

Finance/Outreach and Planning Committee

August 26, 2025

Discussion Item

Kirkland Ranch Land Acquisition

Purpose

Request the approval of: (1) a purchase and sale agreement for \$30,800,000, (2) a second amendment to the Fiscal Year 2025 Annual Service Budget to appropriate \$30,800,000 from the State's General Revenue Fund for a specific appropriation to acquire the Kirkland Ranch property, and (3) a resolution requesting the appropriated funds from the Florida Department of Environmental Protection (FDEP). A general location map and an aerial map are attached hereto as Exhibits 1 and 2, respectively.

Background

On June 30, 2025, Governor DeSantis signed into law the 2025-26 General Appropriations Act, which included a specific appropriation to acquire the Kirkland Ranch property (Property). The State funds are being provided to the District by the FDEP for the purpose of acquiring the Property.

Property Information

The Property is located in eastern Pasco County and consists of approximately 939.56 acres. The Property has been utilized primarily for cattle grazing, silviculture, and recreational use, and certain parcels have been owned by the Kirkland family since 1956. The Property is presently owned by Kirkland Ranch, Inc., a Florida corporation (Seller).

The Property is within the District's Florida Forever Work Plan. This acquisition is consistent with the Florida Forever Act, section 259.105, Florida Statutes, and the District's Florida Forever Work Plan. Thirty-one percent (31%) of the Property meets all four of the District's Areas of Responsibility, which are Water Supply, Water Quality, Natural Systems, and Flood Protection, and an additional twenty-seven percent (27%) meets at least three. The acquisition of the Property is subject to review and approval by the Governing Board.

The proposed fee title acquisition is comprised of approximately 939.56 acres. The Property consists of approximately fifty-nine percent (59%) uplands and forty-one percent (41%) wetlands. The County Property Appraiser has an aggregate land value for the 939.56 acres of \$4,955,183.00 or \$5,273.93 per acre.

The areas surrounding the Property are predominately residential single-family homes and are being developed around the west and south of the subject Property as part of Epperson Ranch and Watergrass developments. The surrounding properties to the north and east are comprised of agricultural residential land uses. The Property is zoned Agriculture District by Pasco County. The Future Land Use classification of the Property is Agriculture. Although the subject is currently zoned Agriculture with an "Agricultural" future land use, Pasco County has developed a long-range plan titled "2050 Area Plan for Pasadena Hills" that includes the parcel in the boundaries to be developed.

The Property is within the municipal service area and public water and sewer service are available but not connected. Based on Federal Emergency Management Agency mapping, the appraisers reported that the Property is located in zones A and AE which are within the 100-year flood plain, and zone X which is not within the 100-year flood plain. The majority is within zone AE.

The Property is predominantly vacant land with several living structures. The structures include the owner's former home, an art studio/apartment, and a lakefront home, which according to the owner, should be demolished due to repair status.

Management/Maintenance Costs

The proposed transaction is for fee title acquisition. Thus, the District will assume ongoing maintenance and operation costs after acquisition. Costs may be reduced through cooperative management with potential partners or offset through a District-managed cattle lease.

Appraisals

In accordance with District Policy and Section 373.139, Florida Statutes, for property that is estimated to have a value greater than \$1,000,000, two appraisals were obtained. The reports were prepared by Robert C. MAI and Joe String MAI. The reports have a date of valuation of August 7, 2025. A third party review was performed by Stephen Albright MAI and determined that the appraisals met the necessary legal and District requirements and contain enough factual data to support the value conclusion.

Highest and Best Use – The highest and best use for the Property, as determined by the appraisers based on the physically possible, legally permissible, and financially feasible uses would be for a near term suburban residential subdivision.

Valuation

The appraisers applied the Sales Comparison Approach (Market Approach) to determine the value for the Property. The appraisers relied on recent sales of comparable property in Pasco and Hillsborough Counties. A total of four comparable fee simple sale transactions, occurring between May 2022 and September 2024, were identified between the two reports. The comparable fee simple sales identified in the appraisals ranged in size from 354.91 to 782.00 gross acres and are comprised of a mix of both uplands and wetlands.

