

Meeting Date: May 20, 2008 ☐ Consent ☒ Regular
☐ Ordinance ☐ Public Hearing

Department: Facilities Development & Operations

5/13/08
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>- 0 -</u>	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____
Is Item Included in Current Budget: Yes _____ No _____					
Budget Account No: Fund _____ Dept _____ Unit _____ Object _____					
Program _____					

B. Recommended Sources of Funds/Summary of Fiscal Impact:

No fiscal impact.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

Jim Bul 5.7.08 Wm. J. Jacoby 5/8/08
OFMB CN 5/5/08 Contract Development and Control
5/8/08

B. Legal Sufficiency:

H. J. 5/9/08
Assistant County Attorney

C. Other Department Review:

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.

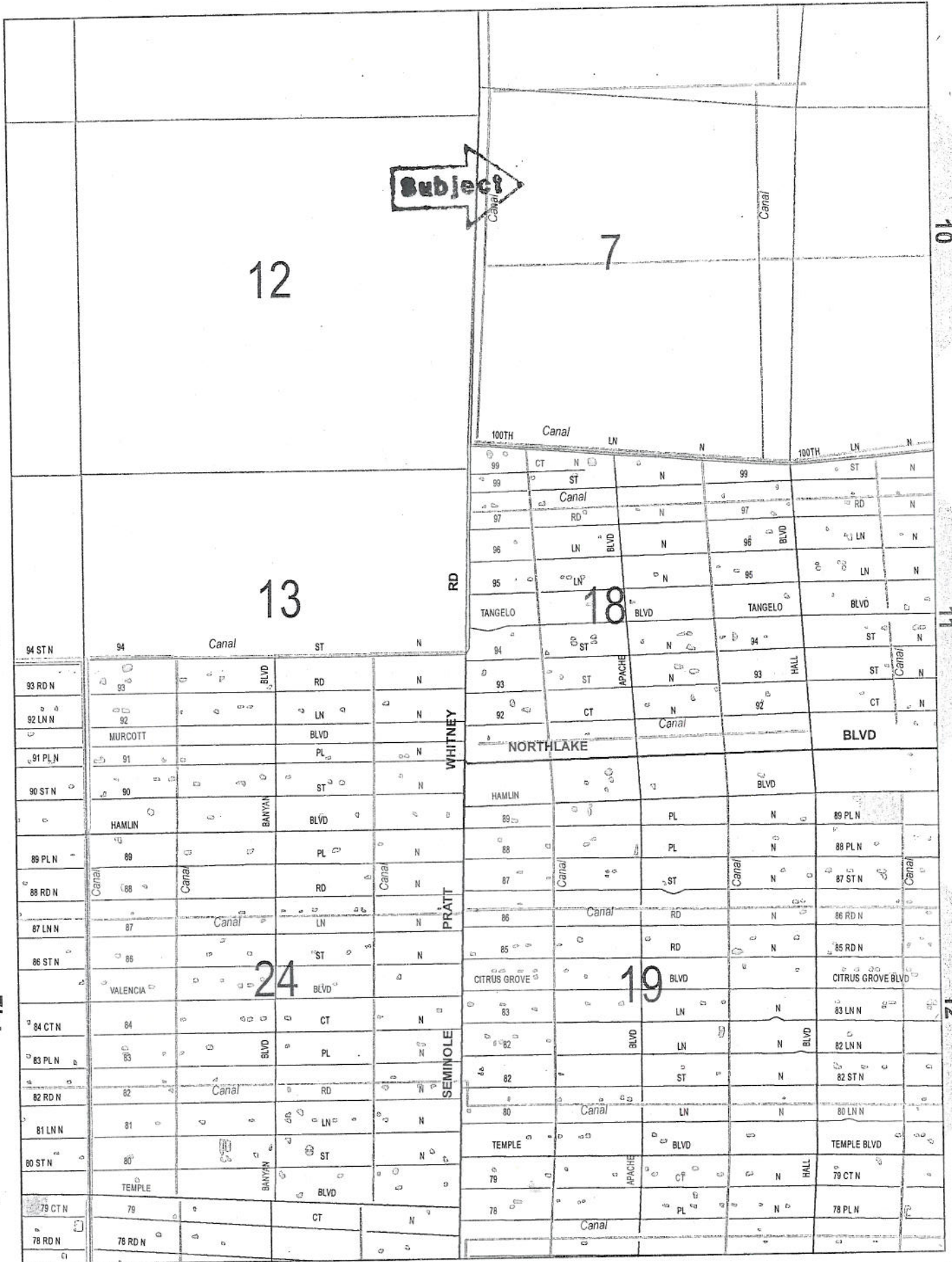
Large properties such as this require significant management and maintenance. The pump systems must be run to control water levels, ditch and canal banks must be mowed and cleaned out, the entire property must be mowed frequently to prevent exotic plant infestation, and the pumps and other drainage control 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.

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LOCATION MAP

ATTACHMENT #1

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**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



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Board of County
Commissioners**

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Robert Weisman

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May 20, 2008

U.S. Certified Mail
R R R 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.

ATTACHMENT # 2



May 20, 2008

Lantana Farm Associates, Inc.

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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

APPROVED AS TO FORM
LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

By: _____
Assistant County Attorney

By: *Audrey Wolf*
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