

LAND STEWARDSHIP EXECUTIVE SUMMARY

PROJECT: C-23/24

COUNTY: St. Lucie

ACREAGE: 329.13 Acres

REQUEST: Extend lease term and amend termination language

CONSIDERATIONS:

In October 2003, the South Florida Water Management District (District) acquired a citrus grove from Triple C Groves, LLP containing 329.13 acres located in St. Lucie County, FL and negotiated a leaseback allowing them to remain on the property for citrus farming at an annual rent of \$49,370. The lessee was also responsible for the payment of property taxes. The property was acquired to construct a future water reservoir as part of the Indian River Lagoon Project. The lease was amended previously to extend the term to June 30, 2007, and to revise the rent due to the economic loss that was incurred by the lessee in connection with its citrus operations as a result of the 2004 and 2005 hurricane seasons. This request is seeking authorization to extend the lease term to June 30, 2012 and amend the termination language.

FISCAL IMPACT:

Extension of the lease is consistent with Board Policy to allow lessees to remain on the property until it is needed for the project. Extending the lease provides on-site management and security for District owned land and minimizes impacts to the local agricultural economy by keeping viable agricultural lands in active production until the property is needed for construction. It also minimizes fiscal impacts to local government by keeping land on the tax roll. Lessees are required to control exotics, implement applicable best management practices, and keep the property in good repair. This is a revenue contract and the Lessee is responsible for an annual lease payment.

What concerns could this Board item raise?

The termination language requested by Lessee is different than the present Governing Board policy which requires leases to incorporate a six month or end of the current crop cycle, whichever is less, termination for convenience clause. The Lessee is requesting that the Lease be terminated by Lessor for any District purpose by providing written notice to Lessee on or before December 31st of each year with the lease then terminating on June 1 of the following year. This language is consistent with 8 other citrus leases and allows the Lessee the ability to plan and harvest each year. The language has been reviewed and approved by the project manager.

RECOMMENDATION:

Authorize an amendment to contract LS040658 with Triple C Groves, LLP to revise the termination language and to extend the term by five years from July 1, 2007 to June 30, 2012.

For purposes of a conflict check:
Wendy Capella, General Partner
Delray Beach, FL

Prepared by: _____
Andrea Stringer
Sr. Property Manager
Land Acquisition & Land Management Department
_____ Date

Reviewed by: _____
Ruth P. Clements, Director
Land Acquisition and Land Management Department
_____ Date

Approved by: _____
Kenneth G. Ammon, P.E.
Deputy Executive Director
CERP
_____ Date