PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS AGENDA ITEM SUMMARY

Meeting Date:	May 20, 2008	Consent Ordinance	X Regular Public Hearing				
Department:	Facilities Development		[] rubiic Hearing				
Dopar circuit.	1 deliteres Development	o operations					
I. EXECUTIVE BRIEF							
Motion and Title: Staff recommends motion to approve: a Notice of cancellation of the Grove Management Agreement with Lantana Farm Associates, Inc (R2004-2539).							
Summary: On December 21, 2004, the Board approved a Grove Management Agreement (R2004-2539) with Lantana Farm Associates, Inc. to lease approximately 530 acres of the Mecca Property, for continued cultivation and harvesting of citrus crops on a rent free basis. The initial term of the Agreement was for one (1) year ending on August 1, 2005. The First Amendment to Grove Management Agreement was approved by the Board on July 12, 2005 (R2005-1337) and extended the term of this Agreement for one year, with three (3) automatic one (1) year extensions, unless either party elects not to extend this Agreement. The current extension will expire August 1, 2008. Lantana Farm Associates is no longer actively cultivating the citrus trees and Staff recommends regaining control of the property to pursue leasing the property for row crop farming. This notice will terminate the Grove Management Agreement effective August 1, 2008. (PREM) District 1 (HJF)							
Background and Justification: Lantana Farm Associates has been operating a citrus grove on the 1920 acre Mecca Property for well over twenty (20) years. The County purchased the entire property in 2004. Development of the Scripps project only required the southern half of the property for the first phase, and the purchase contract gave Lantana Farm Associates the right to continue to operate its grove on the northern 530 acres for one (1) year. The County and Lantana Farm Associates entered into the Grove Management Agreement in 2004 and it was extended in 2005.							
	Con	tinued on Page 3					
Attachments: 1. Location Map 2. Notice of Cancellation							
Recommended By	Department		5/1/08 Date				
Approved By: 5/3/08 County Administrator Date							

II. FISCAL IMPACT ANALYSIS

A.	A. Five Year Summary of Fiscal Impact:						
Fisca	Fiscal Years		2009	2010	2011	2012	
Oper Exter Progr In-K	tal Expenditures ating Costs ral Revenues ram Income (County) ind Match (County) FISCAL IMPACT DITIONAL FTE						
POSITIONS (Cumulative)							
Is Ite Budg	m Included in Current Boot Account No: Fund Prog	udget: Yes_ l I ram	Dept	No (Object		
В.	Recommended Sources	of Funds/Su	ımmary of I	Fiscal Impact:			
No fiscal impact. C. Departmental Fiscal Review: III. REVIEW COMMENTS							
A.	. OFMB Fiscal and/or Contract Development Comments:						
	OFMB	88 CN 5 5 08	Contract	Development a	oh (3) nd Control	Plop	
В.	Assistant County Attorne	<i>5/9/08</i> y					
C.	Other Department Review	ew:					
	Department Director						

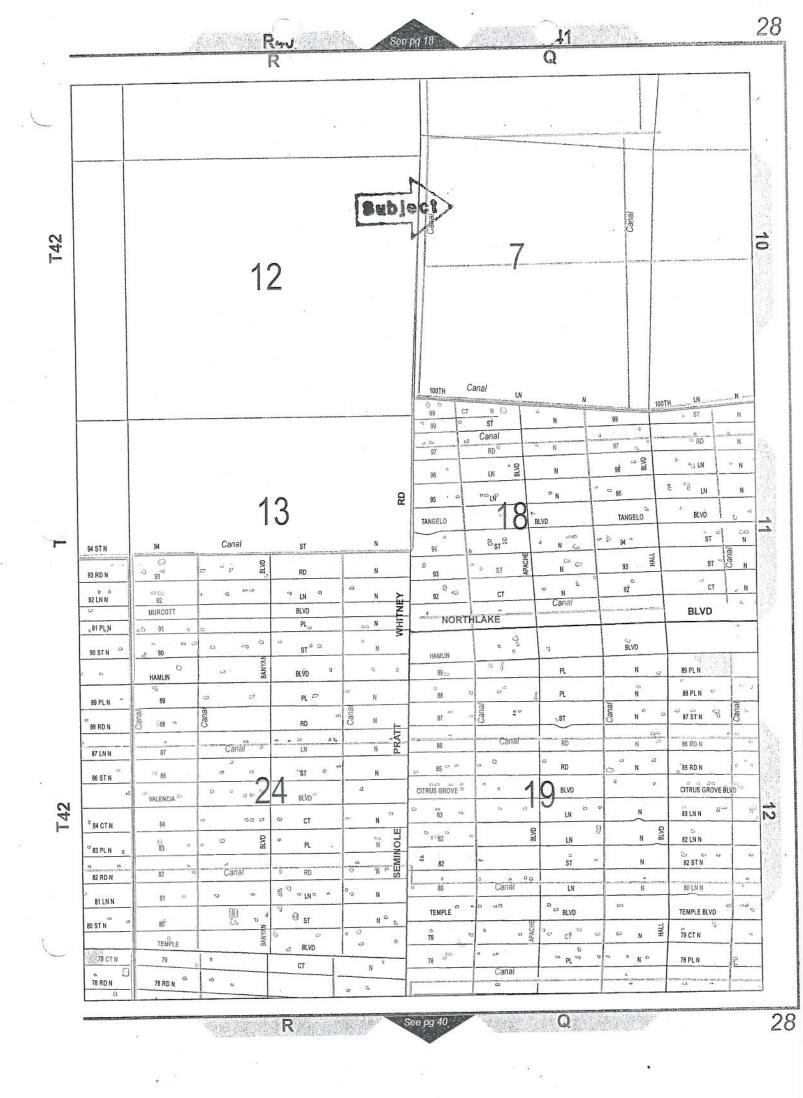
This summary is not to be used as a basis for payment.

