



BOARD OF COUNTY COMMISSIONERS AGENDA REQUEST

DATE: August 1, 2017
TO: Honorable Chairman and Members of the Board
FROM: Jason Autrey
SUBJECT: Adoption of Resolution for Leasehold Conversions
DEPARTMENT: Public Works
BCC DISTRICT: 2 & 5

STATEMENT OF ISSUE: The County previously adopted a procedure for holders of leasehold interest on Okaloosa Island and Holiday Isle to obtain the release of the County's reversionary interest in those properties. This procedure was administered by various title companies over the years. The original title company provided services without competitive procurement nor a written agreement. The title company that which was most recently providing these services was Security Land Title of Florida LLC. During both 2016 and 2017, the County sought to competitively procure the services of a title company to manage this process. On both occasions, no applicant applied. As a result, the County began exploring the ability of internally administering this process. Further, the procedures that were previously adopted were outdated and cumbersome. An amended procedure was prepared that will streamline the process making it less cumbersome and which would reduce the time involved in the process. Staff seeks the adoption of a resolution establishing this procedure and allowing the administration of the process by staff.

BACKGROUND & ANALYSIS: Initially the Okaloosa Island Authority was created by a Special Act of the Legislature for the State of Florida and was established for the development of certain properties on Santa Rosa Island belonging to Okaloosa County, Florida. Pursuant to this authority, the Okaloosa Island Authority leased numerous parcels of said properties to individual or to other entities for a period of ninety-nine (99) years with the option to renew, including all terms of the original lease. Under these leases they could only be assigned, mortgaged, pledged, or transferred with the approval of the Okaloosa Island Authority. Subsequently, the Legislature abolished the Okaloosa Island Authority and vested all of their powers, duties, responsibilities, assets in the Board of County Commissioners.

In 1995, the Board of County Commissioners in an effort to eliminate the need for approval by the County for the assignment, mortgage, pledge, or transfer of these leases, a procedure was adopted for obtaining a release of reversionary interest of the County on leasehold interests on Okaloosa Island and Holiday Isle. The administration of this process was granted to Advance Title, Inc. who agreed to charge the leasehold holders a fee of \$950 and a fee of \$100 to the County. Other the years, those title and administration services have been transferred to successor title companies without action by the Board.

During both 2016 and 2017, the County sought to competitively procure the services of a title company to manage this process. On both occasions there were no proposals submitted. As a result, the County began exploring the ability of internally administering this process.

Further, the process that was originally approved was cumbersome. Staff has proposed modifying this procedure to reduce the cost and make it more user friendly. The process would consist of an application signed by all of the leaseholders of the property accompanied with a report demonstrating that the applicant is the lawful holder of the leasehold interest. Further, the applicant must establish that all taxes have been paid on the property for the past five years. Once a submitted application is complete, County staff would then publish a notice requiring any party who claims an interest in the leasehold and objects to the release of the reversionary interest of the County to file an objection. It is proposed that the County charge an administrative fee of \$500 to offset the cost of review, advertising, recording, and processing the application through the staff and Board levels. The applicant would be responsible for obtaining the Owner and Encumbrance Report (now known as a property information report) which they would be free to use any title company for those services and negotiate individually with that company for the cost. The administration of the program would be through the Financial and Property Management division within the Public Works Department.

OPTIONS: Approve/Disapprove.

RECOMMENDATIONS: Motion to approve the Resolution establishing the procedures and cost for obtaining the release of the County's reversionary interest in leaseholds.



Jason Aitrey, Director, Public Works 7/25/2017

RECOMMENDED BY:



John Hofstad, County Administrator 7/26/2017

APPROVED BY:

John Hofstad, County Administrator