

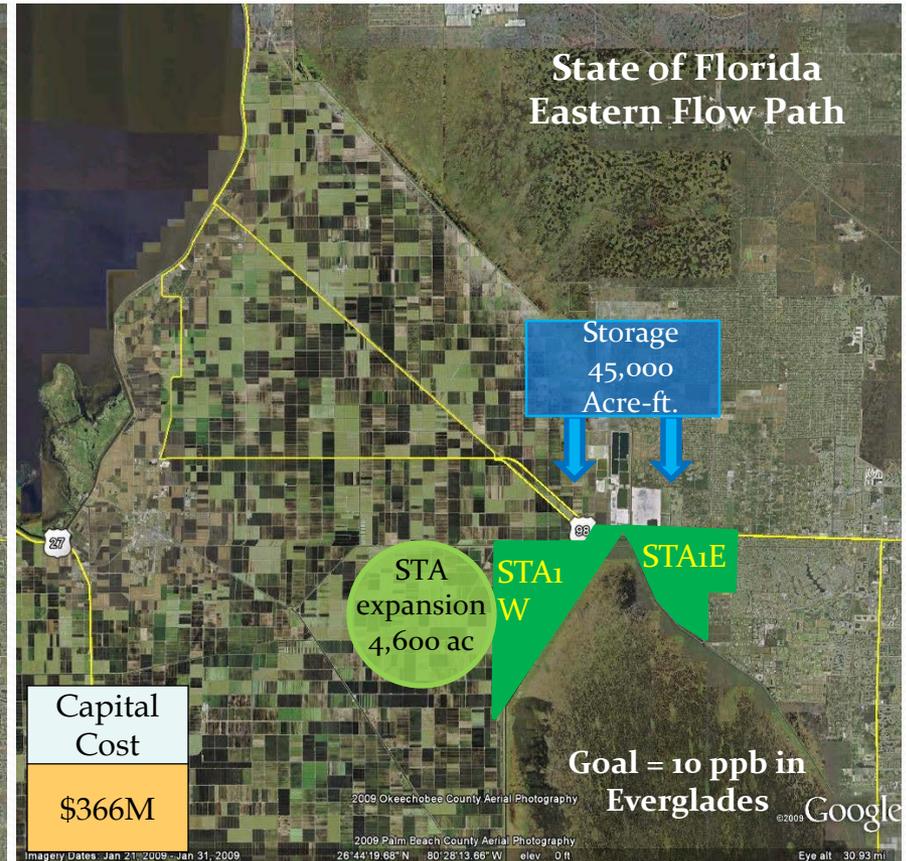
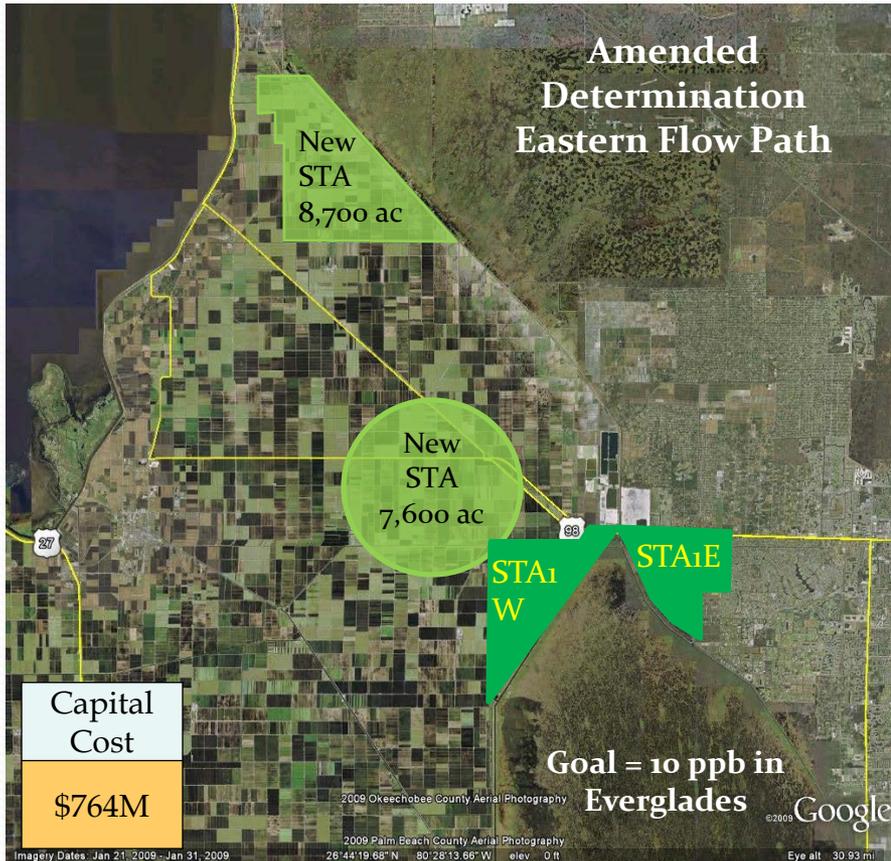
STA-1W Expansion Project

