



"...meeting community needs...enhancing quality of life."

MEMORANDUM

TO: Community and Economic Development Committee
 FROM: Matt Rehbein, Economic Development Specialist
 DATE: May 7, 2015
 RE: Approval of Farm Lease – Southpoint Commerce Park

The City of Appleton owns 147 acres of land in Southpoint Commerce Park that we make available for farmland which supports the City's objective in preparing land for future industrial development. Management of the farmland is assigned to the Community and Economic Department and is administered through the Economic Development Specialist. The land has been farmed for several years, since the City has taken ownership.

A Request for Proposals to lease farmland was distributed to approximately 120 farmers in Calumet County on April 29, 2015 and proposals were due May 7, 2015 with a goal to achieve optimal net income while pursuing environmental sustainability and positive local community relations. This item is of critical timing to ensure approval prior to the end of the 2015 planting season. If not approved prior, we would forgo 2015 rent revenue.

Four Proposals were received, with rates ranging from \$153 per acre to \$210 per acre. Per information from UWEX – Calumet County, lease rates for farmland in Calumet County have averaged \$126.00 per Acre. Some requested loss provisions for any crop destroyed due to lot sale, utility work, road work, etc. Leasing this parcel is beneficial to the City in that it limits soil erosion, eliminates the chance of wetlands forming, eliminates the need to cut weeds, and will also generate approximately \$30,870 in revenue annually. The proposed terms from the four submittals are summarized below:

SOUTHPOINT FARM LEASE PROPOSAL SUMMARY

Proposed Lessee	Rate/Acre \$	Loss Prov.	Term (Years)	Total Rent/Yr	Payable
Jonathon Dietzen	153	Y	5	\$22,491	Quarterly
Travis Van De Hey	210	Y	3	\$30,870	2015 -Nov. 15, 2015 then 1/2 June & 1/2 December
Michael Mader	190	N	2	\$27,930	As proposed per City
Vanderlinden Custom Heifer Raising, LLC	210	N	3 to 5	\$30,870	2015 - Nov. 30, 2015 then 1/2 May & 1/2 Nov.

Staff Recommendation:

The Community and Economic Development Department be authorized to enter into a five (5) year lease term with Vanderlinden Custom Heifer Raising, LLC at \$210/Acre. The first payment due of \$5,000 at time of lease execution, and the balance due November 30, 2015 for year 1 of the lease. Payments thereafter due ½ in May and ½ in November. If unable to negotiate these terms, CEDD is authorized to enter into a lease agreement with Michael Mader for a period of two (2) years at \$190/acre, payment terms as proposed in the original RFP.



MEMORANDUM

"... meeting community needs. . . enhancing quality of life."

TO: To Whom It May Concern

FROM: Matt Rehbein, Economic Development Specialist

DATE: April 29, 2015

RE: Request For Proposal to lease farmland in the City of Appleton

Attached is a Request for Proposals (RFP) to lease farmland in the City's Southpoint Commerce Park.

The City of Appleton owns 147 acres of farmland which supports the City's objective in preparing land for future industrial development. Management of the farmland is assigned to the Community and Economic Department and is administered through the Economic Development Specialist. The land has been farmed for several years, since the City has taken ownership. The purpose of this RFP is to achieve optimal net income while pursuing environmental sustainability and positive local community relations. A major financial goal of this farmland RFP will be to establish a lease consistent with fair market cash rent

The City of Appleton is seeking proposals to lease approx. 147 Ac. of farmland in the City. Proposals are due by **12:00 Noon, May 7, 2015**. The Common Council will approve final selection on May 20, 2015 and access will be granted immediately upon mutual execution of the lease document, receipt of the first rental installment and proof of insurance.

If you are interested in submitting a proposal, minimum information required and timing is included in the RFP. Should you have any questions, please feel free to call or e-Mail Matt Rehbein at 920-832-6463 or matthew.rehbein@appleton.org.

REQUEST FOR PROPOSALS TO LEASE FARMLAND

The City of Appleton owns 147 acres of farmland which supports the City's objective in preparing land for future industrial development. Management of the farmland is assigned to the Community and Economic Department and is administered through the Economic Development Specialist. The land has been farmed for several years, since the City has taken ownership. The purpose of this RFP is to achieve optimal net income while pursuing environmental sustainability and positive local community relations. A major financial goal of this farmland RFP will be to establish a lease consistent with fair market cash rent.

The City of Appleton is seeking proposals to lease approx. 147 Ac. of farmland in the City of Appleton. Proposals are due by **12:00 Noon, May 7, 2015**. The Common Council will approve final selection on May 20, 2015 and access will be granted immediately upon mutual execution of the lease document, receipt of the first rental installment and proof of insurance.

