City Council Agenda Memo

From: Mike Struck, Community Development Director

Council Meeting: November 23, 2021

Subject: Awarding Bids on City Crop Lease in Wiese Addition and Freeland Addition

Presenter: Mike Struck, Community Development Director

Summary:
This resolution will award bids for the 2022 City Crop Lease located in the Wiese Addition and Freeland Addition to LNJ Farms, Lyle Bothe, owner, for the high bid of $180.00 per acre.

Background:
The City is leasing approximately 10 acres of crop land in the Freeland Addition and 30 acres of crop land in the Wiese Addition as shown on the attached map. The City Crop Lease will be for 2022 with an option to renew for one additional one year for 2023. The lease terms are shorter for these parcels since they are in the industrial park and marketed for sale.

Item Details:
A bid letting was held at 1:30 on Tuesday, November 9, 2021, and the following bids were received:

LNJ Farms	$180.00 per acre
Cody and Seth Moret	$177.50 per acre
Bauer Farms	$172.50 per acre

Following approval of this resolution to award the bids, the City will hold a public hearing with intent to lease to a private person at the December 14, 2021 City Council meeting.

Legal Consideration:
None.

Strategic Plan Consideration:
The crop lease furthers the strategic initiative of financial responsibility, whereby the City receives revenue from the lease. The person providing the crop lease also provides weed control, thereby saving City staff and expenses for the weed control operations.

Financial Consideration:

The City will enter into a one-year contract for 2022 with LNJ Farms for the high bid of $180.00 per acre for 40 acres resulting in the annual payment of $7,200.00. The contract may be renewed for one additional term for 2023.

Options and Recommendation:
The City Council has the following options:
1. Approve as presented
2. Amend
3. Deny
4. Move the item to a Study Session
5. Discuss / take no action / table

Staff recommends approval of the resolution as presented.

Supporting Documentation:
Resolution
Map