

Sec. 140-85. - Administration of Leases on District Land.

- (a) *General.* Section 373.093, F.S., governs leases on District land and provides that the governing board may lease any District lands or interest in land as long as the lease is consistent with the purposes for which it was acquired for the best price and terms obtainable, as determined by the board.
- (b) *Notice of Intention to Lease.* The District will publish a notice of its intention to lease consistent with Section 373.093, F.S., as it may be amended. The District will state in the notice whether it will solicit bids for the lease, and if so, the notice will include directions to the District's website describing the process for submitting a bid.
- (c) *Governing Board Approval of All Leases.* District staff shall present all leases and lease extensions to the Governing Board for approval.
- (d) *Request for Bids.* The District will solicit bids for all leases except under the following circumstances:
 - (1) When the District grants a lease or reservation in connection with a District land acquisition under subsection 373.093(3), F.S.
 - (2) When the lease is with any government entity consistent with subsection 373.056(4), F.S. as it may be amended.
 - (3) Any other situation the Governing Board determines does not warrant a request for bids, including leases where only one party is interested in the lease.
- (e) *Appraisal.* For competitively bid leases where the District estimates the rent will be over \$2,500.00, the District will obtain an appraisal of the current rental value of the proposed lease before it is considered by the Governing Board for approval.
- (f) *Provisions for Competitively Bid Leases.*
 - (1) *Cattle Grazing Leases.* In addition to other provisions, the District will include the following provisions in all cattle leases.
 - a. *Term.* The District will offer cattle grazing leases for an initial term not more than ten years.
 - b. *Minimum Bid.* When the District solicits a bid for a cattle lease, the District will require that the minimum bid be at least 75% of the District's appraisal.
 - c. *Lease Extensions.* Each year before the anniversary date of the lease, District staff will evaluate each lessee's performance according to the conditions listed in the request for bid. After the initial lease term expires, the Governing Board may approve extending the lease based on District staff's annual performance evaluations and District priorities as determined by the Governing Board. For leases of interim project lands the Governing Board may approve extending the lease for an additional term not to exceed five years. For leases of conservation lands, the Governing Board may approve extending the lease for an additional term not to exceed ten years.
 - d. *Annual Rent.* The District will calculate the first year annual rent based on the following formula:

$$A \times B \times C \times D = E$$

Where:

A = U.S. Department of Agriculture National Weekly Feeder and Stocker Cattle Summary (Summary) for the Southeast Region concerning the price quote for Steers weighing 500—600 pounds. The price quote is effective for the first year of the lease.

B = 5.5 (value based on typical 550 pound weight for the region divided by 100)

C = Stocking rate (total Animal Units allowed under the Lease)

D = Land rent factor. Land rent factor is the amount identified in the successful bid.

E = Annual Lease Rent Amount

- e. *Annual Rent Adjustments.* Each subsequent year District staff will adjust the annual rent based on the formula in subsection (f)(1)d. using a yearly adjustment of the value for "A."
 - f. *Deposit.* When the lease is executed lessee must deposit with the District funds in the amount of 1) annual rent; 2) the District's estimate of the ad valorem taxes, assessments, and sales tax for the property for the first year of the lease; and 3) any other amount the District determines is necessary. The District may use the deposit to secure lessee's performance under the lease.
 - g. *Land Management Plan.* Lessee must comply with the District's land management plan for the property.
 - h. *Termination.* The District may terminate the lease at any time by providing at least 180 days advance written notice. The lessee may terminate the lease by providing at least 365 days advance written notice.
 - i. *Cost-Share Participation Programs.* Lessee must obtain approval from the District before it submits an application for any cost share program to implement best management practices. Lessee will assume all responsibility for compliance with the terms of the cost share contract. The District will not be responsible for any obligations under lessee's contract or pay any of the lessee's unpaid cost-share. Lessee shall not agree to anything in the contract that is in conflict with the lease.
- (2) Other Competitively Bid Leases. In addition to other provisions, the District will include the following provisions in all other competitively bid leases.
- a. *Term.* The District will offer leases for an initial term not more than ten years.
 - b. *Minimum Bid.* When the District solicits a bid for a lease, the District will require that the minimum bid be at least 75% of the District's appraisal.
 - c. *Annual Rent and Adjustments.* Lessee shall pay annual rent for the first year in the amount of the successful bid. The District will annually adjust the rent for years 2 through 5 based

on either the Consumer Price Index or the appropriate Agricultural Commodity Index as selected by the lessee when the lease is executed. The District will adjust the rent for year 6 based on an updated appraisal obtained by the District. The District will adjust the rent for years 7 through 10 based on either the Consumer Price Index or the appropriate Agricultural Commodity Index as selected by the lessee when the lease is executed.

- d. *Deposit.* When the lease is executed lessee must deposit with the District funds in the amount of 1) annual rent; 2) the District's estimate of the ad valorem taxes, assessments, and sales tax for the property for the first year of the lease; and 3) any other amount the District determines is necessary. The District may use the deposit to secure lessee's performance under the lease.
- e. *Termination.* The District may terminate the Lease at any time by providing at least 180 days advance written notice. The lessee may terminate the lease on the fifth anniversary of the lease term by providing at least 180 days advance written notice.

(g) *Leases in Connection with a District Land Acquisition under Section 373.093(3), F.S.*

- (1) The District will limit the term of any leaseback or reservation of interests to no more than ten years. Upon the expiration of a seller's reservation or leaseback, the lessee/seller may participate in the District's bid solicitation for the lease.
 - (2) When the District agrees to assume any pre-existing third-party leases in connection with a District land acquisition, the District will require that:
 - a. If the third-party lease is executed less than 180 days before the District executes the purchase and sale agreement, the lease must terminate at closing.
 - b. If the third-party lease is executed 180 days or more before the District executes the purchase and sale agreement, the lease must terminate no later than one year after closing.
- (h) *Non-competitive Leases.* The provisions of all non-competitively bid leases will be determined based on the specific circumstances and will be presented to the Governing Board for approval.

(Res. No. 2017-0214, § 1, 2-9-2017)