UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

In re:

AGRIPARTNERS LIMITED PARTNERSHIP, Chapter 11

Debtor. Case No.: 12-19214-FMD

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DISCLOSURE STATEMENT FOR CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY AGRIPARTNERS LIMITED PARTNERSHIP

March 15, 2013

Respectfully submitted,

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ATTORNEYS FOR DEBTOR

EXHIBIT INDEX

DISCLOSURE STATEMENT FOR CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY AGRIPARTNERS LIMITED PARTNERSHIP

DEBTOR RESERVES THE RIGHT TO AMEND OR SUPPLEMENT THIS PROPOSED DISCLOSURE STATEMENT AT OR BEFORE THE CONFIRMATION HEARING.

I. INTRODUCTION

Agripartners Limited Partnership (the "Debtor") provides this Disclosure Statement (the "Disclosure Statement") to all of Debtor's Creditors and Equity Security Holders in order to permit such creditors and Equity Security Holders to make an informed decision in voting to accept or reject the Chapter 11 Plan Proposed By Debtor, attached hereto as Exhibit "A", that was filed on March 15, 2013 with the United States Bankruptcy Court for the Middle District of Florida (the "Bankruptcy Court") in connection with the above-captioned case (the "Chapter 11 Case"). Capitalized terms used herein but not otherwise defined have the meanings assigned to such terms in the Plan. Whenever the words "include," "includes" or "including" are used in this Disclosure Statement, they are deemed to be followed by the words "without limitation."

The Disclosure Statement is presented to certain holders of Claims against or Equity Interests in the Debtor in accordance with the requirements of section 1125 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code"). Section 1125 of the Bankruptcy Code requires that a disclosure statement provide information sufficient to enable a hypothetical and reasonable investor, typical of the Debtor's creditors and stockholders, to make an informed judgment whether to accept or reject the Plan. The Disclosure Statement may not be relied upon for any purpose other than that described above.

THE DISCLOSURE STATEMENT AND THE PLAN ARE AN INTEGRAL PACKAGE, AND THEY MUST BE CONSIDERED TOGETHER FOR THE READER TO BE ADEQUATELY INFORMED. THIS INTRODUCTION IS QUALIFIED IN ITS ENTIRETY BY THE REMAINING PORTIONS OF THIS DISCLOSURE STATEMENT, AND THIS DISCLOSURE STATEMENT IN TURN IS QUALIFIED, IN ITS ENTIRETY, BY THE PLAN.

NO REPRESENTATIONS CONCERNING THE DEBTOR (PARTICULARLY AS TO THE VALUE OF ITS PROPERTY) ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OF THE PLAN OTHER THAN AS CONTAINED IN THE DISCLOSURE STATEMENT AND ITS EXHIBITS SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR DEBTOR, WHO WILL IN TURN DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTION AS MAY BE APPROPRIATE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING ANY EXHIBITS CONCERNING THE FINANCIAL CONDITION OF THE DEBTOR AND THE OTHER INFORMATION CONTAINED HEREIN, HAS NOT BEEN SUBJECT TO AN AUDIT OR INDEPENDENT REVIEW EXCEPT AS EXPRESSLY SET FORTH HEREIN. ACCORDINGLY, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONCERNING DEBTOR OR ITS FINANCIAL CONDITION IS ACCURATE OR COMPLETE. THE PROJECTED INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PRESENTED FOR ILLUSTRATIVE PURPOSES ONLY, AND, BECAUSE OF THE UNCERTAINTY AND RISK FACTORS INVOLVED, THE DEBTOR'S ACTUAL RESULTS MAY NOT BE AS PROJECTED HEREIN.

ALTHOUGH AN EFFORT HAS BEEN MADE TO BE ACCURATE, THE DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS IS CORRECT. THE DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. EACH CREDITOR AND STOCKHOLDER IS STRONGLY URGED TO REVIEW THE PLAN PRIOR TO VOTING ON IT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THE DISCLOSURE STATEMENT UNLESS ANOTHER TIME IS SPECIFIED. THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE FACTS SET FORTH SINCE THE DATE OF THE DISCLOSURE STATEMENT.

A STATEMENT OF THE ASSETS AND LIABILITIES OF THE DEBTOR AS OF THE DATE OF THE COMMENCEMENT OF THE CHAPTER 11 CASE IS ON FILE WITH THE CLERK OF THE BANKRUPTCY COURT AND MAY BE INSPECTED BY INTERESTED PARTIES DURING REGULAR BUSINESS HOURS.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NON-BANKRUPTCY LAW. ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST, INTERESTS IN OR SECURITIES OF, THE DEBTOR SHOULD EVALUATE THIS DISCLOSURE STATEMENT ONLY IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS SUCH COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT WILL NOT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES OR OTHER LEGAL EFFECTS OF THE PLAN.

EACH CREDITOR SHOULD, THEREFORE, CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISERS AS TO ANY SUCH MATTERS CONCERNING THE SOLICITATION, THE PLAN OR THE TRANSACTIONS CONTEMPLATED THEREBY.

Pursuant to the Bankruptcy Code, the Debtor filed a plan of reorganization with the Bankruptcy Court on March 15, 2013 and this disclosure statement was filed thereafter. The Bankruptcy Court will schedule a hearing to consider approval of this Disclosure Statement and on Confirmation of the Plan (the "Confirmation Hearing") to be held at the United States Bankruptcy Court for the Middle District of Florida, Fort Myers Division, 2110 First St., Fort Myers, Florida 33901. At the Confirmation Hearing, the Bankruptcy Court will consider whether this Disclosure Statement and the Plan satisfy the requirements of the Bankruptcy Code, including whether the Plan is in the best interests of the claimants.

To obtain, at your cost, additional copies of this Disclosure Statement or of the Plan, please contact Shraiberg, Ferrara & Landau, P.A., 2385 NW Executive Center Drive, Ste. 300, Boca Raton, FL 33431, Phone: (561) 443-0800, Facsimile: (561) 998-0047.

A. Overview of the Plan

THE FOLLOWING IS A BRIEF SUMMARY OF THE TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN. THE DESCRIPTION OF THE PLAN SET FORTH BELOW CONSTITUTES A SUMMARY ONLY AND IS QUALIFIED, IN ITS ENTIRETY, BY THE PLAN AND THE PLAN DOCUMENTS. CREDITORS AND OTHER PARTIES IN INTEREST ARE URGED TO REVIEW THE MORE DETAILED DESCRIPTION OF THE PLAN CONTAINED IN SECTION IV OF THIS DISCLOSURE STATEMENT AND THE PLAN ITSELF. THE PLAN IS ATTACHED AS EXHIBIT B TO THIS DISCLOSURE STATEMENT. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN, THE PLAN CONTROLS.

Chapter 11 is the chapter of the Bankruptcy Code primarily used for business reorganization. The fundamental purpose of a chapter 11 case is to formulate a plan to restructure a debtor's finances so as to maximize recoveries to its creditors. With this purpose in mind, businesses sometimes use chapter 11 as a means to conduct asset sales and other forms of liquidation. Whether the aim is reorganization or liquidation, a chapter 11 plan sets forth and governs the treatment and rights to be afforded to creditors and stockholders with respect to their Claims against and Equity Securities in a debtor's bankruptcy Estate.

The Plan divides the Claims against and Equity Securities in the Debtor into Classes. Certain Claims, in particular, Administrative Claims, remain unclassified in accordance with section 1123(a)(1) of the Bankruptcy Code. The Plan assigns all other Claims and Interests as described below and as defined in the Plan.

Class	Description	Status	Voting Status
Class 1	Allowed Secured Real Property Tax Claim(s) and Allowed Tangible Property Tax Claims	Impaired.	Yes.
Class 2	Allowed Secured Claim of IWA	Impaired	Yes.
Class 3	Allowed Secured Claim of Edison Partners, LLC	Impaired.	Yes.
Class 4	Allowed Secured Claim of Ally Auto Finance	Impaired.	Yes.
Class 5	Allowed General Unsecured Claims	Impaired.	Yes.
Class 6	Allowed Equity Securities	Impaired.	No. Deemed Rejected.

B. Voting Instructions

The Bankruptcy Code entitles only holders of Impaired Claims or Equity Securities who receive some Distribution under a proposed plan to vote to accept or reject that plan. Claims in Classes 1, 2, 3, 4, 5 and 6 are Impaired under this Plan. Holders of Claims or Equity Securities that are Unimpaired under a proposed plan are conclusively presumed to have accepted that plan and are not entitled to vote on it. Holders of classes of Claims or Equity Securities that will receive no Distributions under a proposed plan are conclusively presumed to reject that plan and, therefore, also not entitled to vote on it. Therefore, there is no need for the Debtor to solicit votes under the Plan for Class 6 Claimholders.

Any Ballot not filed in accordance with the filing instructions on the Ballot pertaining to this Plan and not submitted by the Ballot Deadline shall not be counted for voting purposes.

II. BACKGROUND OF DEBTOR

A. Background of Debtor and Commencement of the Chapter 11 Case

The Debtor is a limited partnership that owns 2,501 acres of vacant land in Lee County, Florida (the "Real Property") and is a co-beneficiary of a land trust that owns certain limited partnership interests in entities that own, or at one time owned, properties in Michigan. The Debtor estimates the value of the Real Property is $64,495,861.62. The Real Property has characteristics of a wetland and an otherwise environmentally sensitive preservation area and is located within the Estero Bay Basin.

Edison Farms is the owner of the Adjacent Parcel. The Adjacent Parcel consists of approximately 1,567 acres and is west of the Debtor's Real Property. The Debtor estimates the value of the Adjacent Parcel is $38,121,356.60.

On or about July 22, 2005, the Debtor executed and delivered to Monumental Life Insurance Company ("MLI") the Amended and restated Renewal Promissory Note secured by a mortgage dated July 22, 2005, in the original principal amount of $18,000,000 (the "Term

Note"). The Debtor and Edison Farms executed and delivered to MLI a Revolving Promissory Note Secured by Mortgage dated July 22, 2005 in the original principal amount of $18,000,000 (the "First Revolving Note"). To secure repayment of all sums evidenced by the Term Note and the First Revolving Note, the Debtor and Edison Farms, joined by Entertainment Center Limited Partnership and Airport Road Limited Partnership, executed and delivered to MLI an Amended and Restated Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated July 22, 2005 and recorded August 17, 2005, in Official Records Book 4850, Page 823, Public Records of Lee County, Florida (the "Mortgage"), which is attached as Attachment A to the Modification of Mortgage and Notice of Future Advance by and between the Debtor, Edison Farms, Entertainment Center Limited Partnership and MLI, dated July 22, 2005 and recorded August 17, 2005 in Official Records Book 4850, Page 810, Public Records of Lee County, Florida (the "First Mortgage Modification").

The following guaranties were executed and delivered to further secure the performance of certain obligations and payment of all principal, interest, prepayment premiums and other sums as set forth in the Term Note:

a. Guaranty dated July 22, 2005, executed and delivered by Daniel J. Aronoff to MLI (the "First DJA Guaranty");
b. Guaranty dated July 22, 2005, executed and delivered by Arnold Y. Aronoff to MLI (the "First AYA Guaranty"); and
c. Guaranty dated July 22, 2005, executed and delivered by Edison Farms, in its capacity as Trustee of the "Edison Farms Trust" and not in its individual corporate capacity to MLI (the "EFT Guaranty").

Additionally, on or about July 22, 2005, Arnold Y. Aronoff and Daniel J. Aronoff (collectively, the "Guarantors") entered into a Guaranty Agreement with the Debtor and Edison Farms. Pursuant to said agreement, the Debtor and Edison Farms agreed to immediately pay off and cause the discharge of any Judgment entered against the Guarantors as a result of any indebtedness of the Debtor and Edison Farms that is guaranteed by the Guarantors. Additionally, the Guarantors receive benefit from the contingent payment to be received for guaranteeing the indebtedness. As consideration for guaranteeing the indebtedness of the Debtor and Edison Farms, the Guarantors shall be paid a distribution of all proceeds received by the Debtor and Edison Farms, excluding any proceeds received in connection with such indebtedness, until the Guarantors have received an amount equal to One Percent (1%) of each indebtedness they have guaranteed. In the event the Guarantors jointly guarantee indebtedness, the payment of that indebtedness shall be One Percent (1%) of the jointly guaranteed amount and shall be paid ½ to each Guarantor. During the time that the Guarantors owe monies pursuant to a Judgment, Daniel Aronoff has the right to become the Attorney-in –Fact for Debtor in any bankruptcy or insolvency proceeding. He has exercised that option and is now the Attorney-in-Fact for Debtor. During the time that the Guarantors owe monies pursuant to a Judgment, Daniel Aronoff has the authority to direct Edison Farms to enter into the transaction contemplated by this Plan of Reorganization.

The following guaranties were also executed and delivered to further secure the performance of certain obligations and payment of all principal, interest, prepayment premiums

and other sums as set forth in the First Revolving Note: (a) the First DJA Guaranty; and (b) the First AYA Guaranty. MLI assigned the Term Note, First Revolving Note, Mortgage, First DJA Guaranty, First AYA Guaranty and EFT Guaranty to Transamerica pursuant to that certain Assignment of Mortgage and other Loan Documents dated March 31, 2006 and recorded June 8, 2006 in Instrument No. 2006000231210, Public Records of Lee County, Florida (the "MLI Assignment").

Thereafter, the Debtor and EFT further executed and delivered to Transamerica a Second Revolving Promissory Note Secured by Mortgage dated June 30, 2006 in the original principal amount of $29,000,000 (the "Second Revolving Note"). Said mortgage was recorded July 6, 2006 in Instrument No. 20060000268153, Public Records of Lee County, Florida, to secured repayment of the future advance in the amount of $29,000,000 as evidenced by the Second Revolving Note (the "Second Mortgage Modification").

The following guaranties were executed and delivered to further secure the performance of certain obligations and payment of all principal, interest, prepayment premiums and other sums as set forth in the Second Revolving Note:

d. Guaranty dated June 30, 2006, executed and delivered by Daniel J. Aronoff to Transamerica (the "Second DJA Guaranty"); and
e. Guaranty dated June 30, 2006, executed and delivered by Arnold Y. Aronoff to Transamerica (the "Second AYA Guaranty").

Transamerica assigned the Term Note, First Revolving Note, Second Revolving Note, Mortgage as amended, First DJA Guaranty, First AYA Guaranty, EFT Guaranty, Second DJA Guaranty, Second AYA Guaranty and other related loan documents to IWA pursuant to that certain Assignment of Mortgage and Other Loan Documents dated effective June 29, 2009 and recorded June 29, 2009 as Instrument No. 2009000177029, Public Records of Lee County, Florida (the "Transamerica Assignment").

The Debtor was adversely affected by the real estate depression that negatively impacted all developers, and by uncertainty surrounding certain changes in land use regulation that affected the Real Property that were litigated for several years and only resolved this year, which prevented the Debtor from being able to develop the Real Property in the manner originally anticipated. As described in more detail herein, the Debtor has a fully developed mitigation bank plan for the Debtor's Real Property to permit the Debtor to have mitigation credits and transfers of development rights to sell. The Debtor's mitigation bank plan includes both a Wetland Mitigation Bank ("WMB") and a Panther Mitigation Bank ("PMB").

IWA filed a foreclosure proceeding against the Debtor in the Circuit Court of the Twentieth Judicial Circuit in and for Lee County, Florida (Case No. 09-002161) (the "Foreclosure Proceeding"). In order to preserve any equity in this estate and make a distribution to allowed general unsecured creditors, the Debtor filed this chapter 11 bankruptcy proceeding.

B. Retained Professional

On January 3, 2013, the Debtor filed an application to employ Philip J. Landau of Shraiberg, Ferrara & Landau, P.A. [ECF No. 15] as its general bankruptcy counsel. Additionally, on January 14, 2013, the Debtor filed an application to employ Richard Hollander of Miller and Hollander as its local counsel [ECF No. 32]. Both applications were approved by this Court. *See* ECF Nos. 32, 51 & 52.

C. The Claims Process

The Bankruptcy Code provides a procedure for all Persons who believe they have a claim against a debtor to assert such claims, so that such claimant can receive Distributions from the debtor's bankruptcy case. The bankruptcy court establishes a Claims Bar Date, the date by which creditors must file their claims, or else such creditors will not participate in the bankruptcy case or any Distribution. After the filing of all claims, the debtor evaluates such claims and can raise objections to them. These claims objections allow the debtor to minimize claims against it, and thereby maximize the recovery to creditors.

The deadline for filing proofs of Claims or Equity Securities against the Debtor was March 11, 2013. To date, fourteen proofs of claim have been asserted in the Chapter 11 Case. Nonetheless, additional claims may be asserted against the Debtor and the Creditors may thereafter amend their proofs of claims prior to the Confirmation of the Debtor's Plan and the actual ultimate aggregate amount of Allowed Claims may differ significantly from the amounts used for the purposes of Debtor's estimates. Accordingly, the Distribution amount that will ultimately be received by any particular holder of an Allowed Claim may be adversely affected by the outcome of the claims resolution process.

D. Post-Petition Financing

Prior to the Petition Date, the Debtor received financing from TLC Mitigation, LLC in order to meet its operational needs. From January 1, 2012 through the Petition Date, TLC Mitigation, LLC loaned the Debtor the sum of $268,788.80, all of which remains due and owing to TLC Mitigation from the Debtor.

Since the Petition Date, the Debtor has filed its Plan and obtained authority to obtain post-petition financing from TLC Mitigation, LLC. *See* ECF No. 38. TLC Mitigation, LLC is owned by the following: (i) 20% by The Arnold Aronoff Revocable Trust; (ii) 11.86% by the Sherrodry, Inc.; (iii) 68.14% by The Nancy L. Aronoff Living Trust. Daniel Aronoff is the Manager of Hastings Street Holdings, LLC, the General Partner of the Debtor. Arnold Aronoff is Daniel Aronoff's father and Nancy Aronoff is Daniel Aronoff's wife. The Debtor has and will timely make all required post-petition payments and will effectively manage its business operations.

As indicated in more detail below, the Debtor will be filing a motion to obtain post-petition financing from Sherwin Real Estate, an unrelated entity to the Debtor owned by Lawrence Starkman, in order to assist in funding the plan.

III. CHAPTER 11 PLAN

THE FOLLOWING IS A BRIEF SUMMARY OF CERTAIN OF THE MORE SIGNIFICANT MATTERS CONTEMPLATED BY OR IN CONNECTION WITH THE CONFIRMATION OF THE PLAN. THUS, THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE PLAN, WHICH IS ATTACHED TO THIS DISCLOSURE STATEMENT AS EXHIBIT B. THIS SUMMARY ONLY HIGHLIGHTS CERTAIN SUBSTANTIVE PROVISIONS OF THE PLAN. CONSIDERATION OF THIS SUMMARY WILL NOT, NOR IS IT INTENDED TO, YIELD A THOROUGH UNDERSTANDING OF THE PLAN. SUCH CONSIDERATION IS NOT A SUBSTITUTE FOR A FULL AND COMPLETE READING OF THE PLAN. ALL HOLDERS OF CLAIMS AND INTERESTS ARE URGED TO REVIEW THE PLAN CAREFULLY. THE PLAN, IF CONFIRMED, WILL BE BINDING ON DEBTOR AND ALL HOLDERS OF CLAIMS AND INTERESTS.

A. Unclassified Claims

1. Allowed Administrative Claims.

(a) Ordinary Course Claims

Allowed Administrative Claims representing liabilities incurred in the ordinary course of business by the Debtor shall be paid in full and performed by the Reorganized Debtor in the ordinary course of business consistent with past practices and in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions. At this time, the Debtor does not believe it has any Allowed Administrative Claims, other than those described below.

(b) Professional Fees and Expense Claims

Compensation of Professionals and reimbursement of expenses incurred by Professionals are Administrative Claims pursuant to sections 503(b)(2), 503(b)(3), 503(b)(4) and 503(b)(5) of the Code (the "**Professional Fees and Expenses Claims**"). All payments to Professionals for Professional Fees and Expenses Claims will be made in accordance with the procedures established by the Code, the Rules and the Court relating to the payment of interim and final compensation for services rendered and reimbursement of expenses. The Court will review and determine all applications for compensation for services rendered and reimbursement of expenses.

All entities seeking an award by the Court of Professional Fees and Expenses shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred through the Effective Date pursuant to section 330 of the Code and Rule 2016 by the date that is fifteen (15) days after the Effective Date or such other date as may be fixed by the Court.

The time for filing objections to applications for allowance and payment of Professional Fees and Expenses, and the date and time for a hearing in respect of such applications and the related objections, if any, shall be set forth in the Confirmation Order or other order of the Court.

Notwithstanding anything herein to the contrary, all Professional Fees and Expenses that are awarded by the Court shall become Allowed Administrative Claims and shall be paid in full on the later of the Effective Date of the Plan, the date on which such Professional Fees and Expense Claim becomes an Allowed Administrative Claim by Final Order of the Court, as soon thereafter as is reasonably practicable, or upon agreement reached between the Debtor and each respective Professional.

2. Priority Tax Claims

Each holder of an Allowed Priority Tax Claim shall receive deferred Cash payments over a period not to exceed five years following the Order for Relief, of a value, as of the Effective Date of the Plan, equal to the amount of the Allowed Priority Tax Claim, except to the extent that a holder of an Allowed Priority Tax Claim under section 507(a)(8) of the Code has been paid by the Debtor prior to the Effective Date or agrees to a different treatment. Prior to the Effective Date, the Debtor shall have the right, in its sole discretion, to prepay at any time, in whole or in part, and Allowed Priority Tax Claim without premium or penalty of any sort or nature. The Internal Revenue Service filed a priority claim in the amount of $356.77. *See* Proof of Claim No. 1.

3. United States Trustee's Fees

The Debtor or Reorganized Debtor shall pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) through Confirmation on the Effective Date. The Debtor or the Reorganized Debtor shall further pay the United States Trustee the appropriate sum required pursuant to 28 U.S.C. §1930(a)(6) for post-confirmation periods within the time periods set forth in 28 U.S.C. §1930(a)(6), until the earlier of the closing of this Case by the issuance of a Final Decree by the Court, or upon entry of an order of this Court dismissing this Case, or converting this Case to another chapter under the Code, and the Reorganized Debtor shall provide to the United States Trustee upon the payment of each post-Confirmation payment an appropriate affidavit indicating disbursement for the relevant periods, which shall also be filed with the Court.

B. Treatment of Claims and Interests

1. Class 1. Allowed Secured Real Property Tax Claim(s) and Allowed Tangible Property Tax Claims.

(a) Description. Class 1 consists of the Allowed Secured Real Property Tax Claims against the Real Property and Allowed Tangible Property Tax Claims. Based on seven proofs of claims filed by the holders of tax certificates, the Debtor estimates the Allowed Class 1 Claims

may equal the sum of $12,679.07.[1] The Debtor is still in the process of reviewing the filed proofs of claims and reserves the right to object to any objectionable proofs of claim.

(b) Treatment. Except to the extent that the holder of the Allowed Secured Real Property Tax Claim with respect to the Real Property and/or Allowed Tangible Property Tax Claims has been paid by the Debtor or some other party prior to the Effective Date or agrees to a different treatment, the Class 1 Claimholder(s) shall be paid 100% of the Allowed Amount of their respective Allowed Claims. The Class 1 Claimholder(s) shall receive equal monthly payments, with interest at the statutory rate, over a period not to exceed five (5) years from the Petition Date, in accordance with 11 U.S.C. § 1129(a)(9)(D).

(c) Impairment. The Class 1 Claims are Impaired and Class 1 Claimholders are entitled to vote to accept or reject the Plan.

2. Class 2. Allowed Secured Claim of IWA

(a) Description. Class 2 consists of the Allowed Secured Claim(s) of IWA as the holder and owner of a promissory note and first position mortgage on the Debtor's Real Property. IWA filed Proof of Claim No. 13 in the amount of $79,530,168.28. The Debtor estimates IWA's Allowed Secured Claim as of May 1, 2013 will total $80,853,437.

(b) Treatment. Except to the extent that IWA has been paid prior to the Effective Date, or agrees to a different treatment, in full satisfaction, settlement and release of IWA's claims against the Debtor:

i. Within thirty (30) days of the Effective Date, Edison Farms shall convey the real property it owns that is adjacent to the Debtor's Real Property to IWA (the "Adjacent Parcel").[2] The Debtor estimates the value of the Adjacent Parcel with an 11% discounted rate is $38,121,356.60, thereby reducing IWA's Allowed Secured Claim to $42,732,080.40.

The Adjacent Parcel serves as collateral for the indebtedness to IWA. Based on the Bradow Report, as it relates to the Adjacent Parcel, attached hereto as **Exhibit "H,"** the Adjacent Parcel can be turned into a mitigation bank to include a Wetland Mitigation Bank ("WMB") and a Panther Mitigation Bank ("PMB").

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[1] Lee County Tax Collector filed Proof of Claim No. 4 in the amount of $911.30. ABRTL & AM Cert Ptnsp 1012 filed Proof of Claim No. 5 in the amount of $1,616.20. AM Cert & ABRTL Ptnsp 1803 filed Proof of Claim No. 6 in the amount of $1,705.81. B Low & CBBTL Ptnsp 984 filed Proof of Claim No. 7 in the amount of $1,564.60. B Low & CBBTL Ptnsp 1026 filed Proof of Claim No. 8 in the amount of $951.93. B Low & CBBTL Ptsnp 92 filed Proof of Claim No. 9 in the amount of $5,270.59. TFLTC, LLC filed Proof of Claim No. 10 in the amount of $658.64.

[2] Daniel J. Aronoff, through his authority to direct Edison Farms pursuant to the Guaranty Agreement, has committed to direct Edison Farms to contribute the Adjacent Parcel in accordance with this reorganization plan, contingent on this Plan being confirmed.

ii. The Debtor shall seek Court approval to obtain Debtor-in-Possession Financing up to $1,100,000 (the "Confirmation Financing")[3] from Sherwin Real Estate, an unrelated entity to the Debtor owned by Lawrence Starkman, in order to make twelve (12) payments to IWA in the amount of $20,000 each commencing within thirty (30) days of the Effective Date, and to fund the costs associated in obtaining the required permitting to establish the initial phase of the mitigation bank credits and sales of TDR credits on the Debtor's Real Property.

Based on the proposal from Stuart Bradow, the Debtor proposes to divide the mitigation bank project (the "Mitigation Bank Project") into four (4) phases. The Debtor estimates the costs associated with permitting and constructing the initial phase of Mitigation Bank Project will total approximately $480,000. The additional funds obtained from the Confirmation Financing shall be used to pay real estate taxes, insurance, management fees, and contingency fee. The remaining three (3) phases will be funded from the revenues collected during the prior phases. The Debtor estimates it will take approximately twelve (12) months to obtain the required permitting (the "Permitting Period").

Phase 1 of the Mitigation Bank Project is primarily the northeastern portion of the Real Property. Phase 2 is the area wrapping around the north and west sides of Phase 1. Phase 3 includes the western portion, and Phase 4 covers the rest of the land to the south and east. The phasing plan is depicted on the map attached to the Bradow Report for the Debtor's Real Property, attached hereto as **Exhibit "H."**[4] The Mitigation Bank Project includes both a Wetland Mitigation Bank ("WMB") and a Panther Mitigation Bank ("PMB").

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[3] Sherwin Real Estate has agreed to provide a Debtor-in-Possession Loan in an amount up to $1,100,000 to the Debtor. The following terms and conditions Sherwin Real Estate will agree to are summarized as follows:

(i) The loan shall accrue interest at a rate to be specified in the Debtor's motion to approve the Confirmation Financing, which the Debtor estimates will be 10 to 12% compounding monthly;

(ii) The use of funds shall be used to permit and construct phase of the Mitigation Bank Project;

(iii) The loan shall be repaid over a period not to exceed five (5) years;

(iv) The loan will be repaid out of proceeds from the sales of mitigation (UMAM and PHU) and TDR credits. IWA shall receive the first Fifteen Million Dollars ($15,000,000) of said proceeds. Thereafter, Sherwin Real Estate shall receive all remaining proceeds until the loan is repaid in full;

(v) This loan will require documents establishing the priority of repayment and the ability to foreclosure on the Real Property, subject to the priority of $15,000,000 being paid to IWA;

(vi) The proposed loan is subject to the Bankruptcy Court entering an Order approving this agreement and all customary approvals required for a Debtor-in-Possession loan must be secured; and

(vii) Sherwin Real Estate requires review and approval of environmental and mitigation plan studies of the Debtor's Real Property.

[4] Stuart Bradow has over thirty (36) years of experience in a variety of environmental fields. He was one of the first consultants in Florida to establish mitigation banks, including ten private and four public banks. He has maintained a close working association with the upper level regulatory staff of state and federal regulatory agencies and has served as an expert witness in the fields of environmental permitting, biology, water quality, marine biology, ecology and wetland mitigation. Additionally, he has served on numerous panels and committees concerning conservation, mitigation and environmental policy for the State of Florida and has drafted regulations for the State of Florida.

Based on the Debtor's projections, attached hereto as **Exhibit "G,"** the Debtor anticipates that the funds generated from the aforementioned activity will provide sufficient funds to pay the costs associated with the Mitigation Bank Project, IWA's Claim and the Claims of holders of Allowed Unsecured Claims. Potentially the greatest value of the Real Property is that there is currently only one wetland mitigation bank (Corkscrew Regional Wetland Mitigation Bank) that is located within the Estero Bay Basin. The home basin for the Debtor's WMB contains a projected high population growth and limited competition from other mitigation banks. Approximately forty percent (40%) of the remaining untouched developed land within the Estero Bay Basin are wetlands, which means the need for UMAM credits will be very high over time. Stuart Bradow projects that the UMAM credits generated by the Debtor will be sold out quickly given the high percentage of developable lands that contain these wetlands. According to Mr. Bradow, the listed UMAM credit pricing for large mitigation banks in Florida currently averages around $142,000 per credit, which is the average forested by the Debtor for the selling period.

As additional revenue for the Debtor as part of the Mitigation Bank Project, the Debtor will sell Panther Mitigation Credits ("PHU's"). There is a high demand for PHU's in the Debtor's area because virtually all of the land east of I-75 in Southwest Florida is regulated as panther habitat and requires developers to purchase PHU's in order to build new developments. In 2008, the cost of PHU's was $2,000 per credit. Due to the drop in panther credit sales, and Mr. Bradow's recommendation, the Debtor projects an average sales price through the selling period of approximately $1,500 per credit. As the development activity in this area begins to pick up, there will likely be more development east of I-75, thereby causing the need for many more PHU's. While the Debtor will face more competition in selling PHU's than UMAM credits, the number of PHU's required will be substantially larger than UMAM credits, due to the number needed per acre of impact. The Debtor can connect its UMAM credits to its PHU's to require higher pricing to include the environmental improvements for panthers.

