



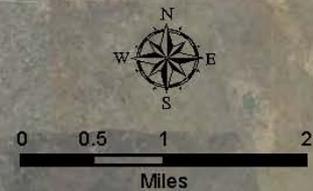
AMENDMENT to US SUGAR CITRUS LEASE

Project and Lands Committee
March 13, 2013
Ray Palmer, Section Leader, Real Estate

U.S. Sugar Citrus Lease Amendment Southern Gardens Parcel

**Flow
Equalization
Basin
2,875.03 Acres**

**C-139 Annex
Mitigation Project**



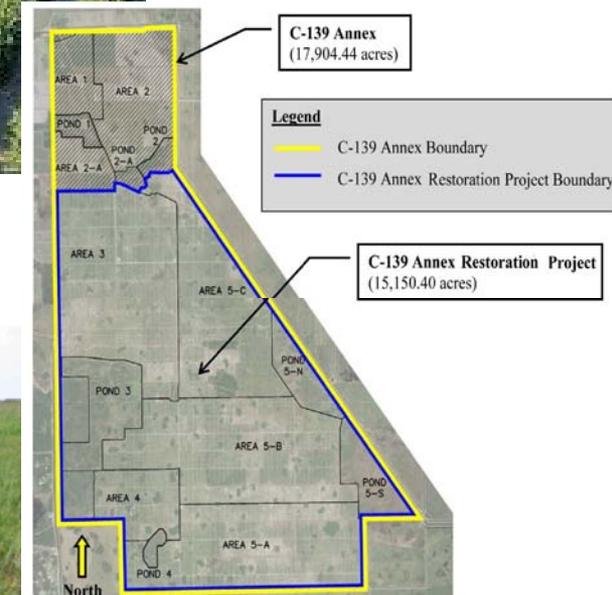
PALM BEACH
COUNTY

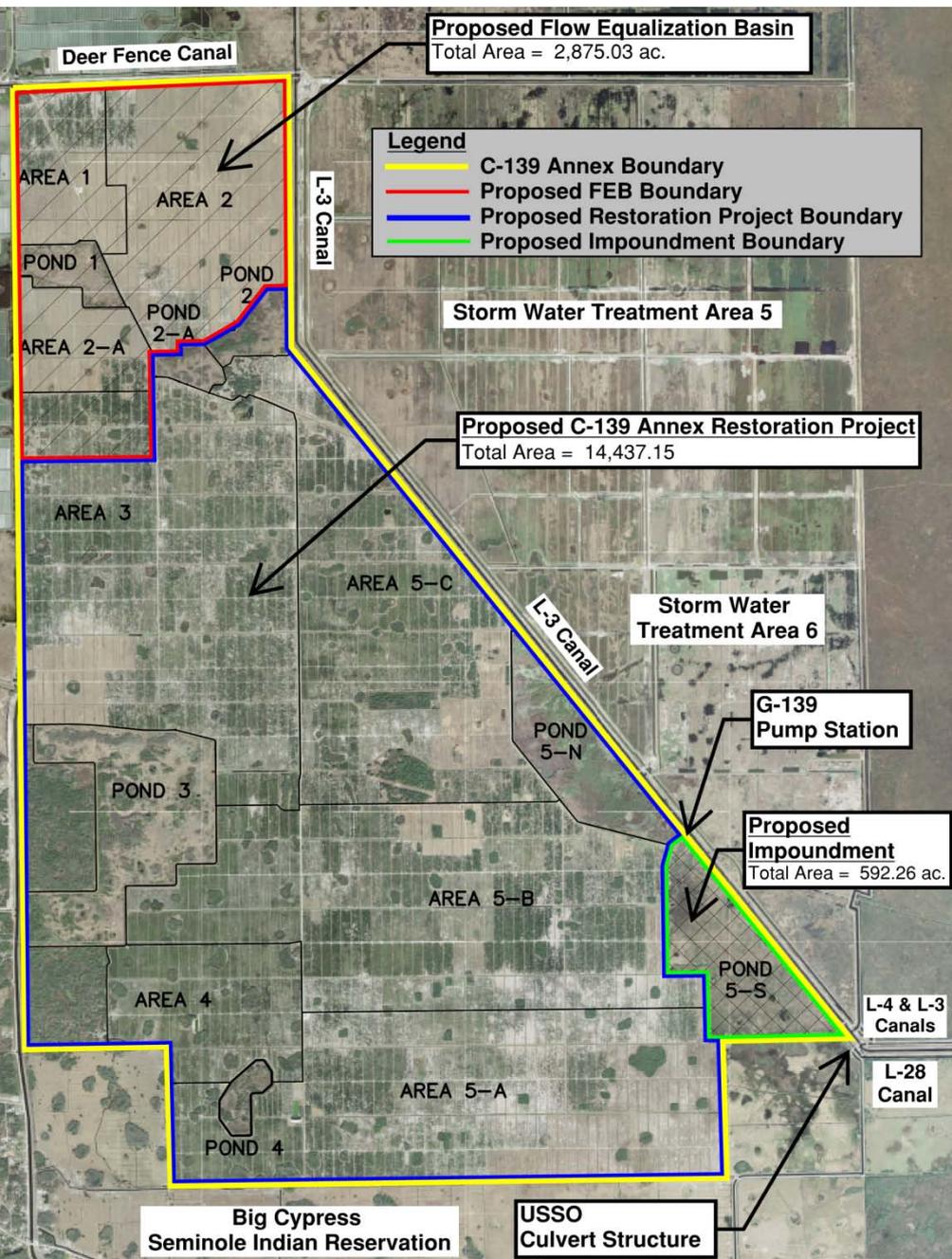
BROWARD
COUNTY

IMPORTANT DISCLAIMER:
This map is a conceptual or planning tool only. The South Florida Water Management District does not guarantee or make any representation regarding the information contained herein. It is not self-executing or binding, and does not affect the interests of any persons or properties, including any present or future right or use of real property.

C-139 Annex Restoration Mitigation Project

- Restore historic Everglades hydrologic conditions to 15,000 acres of former citrus grove
- Contribute to the improvement of water quality in the Everglades
- Restore historic wetlands and upland habitat
- Expand habitat area for listed plant and animal species
- Promote the restoration of a self-sustaining ecosystem
- Maintain the current level of flood protection for surrounding properties





Project Summary

Restoration Component

- Area = 14,437 acres
- Remove buildings, tanks, solid waster & abandon wells
- Remove exotic & nuisance vegetation
- Clear citrus trees & level planting beds
- Remove irrigation system
- Backfill canals & degrade roads & levees to restore sheetflow
- Microtopography & replanting