Ernie Barnett, Assistant Executive Director

October 10, 2013

Governing Board

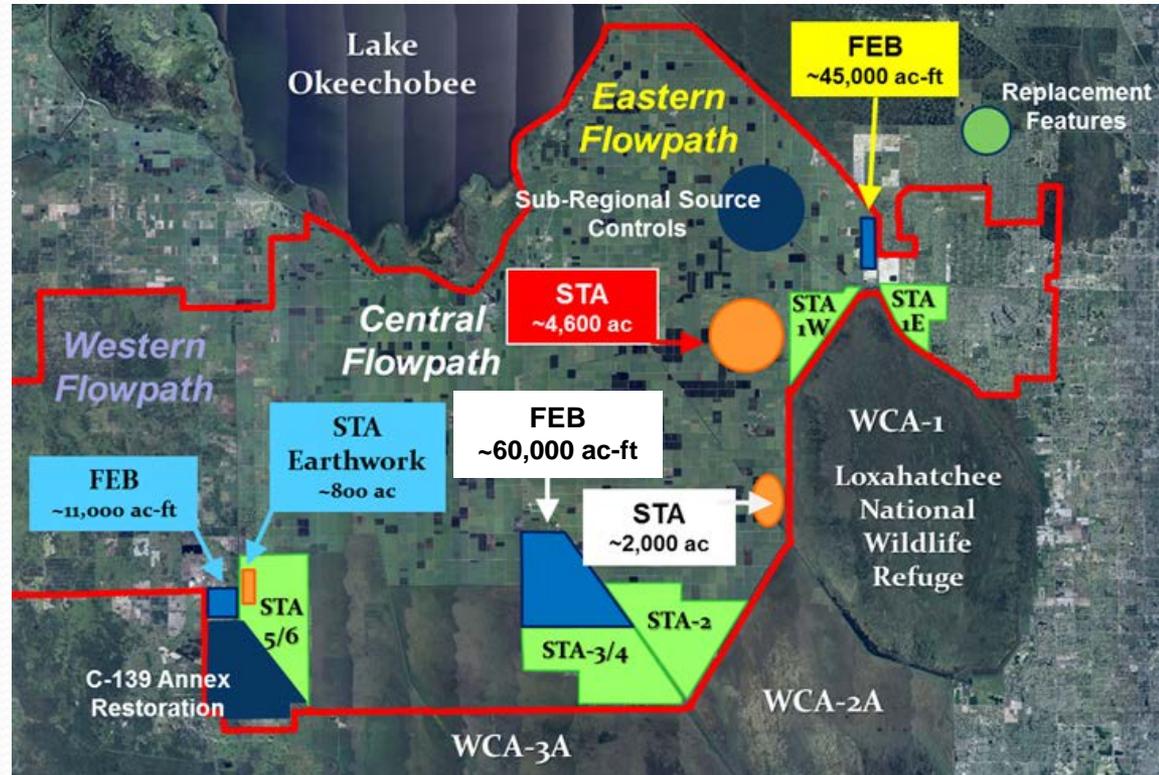
Background



Restoration Strategies Eastern Flow Path Configuration represents a \$398 million dollars savings when compared to the EPA Amended Determination