Finally, as indicated in the Debtor's Budget, the Debtor anticipates an offer price of a TDR to be $16,000 each. The projected $16,000 amount is based on the *Transferable Development Rights in Southeast Lee County, Planning for the Density Reduction/Groundwater Resource Area* by Dover, Kohl & Partners and attached as **Exhibit "I"** and the fact that Lee County has conferred bonus density credits for TDR's (which increase their value) on many designated TDR receiving properties.

iii. Commencing after the completion of the Permitting Period, the Debtor's net cash flow shall first be used to fund monthly principal and interest payments to IWA up to the amount of $15,000,000 at a fixed rate of interest at 2 points above the prime rate as published in the Wall Street Journal, 3.25% today, which equates to 5.25%. After the sum of $15,000,000 has been paid to IWA through the Plan, the Debtor's net cash flow shall first be used to fund the payments to Sherwin Real Estate and then to IWA. The Debtor estimates IWA shall be paid in full over a period of thirty (30) months. The Debtor shall fund said payments to IWA and Sherwin Real Estate based on the revenues collected from sales from Mitigation Bank credits and TDR credits.

(c) Impairment. The Class 2 Claim is Impaired and is entitled to vote to accept or reject the Plan.

3. Class 3. Allowed Secured Claim of Edison Partners, LLC

(a) Description. Class 3 consists of the Allowed Secured Claims of Edison Partners, LLC based on an assignment with the Debtor to receive all collections of the Debtor after satisfying payments to other impaired creditors.

(b) Treatment. The holder of the Allowed Secured Claim of Edison Partners, LLC agrees to subordinate its Claims to all Allowed Claims as set forth in Classes 1, 2, 4 and 5. The holder of the Allowed Secured Claim of Edison Partners, LLC shall not receive any Distribution on account of its Claim until the holders of Allowed Claims within Classes 1, 2, 4 and 5 have been paid in full. Within thirty (30) days after the holders of Allowed Claims within Classes 1, 2, 4 and 5 have been paid in full, Edison Partners, LLC shall be entitled to any funds it was entitled to pursuant to the prepetition assignment with the Debtor only after all regular operating expenses of the Debtor have been paid.

(c) Impairment. The Class 3 Claims are Impaired and are entitled to vote to accept or reject the Plan.

4. Class 4. Allowed Secured Claims of Ally Auto Finance

(a) Description. Class 4 consists of the Allowed Secured Claims of Ally Auto Finance with respect to the Vehicle.

(b) Treatment. Except to the extent that the holder of the Allowed Secured Claim of Ally Auto Finance has been paid prior to the Effective Date or agrees to a different treatment, Ally Auto Finance shall be paid the full amount of its Allowed Claim over a period of twelve (12) months with interest at a rate of 5.25% in full satisfaction, settlement and release of all Class 4 Claims.

(c) Impairment. The Class 4 Claims are Impaired and are entitled to vote to accept or reject the Plan.

5. Class 5. Allowed General Unsecured Claims

(a) Description. Class 5 consists of the Allowed General Unsecured Claims. Pursuant to the Debtor's Schedules, as of the Petition Date, the Debtor estimates the aggregate amount of unsecured non-priority Claims are approximately $1,273,796.56. Pursuant to the Proofs of Claims filed in this case, the total potential unsecured claims against the Debtor total $1,388,051.33. The Debtor reserves the right to object to all objectionable claims filed. A description of the aforementioned Claims is attached as **Exhibit "C"** hereto.

(b) Treatment. The holders of Allowed General Unsecured Claims shall be paid the full amount of their Allowed Claim in thirty (36) equal monthly payments commencing within thirty (30) days of the Effective Date, with interest at a rate of 5.25% per annum, unless the holder of the Allowed General Unsecured Claim has been paid prior to the Effective Date or agrees to a different treatment. There shall be no prepayment penalty and the Distributions to Class 5 Claimholders shall be in full satisfaction, settlement and release of all Class 5 Claims.

(c) Impairment. The Class 5 Claims are Impaired and are entitled to vote to accept or reject the Plan.

5. Class 6. Allowed Equity Securities

(a) Description. Class 6 consists of the Allowed Equity Securities, which includes interest in any share of preferred stock, common stock or other instrument evidencing ownership interest in the Debtor, whether or not transferable, and any option, warranty, right, contractual or otherwise, to acquire any such interest.

(b) Treatment. Other than retaining their interests in the Reorganized Debtor, the holders of Allowed Equity Securities shall not be entitled to receive any Distribution under the Plan on account of such Equity Securities.

(c) Impairment. The Class 6 Claims are Impaired since the Class 6 Claimholders are receiving no Distribution on account of their Allowed Equity Securities, but Class 6 Claimholders are not entitled to vote to accept or reject the Plan, as Class 6 Claimholders shall be deemed to have rejected the Plan.

C. Distributions Under the Plan

Subject to Rule 9010, and except as otherwise provided in the Plan, all Distributions under the Plan shall be made by the Reorganized Debtor to the holder of each Allowed Claim or Allowed Equity Security at the address of such holder as listed on the Schedules and/or proof of Claim as of the Effective Date unless the Debtor or Reorganized Debtor has been notified in writing of a change of address, including by the filing of a proof of Claim by such holder that provides an address different from the address reflected on the Schedules.

Any payment of Cash made by the Reorganized Debtor pursuant to the Plan shall be made by check drawn on a domestic bank or by wire transfer.

Any payment or Distribution required to be made under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

No payment of Cash less than One Hundred 00/100 Dollars ($100.00) shall be made by the Reorganized Debtor to any holder of a Claim unless a request therefor is made in writing to the Reorganized Debtor, or unless the Distribution is a final Distribution.

When any Distribution on account of an Allowed Claim pursuant to the Plan would otherwise result in a Distribution that is not a whole number, the actual distribution shall be rounded as follows: fractions of ½ or greater shall be rounded to the next higher whole number and fractions of less than ½ shall be rounded to the next lower whole number. Cash to be distributed pursuant to the Plan shall be adjusted as necessary to account for the rounding provided in Article V of the Plan.

Any Distributions of Cash or other property under the Plan that is unclaimed for a period of six (6) months after the Distribution Date shall constitute Unclaimed Funds and any

entitlement of any holder of any Claim to such Distributions shall be extinguished and forever barred.

Unless otherwise provided herein, all initial Distributions and deliveries to be made on the Effective Date shall be made on the initial Distribution Date. Subsequent Distributions shall be made in accordance with the terms set forth in the Plan.

At the close of business on the Effective Date, the claims register shall be closed, and there shall be no further changes in the record holders of any Claims. The Debtor shall have no obligation to recognize any transfer of any Claims occurring after the Effective Date; *provided, however,* that the foregoing will not be deemed to prohibit the sale or transfer of any Claim subsequent to the Effective Date. The Debtor shall instead be entitled to recognize and deal for all purposes under the Plan with only those record holders as of the close of business on the Effective Date.

D. Executory Contracts and Unexpired Leases

The Code grants the Debtor the power, subject to the approval of the Court, to assume or reject Executory Contracts and unexpired leases. If an Executory Contract or unexpired lease is rejected, the other party to the agreement may file a claim for damages incurred by reason of the rejection. In the case of rejection of leases of real property, such damage claims are subject to certain limitations imposed by the Code.

Pursuant to sections 365(a) and 1123(b)(2) of the Code, all Executory Contracts and unexpired leases between the Debtor and any Person shall be deemed rejected by the Reorganized Debtor as of the Effective Date, except for any Executory Contract or unexpired lease (i) which previously has been assumed or rejected pursuant to an order of the Court entered prior to the Effective Date, (ii) as to which a motion for approval of the assumption or rejection of such Executory Contract or unexpired lease has been filed and served prior to the Effective Date or (iii) which is listed on an Assumption List which shall be filed with the Court and served on the affected parties by no later than twenty (20) days prior to the deadline to submit Ballots; *provided, however*, that the Debtor or Reorganized Debtor shall have the right, on or prior to the Confirmation Date, to amend the Assumption List to delete any Executory Contract or unexpired lease therefrom or add any Executory Contract or unexpired lease thereto, in which event such Executory Contract(s) or unexpired lease(s) shall be deemed, respectively, assumed or rejected. The Debtor or Reorganized Debtor shall provide notice of any amendments to the Assumption List to the non-debtor parties to the Executory Contracts and unexpired leases affected thereby. The listing of a document on the Assumption List shall not constitute an admission by the Debtor or Reorganized Debtor that such document is an Executory Contract or an unexpired lease or that the Debtor or Reorganized Debtor have any liability thereunder.

Subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute (i) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Code, of the assumption of the Executory Contracts and unexpired leases assumed pursuant to Article VI of the Plan and (ii) the approval, pursuant to sections 365(a) and 1123(b)(2) of the Code, of the rejection of the Executory Contracts and unexpired leases rejected pursuant to the Plan.

a. Cure of Defaults

To the extent that cure payments are due with respect to an Executory Contract or unexpired lease to be assumed pursuant to the Plan, the amount of such cure payment shall be listed in the Plan Supplement. To the extent that the non-debtor party to any Executory Contract or unexpired lease disagrees with the cure amount listed in the Plan Supplement, such party must file a notice of dispute with the Court and serve such notice on the Debtor by no later than five (5) days prior to the Confirmation Hearing. Except as may otherwise be agreed to by the parties or provided herein, within ninety (90) days after the Effective Date, the Reorganized Debtor shall cure any and all undisputed defaults under any Executory Contract or unexpired lease assumed pursuant to the Plan in accordance with section 365(b)(1) of the Code. Except as otherwise provided herein, all disputed defaults that are required to be cured shall be cured either within ninety (90) days of the entry of a Final Order determining the amount, if any, of the Debtor's or Reorganized Debtor's liability with respect thereto, or as may otherwise be agreed to by the parties. If there are any objections filed, the Court shall hold a hearing. In the event the Court determines that the cure amount is greater than the cure amount listed by the Debtor, the Reorganized Debtor may elect to reject the contract or unexpired lease and not pay such greater cure amount.

b. Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan

Claims arising out of the rejection of an Executory Contract or unexpired lease pursuant to the Plan must be filed with the Court and/or served upon the Debtor or Reorganized Debtor or as otherwise may be provided in the Confirmation Order, by no later than thirty (30) days after the later of (i) notice of entry of an order approving the rejection of such Executory Contract or unexpired lease, (ii) notice of entry of the Confirmation Order and (iii) notice of an amendment to the Assumption List. Any Claim not filed within such time will be forever barred from assertion against the Debtor, its Estate, the Reorganized Debtor and its property. Unless otherwise ordered by the Court, all Claims arising from the rejection of Executory Contracts and unexpired leases shall be treated as Unsecured Claims under the Plan.

c. Indemnification Obligations

For purposes of the Plan, the obligations of the Debtor to defend, indemnify, reimburse, or limit the liability against any claims or obligations of its present and former directors, officers or employees who served as directors, officers and employees, respectively, on or after the Petition Date, pursuant to the Debtor's certificate of organization or bylaws, applicable state law or specific agreement, or any combination of the foregoing, shall survive Confirmation of the Plan, remain unaffected thereby, and not be discharged, irrespective of whether indemnification, defense, reimbursement or limitation is owed in connection with an event occurring before, on or after the Effective Date.

d. Compensation and Benefit Programs

Except as provided in the Plan, and other than stock option or similar plans which will be cancelled as part of the treatment of any Class of Claims under the Plan, all employment and

severance practices and policies, and all compensation and benefit plans, policies, and programs of the Debtor applicable to its directors, officers, and employees who served as directors, officers and employees, respectively, on or after the Petition Date, including, without limitation, all savings plans, retirement plans (exclusive of defined benefit plans), health care plans, severance benefit plans, incentive plans, workers' compensation programs and life, disability and other insurance plans, are treated as Executory Contracts under the Plan and are hereby assumed pursuant to sections 365(a) and 1123(b)(2) of the Code; *provided, however*, that the Reorganized Debtor reserves the right to modify any and all such compensation and benefit practices, plans, policies, and programs in accordance with the terms thereof.

e. Insurance Policies

Each of the Debtor's insurance policies and any agreements, documents or instruments relating thereto, including without limitation, any retrospective premium rating plans relating to such policies, shall be treated as Executory Contracts under the Plan. Notwithstanding the foregoing, Distributions under the Plan to any holder of a Claim covered by any insurance policies and related agreements, documents or instruments that are assumed hereunder, shall comply with the treatment provided under the Plan. Nothing contained in the Plan shall constitute or be deemed a waiver or release of any Action that the Debtor may hold against any Entity, including, without limitation, the insurers under any of the Debtor's policies of insurance.

E. Modification/Revocation of the Plan

Subject to the restrictions on Plan modifications set forth in section 1127 of the Bankruptcy Code, the Debtor reserves the right to alter, amend or modify the Plan before its substantial consummation. The Debtor further reserves the right to revoke or withdraw the Plan prior to the Confirmation Hearing. If the Debtor revokes or withdraws the Plan, or if Confirmation does not occur or if the Plan does not become effective, then the Plan will be null and void, and nothing contained in the Plan will: (a) constitute a waiver or release of any Claims by or against, or any Interests in, the Debtor; (b) constitute an admission of any fact or legal conclusion by the Debtor or any other Entity; or (c) prejudice in any manner the rights of the Debtor in any further proceedings involving the Debtor.

F. Continued Corporate Existence

The Reorganized Debtor shall continue to exist after the Effective Date with all powers of a limited partnership under the laws of the State of Florida and without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under Florida law; and, following the Effective Date, the Reorganized Debtor may operate its business free of any restrictions imposed by the Bankruptcy Code, the Bankruptcy Rules or by the Court, subject only to the terms and conditions of the Plan and Confirmation Order. After the Effective Date, the Reorganized Debtor may operate its business, and may use, acquire, and dispose of its property, free of any restrictions of the Code and Rules.

As of the Petition Date, Big Beaver, LLC owned 50% of the Debtor and Hastings Street, LLC owned 50% of the Debtor. Daniel J. Aronoff is the Debtor's manager. There are no other officers of the Debtor. During the one year prior to the Petition Date, Daniel J. Aronoff received

$0 in salary and $0 in benefits. The Reorganized Debtor will continue to be owned 50% by Big Beaver, LLC and 50% by Hastings Street, LLC.

G. Effect of Confirmation

The Plan will be binding upon and inure to the benefit of Debtor, holders of Claims and Interests in Debtor, and their respective successors and assigns.

H. Exculpation, Injunction, Release and Limitation of Liability

1. Release of Debtor

The rights afforded herein and the treatment of all Claims and Equity Securities herein shall be in exchange for and in complete satisfaction and release of Claims and Equity Securities of any nature whatsoever, including any interest accrued on such Claims from and after the Effective Date, against the Debtor and the Debtor in Possession, the Estate, or any of the assets or properties under the Plan. Except as otherwise provided herein, (i) on the Effective Date, all such Claims against and Equity Security in the Debtor shall be satisfied and released in full, and (ii) all Persons shall be precluded and enjoined from asserting against the Reorganized Debtor, its successors, or their assets or properties any other or further Claims or Equity Securities based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not such holder has filed a proof of claim or proof of Equity Security and whether or not such holder has voted to accept or reject the Plan. Notwithstanding the foregoing, nothing in the Plan shall release, discharge, enjoin or preclude any Claim that has not arisen as of the Effective Date that any governmental unit may have against the Debtor and nothing in the Plan shall release, nullify or enjoin the enforcement of any liability to a governmental unit under environmental statutes or regulations that any Entity would be subject to as the owner or operator of property after the date of entry of the Confirmation Order.

2. Injunction Related to Release

Except as otherwise expressly provided in the Plan, the Confirmation Order or a separate order of the Court, all Persons who have held, hold or may hold Claims against or Equity Securities in the Debtor, are permanently enjoined, on and after the Effective Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Equity Security against the Debtor, (ii) enforcing, attaching, collecting or recovering by any manner or means of any judgment, award, decree or order against the Debtor on account of any such Claim or Equity Security, (iii) creating, perfecting or enforcing any Lien or asserting control of any kind against the Debtor or against the property or interests in property of the Debtor on account of any such Claim or Equity Security and (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtor or against the property or interests in property of the Debtor on account of any such Claim or Equity Security. Such injunctions shall extend to successors of the Debtor (including, without limitation, the Reorganized Debtor) and their respective properties and interests in property.

3. Release by Holders of Impaired Claims

The Plan, and the provisions and Distributions set forth therein, is a full and final settlement and compromise of all Claims and causes of Action, whether known or unknown, that holders of Claims against and Equity Securities in the Debtor may have against the Debtor. In consideration of the obligations of the Debtor, the Reorganized Debtor, under the Plan, the securities, contracts, instruments, releases and other agreements or documents to be delivered in connection with the Plan, each holder of a Claim against or Equity Security in the Debtor shall be deemed to forever release and waive all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of Action and liabilities (other than the rights to enforce the Debtor's or the Reorganized Debtor's obligations under the Plan and the securities, contracts, instruments, releases and other agreements and documents delivered thereunder) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtor, the Chapter 11 Case or the conduct thereof, or this Plan. Notwithstanding the foregoing, nothing in this Article, the Plan, or the Confirmation Order shall release any Claim or causes of Action for gross negligence or willful misconduct.

4. Injunction Against Interference with the Plan

Upon the entry of a Confirmation Order with respect to the Plan, all holders of Claims and Equity Securities and other parties in interest, along with their respective present or former employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan, except with respect to actions any such Entity may take in connection with the pursuit of appellate rights.

I. Causes of Action

As of the Effective Date, pursuant to section 1123(b)(3)(B) of the Code, any and all Actions accruing to the Debtor and Debtor in Possession, including, without limitation, Actions under sections 510, 542, 544, 545, 547, 548, 549, 550, 551 and 553 of the Code, shall become Assets of the Reorganized Debtor, and the Reorganized Debtor shall have the authority to commence and prosecute such Actions for the benefit of the Estate. Specifically, the Reorganized Debtor shall continue to prosecute any Action pending on the Effective Date.

Further, section 547 of the Code enables a debtor in possession to avoid transfers to a Creditor, based upon an antecedent debt, made within ninety (90) days of the Petition Date, which enables the Creditor to receive more than it would under a liquidation. Creditors have defenses to the avoidance of such preferential transfers based upon, among other things, the transfers having occurred as part of the debtor's ordinary course of business, or that subsequent to the transfer the Creditor provided the debtor with new value. The Debtor has reviewed all transfers to a particular transferee made during the ninety (90) days prior to the Petition Date and all transfers made during the one (1) year prior to the Petition Date to any Insiders, and believes that any transfers were made in the ordinary course of business, and thus, does not anticipate that it will seek recovery of any such transfers.

Notwithstanding the foregoing, upon the Effective Date, the Reorganized Debtor will continue to analyze payments made by the Debtor to ordinary Creditors within ninety (90) days (or in the case of Insiders, one year) before the Petition Date and payments made by the Debtor to Insiders within one (1) year prior to the Petition Date (as set forth in item 3 in the Debtor's Statement of Financial Affairs) to determine which such payments may be avoidable as preferential transfers under the Code and, if appropriate, prosecute such Actions. **Exhibit "E"** attached hereto contains a list of transfers made to ordinary Creditors within ninety (90) days prior to the Petition Date. **Exhibit "F"** attached hereto contains a list of transfers made to Insiders within one (1) year prior to the Petition Date.

After the Effective Date, the Reorganized Debtor shall have the authority to compromise and settle, otherwise resolve, discontinue, abandon or dismiss all such Actions with the approval of the Court. In order to obtain Court approval of a settlement, the Reorganized Debtor shall file and serve on all known Creditors, a motion to approve the settlement, pursuant to Rule 9019, to give the Creditors the opportunity to review any such proposed settlement. Prior to Confirmation, the Debtor shall file a schedule of potential Avoidance Actions, if any.

J. Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of, and related to, the Case and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Code and for, among other things, the following purposes:

(a) to hear and determine pending applications for the assumption or rejection of executory contracts or unexpired leases, if any are pending, and the allowance of Claims resulting therefrom;

(b) to determine any and all adversary proceedings, motions, applications and contested matters, and other litigated matters pending on the Confirmation Date;

(c) to hear and determine all Actions, including, without limitation, Actions commenced by the Debtors or any other party in interest with standing to do so, pursuant to sections 505, 542, 543, 544, 545, 547, 548, 549, 550, 551, and 553 of the Code, collection matters related thereto, and settlements thereof;

(d) to hear and determine any objections to or the allowance, classification, priority, compromise, estimation or payments of any Administrative Claims, Claims or Equity Securities;

(e) to ensure that Distributions to holders of Allowed Claims are accomplished as provided in the Plan;

(f) to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

(g) to issue such orders in aid of execution and consummation of the Plan, to the extent authorized by section 1142 of the Code;

(h) to consider any amendments to or modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in the Plan, the Plan Supplement, or any order of the Court, including, without limitation, the Confirmation Order;

(i) to hear and determine all applications for compensation and reimbursement of expenses of Professionals under sections 330, 331, and 503(b) of the Code;

(j) to hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan;

(k) to recover all Assets of the Debtor and Property of the Estate, wherever located;

(l) to determine any Claim of or any liability to a governmental unit that may be asserted as a result of the transactions contemplated herein;

(m) to enforce the Plan, the Confirmation Order and any other order, judgment, injunction or ruling entered or made in the Case, including, without limitation, the discharge, injunction, exculpation and releases provided for in the Plan;

(n) to take any action and issue such orders as may be necessary to construe, enforce, implement, execute, and consummate the Plan or to maintain the integrity of the Plan following consummation;

(o) to hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505, and 1146 of the Code (including, but not limited to, an expedited determination under section 505(b) of the Code of the tax liability of the Debtor for all taxable periods through the Effective Date for all taxable periods of the Debtor through the liquidation and dissolution of such Entity);

(p) to hear any other matter not inconsistent with the Code; and

(q) to enter a final decree closing the Case; *provided however*, that nothing in the Plan shall divest or deprive any other court or agency of any jurisdiction it may have over the Reorganized Debtor under applicable environmental laws.

K. Objections to Claims

Subject to applicable law, from and after the Effective Date, the Debtor will have the authority to file, settle, compromise, withdraw, arbitrate or litigate to judgment objections to Claims pursuant to applicable procedures established by the Bankruptcy Code, the Bankruptcy Rules and the Plan. Any and all objections to any claim must by filed prior to the Objection Deadline, or as otherwise ordered by the Court.

An Objection to the allowance of a Claim or Interest will be in writing and may be filed with the Bankruptcy Court by the Debtor, at any time on or before the deadline to object to Claims. The failure by Debtor to object to any Claim or Interest for voting purposes will not be deemed a waiver of Debtor's right to object to, or re-examine, any such Claim in whole or in part.

IV. CONFIRMATION OF THE PLAN

A. Confirmation Hearing

The Bankruptcy Court shall schedule the Confirmation Hearing to consider approval of this Disclosure Statement and Confirmation of the Plan before the Honorable Caryl E. Delano, Judge for the United States Bankruptcy Court for the Middle District of Florida, located at the United States Bankruptcy Court, 2110 First St., Fort Myers, Florida 33901. The Confirmation Hearing may be adjourned from time to time without notice except as given at the Confirmation Hearing or any subsequent adjourned Confirmation Hearing. The Bankruptcy Court shall set forth a deadline to file objections, if any, to the approval of this Disclosure Statement or the Confirmation of the Plan.

B. Confirmation Standards

For a plan to be confirmed, the Bankruptcy Code requires, among other things, that a plan be proposed in good faith and comply with the applicable provisions of chapter 11 of the Bankruptcy Code. Section 1129 of the Bankruptcy Code also imposes requirements that with respect to each class of claims or interests, such class has accepted the plan or such class is not Impaired under the plan, that Confirmation of a plan is not likely to be followed by the need for further financial reorganization, that a plan be in the best interest of Creditors, and that a plan be fair and equitable with respect to each class of claims or interests which is Impaired under the plan. The Bankruptcy Court will confirm a plan only if it finds that all of the requirements enumerated in section 1129 of the Bankruptcy Code have been met. The Debtor believes that the Plan satisfies all of the requirements for Confirmation.

V. FUNDING AND FEASIBILITY OF THE PLAN

A. Funding of the Plan & Feasibility

In order to fund the Plan, Edison Farms shall convey the Adjacent Parcel to IWA, thereby reducing the amount of IWA's Allowed Secured Claim. Additionally, the Debtor shall seek Court approval to obtain Debtor-in-Possession Financing up to $1,100,000 from Sherwin Real Estate, in order to make twelve (12) equal monthly payments to IWA in the amount of $20,000 each and in order to fund the costs associated in obtaining the required permitting to establish the initial phase of the sale of the Mitigation Bank Credits and the sale of the TDR credits. Once the Debtor has obtained the required permitting, the Debtor shall fund payments to IWA and the holders of Allowed General Unsecured Claims from the revenues collected from sales of Mitigation Bank Credits and TDR credits.

As demonstrated in the Debtor's Sources and Uses of Funds through 2018 that is attached hereto as **Exhibit "G,"** the Debtor will have the funds to make the payments proposed in the Plan. The Management Fees to be incurred by the Debtor during the life of the Plan, as projected in the Budget, including the cost of Project Management Professionals to coordinate all experts, including environmentalists, engineers, hydrology experts and the legal team,, and government agencies, including Federal, State and Local, during the permitting and construction process. This cost also includes reporting to all outside stake holders who have interest in the Real Property, as well as the management of budgets and timelines for the mitigation banks.

In order to assist in funding the Debtor's business operations under the Plan, the Debtor may retain its Cash on hand, the funds in its bank accounts, and may retain amounts received from accounts receivable to pay accounts payable. Accordingly, the Debtor asserts that it is able to perform all of its obligations under the Plan, and as such, the Plan satisfies 11 U.S.C. § 1129(a)(11).

B. Best Interests Test and Liquidation Analysis

Notwithstanding acceptance of the Plan by each Impaired Class, in order to confirm the Plan, the Bankruptcy Court must determine that the Plan is in the best interests of each holder of a Claim or Interest in any such Impaired Class who has not voted to accept the Plan.

Accordingly, if an Impaired Class does not unanimously accept the Plan, the best interests test requires the Bankruptcy Court to find that the Plan provides to each member of such Impaired Class a recovery on account of the Class member's Claim or Interest that has a value, as of the Effective Date, at least equal to the value of the Distribution that each such Class member would receive if Debtor were liquidated under Chapter 7 of the Bankruptcy Code on such date.

To estimate what members of each Impaired Class of unsecured Creditors and Equity Security Holders would receive if Debtor were liquidated under Chapter 7, the Bankruptcy Court must first determine the aggregate dollar amount that would be generated from Debtor's Assets if the Chapter 11 Case was converted to a Chapter 7 case under the Bankruptcy Code and the Assets were liquidated by a Trustee in bankruptcy (the "Liquidation Value" of such Assets). The Liquidation Value would consist of the net proceeds from the disposition of Debtor's Assets and would be augmented by any Cash held by Debtor.

As detailed in the Liquidation Analysis, that is attached as **Exhibit "B"** hereto, the Debtor's Liquidation Value would not allow holders of Allowed General Unsecured Claims to receive any distribution. The Debtor's Plan proposes to pay the Allowed General Unsecured Claims more than the recovery they would receive if the Debtor were liquidated under Chapter 7 because the Debtor's Plan proposes to pay them in full with interest at a rate of 5.25% per annum.

The Debtor has compared the Claims in the Plan with the Liquidation Analysis that will be attached to the Disclosure Statement, and believes that Distributions under the Plan will provide at least the same recovery to holders of Allowed Claims against the Debtor on account of such Allowed Claims as would Distributions by a Chapter 7 Trustee.

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VI. ALTERNATIVES TO THE PLAN

Although this Disclosure Statement is intended to provide information to assist a Claim or Equity Security Holder in determining whether to vote for or against the Plan, a summary of the alternatives to Confirmation of the Plan may be helpful.

If the Plan is not confirmed with respect to the Debtor, the following alternatives are available: (i) Confirmation of another chapter 11 plan; (ii) conversion of the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code; or (iii) dismissal of the Chapter 11 Case leaving Creditors and interest holders to pursue available non-bankruptcy remedies. The alternatives to the Plan are very limited and not likely to maximize the value of the assets of this Estate. The Debtor believes that conversion of the Chapter 11 Case to a chapter 7 case would result in (i) significant delays in distributions to Creditors who would have received a distribution under the Plan; and (ii) little to no recovery for unsecured Creditors. If the Chapter 11 Case is dismissed, the Creditors would be free to pursue non-bankruptcy remedies in their attempts to satisfy claims against the Debtor. Although the Debtor could theoretically file a new plan, the Debtor believes that Confirmation of the Plan is preferable to all other alternatives.

DEBTOR-IN-POSSESSION

AGRIPARTNERS LIMITED PARTNERSHIP

By:_____

Daniel J. Aronoff, Attorney –in –Fact
of Ag. LP

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was sent to those parties as listed on the Court's Case Management / Electronic Case Filing, on this 15th day of March, 2013.

Respectfully Submitted,

SHRAIBERG, FERRARA & LANDAU, P.A.
Attorneys for the Debtor
2385 NW Executive Center Drive, #300
Boca Raton, Florida 33431
Telephone: 561-443-0800/Facsimile: 561-998-0047
Email: plandau@sfl-pa.com

By: /s/ Philip J. Landau
Philip J. Landau
Florida Bar. No. 0504017
Lenore M. Rosetto
Florida Bar No. 064448

EXHIBIT A

PLAN OF REORGANIZATION

***See* Plan of Reorganization filed by the Debtor as Docket entry [ECF No. 66] on March 15, 2013.**

EXHIBIT B

LIQUIDATION ANALYSIS

	SOURCE OF FUNDS FROM NON-EXEMPT ASSETS:	ESTIMATED VALUES[5]
1)	2,501 acres of vacant land in Lee County, Florida.	$64,495,861.62[6]
2)	Cash on Hand	$0
3)	48% interest in Charlotte Park Assocs. LP	$Unknown
4)	44% interest in Courtland Park Assocs. LP	$Unknown
5)	44% interest in ESAA LP. This entity is involved in a lawsuit with a damage claim of $3,000,000. Other than this claim, there is no potential value.	$Unknown
6)	25% interest in Hartford Equities, Inc.	$Unknown
7)	50% interest in Tampa Assocs. LP	$Unknown
8)	10% assignment of cash flow from partnership interest in CWB Limited Partnership III	$Unknown
9)	Possible Account Receivable due to the Debtor from CWB LP III	$Unknown
10)	Debtor is a co-beneficiary of a land trust named the Edison Farms Trust that owns an interest in an adjacent parcel if approximately 1,567 acres.	$Unknown
11)	1 All Terrain Vehicle and 1 Tractor (at least 5 years old) and 2008 Chevy Silverado VIN # 1GCHK23668F169912	$9,000
	TOTAL:	**$64,504,861.62**

[5] The values listed are based on the Debtor's best estimate of the liquidated value of its assets.

