



TOWN OF MINTO

DATE: March 1, 2016

REPORT TO: Mayor and Council

FROM: Bill White, C.A.O. Clerk

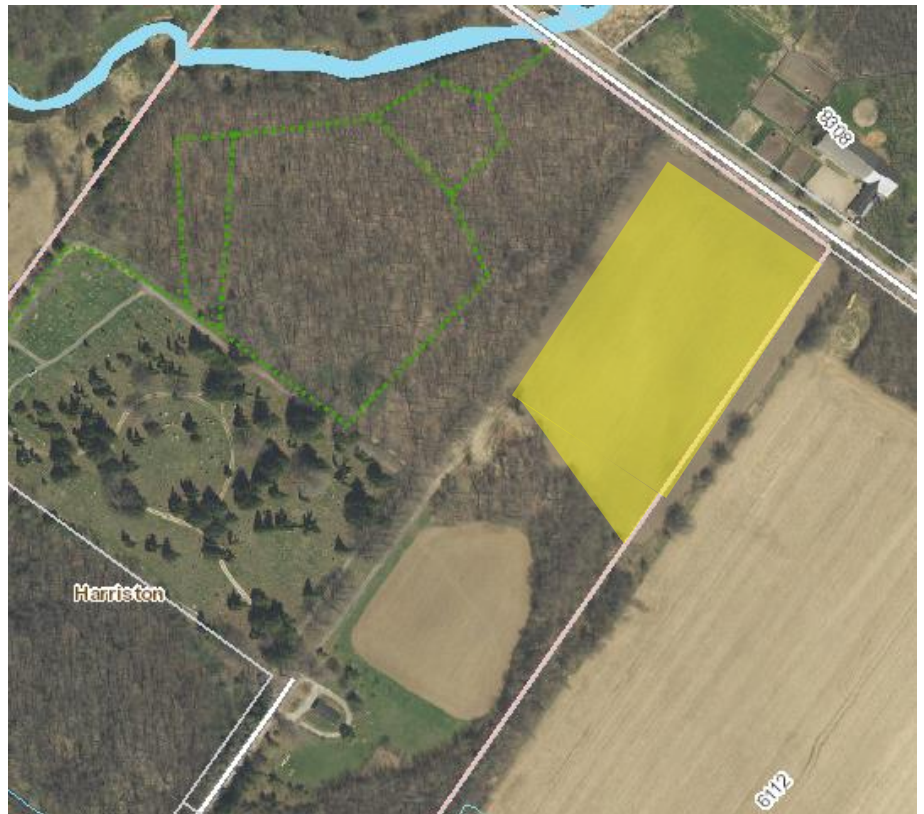
SUBJECT: Extension of Town Agricultural Leases

STRATEGIC PLAN:

Support programs that maintain Minto's strong agricultural identity, enhance agricultural work, and protect and restore the natural environment given Minto's location in the heartland of Ontario surrounded by farmland and acknowledging that farming and a healthy natural environment are inextricably linked,

BACKGROUND:

For a number of years the Town has leased lands it holds in the area of the Harriston Cemetery, Harriston Industrial Park and Palmerston Industrial Park for agricultural purposes. For the last three years George Sheehy has leased the Harriston Cemetery and Palmerston Industrial park paying \$242 per acre and \$203 per acre respectively. Scott Dirksen has paid \$90 per acre for the Harriston Lagoon with his lease expiring this fall. These prices were secured through two separate proposal requests.



Mr, Sheehy Harriston Cemetery +-7.5 acres

Mr. Sheehy Palmerston Industrial +-16 acres



Mr. Dirksen Harriston Industrial +/- 48 acres

Staff has spoken to Mr. Sheehy and Mr. Dirksen and they have agreed to continue with their leases under the following terms for three years:

- (a) Mr. Sheehy leases Palmerston Industrial and Harriston Cemetery at \$220 per acre plus HST
- (b) Mr. Dirksen leases Harriston Industrial at \$120 per acre plus HST

COMMENTS:

The challenges with the Town leases of these properties are they can be impacted by land needs with very short notice. Mr. Sheehy adjusted land area in Palmerston Industrial several times over the last three years as industrial development occurred. The remaining piece is the Town's certified site and some of the additional land to the north. If the Town sold the certified site for development Mr. Sheehy's lease would have to be terminated. Some of the cemetery lands could also be needed for expansion. His cooperation on adjusting to circumstances on the ground has been appreciated.

Similarly Mr. Dirksen cooperated with the Town when the land needed turning over in the Harriston Industrial Park to accommodate archeological work for the Class EA. He also maintained a crop on the 11 acre piece when the Town had no lease after the Class EA was delayed. Work on the agricultural incubator continues with stakeholders brought together and different models being investigated. It is possible that within three years a program

might develop that would require the Harriston Industrial Lands be re-assigned to another agricultural purpose.