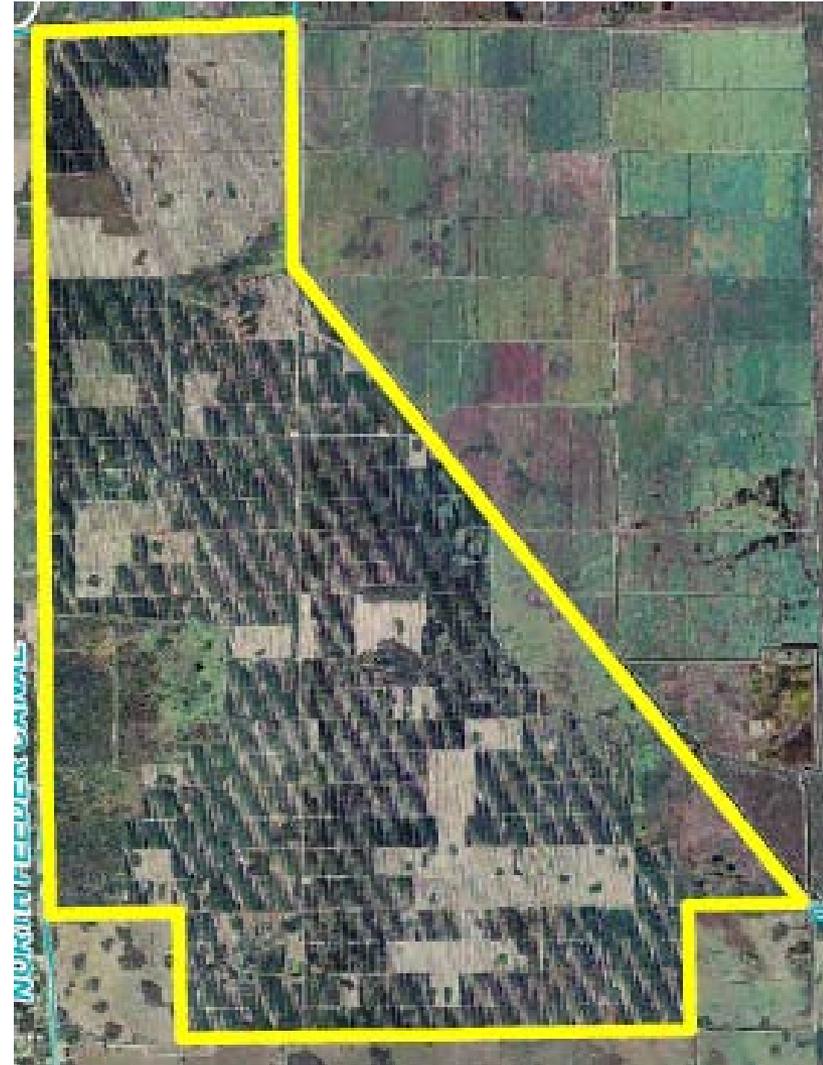
U.S. Sugar Citrus Lease



- October 8, 2010, the District leased 17,900 acres in Hendry County to US Sugar for 20 years.
- This Lease was a requirement of the US Sugar purchase.
- US Sugar pays no rent but pays property taxes, utilities, and all other costs associated with the Lease.
- The District may terminate the lease, in whole or part, by providing written notice of termination prior to July 1 of any year with termination effective June 30 of the following year.

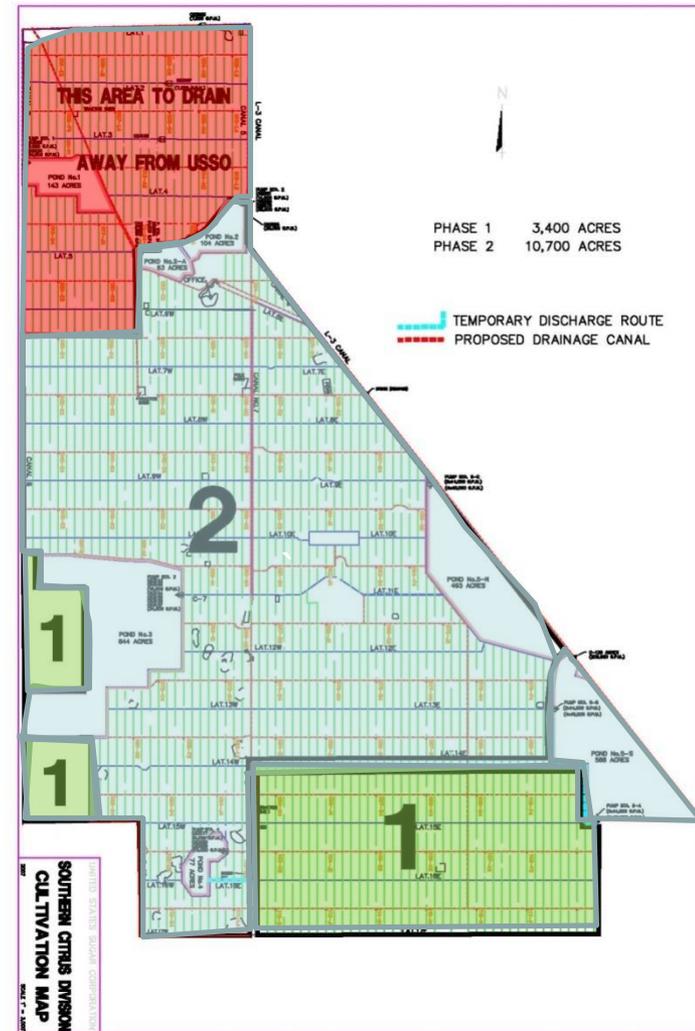
U.S. Sugar Citrus Lease

- On March 24, 2011, the District sent an initial notice of Lease termination to U.S Sugar whereby the Leased Premises would terminate effective **June 30, 2012.**
- On September 29, 2011, a revised termination notice extending the termination date two years to **June 30, 2014.**