[6] For purposes of this analysis, the Debtor has used the fair market value of the Real Property due to the difficulty in estimating the liquidated value. The liquidated value would be less than the fair market value.

LESS:

1)	Chapter 7 Trustee Fee[7]	$1,935,145.83
2)	Chapter 7 Administrative Expenses[8]	$3,325,243.05
3)	Chapter 11 Administrative Expenses	
	A) Estimated Chapter 11 Debtor Professional Fees	$150,000.00
	B) Estimated US Trustee Fees	$10,000.00
4)	Secured Creditor's Pre-Petition Claims	
	A) Real Property Tax Claims	$12,679.07
	B) Investors Warranty of America, Inc.	$79,530,168.28
	C) Ally Financial	$3,669.07
5)	Priority Creditors Pre-Petition Claims	
	A) Internal Revenue Service	$356.77
	TOTAL:	**$84,967,262.07**

TOTAL POTENTIALLY AVAILABLE TO GENERAL UNSECURED CREDITORS: **$0.00**

[7] Chapter 7 Trustee Fees are calculated in accordance with 11 U.S.C. § 326, which provides: "In a case under chapter 7 or 11, the court may allow reasonable compensation . . . of the trustee for the trustee's services, payable after the trustee renders such services, . . . not to exceed 3 percent of such moneys in excess of $1,000,000, upon all moneys disbursed or turned over in the case by the trustee to parties in interest, excluding the debtor, not including holders of secured claims."

[8] Chapter 7 Administrative Costs are difficult to qualify as they vary based on whether the Trustee employs professionals, which could include, attorneys, accountants, brokers, appraisers and liquidators. Therefore, this value is arbitrary and includes an estimated 5% real estate commission.

EXHIBIT C

CLAIMS ANALYSIS

Secured Claims

Claimant	Amount	Description
Edison Partners, LLC	$Unknown on Schedule D	
Investors Warranty of America, Inc.	$79,530,168.28 listed on Proof of Claim Nos. 12, 13 & 14 and $78,447,139.64 on Schedule D and listed as Disputed (Proofs of Claim 12 & 14 were withdrawn by Investors Warranty of America, Inc.	
Lee County Tax Collector	$Unknown on Schedule D on $911.30 on Proof of Claim No. 4	Real Property Taxes
ABRTL & AM Cert Ptnsp 1012	$1,616.20 on Proof of Claim No. 5	Tax Certificate
AM Cert & ABRTL Ptnsp 1803	$1,705.81 on Proof of Claim No. 6	Tax Certificate
B Low & CBBTL Ptnsp 984	$1,564.60 on Proof of Claim No. 7	Tax Certificate
B Low & CBBTL Ptnsp 1026	$951.93 on Proof of Claim No. 8	Tax Certificate
B Low & CBBTL Ptnsp 92	$5,270.59 on Proof of Claim No. 9	Tax Certificate
TFLTC, LLC	$658.64 on Proof of Claim No. 10	Tax Certificate

Priority Claims

Claimant	Amount	Description
Internal Revenue Service	$6,692.77 on Schedule E; and $356.77 on Schedule E.	Taxes
Lee County Tax Collector	$9,005.07	Real Property Taxes

General Unsecured Claims

Claimant	Amount
Ally Financial	$3,669.07 on Proof of Claim No. 3
Armalavage & Associates	$14,250 on Proof of Claim No. 2
Berger Singerman	$8,357.29 on Schedule F and $8,612.92 on Proof of Claim No. 15

DMS Collections, LLC	$90,000 on Proof of Claim No. 11
Garner Law, PA	$295,000 on Schedule F
Glass Ratner Advisory & Capital Group, LLC	$7,212.70 on Schedule F
Greenhorne and Omara	$67,989.03 on Schedule F
Frank J. Klace Family Trust	$1,223.17 on Proof of Claim No. 16
Henderson Franklin Starnes Holt	$99,542.52 on Schedule F
Internal Revenue Service	$6,336 on Proof of Claim No. 1
Johnson Engineering	$5,910 on Schedule F
Missimer-Schlumberger	$197,251.71 on Schedule F
Morris-Depew Associates, Inc.	$90,000 on Schedule F
Parrish, Lawhon and Yarnell PA	$2,299.74 on Schedule F
Rose, Sundstrom & Bentley, LLP	$147,204.96 on Schedule F
Squire Sanders & Dempsey LLP	$31,205.76 on Schedule F
Strategic Development Services	$6,636 on Schedule F
TLC Mitigation, LLC	$268,788.80 on Schedule F
Wachovia Bank, N.A.	$46,398.05 on Schedule F

EXHIBIT D

LIST OF EQUITY SECURITY HOLDERS

Equity Security Holder	Percentage of Ownership
Big Beaver, LLC 3431 Pine Ridge Road Suite 101 Naples, Florida 34109	50%
Hastings Street, LLC 3431 Pine Ridge Road Suite 101 Naples, Florida 34109	50%

EXHIBIT E

LIST OF TRANSFERS MADE TO ORDINARY CREDITORS WITHIN NINETY (90) DAYS PRIOR TO THE PETITION DATE IN EXCESS OF $5,000

Payee	Amount of Payment	Date of Payment
Wolff, Hill, McFarlin & Harron	$5,000	11/13/2012

EXHIBIT F

LIST OF TRANSFERS MADE TO INSIDERS WITHIN ONE (1) YEAR PRIOR TO THE PETITION DATE

There were no transfers made to Insiders within the one year prior to the Petition Date.

EXHIBIT G

SOURCES AND USES OF FUNDS THROUGH 2018

Agripartners Limited Partnership
Sources and Uses of Funds - Plan A

	Year 1 2013/2014	Year 2 2014/2015	Year 3 2015/2016	Year 4 2016/2017	Year 5 2017/2018	Year 6 2018/2079	Total
UMAM Credits Sales		85.04	85.04	85.04	85.04	85.04	425.20
PHU's Sales		3,971.40	3,971.40	3,971.40	3,971.40	3,971.40	19,857.00
TDR Credits Sales		218.12	218.12	218.12	218.12	218.12	1,090.58
Price per UMAM		142,000	142,000	142,000	142,000	142,000	142,000
Price Per PHU		1,500	1,500	1,500	1,500	1,500	1,500
Price Per TDR		16,000	16,000	16,000	16,000	16,000	16,000

Sources of Funds

1	Wetland Mitigation Bank Credit Sales	$ -	$ 12,075,680	$ 12,075,680	$ 12,075,680	$ 12,075,680	$ 12,075,680	$ 60,378,400
1	PHU Credit Sales	-	5,957,100	5,957,100	5,957,100	5,957,100	5,957,100	29,785,500
2	Transfer of Development Right Credit Sales	-	3,489,856	3,489,856	3,489,856	3,489,856	3,489,856	17,449,280
	Marketing Fees - 3% of Total Sales		(645,679)	(645,679)	(645,679)	(645,679)	(645,679)	(3,228,395)
	Value of Contributed Edison Farms Land	38,121,357	-	-	-	-	-	38,121,357
	Debtor in Possession Loan	1,070,000	-	-	-	-	-	1,070,000
	Total Sources of Funds	$ 39,191,357	$ 21,036,457	$ 21,036,457	$ 21,036,457	$ 21,036,457	$ 21,036,457	$ 143,735,641

Uses of Funds		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
	Permitting & Construction Costs	$ 480,000	$ 340,000	$ 1,040,000	$ 1,340,000	$ -	$ -	$ 3,200,000
	Annual Monitoring and Reporting Costs	-	200,000	200,000	200,000	200,000	200,000	1,000,000
4	Management Fee	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
3	Long Term Trust Fund	-	333,200	333,200	333,200	333,200	333,200	1,666,000
	Property Taxes and Insurance	20,000	13,200	13,200	3,000	3,000	3,000	55,400
	Contingency (5% of permitting and construction cost)	24,000	17,000	52,000	67,000	-	-	160,000
	Total Uses of Funds	$ 824,000	$ 1,203,400	$ 1,938,400	$ 2,243,200	$ 836,200	$ 836,200	$ 7,881,400
Net Cash Available (Used)		$ 38,367,357	$ 19,833,057	$ 19,098,057	$ 18,793,257	$ 20,200,257	$ 20,200,257	$ 135,854,241
Payments to Creditors								
	Secured - IWA							
5	**Year 1 Payments to IWA**	240,000						
	Principal	38,121,357	16,400,000	17,700,000	8,392,080	-	-	80,613,437
	Interest	-	2,243,434	1,369,834	-	-	-	3,613,268
5	**Secured - ALLY**	2,830	-	-	-	-	-	2,830
	DIP Lender - Principal & Interest	-	1,177,000	-	-	-	-	1,177,000
	Unsecured	-	-	-	1,233,268	-	-	1,233,268
	Net Cash Available - Current Year	$ 3,170	$ 12,623	$ 28,223	$ 9,167,909	$ 20,200,257	$ 20,200,257	$ 49,214,438
	Net Cash Cumulative	$ 3,170	$ 15,793	$ 44,015	$ 9,211,924	$ 29,412,181	$ 49,612,438	

Total Unsecured Creditors	Principal	$ 1,005,007	$ 1,057,770	$ 1,113,303	$ 1,171,751
(Accrued at 5.25%)	Interest	$ 52,763	$ 55,533	$ 58,448	$ 61,517
		$ 1,057,770	$ 1,113,303	$ 1,171,751	$ 1,233,268

Footnotes

1 These values are equivalent to 425 UMAM credits at $142,000 per credit, and 19,857 PHUs valued at $1,500 per PHU. The source of the credits and sales pace, comes from the Lake Jessup Science Report.

2 The value for TDR credits is $16,000 per credit. The source of this value is - **Transferable Development Rights in SE Lee County** - *Dover Kohl and Partners* submitted to Lee county Florida, July 2009, Page 2.23 of the report.

3 Calculated at $700 per acre, ($3,918 per UMAM Credit)per the Lake Jessup Science Study.

4 Management Fees include the cost of Project Management Professionals to coordinate all experts (environmentalists, engineers, hydrology experts, lawyers) and governmental agencies (Federal, State and Local) during the permitting and construction process. This includes reporting to all outside stake holders who have interest in the property, as well as management of budgets and timelines.

5 Payments will be made over 12 months

Agripartners Debtor in Possession Plan - Plan A
Calculation of Interest and Outstanding Debt
March 2013

FN			Per Judgment	Year 1 2013/2014	Year 2 2014/2015	Year 3 2015/2016	Year 4 2016/2017	Year 5 2017/2018	Year 6 2018/2079
1	Principal Balance	(As of 6-30-2012)	64,647,058						
1	Interest Accrued Pre Judgment	(As of 9-10-2012)	13,800,080						
2	Additional Pre Judgment Interest	(9-10 to 10-03-2012)	265,425						
			78,712,563						
3	Post Judgment Interest (4.75%)	Through May 1, 2013	2,140,874						
4	Post Plan Approval Interest (5.25%)			1,505,867	2,243,434	1,369,834	-	-	-
	Total Due to IWA - Pre Plan Initiation		80,853,437						
	Contribution of Edison Farms Land		(38,121,357)						
	Net Debt Payable to IWA		42,732,080						
	Principal Payments			240,000	16,400,000	17,700,000	8,392,080	-	-
	Ending OS Debt			42,492,080	26,092,080	8,392,080	-	-	-

Notes

1. Principal and Interest calculations are per the Judgment issued November 19th - Interest calculated through September 10th 2012 at a rate of $11,059.39 per day
2. Calculated at 11,059.39 per day as per the Judgment
3. Calculated at 4.75% as per the judgment . Interest Calculations assume Debt pay down at beginning of fiscal year.
4. Calculated at 5.25%.

Edison Farms
Sources and Uses of Funds

Sources of Funds	Year 1 2013/2014	Year 2 2014/2015	Year 3 2015/2016	Year 4 2016/2017	Year 5 2017/2018	Year 6 2018/2079	Total
Wetland Mitigation Bank Credit Sales	-	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	35,500,000
PHU Credit Sales	-	3,963,600	3,963,600	3,963,600	3,963,600	3,963,600	19,818,000
Transfer of Development Right Credit Sales	-	2,119,616	2,119,616	2,119,616	2,119,616	2,119,616	10,598,080
Marketing Fees - 3% of Total Sales	-	(395,496)	(395,496)	(395,496)	(395,496)	(395,496)	(1,977,482)
	-	12,787,720	12,787,720	12,787,720	12,787,720	12,787,720	63,938,598

Uses of Funds	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Permitting & Construction Costs	480,000	640,000	640,000	640,000	-	-	2,400,000
Annual Monitoring and Reporting Costs	-	150,000	150,000	150,000	150,000	150,000	750,000
Management Fee	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
Long Term Trust Fund	-	219,380	219,380	219,380	219,380	219,380	1,096,900
Property Taxes and Insurance	10,000	6,600	6,600	3,000	3,000	3,000	32,200
Contingency (5% of permitting and construction cost)	24,000	32,000	32,000	32,000	-	-	120,000
	814,000	1,347,980	1,347,980	1,344,380	672,380	672,380	6,199,100
Net Cash Available (Used)	(814,000)	11,439,740	11,439,740	11,443,340	12,115,340	12,115,340	57,739,498

Net Present Value - 11% Discount Rate	**$38,121,356.60**

Footnotes

1 These values are equivalent to 250 UMAM credits at $142,000 per credit, and 13,212 PHUs valued at $1,500 per PHU. The source of the credits and sales pace, comes from the Lake Jessup Science Report.

2 The value for TDR credits is $16,000 per credit. The source of this value is - **Transferable Development Rights in SE Lee County** - *Dover Kohl and Partners* submitted to Lee county Florida, July 2009, Page 2.23 of the report.

3 Calculated at $700 per acre, ($4,387 per UMAM Credit)per the Lake Jessup Science Study.

4 Management Fees include the cost of Project Management Professionals to coordinate all experts (environmentalists, engineers, hydrology experts, lawyers) and governmental agencies (Federal, State and Local) during the permitting and construction process. This includes reporting to all outside stake holders who have interest in the property, as well as management of budgets and timelines.

EXHIBIT H

BRADOW'S REPORTS

LJS LAKE JESSUP SCIENTISTS, INC.
201 Sheryl Drive, Deltona, FL 32738

March 9, 2013

Mr. Daniel Aronoff
The Landon Companies
612 East Eleven Mile Road
Royal Oak, MI 48067

RE: Agripartners Mitigation Banking

Dear Mr. Aronoff,

As you know, I have been performing environmental monitoring, permitting, and consultation here at Agripartners since the early 1990's. Based on the data I collected, a mitigation bank plan was prepared in 2008. It included approximately 1,700 acres of the eastern Agripartners property. The remaining 750 acres within the overall eastern parcel was planned to be an aggregate mining area, which would have eventually been able to become part of the mitigation bank once the mining was completed. This mining area has now become an initial part of my mitigation bank proposal (approximately 2,380 acres), summarized in this correspondence. The mitigation bank project should be divided into four Phases. Phase 1 is primarily the northeastern portion, Phase 2 is the area "wrapping around" the north and west sides of Phase 1, Phase 3 includes the western portion, and Phase 4 covers the rest of the land to the south and east. The phasing plan is depicted on the map attached as Exhibit "A".

The mitigation bank includes both a Wetland Mitigation Bank (WMB) and a Panther Mitigation Bank (PMB).

Timing and Pricing of Wetland Credit Sales

The property is located within the Estero Bay Basin, which encompasses southern Lee County. There is currently only one wetland mitigation bank (Corkscrew Mitigation Bank) that is located within and able to provide "normal mitigation credits" for this basin. A study undertaken by a former firm (EMS) in 2007 determined that there are few properties that have the potential for a high quality mitigation bank within the Estero Bay Basin. It should be noted that only WMB's within this basin would either be allowed to provide the needed credits, or, WMB's outside of this basin (but nearby) would be required to provide additional credits to offset impacts within this basin.

This is important for the projection of wetland UMAM credit sale pricing, since the home basin for the Agripartners WMB contains a projected high population growth, and limited competition from other mitigation banks. Approximately 40% of the remaining "untouched" developed land within the Estero Bay Basin are wetlands, which means that the need for UMAM credits shall be very high over time (see Exhibit "B"). For example, the 14,000 acres of developable wetlands would require approximately 9,800 UMAM

credits to offset the impacts (based on an average UMAM impact scoring of 0.7 per acre, which may vary). This means that the proposed 425.2 Agripartners UMAM credits (described below), could only provide about 4% of the credits that will be necessary to offset the impacts to developable wetlands within this basin. Even though it is very unlikely that all of these developable wetlands will ever be impacted, given the high percentage of developable lands that contain these wetlands, I expect that the UMAM credits generated by Agripartners will be sold out quickly (perhaps as many as 70 to 80 per year, once they are established). It is also important to note that the UMAM credit pricing in Florida currently averages around $142,000 per credit.

Pricing of Panther Mitigation Credits

Virtually all of the land east of I-75 in Southwest Florida is regulated as panther habitat, and requires Panther Mitigation Credits (PHU's) in order to allow new developments to occur. In 2008, the cost of PHU credits was $2,000 per credit. Due to the drop in panther credit sales, the pricing of these credits have declined (to approximately $1,500 per credit). Now that development activity begins to pick up, there is likely to be more development east of I-75, thereby causing the need for many more PHU credits. Agripartners will face more competition in selling PHU credits than UMAM credits, but the number of PHU credits required will be substantially larger than UMAM credits (due to the number needed per acre of impact). Agripartners could also connect its UMAM credits to PHU credits to require higher pricing to include the environmental improvements for panthers.

Phase 1 Data: (Wetland Mitigation)

Cypress/Pine	Cypress Forest	Uplands	UMAM Credits	Value	Cost*
64 ac.	428 ac.	28 ac.	60.5	$8,591,000	$400K

Phase 1 Data: (Panther Mitigation)

PHU Credits	Value	Cost
4,732	$7,098,000	$80K

Phase 2 Data: (Wetland Mitigation)

Cypress/Pine	Cypress Forest	Uplands	UMAM Credits	Value	Cost*
246 ac.	32 ac.	228 ac.	89.6	$12,723,200	$300K

Phase 2 Data: (Panther Mitigation)

PHU Credits	Value	Cost
4,233	$6,349,500	$40K

Phase 3 Data: (Wetland Mitigation)

Cypress/Pine	Cypress Forest	Uplands	UMAM Credits	Value	Cost*
358 ac.	16 ac.	180 ac.	82.6	$11,729,200	$1M

Phase 3 Data: (Panther Mitigation)

PHU Credits	Value	Cost
4,764	$7,146,000	$40K

Phase 4 Data: (Wetland Mitigation)

Cypress/Pine	Cypress Forest	Uplands	UMAM Credits	Value	Cost*
102 ac.	32 ac.	666ac.	192.5	$27,335,000	1.3M

Phase 4 Data: (Panther Mitigation)

PHU Credits	Value	Cost
6,128	$9,192,000	$40K

TOTAL REVENUE= $90,163,900
TOTAL COST= $3,200,000
NET REVENUE= $86,963,900

*These Cost amounts include the permitting cost plus the Construction Trust Fund costs as described below.

Construction Trust Funding

The current Trust Fund requirements for mitigation banks within SFWMD are for construction and long-term management. The construction Trust Fund is required to be 110% of the construction cost and must be set up prior to the issuance of the mitigation bank Phase 1 permit. This money can then be taken back out of this Trust Fund in appropriate portions as the field work is completed (and entirely taken back after all construction is accomplished and approved by SFWMD). Before each one of the remaining Phases is allowed to earn credits, they must also have construction Trust Funds set up for them. The estimated **Construction Trust Funds** for each of the four Phases (included in the "Cost" items above) are as follow:

Phase 1: $100K
Phase 2: $200K
Phase 3: $800K
Phase 4: $900K

Long-Term Trust Funding

The long-term Trust Fund for a mitigation bank is required to be invested upon once the bank credits are being sold (i.e.: a portion of the sale must be deposited into this management fund). In the past, the cost of this Trust Fund has averaged between $500 and $732 per acre. Since each Phase will have a different amount of management activity to keep them in good condition, the cost per acre will likely change with each Phase. Therefore, the overall estimated average of the long-term Trust Fund may be approximately $700 per acre (total bank cost of $1,666,000). Since the average amount of bank land required per credit will be approximately 5.6 acres, the **Long-Term Trust Fund** will require $3,920 to be set aside for each credit as it is sold. This money must remain in the long-term Trust Fund perpetually.

ADJUSTED NET REVENUE= $85,297,900

Phase 1 Discussion

A positive part of this mitigation bank proposal is the fact that Phase 1 will not be very expensive or time consuming (less than a year) to establish and earn credits for simply placing a conservation easement upon it. The number of credits that can be released will likely include 75% of the credits that do not require construction or other activities to result in good condition. The estimated number of credits that can therefore be released by a conservation easement is approximately 60 UMAM credits. Due to the fact that the current average cost per UMAM credit (among 16 mitigation banks throughout a large area of Florida), is $142K, the amount of income that can be easily earned from Phase 1 can overpay the remaining balance of costs required to set up the rest of the bank phases.

TOTAL "OUT OF POCKET" EXPENSE FOR MITIGATION BANK= $480,000

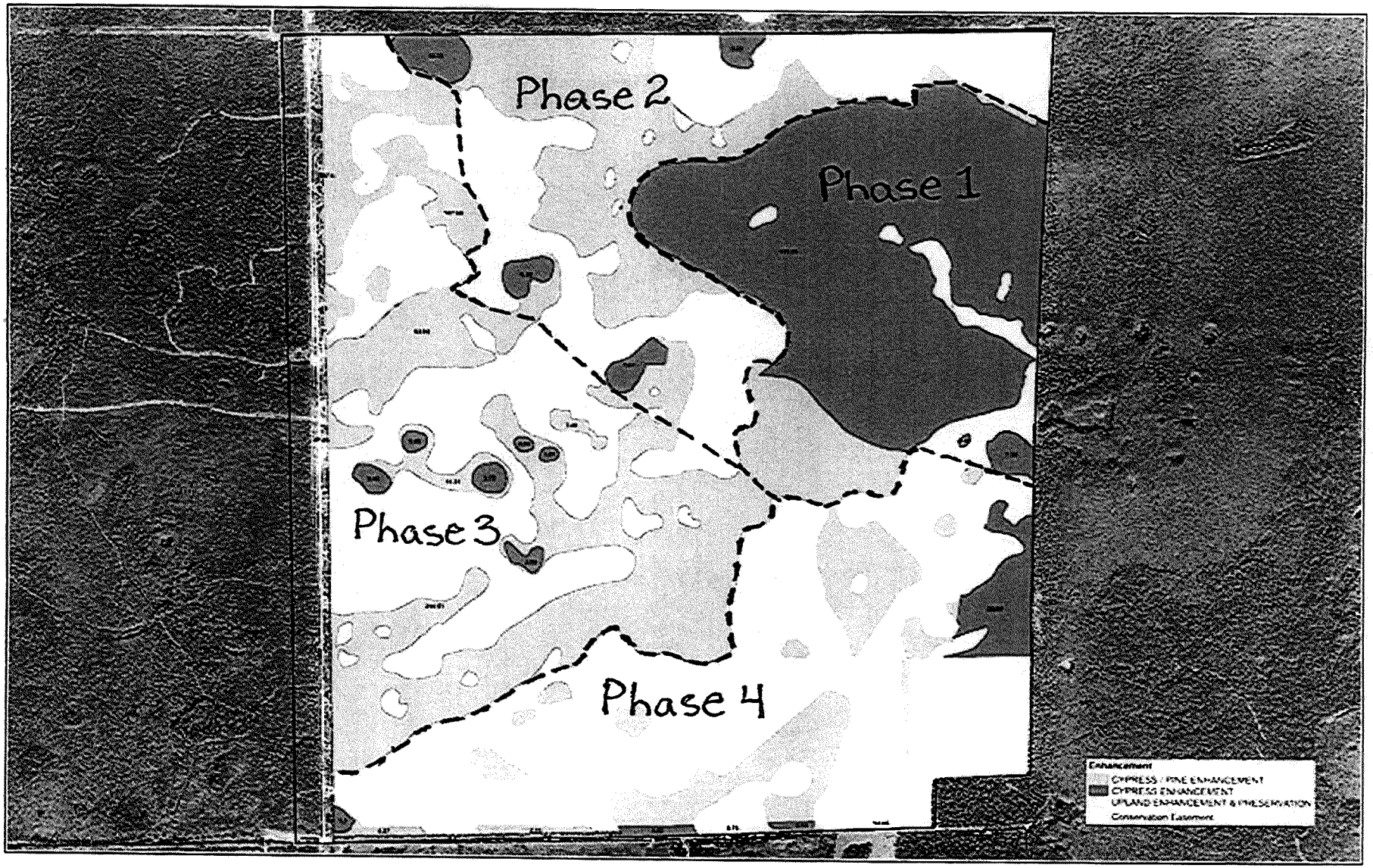
If there is any other information or assessments that you would like to receive, please let me know.

Sincerely,

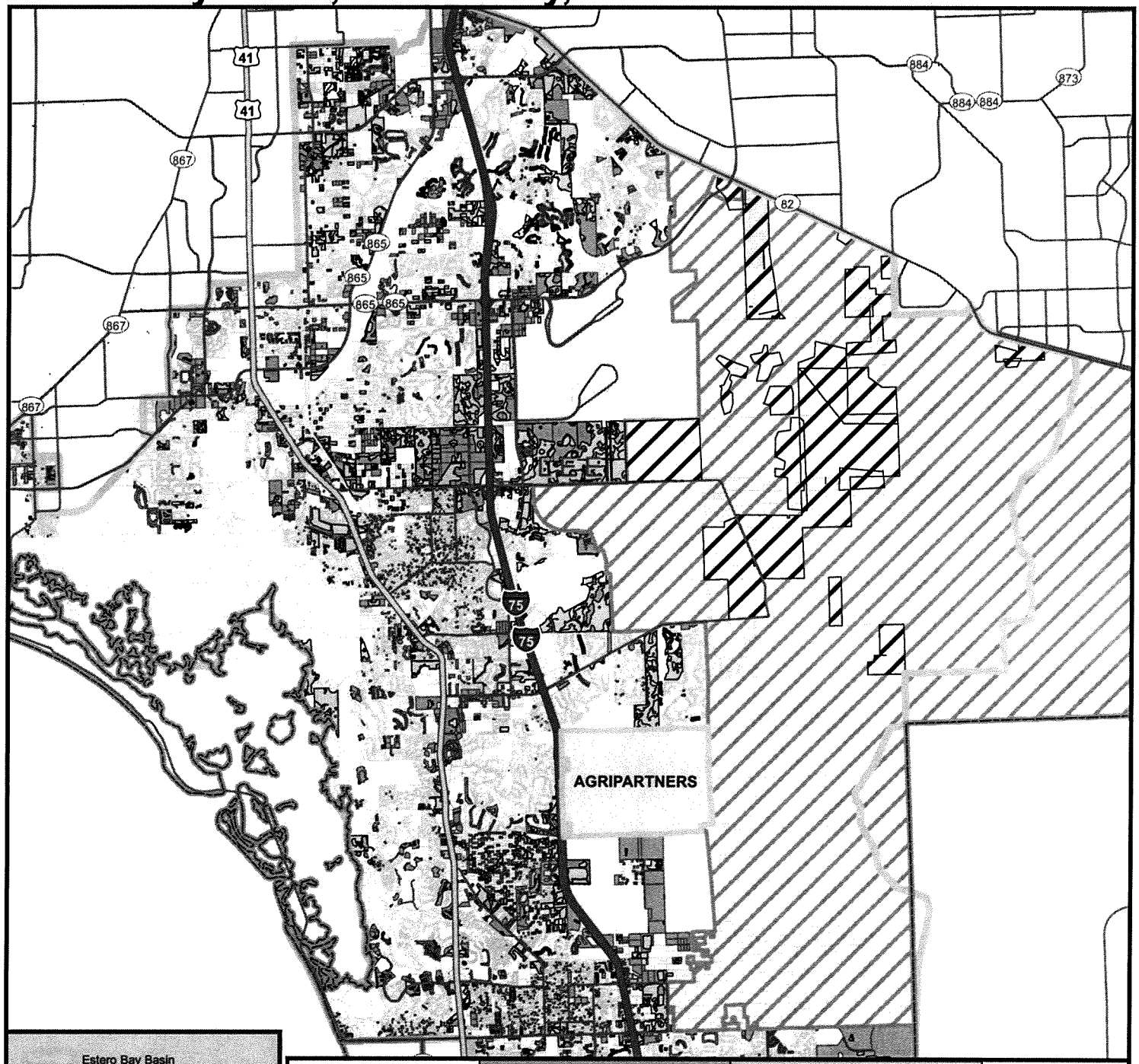
Stuart Bradow
President
(407) 341-0763

Enclosures

Agripartners Mitigation/TDR Plan, Eastern 2,400 Acres



Wetlands Requiring Mitigation for Development (Oct, 2012)
Estero Bay Basin, Lee County, FL



Vacant Acres	Outside DRGR: Commercial & Residential	Outside DRGR: Industrial	Inside DRGR: Exception Areas for Mining	Inside DRGR: Additional Exception Areas	TOTALS
Upland Acres	12,958.51	772.28	5,891.43	1,397.22	**21,019.44**
Wetland Acres	9,764.03	847.96	2,957.72	799.89	**14,369.60**

METHODOLOGY:
All parcels within the Estero Bay Basin were screened to remove all non-vacant parcels, as per county land use codes provided by Lee County, Florida. (This screen removed parcels with existing easements, designated for conservation, lakes, and other bodies of water, and government owned property). In addition, all parcels within the DRGR (green crosshatch) were removed other than for the areas proposed as exceptions by Lee County (yellow crosshatch).

