

## LAND ACQUISITION EXECUTIVE SUMMARY

**PROJECT:** Lake Okeechobee Watershed

**PURPOSE:** Lease Extension and Rent Adjustment – Old River Cattle Company, LLC.

**CONTRACT:** 46000001279 - Approximately 1,658.99 Acres - Glades County

**REQUEST:** Authorize an Amendment to the Old River Cattle Company, LLC. lease to extend the term by five years from March 15, 2012 to March 14, 2017, and adjust the rent based on a recent market rent analysis

**BACKGROUND:** In August 2007, the South Florida Water Management District ("District") acquired property from The Nature Conservancy consisting of approximately 1,658.99 acres located in Glades County subject to an existing cattle grazing lease with Ricou Hartman. The original lease has been amended and assigned to Old River Cattle Company, LLC. The property was purchased for the Lake Okeechobee Watershed Project. There are no immediate construction plans for this property. The lease is scheduled to terminate March 14, 2012, and the lessee has requested an extension for planning purposes and in order to apply for some NRCS funding which would result in improvements to the property. 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. The lessee has also agreed to cooperate with the District to optimize the infrastructure on the leased premises to maximize water storage in conjunction with the Dispersed Water Management Program. The amendment will adjust the annual rent based on a recent appraisal, and 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 based on 553 Animal Units at \$70 per animal unit for an annual rent of \$38,710, subject to an annual CPI or other agricultural commodity index escalation for cattle, i.e. annual adjustment based on the United States Department of Agriculture (USDA) Economics, Statistics, and Market Information System National Agricultural Statistics Service (NASS) for the other years of the term, and an additional adjustment after five (5) 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 4600001279 with Old River Cattle Company, LLC. to extend the term by five years, from March 15, 2012 to March 14, 2017, and adjust the annual rent from \$23,555.66 to \$38,710.00, subject to an annual CPI or other agricultural commodity index escalation for cattle, i.e. annual adjustment based on the United States Department of Agriculture (USDA) Economics, Statistics, and Market Information System National Agricultural Statistics Service (NASS) for the other years of the term, and an additional adjustment after five (5) years based on an analysis of the then current market rent.

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