

Suwannee River Water Management District

Governing Board Materials

## Supplemental

The following materials have been reviewed and approved for distribution to the Governing Board and the public.

Assistant Executive Director

Executive Director

## MEMORANDUM

TO: Governing Board

FROM: Charlie Houder, Assistant Executive Director

DATE: November 4, 2011

RE: R. O. Ranch Operations and Funding

### RECOMMENDATION

**There is no recommendation at this time.**

### BACKGROUND

As per the Governing Board's discussion and direction at its workshop in September, three alternatives for the future operation and funding of the R. O. Ranch Equestrian Park (Park) have been developed. Each outlines potential actions with regard to the \$3.8 million R. O. Ranch Endowment, the future management of the Park, and any further capital development on the site. In summary, three options will be presented:

Option 1 is to transfer funds from the Endowment to a trust for the benefit of the Park and R. O. Ranch, Inc. and to maintain the current management agreement. Further capital improvements will be at the discretion of the Governing Board.

Option 2 is to transfer funds from the Endowment to a trust for the benefit of the Park and R. O. Ranch, Inc. and to amend the current management agreement such that the Governing Board and R. O. Ranch Inc. adopt a shared vision for further capital development of the Park. The timing of any such development would still be at the discretion of the Governing Board.

Option 3 is to terminate the management agreement and consider either soliciting another management entity or disposing of the developed portions of the Park. The Endowment funds could be moved to a trust or simply transferred to R. O. Ranch, Inc. to be used for the purposes set out in its Articles of Incorporation and Bylaws. Further capital improvements will be at the discretion of the Governing Board.

Based on discussions with the R. O. Ranch Board of Directors, the proposed management agreement was changed such that the District would pick up the cost for casualty insurance on improvements owned by the District.

Alternatives for the Operations and Funding of R. O. Ranch  
Option 1: Continuation under the Current Agreement

The Endowment

- Board Counsel with assistance from the District's Finance Officer and review by the District's Auditor will work with local banks or other appropriate institutions to establish a trust for the benefit of R. O. Ranch Equestrian Park (Park) and R. O. Ranch, Inc.
- The terms of the trust shall include:
  - Thereafter, the principle of the Endowment will remain intact and 85% of any accrued interest or income will be transferred on a periodic basis to R. O. Ranch, Inc. for operation and maintenance of the Park.
  - Any subsequent changes to the provisions of the trust must be approved by both the Governing Board and the Board of Directors.
- The Governing Board will consider a resolution to establish the trust and transfer funds from the District's accounts.

Management of the Park

- R. O. Ranch, Inc. will continue to manage the property under the existing April 13, 2011, agreement with the Governing Board.
- The Governing Board will annually review the budget and work plan submitted by R. O. Ranch, Inc. and may continue to supplement funding for operations and maintenance.

Capital Improvements

- The Governing Board will consider and provide funding for capital improvements at a time and in such a manner as it deems to be in the best interest of the District after considering the recommendation of the Board of Directors.

- Alternatives for the Operations and Funding of R. O. Ranch  
Option 2: Amendment of the Management Agreement

#### The Endowment

- Board Counsel with assistance from the District's Finance Officer and review by the District's Auditor will work with local banks or other appropriate institutions to establish a trust for the benefit of R. O. Ranch Equestrian Park (Park) and R. O. Ranch Inc.
- The terms of the trust shall include:
  - Thereafter, the principle of the Endowment will remain intact and 85% of any accrued interest or income will be transferred on a periodic basis to R. O. Ranch, Inc. for operation and maintenance of the Park.
  - Any subsequent changes to the provisions of the trust must be approved by both the Governing Board and the Board of Directors.
- The Governing Board will consider a resolution to establish the trust and transfer funds from the District's accounts.

#### Management of the Park

- R. O. Ranch, Inc. will continue to manage the property under an amended agreement with the Governing Board.
- The Governing Board will annually review the budget and work plan submitted by R. O. Ranch, Inc. and may continue to supplement funding for operations and maintenance.