SITE: The proposed site is located in the City of Appleton and is comprised of approximately 147 Ac. as indicated on Exhibit A.

RESTRICTIONS: Being located in an industrial park, the City has plans for utility and roadway improvements over the coming years as indicated on Exhibit A. These proposed improvements are our "best guess" based on projected lot sales and are not guaranteed.

LEASE DOCUMENT: A copy of the lease document is provided for your review. Please note the terms when preparing your proposal.

REQUIREMENTS: Please provide the following information in your proposal:

1) Proposed rental rate/Acre

2) Proposed term (In years)

3) Proposed Lessee. If Corporation or LLC, please provide Articles of Incorporation and By-Laws.

4)The standard lease document includes rental reimbursement should the City "take back" any pre-paid leased property. If you propose crop reimbursement, please provide the calculation formula in your proposal.

SUBMITTAL: Please submit proposals no later than 12:00 Noon May 7, 2015 to:

City of Appleton
c/o Community and Economic Development
Attn: Matt Rehbein
100 N. Appleton St.
Appleton, WI 54911-4799

Or via E-Mail to:
Matthew.rehbein@appleton.org

Should you have any questions, please contact Matt Rehbein, Economic Development Specialist 920-832-6463 or matthew.rehbein@appleton.org.

LEASE AGREEMENT

This Lease Agreement entered into this ___ day of May, 2015 between the City of Appleton (hereinafter called Landlord) and _____, (hereinafter collectively called Tenant).

Address: Landlord - City of Appleton, 100 North Appleton Street, Appleton, WI 54911

Address: Tenant - _____

Property: Southpoint Commerce Park—Areas Delineated in Exhibit A as “Area to be Farmed” (hereafter referred to as “premises” or “property”)

1. **Rental:** TENANT will pay the LANDLORD the total sum of \$_____ Dollars and 00/100 rent (147± acres x \$____.00 per acre) each year for the term of this lease payable as follows: For 2015, one half shall be paid upon execution of this agreement and the other half shall be paid on or before November 1, 2015; thereafter, on an annual basis, one half of the total shall be paid on or before April 1, and one half of the total shall be paid on or before November 1 and continuing each subsequent year this lease is in effect.

2. **Term:** The initial lease term shall commence upon execution of this agreement and shall run until April 30, 2016. Thereafter this lease and all obligations herein shall automatically renew for four (4) additional one year periods running from May 1st until April 30th of the subsequent year with the final year concluding on April 30, 2020. Tenant may terminate this lease only upon providing Landlord with written notice **prior to February 28th of the forthcoming renewal year.** The Landlord, at its option, may terminate this lease all it relates to all or a portion of the property at any time and for any reason during its term upon thirty (30) days written notice to the Tenant. In the event the Landlord terminates this lease for a portion of the property, Tenant shall be reimbursed a prorated portion of any rent already paid that year and subsequent rental payments shall be adjusted based on remaining acreage available for Tenant's use. Tenant shall be entitled to no other adjustments or remedies as a result of early lease termination.

3. **Real Estate Taxes and Special Assessments:** Landlord agrees to pay all real estate taxes and special assessments with regard to said property.

4. **Use of Premises:** Tenant may use the premises solely for growing crops, participating in agricultural programs, or use as set aside for agricultural program purposes, as he sees fit. In the event Tenant uses the land as set aside or for conservancy purposes, Tenant will cut all weeds, vegetation, or plant growth at least once during the month of June and once during the month of August.

5. **Indemnification:** Landlord and Tenant shall be liable for their own acts and/or negligence and the acts and/or negligence of their invitees and guests, and each agrees to indemnify, defend and hold harmless the other for any losses, damages, costs or expenses, including litigation expenses (including court costs and attorney's fees) paid or sustained by reason of the act and/or negligence of the other, or the other's invitees and guests or arising in any way out of this agreement.

6. **Insurance:** Tenant shall indemnify and save harmless the Landlord and Landlord's agents or employees against and from any and all damages and costs, and all claims for the same, and any and all penalties, fines, and forfeitures occasioned by or growing out of Tenant's failure to comply with, conform to or obey any Federal, State, or Municipal law, ordinance, rule, regulation, order, or notice as aforesaid. Tenant shall secure insurance consistent with the terms set forth in Exhibit B attached hereto and incorporated herein by reference and shall provide proof of such insurance.

