



Legislation Text

File #: 21-0853, **Version:** 1

Agenda Item Name:

Santa Fe River - Hitchcock and Sons Inc. and Hitchcocks Ranch LLC. Option Contracts to Purchase Conservation Easements

Presenter:

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Description:

Staff Requests the Board of County Commissioners (BoCC) to approve and exercise the attached Option Contracts to Purchase conservation easements over a total of 2,242.8 acres from Hitchcocks Ranch LLC. and Hitchcock and Sons, Inc. through the Alachua County Forever program. The exercise of these Contracts to purchase Conservation Easements, is the final BoCC action on the acquisition of this project.

Recommended Action:

1. Approve and authorize the Chair to exercise Option Contracts to Purchase a Conservation Easement.
 - a. Hitchcock and Sons Inc. Option Contract
 - b. Hitchcocks Ranch LLC. Option Contract
2. Approve and authorize the acceptance of title subject to the title exceptions that staff is recommending the Board to accept as listed below in the background section.
3. Authorize staff to execute additional documents as necessary to close the transaction; and
4. Approve the attached budget amendment authorizing the expenditure of funds for due diligence and associated closing costs.

Prior Board Motions:

5/3/2006 - The Board added the Mill Creek - James Property to the Active Acquisition List as a full price project. This land is now owned by the Hitchcocks.

4/24/2018 - The Board added the Hitchcock Ranch Conservation Easement to the Active Acquisition List as a full price project.

9/22/2020 - The Board approved and authorized the Chair to execute the Program Agreement between the Natural Resources and Conservation Service (NRCS) and Alachua County for the Agricultural Conservation Easement Program relating to the purchase of a conservation easement over portions of the "Santa Fe River Ranch."

9/29/2020 - The Board approved and executed the Parcel Cost Share Contracts between NRCS and Alachua County for grants to acquire the conservation easement on the Santa Fe River - Ranch,

from Hitchcock Ranch, LLC and Hitchcock & Sons. The grant is from the U.S. Dept. of Agriculture's "Agricultural Conservation Easement Program - Agricultural Land Easement (ACEP-ALE)", and the program is administered by (NRCS).

4/13/2021- The BoCC authorized staff to pursue the acquisition of conservation easements from Hitchcock and Sons Inc. and Hitchcocks Ranch LLC, as a full price project (without NRCS Grant).

Fiscal Consideration:

The amount of the option payments are a non-refundable \$1,000.00/each. However, if the options are exercised, the \$1,000.00 will be applied to the final purchase price of each contract.

Total acquisition costs are estimated to be \$5,568,941 for the land plus \$370,605 for due diligence and closing services. The bases for these estimates are detailed below.

The final purchase price shall be based on the final surveyed acreage times the following:

- \$2,598.42 per/acre for the Hitchcocks Ranch LLC ownership,
- \$2,598.42 per/acre for that portion of the Hitchcock and Sons, Inc. ownership known as Valley View, and
- \$1,307.67 per/acre for that portion of the Hitchcock and Sons, Inc. ownership known as the James Addition. The ±200.5 acre James Addition was appraised at \$2,615.33/acre, but the seller will be donating 50% of the value.

A precise determination of the acreage in each parcel will be determined after a survey of the property.

In order to provide sufficient spending authority to cover an unanticipated change in acreage or other acquisition costs, staff is requesting authorization to expend an amount equal to the estimated acquisition and due diligence costs, plus 10%.

Summary of Estimated Costs

- Combined Estimated Purchase Price: \$5,568,941
 1. Hitchcocks Ranch LLC: \$4,302,983 (1,656 ac x \$2,598.42/ac.)
 2. Hitchcock and Sons Inc: \$1,265,957 (\$1,003,769.65 + \$262,187.84)
 - Original "Valley View": \$1,003,769.65 (386.3 ac x \$2,598.42/ac.)
 - "James Addition": \$262,187.84 (200.5 ac x \$1,307.67/ac.)
- Survey & perimeter boundary marking: \$233,755 (NV5)
- Survey/CE Zone & Preservation Zone Signs & Posts: \$8,500
- Phase I ESA: \$8,262
- Baseline Documentation Report & interior Preservation Zone marking: \$23,432
- Attorney's fees and closing costs: \$96,656
- 10% contingency on purchase price & due diligence: \$593,955

TOTAL EXPENDITURE AUTHORITY REQUESTED: \$6,533,501

WSPP - Land Acquisition (Capital Expense)

Fund#: 021.41.4160.537.61.00 - 6194101 Santa Fe River - Hitchcock

The landowner will continue to pay Alachua County property tax revenues after the Conservation Easement conveyed. Under Section 196.26, Florida Statutes, land dedicated in perpetuity for conservation purposes but used for commercial purposes (e.g., silviculture) is eligible for a 50% exemption from ad valorem taxation. Since certain portions of the property are excluded from the conservation easement, and the assessment may change on the excluded portions, the potential impact of this transaction on the county tax base cannot be accurately estimated at this time.

