

Item 12



Travis County Commissioners Court Agenda Request

Meeting Date:

March 5, 2013

Prepared By/Phone Number:

Juanita Jackson 854-4467

Elected/Appointed Official/Dept. Head: Sherri E. Fleming,
County Executive for Health and Human Services and Veterans Service

Commissioners Court Sponsor:

Judge Samuel T. Biscoe

AGENDA LANGUAGE:

Receive report from the monitoring visit on the Travis County School Lands, Throckmorton County Property

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:

In 1839, the Republic of Texas awarded three leagues of land (4,428 acres/league) to the established counties for support of the County school systems. Later, another league was added to the award. If the land was not available in the home county, the county could identify, survey, and claim unorganized lands in the Republic. Travis County officially identified its lands in 1856 by paying the discovery costs in the area that had become Throckmorton County. Later surveys established the holding at 18,820 acres.

Between 1883 and 1983, tenants were selected by a bidding process to manage the land. The Continental Cattle Company was the first tenant. In recent years, the leases were 10 years in duration. In 1983, Spade Ranches was awarded the bid.

In 1993, an independent monitor suggested that the lease be renegotiated rather than awarded through a new bidding process. In 2003, the current lease was negotiated with Spade Ranches for grazing and hunting, and is in effect until December 31, 2013.

In November 2012, independent monitoring were conducted by the Travis County Extension Director visited the Travis County Land in Throckmorton County. During monitoring visit, it was apparent that the land is well managed and a number of improvements were in practice.

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to the County Judge's office, agendar@co.travis.tx.us by **Tuesdays at 5:00 p.m.** for the next week's meeting.

STAFF RECOMMENDATIONS:

(See attached report)

ISSUES AND OPPORTUNITIES:

The independent monitor suggest a range management plan be implemented that does not result in injury of the land during the duration of the lease. An independent monitor appointed by the Commissioners' Court sets the grazing limits and monitors the management plan. The lessee must keep appropriate liability insurance to protect Travis County.

As the lessor, Spade Ranches may lease the Travis County School Lands in Throckmorton County to hunters and for other recreational uses.

FISCAL IMPACT AND SOURCE OF FUNDING:

With this lease agreement, Travis County will receive an estimated \$131, 740 per year for the grazing lease and fifty (50) percent of the income from the hunting and recreation.

The primary purpose of this income, however, is to be used to fund an active range conservation program. The program is largely that of brush control, fencing and water development.

REQUIRED AUTHORIZATIONS:

Leslie Browder, Purchasing and Budget Office

Chris Gilmore, County Attorney

Cyd Grimes, Travis County Purchasing Agent

Nicki Riley Travis County Auditor

Sherri Fleming, County Executive – HHS/VS

Dolores Sandman, Travis County Extension Director

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to the County Judge's office, agendar@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.

Travis County Land Monitor Report - Throckmorton Property

On November 15th, 2012, I accompanied Travis County Extension Director Dolores Sandmann on a visit to the Travis County School Land in Throckmorton County. We were led on a tour of the property by the ranch foreman, Neal McLain, and Spade Ranches representative Wesley Welch. During the tour, we discussed their general management strategies regarding ranch operations and were given the opportunity to view all of the pastures in use and many of the areas where improvement practices have been implemented.

The timing of the visit was ideal for garnering a clear picture of whether or not the land is being managed properly. This is due to the fact that exceedingly dry conditions in the area over the past two years have forced ranching operations to make difficult decisions, putting even the most experienced land managers to the test. In the absence of wise management decisions, I have witnessed many cases of severe overgrazing and significant land degradation during this period. In addition, our visit was conducted at the end of the growing season when pastures have generally been exposed to prolonged grazing and, if present, overgrazing is usually apparent.

In my opinion, the Travis County School Land in Throckmorton County was in very good condition at the time of our visit, especially considering the challenges presented by drought conditions. Healthy stands of diverse perennial grasses were present in all pastures and there were no signs of significant overgrazing or uncharacteristic bare ground. It is clear that the Spade Ranches operation has a defined drought management strategy regarding livestock, which has been implemented successfully. As indicated by Misters McLain and Welch, livestock numbers are, as needed, significantly decreased to levels that the land will sustain. They also indicated that no supplemental feeding of hay is done on the ranch, which is also a wise management decision. Supplemental hay feeding often deters managers from properly culling livestock herds during drought and may lead to overgrazing. The four pastures, three herd grazing system in place ensures one pasture will be resting at all times, which appears to be adequate considering the overall healthy state of the rangeland.

In addition to proper grazing management, a number of appropriate improvement practices were seen during the property tour. Stock tanks utilized for capturing surface water runoff were recently cleaned out to increase capacity when rain returns to the area. All fences were maintained in good condition and new fences had been constructed in some areas. We were also shown areas where brush management practices had been implemented, including aerial herbicide applications and mechanical brush removal. Notably, brush clearings or "senderos" have been strategically created, which will enhance wildlife habitat and benefit the property's hunting operation. I would recommend continuing to implement a brush management plan as mesquite population density on the property is high in areas, and will increase in the absence of control. Misters McLain and Welch expressed that they plan to increase their brush management efforts in the near future.

