

**REAL ESTATE DEPARTMENT
EXECUTIVE SUMMARY**

PROJECT: Allapattah Ranch

PURPOSE: Lease Extension and Rent Adjustment – Ru-Mar, Inc.

CONTRACT: LS040998- Approximately 3,094.59 Acres–Martin County

REQUEST: Authorize an Amendment to the Ru-Mar, Inc. for cattle grazing agricultural lease in Martin County to extend the term by fifty-seven months from December 1, 2010 to August 31, 2015, and adjust the rent based on a recent market rent analysis

BACKGROUND:

In January 2003, the District, in conjunction with Martin County, acquired property known as the Allapattah Ranch. When the District acquired the property, there was an existing cattle grazing lease that terminated in August 2005. The District solicited a Request for Proposals for a new lease on a portion of the property referred to as Parcel C which consists of approximately 3,094.59 acres. Ru-Mar, Inc. was the successful proposer. The lease is scheduled to terminate November 30, 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, adding the 3,049.39 acres for flash grazing, and adjusting the annual rent based on a recent appraisal, the amendment will modify the lease to be consistent with the District's current standard agricultural lease, including the following revisions: (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; (iii) revise the language to allow beekeeping operations; (iv) require the lessee to cooperate with the District to optimize existing infrastructure to maximize water storage in conjunction with the Dispersed Water Management Program; and (v) 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 974 Animal Units @ \$50.00 per animal unit for an annual rent of \$48,700.00 subject to an annual adjustment based on the CPI or appropriate agricultural commodity index. The lessee also provides in-kind services for the property. There are currently two pump stations being used to manage the surface waters on this parcel. The lessee is responsible for operating both pump stations in a manner that maximizes wetland hydroperiods on the property without impacting adjacent roadways and properties.

Governing Board Members
November 10, 2010
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RECOMMENDATION:

That the Governing Board of the South Florida Water Management District authorize an amendment to Contract LS040998 with Ru-Mar Inc. for cattle grazing agricultural lease in Martin County to extend the term by fifty-seven months, from December 1, 2010 to August 31, 2015, and adjust the annual rent from \$34,829.88 to \$48,700.00, subject to an annual adjustment based on the CPI or appropriate agricultural commodity index.

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Date

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