\$1,000 : Annual Alachua County Forever Management Costs (CE Monitoring)

Background:

Staff has negotiated the attached Options (Exhibit 1 & 2) and Conservation Easements (Exhibit 3 & 4) and it was executed by the Manager on September 2, 2021. The Options require transmittal of a signed Notice of Exercise of Option by the BoCC Chair, to the Sellers by October 15, 2021, the date the Option period ends. (Exhibit 5 & 6) The Hitchcocks Ranch LLC. and Hitchcock and Sons, Inc. conservation easement acquisitions are dependent upon one another: The County is not obligated to close on the purchase of one property if it does not close on the purchase of the other.

In total, the proposed conservation easements will cover approximately 2,242.8-acres. These conservation easements will be adjacent to one another and cover land owned by two Hitchcock family corporations. Together they will provide a protected wildlife corridor joining the County's Mill Creek Preserve to lands on the Santa Fe River owned by the Suwannee River Water Management District, both singly and jointly with the County. These conservation easements will not only directly buffer 2,400 feet of the Santa Fe River, but will also incorporate portions of two tributary creeks and numerous karst features that influence water quality in the Santa Fe River.

The land supports a wide diversity of natural communities within the matrix of agricultural areas including: Springs/Ephemeral Seeps, Seepage Stream, Floodplain Swamp, Basin Swamp, Depression Marsh, Bottomland Hardwood, Upland Mixed Forest, Calcareous Mesic Hammock, Sinkhole, Sinkhole Lake, Remnant Sinkhole and Blackwater River (The Santa Fe River). Currently the property has a mixture of land uses including, cattle pasture, timber production, rented event space, agro-tourism operations and hunting.

As shown in the original ACF property evaluations, the footprint of the of the proposed conservation easements cover two separate Alachua County Forever projects: the 2,042 ac. Santa Fe River - Hitchcock (8.47 matrix score) and the 200.5ac. Mill Creek - James (7.53 matrix score). In 2020 the Mill Creek - James property was purchased by the Hitchcock family and subsequently included in the negotiations with the County.

The Hitchcock Ranch LLC. ownership has approximately 630 acres included within the Santa Fe River Strategic Ecosystem and the Hitchcock and Sons Inc. ownership has approximately 200 acres within the Mill Creek Strategic Ecosystem. (Exhibit 7 & 8)

Because the conservation easements will cover land owned by two different Hitchcock family corporate entities, this ACF conservation easement acquisition project is covered by two option contracts; one to purchase a conservation easement from Hitchcocks Ranch, LLC, and one to

purchase a conservation easement from Hitchcock & Sons, Inc. These Option Contracts require both conservation easement purchases to close together at the same time and the conservation easement deeds for each transaction mirror each other with the same terms and conditions. Below is the list of Alachua County Tax Parcel ID Numbers for each parcel that will be covered by a County conservation easement according to Hitchcock family corporate ownership:

- 1) Hitchcock and Sons Inc. (586.8 acres) consisting of 5 parcels: 02831-000-000, 02829-000-000, 02829-001-000, 02843-001-000, 02843-000-000.
- 2) Hitchcocks Ranch LLC. (1,656 acres) consisting of 13 parcels: 02768-000-000, 02765-002-000, 02762-000-000, 05319-000-000, 05295-000-000, 02765-004-000, 02765-000-000, 02770-000-000, 02772-000-000, 02775-000-000, 02823-002-000, 02826-000-000 and 02765-003-000.