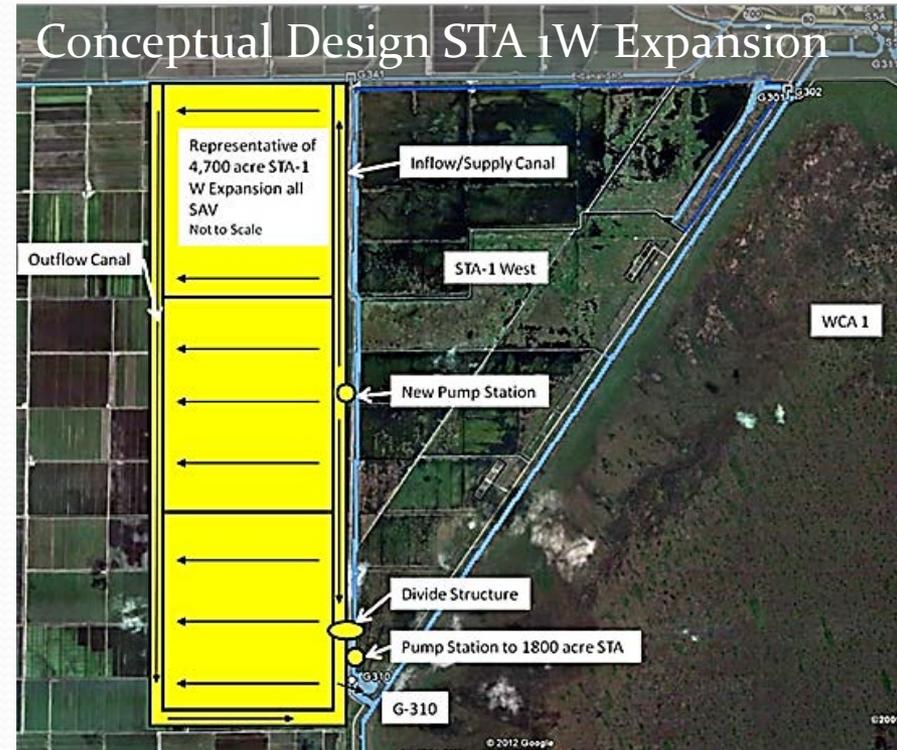
Background

- District will acquire ~4,535 acres from willing sellers to expand STA-1W
 - Restoration Strategies Regional Water Quality Plan
- Legal challenges hindered negotiations
- Agreement reached between landowners



Project Benefits

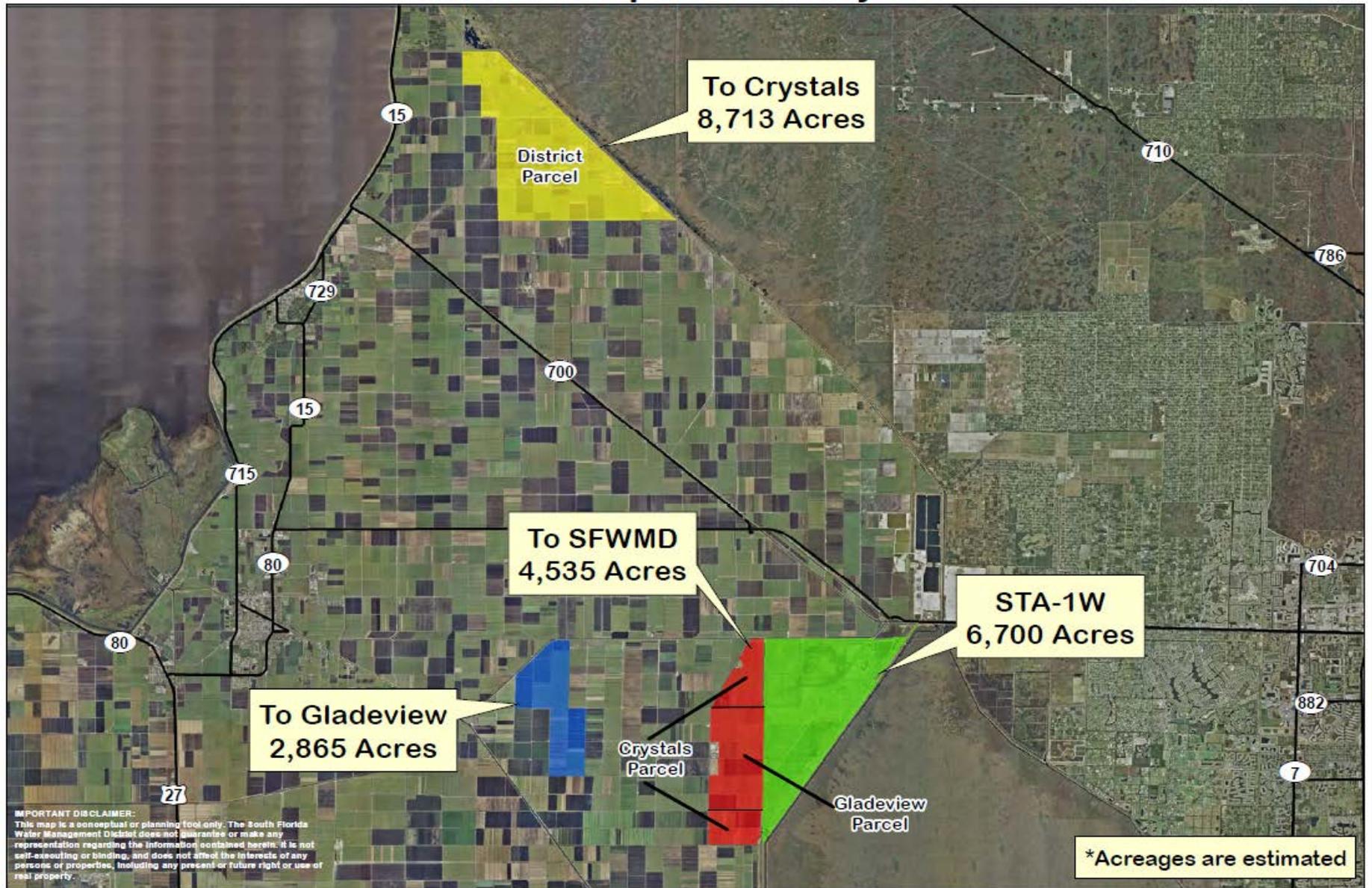
- Provides the optimal acreage necessary to allow the District to stay on schedule and meet upcoming consent order milestones
- Provides cost savings of ~\$32M by utilizing lands adjacent to the existing STA-1W
 - Increased conveyance capacity of existing canals
 - Additional easement/real estate acquisition for canal widening
- Provides the highest level of certainty that the District will meet the Water Quality Based Effluent Limit (WQBEL) as required by the EFA and NPDES permits and consent orders



