



# MEMORANDUM

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TO: Community and Economic Development Committee

FROM: Matt Rehbein, Economic Development Specialist

DATE: March 19, 2020

RE: Approval of Farm Lease – Southpoint Commerce Park

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The City of Appleton owns approximately 142.4± acres of land in the Southpoint Commerce Park currently under lease to Vanderlinden Custom Heifer Raising, LLC at \$210.00 per acre on an annual basis. This lease expires April 30, 2020.

On February 26, 2020, the City sent out a Request For Proposals (RFP) to lease the farmland commencing May 1, 2020 (attached). A list of 13 farmers was compiled using information on file from previous RFP interest and in conjunction with Calumet County. The RFP was mailed directly to 13 farmers, posted at the Sherwood Feed Mill (the feed mill nearest Southpoint) and posted on the City's website.

Five (5) proposals were received, with rates ranging from \$80.00 per acre to \$230.00 per acre. In addition to rental rate, staff considered terms such as alternative payment terms and loss provisions for any crop destroyed due to lot sale, utility work, road work, etc. The VanDeHey proposal, while the highest rent, provides for full payment after the growing season in December which is not preferred by the City. For this reason, staff recommends approval of the proposal put forth by Maple Lawn Dairy. Maple Lawn Dairy has farmed this land in the past, and they are comfortable with the preferred terms put forth in the City's RFP.

Leasing this parcel is beneficial to the City in that it limits soil erosion, minimizes the chance of wetlands forming, eliminates the need to cut weeds, and will generate annual revenue. Per the USDA, non-irrigated cropland cash rent averaged \$137 per acre across Wisconsin and averaged \$155 per acre in Calumet County in 2019.

The proposed terms from the five (5) submittals are summarized on the following page:

**SOUTHPOINT FARM LEASE PROPOSAL  
SUMMARY**

<b>Proposed Lessee</b>	<b>Rate/Ac. \$</b>	<b>Loss Prov.</b>	<b>Term (Years)</b>
Travis VanDeHey	230	N	5
Maple Lawn Dairy (Mike Mader)	160	N	5
Jonathan Dietzen	115	Y	5
Vic Vosters	110	Y	5
Schleis Farms Custom Services, LLC	80	Y	5

**Staff Recommendation:**

The Community and Economic Development Department be authorized to enter into a five (5) year lease with Maple Lawn Dairy (Mike Mader) to farm the remaining undeveloped land in the Southpoint Commerce Park, estimated to be approximately 142.4± acres (subject to pending transactions). The price shall be for five (5) years at a rental rate of \$160.00 per acre, with no crop loss provision.