The 9.2-acre parcel 02765-003-000, located on the northeast corner of the Hitchcock's ownership is adjacent to lands owned jointly by Suwannee River Water Management District and Alachua County. The Property Appraiser lists those entities as owners of that parcel, but based on available information, staff believes this may be in error. A final determination will be made after completion of the boundary survey and final title examination. The preliminary Hitchcock Ranch Title Commitment has temporally excluded parcel 02765-003-000. (Exhibit 13)

The family's residential and two event spaces located within the Hitchcock ownership, have been removed from the conservation easement footprint. (Exhibit 10)

The Hitchcock Ranch has legal access to NW County Road 241, via NW 270th Avenue and legal access to NW County Road 236, via NW 122 Street.

The overarching "Conservation Values" outlined in the conservation easements will direct the county's protection of the land into the future. The easements identify approximately 606 acres of sensitive natural areas as Preservation Zones. The agricultural areas, identified as Grazing, Supplemental Grazing, Mowed, or Timber, are protected through the compliance with the Florida Department of Agriculture and Consumer Services, Office of Agricultural Water Policy, "Water Quality Best Management Practices for Florida Cow/Calf Operations, Florida Forest Service's "Best Management Practices for Silviculture" and Florida Wildlife Best Management Practices for Silviculture. The easements permit changes in use so long as the proposed use is less intensive than the use allowed under the initial designation. For example, the pine plantation may remain as pine plantation or may be restored to natural vegetation. However, pine plantations may not be converted to cattle pasture, a more intensive land use.

The baseline documentation report will capture the property's current condition and a 10-year Conservation Easement Stewardship Plan will be prepared prior to closing.

The boundary survey, baseline documentation report, phase I environmental survey, and the 10-year Conservation Easement Stewardship Plan are the next steps of due diligence that will be initiated after the Options are Exercised by Alachua County.

Closing transactions would occur once there has been a determination by the County Manager that there are no title, survey or environmental defects.

The attached title commitments (Exhibit 13 & 14) list items that would be exceptions to the County's

unencumbered ownership of the Property. Staff recommends accepting title subject to the following non-standard title exceptions listed as follows:

Hitchcock and Sons Inc.

5. Easement from Hitchcock & Sons, Inc., a Florida corporation to Clay Electric Cooperative, Inc. recorded in O. R. Book 4623, Page 1596, Public Records of Alachua County, Florida.
6. Easement from Hitchcock & Sons, Inc., a Florida corporation to Clay Electric Cooperative, Inc. recorded in O.R. Book 4649, Page 227, Public Records of Alachua County, Florida.
7. Easement for ingress and egress contained in warranty deed recorded December 22, 2016, under O.R. Book 4483, Page 1466, Public Records of Alachua County, Florida.

Hitchcocks Ranch LLC

7. Terms and Conditions contained in the Right of Way Deed to the State of Florida along CR 241, recorded in Deed Book 191, Page 66, Public Records of Alachua County, Florida.
8. One-half of oil, gas or other minerals reserved by Mary Lenora Robertson in deed to Simon Eugene Vinzant recorded in Deed Book 294, Page 143, Public Records of Alachua County, Florida. No determination has been made as to the current record owner for the interest excepted herein. The right of entry and/or exploration has been released or eliminated of record, and this policy insures against same. (As to Parcel B and that portion of Parcel A lying within the E 1/2 of the SE 1/4 of the SE 1/4 of Section 36, Township 6 South, Range 18 East)
9. One-half of oil, gas or other minerals quitclaimed by Simon Eugene Vinzant to Mary Lenora Robertson, recorded in Deed Book 312, Page 369, Public Records of Alachua County, Florida. No determination has been made as to the current record owner for the interest excepted herein. The right of entry and/or exploration has been released or eliminated of record, and this policy insures against same.
10. Reservations in favor of the State of Florida, as set forth in the deed from the Trustees of the Internal Improvement Fund of the State of Florida, recorded in O.R. Book 121, Page 225, Public Records of Alachua County, Florida. (As to a portion of Parcel A lying within Government Lot I and the N 1/2 of the NE 1/4 lying South of the Santa Fe River in Section 36, Township 6 South, Range 18 East)
11. Reservations in favor of the State of Florida, as set forth in the deed from the Trustees of the Internal Improvement Fund of the State of Florida, recorded in O.R. Book 225, Page 196, Public Records of Alachua County, Florida, which affect the South 1/2 of Government Lot 1 East of the Grant, and the South 1/2 of the Northwest 1/4 inside the Grant, All in Section 1, Township 7 South, Range 18 East, but not excepting reservations for easement for State Road right of way.
12. Cemetery reservation and easements contained in the deed recorded in O.R. Book 254, Page 488, Public Records of Alachua County, Florida. (As to that portion of Parcels A and E located in the South 1/2 of Government Lot I East of the Grant, and the South 1/2 of the Northwest 1/4 inside the Grant in Section 1, Township 7 South, Range 18 East)
13. Title to any portion of the subject property which may constitute burial lots is not insured hereby.
14. Easement for ingress and egress to any burial lots located upon the subject property in favor of the relatives and descendants or any person buried therein for the purpose or visiting gravesites at reasonable times and in a reasonable manner, pursuant to Sec. 704.08, F.S., with the rights to maintain the gravesites, under the conditions set forth in the aforesaid statute.
15. Easement for ingress, egress, and public utilities recorded in O.R. Book 1726, Page 1192,

