Platt indicated this was her concern with the motion on the floor, that it would be better to remain silent as to having the purchase a part of that bond issue. Commissioner Talley thought it would be better to be up front with the rating agency. Mr. Bourey agreed the rating agency would be told. The Interlocal Agreement before the Board did not call for a decision to be made. He strongly recommended the Board adopt the Interlocal Agreement but with respect to the bond issue at this point, not make an official determination.

RECESS:

Chairman Padgett declared a recess at 12:10 p.m., and reconvened the meeting at 1:38 p.m. Commissioner Rodney Colson was absent during the afternoon session.

I-C-23. (continued) Item concerning five-year lease with Tampa Associates regarding office space for the Tax Collector.

Chairman Padgett announced the County Administrator informed him the lease had been approved for three years, with a two-year option, at the same dollar figure.

IV-C-9. (continued) Interlocal Agreement with West Coast Regional Water Supply Authority for purchase of Cone Ranch.

Commissioner Platt requested to hear from bond counsel. Mr. Rick Miller, Mudge Rose, Bond Counsel, advised if the Board approved the Interlocal Agreement that would be sufficient to go forward. The Board must keep in mind that eventually it would have to fund that commitment. There would be some impact on the overall possibility of financing the full \$366 million which must be considered. It would become an issue this week in the discussion with the rating agencies. Mr. Miller's suggestion at this time was to consider the Interlocal Agreement, which would commit the County to one of many forms of financing. When the Resolution was passed and the Interlocal Agreement adopted, the County was committed to a financing of some fashion. An investment grade rating was the least required, a BAA

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or BBB, to get out into the market place and sell the \$216 million bonds. A \$12 million piece that takes away revenues that support the system for a period of years could clearly have an impact on that rating.

Commissioner Iorio saw the main problem in the financing was that the staff presentation did not indicate to the Board where that money would come from out of the County budget, if it was to be taken from non ad valorem taxes.

Commissioner Selvey commented on the role of WCRWSA in the purchase and negotiations and Attorney Gilbert gave the information that in 1980 the County and West Coast entered into an agreement whereby the County designated West Coast as its exclusive agent to develop future water supply resources to meet the needs of Hillsborough County. When it became apparent the Cone Ranch was going to be available about two years ago, both staffs began working together to implement its purchase. West Coast, under the authority of the agreement, took the lead role in those negotiations. The County was expected to pay expenses of approximately \$317,000 associated with determining whether this property could be used as a water resource to meet the needs of Hillsborough County.

Commissioner Platt stated she was prepared to vote on the Agreement, the County needed the land, West Coast had acted in good faith and obtained the property for less than anticipated, and the Board knew the County would find the money; however, she was concerned that staff had not prepared a complete financing package to help the Board in its decision.

Commissioner Talley moved approval of the Interlocal Agreement with two technical changes. At page 5, end of second line, it should read "...rights, easements, licenses, (delete "fee simple interests") and other interests,..." The second amendment involved a sentence to be added at the end of that same paragraph: "If the Cone Ranch cannot be used as a water supply resource, then the Authority shall convey to the County the Authority's interest in the Cone Ranch and the Authority shall have no further rights to or interest in the Cone Ranch." The motion was seconded by Commissioner Platt. Commissioner Talley accepted an amendment to the motion to delete reference to the financing on page 4, by ending paragraph 2 with a period following the word "acquisition" and deleting the balance of that sentence. Commissioner Talley made that a part of the motion and Commissioner Platt seconded the amendment. The motion carried six to zero.

Mr. Bourey agreed to bring back requested information by March 1 if not earlier: on the collection system report; as to what changes had taken place from the 1986 bond issue projects to the current bond issue projects; what were the impacts of the various methods of financing (upon proposed projects and fiscal); as to if a subsequent method of financing evolved, what were the implications for the revenue sources which would not be utilized for other projects.

ITEM SCHEDULED FOR 1:30 p.m.

IV-E-1. Appearance by representative of C.A.S.T. regarding the Water/Wastewater Utility System. (To be heard at 1:30 p.m.)

Book 141, Page 236