#### Capital Improvements

- The Agreement for Management and Operations will be amended to recognize that the Governing Board and the R. O. Ranch, Inc. Board of Directors desire to complete the capital development of the property consistent with the April 2007 conceptual master plan as presented in the attached map.
- R. O. Ranch, Inc. will provide the prioritized list with estimated costs to the Governing Board in conjunction with its annual submission of a budget and work plan.
- The Governing Board will consider and provide funding for capital improvements at a time and in such a manner as it deems to be in the best interest of the District after considering the advice or the R. O. Ranch, Inc. Board of Directors.

Alternatives for the Operations and Funding of R. O. Ranch  
Option 3: Terminate the Management Agreement

The Endowment

- Funds in the Endowment may be transferred to a trust as under Options 1 and 2 or may be transferred to the account of R. O. Ranch, Inc. “to carry out the purposes of the Suwannee River Water Management District, which purposes include, but are not limited to the planning, development, management, operation and maintenance of equestrian facilities and the promotion of equestrian activities on property owned by Suwannee River Water Management District at R. O. Ranch for public use and enjoyment and on such other publicly-owned lands within the boundaries of the District.”

Management and Disposition of the R. O. Ranch Property

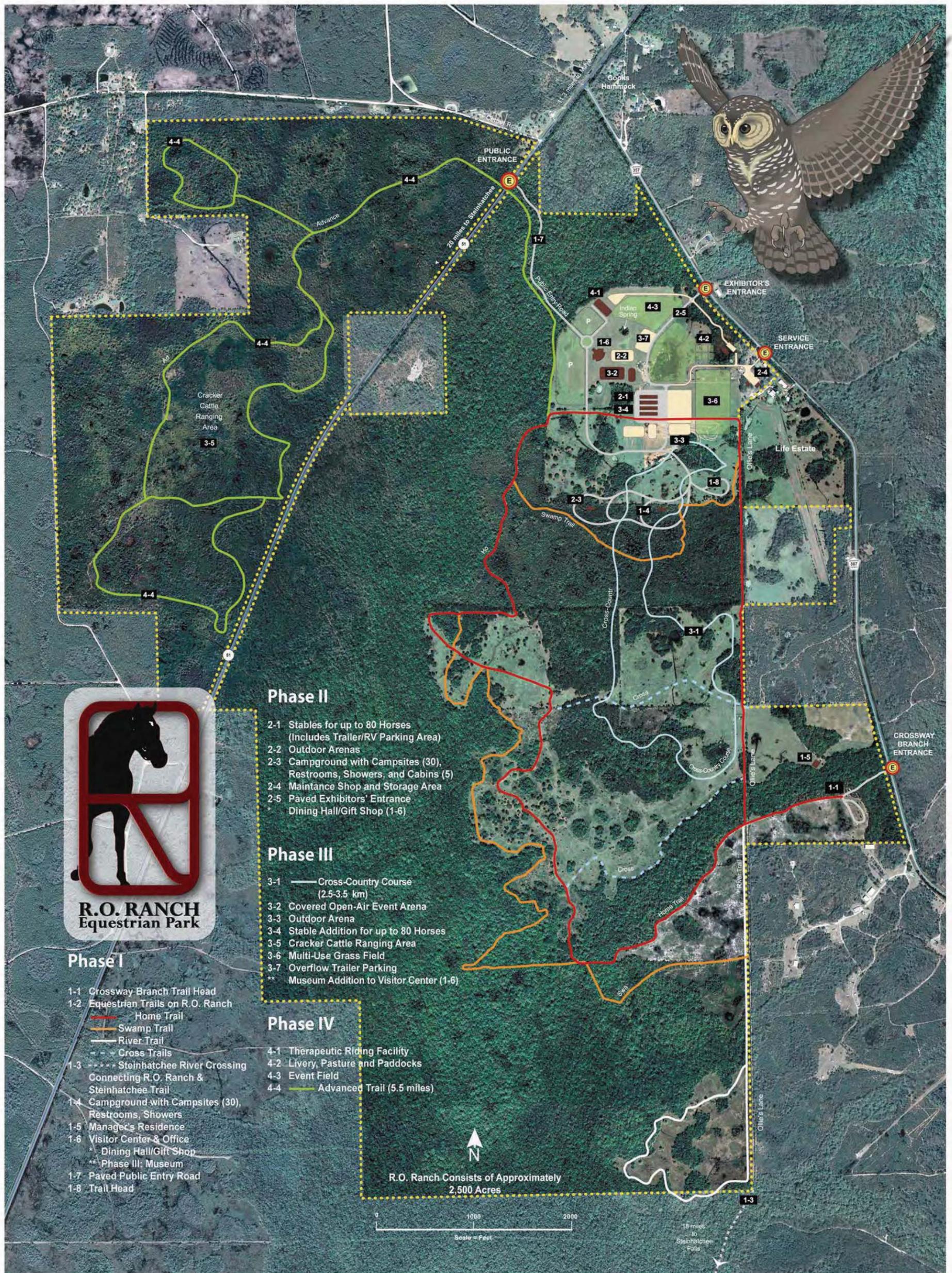
- The management agreement with R. O. Ranch, Inc. will be terminated.
- The Governing Board Surplus Lands Committee will evaluate the R. O. Ranch property and recommend whether and under what terms all or a portion of the property should be declared surplus.
- If the improved areas of the property are retained, the District will use staff, other agencies, contractors, and/or volunteers to operate and maintain the facility in accordance with the budget approved by the Governing Board.
- If the improved areas of the property are disposed of, the remainder of the property will be managed as part of the Steinhatchee Springs Tract.
- If a conservation easement is retained over any disposed lands, it will be monitored in accordance with District procedures.