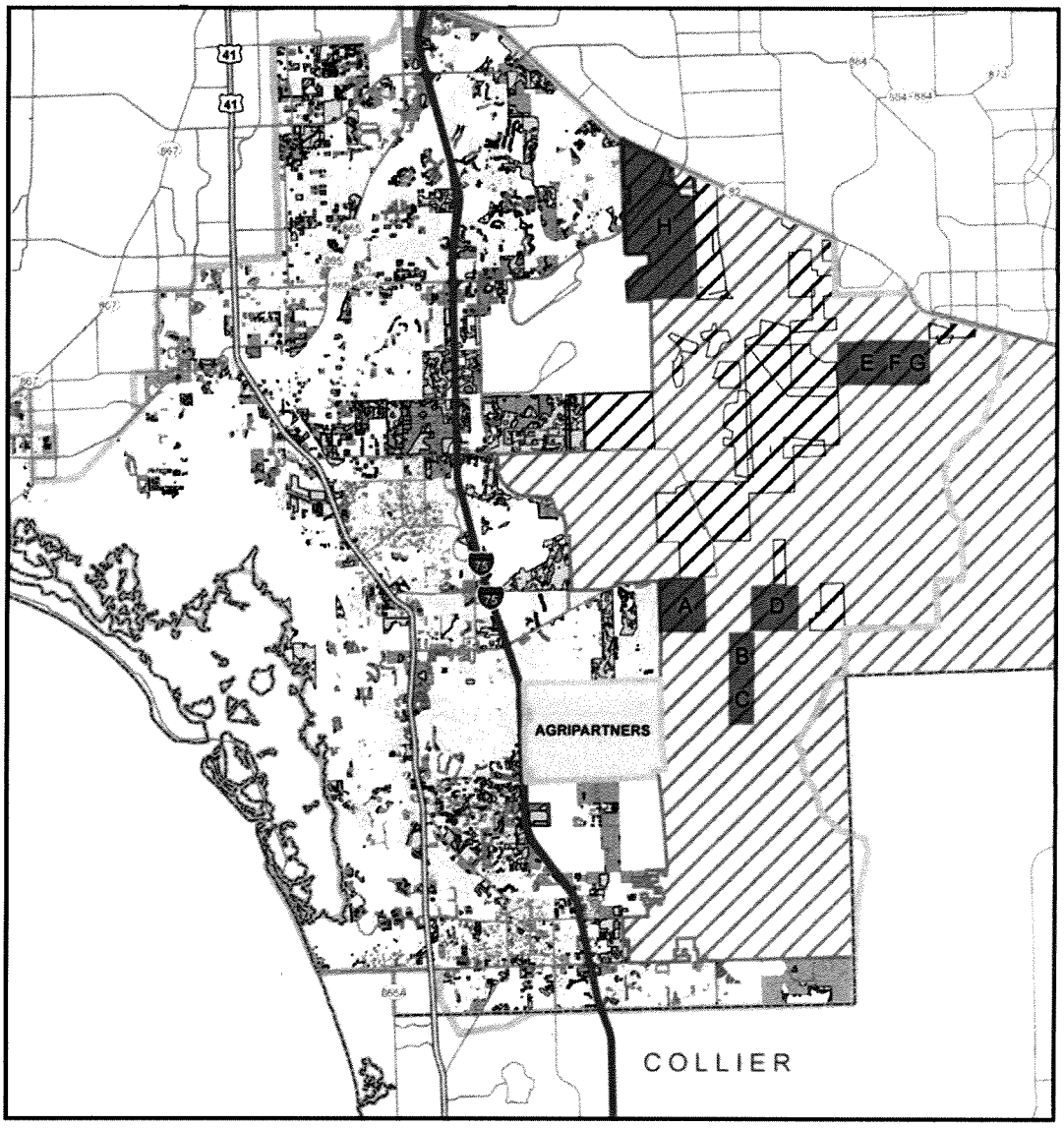
The remaining parcels are developable, totaling 35,389.04 Acres. This includes 14,369.60 acres of wetlands.

All data provided by Lee County, FL GIS department (http://leegis.leegov.com/GISData.htm)

EMS SCIENTISTS, ENGINEERS, PLANNERS, INC.
393 CenterPointe Circle, Suite 1483, Altamonte Springs, Fl 32701
Ph: (407) 260-0883 Fax (407) 331-4176
Innovative Quality Solutions

TECHNICAL MEMO

This is an analysis of several of the candidate parcels, taken from the map provided titled "Agripartners – Candidate Parcels (Private, with Wetlands)" inserted below. See included map for locations.



Location A – located northeast of Agripartners, south of Corkscrew Road. This could also be evaluated with the small parcel to the north, directly fronting Corkscrew Road (ID # 13480). This parcel contains a large borrow area (possible old mine, borrow pit), with some roads in what looks like a possible subdivision. The southern 1/3 (roughly) is forested wetlands, with a little more along the eastern border. The value is in preservation of the existing wetlands, with little value for the remainder, other than it is connected to CREW. A rough UMAM might yield 15 wetland credits, with little if none additional for the remainder of the site.

Location B– This is a half-section size parcel east of CREW, but directly abutting it. Roughly 65% is forested wetlands, with a small piece of row crops, and the rest open land / pasture. This has pretty good value as an existing forested wetland system connected to CREW, and might yield 20 or more UMAM credits.

Location C– Owned by Florida Farm Development (western edge of their property).
This is another half-section size parcel immediately south of 1776. It is also connected to CREW, and contains forested wetlands over roughly 35% of the site, with the remainder being open land / pasture. It looks like a lot of the pasture is former wetlands, and could be restored with some work. Both this parcel and the one above could use a little help to increase the credit potential, but even as preservation, could yield 20 UMAM credits.

Location D– This parcel just east of the north end of CREW, and contains row crops (Citrus, it looks like) over 85% or more of the site. A couple of forested areas remain, but it is still directly connected to CREW, and could be a restoration project. Under only preservation, it would probably only yield 3 – 5 UMAM credits for the wetlands, but might have some upland credit value. Under restoration actions, this could be significantly higher, but without some historical perspective, I can't really give a good estimate.

Location E– This parcel, and the two discussed below, occur in the northeast section of the basin, but are the only non-government parcels in a large area, and would serve to connect additional sections to an already large government owned area. This gives these parcels an added level of use for mitigation. This parcel is about half row crops, half forested wetlands, and looks to have some existing preservation value. Based upon the wetlands and location, this parcel could yield 15 or so UMAM credits.

Location F– This half-section parcel is east of the above described section, and contains some row crops, some pasture, and the rest forested wetlands. The location of the wetlands is such that it would connect to the east, west, and

south, and have some preservation value. I would estimate 8 – 10 UMAM credits might be generated by this site.

Location G– This is the second half of the section above, and has some forested wetlands on the southern half, as well as wet pasture in the northern portion. Some restoration work could increase the yield, but still should generate 10 – 12 UMAM credits under preservation.

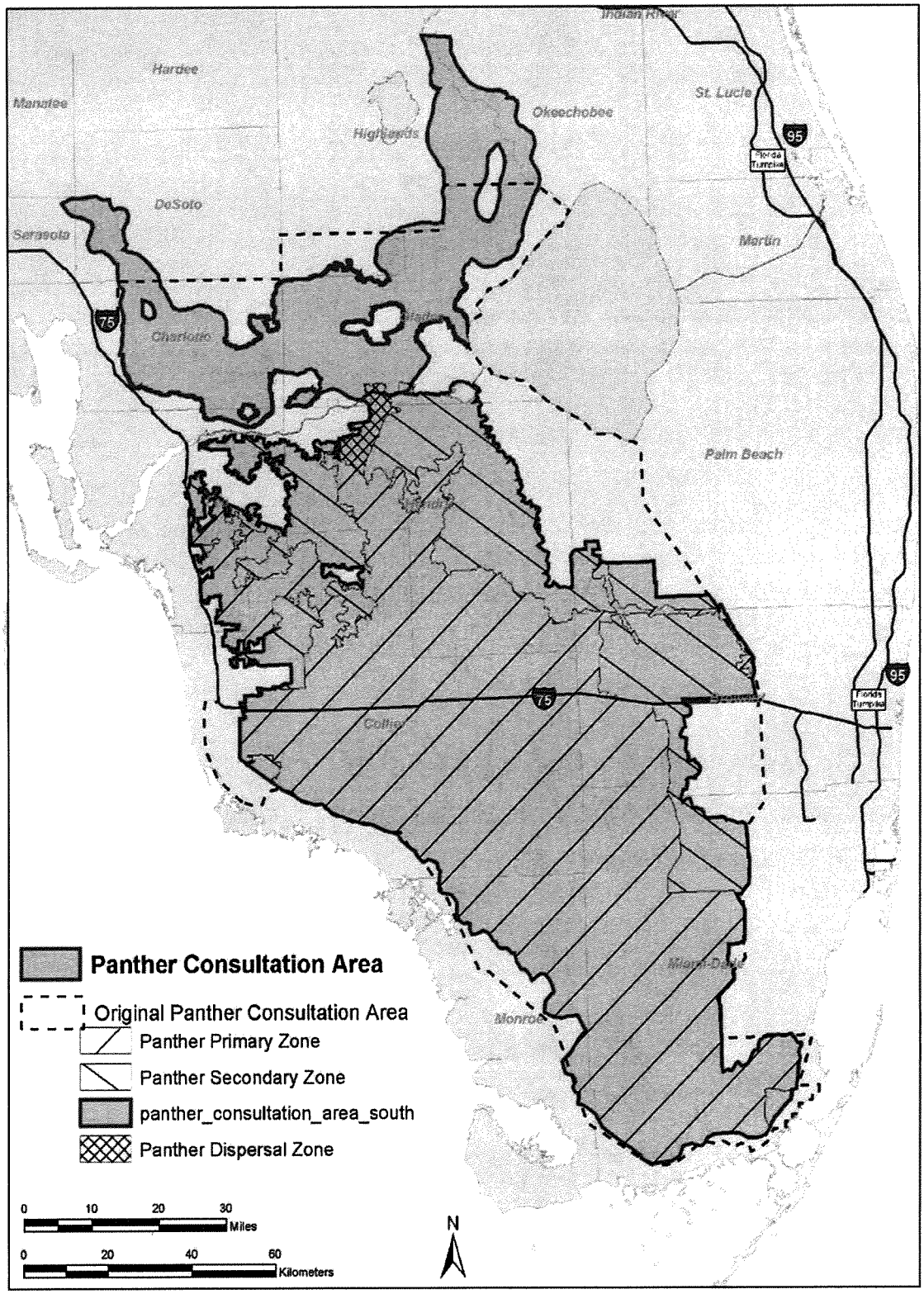
Location H (Bennett parcels, now Mace Edwards parcels) – As we discussed, the southern most sections (ID # 5494) would connect to existing government owned land, which is the most desirable scenario for preservation. This also contains the most wetlands, and together with the small parcel to the west (ID # 1894), which immediately abuts the airport, would be able to yield roughly 50 or so UMAM credits under preservation (the uplands, embedded within wetlands, would have nice preservation value).

The northern parcels all have some wetlands on them, and each would generate some value for UMAM credits. The other full section parcel (ID # 5493) is roughly half forested wetlands, and would generate 18 or so credits. The half-section parcels (ID #'s 14213, 536) have some value, but lose some of the luster with the Daniel's Road extension occurring through them. They might even be candidates for condemnation or taking by FDOT, or have much of their value tied to the road project. Each could generate 6 or so UMAM credits.

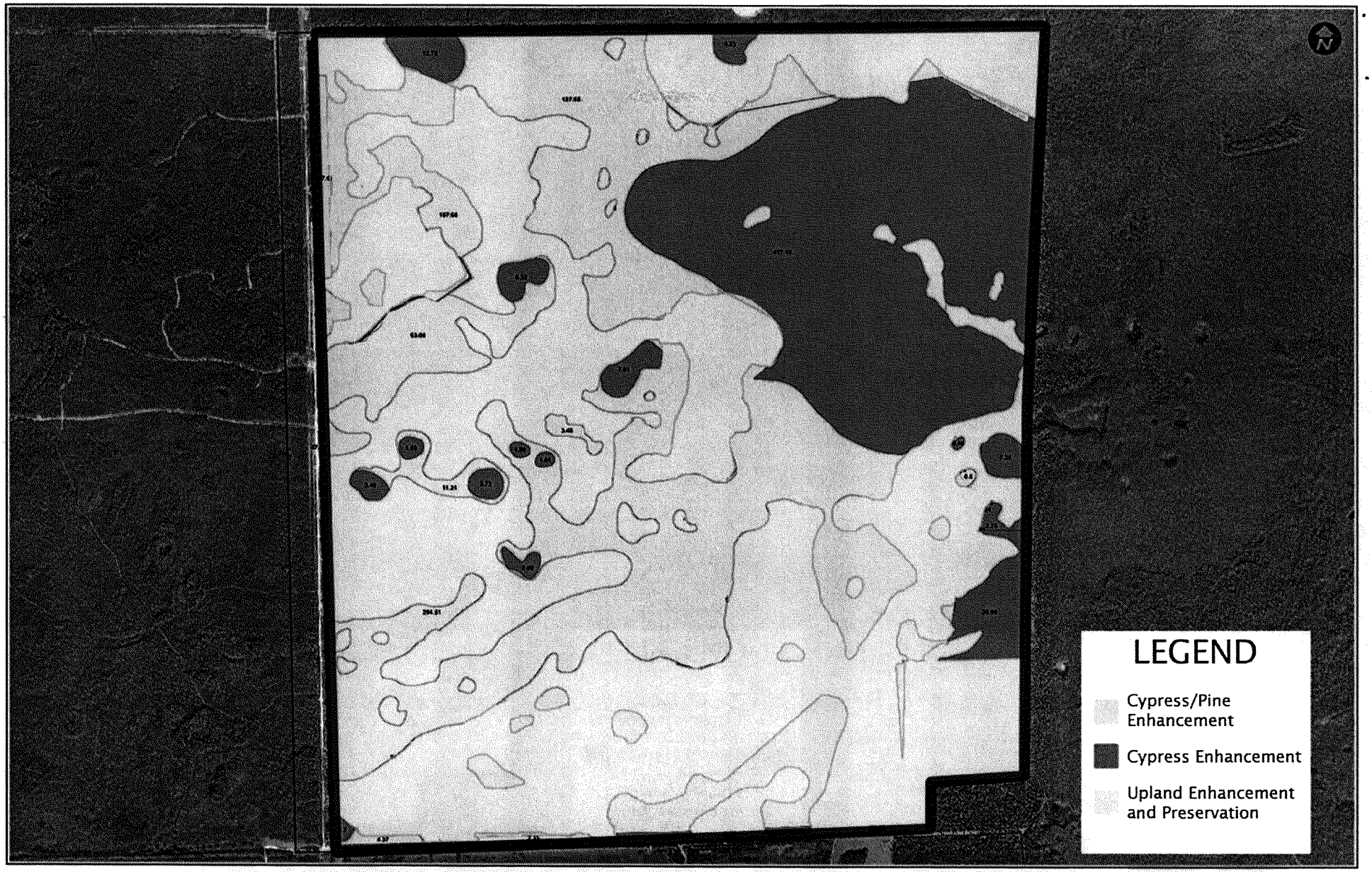
Much of these estimates are based solely on preservation value of existing wetlands (or some uplands), and the location of the parcel within the overall landscape. These are by no means final values, but are a rough estimate on what we can expect the District to give us based upon their typical stingy scoring of preservation areas without a significant mitigation plan. I think we could see some increase in scores with a little restoration work on some areas, or the inclusion of some developable upland areas.

There are other parcels that could be considered, but for this go-around, I was looking mostly at connecting to existing government lands, which gives a boost to the overall location/landscape score.

Don't forget that each of these parcels is most probably located within the primary panther zone, and carries PHU value as well. At the same time, it may distract from their development potential (with the cost of panther mitigation being pretty significant), so that may play into the value of the individual parcels. Many of these are targeted by CREW, SFWMD, or other groups, so that should at least provide some value for mitigation.


Hardee
Manatee
Okeechobee
St. Lucie
Highlands
DeSoto
Sarasota
Martin
Charlotte
Palm Beach
Collier
Monroe
Panther Consultation Area
Original Panther Consultation Area
Panther Primary Zone
Panther Secondary Zone
panther_consultation_area_south
Panther Dispersal Zone
0 10 20 30
Miles
0 20 40 60
Kilometers
N

Agripartners



Description	Acres	UMAM Credits	Value of UMAM Credits	PHU Credits	Value of PHU Credits	TDR Credits	Value of TDR Credits	TOTAL CREDIT VALUES*
Cypress/Pine Forest Preservation/Enhancement	770.00	69.30	$ 9,840,600	7,084.00	$ 10,626,000	192.50	$ 3,080,000	$ 23,546,600
Cypress Forest Preservation/Enhancement	508.00	55.88	$ 7,934,960	4,673.60	$ 7,010,400	127.00	$ 2,032,000	$ 16,977,360
Uplands	1,102.00	300.02	$ 42,602,840	8,099.40	$ 12,149,100	771.40	$ 12,342,400	$ 67,094,340
TOTALS	**2,380.00**	**425.20**	**$ 60,378,400**	**19,857.00**	**$ 29,785,500**	**1,090.90**	**$ 17,454,400**	**$ 107,618,300**

Values: UMAM Credits $142,000; PHU Credits $1,500; TDR Credits $16,000

RESUME' FOR: STUART BRADOW

201 SHERYL DRIVE, DELTONA, FL 32738
(407) 341-0763 (stubradow@aol.com)

ACADEMIC:
1974 - B.S. in Zoology, University of Florida

OCCUPATIONAL:

1976 - 1979: Lee County Health Department
Titles: Registered Sanitarian
Laboratory Manager
Duties: Monitor public food security, drinking water quality and swimming areas.
Monitor encephalitis in wildlife to avoid human epidemics.

1979 - 1988: Florida Department of Environmental Protection
(Previously: "Florida Department of Environmental Regulation")
Titles: Environmental Specialist
Branch Office Manager
Duties: Dredge and fill permit application review.
Mitigation design for applicants.
Public drinking water quality monitoring.
Hazardous waste regulation.
Manage staff and branch office activities in the Florida Keys.

1988 - 1991: South Florida Water Management District
Titles: Supervising Professional
Manager of Natural Resource Management Division
Duties: Supervision of regulatory activities concerning Surface Water.
Management and Water Quality applications.
Management of SFWMD permitting division.
Save Our River Committee member.

1991 - 2002: Environmental Management Systems, Inc
(AKA: "EMS, scientists, engineers, planners")
Title: Director of Environmental Permitting
Duties: Permitting of Mitigation Banks
Oversee staff activities for state and federal permit applications.
Prepare and participate in marketing presentations.
Environmental consulting.
Assist in management of company.

2002- Present: 1) Habitat Restoration, Inc. (President)
2) Natural Florida Ecosystems, Inc. (Vice-President)
3) Mitigation Associates, Inc. (President)
4) Lake Jessup Scientists, Inc. (President)
5) Greenhorne O'mara / Sentra, Inc. (Part-Time Consultant)

Duties: 1) Design and build wetland mitigation projects.
Permit company Mitigation Bank ("Quickdraw").
Manage and monitor HRI regional mitigation property.
Sales of mitigation to private and public entities.
Duties: 2) Design and build wetland mitigation projects.
Permitting of wetland and endangered species mitigation banks.
Environmental consulting.
Duties: 3) Sales of mitigation credits for Farmton Mitigation Banks.
Environmental consulting.
Duties: 4) Sales of mitigation credits for the Lake Jessup basin.
Environmental consulting.
Duties: 5) Design of wetland mitigation projects.
Environmental consulting.

SIGNIFICANT ACCOMPLISHMENTS:

Over 36 years of experience in a variety of environmental fields.
One of the first consultants in Florida to establish mitigation banks, including ten private and four public banks.
Maintained a close working association with the upper level regulatory staff of state and federal regulatory agencies.
Served as an expert witness in the fields of environmental permitting, biology, water quality, marine biology, ecology, and wetland mitigation.
Served on numerous panels and committees concerning conservation, mitigation, and environmental policy for the State of Florida.
Drafted environmental regulations for the State of Florida.

CERTIFICATIONS:

USACOE Certified Wetland Delineator
Florida Association of Environmental Professionals
PADI Certified Diver and Boat Captain

LJS LAKE JESSUP SCIENTISTS, INC.
201 Sheryl Drive, Deltona, FL 32738

March 12, 2013

Mr. Daniel Aronoff
The Landon Companies
612 East Eleven Mile Road
Royal Oak, MI 48067

RE: Agripartners Mitigation Banking

Dear Mr. Aronoff,

In addition to the eastern portion of the overall Agripartners ranch, it is worth mentioning that the western portion (Edison Farm) could also be turned into a mitigation bank. The uplands and wetlands within this area are very similar to those to the east, as are the activities that would be required to permit and improve these habitats for mitigation. Therefore, I am providing you with the following data to describe the cost and value of this western side.

Because the western side of the ranch is equivalent to approximately 66% of the eastern side (1,567 acres), the cost of converting this area into a mitigation bank would be less expensive than the eastern side. Rather than dividing it into phases, it would likely be better (from a permitting standpoint) to turn the entire area into a mitigation bank (minus any areas that are planned for specific development). This area would include both a Wetland Mitigation Bank (WMB) and a Panther Mitigation Bank (PMB), in the same manner that the eastern side would provide. Using the same estimate procedures as provided for the eastern side of the ranch, the additional data for the entire site is as follows:

Wetland Mitigation Bank Data:

Cypress/Pine	Uplands	Lake	UMAM Credits	Value	Cost*
952 ac.	606 ac.	9 ac.	250	$35,500,000	$2,320,000

Panther Mitigation Bank Data:

PHU Credits	Value	Cost
13,212	$19,818,000	$80K

TOTAL REVENUE= $55,318,000
TOTAL COST= $2,400,000
NET REVENUE= $52,918,000

*This Cost amount includes the permitting cost plus the Construction Trust Fund costs.

Long-Term Trust Funding

As for the eastern side of the ranch, the long-term Trust Fund for a mitigation bank is required to be invested upon once the bank credits are being sold. Assuming an estimated average cost of $700 per acre, this Trust Fund would cost $1,096,900 for the total bank. Also re-assuming that the average amount of bank land required per credit will be approximately 6.3 acres, the **Long-Term Trust Fund** will require $4,388 to be set aside for each credit as it is sold. This money must remain in the long-term Trust Fund perpetually.

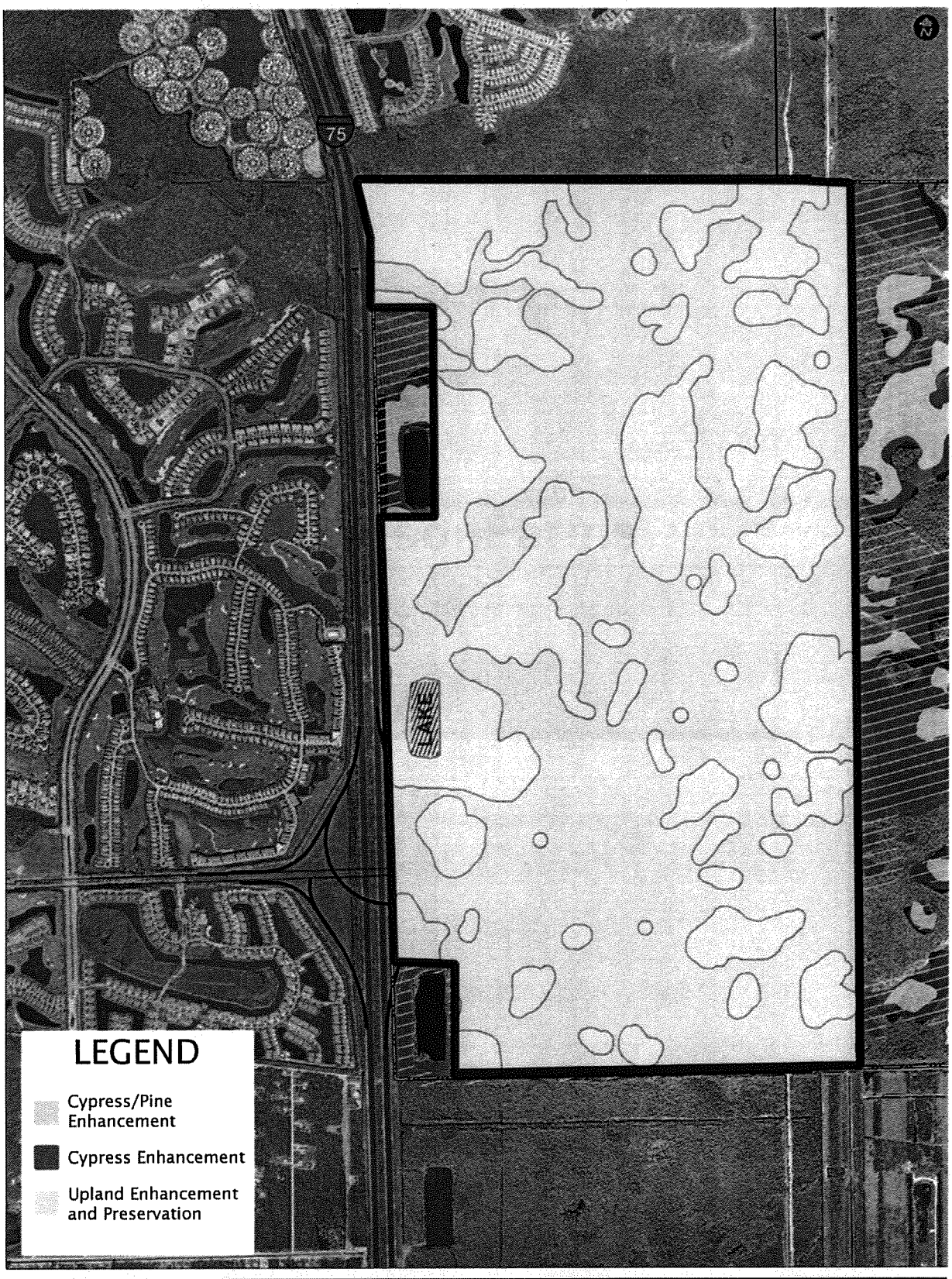
ADJUSTED NET REVENUE= $51,821,100

If there is any other information or assessments that you would like to receive, please let me know.

Sincerely,

Stuart Bradow
President
(407) 341-0763

EdisonFarms



Description	Acres	UMAM Credits	Value of UMAM Credits	PHU Credits	Value of PHU Credits	TDR Credits	Value of TDR Credits	TOTAL CREDIT VALUES*
Cypress/Pine Forest Preservation/Enhancement	952.15	85.69	$ 7,712,415	8,759.78	$ 13,139,670	238.04	$ 3,808,600	$ 20,852,085
Cypress Forest Preservation/Enhancement	-		$ -	-	$ -	-	$ -	$ -
Lake	8.85	0.97	$ 138,237	-	$ -	-	$ -	$ 138,237
Uplands	606.20	163.33	$ 23,193,428	4,452.22	$ 6,678,330	424.34	$ 6,789,440	$ 29,871,758
TOTALS	1,567.20	250.00	$ 31,044,080	13,212.00	$ 19,818,000	662.38	$ 10,598,040	$ 50,862,080

Values: UMAM Credits $142,000; PHU Credits $1,500; TDR Credits $16,000

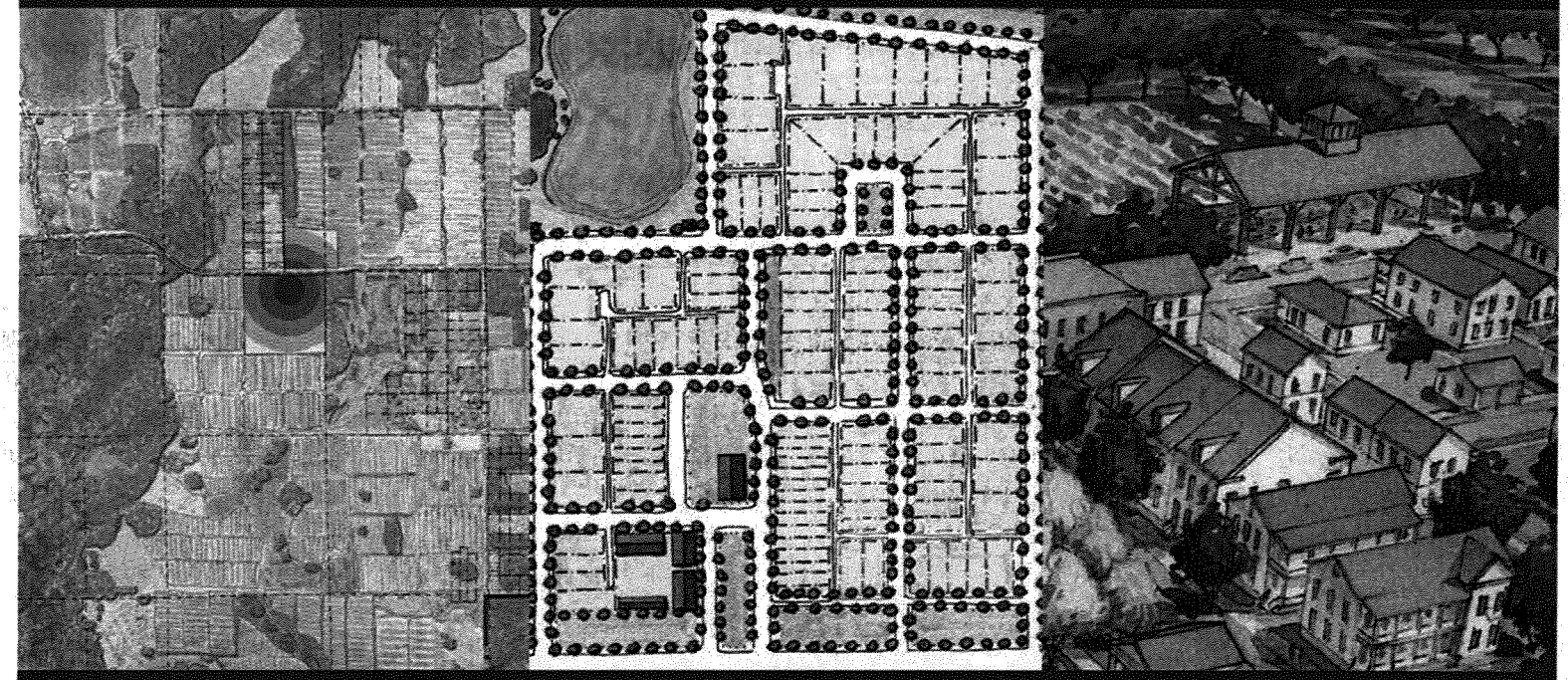
EXHIBIT I

***TRANSFERABLE DEVELOPMENT RIGHTS IN SOUTHEAST LEE COUNTY, PLANNING FOR THE DENSITY REDUCTION/GROUNDWATER RESOURCE AREA* BY DOVER, KOHL & PARTNERS**

Lee County Transfer of Development Rights (TDR) Information

1. **Valuation: Dover Kohl Study for Lee County, June 2009**
2. **Formula for calculating TDR's:**
   - **Lee Plan Goal 33- Southwest Lee County**
   - **Lee Plan Map 1 – Special Treatment Areas**
   - **Lee Plan Table 1- Summary of Residential Densities**
   - **Lee Development Code Article IV Sec 2 – TDR's**
3. **Map of TDR Sending Parcels**
4. **Map of TDR Receiving Parcels**

Transferable Development Rights In Southeast Lee County



Planning for the Density Reduction / Groundwater Resource Area (DR/GR)

Dover, Kohl & Partners
town planning

Lee County, Florida
Submitted July 2009

History & Economics of Transferable Development Rights 2

This chapter prepared by:

James C. Nicholas, Ph. D.

