



The Corporation of the Town of Tecumseh

Legislative & Clerk Services

To: Mayor and Members of Council

From: Robert Auger, Director Legislative Services & Clerk

Date to Council: March 14, 2023

Report Number: LCS-2023-04

Subject: Manning Road Farm Lease – Option to Renew

Recommendations

It is recommended:

That LCS-2023-04 entitled “Manning Road Farm Lease – Option to Renew” **be received;**

And that the request of Olinda Farms Inc. (Olinda) to extend the Farm Lease to farm the Town’s 18 acres of farmland located on the south side of Baseline Road for a further two year period, subject to and as provided for in the current Farm Lease, **be approved;**

And further that By-law No. 2023-036 being a by-law to authorize the Mayor and the Clerk to execute a Farm Lease Agreement between the Town and Olinda for the 2023 to 2024 Crop Years, **be adopted.**

Background

The Town is the owner of approximately 18 acres of farmable lands located on the south side of Baseline Road, west of Manning Road (Farmlands).

The Farmlands are legally known as Part 2 on Plan 12R-25526. [Attachment 1](#) is a map of the Town’s Lands.

Comments

The Town initially entered into a Farm Lease Agreement with Olinda Farms Inc. (“Olinda”) for a one-year lease commencing January 1, 2020 and ending December 31, 2020, with an option for Olinda to request an additional two-year term renewal. The renewal was subsequently exercised and the lease expired on December 31, 2022.

Olinda has again requested a further extension of this lease of farmland. Administration recommends that it is expedient at this time to provide for such an extension and accordingly attached to this Report as **Attachment 2** is a proposed Farm Lease Agreement in essentially the same form and manner as the recently expired lease but with the lease amount adjusted for current Consumer Price Index (CPI). The attached agreement with Olinda is for the 2023 and 2024 Crop Years at the rate of \$274.40 per acre or an annual lease amount of \$4,885.17 plus HST of \$635.07 for total of \$5,520.24. In 2024, the rate will be increased in proportion to the increase, if any, in the CPI as determined by Statistics Canada.

Again, the Farm Lease Agreement for the 2023 to 2024 Crop Years has been prepared in keeping with the same provisions of the previous agreement. The payment installments have been split 50/50 effective June 1 and October 1.

In brief summary, Olinda will be responsible for:

- growing crops and such ancillary tasks necessary to grow the crops;
- all labour, materials and equipment, including the cost of same, for the purpose of the Lease;
- providing to the Ontario Ministry of Agriculture, Food and Rural Affairs a valid Farm Business Registration number to maintain the farm property class rate for each taxation year;
- giving evidence of public liability and property damage insurance of not less than Two Million Dollars (\$2,000,000) naming the Town as an additional insured on the Farmer’s policy of insurance; and
- leaving the Farm in good condition in accordance with proper farm husbandry and ready for the next farm crop year.

The Farm Lease Agreement cannot be assigned or sublet without the prior written approval of the Town and the Town may reduce or eliminate acreage of the Farmlands upon notice to the Farmer.

Further, should the Town require the lands for municipal purposes, then upon 90 days’ written notice to the Farmer, the Town may terminate this Agreement early. In the event that such termination takes place after a crop has been planted by the Farmer, the

Corporation shall, upon receipt of evidence satisfactory to the Corporation, acting reasonably, reimburse the Farmer for all amounts properly expended by the Farmer with respect to the terminated or reduced acreage during the term of this Agreement and the Corporation shall have no further obligation to the Farmer.

Consultations

Financial Services

Financial Implications

The lease payment to the Town for the 2023 Crop Year under the Farm Lease Agreement is due in two (2) instalments:

- June 1, 2023 \$2,442.58 plus HST (\$2,760.11)
- October 1, 2023 \$2,442.58 plus HST (\$2,760.11)

The total lease payment for the 2023 Crop Year is \$4,885.17 plus HST, as applicable.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh’s current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh’s plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town’s “continuous improvement” approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town’s leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Robert Auger, LL.B.
Director Legislative Services & Clerk

Recommended by

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Map of Town Lands
2	Farm Lease Agreement