

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Original Certificate of) DOCKET NO. 20190168-WS
Authorization and Initial Rates and Charges)
for Water and Wastewater Service in Duval,) FILED: January 18, 2022
Baker and Nassau Counties, Florida by)
FIRST COAST REGIONAL UTILITIES,)
INC.)
_____)

**FIRST COAST REGIONAL UTILITIES, INC.’S RESPONSE TO
JEA’S MOTION TO COMPEL DISCOVERY
FROM FIRST COAST**

First Coast Regional Utilities, Inc. (First Coast) responds to JEA’s Motion to Compel Discovery from First Coast filed in this docket on January 11, 2022, as follows:

JEA Request for Production No. 27 reads:

Exhibit G to your Application contains a letter from 301 Capital Partners, LLC to the Commission attaching “[a]s evidence of our financial capability . . . a copy of our recent balance sheet” followed by a page entitled “Fair Market Value Balance Sheet May 18, 2019.” Please produce all documents supporting each line item on the Fair Market Value Balance Sheet including without limitation all documents supporting the “fair market value” of each asset of 301 Capital Partners, LLC.

First Coast Response:

Attached please find the closing statement evidencing the sale of approximately 1849 acres of the 301 land to the JEA for \$9,900.00 per acre. As a governmental entity, JEA would have had to also secure an appraisal indicating the value of the land at least at \$9,900.00 per acre prior to its purchase. There is also an appraisal report commissioned by 301 Capital Partners, LLC (“301”) confirming the sales price. The value of the land was increased due to the passage of two years between the sale to JEA and the filing of the Application, and the change in its intended use from Agriculture to residential and commercial development.

The valuation of the Timber on the balance sheet was based upon the original value of timber at the date of purchase, increased only for costs (reforestation, timber management costs, etc.) associated with the timber. The initial timber value (merchantable and pre-merchantable) was

based on observations and valuations by a professional forester. That said, in 2019 and 2020, 301 sold \$1,291,358.02 of timber and still has standing timber which has value but is not ready for harvest.

Due to the passage of time, 301 is also producing an updated fair market balance sheet dated 12/31/2021 that more accurately reflects 301's current financial situation. The land values in this fair market balance sheet are based on sales of tracts of land similar to and relatively close to the 301 tract. Specifically, Lennar closed on an approximately 1,100 acre property similar to the 301 tract, yet not with as many entitlements, for \$40,000+ per acre. Metro Development closed on a tract of approximately 1,200 acres very near to the 301 property for \$32,000+ per acre. 301 has conservatively valued its land on this fair market value balance sheet at \$20,000 per acre.

Since JEA seeks to determine whether 301 has the financial ability to develop FCRU's utility system, also please find a letter from MBS Capital Markets, LLC indicating its interest in financing FCRU's utility facilities.

Respectfully submitted this 18th day of January, 2022:

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished via electronic mail to the following this 18th day of January, 2022:

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