INTRODUCTION

THE ISSUE

The conversion of lands from one use to another has been a matter of concern in many areas around the country. The economic pressures for converting from one, less intensive use such as agriculture, to another, more intensive use, such as suburban or urban development, are well known.[1] Land in Lee County commonly tends to be more valuable in development than in farming or laying fallow, thus converting from low value to higher value uses tends to be rewarded with profit.

Regulatory measures, such as land use plans and zoning, can retard and even stop such conversions. However, such regulatory measures have their own problems. The most obvious consequence of conversion ending regulatory programs is the inability of developers, speculators, or landowners to profit from the increase in land value when development potential cannot be realized because of the regulatory program.

Thus, land use planning agencies find themselves in the middle of a conflict between two competing interests. On the one hand, there is a desire to protect and preserve agricultural or environmentally sensitive land and to prevent, or at least control, certain environmental and social costs commonly associated with land conversion. On the other hand, development regulatory bodies are faced with vocal protests against any perceived diminution of property rights. These protests are particularly vocal if a new regulation is being imposed which would further restrict land conversion; but they are heard even when a long standing regulation is not lifted during a period of development pressure.

New regulations that eliminate substantially all economically beneficial use of an individual's land may be an unconstitutional taking of private property.[2] Such unconstitutional takings would require the payment of just compensation.[3] In Florida, new regulations that would place "inordinate burdens" on private property may require monetary compensation or other compensatory actions by local government even if they are not unconstitutional takings.[4] Local governments are caught between a duty to protect public health, safety, and welfare and the potential to be ordered to compensate landowners whose property has been taken or inordinately burdened even by regulations that are justified for the protection to public health, safety, or welfare.[5]

There has been a great deal of experimentation around the country with land management techniques that permanently retain lands in existing low intensity uses. In some cases these techniques are applied at the same time new regulations are imposed in an effort to retain low intensity uses without destroying the developmental values of that land. In other cases these techniques are applied independently of new regulations, either to substitute permanent protection for land that had been protected only by regulations, or to encourage landowners to voluntarily exercise their existing development rights in a different manner than allowed by existing regulations.

The most notable of these programs are purchase of development rights (PDR) and transfer of development rights (TDR).[6] Both of these programs share the

1 See Marion Clawson, *Suburban Land Conversion in the United States*, Baltimore: Johns Hopkins, 1971, for the seminal discussion of the process and economics of suburban land conversion.

2 See *Pennsylvania Coal v Mahon*, 260 U.S. 393 (1922), where Justice Holmes wrote that "government hardly could go on if to some extent values incident to property could not be diminished without paying for every such change in the general law. . . . . **The general rule at least is that while property may be regulated to a certain extent, if regulation goes too far it will be recognized as a taking.**" Emphasis added.

3 The Fifth Amendment to the *United States Constitution* holds that "private property shall [not] be taken for public use without just compensation." The *Florida Constitution*, Article X, Section 6, (a) holds that *"No private property shall be taken except for a public purpose and with full compensation therefore paid to each owner. . . ."*

4 See Chapter 70, *Florida Statutes*, known as the Bert J. Harris Private Property Rights Protection Act. Pursuant to the Harris Act, there are ten means proposed in that are possible means to compensation a property owner for an inordinate burden: 1. An adjustment of land development or permit standards or other provisions controlling the development or use of land; 2. Increases or modifications in the density, intensity, or use of areas of development; 3. The transfer of developmental rights; 4. Land swaps or exchanges; 5. Mitigation, including payments in lieu of on site mitigation; 6. Location on the least sensitive portion of the property; 7. Conditioning the amount of development or use permitted; 8. A requirement that issues be addressed on a more comprehensive basis than a single proposed use or development.; 9. Issuance of the development order, a variance, special exception, or other extraordinary relief; and 10. Purchase of the real property, or an interest therein, by an appropriate governmental entity.

5 Julian Juergensmeyer, J. C. Nicholas and B. D. Leebrick, "Transferable Development Rights and Alternatives After Suitum," *The Urban Lawyer*, Vol 2, Spring, 1998.

6 Mitigation is beginning to receive attention as a complementary means of achieving the preservation of environmentally important areas. See "Market Based Approaches to Environmental Preservation: To Environmental Mitigation Fees and Beyond," *Natural Resources Journal*. 2003, and J. Nicholas, J. Juergensmeyer and E. Basse, "Perspectives Concerning the Use of Environmental Mitigation Fees as Incentives," Environmental Liability, Volume 7:2 and 7:3, 1999.

characteristic of separating development rights from the other use rights associated with the land. For PDR, the development right is purchased and extinguished, i.e., not used. In the case of TDR, the development right is transferred and the development that would have been undertaken on the subject land is undertaken elsewhere. In both instances, the development value of the land slated for preservation is protected.

The things to be called Transferable Development Rights herein go by many different names. In the New Jersey Pinelands they are Pinelands Development Credits (PDC). In Dade County, Florida, they are Severable Use Rights (SUR). In Suffork County, New York, they are known as Pine Barrens Credits (PBC) while in Montgomery County, Maryland, they are just plain old TDR. Regardless of what they are called, these rights share the common characteristic of facilitating the transfer of development from one place to another. This report will use TDR, transfer of development rights, to describe this program.

The possibility of using transferable development rights in the Density Reduction/Groundwater Resource area of southeast Lee County is presently being considered by the County. The study reported herein analyzes the potential for TDR to address matters of agricultural land preservation and conservation of natural lands within the Density Reduction/Groundwater Resource (DR/GR) area of the County. (Another TDR program has been in effect in Lee County since the mid-1980s, but that program applies only to wetlands that will be permanently preserved; it does not apply to uplands in a manner that could help carry out public policy encouraging continued agriculture.)

An additional TDR program may or may not be practical for Lee County. An important step in the process toward answering the policy question is determining whether the anticipated TDR program would be economically feasible. This study inquires into that feasibility and reports on how a TDR program could address the conservation of agricultural and other uplands in Lee County's southeast DR/GR lands.

EXPERIENCE ELSEWHERE

TDR programs have enjoyed success, but the rate of success has been, at best, modest. Nevertheless, there are successful TDR programs. These programs have been instrumental in preserving hundreds of thousands of acres of environmentally sensitive while providing economic value to the owners of that land.

Montgomery County, Maryland.

Montgomery County is almost the TDR poster child. No discussion of TDRs omits Montgomery, probably because it was one of the first and one of the more successful. The TDR program was adopted in 1980. Montgomery first down zoned the agricultural and environmental lands that were to be preserved to one dwelling unit per 25 acres. This down zoning was a matter of great controversy and several years of litigation. The program was aimed primary at agricultural land retention, but there were elements of environmental and scenic protection as well. The owners of the land to be retained or preserved were allocated transferable development rights at a ratio of one per 5 acres, even though the minimum lot size was 25 acres. These rights were designed to be sold to those wishing to increase the intensity (density) of development in the designated receiving areas. One of the planning objectives of the County was to increase the intensity (density) of development in the designated areas so that the retention and preservation programs would not lessen the pace of development or reduce the stock of housing that the market would otherwise produce.

The sending area, that is the area to be retained in its present uses, was 91,591 acres. It is called the Rural Density Transfer Zone (RDT). TDRs were available at one for each 5 acres of land in the RDT. Additionally, owners of RDT land continued to have the right to build on their land at one dwelling per 25 acres even if they had severed their development rights and sold them. When owners sought to claim their TDRs, they had to record a restriction against development of the property and such restrictions are permanent. Once claimed, the rights could be sold or otherwise transferred to anyone who wanted them. Most if not all were demanded by people that owned receiving area land, which was in the urbanized area of unincorporated Montgomery County. The receiving areas include areas from single family up to the most dense multifamily. The increased density of use of TDRs is by right and no special approvals or rezoning are needed. There is no option to use the TDRs for non-residential development.

The estimate was that 15,000 TDRs could be created, but that no more than 9,000 of the TDRs would ever be sold. This turned out to be reasonably correct. As with most TDR programs, it is not possible to know exactly how many transfers there have been as minimal public involvement was a goal. The best estimate is approximately 8,000 rights have been sold and used in receiving areas. Additionally, some 1,800 units were built by owners on the retained land (on-site). At present there it would appear that there are no TDRs available for sale.[7] It would appear that everyone that wished to sell TDRs has done so.

When active sales began, after several years of litigation, prices of $7,000 to $10,000 per right were common. By the time that sales dwindled, prices as high as $40,000 were recorded.[8]

Some 40,000 acres have been stripped of their development rights in order to transfer those rights. There are many thousands of acres where the owners have not wished to restrict their property and sell the rights. Again, all indications are that those that could sell rights do not wish to.

Montgomery County did not act alone. The State of Maryland has active programs to preserve agricultural and environmental lands. The Maryland Agricultural Land Preservation Foundation provides fund to purchase development easements. Montgomery County itself has purchased easements, although most of the easement purchases involved environmental or scenic lands rather than agricultural.

One of the key factors in Montgomery County's success with TDRs has been that property owners in receiving areas will not get density increases by means other than TDRs. This is known to all and forces those wishing to develop at higher intensities to seek out TDR owners. The recent lack of available TDRs has created a problem that has not yet been addressed.

It might be noted that Calvert and Queen Anne's County also have successful TDR programs. They, like Montgomery, have leveraged state monies and employed bonuses in receiving areas to enhance the feasibility of their TDR programs.

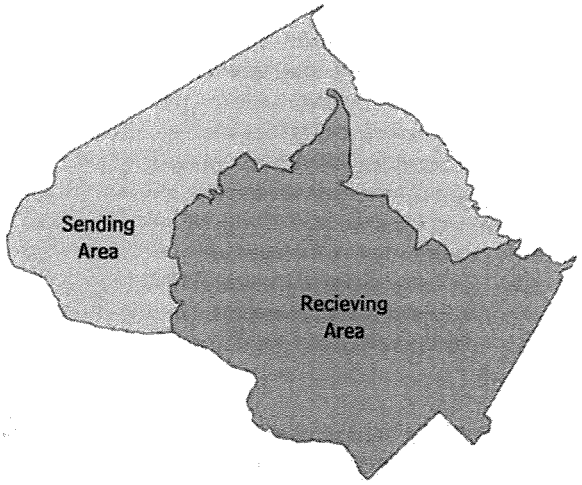


Figure 1. Montgomery County Sending and Recieving Areas

Collier County, Florida

In 2002 Collier County amended its comprehensive plan to incorporate a 93,600 acre Rural Fringe Mixed Use District (RFMUD). Collier County also adopted the Rural Lands Stewardship Area (RLSA). Both involve the transferring for development from lands deemed to be less suitable for development to more suitable. The two programs use different approaches to the transferring of development. The RFMUD uses a classic Transfer of Development Rights approach.

The RFMUD has thousands of individual property owners. This pattern of ownership limited the approaches that could be taken, such as Rural Land Stewardship, which requires patient landowners with large holdings. The resulting TDR program involved the designation of sending and receiving areas that were both within the RFMUD; with the sending areas being the lands less suitable for development and the receiving areas being those that are more suitable. Neither the sending areas nor the receiving areas were down zoned from their present zoning, which was largely one unit per 5 acres. The sending areas were allocated one TDR for each 5 acres or permitted lot, whichever is greater. The receiving areas would be allowed to increase permitted density from one unit per 5 acres to one unit per 2.5 acres. Additionally, receiving areas could receive bonuses so that one unit per acre could be achieved. It was estimated that each TDR could command up to $25,000, which is $5,000 per sending area acre. A potential total of 10,377 TDR credits were created, assuming that every property owned would seek to record and transfer their development rights.

7 Telephone call with Karl Moritz, Montgomery County Planning Department.

8 *Ibid.*

Litigation slowed implementation. Once the litigation was finished, the TDR program did not receive any success. There were many willing buyers of TDRs, at up to $25,000, but no willing sellers. Discussions with property owners indicated that owners thought that the resulting $5,000 per acre for the development rights was insufficient. Collier County then modified its TDR program. It provided several bonuses:

- An "early entry" bonus of 1 additional TDR per 5 acres for those that would participate in the TDR program within 2 years;
- A bonus of up to 1 TDR per 5 acres for restoring degraded environmental areas on the land; and
- A bonus of up to 1 TDR per 5 acres of dedicating high quality or restored environmental lands to some conservation entity, along with a dedication of funds for the long-term maintenance of the land.

These bonuses appear to have worked. Some 2,327 TDR credits have been recorded.[9] Because the exchange of TDRs is private, the prices at which they are traded are not known.

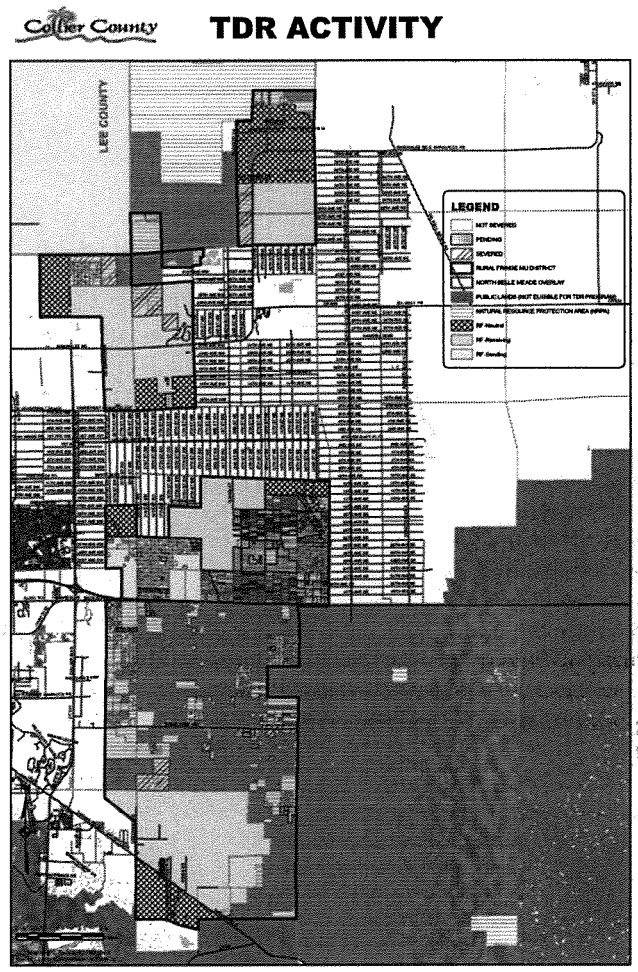


Figure 2. Collier County TDR Activity

9 M. Bosi, P. Van Buskirk, and C. Ryffel, "In Florida: An Anti-Sprawl Strategy," *Planning*, Vol 75, no. 5, March 2009, page 23.

TRANSFERABLE DEVELOPMENT RIGHTS

BACKGROUND

Many communities have established some type of transferable development rights (TDR) program.[10] Successful TDR programs were exceptions in early programs, but with experience the rate of success has risen to 39%.[11] While the record for TDRs is somewhat disconcerting, those programs that have been successful clearly demonstrate that TDR can address difficult land management problems. Carefully designed TDR programs can "mitigate the impact of regulation,"[12] when a developing community seeks to maintain certain lands in low intensity or low value use while accommodating development in other parts of the community. This report discusses the background of successful TDR programs and, using the lessons learned by successful programs, sets out a TDR program that is responsive to the conditions within the southeast DR/GR area of Lee County.

The concept behind transferable development rights is simple. Title to real estate or property ownership, under the bundle of rights (sticks) theory, consists of numerous components that may be individually severed and marketed, such as the sale of air, mineral, or oil rights. The right to develop property to its fullest potential is one of these sticks.[13] The TDR system simply takes the development stick for a piece of property and allows it to be severed and transferred or relocated to another piece of property.[14] Typically selling some defined development potential of one piece of property, referred to as the sending site, to some other entity for use at some other piece of property, referred to as the receiving site, accomplishes the transfer.[15] The transferred development potential may be measured in any one of a number of ways, such as floor area ratio, residential dwelling units, or square feet or floor area. Once the transfer has occurred most TDR systems require a legal restriction on the sending site,[16] prohibiting any future use of the transferred development potential.[17] The receiving site is then allowed to increase its allowed development potential by the additional number of dwelling units or floor area to which it is entitled as a result of the TDR transaction.

TDRs will derive their value from what can be built and sold at the receiving sites. The receiving areas are where the transferred units will be used, and the value of that unit will be based upon prevailing values within the receiving areas. If development is valuable in receiving areas, the right to transfer development to such areas also will be valuable. Likewise, if development is not valuable in receiving areas, the right to transfer development to such areas will have little to no value.

The goal of transferring development rights is to use private market forces to maintain the economic value of lands being regulated (sending area) by capturing a portion of the incremental increase in development value of land in the receiving areas resulting from an increase in the intensity of development The value of developed lands is largely due to the desirability of the community. A community that is a desirable place will result in high land and developmental values. Likewise, undesirable communities result in low or even no land values. Buyers' perceptions create the conditions for high values, while the market forces of supply and demand implement those values.

10 Pruetz identified 130 TDR programs, Saved by Development, Preserving Environmental Areas, Farmland, and Historic Landmarks with Transfer of Development Rights, Burbank: Arje Press, 1997. Since then another 15 to 20 may have been added, for total of some 145 to 150 programs in existence.

11 Depending on what type of TDR is being considered, there are more than one hundred TDR programs in existence. See Michael D. Kaplowitz, Patricia Machemer, and Rick Pruetz Planners' Experiences In Managing Growth Using Transferable Development Rights (TDR) In The United States," *Land Use Policy*, Volume 25, No. 3, July 2008, Pages 378-387. Also see Richard Roddewig and Cheryl Ingram, *Transferable Development Rights Programs: TDRs and the Real Estate Marketplace*, 401 American Planning Ass'n Advisory Report (1987). Also see Robt. Coughlin, "The Protection of Farmland: A Reference Guidebook for State and Local Governments," (1981), Rick Pruetz, "Saved by Development," (1997) and American Farmland Trust, "Survey of Agricultural Preservation TDR Programs," (1998).

12 Justice Brennan used this terminology when describing a TDR in *Pennsylvania Central Transportation Co. v. City of New York*, 438 U.S. 104, 98 S.Ct. 2646. In *Suitum v Tahoe Regional Planning Agency*, 520 U. S. 725, 738 (1997), Justice Scalia wrote, "TDRs can serve a commendable purpose in mitigating the economic loss suffered by an individual whose property use is restricted, and property value diminished, but not so substantially as to produce a compensable taking."

13 See Carmichael, Donald M., "Transferable Development Rights as a Basis for Land Use Control," 2 Florida State University Law Review 35 (1974), page 37.

14 Roddewig & Ingram, *Supra*.

15 There is no need to actually transfer ownership of the rights. However, the concept is discussed in this manner to make sure that third party transfers are facilitated.

16 Usually by the recordation of a conservation easement.

17 Costonis, John J., "Development Rights Transfer: An Exploratory Essay," 83 Yale Law Journal 75 (1973) at 85. The practice is to differentiate "development" from other uses of land, such as agriculture. While "development" is no longer permissible, all uses not so restricted remain.

The demand for a Lee County location is a direct result of the quality of the community and the supply of units or space. At this time there is a national, state, and local economic recession. This recession has been aggravated by an excess supply of residential dwelling units. This excess supply together with a decline in demand due to the recession has created a situation of declining market values. In the Lee County market area, the resale prices of single family homes went from a high of $281,900 in 2005 to $158,200 in 2008.[18] This is a reduction of 44% in the median sales price of a Lee County single family home. By contrast, the State of Florida experienced a decline from $247,200 in 2006 to $187,800 in 2008, a decline of 24%. Note may be taken of the fact that Lee County prices had escalated much more that statewide prices. Lee County prices when from a median of $112,300 in 2000 to $281,900; and increase of 151%. Statewide the median price when from $119,900 to $247,100; and increase of 113%. However painful the present recession, the history of Florida and Lee County real estate show that recovery will follow. How long it will take to absorb the existing excess inventory and begin recovery is not known. All of the discussion herein relates to Lee County development that can be expected after the recession had ended, the excess inventory absorbed, and recovery begun.

There are a number of variations on the basic theme of development rights acquisition. An example is the dedication of development rights to a land trust or similar organization with the owners realizing a tax deduction for the donation. While there are a number of precise means, the common characteristic is that some or all of the development or use rights are severed from the land. The land will retain all rights not specifically removed by a conservation easement. In the case of agricultural preservation easements, land will retain all rights to farm. The conservation easements that sever the development rights can be structured so that economically viable uses, such as agriculture, may be left after the development rights have been severed, or, alternatively, most or even all economically beneficial uses of the land could be removed, essentially reserving the land for uses such as water storage, wildlife refuges, or nature preserves. The retention of uses can be an important factor in the ultimate success or failure of a TDR program. If all economically viable uses are removed, there may be a problem of maintaining the now fallow land. Alternatively, leaving too many uses may defeat the conservation objective sought.

18 Florida Association of Realtors, Existing Home Sales, http://media.living.net/ statistics/statisticsfull.htm, accessed March 28, 2009.

A program of TDR is an economic policy. It is a policy that attributes severable development rights to certain properties, the Sending Areas, and modifies development regulations so that the severed development rights may be used in Receiving Areas. As a precondition for success, this economic policy must be feasible. Within the context of this study, feasibility will have a working definition as having the potential of profit from transferring development from sending to receiving areas.

THE ECONOMICS OF LAND VALUE

Land has two fundamental values. The first is value in use and the second is value in exchange.[19] The value in use is that value returned to the owner from the existing uses of the land. This value can be both economic and non-economic. The value in exchange is what someone else would pay for the land. Generally, when the value in exchange exceeds the value in use, the property will be sold.[20] The primary determinant of the value in use is the economic return received by the owner.[21] However, many properties also provide non-economic returns, especially when those lands are environmentally sensitive. These non-economic returns are typically in the form of an enhanced "quality of life," enjoyed by all.[22] When environmentally sensitive land is converted from its natural state, the owner benefits from an economic gain but also must bear any costs associated with the sale, both economic and non-economic. In many communities, the conversion of land involves a cost to be borne by the community as a whole. This cost is felt as a loss in the "quality of life."

Owners will place a value on their land. They may do this subjectively or those values may result from appraisals or similar objective data. Regardless of how, owners have a sense of the worth of their land. When market values exceed owners' sense of worth, the land may be sold. Whether the land is actually sold is not as much a matter of the price offered as it is the owners' sense

19 This dichotomy was first explored by Aristotle in *Ethics*.

20 Speculative motives notwithstanding.

21 The economic return can in a monetary return or an in-kind return such as the rental value of a person's own home.

22 This is known as an *externality*. In this instance, it is an external benefit. This benefit is characterized as external because it is a benefit received by others and it results from no intention of the landowner. The other type of externality is an external cost. This is a cost borne by others that was not the intention of the owner. The characteristic that makes such benefits or costs "external" is that the values of such benefits or costs are not capitalized into the price of land.

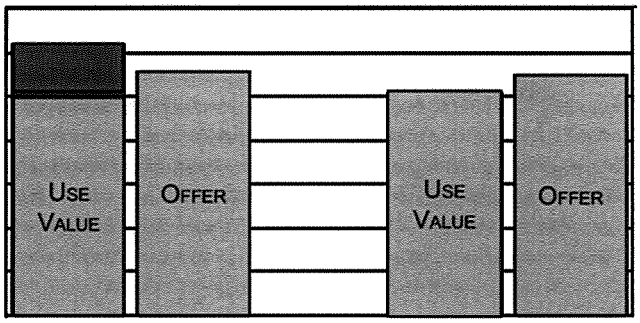


Figure 3

of the worth of the land. Two different situations are shown in Figure 3. In the first, the owner attaches some non-economic value to the land with the result that a sale does not happen even though the offer is higher than that justified by the existing economic use. In the second instance the sale would occur because the owner did not attach any non-economic value to the property. The point is that the offer – the value in exchange – was not the sole determinant of the sale. The opposite is also true. Bidders may go beyond the economic value of property for non-economic reasons. In both instances prices – the values in exchange – will appear to be beyond the underlying use value of the land. Of necessity, buyers will have to buy-out both the economic and non-economic values if they are to acquire that land. It would follow that only those buyers who attached the same or higher non-economic values to that land would acquire the property. In this manner subjective values are capitalized into market prices of land.

The discussion to this point has ignored speculative expectations. An owner with speculative expectations will tend to hold land even when offers to purchase meet or exceed the value in exchange. Likewise, buyers will tend to exceed values in exchange when they have speculative expectations. So much of the dramatic rise in Lee County prices can be attributed to speculative expectations and a great deal, if not all, of the decline can be attributed to the loss of those expectations. While many have "learned their lesson," Florida has experienced several speculative land bubbles in the past. The only difference is who learned the lesson. Nevertheless, speculative motives and expectation can be expected to exist and will be a factor.

This market process creates a problem. Buyers pay prices that reflect all factors relating to the land. Any potential buyer who places little or no value on non-economic or speculative qualities will lose out in the bidding process to those that do value such qualities. The resulting capitalization of those qualities into market values means that if those qualities were to be lost, buyers would suffer a loss both in the subjective and objective values of their land. A simple example makes the point. A parcel that offered a view of some spectacular scenery would have the value of that view capitalized into the price of the land. If that view were subsequently lost, the landowner would incur both economic and non-economic losses.

THE ECONOMICS OF DENSITY

When asked what determines the value of land, "location, location and location" is the standard, almost knee-jerk, response. Of course location is critical to the value of a parcel of land, but once location is fixed, other factors come into play. The most important of these other factors is the productivity of the land. All other things being equal, i.e., location, the more productive land will command higher prices than the less productive. The precise value of a parcel of land would be a function of the land's yield per unit of land, usually an acre. For agricultural land this is commonly measured in bushels per acre, or some other recognized measure of output. The more goods that can be produced on a parcel of land, the more valuable that land. The same economic forces apply to urban land.

The productivity of urban land is basically the same as agricultural – yield per acre. Of course the units yielded from urban land are different than agricultural and are measured in dwelling units or square footage of floor area rather than bushels per acre. But the basic point that the more than can be produced on a parcel of land the greater the expected value of a unit of land remains true for both agricultural and urban land. Unlike agriculture, the production of more urban product per unit of land tends to change the nature and value of the product. In agriculture the 100th bushel produced on an acre would have the same market value as the first or the fiftieth. The same is not true for urban products such as residences. The market tendency is for unit value to decline with density.[23] Thus, in an urban market the productiv-

23 See Arthur O'Sullivan, *Urban Economics*, 7th Edition, Chicago: Irwin, 2008, p. 238. This commonly accepted principle is demonstrated for DR/GR area of Lee County in the following section.

ity of the land must be viewed together with the market for the various types of units capable of being produced on the land. Land capability is a function of the physical characteristics of the land and the legal restrictions placed on the land. Thus either physical limitations or legal restrictions will work in conjunction with market forces to determine the productivity of land in terms of production per acre – density.

In those circumstances where the market demands less density than both the physical limitations on the land and the legal restrictions could allow, the market is the sole determinant of density. When the market demands and legal restrictions would allow higher density than the physical limitations will allow, attempts to modify those physical limitations will occur until either the market or legal limits became the upper limit. When legal restrictions allow less density than the market demands and physical limitations would allow, requests for rezonings and similar types of regulation changes will follow.

In a residential land market the general tendency is for value to increase per land unit (hereafter simply an acre) with density but at a decreasing rate. That is, each additional unit of density will add less to total value as density is increased. In economics this is known as the *Law of Diminishing Returns*.[24] A typical per acre value with respect to residential density would be as shown in figure 4. In this figure value per acre is increasing with additional units of density, but it is clearly increasing at a decreasing rate. If this process of increasing density on a given unit of land is allowed to continue, it will eventually lead to a declining total value as shown in figure 5. This situation would occur because each additional unit of density was of negative value, thus detracting from parcel value. This type of negative value would occur because the development would be so dense that buyers would offer less to buy or rent because of excessive density. Of course, no rational person would knowingly increase density to such a level. Rather, they would cease density increases at levels that maximized total values.

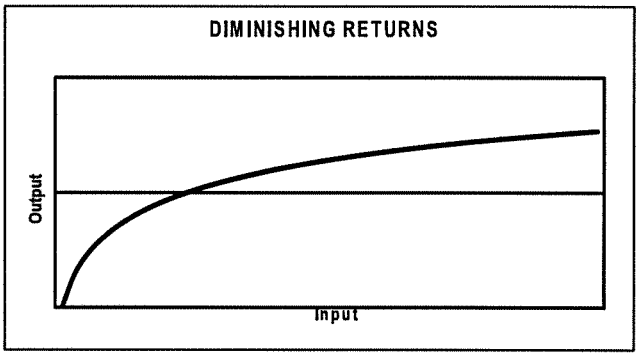


Figure 4

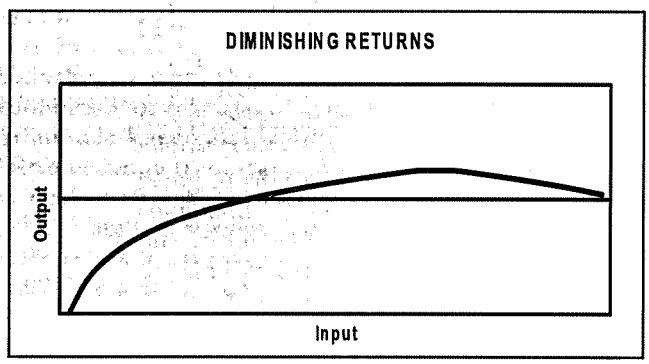


Figure 5

24 See any edition of Paul A. Samuelson, *Economics*, New York: McGraw-Hill, numerous years, for a full and in depth discussion of the law of diminishing returns.

Figure 6 shows a limiting factor. A limiting factor is introduced that results in less than market density and thereby limiting value and returns. Of course, if the limit could be eliminated or raised, density of development would rise and so also property values and returns. If this limitation were physical, such as being flood prone, modifying the land by providing drainage could result in increased value. Likewise, values could be increased by relaxation of any regulatory constraints that limited density below what the market would set. In the situation depicted in figure 6, it would be very much to the advantage of the property owner to attempt to increase the density of development. This is the prime situation for TDRs. It is a fact of current suburban conditions that the market will tend to accept more density than most communities or neighbors will accept. Communities, thus, enact various regulatory programs that limit development densities to less than what the market would accept and reward. Various petitions result with the goal being to increase permissible density up to what the market would accept. TDR presents a way to increase densities and also economic returns in those situations where allowable densities are less than market densities. In situations where market densities are at or below permitted densities, TDRs will have no economic feasibility and thus no ability to achieve land preservation.