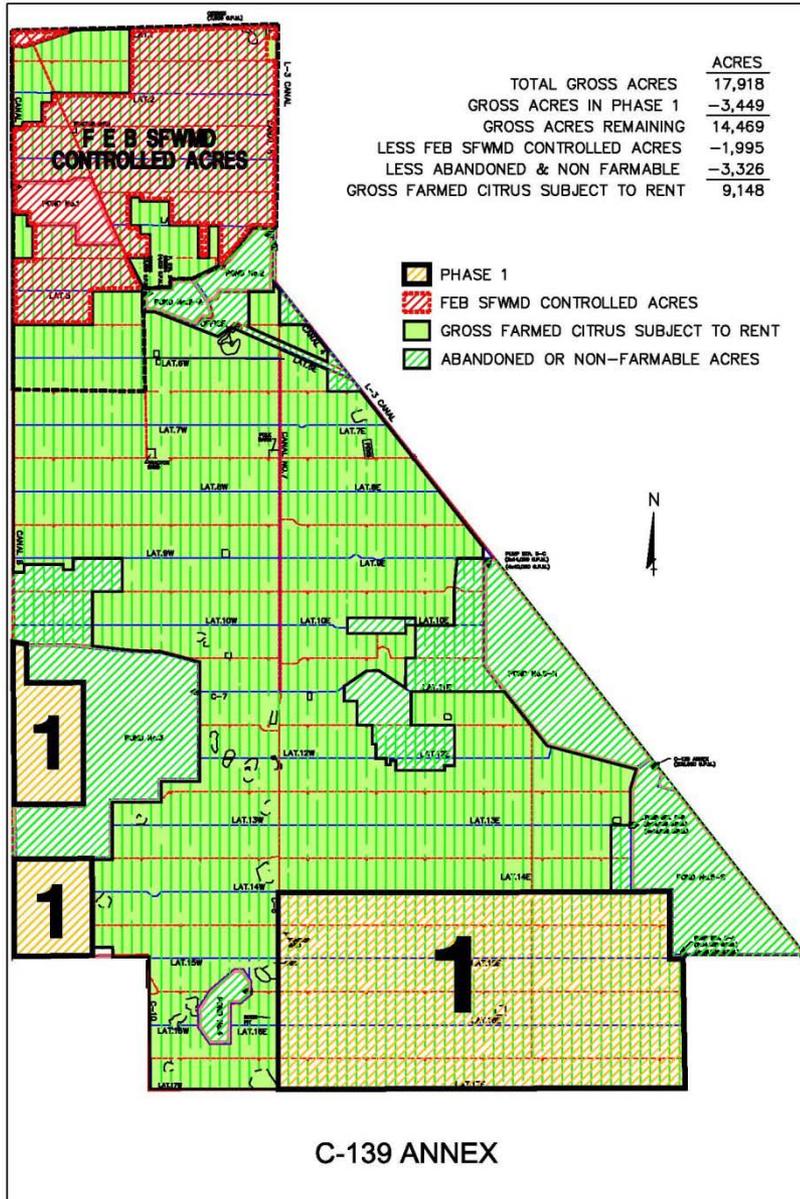


Phased Restoration Plan

- Implement Restoration Plan in two phases
 - Phases align with cash flow from mitigation credits and funds needed for management
 - Initial Phase 1 will begin in 2014 and includes 3,400 acres
 - Construction on Phase 2 will begin in 2018 and includes 10,700 acres