Capital Improvements

- If the improved areas of the property are retained, District staff will review the conceptual master plan for the Park and will recommend any additional improvements to the Governing Board.
- The Governing Board will consider and provide funding for capital improvements at a time and in such a manner as it deems to be in the best interest of the District.

# RO Ranch Conceptual Plan

## Presented at the Crossway Branch Trailhead Opening April 28, 2007



- Phase I**
- 1-1 Crossway Branch Trail Head
  - 1-2 Equestrian Trails on R.O. Ranch
    - Home Trail
    - Swamp Trail
    - River Trail
    - - - Cross Trails
  - 1-3 Steinhatchee River Crossing Connecting R.O. Ranch & Steinhatchee Trail
  - 1-4 Campground with Campsites (30), Restrooms, Showers
  - 1-5 Manager's Residence
  - 1-6 Visitor Center & Office
    - \* Dining Hall/Gift Shop
    - \*\* Phase III: Museum
  - 1-7 Paved Public Entry Road
  - 1-8 Trail Head

- Phase II**
- 2-1 Stables for up to 80 Horses (Includes Trailer/RV Parking Area)
  - 2-2 Outdoor Arenas
  - 2-3 Campground with Campsites (30), Restrooms, Showers, and Cabins (5)
  - 2-4 Maintenance Shop and Storage Area
  - 2-5 Paved Exhibitors' Entrance Dining Hall/Gift Shop (1-6)

- Phase III**
- 3-1 — Cross-Country Course (2.5-3.5 km)
  - 3-2 Covered Open-Air Event Arena
  - 3-3 Outdoor Arena
  - 3-4 Stable Addition for up to 80 Horses
  - 3-5 Cracker Cattle Ranging Area
  - 3-6 Multi-Use Grass Field
  - 3-7 Overflow Trailer Parking
  - \*\* Museum Addition to Visitor Center (1-6)

- Phase IV**
- 4-1 Therapeutic Riding Facility
  - 4-2 Livery, Pasture and Paddocks
  - 4-3 Event Field
  - 4-4 Advanced Trail (5.5 miles)

N

R.O. Ranch Consists of Approximately  
2,500 Acres

0 1000 2000  
Scale = Feet

18 miles  
to  
Steinhatchee  
Falls