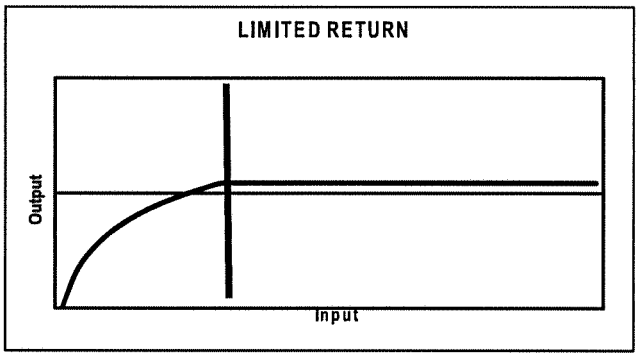


Figure 6

The material presented and the points made here are commonly known. This review is presented in order to set the stage of an analysis of the role of density in the DR/GR area of Lee County land market. The general theory of land economics would suggest that density of development would be a significant factor in the setting of DR/GR area of Lee County land values. Furthermore, theory would suggest that the incremental or marginal value would decline with density. This chapter will now examine the DR/GR area of the Lee County land market to discover the precise land economic relationships within this area.

EMPIRICAL RESULTS

Recent Lee County real estate sales in and near the DR/GR area were analyzed to create a sample for detailed analysis. The sample is made up of recent sales of unbuilt upon properties within the study area. The study area includes properties within and in approximate location to the southeast DR/GR area, excluding properties north of SR 82 and west of Interstate 75. For purposes of this study, retail lot sales are those sales containing a single buildable lot or rural tract and bulk lot sales are those with two or more buildable lots within a single sale. The components of the sample are summarized in figures 7 and 8.

All of the sales utilized are taken from Lee County public records. The affected parcels are mapped in figure 9. These sales occurred between January 1, 2004 and September October 30, 2008. Note may be taken of the dramatic lot size difference between sales inside and outside the DR/GR and between those within a PUD and not within a PUD.

All markets tend to be rational. The problem confronting the analyst is to comprehend the rationale of a particular market. The market of concern is the DR/GR area land market. The particular market is the non-Gulf influence area in southeast Lee County. The goal of this inquiry is to project the value of increasing the intensity of land use within what may be certain receiving area parcels. This value will be a function of the market valuation of the resulting increased land use intensity. These valuations will have to be imputed from sales within the DR/GR and from the surrounding area.Thus, sales of buildable properties in surrounding areas are analyzed along with those within in order to project the economic value of increased intensity on receiving area properties.

The sales data for the study area are reported for Retail and Bulk sales (Figure 10). Retail sales are single subdivision lots that are ready to be built upon and vacant rural tracts. Bulk sales are sales of two or more lots within a parent tract that has been subdivided. These results are most interesting. Note that the sales prices per acre are remarkably similar, with the resulting final price being determined by the number of acres in the lot.

The various sales are analyzed with multiple regression. This is a statistical technique that correlates one set of data, known as the dependent variable, with one or more independent variables. The objective is to test whether there is significant correlation between the dependent variable and the independent variables. The reliability of the model is measured by a statistic known as the

ALL SALES IN STUDY AREA	
Sales Inside DR/GR	385
Sales Outside DR/GR	606
Total Sales	991
Data removed:	
02 Multiple parcels/Sales[25]	464
03 Disqualified Parcels	12
04 Disqualified sales price	35
08 Disqualified sales price	131
Total Disqualified Sales	642
Also Removed:	
Vacant Commercial Lots	2
Vacant Industrial Lots	2
Wetlands	1
Outliers removed:	
Low sales price per acre – Under $10,000	32
High Sales price per acre – Over $2.5 million	32
Remaining Sample:	280
Inside DR/GR	104
Outside DR/GR	176

Figure 7

SALES INCLUDED IN SAMPLE					
	Parcels	Lots	Acres	Ave Parcel Size (Acres)	Price per Acre
All Parcels	280	831	995	3.55	$137,203
Inside DR/GR	104	114	673	6.47	$31,504
Outside DR/GR	176	717	322	1.83	$358,066
In PUD	175	726	491	2.81	$247,993
Not PUD	105	105	504	4.80	$29,289
With Golf	49	600	444	9.06	$179,958
On Golf Course	49	600	444	9.06	$179,958
On Water	128	679	475	3.71	$220,530
With Gate	99	650	470	4.75	$211,891

Figure 8

25 The multiple parcel sales that were excluded are those when a single sale included multiple parcels, with the distinction being that the individual parcels have separate strap numbers. The problem created is that each individual parcel (strap number) is recorded with the total sales price, thus providing no ability to determine the value of individual parcels.

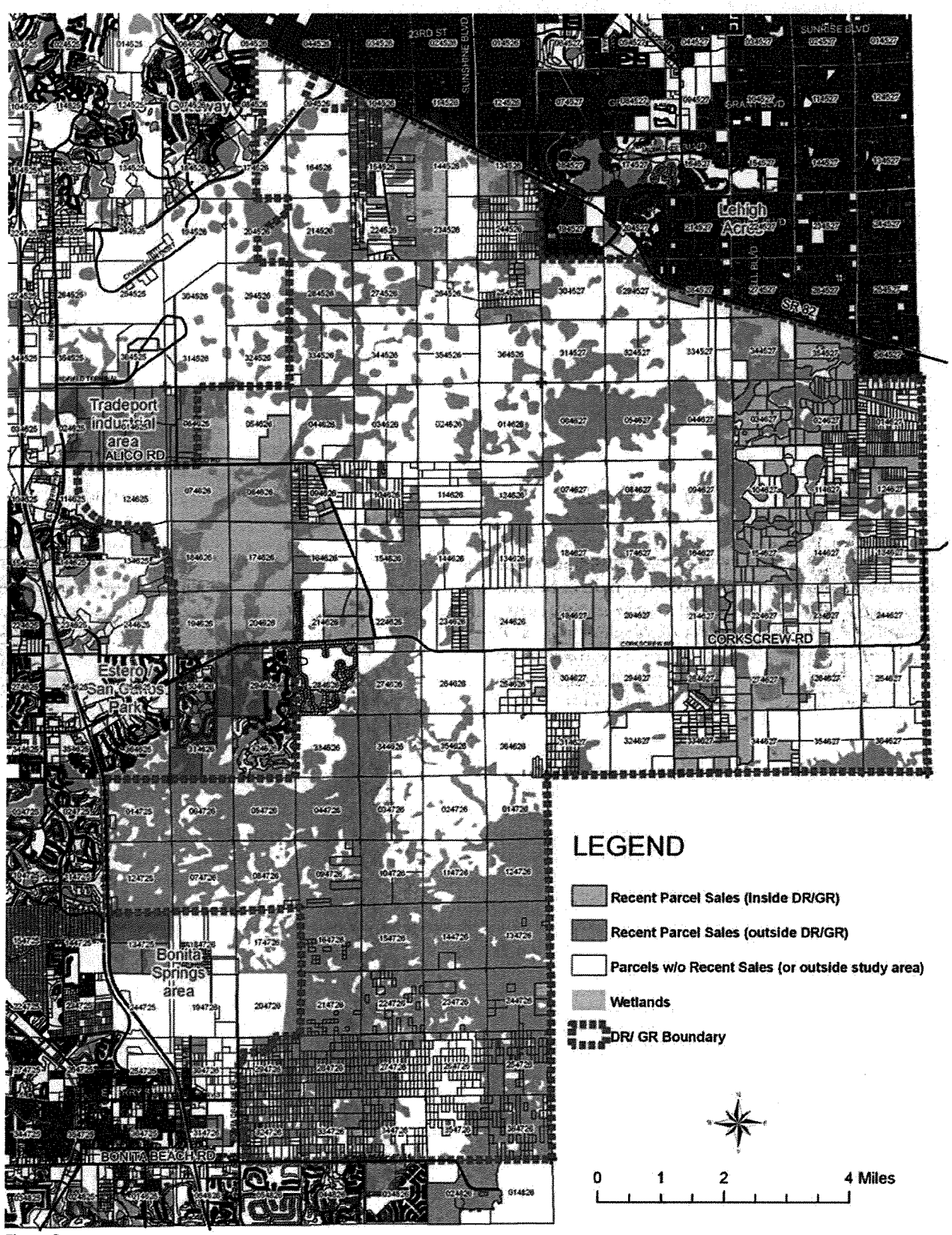

Gateway
Lehigh Acres
Tradeport industrial area
ALICO RD
CORKSCREW RD
Estero/ San Carlos Park
Bonita Springs area
BONITA BEACH RD
SR 82
LEGEND
Recent Parcel Sales (inside DR/GR)
Recent Parcel Sales (outside DR/GR)
Parcels w/o Recent Sales (or outside study area)
Wetlands
DR/ GR Boundary
0
1
2
4 Miles

Figure 9

Correlation Coefficient (or Coefficient of Multiple Determination) – R^2. This is a percentage measure, although statistical convention does not convert it to an actual percentage but leaves it in decimal form. The Correlation Coefficient is calculated by contrasting the predicted (or estimated) value of dependent variables against the actual value of those variables. The extent to which the predicted values are consistent with the actual values, measured as a percent, is the R^2. For this reason, this statistic is commonly known as "goodness of fit," meaning the extent to which the statistical explanation offered "fits" with the actual values observed. The higher the value of R^2, the better the fit. The R^2 reported herein are adjusted for sample size and thus the notation is shown as "R^2 Adj."

Two other statistical measures are employed herein. The first is the t-Statistic.[26] This statistic measures whether the coefficient of an individual independent variable is significantly different from zero. If the coefficient is significantly different from zero, then it is accepted that the independent variable affects the dependent variable in proportion to the magnitude of the coefficient. The correlation coefficient, R^2, assesses the explanatory power of all independent variables collectively while the t Statistic is relevant to each individual variable. For samples of the type analyzed, t Statistics between 1.796 and 2.624 are required. The lower t Statistic is associated with the 95% level of significance and the higher is 99%. A quick rule-of-thumb is that a t Statistic must be approximately 2 before it can be accepted.

Another measure is the F Statistic. The F Statistic assesses the degree of co-variation between the dependent and independent variables. For the type of data analyzed, F Statistics of 3.09 at 95% and 5.07 at 99% are required. The F Statistic is an overall test of the multiple regression model.

A total of three statistics are used: (1) R^2 which measures the percent of variation in the dependent variable explained by the variation in the dependent variable(s); (2) t Statistic which measures whether an individual independent variable contributes to the explanation of the variation in the dependent variable; and (3) F Statistic which measures the degree of co-variation. Commonly the significance of the F Statistics is expressed as a level of significance. This level is an expression of the probability that a conclusion of covariation is not supported by the data. A 0% does not actually mean that there is no probability. Rather, that the probability is so low that when rounding is employed, it rounds to zero.

	Retail	Bulk	All
Total Sales - Parcels	268	12	280
Total Sales - Lots	268	563	831
Total Sales - Acres	597	398	995
Average Lot Size in Acres	2.23	0.71	1.20
Sales Price per Acre	$131,811	$145,319	$137,203
Sales Price per Lot	$293,624	$102,730	$164,294

Figure 10

Multiple regression is used to assess the factors that influence the value of land sales prices. The items presumed to influence parcel sales price are: the number of acres within the parcel; the number of dwelling units authorized by existing zoning; the amenities available to the parcel, and whether the parcel is within the DR/GR area. No other factors are given consideration.

In the following sections the parcel sales within the DR/GR area of Lee County are analyzed. The objective is to estimate the value of an additional unit of (residential) development. This value will be used as a basis for projecting the consequences of permitted density reallocations.

To readers unfamiliar with statistical and multiple regression analysis this may be difficult. Rather than working through the individual equations, a reader may wish to simply employ the t Statistic rule of thumb (it should be approximately 2) and an F-Ratio rule of 5 or higher. There is no set minimum value for R^2 Adj. Rather, the closer to 1 the better. But for the type of analyses undertaken herein, values of R^2 Adj. of 50% (.5) are acceptable.

This analysis is concerned with the incremental or marginal value of allowable residential density (measured in dwelling units per acre). In order to establish a basis for this estimation, 280 land sales discussed above were analyzed. The expectation is that per acre values will increase with allowable density and per dwelling unit values will decrease with allowable density. Of course, it is expected that both per acre and per parcel values vary

26 Sometimes called the t-Ratio. Please note that the lower case "t" is not a typo.

given the presence or lack of amenities. The amenities included herein are; being within a PUD, having frontage on a golf course, having water frontage (non-gulf), and being within a gated community. Because most of these amenities co-exist,[27] the presence of such amenities is aggregated into a single variable labeled "Amenity." Given the nature of the land market, it is expected that the interactions among these variables will be logarithmic[28] rather than linear.

In this analysis it is not possible to directly measure the value of amenities. In this analysis each amenity is measured simply on the basis of whether or not it exists for each particular parcel. The regression model will then estimate the contribution of such amenities to the sales price of the lot. The objective is not to estimate amenity values but to adjust for amenities so that the fundamental land economics may be assessed. The binary (1 or 0) inclusion of a characteristic is known as a "dummy variable." It is "dumb" in that the value 1 indicates that the characteristic exists and the value 0 indicates that it does not exist. So if a property was in a development that offered a golf course, had golf course frontage, and has water frontage, the value for each of those dummy variables would be 1. The same approach is used to incorporate whether the parcel is within the DR/GR or not. For a parcel of land outside the DR/GR, the value of the In DR/GR variable would be zero, indicating the absence of that quality (being within the DR/GR). By contrast, for a parcel within the DR/GR, the In DR/GR variable would have a value of 1, indicating that the qualities of the DR/GR would be reflected in the price of the parcel.

The general model used to explain variations in parcel prices is:

ParcelPrice = f(Acres, Units, Time, InDR-GR, Amenities)

This equation incorporates an hypothesis that the sales price of a parcel of land within the study area will be a function of the size of the parcel (measured in acres), the allowable density (measured in maximum allowable number of dwelling units permitted by current regulations), the amenities available (PUD, golf, golf course frontage, water frontage, and gated community), whether the property has development approvals, the location of the parcel within the DR/GR, and the date the parcel was sold. No sales were for Gulf coastal properties so the effect of such locations on price should not be present.

The hypothesis will be tested by subjecting 280 property sales within the study area of Lee County to statistical analysis. The goal of this testing is to estimate the economic value of increasing units (or density) to a given parcel of land. Increasing units to a given parcel should increase the value of that parcel. The resulting value increase would be the incremental or marginal revenue product of increased units. This product would be the value of transferred development.

THE TOTAL SAMPLE

It is postulated, and soon will be demonstrated, that there are significant economic differences within the study area. The observed differences, it will be shown, are due to the different characteristics or situations of the properties, such as the amenities offered and the size of the lots. Whether it is a causal factor or not, properties within the DR/GR sell for significantly less than other properties. This is demonstrated by the negative sign of the coefficient of the In DR/GR variable.[29]

The model used in this multiple regression analysis is:[30]

$$\text{LogPrice} = A + ((b_1 * \text{LogAcres}) + (b_2 * \text{LogUnits}) + (b_3 * \text{LogTime}) - (b_4 * \text{InDR/GR}) + (b_5 * \text{Amenity}))$$

The regression results for the total sample are shown in figure 11.

The regression equation was able to explain 69%[31] of the variation in parcel price. All of the variables are highly significant (95% or higher).

The regression statistics for the Total Sample shown above may be entered into the general equation to look like:

$$\text{LogPrice} = 12.347 + ((0.502 * \text{LogAcres}) + (0.297 * \text{LogUnits}) + (0.236 * \text{LogTime}) -$$

27 For example, all golf course are within PUD as are all gated communities. Thus, it is not possible to differentiate among the amenities, so the analysis is done by simply differentiating between those parcels that have one of the listed amenities and those that do not have any of those amenities.

28 Natural logs are used rather than the base 10 logs. Natural logs are used because natural logs (base 2.72) are more applicable to financial data than are logs base 10.

29 Which is significant at the 99% level.

30 Recall that the logs are natural logs.

31 The Adjusted R Square of 0.6885 equated to 69%.

(1.302*InDR/GR) + (1.052*Amenity))

The regression equation is in the natural log form.[32] Converting from logs back to a linear form, the following form results:

$$\text{ParcelPrice} = M\ \text{Acres}^{\alpha}\ \text{Units}^{\beta}$$

To the extent that any of the dummy variables are involved, they are simple multipliers, similar to the Intercept, M. The regression equation for a parcel located outside of the DR/GR that offers some amenity is:

$$\text{ParcelPrice} = \text{Acres}^{\alpha} * \text{Units}^{\beta} * M * \text{Amenity}$$

Because these dummy variables are simple multipliers, they need not be discussed here.

The exponent for Acres is equal to 0.502[33] and the exponent for Units 0.297.[34] The fact that they are each less than one means that parcel price will increase with additions of either acres or units, but at a diminishing rate. The fact that the total of the two exponents is less than one means that the parcel price will grow at a diminishing rate with the expansion of both acres and units.[35] Mathematically:

$$\delta\text{ParcelPrice}/_{\delta\text{Acres}} = M\ \text{Acres}^{\alpha-1}\ \text{Units}^{\beta}$$

Given that $\alpha < 1$, then $\alpha - 1 < 0$ and

$$\delta\text{ParcelPrice}/_{\delta\text{Acres}} < 1$$

and

$$\delta\text{ParcelPrice}/_{\delta\text{Acres}} = \beta M\ \text{Acres}^{\alpha}\ \text{Units}^{\beta-1}$$

Given that $\beta < 1$, then $\beta - 1 < 0$ and

$$\delta\text{ParcelPrice}/_{\delta\text{Acres}} < 1$$

This latter expression is the one that estimates the value of increased intensity (additional units) and thus is the basis for projecting the value of a transferred development right. Note may be taken of the fact that acres add more to price (0.502) than additional units (0.297), indicating that there appears to be a market preference for large lots within this market area, at least within the common density ranges of the study area. Before dealing with TDR values, it would be advisable to more fully explore the sub-components of the subject land market and to support the presumptions set out above.

Regression Statistics	
Multiple R	0.8331
R Square	0.6941
Adjusted R Square	0.6885
Standard Error	0.5651
Observations	280

ANOVA					
	Df	*SS*	*MS*	*F*	*Significance F*
Regression	5	198.57	39.71	124.36	0.00
Residual	274	87.50	0.32		
Total	279	286.07			
	Coefficients	*Standard Error*	*t Stat*[36]		
Intercept	12.347	0.143	86.422		
Ln(Acres)	0.502	0.044	11.462		
Ln(Units)	0.297	0.087	3.412		
Ln(Time)[37]	-0.236	0.063	-3.750		
In DR/GR	-1.302	0.140	-9.277		
Amenity	1.052	0.124	8.498		

Figure 11

The sales within the study area were subdivided into Retail and Bulk sales. The number and averages for these sub-markets are set out above. The standard regression model was run for each of the sub-markets. These results are set out in figures 12 and 13.

32 Meaning that the magnitudes of the variables had been converted to natural logs before the regression model was run.

33 The coefficient of Ln(Acres) in the regression equation.

34 The coefficient of Ln(Units) in the regression equations.

35 This is the demonstration of diminishing returns.

36 The fact that the t Statistics for time is negative is not important. The significance of the t Statistic is not dependent on the sign, which can be ignored. t-Ratios that are shown are significant to the 95% level or greater.

37 The role of time will not receive discussion. The base for time in this analysis is July 1, 2009. All times are expressed relative to that data. The data show that land prices have been increasing during the 2004 – 2008 period. The model is structured so that all conclusions are time adjusted to July 1, 2009.

Bulk - Retail

Analysis of bulk and retail land sales shows important differences between these two sub-markets. As would be expected, the prices realized for retail home site sales are more individualistic, responding more to the existence of amenities and less on the size of the parcel. This is not to say that the size of a retail parcel/lot is not significant, for it is. Rather, amenities are more important in explaining the sales price. For bulk sales the more important determinant of sales price was simply the number of residential units that would be allowed by regulations. Thus the R2 for bulk sales drops to 64% whereas it is 70% for retail sales. The significant factors explaining retail sales prices are lot size, the existence or absence of suburban amenities, and location within or outside the DR/GR area.[38] For bulk sales, the most important factor in determining prices is the number of lots approved for construction of a dwelling unit. Both of these sets of determinants are easily understood and all are incorporated into the total sample either as explanatory or dummy variables.

The bulk sales sample size is only 12, so conclusions have to be considered in light of this small number. The analysis shows that the only significant variable in parcel price is the number of buildable subdivision lots. This result would have been expected. The dummy variable amenity was not included because all of parcels offered some amenity so there was no variation.

The analysis of the retail market shows that the size of the lot and the existence of suburban amenities are the most important determinants of prices. Note that the number of units is not included in the analysis of retail land sales because all of the retail parcels were of a single unit (one lot or one rural tract).

These analyses suggest that there is substantial market pressure to add allowable dwelling units to larger parcels of land and then to add amenities to those lots. Significant increments to value will result from both.

Regression Output - Retail Market	
Regression Statistics	
Multiple R	0.8408
R Square	0.7070
Adjusted R Square	0.7026
Standard Error	0.4894
Observations	268

ANOVA					
	Df	*SS*	*MS*	*F*	*Significance F*
Regression	4	152.01	38.00	158.66	0.00
Residual	263	62.99	0.24		
Total	267	215.01			
	Coefficients	*Standard Error*	*t Stat*		
Intercept	12.338	0.127	97.492		
Ln(Acres)	0.619	0.043	14.520		
Ln(Years)	-0.214	0.056	-3.823		
Amenity	1.240	0.116	10.651		
In DR/GR	-1.481	0.127	-11.629		

Figure 12

Regression Output - Retail Sales	
Regression Statistics	
Multiple R	0.8813
R Square	0.7767
Adjusted R Square	0.6490
Standard Error	1.1813
Observations	12

ANOVA					
	Df	*SS*	*MS*	*F*	*Significance F*
Regression	4	33.97	8.49	6.09	0.02
Residual	7	9.77	1.40		
Total	11	43.74			
	Coefficients	*Standard Error*	*t Stat*		
Intercept	12.564	1.787	7.03		
Ln(Acres)	0.469	0.449	1.05		
Ln(Units)	0.631	0.329	1.92		
Ln(Years)	-0.626	1.046	-0.60		
In DR/GR	-0.624	1.352	-0.46		

Figure 13

38 The number of units does not appear because in every instance the number of units is 1, so there is no variation in the number of units.

PRICES PER ACRE & PER BUILDABLE UNIT

It is often noted that parcel prices per acre will decline as parcel size goes from smaller to larger. The same is true for prices per buildable unit as the number of buildable units on a given parcel goes from fewer to greater. This gain is a demonstration of the Law of Diminishing Returns. Both of these tendencies were tested for in the Total Sample and were found to exist.

Price per acre within study area sales declines precipitously with the number of acres, with all other variables behaving as before. Figures 14 and 15, plotting the study area sales, shows the rapid decline in price per acre with parcel size. It is always comforting when generally accepted principles of land economics are found to exist in a sample, as they do here. Additionally, price per acre is positively associated with the number of dwelling units authorized and the presence of an amenity. Prices per acre were rising during the study period, thus the negative size of the Time variable, and are negatively associated with being within the DR/GR. The positive time trend is most like associated with the earlier portion of the period, as the number of sales dropped dramatically in the later portion of the period when the hot real estate market ended.

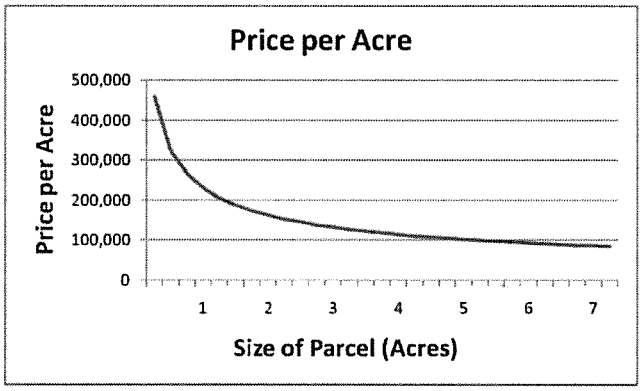


Figure 14

Like price per acre, price per buildable unit declines with the number of residential units allowed within a given parcel (Figures 16 and 17). It is interesting to note that price per unit declines more rapidly with increased units that does price per acre decline with increasing number of acres. This suggests a market preference for larger lots within the study area. However, this apparent preference for larger lots could be a result of existing Lee County development regulations that have not allowed smaller lots rather than a true market preference. Nevertheless, these data are optimistic for the viability of a TDR program in that adding additional residential units will tend to increase land prices and the result should be an increase in total revenue, thereby constituting an economic incentive to increase intensity of land use at specified receiving areas.

Regression Statistics	
Multiple R	0.9563
R Square	0.9144
Adjusted R Square	0.9129
Standard Error	0.5651
Observations	280

ANOVA				
	Df	*MS*	*F*	*Significance F*
Regression	5	935.05	187.01	585.61
Residual	274	87.50	0.32	
Total	279	1,022.55		
	Coefficients	*t Stat*		
Intercept	12.3466	86.42		
Ln(Acres)	-0.4976	-11.35		
Ln(Units)	0.2966	3.41		
Ln(Years)	-0.2361	-3.75		
In DR/GR	-1.3019	-9.28		
Amenity	1.0518	8.50		

Figure 15

DENSITY

The DR/GR area has always been a low-density market. This pattern was reinforced by the imposition of agricultural zoning in 1962 and a new 1 DU/10 acre density cap in 1990. While there is always the possibility that this observation is simply the result of the densities permitted by Lee County land development regulations, market values appear to be clear, showing a sharp de-

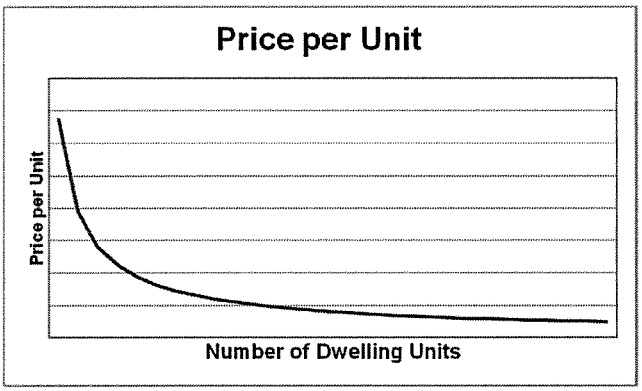


Figure 16

Regression Statistics	
Multiple R	0.8289
R Square	0.6870
Adjusted R Square	0.6812
Standard Error	0.51
Observations	276

ANOVA					
	Df	*SS*	*MS*	*F*	*Significance F*
Regression	5	153.70	30.74	118.53	0.00
Residual	270	70.02	0.26		
Total	275	223.72			
	Coefficients	*Standard Error*	*t Stat*		
Intercept	12.317	0.130	94.61		
Ln(Acres)	0.564	0.040	13.94		
Ln(Units)	-0.798	0.079	-10.04		
Ln(Years)	-0.191	0.057	-3.35		
In DR/GR	-1.416	0.129	-11.01		
Amenity	1.176	0.115	10.26		

Figure 17

cline in lot price with density. These data would suggest that higher densities may be generally uneconomic in much of this market area, particularly the portions most remote from jobs, services, and urban infrastructure. Note may be taken of the fact that this analysis does not consider how amenities may alter the density price pattern. These further data suggest that the densities that would maximize value would be in the 2 per acre range (Figure 18). Additionally, these data suggest that there will be the highest value for TDRs used in the lower density zoning classifications.

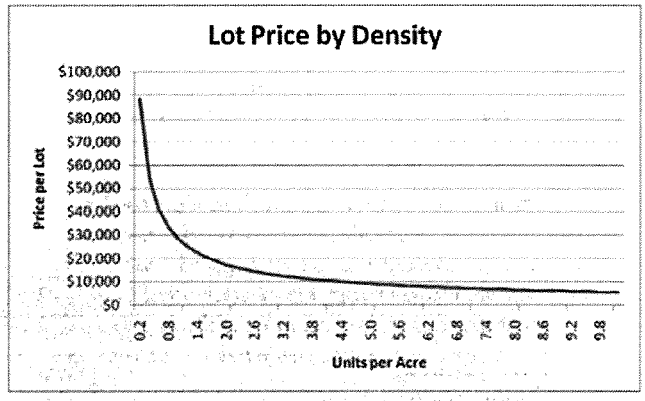


Figure 18

All of the sales data analyzed are of parcels that were sold under the then existing regulations. The land market capitalized those regulations into prices as well as other attributes of the land and area. The evolving DR/GR program is seeking to introduce a different kind of development than the ranchette type of development presently permitted, which is generally known as Traditional Neighborhood Development (TND). While this type of development has been undertaken for centuries, it fell out of favor with real estate developers after World War II and didn't begin to reappear on a large scale until the 1980s. The essence of TND is designing structures and places so that everything tends to be closer together. One aspect of this design is development at densities higher than that of a typical post-war single family development. There are no TNDs within the area studied and thus no indications of local market values, but there are a number of TNDs in Florida. At last count, there were 120 TNDs or New Urbanist developments in Florida and over 300 in the United States. Some of these Florida developments are listed in figure 19.

Development	County	Acres	Dwellings	Non-Res (Sq Ft)	Began
Abacoa	Palm Beach	2,055	6,000	2,900,000	1997
Avalon Park	Orange	1,860	4,223	400,000	1999
Baldwin Park	Orange	776	3,500	1,200,000	2002
Cagan Crossings	Lake	650	8,000	500,000	2002
Celebration	Osceola	4,900	2,600		1994
Eagle Creek Village	Orange	146	849	200,000	2001
Haile Village	Alachua	50		160,000	1990
Longleaf	Pasco	570	1,450		
Pointe West	Indian River	600	1,199	170,000	2000
Rosemary Beach	Walton	107	405		1995
Seaside	Walton	80	681	58,530	1981
Town of Tioga	Alachua	500	1,000		2002
Bridgewater	Orange	697	7,300	287,000	1999

SOURCE: Congress for the New Urbanism, Florida Chapter, website http://www.cnuflorida.org/projects/project_list.asp

Figure 19

The sales experiences of these and other new TND developments are largely anecdotal, but the success of Seaside, Celebration, Baldwin Park, and Haile Village are well known. *Realtor*[39] reported that homes in such communities have experienced greater appreciation rates than comparable traditional homes. However, while there is a clear and demonstrated market for TND development, the extent of that market is as yet unclear. What is clear are the many community benefits of these developments; such as walkability, energy conservation, and lower infrastructure costs. The success a TND development might have in the DR/GR area is, of course, not known. However, the successes of such developments elsewhere demonstrate that higher density developments can achieve success, with design and location being major caveats. Therefore, it must be concluded that higher densities could prove more valuable than past sales would indicate. If this were to be the case, then the density gradient would not be as steep as shown above and additional or marginal dwelling units would have greater value than that shown.