In summary, it is apparent that the property is being well managed. Spade Ranches and the personnel managing the Travis County School Land appear to be educated in and dedicated to proper, sustainable ranch management practices and land stewardship. They are to be commended for their efforts in successfully maintaining a healthy rangeland under very difficult climatic circumstances. I would not hesitate to recommend that Travis County continue their lease if it fits their long term plan for the property.

Sincerely,



Will Hatler
Extension Program Specialist
Department of Ecosystem Science & Management
Texas A&M AgriLife Extension Service

Received 12-5-12
Dolores Sandmann
Travis County Extension Director
Texas A&M AgriLife Extension Service

**Travis County School Lands, Throckmorton County
Independent Monitor Report
Dolores Sandmann, Travis County Extension Director
Texas A&M AgriLife Extension Service
November 15, 2012**

Introduction

In 1839 the Republic of Texas awarded three leagues of land (4,428 acres/league) to the established counties for support of the County school systems. Later, another league was added to the award. If the land was not available in the home county, the county could identify, survey, and claim unorganized lands in the Republic.

Travis County officially identified its lands in 1856 by paying the discovery costs in the area that had become Throckmorton County. Later surveys established the holding at 18,820 acres.

Between 1883 and 1983 the land was managed by tenants selected by a bidding process. The Continental Cattle Company was the first tenant. In recent years, the leases were 10 years in duration. In 1983, Spade Ranches was awarded the bid.

In 1993, citing decline of the land due to overgrazing before 1983, the absence of an active range conservation program before 1983 and the excellent management by Spade Ranches since 1983, independent monitor, James Smith, suggested that the lease be renegotiated rather than awarded through a new bidding process.

It appears that he and Tamara Armstrong of the Travis County Attorney's office negotiated leases for grazing and hunting with Spade Ranches between 1993 and December 31, 2003. The current lease with Spade Ranches was negotiated in 2003, and is in effect until December 31, 2013.

Spade Ranches

Spade Ranches is a corporation that manages over 350,000 acres of land through West Texas and New Mexico. It has a 110-year history. John Welch is the CEO of Spade Ranches Limited, and Dean McClain is the site manager who is a resident of the Travis County School Lands in Throckmorton County. Spade Ranches is a long time cooperator with educational entities in developing improved range and wildlife management practices. The entity has been featured in ranch publications and has received awards for conservation and other accomplishments through the years.

Grazing Lease

The main provisions of this lease are that Travis County receives \$131,740 per year (\$7/acre/year). A range management plan must be implemented that does not result in injury of the land during the duration of the lease. An independent monitor

appointed by the Commissioners' Court sets the grazing limits and monitors the management plan. The lessee must keep appropriate liability insurance to protect Travis County.

Hunting and Recreation Lease

The lessor may lease the Travis County School Lands in Throckmorton County to hunters and for other recreational uses. Fifty (50) percent of the income is designated for Travis County. The primary purpose of this income, however, is to be used to fund an active range conservation program. The program is largely that of brush control, fencing and water development.

An important part of this lease is that the lessee is required to provide a twice yearly report itemizing income from recreation activities and expenses from the range conservation program. The report should include receipts for income and expenses, copies of sublease agreements and report a balance in the range conservation fund.

Again, the lessee has a responsibility to hold Travis County liability free from the activities of the lease.

Independent Monitor Visit

On November 15, 2012 County Extension Director, Dolores Sandmann, had the opportunity to tour and evaluate the Travis County School Lands in Throckmorton County. I was accompanied by Wesley Welch, President and CEO, Spade Ranch, Ltd.; Neal McLain, Ranch Manager; County Attorney, Chris Gilmore; and Will Hatler, Extension Program Specialist - Department of Ecosystem Science & Management, Texas A&M AgriLife Extension Service.

Neal McLain has been the Manager on this property since 2006, but has been an employee and foreman with Spade Ranches since 1993. Mr. McLain showed me the entire property, so that I could evaluate the current conditions and see improvements made since previous visits to the property.

Current Condition

The Rolling Plains of Texas has been in a drought that last several years. The ranch has received only 13 inches of rain in 2012, which is below the normal yearly average for Throckmorton County. This situation has led to the ranch decreasing livestock capacity in order to prevent overgrazing. The range conditions are very good for November, with healthy stands of diverse perennial grasses present in all pastures.

The ranch was stocked in November with only 572 Animal Units (A.U. = 1000 to 1200 lbs.) because of the drought conditions. Permitted stocking capacity is 941 A.U.'s. There was one pasture being rested as a part of the normal rotation.

The house, barn and pens were all in good condition and well cared for. The hunting camps were clean and well maintained. The roads in the ranch were in good shape considering the drought situation.

The fences on the ranch are in excellent shape, with over 6 miles of new fence having been constructed in the past six years.

The water for the ranch is entirely supplied by surface ponds and small lakes. Due to drought conditions, 22.5 tanks were cleaned out, and two (2) new tanks were built in the last six years, thus resulting in a far greater capacity for storing water for livestock and wildlife use.