7. **Assignment of Lease:** This lease may not be assigned by Tenant, and in the event Tenant may vacate the premises, the lease shall immediately terminate. This lease may be assigned by Landlord to another party.

8. **Tests; Inspections:** Landlord, its successors, assigns, contractors, agents and/or employees shall at reasonable times have the right to enter upon the premises to conduct any tests, inspections or studies as Landlord may deem desirable; provided, however, that any such tests, inspections or studies shall not materially interfere with Tenant's use of

the premises and provided further that such inspections shall not in any way obligate Landlord to make any repairs or replacements to the premises.

9. **Entry Upon Premises:** Landlord, its successors, assigns, contractors, agents, and/or employees shall at reasonable times have the right to enter upon the premises to install, construct, maintain, repair, replace, and operate sewer, water, gas, and electric lines, cables, poles, substations, and other appurtenant structures; provided that such installation, construction, maintenance, repair, replacement, and operation shall not materially interfere with Tenant's use of the premises. In the event Landlord decides to provide this premise with City sewer and water, it shall do so at its sole expense.

10. **Liens:** Tenant shall not directly or indirectly create, or permit to be created, or permit to remain and will immediately discharge, any lien, encumbrance, or charge on, or pledge of, the premises or any part thereof or the interest of Tenant under this lease.

11. **Holdover:** In the event Tenant holds over or remains in possession or occupancy of the premises after the expiration or earlier termination of this lease, Tenant shall be obligated to pay Landlord fifty dollars (\$50.00) a day as rent for every day said Tenant holds over or remains in possession and Landlord shall have the right to recover from Tenant all reasonable costs of eviction, including court costs and attorney's fees.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this __ day of May, 2015.

CITY OF APPLETON (Landlord)