Project Details: Land

- Florida Crystals Corporation (“Crystals”)
 - Will acquire approximately 8,713 acres of land from the District
- Gladeview Holdings, LC (“Gladeview”)
 - Will acquire approximately 2,865 acres from Crystals
 - The District will provide cash consideration to Gladeview in the amount of \$5,978,474
- South Florida Water Management District
 - Will acquire 4,535 acres from Crystals and Gladeview

Land Exchange STA-1W Expansion Project



Project Details: Appraisal Information

Appraisals	District Parcel	Crystals Parcel	Gladeview Parcel	Combined Crystals and Gladeview Parcels (STA Expansion Site)
SFWMD (Shaw)	\$ 63,000,000	\$ 18,400,000	\$ 23,900,000	\$ 42,300,000
SFWMD (Banting)	\$ 68,000,000	\$ 18,760,000	\$ 24,600,000	\$ 43,360,000
SFWMD Average	\$ 65,500,000	\$ 18,580,000	\$ 24,250,000	\$ 42,830,000
Crystals	\$ 56,800,000			\$ 42,000,000

Differences in average appraised values of District Parcel and Combined Crystals/Gladeview parcels range from \$14.8M to \$22.67M

Project Details:

Additional Cost Analysis

- Analysis of costs to be incurred as a consequence of relocating existing farming operations:
 - Includes relocation, new equipment and facilities and improvements
 - Crystals – \$18,000,000 to \$20,452,456
 - Gladeview – \$2,000,000 to \$2,478,474
- Eminent domain avoidance
 - In lieu of exercising eminent domain, the District will provide \$3.5M to Gladeview for a voluntary exchange

Summary

- Provides the optimal acreage necessary to allow the District to stay on schedule and meet upcoming consent order milestones
- Provides opportunity cost savings of 32.7M by utilizing lands adjacent to the existing STA-1W
- Difference in appraised value is generally offset by relocation costs
- Provides a highest level of certainty that the District will meet the Water Quality Based Effluent Limit (WQBEL) and is required by the EFA and NPDES permits and consent orders

Staff Recommendation

- Approval to move forward with a letter of intent for land exchange for the STA-1W expansion project under Restoration Strategies

Resolution No. 2013-1018

A Resolution of the Governing Board of the South Florida Water Management District approving a non-binding letter of intent for exchange of lands under which the South Florida Water Management District will acquire approximately 4,535 acres of land in Palm Beach County and pay cash consideration in the amount of \$5,978,474 Florida Crystals Corporation will acquire approximately 8,713 acres of land in Palm Beach County from the District, and Gladeview Holdings, LC and its manager Knight Management, Inc. will acquire approximately 2,865 acres of land in Palm Beach County from Florida Crystals and receive the \$5,978,474 from the District, all subject to approval of a land exchange agreement by the Governing Board of the South Florida Water Management District; providing an effective date.