Background and Justification, continued

The hurricanes of 2004 and 2005 severely damaged the citrus trees and Lantana Farm Associates has been performing only minimal maintenance of the property since 2006. Because of the poor condition of the grove, the uncertain market for citrus and the inability to predict how long the property will be available, Lantana Farm Associates is not interested in continuing its operation of the grove. Staff is recommending that the Grove Management Agreement be terminated which will allow the County to explore other options for interim use of the property.

Large properties such as this require significant management and maintenance. The pump systems must be run to control water levels, ditch and canal banks must be mowed and cleaned out, the entire property must be mowed frequently to prevent exotic plant infestation, and the pumps and other drainage control structures must be maintained and periodically repaired or replaced. Currently, the pump systems are in need of repair, the property is overgrown and the County needs to restore the drainage ditches which were impacted by site work for the Scripps project. Staff is proposing a budget of \$1,000,000 for Fiscal Year 2009 to provide funding for this work.

Leasing the property to a farmer would address the foregoing issues. A farmer would assume the obligation to run the pumps and maintain the property. However, significant work would have to be performed in order to prepare the property for row crop farming, which Staff believes is the only viable agricultural use. The citrus trees would have to be removed at a cost of roughly \$1,325,000 (530 acres x \$2,500 acre) and reconfiguration of the drainage ditches would be required. In order to recoup his investment, a farmer would need a minimum of five (5) years. While Staff believes it will take that long for the County to sell the property, there is some risk that options to sell the property would materialize earlier than that. However, that risk is minimal in Staff's opinion, and is offset by the cost of maintaining the property without a farming lease in place. Staff will continue to explore the potential to lease the property to a farmer for production of row crops. In the interim Staff is proceeding with restoring drainage ditches, clearing existing canals, repairing/replacing the pumps and will mow the property periodically. Lantana Farm Associates will mow and clean up the portion of the property covered by the Grove Management Agreement prior to termination of the Agreement, but is not required to, and will not, remove the existing citrus trees.



LOCATION MAP





Facilities Development & Operations Department Property & Real Estate Management Division

2633 Vista Parkway
West Palm Beach, FL 33411-5605
(561) 233-0200
FAX: (561) 233-0210
. www.pbcgov.com/fdo

Palm Beach County Board of County Commissioners

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Robert Weisman

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May 20, 2008

U.S. Certified Mail RRR 7099 3400 0007 3207 7028

Lantana Farm Associates, Inc. Attn: Gary Smigiel, General Counsel P.O. Box 540669 Lake Worth, Florida 33454

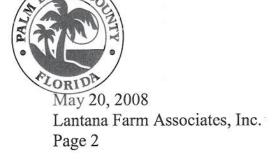
Re: Notice of Cancellation of Grove Management Agreement

Dear Mr. Smigiel:

Pursuant to Section 1.03 of the Grove Management Agreement between Palm Beach County ("County") and Lantana Farm Associates, Inc. ("Licensee") dated December 21, 2004 (R2004-2539), as amended by the First Amendment to the Grove Management Agreement dated July 12, 2005 (R2005-1337) (the "Agreement"), County hereby provides Licensee with sixty (60) days written notice of County's cancellation of Licensee's option to extend the Agreement. Therefore, the Agreement will expire as of August 1, 2008.

Pursuant to Section 2.09 of the Agreement, Licensee, at its sole cost and expense, shall remove all of its improvements and personal property from the Premises and shall surrender the Premises to the County in the same condition the Premises were in as of the Effective Date of this Agreement, reasonable wear and tear expected. This surrender must be made prior to or on August 1, 2008.

Please direct any questions concerning this matter to Ross C. Hering, Director, Property & Real Estate Management, who may be reached at (561) 233-0217.



7.				
ATTEST:				
SHARON R. BOCK, CLERK & COMPTROLLER	PALM BEACH COUNTY, a political subdivision of the State of Florida			
By: Deputy Clerk	By:Addie L. Greene, Chairperson			
And the second second				
APPROVED AS TO FORM LEGAL SUFFICIENCY	APPROVED AS TO TERMS AND CONDITIONS			
By:Assistant County Attorney	By: Audrey Wolf, Director Facilities Development & Operations			

cc: Ross C. Hering, Director, Property & Real Estate Management Richard Bogatin, Manager, Property Management Howard J. Falcon, III, Assistant County Attorney

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