

HILLSBOROUGH COUNTY

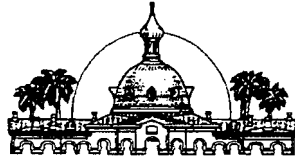
Florida

Office of the County Administrator
Daniel A. Kleman

PS 88-0023 Cone Ranch

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MEMORANDUM

DATE: March 6, 1998

TO: Pat Bean, Deputy County Administrator

FROM: Michael W. McWeeny, Director, Water Department *M*

SUBJECT: CONE RANCH REHYDRATION PILOT PROJECT

In keeping with the BOCC's guidance to operate the Water Department more like a business, I need to bring to your attention a situation that is developing. Last week, staff from the Engineering Division briefed me on the Cone Ranch Rehydration Pilot Project, for the first time.

This project is intended to reduce the effectiveness of the drainage ditching that was installed by the previous owner of Cone Ranch to drain the property and improve its agricultural productivity. Reducing the runoff will increase the surficial and Floridan aquifer recharge. This will also return some areas to wetland conditions that were historically wetlands but have converted to agricultural use over the years, and reduce the amount of land that is currently available for such use. The project is a joint funding project between the County and the Florida Department of Environmental Protection.

The status of the project is this. There is an approved CIP. Grant funds have been requested and committed. The local matching share is funded by the County. Design and permitting is nearly completed. In essence the project is beyond the point of no return.

Although WCRWSA retains the rights to develop water supplies on Cone Ranch, the Water Department enterprise fund holds title to the land. The BOCC has directed that the Water Department dispose of its surplus property. Cone Ranch fits the description of surplus property in that it is not necessary for the successful accomplishment of the Department's mission. The only reason the property has not been surplus before now is that the potential proceeds of the sale of the property would be significantly reduced by the potential purchasers not knowing what water supply development facilities would be constructed by WCRWSA and what restrictions that would place on the new owner's development of Cone Ranch. By waiting until the WCRWSA has permitted the wellfield we can reduce the unknown risk and increase the potential sales price.

Memorandum to Pat Bean
March 6, 1998
Page 2

The Cone Ranch Rehydration Project may be an environmentally sound project and benefit some segments of the County's population and the WCRWSA. However, it will potentially reduce the sales value of the property by decreasing the existing amount of uplands that is available for agricultural or development use. I do not know if a financial feasibility analysis was prepared for this CIP project. However, if one was prepared, I doubt it recognized the issues related to enterprise fund ownership of the property or the reduction in value of the asset to the enterprise fund that is likely to result from this endeavor.

The pilot project area was estimated to impact approximately 150 acres, making it less valuable for agricultural or development use. The amount of existing uplands will be reduced and it will be saturated or inundated more frequently and for longer duration. The adverse financial impact of this project to the enterprise fund may be significant. It is also reasonable to assume that if this pilot project is environmentally successful, and I have no doubt it will be, additional portions of Cone Ranch will be appropriated for an expanded rehydration project.

There is also the potential for a Bond Covenant conflict with use of the property primarily for the benefit of someone other than our system customers without compensation. This may fall under either the 'free service' prohibition or the requirement to receive 'market value' for assets disposed.

Development of rehydration projects on Cone Ranch may be a great thing to do environmentally. It may also enhance the production capability of the Cone Ranch Wellfield for the WCRWSA. It may even be possible to reduce the flooding South of the property by moving the flooded area onto the Cone Ranch. But, it is not proper or right for the Hillsborough County water customers to have to subsidize either the environmental improvement, the WCRWSA's wellfield production or flooding relief to upstream property owners where these benefits inure to groups of citizens other than our customers.

I request the Engineering Division be directed to review and correct the financial feasibility analysis of the project or prepare one if one wasn't prepared for the project and seek additional funding to compensate the Water Department enterprise fund for the diminished value of the Cone Ranch asset. Further, I request that all departments be directed to refrain from planning or developing projects on Water Department enterprise system held property without full financial analyzes and coordination with the Water Department. Please call me if you have questions or need additional information regarding this situation.

CC: Ed Hunzeker, Assistant County Administrator
Bob Gordon, Director, Engineering Division

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