Public Records of Alachua County, Florida.

16. Right, title, and interest of owners of property described in the deed recorded in O.R. Book 2844, Page 723, Public Records of Alachua County, Florida, as the legal description in said deed qualifies "lying Northerly of the Prescriptive right-of-way of a County maintained limerock road, known locally as NW 270th Ave", and the location of said road appears to have shifted Northerly over the last 20+ years. There appears to be no deed in favor of Alachua County whereby establishing the actual location of said road.
17. Subject to any portion of the subject property(s) lying within any road rights of way including, but not limited to, NW 270th Ave a/k/a County Road NW 8, NW 278th Ave a/k/a County Road NW 68, NW 107th Street a/k/a County Road NW 25, NW 122nd Street a/k/a County Road NW 23, and those labeled "Access Roads" on the tax maps, which are not specifically described.
18. Potential rights of ingress and egress over and across the subject property in favor of owners of property(s) described in the deed recorded in O. R. Book 2193, Page 738, Public Records of Alachua County, Florida, which does not provide for access to the parcel described therein.
19. Potential rights of ingress and egress over and across the subject property in favor of owners of property described in the deed recorded in O.R. Book 3046, Page 1385, Public Records of Alachua County, Florida, who lost access by virtue of parcel subdivision.
20. Easement for Ingress, Egress and Public Utilities recorded August 15, 2012, under O.R. Book 4127, Page 2400, Public Records of Alachua County, Florida.
21. Easement from Hitchcocks Ranch, LLC, a Florida limited liability company to Clay Electric Cooperative, Inc. recorded in O.R. Book 4158, Page 1264, Public Records of Alachua County, Florida.
22. Easement for ingress and egress contained in warranty deed recorded May 6, 2013, under O. R. Book 4193, Page 830, Public Records of Alachua County, Florida.
23. Easement from Robert A. Hitchcock and Cathy Hitchcock to Clay Electric Cooperative, Inc. recorded in O.R. Book 4217, Page 2078, Public Records of Alachua County, Florida. (As to the ingress and egress easement contained in O.R. Book 4193, Page 830).
25. Easement from Hitchcocks Ranch, LLC, a Florida limited liability company to Clay Electric Cooperative, Inc. recorded in O.R. Book 4649, Page 224, Public Records of Alachua County, Florida.

As described in items 8 and 9 above, one-half of the mineral interests appear to be held by third parties over an area of approximately 30 acres lying along the eastern side of the Hitchcock property. However, the title insurance policy will cover the County against entry or exploration to assert those interests. Therefore, it is the opinion of staff that these outstanding interests do not pose a threat to the County's interests under the conservation easement.

There is one cemetery known to be on the property and potentially other gravesites that have not yet been identified. Relatives and descendants of those buried would continue to have rights of access and maintenance, but any impact on the County's interests should be negligible.

Otherwise, the exceptions primarily cover various easements or other rights for ingress, egress and utilities, and are typical of a property of this size. These outstanding interests will be further examined and documented through the boundary survey and baseline documentation. Thus far, none appear to be adverse to the County's interests under the conservation easement.

Based on the foregoing, staff recommends that the Board accept title subject to these outstanding interests.

Comp Plan Reference:

Acquiring the Santa Fe River - Hitchcock Tract fulfils multiple objectives endorsed within the Alachua County Comprehensive Plan. Specifically, Policy 6.0 Land Conservation Program within the Conservation and Open Space Element, states "Establish and maintain a land conservation program for the purchase, preservation, and management of natural areas and open space to complement the regulatory approaches identified in other section of this element."