

Governor stalls Orange land buy

*Bush and the Cabinet want more time to study terms of the \$50 million Joshua Creek parcel.
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Gov. Jeb Bush and the Cabinet decided Tuesday that they aren't ready to hand \$17.7 million in profit to developers as part of a \$50 million deal to buy northeast Orange County wilderness.

Acquisition of the 4,569-acre Joshua Creek Conservation Area, long sought by government conservation authorities as critical ecosystem for preservation, was up for final approval before the Cabinet.

But the panel postponed a decision for two weeks in hopes that state workers could better justify the current deal or possibly renegotiate a lower price.

The current landowners, Polk County partnership Land South Hunters, paid \$32.3 million for the land in March. But government officials are now prepared to pay \$50 million because of skyrocketing land values and other complex legal and appraisal issues that affected how the land was priced.

"You can sugarcoat it. You can appraise it. You can talk about it. You can do whatever you want, but at the end of the day, that's a pretty good entrepreneurial profit," Bush said.

But a representative of the owners said the price is fair and further talks aren't likely to lead to changes.

"The value of this property is far higher if we subdivide it and sell in parcels," said Matthew Smith, an Orlando attorney. "I don't see a reduction in purchase price."

The parcel takes in healthy wetlands, forest and wildlife corridors in Orange County near the St. Johns River. About 80 acres extends into Seminole County.

If purchased, the Joshua Creek land would be added to the 5,048-acre Little Big Econ State Forest. The land also would provide a new route for the Florida National Scenic Trail in an area where hikers now follow paved road for several miles.

While government authorities have flirted with purchasing much of Joshua Creek lands since the mid-1980s, environmentalists say time is now running out because development is advancing into east Orange County.

Charles Lee, director of advocacy for Audubon of Florida, told Cabinet members the Joshua Creek area is in particular

jeopardy because of planned expressway roads in the area.

"Governor, it's a good deal, and we recommend it," Lee said.

Current zoning for the land allows ranchettes, which are homes on multiacre lots.

Lee said that even that relatively less-intense kind of development would ruin the property's ecosystem value.

He said buying the property at the current price of more than \$10,000 an acre would be hard to beat.

"I think the test is real simple," Lee said. "Go find any land that you can buy in Orange County for less than \$11,000 an acre. You can't."

The proposed purchase price is split three ways, with 50 percent to be paid by the state, 25 percent by the St. Johns River Water Management District and 25 percent by Orange County.

Land South Hunters officials said the \$17.7 million profit is appropriate because the partnership is cashing in on a smart, well-timed investment. The partnership says it paid a bargain-basement price for the land in March.

The group bought it in two parcels. The partnership paid \$20 million for the first parcel covering 3,900 acres, which takes in nearly all of the highly valued environmental landscape.

Land South Hunters and government property appraisers have said that \$20 million price was set two years before the deal was finalized in March -- before land prices shot through the roof. And that price already had been reduced in part because a business associated with the land had declared bankruptcy. It cost the developers time and money to resolve.

The partners bought the second parcel, covering 616 acres, for \$12.3 million, also in March. Much of that land has been cleared for pasture and until now has had little value among government officials as conservation land.

The property does, however, have extensive frontage with Fort Christmas Road. Combining it with the larger, more remote parcel boosted the overall value of the land for possible development, according to government appraisers.

There is disagreement over many of the details.

For example, previous owners of the property say the \$20 million sale price in March was fair and met their expectations. They contend the price had actually been set eight months before the sale, leaving much less time for the property to appreciate. They also maintain the bankruptcy had little to do with the land's value. In all, the state now finds it must pay for both of the parcels that the partners combined, even though it never wanted the second parcel. And it is paying for years of delay when it could have purchased the land earlier for a much cheaper price.

State officials said they might have bought Joshua lands a year or two ago but were distracted by a \$350 million purchase of Babcock Ranch land in South Florida that was finalized this year.

While in Orlando on Tuesday evening, Bush told the Orlando Sentinel that he has always been supportive of buying environmentally sensitive properties. So far, though, the Joshua Creek tract is not one of those.

"I want to get a full understanding, blow by blow, of how we got to where we were," he said. "I have to get a better idea of why that's such a good deal for taxpayers."

[Illustration]

MAP: (locator map) ORLANDO SENTINEL BOX: RISING LAND PRICES AT JOSHUA CREEK 1985 Hunter's Development Fund, a group of Orlando-area investors, buys about 3,900 acres for \$3.6 million. Mid-1980s St. Johns River Water Management District orders two appraisals; values determined at \$3.65 million and \$4.31 million. 1998 Water district orders two more appraisals; values set at \$6.05 million and \$6.09 million. District's offer of \$5.5 million rejected. 2003 Federal officials order appraisal valid for 2004 land prices; value determined at \$7.7 million. March 2006

Hunter's Development Fund sells its 3,900 acres to Land South Hunters of Polk County for \$20 million. Land South Hunters also buys adjoining 616 acres for \$12.3 million. September 2006 Gov. Jeb Bush criticizes paying \$50 million for the combined tract; decision is postponed for two weeks. -- STAFF REPORTS

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