The comparable sales were chosen to reflect the full range of value based on their physical characteristics and highest and best use. The appraisers developed a value by applying quantitative and qualitative adjustments to the comparable sales considering the differences in physical characteristics including wetlands, location, size, land use and zoning entitlements. The appraisers' value estimates are based on the current market for similar parcels and the subject's gross acreage. The following are the comparable fee simple sales from both of the respective appraisal reports. The indications from the comparable sales are summarized as follows:

COMPARABLE FEE SALES

Comparable Sales	Sale Date	County	Gross Acres	Gross Acre Value
Fee Sale #1	05/2022	Pasco	515.13	\$32,031
Fee Sale #2	08/2023	Pasco	354.91	\$45,082

Fee Sale #3	07/2024	Pasco	782.00	\$22,594
Fee Sale #4	09/2024	Hillsborough	397.76	\$37,963

APPRAISAL FEE VALUE

	Gross Acres	Fee Value	Value Per Gross Acre
Joe String	939.56	\$30,070,000	\$32,004
Robert Hicks	939.56	\$34,000,000	\$36,187

Analysis and Recommendation

The prices of the comparable transactions were influenced by their locations and other physical attributes including uplands. Between the two appraisals there are four different comparable fee simple indications. The comparable fee sales utilized in the appraisals provided a range of indications from \$22,594 to \$45,082 per gross acre. The unadjusted average of the fee sales is \$34,417 per gross acre. After adjustment the appraisers concluded a fee value for the property ranging between \$32,004 to \$36,187 per gross acre, with the average of these indications being \$34,095 per gross acre.

Negotiated Transaction

The following is a summary of the terms negotiated between the District and the Seller, and the proposed Purchase and Sale Agreement is attached as Exhibit 3:

- The District will receive approximately 939.56 gross acres subject to adjustment, if necessary, after survey is completed;
- The District will pay the Seller up to \$30,800,000, subject to confirmation by updated appraisals;
- The Seller will pay for the recording costs, including documentary stamps on the deed, and the survey;
- Closing shall be consummated no later than December 31, 2025;
- Closing is subject to a boundary survey and confirmation of gross acreage;
- Closing is subject to acceptable title;
- Closing is subject to an acceptable environmental site assessment.

Benefits/Costs

The budget amendment of \$30,800,000 will allow the District to acquire the Kirkland Ranch property for the purposes of land and water conservation. A 2025-26 state appropriation will be the source of funding for the budget amendment. A budget amendment involves any action that increases or decreases total appropriated funds in the budget. Board authorization for the Executive Director to execute a purchase and sale contract for the fee purchase of the Kirkland Ranch property will prevent unnecessary delay in the timeline of the acquisition.

Exhibits 4 and 5 to this item include, respectively, Resolution 25-07, *Second Amendment of the Fiscal Year 2025 Annual Service Budget* and Resolution 25-08, *Requesting Funds from the State General Revenue Fund for Acquisition of SWF Parcel No. 13-500-405 Pasco County, Florida*.

Staff Recommendation:

1. Approve Resolution 25-07, *Second Amendment of the Fiscal Year 2025 Annual Service Budget* and Resolution 25-08, *Requesting Funds from the State General Revenue Fund for Acquisition of SWF Parcel No. 13-500-405 Pasco County, Florida* to appropriate funds from the State's General Revenue Fund for a specific appropriation to acquire the Kirkland Ranch property, located in Pasco County, for the purposes of land and water conservation in the amount of \$30,800,000; and
2. Approve the Purchase and Sale Agreement and authorize the Executive Director or designee to sign on behalf of the District; and
3. Designate SWF Parcel No. 13-500-405 as having been acquired for conservation purposes; and
4. Authorize staff to make minor changes or corrections to conform documents or correct errors; any substantive changes will be subject to Governing Board review and approval; and
5. Approve the encumbrance and roll of the \$30,800,000 for payment in the following fiscal year, in the event the closing does not occur before the end of the current fiscal year; and
6. Authorize staff to execute any other documents necessary to complete the transaction in accordance with the approved terms.

Presenters:

Brandon Baldwin, Division Director, Business & Information Technology Services
Ellen Morrison, Bureau Chief, Land Resources Bureau