Several areas have been identified where TND development may be suitable and preferable to additional ranchette development in the DR/GR area:

1. Approximately 350 upland acres at major intersections along State Road 82 that appear to be suitable for more intense mixed-use development of 7 or more units per acre or more which could be developed with TND design to complement the existing surplus of standard subdivision lots in that immediate area. These developments could also incorporate commercial and employment components that could benefit residents of nearby Lehigh Acres and, due to their compactness and location, would be suitable for express bus connections to other parts of Lee County;

2. Approximately 500 acres mostly along Corkscrew Road that could accommodate the existing development rights from several major rural tracts, and which also could employ TND design and thus achieve higher densities on a small fraction of the overall tract, allowing agricultural activities to continue rather than being displaced by residential development.

DR/GR LAND AREA		
Existing Ranchettes	10,000	12.1%
Mixed-Use Communities	350	0.4%
Rural Communities	500	0.6%
Wetlands	42,540	51.5%
Other	29,250	35.4%
Total	82,640	100.0%

Figure 20

39 "New Urbanism: Show My Home Please," Realtor, September 2001.

Area	Acres	Acres per TDR	Potential TDRs
Existing Ranchettes	7,365	na	0
Mixed-Use Communities	350	Receiving	0
Rural Communities	500	Receiving	0
Wetlands	42,540	20	2,127
Other Uplands	31,805	10	3,180
Total	82,560		5,307

Figure 21

In general terms, about 31,805 acres of uplands would be potential TDR sending properties, along with 42,540 acres of wetlands. However, it is expected that a significant portion of these TDR rights would never be transferred because the landowners are public or nonprofit agencies. Setting that factor aside, and assuming for the moment that TDRs were created at existing density levels without bonuses, 5,307 TDRs could be created (Figure 21). This total would double if the typical TDR was created with a bonus that doubled its value to prospective purchasers.

DR/GR property owners are presently allowed to develop at one unit per ten acres, in what are called ranchettes. This density level will be retained but the default development option for larger tracts would be clustered development rather than subdivision into ranchettes (major ranchette developments would require a special approval process). Clustering is allowed under current regulations, but individual lots must still be at least one acre each.

For the owners of designated TDR receiving areas, a new option would allow the development of additional land at urban densities, provided that the additional units are achieved by transferring rights from other DR/GR properties. The owners of sending area properties, in exchange for their right to develop at one unit per ten acres, will be able to transfer their development rights to receiving area properties. This analysis suggests that it would be profitable for some of the sending area property owners to sever their rights and sell them so that they could be used in the receiving areas. Of course, sending area property owners are completely free not to sever their developments and instead simply retain those rights for future use or investment.

MODEL COEFFICIENTS	
	Coefficients
Intercept	12.347
Ln(Acres)	0.502
Ln(Units)	0.297
Ln(Years)	-0.236
DR/GR	-1.302
Amenity	1.052

Figure 22

VALUE OF INCREASED INTENSITY

The objective here is to estimate the value of a TDR within the market area. This value will be estimated using the Total Sample Model, which was set out above.

Figure 22 provides the Model Coefficients. Upland property located in the DR/GR is generally allowed one unit per 10 acres. Assume a hypothetical 50-acre tract at a major intersection along SR 82 that has been designated as a potential mixed-use community. With TDR, lots sizes could go from 1 unit per 10 acres to perhaps as much as 10 units per acre. The model tells us that a typical 10-acre tract deep inside the DR/GR would sell for $144,068.[40] If this land were outside the DR/GR, in Estero or Bonita Springs, the price would be $529,655 for a tract of this same size due to its higher development potential from both a market and regulatory standpoint.[41]

Going from a 10-acre to a 5-acre configuration adds additional, incremental or marginal revenue of $32,880 per tract. Assuming away additional development and transactions costs, this would be the value of adding additional density to a defined parcel. Taking this hypothetical parcel through a reasonable range of densities yields the results in Figure 23.[42]

Note that the incremental value declines with the decrease in lot sizes, again demonstrating the Law of Diminishing Returns. However, parcel value increases throughout the density ranges. The assumption incorporated into the above calculations is that the type of development will be conventional, as distinct from Traditional Neighborhood Development.

40 The model yielding this result in shown in Figure 12.

41 This is derived from the same model. However, there were no 10-acre tracts outside the DR/GR lots in the sample, so this is a theoretical number.

42 The values shown assume that there is not an amenity offered.

Acres	Units	Units per Acre	In DR/GR	Parcel Value	per Lot	Incremental Value per Lot
50	5	0.1	Yes	$720,342	$144,068	
50	10	0.2	Yes	$884,743	$88,474	$32,880
50	20	0.4	Yes	$1,086,665	$54,333	$20,192
50	50	1.0	Yes	$1,425,987	$28,520	$11,311
50	100	2.0	Yes	$1,751,435	$17,514	$6,509
50	150	3.0	Yes	$1,975,235	$13,168	$4,476
50	200	4.0	Yes	$2,151,160	$10,756	$3,518
50	250	5.0	Yes	$2,298,338	$9,193	$2,944
50	300	6.0	Yes	$2,426,036	$8,087	$2,554
50	350	7.0	Yes	$2,539,523	$7,256	$2,270

Figure 23

Acres	Units	Units per Acre	In DR/GR	Parcel Value	per Lot	Incremental Value per Lot
50	5	0.1	No	$2,648,276	$529,655	
50	10	0.2	No	$3,252,683	$325,268	$120,881
50	20	0.4	No	$3,995,031	$199,752	$74,235
50	50	1.0	No	$5,242,518	$104,850	$41,583
50	100	2.0	No	$6,439,000	$64,390	$23,930
50	150	3.0	No	$7,261,779	$48,412	$16,456
50	200	4.0	No	$7,908,552	$39,543	$12,935
50	250	5.0	No	$8,449,640	$33,799	$10,822
50	300	6.0	No	$8,919,110	$29,730	$9,389
50	350	7.0	No	$9,336,334	$26,675	$8,344

Figure 24

If this parcel were outside of the DR/GR all values would be substantially higher (Figures 24 and 25).

Taking this 50-acre parcel from one unit per 10 acres to 6 units per acre would increase parcel value by $1.8 million if this parcel was in the DR/GR and by $6.7 million outside the DR/GR. Obviously the DR/GR designation is a substantial factor in value. However, it may be that this difference is due more to the inherent differences between the development regulations than to any other factor. Nonetheless, shifting property from the DR/GR to not DR/GR would appear to result in a substantial increase in values (Figure 26). These incremental values reach $20,000 per right or higher, depending on the density range involved.

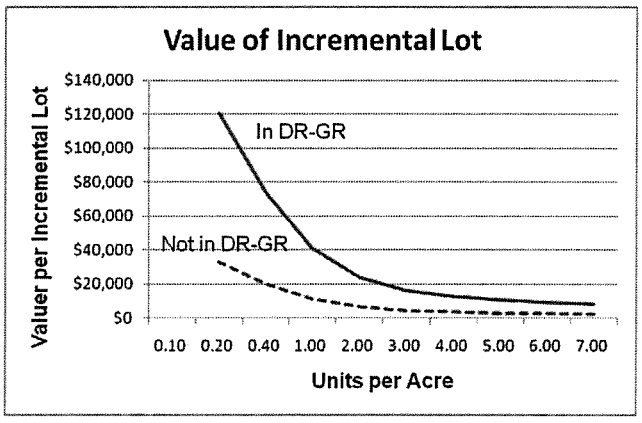


Figure 25

Acres	Units	Units per Acre	In DR/GR	Parcel Value	per Lot	Incremental Value per Lot
50	5	0.1	Yes	$720,342	$144,068	
50	300	6.0	Yes	$2,426,036	$8,087	$5,782
50	5	0.1	No	$2,648,276	$529,655	
50	300	6.0	No	$8,919,110	$29,730	$21,257

Figure 26

The incremental values shown above are calculated by estimating total parcel values using the model in figure 12 for all four configurations, and then dividing the total change in parcel value by the number of increased lots.[43]

There are costs associated with increasing the number of lots within a parcel and with transferring development from one parcel to another. These costs would include:

- Additional infrastructure costs,
- The cost of acquiring development rights,
- Closing costs associated with that acquisition,[44] and
- Foregone interest while awaiting the sale of transferred units.

The offer price of a TDR would be the incremental revenue less these transaction costs.[45] Studies undertaken for the New Jersey Pinelands Commission suggested a reduction of as much as 50% from the incremental value to the TDR price.[46] If this discount were to prevail from an incremental value of $20,000, DR/GR TDRs should achieve market selling values of approximately $10,000 per right. In the case of the Long Island Central Pine Barrens, the discount from incremental value to TDR market price appears to be less than 25%.[47] Using a discount of 20%, the projected sales value of a TDR would be $16,000.

Given the data analyzed, a TDR value for as much as $16,000 is warranted for conventional development. Such an amount is based on the assumption that the development regulations of such DR/GR parcels would be relaxed and be similar to near non-DR/GR properties.

The analysis above was restricted to the sale of land within the study area. As such, the various qualities and aspects of the properties and area are capitalized into the prices. It is proposed that constructing Traditional Neighborhood Development (TND) at locations specified in the comprehensive plan amendments through the use of TDRs would be allowable, encouraged by public policy, and eased through suitable implementing regulations. Such developments would be allowed at 7 dwelling units per acre or higher. The analysis of existing sales during the study period suggests that there would be little value for units offered at such densities, at least within this study area. But the TND type of development at desirable locations has never been an option, so marginal values with respect to densities of TNDs cannot be estimated. Suffice it to say that:

1. There is demand for densities higher than that presently allowed by Lee County;

2. There is a positive return from increasing densities in the market area;

3. The existence of amenities results in a substantial increment to value;

4. A program of transferable development rights would appear to be economically viable at the point that the residential development market in Lee County itself returns to viability; and

5. Traditional Neighborhood Development could result in even higher values for transferred development than that shown here.

43 For the 50-acre parcel in the DR/GR, the parcel price with 5 lots at 10 acres each would be $720,342, or $144,068 per lot. That same parcel with 300 lots (or units) would command $2,426,068. The incremental value of $1,705,694 divided by the 295 increased units equals the $5,782 incremental value per lot.

44 In some instances there are commissions to be paid since realtors actively broker TDRs where there are successful TDR programs.

45 While foregone interest is not actually a transaction cost, it will be lumped together with actual transaction costs as a net deduction.

46 J. Nicholas, "The Value of Pinelands Development Credits," New Jersey Pinelands Commission, 1986.

47 J. Nicholas, "The Economic Value of Development Rights in Brookhaven, Riverhead and Southampton," a report prepared for the Central Pine Barrens Credit Clearinghouse, January 1998.

THE UNDEVELOPABLE LANDS

Much of the land within the DR/GR is considered to be non-developable due to extensive wetlands on site. The price model would suggest that wetlands alone would sell $3,500 or more per acre, depending on the size of the parcel. There have been a number of sales of land classified as Resource Protection, Wetland Preserve, or Cypress Head within the DR/GR that can be used to confirm this estimate. There were 29 sales involving 308 acres of such property (Figure 27). The average price per acre was $10,545, with the highest being $29,600 per acre. However, the median price per acre is only $3,465.[48] There are a few large sized and high value sales that greatly influence the averages. Using the median size of the sales of 5 acres, the model would indicate a value of $3,623 per acre. This is quite close to the observed median sales value of $3,465 per acre. Based on these data and the model output, a residual value of $4,000 per acre for non-developable land will be used herein.

A hypothetical 50-acre wetland parcel can be used to summarize relevant values. This 50 acre parcel at one unit per 20 acres would have a model estimated value of $586,490, or $11,730 per acre. The above would indicate that as much as $4,000 of the $11,730 per acre is residual value, leaving $7,730 per acre in development value or $386,490 for the total site and $154,596 for each of the developable lots (Figure 28).

THE RECEIVING AREAS

There are a number of possible transfer or receiving areas that could absorb up to 6,000 or more development rights. These receiving areas could be developed as Traditional Neighborhood Developments to minimize land consumption and avoid further development of lot types that are already in oversupply. Densities higher than 7 units per acre may be achievable in the designated receiving areas with TND; higher densities would simply require more TDRs (Figure 29).

An estimated 14,358 TDRs could be created; presently identified receiving areas could absorb up to 6,000 rights. It would appear that there would be a need for additional receiving areas if all DR/GR property owners wish to create TDRs. However, as pointed out above, there is a tendency for a substantial portion of sending area property owners not to participate in transferring their development rights; the same situation could occur in the DR/GR. Nevertheless, seeking additional receiving areas could strengthen the economic viability of any TDR program adopted for this area.

SALES OF RESOURCE PROTECTION, CONSERVATION, OR CYPRESS HEAD LAND IN DR/GR	
Parcels	29
Acres	308
Average Size (Acres)	10.6
Median Size (Acres)	5.0
Gross Proceeds	$3,246,400
per Acre	$10,545
Highest per Acre	$29,600
Lowest per Acre	$799
Median per Acre	$3,465

Figure 27

50-ACRE PARCEL IN THE DR/GR		
	Site	per Acre
Developable Lots	2.5	.05
Estimated Market Value	$586,490	$11,730
Estimated Residual Value	$200,000	$4,000
Estimated Development Value	$386,490	$7,730

Figure 28

	Acres	DUs per Acres	Potential TDRs Absorption
Receiving Areas Along SR 82			
Conventional Development	350	4:1	1,400
Mixed-Use Communities	350	7:1	2,450
Receiving Areas Further South			
Conventional Development	500	4:1	2,000
Rural Communities	500	7:1	3,500
TOTALS			
Conventional Development			3,400
Rural & Mixed-Use Communities			5,950

Figure 29

48 The median value is the one in the middle, with 50% higher and 50% lower.

POLICY 32.14.3: Lee County will use Tier 1 and Tier 2 as capital improvement priority areas for public facilities and services that are under the control of Lee County, and will work with Florida Governmental Utilities Authority to prioritize areas for the expansion of utilities. (Added by Ordinance No. 10-16)

POLICY 32.14.4: Lee County will not permit mine truck traffic from mines established in Hendry County to utilize Lee County maintained roads within the Lehigh Acres Planning Community as a primary access. Mines within Hendry County may establish secondary access points to Lee County maintained roads for emergency access purposes only. (Added by Ordinance No. 10-16)

POLICY 32.14.5: By the end of 2011, Lee County will complete the following activities:

a. Amend the Land Development Code to incorporate land development and urban design standards for each of the specialized mixed use node sub-categories.
b. Amend the Land Development Code to incorporate land development and urban design standards for Lee Boulevard and SR 82.
c. Amend the Land Development Code to incorporate design and development standards for duplex and two-family attached structures within Lee County.
d. Explore the establishment of a Land Swap Program, where parcels gained through the escheatment process in Tier 1 or Tier 2 could be swapped for undeveloped parcels in Tier 3.
e. Define appropriate sending and receiving areas for a Transfer of Development Rights program.

(Added by Ordinance No. 10-16)

GOAL 33: SOUTHEAST LEE COUNTY. To protect natural resources in accordance with the County's 1990 designation of Southeast Lee County as a groundwater resource area, augmented through a comprehensive planning process that culminated in the 2008 report, *Prospects for Southeast Lee County*. To achieve this goal, it is necessary to address the inherent conflict between retaining shallow aquifers for long-term water storage and extracting the aquifer's limestone for processing into construction aggregate. The best overall balance between these demands will be achieved through a pair of complementary strategies: consolidating future mining in the traditional Alico Road industrial corridor while initiating a long-term restoration program to the east and south to benefit water resources and protect natural habitat. Residential and commercial development will not be significantly increased except where development rights are being explicitly concentrated by this plan. Agriculture uses may continue, and environmental restoration may begin. This goal and subsequent objectives and policies apply to Southeast Lee County as depicted on Map 1, Page 2. (Added by Ordinance No. 10-20)

OBJECTIVE 33.1: LIMEROCK MINING. Designate on a Future Land Use Map overlay sufficient land near the traditional Alico Road industrial corridor for continued limerock mining to meet regional demands through this plan's horizon (currently 2030). (Added by Ordinance No. 10-20)

POLICY 33.1.1: Limerock mining is a high-disturbance activity whose effects on the surrounding area cannot be completely mitigated. To minimize the impacts of mining on valuable water resources, natural systems, residential areas, and the road system, Map 14 identifies Future Limerock Mining areas that will concentrate limerock mining activity in the traditional Alico Road industrial corridor east of I-75. By formally identifying such areas in this plan and allowing rezonings for new and expanded limerock mines only in the areas identified in Map 14, limerock resources in or near existing disturbed areas will be more fully utilized and the

2. By monitoring the remaining acreage of land rezoned for mining but not yet mined, Lee County will have critical information to use in determining whether and to what extent the Future Limerock Mining areas in Map 14 may need to be expanded in the future to meet local and regional demands.

(Added by Ordinance No. 10-20)

POLICY 33.1.5: The sale of overburden from approved limerock mines is encouraged because converting overburden into fill material avoids additional mining at other locations. However, shallow mines that produce primarily fill dirt should be sited as close as possible to locations of high demand to minimize the distance that fill material must be trucked to likely destinations (see also Policy 10.1.1). In Southeast Lee County shallow mines are generally unnecessary because fill dirt is available as a byproduct of limerock mines; however, shallow mines may be permitted on sites immediately adjoining areas of high demand for fill dirt such as Lehigh Acres. (Added by Ordinance No. 10-20)

POLICY 33.1.6: Asphalt and concrete can be recycled to produce aggregate that is comparable to the products of limerock mines. Lee County should be a leader in using recycled aggregate in its construction projects and in encouraging privately operated recycling facilities in appropriate locations to minimize the need to mine or import additional aggregate. (Added by Ordinance No. 10-20)

POLICY 33.1.7: Protect agricultural activities on lands designated as Agricultural on the agricultural overlay (see Map 20) from the impacts of new natural resource extraction operations, recreational uses, and residential developments. However, in Future Limerock Mining areas (see Map 14), agricultural activities may be limited to the interim period prior to mining or may need to coexist with adjoining mining activities and mining pits. (Added by Ordinance No. 10-20)

OBJECTIVE 33.2: WATER, HABITAT, AND OTHER NATURAL RESOURCES. Designate on a Future Land Use Map overlay the land in Southeast Lee County that is most critical toward restoring historic surface and groundwater levels and for improving the protection of other natural resources such as wetlands and wildlife habitat. (Added by Ordinance No. 10-19)

POLICY 33.2.1: Large-scale ecosystem integrity in Southeast Lee County should be maintained and restored. Protection and/or restoration of land is of even higher value when it connects existing corridors and conservation areas. Restoration is also highly desirable when it can be achieved in conjunction with other uses on privately owned land including agriculture. Lee County Natural Resources, Conservation 20/20, and Environmental Sciences staff will work with landowners who are interested in voluntarily restoring native habitats and landowners who are required to conduct restoration based upon land use changes. The parameters for the required restoration will be established in the Land Development Code by 2012. (Added by Ordinance No. 10-19)

POLICY 33.2.2: The DR/GR Priority Restoration overlay depicts land where protection and/or restoration would be most critical to restore historic surface and groundwater levels and to connect existing corridors or conservation areas (see Policy 1.7.7 and Map 1, Page 4). This overlay identifies seven tiers of land potentially eligible for protection and restoration, with Tier 1 and Tier 2 being the highest priority for protection from irreversible land-use changes. Lee County will evaluate this overlay map every 7 years to determine if changes in public ownership, land use, new scientific data, and/or demands on natural resources justify updating this map. This overlay does not restrict the use of the land in and of itself. It will be utilized as the basis for

incentives and for informational purposes since this map will represent a composite of potential restoration and acquisition activities in the county. (Added by Ordinance No. 10-19)

~~**POLICY 33.2.3:** It is in southwest Florida's interest for public and nonprofit agencies to actively pursue acquisition of partial or full interest in land within the Tier 1 areas in this overlay through direct purchase; partnerships with other government agencies; long-term purchase agreements; right of first refusal contracts; land swaps; and other appropriate means.~~ These lands would provide critical connections to other conservation lands that serve as the backbone for water resource management and wildlife movement within the DR/GR. Tier 2 lands are of equal ecological and water resource importance as Tier 1 but have better potential to remain in productive agricultural use as described in Policies 33.2.5 and 33.2.6. Tier 3 lands and the southern two miles of Tiers 5, 6, and 7 can provide an important wildlife connection to conservation lands in Collier County and an anticipated regional habitat link to the Okaloacoochee Slough State Forest.

1. The county will consider incentives for private landowners to maintain and improve water resources and natural ecosystems on properties within Tier 2 through Tier 7, including but not limited to acquiring agricultural or conservation easements; compensation for water storage that is in the public interest; and providing matching funds to secure federal and state funds/grants for improving agricultural best management practices or protection/restoration of wetlands on existing agricultural operations.

2. Tiers 1, 2, 3, and the southern two miles of Tiers 5, 6, and 7 will qualify for incentives when development rights are transferred to less sensitive sites in accordance with Policies 33.3.3 and 33.3.4.

3. Permanent protection of land within all tiers may also occur through:
   a. Using resource extraction mitigation fees to acquire land;
   b. Establishing a Regional Offsite Mitigation Area (ROMA); or
   c. Concentrating development as depicted in the Rural Residential overlay (Map 17) as detailed in Policies 33.3.2 and 33.3.3.

(Added by Ordinance No. 10-19)

POLICY 33.2.4: Restoration of critical lands in Southeast Lee County is a long-term program that will progress in phases based on available funding, land ownership, and natural resource priority. On individual sites, restoration can be carried out in stages:

1. Initial restoration efforts would include techniques such as filling agricultural ditches and/or establishing control structures to restore the historic water levels as much as possible without adversely impacting nearby properties.

2. Future restoration efforts would include the eradication of invasive exotic vegetation and the reestablishment of appropriate native ecosystems based upon the restored hydrology.

(Added by Ordinance No. 10-19)

POLICY 33.2.5: Lee County recognizes the importance of maintaining agricultural lands within Southeast Lee County for local food production, water conservation and storage, land conservation, wildlife habitat, and wetland restoration. The continued use of ever evolving agricultural best management practices will protect native soils and potentially improve the

quantity and quality of water resources, allowing sustainable agriculture to be integrated into restoration planning for Southeast Lee County. (Added by Ordinance No. 10-19)

POLICY 33.2.6: On existing farmland, the county will offer incentives to encourage the continuation of agricultural operations. Incentives will include the ability to concentrate all existing development rights while farming continues on the remainder of the tract; and, the ability to sever and sell all development rights while farming continues on the entire tract. Other incentives may be provided to agricultural operations that implement and maintain best management practices. Continued agricultural use may be a desirable long-term use even within land designated on the priority restoration overlay as potentially eligible for protection (see Policy 9.1.7). (Added by Ordinance No. 10-19)

POLICY 33.2.7: Impacts of proposed land disturbances on surface and groundwater resources will be analyzed using integrated surface and groundwater models that utilize site-specific data to assess potential adverse impacts on water resources and natural systems within Southeast Lee County. Lee County Division of Natural Resources will determine if the appropriate model or models are being utilized, and assess the design and outputs of the modeling to ensure protection of Lee County's natural resources. (Added by Ordinance No. 10-19)

OBJECTIVE 33.3: RESIDENTIAL AND MIXED-USE DEVELOPMENT. Designate on a Future Land Use Map overlay existing acreage subdivision that should be protected from adverse impacts of mining and specific locations for concentrating existing development rights on large tracts. (Added by Ordinance No. 10-43)

POLICY 33.3.1: Existing acreage subdivisions are shown on Map 17. These subdivisions should be protected from adverse external impacts such as natural resource extraction. (Added by Ordinance No. 10-43)

POLICY 33.3.2: Unsubdivided land is too valuable to be consumed by inefficient land-use patterns. Although additional acreage or ranchette subdivisions may be needed in the future, the preferred pattern for using existing residential development rights from large tracts is to concentrate them as compact internally connected Mixed-Use Communities along existing roads and away from Future Limerock Mining areas. Map 17 identifies future locations for Mixed-Use Communities where development rights can be concentrated from major DR/GR tracts into traditional neighborhood developments (see glossary).

1. Mixed-Use Communities must be concentrated from contiguous property owned under single ownership or control. Allowable residential development without the benefit of TDR credits is limited to the existing allowable dwelling units from the upland and wetland acreage of the entire contiguous DR/GR tract. The only net increases in dwelling units will be through incentives as specified in the LDC for permanent protection of indigenous native uplands on the contiguous tract (up to one extra dwelling unit allowed for each five acres of preserved or restored indigenous native uplands) and through the acquisition of TDR credits from TDR sending areas as provided in Policies 33.3.3 and 33.3.4.

    a. When expanded with transferred development rights, the maximum gross density is 5 dwelling units per acre of total land designated as a Mixed-Use Community as shown on Map 17.

b. The maximum basic intensity of non-residential development is 75 square feet, per by right clustered dwelling unit.

c. The additional intensity that can be created using TDR credits may not exceed 300,000 square feet of non-residential floor area in any Mixed-Use Community.

d. These limits on dwelling units and non-residential floor area do not apply to any land in a Mixed-Use Community that is designated Central Urban rather than DR/GR. Numerical limits for Central Urban land are as provided elsewhere in the Lee Plan.

2. Contiguous property under the same ownership may be developed as part of a Mixed-Use Community provided the property under contiguous ownership does not extend more than 400 feet beyond the perimeter of the Mixed-Use Community as designated on Map 17.

3. In 2010 an exception was made to the requirement in Policy 1.4.5 that DR/GR land uses must demonstrate compatibility with maintaining surface and groundwater levels at their historic levels. Under this exception, construction may occur on land designated as a Mixed-Use Community on Map 17 provided the impacts to natural resources, including water levels and wetlands, are offset through appropriate mitigation within Southeast Lee County. Appropriate mitigation for water levels will be based upon site-specific data and modeling acceptable to the Division of Natural Resources. Appropriate wetland mitigation may be provided by preservation of high quality indigenous habitat, restoration or reconnection of historic flowways, connectivity to public conservation lands, restoration of historic ecosystems or other mitigation measures as deemed sufficient by the Division of Environmental Sciences. When possible, it is recommended that wetland mitigation be located within Southeast Lee County. The Land Development Code will be revised to include provisions to implement this policy.

4. To create walkable neighborhoods that reduce automobile usage and minimize the amount of DR/GR land consumed by development, the Land Development Code will specify how each Mixed-Use Community will provide:

   a. A compact physical form with identifiable centers and edges, with opportunities for shopping and workplaces near residential neighborhoods;

   b. A highly interconnected street network, to disperse traffic and provide convenient routes for pedestrians and bicyclists;

   c. High-quality public spaces, with building facades having windows and doors facing tree-lined streets, plazas, squares, or parks;

   d. Diversity not homogeneity, with a variety of building types, street types, open spaces, and land uses providing for people of all ages and every form of mobility; and

   e. Resiliency and sustainability, allowing adaptation over time to changing economic conditions and broader transportation options.

(Added by Ordinance No. 10-43)

POLICY 33.3.3: Owners of major DR/GR tracts without the ability to construct a Mixed-Use Community on their own land are encouraged to transfer their residential development rights to Future Urban Areas (see Objective 1.1), specifically the Mixed-Use Overlay, the Lehigh Acres Specialized Mixed-Use Nodes, and any Lee Plan designation that allows bonus density (see Table 1(a)), or to future Mixed-Use Communities on land so designated on Map 17. These transfers would avoid unnecessary travel for future residents, increase housing diversity and commercial opportunities for nearby Lehigh Acres, protect existing agricultural or natural lands, and allow the conservation of larger contiguous tracts of land.

1. To these ends, Lee County will establish a program that will allow and encourage the transfer of upland and wetland development rights (TDR) to designated TDR receiving areas. This program will also allow limited development in accordance with Policy 16.2.6 and 16.2.7.

2. Within the Mixed-Use Communities shown on Map 17, significant commercial and civic uses are required. Each Mixed-Use Community adjoining S.R. 82 must be designed to include non-residential uses not only to serve its residents but also to begin offsetting the shortage of non-residential uses in adjoining Lehigh Acres. At a minimum, each community adjoining S.R. 82 must designate at least 10% of its developable land into zones for non-residential uses. Specific requirements for incorporating these uses into Mixed-Use Communities are set forth in the Land Development Code.

3. Mixed-Use Communities must be served by central water and wastewater services. All Mixed-Use Communities were added to the future water and sewer service areas for Lee County Utilities (Lee Plan Maps 6 and 7) in 2010. Development approvals for each community are contingent on availability of adequate capacity at the central plants and on developer-provided upgrades to distribution and collection systems to connect to the existing systems. Lee County Utilities has the plant capacity at this time to serve full build-out of all Mixed-Use Communities. Lee County acknowledges that the Three Oaks wastewater treatment plant does not have sufficient capacity to serve all anticipated growth within its future service area through the year 2030. Lee County commits to expand that facility or build an additional facility to meet wastewater demands. One of these improvements will be included in a future capital improvements program to ensure that sufficient capacity will be available to serve the Mixed-Use Communities and the additional development anticipated through the year 2030.

4. Development approvals for Mixed-Use Communities are contingent on adequate capacity in the public school system (see Goal 67).

5. The state has designated S.R. 82 as an "emerging component" of Florida's Strategic Intermodal System, a designation that establishes the levels of service Lee County must adopt for S.R. 82. Lee County will seek to include the Mixed-Use Communities and appropriate adjacent urban areas in a multimodal transportation district to mitigate regulatory barriers these levels of service would impose on Lee County's ability to accomplish Objective 33.3 and its policies. As an alternative, Lee County may pursue a comparable mechanism, such as a transportation concurrency exception area, transportation concurrency management area, transportation concurrency backlog area/plan, long-term concurrency management system, or FDOT level-of-service variance, that would achieve similar results. Lee County's planning will include the following steps:

a. Actively seek advice, technical assistance, and support from Florida DOT and DCA while formulating the scope of a technical evaluation of a potential multimodal transportation district that includes the four Mixed-Use Communities adjoining S.R. 82 and appropriate adjacent urban areas.

b. Conduct the necessary technical studies to determine the potential for substantial trip diversion from Lehigh Acres residents, the viability of transit service to these Mixed-Use Communities and appropriate adjacent urban areas, and the practicality of maintaining the adopted level-of-service standards on S.R. 82.

c. Adopt a Lee Plan amendment establishing a multimodal transportation district (or comparable mechanism).