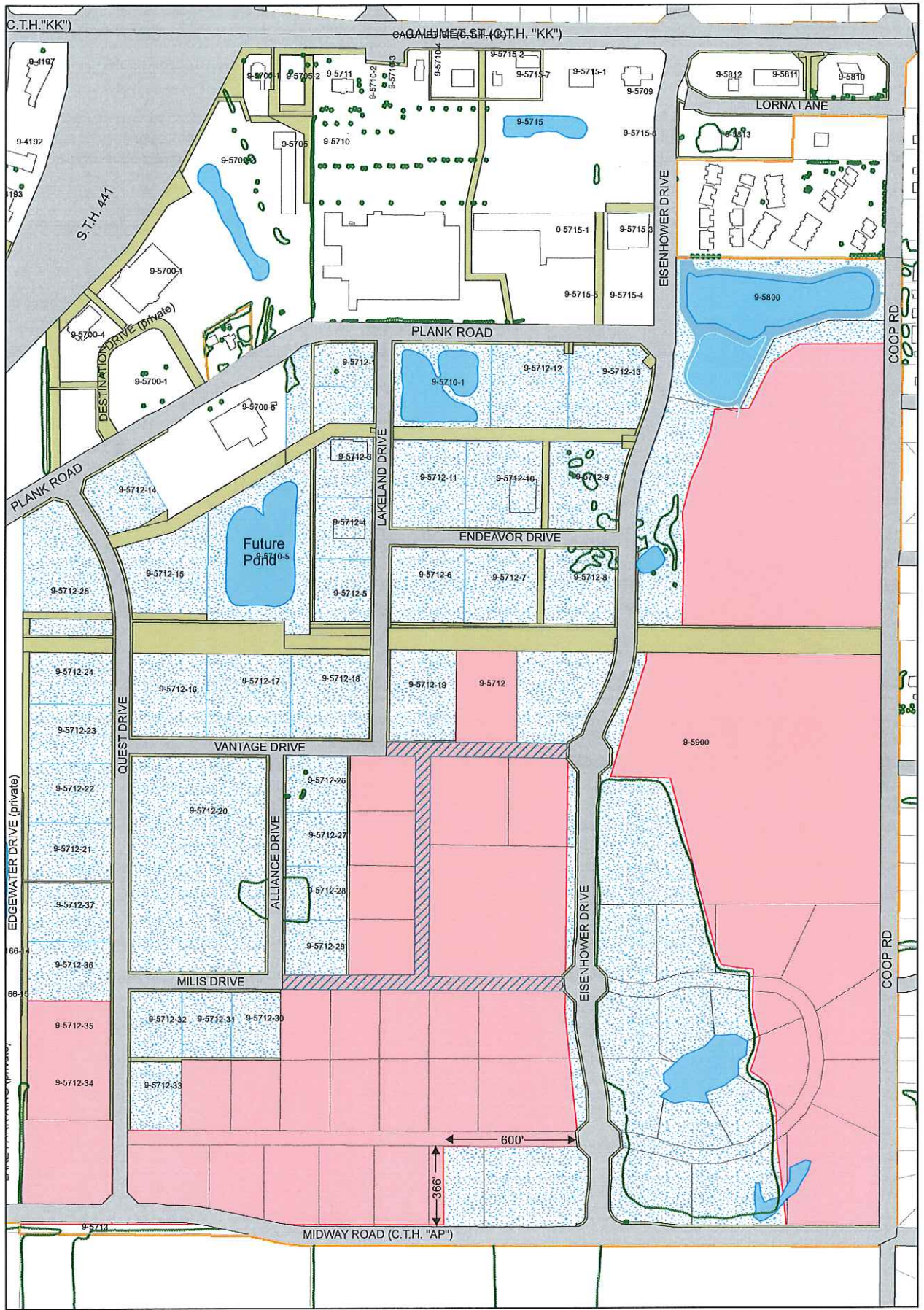
TENANTS

Timothy M. Hanna, Mayor

Dawn A. Collins, City Clerk

REVIEWED AS TO FORM:

James P. Walsh, City Attorney



Southpoint Commerce Park	
	Right of way
	Proposed Road/Utilities in 2016
	Easement
	Proposed Parcels
	Area to be Farmed
	Park Parcels
	ponds
	City Limits

EXHIBIT A



1"=400'

Date: 4/28/2015

“EXHIBIT B”

**INSURANCE REQUIREMENTS
FOR CITY OF APPLETON
“SMALL EXPOSURE JOBS”**

It is hereby agreed and understood that the insurance required by the City of Appleton is primary coverage and that any insurance or self insurance maintained by the City of Appleton, its officers, council members, agents, employees or authorized volunteers will not contribute to a loss. All insurance shall be in full force prior to commencing work and remain in force until the entire job is completed or the length of time that is specified in the contract.

1. GENERAL LIABILITY COVERAGE

- A. Commercial General Liability
 - 1) \$1,000,000 general aggregate
 - 2) \$1,000,000 products - completed operations aggregate
 - 3) \$1,000,000 personal injury and advertising injury
 - 4) \$1,000,000 each occurrence limit

- B. Claims made form of coverage is not acceptable.

- C. Insurance must include:
 - 1) Premises and Operations Liability
 - 2) Blanket Contractual Liability including coverage for the joint negligence of the City of Appleton, it officers, council members, agents, employees, authorized volunteers and the named insured
 - 3) Personal Injury
 - 4) Explosion, collapse and underground coverage
 - 5) Products/Completed Operations
 - 6) The general aggregate must apply separately to this project/location

2. BUSINESS AUTOMOBILE COVERAGE

- A. Limits - \$250,000 each person/\$500,000 each accident for Bodily Injury and \$100,00 for Property Damage
OR
\$500,000 Combined Single Limit for Bodily Injury and Property Damage each accident

- B. Must cover liability for “Any Auto” - including Owned, Non-Owned and Hired Automobile Liability

3. **WORKERS COMPENSATION AND EMPLOYERS LIABILITY** - If required by Wisconsin State Statute or any Workers Compensation Statutes of a different state.

- A. Must carry coverage for Statutory Workers Compensation and Employers Liability limit of:
\$100,000 Each Accident
\$500,000 Disease Policy Limit
\$100,000 Disease - Each Employee

4. **BUILDER'S RISK/INSTALLATION FLOATER**

- A. City of Appleton will not assume responsibility for loss, including loss of use, for damage to property, materials, tools, equipment, and items of a similar nature which are being either used in the work being performed by the contractor or are to be installed or erected by the contractor unless coverage is specifically to be purchased by the City of Appleton and specified in the contract documents.

If coverage is desired for this exposure, the contractor may, at his own cost, procure insurance to cover same.

5. **ADDITIONAL PROVISIONS**

- * **Additional Insured –**
On the General Liability Coverage & Business Automobile Coverage. City of Appleton, and its officers, council members, agents, employees, and authorized volunteers shall be Additional Insureds.
- * **Endorsement -**
The Additional Insured Policy endorsement must accompany the Certificate of Insurance.
- * **Certificates of Insurance -**
A copy of the Certificate of Insurance must be on file with the City Clerk.
- * **Notice -**
NOTE: City of Appleton requires 30 day written notice of cancellation, non-renewal or material change in the insurance coverage.
- * **The insurance coverage required must be provided by an insurance carrier with the “Best” rating of “A-VII” or better. All carriers shall be admitted carriers in the State of Wisconsin.**