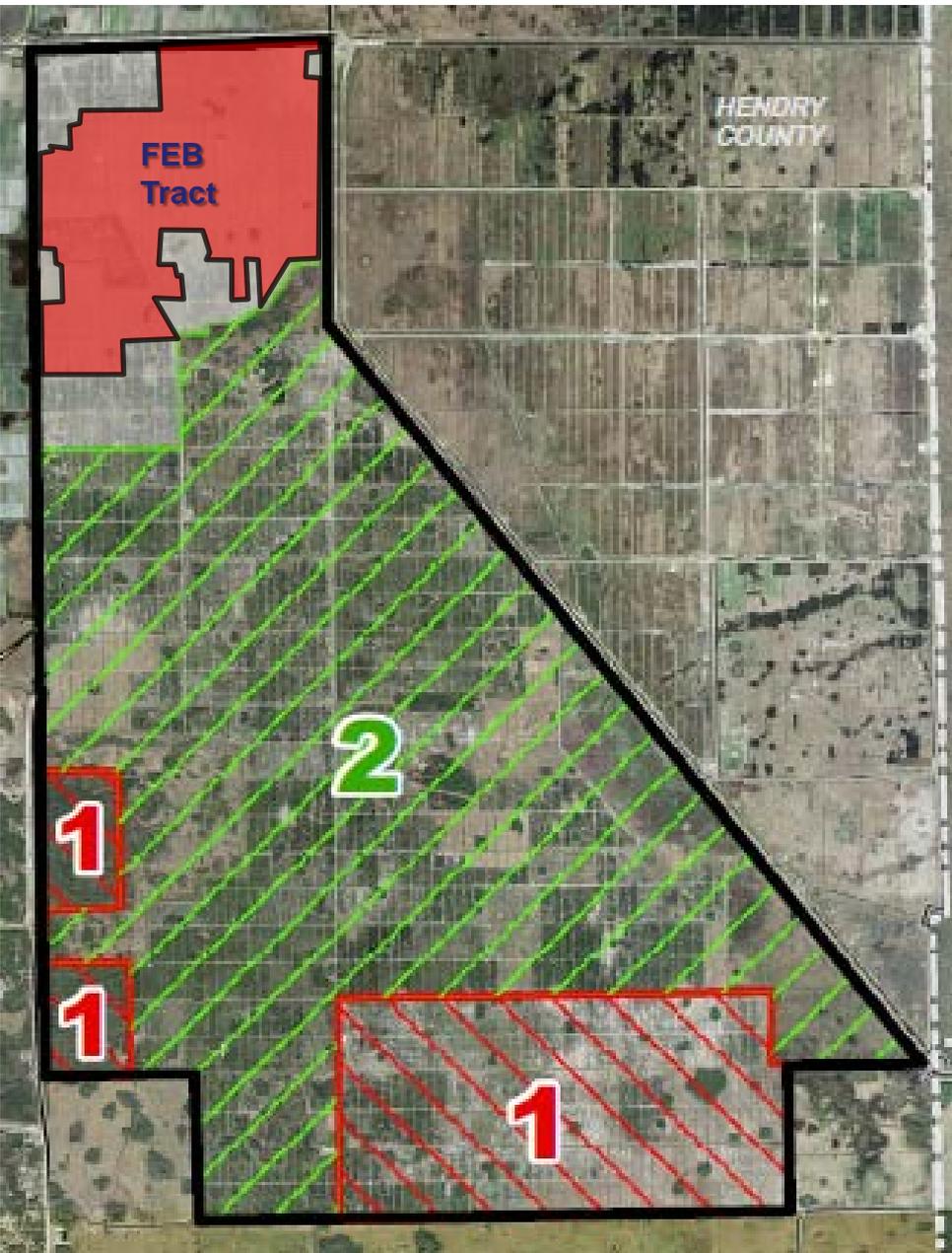
Lease Changes Needed



- Revise termination notice and amend existing lease with US Sugar
- Recommendation:
 - Termination schedule phased to match restoration schedule
 - Add lease payment on farmable citrus area
 - ~9,148 farmable acres subject to rent

Phased Lease Termination

- Recommendation
 - 2014 - Take down 3,400 acres Phase 1 tracts and ~1,995 acres in the Flow Equalization Basin (FEB) tract
 - 2018 – Take down remaining 10,700 acres for Phase 2 and ~1,000 acres of FEB



Staff Recommendation

- At March 14, 2013 Governing Board meeting:
 - Present a Resolution for Governing Board consideration
 - Ask for approval of an amendment to the U.S. Sugar Corporation lease of the Southern Gardens parcel
 - Begin lease payments in 2013
 - Phased termination ending in 2018

Questions