

THE CORPORATION OF THE CITY OF KAWARTHA LAKES

CORPORATE POLICY AND PROCEDURES

Policy No. C-195 ED 004
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Policy Lease of City Owned Agricultural Land
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DEVELOPED BY: Kelly Maloney	DATE: April 23, 2013
DEPARTMENT: Economic Development	
REVIEWED BY: Agricultural Development Advisory Board	DATE: February 14, 2013
APPROVED BY: Council	DATE: April 23, 2013
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POLICY STATEMENT AND RATIONALE:
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The Corporation of The City of Kawartha Lakes requires policies and procedures for land management. This policy statement sets out the philosophy, principles and procedures for the lease of agricultural land owned, by the Corporation.

The City owns several hundred parcels of land throughout the municipality. These lands were acquired for various reasons (buffer for landfill sites, county forests, lands committed by developers for parklands, etc). A few of the larger parcels of land are rented to local farmers for agricultural purposes. Within the former townships, the land lease policies were fairly informal and leases were either directly negotiated between the farmer and municipal official or was publicly tendered on an individual land tract basis. Since Amalgamation City of Kawartha Lakes staff have been continuing on with 'past practice' by responding to requests as they are received.

The policy provides for realization of fair rental values for the property and proposes a management approach of the land and property resource to maintain and enhance the value of the resource presently and in the future. The policy is structured so as to respond to all potential lessees equitably and in a timely fashion and the policy recognizes that there may be benefits to the City and tenant of longer term leases (up to five years, maximum) for a given parcel of land. The policy details how other necessary conditions such as access by City staff, conditions for early termination, responsibility for leasehold improvements (City or tenant) will be stipulated.

SCOPE:

This policy will apply to the lease of all agricultural property owned by The Corporation of the City of Kawartha Lakes.

DEFINITIONS:

“Agricultural land” refers to land suitable for agriculture production that is classified as being classes 1 to 5 lands based on the Canada Land Inventory.

“Agriculture Development Officer” refers to a person employed by the City with that title. Where the City has not employed a person with that title, the term refers to the Director of Economic Development, or his or her delegate.

“City” refers to The Corporation of the City of Kawartha Lakes.

“Council” means the elected council of the City.

“Director” means the Director of Economic Development of the City or his or her delegate.

“Farm land” refers to agricultural land.

PROCEDURES:

The following would be the **procedures** for lease of City owned farm land:

The recommended policy for the Lease of Municipally Owned Agricultural Lands is intended to be fair and equitable to all parties and to maintain or enhance the current and future value of the property.

Preparations for the lease/license program of agricultural lands owned by the City would ideally begin during the summer months preceding the initial year of lease. If properties could be identified and advertised in early fall when they can be more easily viewed, then prospective bids can be more accurate than if there were no opportunity for site visit, or if there were snow covering the land. Allocation of winning tenders early in the calendar year will allow sufficient time for planning and ordering of necessary inputs by the lease holder.

It should be noted that that the Agriculture Development Officer would be not be bound to accepting the highest tender price for a given parcel of land. In the case where a lower bid is recommended, reasons supporting this recommendation will have to be made to Council.

With these points in mind, the recommended policy has been developed by the Agriculture Development Officer with input from the City’s Agriculture Development Advisory Board for rental of City owned farm land.

1. The Agriculture Development Officer would review, on an annual basis in early summer, the inventory of City owned properties larger than 40 acres in size to determine a preliminary list of properties for consideration of lease for the following calendar year.
2. The Agriculture Development Officer will confirm with other City Departments if there are other City interests for these properties (i.e. reasons that the property should not be rented or only rented for a short period of time such as year-to-year lease). For properties included on the final confirmed listing, the Agriculture Development Officer will prepare a description of the property and the available portion for agricultural lease, in collaboration with the Land Management Coordinator.
3. Assuming there are no other short-term uses for this land foreseen by the City, the land(s) for rental would be advertised publicly according to the City’s Purchasing Policy in September of each year. Within the advertised tender there will be specified dates

for public viewing of the properties by prospective bidders prior to the tender submission deadline. The leases are to be for a five year period for primary agricultural production only and the intended use is to be described within the bid. Bidders must have a Registered Farm Business number, indicate the means to generate primary agricultural production, and agree to follow Best Management Practice guidelines in the use of the property. Lands are to be leased on an as-is basis and any and all improvements required by the lease holder to generate the agricultural production will be at the sole expense of the lease holder.

4. Public tenders and or bids will be reviewed by the Agricultural Development Officer and other staff and Council members as required by the Purchasing Policy.
5. The Agriculture Development Officer, in collaboration with staff from Purchasing and the Departments having an interest in the property, will then formulate a recommendation to Council for five year license agreement(s) of the respective properties prior to the end of December for the following lease year.
6. The City's Solicitor will be responsible for drafting a lease in the form of a license in cooperation with the Agriculture Development Officer and Purchasing staff, which stipulates all conditions such as access to the property by City staff, conditions for early termination, a description of the intended use of the property, and that the lessee shall not sublet or assign the lease to any other individual or business.

C- Financial Considerations: Accounting for Proceeds from Lease of City Owned Agricultural Land

In all circumstances, the proceeds from the lease of agricultural municipal property shall be first applied to the expenses associated with the lease (i.e. advertising, surveys, legal and registration fees, appraisals, etc.)

As a general rule, the net proceeds from the lease of any agricultural municipal property will be deposited in the Economic Development Reserve Fund for use in projects related to Councils Strategic Priority on developing a knowledge-based economy with a focus on water and agriculture sectors.

Council may direct the net proceeds from the lease of any municipal property in a manner not provided for in this Policy.