

## **M E M O R A N D U M**

**TO:** Governing Board Members

**FROM:** Ray Palmer, Real Estate

**DATE:** December 11, 2025

**SUBJECT:** Revisions to Sec. 140-85. Administration of Leases on District Land

### **Agenda Item Background:**

In February 2017, the District Governing Board adopted the current policy regarding Administration of Leases on District Land, which can be found in Sections 140-85 of the District's Policies and Procedures Code. A revision to this District Policy is being proposed in order to reduce District costs and staff time and to simplify the language and leasing terms, considering District goals and objectives while clearly communicating expectations to lease tenants.

The proposed policy revisions focus the Cattle Grazing Lease Policy and reduces the District's costs and staff time by using a rent calculation based on gross calf sales, which is a standard in the industry. A Uniform Lease Rate will be used for lease rent calculations applying local average market price of 500 to 600-pound steers and heifers using the most recent 12-month averages reported by United States Department of Agriculture for the Okeechobee and Arcadia Livestock Auctions.

For compliant tenants, beginning in year 6, the rent will be the Uniform Lease Rate calculation based on 20% of gross calf sales, effective at the next annual payment due date. In addition, compliant tenants can be issued a credit up to 40% of the annual lease amount towards land maintenance that is preapproved by the District providing incentive to Lessees to improve land stewardship, encourage proactive maintenance by lessees, and reduce District management costs. These policy revisions will align the District with norms in the cattle grazing leasing industry and will save time and money in administering these leases.

### **Additional Item Background:**

Real estate resources are used to implement and support the District's core mission and strategic priorities.

### **Staff Contact and/or Presenter:**

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### **ATTACHMENTS:**

[Resolution No. 2025-1209](#)

[Exhibit A](#)