6. Lee County will complete these three steps by 2016. Until step 5.c is adopted, TDR credits may not be redeemed in the Mixed-Use Communities located along S.R. 82. No redemption of TDR credits that will increase dwelling units or non-residential floor area will be permitted, if these increases would cause the adopted level of service for S.R. 82 to be exceeded (see Goal 37). This restriction applies unless a Mixed-Use Community addresses its transportation impacts through the DRI process consistent with F.S. 163.3180(12).

   a. This temporary restriction does not prohibit landowners from concentrating development rights from contiguous DR/GR property under common ownership or control.

   b. Lee County encourages the creation of TDR credits from Southeast DR/GR lands and the transfer of those credits to all other designated receiving areas, including:

      (1) Other Mixed-Use Communities;
      (2) Rural Golf Course Communities;
      (3) Future Urban Area (see Objective 1.1);
      (4) Mixed-Use Overlay;
      (5) Lehigh Acres Specialized Mixed-Use Nodes;
      (6) Lee Plan designation that allow bonus density (see Table 1(a)); and,
      (7) Incorporated municipalities that have formally agreed to accept TDR credits.

(Added by Ordinance No. 10-43)

POLICY 33.3.4: The new TDR program will have the following characteristics:

1. This program will be in addition to the existing wetland TDR program described in Article IV of Chapter 2 of the Land Development Code.

2. The preferred receiving locations for the transfer of TDRs are within designated Future Urban Areas due to their proximity to public infrastructure and urban amenities (see Objective 1.1), specifically the Mixed Use Overlay, the Lehigh Acres Specialized Mixed Use Nodes, and the future urban land use categories that allow bonus density (see Table 1(a)). The only sites in the DR/GR area permitted to receive transferred development rights are Mixed-Use Communities or Rural Golf Course Communities as shown on Map 17.

3. TDR credits will be available from sending areas as follows:

   a. One TDR credit may be created for each allowable dwelling unit attributable to sending parcels within the Southeast DR/GR area. As an incentive for permanently protecting indigenous native uplands, one extra dwelling unit will be allowed for each five acres of preserved or restored indigenous native uplands.

   b. As an additional incentive for protecting certain priority restoration lands (see Policy 33.2.3.2), each TDR credit created pursuant to the preceding subsection will qualify for up to two additional TDR credits if the credits are created from land in Tiers 1, 2, 3 or the southern two miles of Tiers 5, 6 or 7, as shown on the DR/GR Priority Restoration overlay.

4. The maximum number of TDR credits that can be created from the Southeast DR/GR lands is 9,000.

5. No more than 2,000 dwelling units can be placed on receiving parcels within the Southeast DR/GR Mixed-Use Communities through the TDR credit program.

6. TDR Credits may be redeemed in designated TDR receiving areas as follows:

   a. In Mixed-Use Communities in DR/GR areas, each TDR credit may be redeemed for a maximum of one dwelling unit plus a maximum of 800 square feet of non-residential floor area.

   b. In Rural Golf Course Communities, see Policy 16.2.7.

   c. In the Future Urban Areas described in paragraph 2. above, each TDR credit may be redeemed for a maximum of two dwelling units. In these Future Urban Areas, the redemption of TDR credits cannot allow densities to exceed the maximum bonus density specified in Table 1(a). TDR credits may not be redeemed for non-residential floor area in these Future Urban Areas.

   d. Redemption of TDR credits within incorporated municipalities may be allowed where interlocal agreements set forth the specific terms of any allowable transfers and where the redemption allows development that is consistent with the municipality's comprehensive plan. As in the County's Future Urban Areas, each TDR credit may be redeemed for a maximum of two dwelling units.

7. When severing development rights from a tract of land in anticipation of transfer to another tract, a landowner must execute a perpetual conservation easement on the tract that acknowledges the severance of development rights and explicitly states one of the following options:

   a. Continued agricultural uses will be permitted;
   b. Conservation uses only;
   c. Conservation use and restoration of the property; or
   d. some combination of the above options.

(Added by Ordinance No. 10-43)

POLICY 33.3.5: The Land Development Code will be amended within one year to specify procedures for concentrating existing development rights on large tracts, for transferring development rights between landowners, for seeking approval of additional acreage subdivisions, and for incorporating commercial and civic uses into Mixed-Use Communities as designated on Map 17. (Added by Ordinance No. 10-19)

POLICY 33.3.6: By 2012 Lee County will evaluate the establishment and funding of a DR/GR TDR bank that will offer to purchase development rights for resale in the TDR system. The purpose of this program is to give potential sellers the opportunity to sell rights even if no developer is ready to use them and to give potential development applicants the opportunity to obtain the necessary rights without seeking them on the open market. (Added by Ordinance No. 10-19)

GOAL 34: NORTHEAST LEE COUNTY PLANNING COMMUNITY. Maintain, enhance, and support the heritage and rural character, natural resources, and agricultural lands within the Planning Community. The boundaries for North Olga and Alva are delineated on Map 1, Page 2 of 8. Alva and North Olga will work cooperatively toward this goal for the entire Planning Community through the objectives and policies that follow, and through their individual/local planning efforts. (Added by Ordinance No. 11-14)

OBJECTIVE 34.1: AGRICULTURAL AND RURAL CHARACTER. Maintain and enhance the viability of the existing and evolving commercial agricultural operations, preserve open space, and retain the rural character of Northeast Lee County. For the purposes of this objective, rural character is defined as those characteristics that convey a sense of rural lifestyle such as large lots or clustered development, ample views of wooded areas, open spaces, and river fronts, working farms and productive agricultural uses, and the protection of environmentally sensitive lands. (Added by Ordinance No. 11-14)

POLICY 34.1.1: Support the agricultural and rural character within Northeast Lee County by encouraging continued commercial agricultural operations and encourage new development to be clustered to conserve large areas of open lands. (Added by Ordinance No. 11-14)

POLICY 34.1.2: Work with residents and property owners of Alva and North Olga to develop standards and guidelines for clustering future development and conserving large areas of open lands to promote compatibility with adjacent residential and agricultural areas. These standards and guidelines are intended to give clear and meaningful direction for future amendments to the Land Development Code. (Added by Ordinance No. 11-14)

POLICY 34.1.3: Work with residents and property owners of Alva and North Olga to amend the Land Development Code to provide opportunities for rural mixed-uses that are connected to and compatible with adjacent areas. (Added by Ordinance No. 11-14)

POLICY 34.1.4: Work with the residents and property owners of Alva and North Olga to establish amendments to the Land Development Code that will foster agricultural operations and support rural uses. (Added by Ordinance No. 11-14)

POLICY 34.1.5: In all discretionary actions, consider the effect on Northeast Lee County's commercial agricultural operations and rural character. (Added by Ordinance No. 11-14)

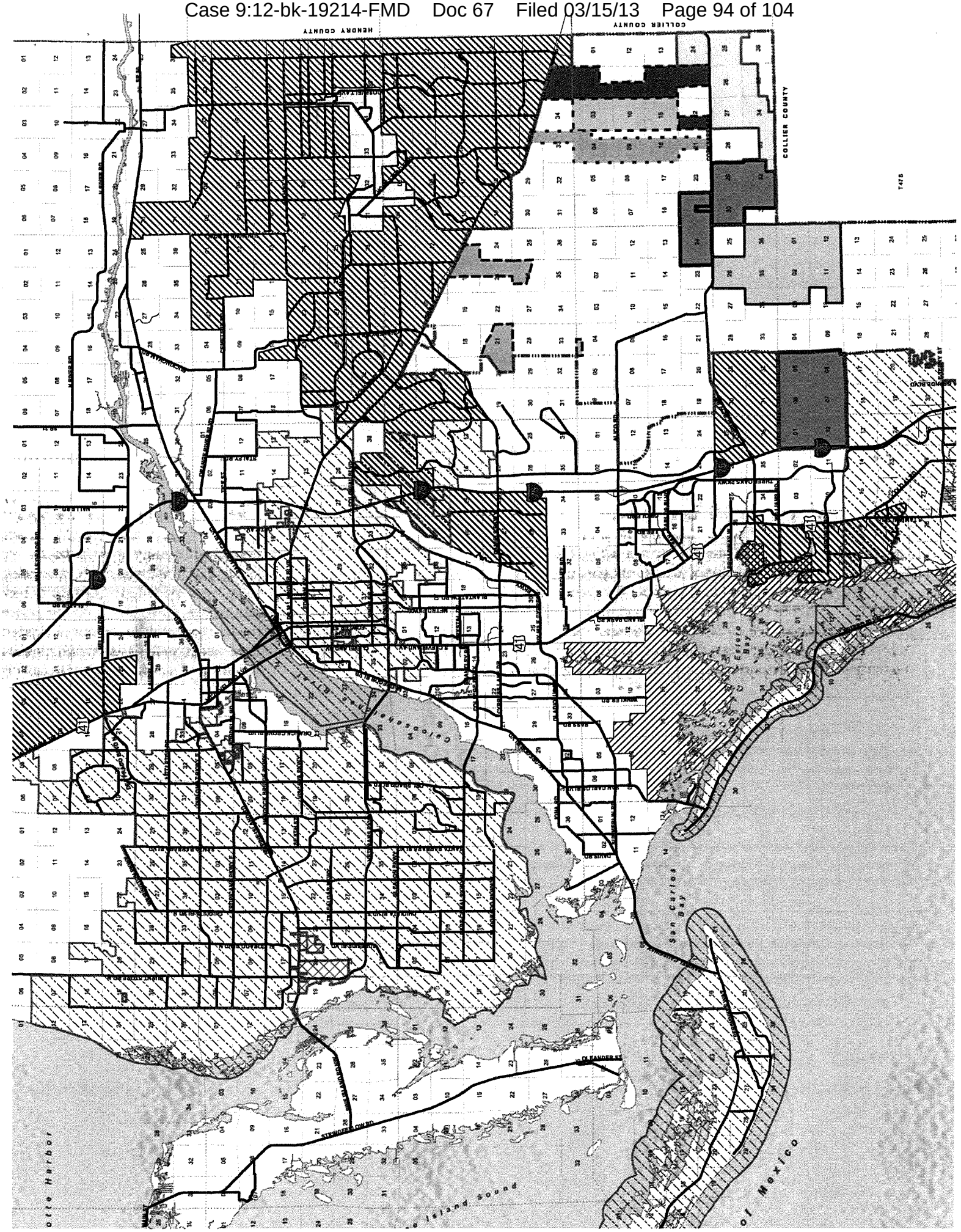

HENDRY COUNTY
COLLIER COUNTY
COLLIER COUNTY
Estero Bay
San Carlos Bay
Gulf of Mexico

TABLE 1(a)
SUMMARY OF RESIDENTIAL DENSITIES [1]

FUTURE LAND USE CATEGORY	STANDARD OR BASE DENSITY RANGE		BONUS DENSITY
	MINIMUM [2] (Dwelling Units per Gross Acre)	MAXIMUM (Dwelling Units per Gross Acre)	MAXIMUM TOTAL DENSITY [3] (Dwelling Units per Gross Acre)
Intensive Development	8	14	22
Central Urban	4	10	15
Urban Community [4,5]	1	6	10
Suburban	1	6	No Bonus
Outlying Suburban	1	3	No Bonus
Sub-Outlying Suburban	1	2	No Bonus
Rural [10]	No Minimum	1	No Bonus
Outer Islands	No Minimum	1	No Bonus
Rural Community Preserve [6]	No Minimum	1	No Bonus
Open Lands [7]	No Minimum	1 du/5 acres	No Bonus
Density Reduction/Groundwater Resource	No Minimum	1 du/10 acres	No Bonus
Wetlands [8]	No Minimum	1 du/20 acres	No Bonus
New Community	1	6	No Bonus
University Community [9]	1	2.5	No Bonus
Destination Resort Mixed Use Water Dependent [11]	6	9.36	No Bonus
Burnt Store Marina Village [12]	No Minimum	160 Dwelling Units; 145 Hotel Units	No Bonus

CLARIFICATIONS AND EXCEPTIONS

[1] See the glossary in Chapter XII for the full definition of "density."

[2] Adherence to minimum densities is not mandatory but is recommended to promote compact development.

[3] These maximum densities may be permitted by transferring density from non-contiguous land through the provisions of the Housing Density Bonus Ordinance (No. 89-45, as amended or replaced) and the Transfer of Development Rights Ordinance (No. 86-18, as amended or replaced).

[4] Within the Future Urban Areas of Pine Island Center, rezonings that will allow in excess of 3 dwelling units per gross acre must "acquire" the density above 3 dwelling units per gross acre utilizing TDRs that were created from Greater Pine Island Costal Rural or Greater Pine Island Urban Categories.

[5] In all cases on Gasparilla Island, the maximum density must not exceed 3 du/acre.

[6] Within the Buckingham area, new residential lots must have a minimum of 43,560 square feet.

[7] The maximum density of 1 unit per 5 acres can only be approved through the planned development process (see Policy 1.4.4), except in the approximately 135 acres of land lying east of US41 and north of Alico Road in the northwest corner of Section 5, Township 46, Range 25.

[8] Higher densities may be allowed under the following circumstances where wetlands are preserved on the subject site:
(a) If the dwelling units are relocated off-site through the provisions of the Transfer of Development Rights Ordinance (No. 86-18, as amended or replaced); or
(b) Dwelling units may be relocated to developable contiguous uplands designated Intensive Development, Central Urban, Urban Community, Suburban, Outlying Suburban, or Sub-Outlying Suburban from preserved freshwater wetlands at the same underlying density as is permitted for those uplands. Impacted wetlands will be calculated at the standard Wetlands density of 1 dwelling unit per 20 acres. Planned Developments or Development Orders approved prior to October 20, 2010 are permitted the density approved prior to the adoption of CPA2008-18.

[9] Overall average density for the University Village sub-district must not exceed 2.5 du/acre. Clustered densities within the area may reach 15 du/acre to accommodate university housing.

[10] In the Rural category located in Section 24, Township 43 South, Range 23 East and south of Gator Slough, the maximum density is 1du/2.25 acres.

[11] Overall number of residential dwelling units is limited to 271 units in the Destination Resort Mixed Use Water Dependent district.

[12] The residential dwelling units and hotel development portions of this redevelopment project must be located outside of the designated Coastal High Hazard Area in accordance with Lee Plan, Map 5.

[13] See Policies 33.3.2, 33.3.3, and 33.3.4 for potential density adjustments resulting from concentration or transfer of development rights.

ARTICLE IV. - TRANSFER OF DEVELOPMENT RIGHTS [4]

Sec. 2-141. - Purpose of article.

The purpose and intent of this article is to recognize that there are environmentally sensitive lands categorized as wetlands by the County comprehensive plan that warrant protection in their undeveloped, natural state. Further it is the purpose and intent of this article to provide an alternative to development on these environmentally sensitive lands by providing an economic relief mechanism that encourages private property owners to utilize the transfer of development rights (TDR) concept. The transfer of development rights concept is designed to direct future growth in a logical, economical and efficient manner toward those areas of the county best suited to providing the public services and facilities necessary for the protection of the health, safety and welfare of the general public.

(Ord. No. 99-22, § 1, 12-14-99)

Sec. 2-142. - Applicability of article. [5]

This article applies to all unincorporated areas of the County. Lee County has also established a second TDR program that allows the transfer of development rights from uplands as well as wetlands and creates additional TDR receiving areas (see chapter 32). The two TDR programs operate independently; TDR units created pursuant to chapter 2 may be used only on receiving parcels defined in chapter 2.

(Ord. No. 99-22, § 1, 12-14-99; Ord. No. 10-25, § 1, 6-8-10)

Sec. 2-143. - Definitions.

The following words, terms and phrases, when used in this article, have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Acre means a horizontal area of land containing 43,560 square feet of surface area.

Comprehensive plan means the document, and its amendments, adopted by the Board of County Commissioners, which meets the requirements of F.S. §§ 163.3177 and 163.3178. The terms "comprehensive plan" and "Lee Plan" are synonymous.

Density bonus means an increase in the density of development that can be carried out on a parcel of land over and above the standard density range permitted by the comprehensive plan for the land use category in which it is located.

Department means that department charged with the planning and administration of zoning and development review for the unincorporated area of the county.

Developer means any individual, firm, association, syndicate, copartnership, corporation, trust or other legal entity commencing development.

Development and *to develop* have the meaning given in F.S. ch. 380.

Development right means any specific right to use real property which inures to an owner of real property through the common law, statutory law of real property, the United States and state constitutions and as further defined and delineated in this article.

Director means the administrative director of the department charged with the planning and administration of development services for the unincorporated area of the county.

Land use plan map means the map adopted by the Board of County Commissioners, which delineates land use categories of the comprehensive plan.

Maximum total density means the maximum dwelling units per gross residential acre as indicated in Table 1(a) Summary of Residential Densities, of the Lee Plan.

Owner means the person with legal or equitable title to real property.

Planned development means those zoning districts designated in Chapter 34 as PUD, RPD, MHPD, RVPD, CFPD, IPD, AOPD, CPD, or MPD.

Receiver parcel means a parcel of land on which a development right is used.

Sending parcel means a parcel of land from which a development right has been severed in accordance with this article.

Sever means the removal or separation of some specified right or use from the bundle of rights possessed by an owner of real property. The term connotes a removal or separation in perpetuity as distinguished from a restriction or limitation which may be overridden, deleted or subject to a time limitation.

TDR means transfer of development rights.

TDR unit means one dwelling unit or its equivalent density as set forth in Chapter 34.

Water, body of.

(1) *Artificial body of water* means a depression or concavity in the surface of the earth, other than a swimming pool, created, extended or expanded by human artifice and in which water stands or flows for more than three months of the year.

(2)

Natural body of water means a depression or concavity in the part of the surface of the earth lying landward of the line of mean sea level (NGVD) which was created by natural geophysical forces and in which water stands or flows for more than three months of the year. Also included are the bays and estuaries lying between the county mainland and the barrier islands (Gasparilla Island, Cayo Costa, North Captiva Island, Captiva Island, Sanibel Island, Estero Island, Lovers Key, Big Hickory Island, Little Hickory Island and Bonita Beach) with the outermost boundary defined by the shortest straight line that can be drawn between these islands.

Wetlands means a land use category as defined by the comprehensive plan. For the purpose of this article, lands which otherwise would meet this definition but for the effects of unlawful clearing of vegetation or filling or excavation will be included in this definition, and all lands which meet these criteria will be considered wetlands regardless of whether they are explicitly identified as such on the Lee Plan land use map.

(Ord. No. 99-22, § 1, 12-14-99)

Sec. 2-144. - Administration of article.

The director is responsible for the administration and enforcement of this article.

(Ord. No. 99-22, § 1, 12-14-99)

Sec. 2-145. - Conflicting provisions.

Whenever the requirements or provisions of this article are in conflict with the requirements or provisions of any other lawfully adopted ordinance, the most restrictive requirements will apply.

(Ord. No. 99-22, § 1, 12-14-99)

Sec. 2-146. - Transfer of development rights concept; computation of units.

(a) *Legal concept.* The transfer of development rights idea is based upon the property law concept that the right to develop real estate is one of the bundle of rights included in fee simple ownership of land. Fee simple ownership of real estate allows the owner to sell, lease or trade any one or more, or all of the bundle of rights to their property. This bundle includes the right to use, lease, sell, or abandon the property or any of its components of ownership when not retained by a previous owner such as mineral, oil, gas, air, or development rights. All rights of ownership are subject to the limitation and legislative powers of the local government.

(b) *Development rights defined.* A development right is an appurtenant right of land ownership. When lawfully established, a development right has an economic value separate from the land itself. It can be subject to reasonable regulation by local government under its police powers. The development right can be transferred by the owner to another property, through gift or sale. The landowner may sell the development rights and still retain the title to the land and the right to use the surface of the land on a limited basis.

(c) *Establishment of development rights.*

(1) For the purposes of this article, the owner of any vacant or undeveloped property that is designated wetlands under the comprehensive plan and that is not zoned or proposed to be zoned to a private recreational facilities planned development (PRFPD) district, may transfer the development rights allocated to the parcel of land to any person at any time, subject to the provisions of subsection (c)(2) of this section.

(2) Development rights may only be transferred to those parcels or portions of a parcels designated as receiving parcels. The maximum number of development rights that may be transferred to the receiver parcel must be determined in accordance with section 2-147(b) and 2-147(c) as well as the maximum bonus density permitted by its land use category as designated by the comprehensive plan.

(3) Rezoning to a private recreational facilities planned development (PRFPD) district extinguishes residential density rights applicable to the transfer, clustering, or assignment of density rights to another parcel of land. Development rights to residential density can be reestablished only by removing the private recreational facilities in their entirety, and eliminating all private recreational facility uses from the zoning district in effect.

(d) *Computation of transfer of development rights units (TDR units).*

(1) The development rights appurtenant to land categorized as wetlands, may be severed from the underlying fee and transferred to land that qualifies as a receiving parcels that is appropriate for density bonus, pursuant to this article. Development rights that are transferable pursuant to this article will be known as "Lee County transfer of development rights (TDRs)." TDRs may not be severed from land that is:

a. owned by a public agency;

b. subject to conservation easements;

c. or subject to other legal restrictions that would (or that have) precluded the physical development of the land on or before September 1, 1986 (the effective date of the ordinance 86-18 from which this article is derived.)

(2) Units of measure of TDRs are hereby established at one TDR unit per five acres of wetland. The county will not recognize TDR units smaller than one-tenth unit. The following table sets forth equivalent TDR units for various acreages or portions of an acre:

TABLE 1. FRACTIONAL TRANSFER OF TDR UNITS

Land Area (Acres)	0 to 0.4	0.5 to 0.9	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0
TDR units	0	0.1	0.2	0.4	0.6	0.8	1.0	1.2	1.4	1.6	1.8	2.0

(3) A single TDR unit is declared to be the right to place and use one dwelling unit or the density equivalent of one dwelling unit, (as defined and established in chapter 34) where applicable.

(4) A single-family lot or parcel designated as wetlands that holds an affirmative determination of the single-family residence provision, may be permitted to sever two TDR units in lieu of development.

(5) Under no circumstances will areas considered to be natural bodies of water be included in the calculation for TDR units.

(Ord. No. 99-22, § 1, 12-14-99; Ord. No. 00-14, § 1, 6-27-00)

Sec. 2-147. - Transfer of development rights process.

(a) *Sending parcel.*

(1) The property owner of lands that are designated or can be defined as wetlands pursuant to the comprehensive plan may sever their development rights for TDR units provided the following procedures are completed:

a. The property owner must apply for an administrative determination in the designation of wetlands. As part of the administrative determination application, the property owner must submit a "certified sketch of description" of the property and a South Florida Water Management or U.S. Army Corps of Engineers wetlands jurisdictional determination. The purpose of this administrative determination is to ascertain how many TDR units the property owner is entitled to.

b. The department will make the determination as to the number of wetland acres and corresponding TDR units the subject property may support.

(2) Once the administrative determination is issued, the property owner must submit to the county a survey delineating the wetland areas in compliance with the administrative determination. The survey must be prepared by a surveyor and certified to the county. The legal description does not have to be an exact delineation of the wetlands, but must be a reasonably accurate representation of those affected lands. The county will review the survey for compliance with the administrative determination. After the county approves the survey, the property owner must submit a legal description and a legible 8½ by 11 inch accompanying sketch, sealed by the surveyor, and appropriate for attachment to documents for recording.

(3) The property owner must prepare a conservation easement agreement acceptable to the county attorney's office that expressly restricts the use of the wetland portion of the sending parcel to conservation and open space uses in perpetuity. The conservation easement document must state the total number of TDR units that are delineated wetlands and available to the property owner for transfer. The easement must be drafted and prepared in compliance with F.S. § 704.06, and granted to and expressly enforceable by the county.

(4) After the legal description and conservation easement have been accepted by the county attorney's office, it will be recorded in the Lee County public records at the property owner's expense.

(5) The sending parcel may only be used in a manner consistent with its conservation easement.

(6) After the legal description and conservation easement have been recorded, the property owner may sell, trade, barter, negotiate or transfer the TDR units. The owner of the sending parcel (grantor) must execute and record a deed of transfer before a transfer of TDR units can be completed. The deed of transfer must indicate:

a. how many TDR units are to be transferred by the property owner (grantor) to the buyer (grantee);

b. the total number of TDR units originally afforded to the sending parcel;

c. the number of TDR units that have been transferred to other buyers; and

d. how many TDR units remain attached to the sending parcel.

(b) *Receiving parcel.*

Density Increases. Except as provided in Section 2-148, **the property owners of lands designated by the comprehensive plan as intensive development, central urban, or urban community, are eligible to receive TDR units: 1)** by right; 2) by administrative

approval if rezoning is not required; or 3) concurrent with a rezoning, pursuant to the conditions set forth below

(1) *TDR units By Right.* The transfer of TDR units is permitted by right, for receiving parcels located in the following conventional zoning districts, provided that the property development regulations concerning lot size, setbacks, and height are met:

TFC-1, TFC-2 and TF

RM-2 through RM-10

CT, C1-A, C1, C2-A, and C2

a. If the receiving parcel is one acre or less, TDR units may be used to add one dwelling unit.

b. If the receiving parcel is larger than one acre, TDR units may be used to add one dwelling unit per acre.

The resulting density may not exceed the maximum total density range for the land use category where located and the receiving parcel must already be zoned for the number and type of dwelling units that would result from adding the TDR units to the receiving parcel.

(2) *Administrative approval of density increases in conventional zoning districts.* The department director may administratively approve the use of TDR units to increase the density of a proposed development in a conventional zoning district provided:

a. The request does not exceed the maximum total density allowed by the Lee Plan for the applicable land use category; and

b. The director's written findings conclude that the proposed development is:

1. in compliance with the Lee Plan;
2. zoned for the type of dwelling units to be constructed;
3. designed so that the resulting development does not have substantially increased intensities of land uses along its perimeter, unless adjacent to existing or approved development of a similar intensity;
4. in a location where the additional traffic will not be required to travel through areas with significantly lower densities before reaching the nearest collector or arterial road;
5. in a location outside of the Category 1 Storm Surge Zone for a land-falling storm as defined by the October 1991 Hurricane Storm Tide Atlas for Lee County prepared by the Southwest Florida Regional Planning Council.
6. not in a location where existing and committed public facilities are so overwhelmed that a density increase would be contrary to the overall public interest; and
7. will not decrease required open space, buffering, landscaping and preservation areas or cause adverse impacts on surrounding land uses.

The director's written approval may contain reasonable conditions to mitigate adverse impacts that could otherwise be created by the density increase. The director's decision may be appealed according to the provisions of chapter 34 for appeals of administrative decisions.

(3) *Planned development zoning districts.* In order to increase the approved density of an existing planned development using TDR units, the applicant must apply for an amendment to a planned development approval pursuant to section 34-380. The application must include, as part of the submittal documents, a revised master

concept plan that clearly shows the location of the proposed additional density, and must also provide additional information as is needed to describe the changes in impact that the increased density will have over that which was contained in the application for the original approval.

(4) *Rezoning.* If a property owner or developer applying for planned development or conventional rezoning intends to use TDR units to increase densities above the Lee Plan standard density range, both the application for the rezoning and the transfer of TDR units may be submitted at the same time for concurrent review. The maximum density may not exceed the maximum total density for the land use category in which the property is located. The application process, including the TDR transfer, will follow the same procedures applicable to any other rezoning case.

(c) *Development/building permit approval.* After the property owner or developer has received approval to use TDR units, he may apply for final development orders or building permits, as applicable.

(1) Before a final development order is approved, the developer must provide sufficient evidence to the department director that the TDR units required for the increased density have been secured.

(2) Before the issuance of construction or building permits, the developer must provide to the department a copy of the recorded deed of transfer required in accordance with section 2-147(a)(6) encompassing the TDR units he intends to use. This deed must include a restriction on the development rights of the sending parcel in perpetuity.

(3) Upon issuance of construction or building permits for the units allowed using TDR units, the property owner or developer must provide the county an executed deed transferring the TDR units to the receiving parcel. The department may issue an extinguishment document to the sending parcel property owner indicating the number of TDR units transferred to the receiving parcel. The extinguishment document and deed transferring the TDR units will be recorded in the public records of the county and made available to the county property appraiser. This process completes the development rights transaction. The TDR units transferred remain with the receiver parcel in perpetuity.

(Ord. No. 99-22, § 1, 12-14-99; Ord. No. 05-14, § 1, 8-23-05)

Sec. 2-148. - Limitations.

(a) Development rights authorized and severed by another governmental unit may not be used in the County.

(b) The County may limit the number of TDR units that can be transferred to the receiver parcel to an intensity lower than the amount requested by the developer if, during the zoning or development review process, the County determines that the receiver parcel for development reflects unique or unusual circumstances or is surrounded by uses such that a development of the parcel at an increased density or at a density bonus would be contrary to the public health, safety and welfare, and inconsistent with the comprehensive plan. The Board of County Commissioners or the director must, as part of any development order issued limiting the use of TDR units to less than the amount requested by the property owner or developer, include specific findings of fact to support the limitation and specify what changes, if any, that would make the parcel proposed for development eligible for additional development rights.

(c) Areas defined as wetlands that are approved as part of any development order for open space or water management purposes are not eligible to sever or receive TDR units.

(d) The barrier or coastal islands, including but not limited to Gasparilla Island, Cayo Costa, North Captiva, Captiva Island, Sanibel Island, Estero Island, Lovers Key, Big Hickory Island, Little Hickory Island, Buck Key, Black Island, Bonita Beach, Pine Island, Little Pine Island and Matlacha, are not eligible to receive TDR units.

(Ord. No. 99-22, § 1, 12-14-99)

Secs. 2-149—2-190. - Reserved.

FOOTNOTE(S):

*[4] **Editor's note**—Ord. No. 99-22, § 1, adopted Dec. 14, 1999, amended Art. IV, in its entirety, to read as herein set out in §§ 2-141—2-148. Prior to inclusion of said ordinance, Art. IV pertained to similar subject matter. See the Code Comparative Table. (Back)*

*[4] **Cross reference**— Development standards, ch. 10; environment and natural resources, ch. 14; wetlands protection, § 14-291 et seq. (Back)*

[5] Note—[The last two sentences of § 2-142, as adopted in LCO 10-25, will have no force or effect until the date the Lee Plan amendments adopted by ordinances 10-19 and 10-21 become effective in accordance with F.S. ch. 163.] (Back)

Potential TDR Generating Sites
Lee County, FL