

**LAND ACQUISITION DEPARTMENT
EXECUTIVE SUMMARY**

PROJECT: Allapattah Ranch

PURPOSE: Lease Extension and Rent Adjustment – A. Duda & Sons, Inc.

CONTRACT: LS051080 - Approximately 2,965.38 Acres - Martin County

REQUEST: Authorize an Amendment to the A. Duda & Sons, Inc. lease to extend the term by five years from September 1, 2010 to August 31, 2015, and adjust the rent based on a recent market rent analysis

BACKGROUND:

In March 2002, the District, in conjunction with Martin County, acquired Tract No. 100-007 known as the Allapattah Ranch consisting of approximately 13,185.54 acres. When the District acquired the property, there was an existing cattle grazing lease that terminated in August 2005. The District solicited a Request for Bids for a new lease on a portion of the property referred to as Parcel A which consists of approximately 2,965.38 acres. A. Duda & Sons, Inc. was the successful bidder. The lease is scheduled to terminate August 31, 2010, and the lessee has requested an extension. The renewal is consistent with Governing Board policy that allows an existing lease to be renewed if the lessee is in good standing and agrees to any modifications to the lease terms and conditions as determined by District staff. In addition to modifying the number of permitted animal units and adjusting the annual rent based on a recent appraisal, the amendment will modify the lease to (i) require the lessee to pay the taxes and assessments accruing on the leased premises during the lease term on or before February 1 or notify the District that it is contesting the tax assessment, (ii) revise the termination provisions to be consistent with current District policy for agricultural leases, and (iii) revise portions of the Statement of Work regarding the lessee's obligations relative to prescribed burns and exotic plant management.

FISCAL IMPACT:

The adjusted rent will be 716 Animal Units at \$75 per animal unit for an annual rent of \$53,700, subject to an annual CPI increase, with an additional adjustment after four (4) years based on an analysis of the then current market rent.

RECOMMENDATION:

That the Governing Board of the South Florida Water Management District authorize an amendment to Contract LS051080 with A. Duda & Sons, Inc. to extend the term by five years, from September 1, 2010 to August 31, 2015, and adjust the annual rent from \$54,276.93 to \$53,700, subject to an annual CPI increase, with an additional adjustment after four (4) years based on an analysis of the then current market rent.

Prepared by: _____
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Date

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Date

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