There has been others interested in leasing the lands in past proposal calls but none were able to match the prices offered by Mr. Sheehy and Mr. Dirksen, who now have several years' experience farming Town lands. Given the on-going changes likely to occur over a three year period it is suggested the Town continue with these leases through to Fall 2019. Policy for leasing agricultural lands is dated and is revised accordingly.

FINANCIAL CONSIDERATIONS:

Mr. Sheehy's price is slightly lower than he paid the last three years, while Mr. Dirksen's bid is higher than his last two year lease. The Town will receive about \$10,460 annually on these leases which is slightly less than 2015 mainly due to changing land area.

RECOMMENDATION:

That Council receives the C.A.O. Clerk's report dated March 1, 2016 regarding Extension of Town Agricultural Leases, and that leases be extended until fall 2019 with George Sheehy for the Harriston Cemetery and Palmerston Industrial Park both at a rate of \$200 per acre and with Scott Dirksen for the Harriston Industrial Park at a rate of \$120 acre all amounts subject to applicable taxes terms being open to changes in lot size and use.

AND FURTHER that the changes to the policy for leasing Agricultural Land be approved.

Bill White, C.A.O. Clerk

**Terms of Use
Town of Minto Agricultural Lands**

I, _____ agree to comply with the Town policy attached to this agreement and the following terms:

1. Lands

Town Property	Size Acres	Price/Acre	Annual Payment (plus HST)
N. East of Harriston Lagoons	+48	\$120	\$ _____
Harrison Cemetery and Palmerton Industrial	+23.5	\$200	\$ _____
Subtotal			\$10,460
HST			\$ _____
Amount to be invoiced annually			\$ _____

2. Payment Terms

Payment year 1 invoiced May 1st due June 1st, 2016. Subsequent payments invoiced in March due the 30th day of April. Late payment terms 2% interest per month. Failure to pay in any one year shall forfeit use of lands for subsequent year at Town's sole discretion.

3. Use

To be identified

4. Insurance

The Town shall not be responsible or liable for any loss, injury, equipment damage, or any other matter related to the use of the lands by _____.

An insurance policy in the amount of 2 million dollars is in place with regard to the farm operations of _____ with the Town named as additional insured.

5. Agreement Term

March 31, 2016 to December 31, 2019. Either party may cancel this agreement with six months written notice with no financial compensation owed to either party.

6. Contacts

Scott Dirksen
223 Elora Street Box 850
Harriston, ON NOG1Z0

George Sheehy
5621 Hwy 23
RR @ Stn Main
Harriston, ON NOG1Z0

Town of Minto
CAO/Clerk
5941 Highway 89
Harriston, ON NOG1Z0

Your signature below confirms your agreement to the above terms and the Town of Minto Policy for the Use of Agricultural Lands.

Contact

Date

CAO/Clerk

Date



LEASING OF TOWN OF MINTO OWNED AGRICULTURAL LAND

The Town of Minto (~~“lessee”~~) owns various parcels of land ~~within the Town of Minto~~ that are leased ~~to the successful tender (“lessor”)~~ for agricultural purposes. The ~~“lessor of the lands”~~ shall not permit, encourage or invite other persons to use any part or all of this property for any purpose or activity not directly related to its use for agricultural production.

~~The~~ A request for ~~tenders proposal~~ for leasing agricultural land ~~is advertised~~ for a three year period ~~with a request of the plans shall be located no less than every three years~~ for the property as outlined in ~~the tender~~ this policy. The land is leased ~~front he “lessee”~~ by the “lessor” from the Town “as is”.

In the event the leased land is sold by the ~~“lessee”~~ Town -during the cropping season within the three year agreement, a reasonable reimbursement will be negotiated between the ~~“lessee”~~ Town and the “lessor”. If an agreement cannot be reached ~~between the “lessee” and the “lessor”,~~ Council of the Town of Minto ~~it will be turned over to the Agricultural Advisory Committee~~ for a decision whose. ~~The decision of the Agricultural Advisory Committee~~ will be final.

Annual payment to the ~~“lessee by the “lessor”~~ Town is due the 30th day of April.

The Town of Minto owns ~~four~~ three properties. The properties are as follows:

- a) West Part 24, Concession 1, (Palmerston Industrial Park) approximately ~~+106~~ acres
- ~~b) Part Lot 82, Concession D, (Harriston Industrial Park) approximately 10 acres~~
- ~~e)b)~~ _____ Part Lot 88, Concession C, (east of the Harriston Cemetery) approximately ~~10~~ 7.5 acres;
- ~~d)c)~~ _____ Part Lots 82 & 83, Concession D, (east of the Harriston Lagoons) approximately ~~57~~ 48 acres.

The Town at its sole discretion may choose to extend a lease for an additional three years where it is in the best interest of the municipality keeping in mind the performance of the “Lessor”, price per acre, land need for alternate uses, and cropping approach.