Conclusions

- The ranch is in excellent shape considering the drought situation. The rotational grazing plan that is practiced on the ranch, along with a decrease in Animal Units, has kept all pastures in good shape, with an abundance of desirable grasses, yet an adequate amount of forage and brush cover for wildlife.
- It is evident that the ranch is managed by a knowledgeable operation with a long term plan to improve the land.
- The Conservation Fund generated by hunting income is invaluable both to the Spade Ranches and to Travis County. This resource allows the ranch operators to protect and improve the value of the ranch.
- The water storage capacity for the ranch is much improved due to tanks being cleaned out during the drought.

Recommendation

The current lease will expire December 31, 2013. If the County chooses to maintain ownership of the property, I, along with Will Hatler, Extension Program Specialist (see attached report), would recommend continuing to negotiate lease agreements with Spade Ranches.

2013 Independent Monitor Report Travis County School Land - Throckmorton Property

PowerPoint Script:

Slide 1

On November 15, 2012, County Extension Director, Dolores Sandmann had the opportunity to tour and evaluate the Travis County School Lands in Throckmorton County. She utilized the assistance of Will Hatler, Extension Program Specialist – Department of Ecosystem Science & Management with the Texas A&M AgriLife Extension Service. A copy of his evaluation of the property has been included with the Independent Monitor Report.

Travis County Attorney, Chris Gilmore also was on hand to tour the property.

Slide 2

For 30 years, the property has been leased by Spade Ranches, LTD, a corporation that manages over 350,000 acres of land through West Texas and New Mexico. The current lease with Spade Ranches was negotiated in 2003, and is in effect until December 31, 2013.

President and CEO - Mr. Wesley Welch, and Ranch Manager – Mr. Neal McLain provided a tour of the property.

Slide 3

The property consists of 18,820 acres, with 25 tanks.

The ranch is habitat to white-tailed deer, turkey, hogs, quail and dove.

Extension Specialist, Will Hitler, indicated that brush clearings have been strategically created, which will enhance wildlife habitat and benefit the property's hunting operation.

Slide 4

Stock numbers were decreased during the drought to levels that the land can sustain, since no supplemental feeding of hay is done.

They also utilize the four pasture/three herd grazing system to ensure that one pasture will be resting at all times to prevent overgrazing. Cattle are rotated in March, July and September.

Slide 5

Only surface water is used for livestock. Due to extreme drought conditions, in 2011 twenty-one (21) of the tanks were cleaned.

During 2012 – received only 13 inches of rainfall.

Slide 6

Fences were in good repair. Conservation funds generated by the hunting, fishing and camping leases are used to improve the property.

In 2005-2007, over 6 miles of fence was constructed on the northern border of the property at a cost of approximately \$3.00 per foot – for a total cost of over \$95,000.

Slide 7

Recently, Conservation Funds have been used to control mesquite and prickly pear cactus. Grubbing, spraying and burning are methods that have been used.

In 2011, 1,000 acres were burned over a 3-day period, and the prickly pear was sprayed via plane.

Spade Ranch - Throckmorton Property Report November 15, 2012

Permitted Stocking Capacity 941 Animal Units (AU= 1000 to 1200 lbs.)

2006 – 2007	882 A. U
2008	Jan – April 882 A. U. April – sent 187 A. U. to Muldoon – Left 695 A. U. Culled Heavily in the fall December – 591 A. U.
2009	January – 591 A. U. Purchased bred cows in fall December – 748 A. U.
2010	January – 748 A. U. Culled Heavily in fall December – 711 A. U.
2011	January – 711 A. U. Early weaned in July Shipped 200 cows in August December – 425 A. U.
2012	January – 425 A. U. Brought cows from Upshur November – 572 A. U.

Conservation

2006	Cleaned Bloodworth tank
2007	Grubbed trees in oilfield; dug in oilfield; built 1mi. fence between us and Gober
2008	Cleaned 3 tanks; raked trees in oilfield; built tank; sprayed 700 acres of Mesquite in North Hog
2009	Sprayed mesquite in Shipping Pasture; cleaned tanks
2010	Bladed roads; sprayed oilfield for weeds
2011	Cleaned tanks; burned Bull Pasture & sprayed pear

Tanks Cleaned

Bloodworth – 1	Oilfield – 2	South Hog – 1	Panther – 2	Foster – 1
Iron Pen – 1	North Hog – 1	Twin Mtn – 2	McWhorter – 3	Mexican Trap – 1
Bobcat – 2	Bull Pasture – 2	Rocktank -1; built – 2	Bano – 2 1/2	

Independent Monitor Report



**TRAVIS COUNTY SCHOOL LAND
THROCKMORTON COUNTY**

Prepared by:
Dolores Sandmann
Travis County Extension Director
Texas A&M AgriLife Extension Service

HISTORY



SPADE RANCHES, LTD

LEASED PROPERTY FOR 30 YEARS

President & CEO – Mr. Wesley Welch

Ranch Manager – Mr. Neal McLain

Ranch House & Structures



Permitted Stocking Capacity – 941 Animal Units (1000 - 1200 lbs.)

January 2012 – 425 Animal Units
November 2012 – 572 Animal Units



2011 – Cleaned 21 Tanks





