



The Corporation of the Town of Tecumseh

Corporate Services & Clerk

To: Mayor and Members of Council

From: Laura Moy, Director Corporate Services & Clerk

Date to Council: May 14, 2019

Report Number: CS-2019-12

Subject: Farm Lease Agreement - Tyler Nostadt
2019 Crop Year

Recommendations

It is recommended:

That The Corporation of the Town of Tecumseh (Town) enter into a one-year term Lease Agreement with Tyler Nostadt, of Nostadt Stock Farms (Nostadt), to farm the Town's 18 acres of farmland located on the south side of Baseline Road at a rate of \$238.13 plus HST per acre **be approved**;

And that the Mayor and the Clerk **be authorized** to execute a Farm Lease Agreement between the Town and Nostadt for the 2019 Crop Year.

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, along with Fairplay Woods, were retained by the Town following the settlement of the litigation with 424805 Ontario Limited/Ice Track Corporation (424). All of the lands retained by the Town are legally known as Part 2 on Plan 12R-25526. [Appendix 1](#) is a map of the Town's Lands.

Following the settlement, 424 entered into a Farm Lease Agreement with Nostadt to farm the lands which it acquired from the Town (424 Lands). The 424 Lands are shown as Part 1 on Appendix 1. The lease payment to 424 in 2018 was \$233.00 per acre, plus HST.

The Town also entered into a lease agreement with Nostadt with respect to its Farmlands.

Comments

Prior to the settlement with 424, the Town received Request for Proposals (RFP) to farm its lands in accordance with the Town's Purchasing Policy No. 17 (Policy).

The Farmlands are located on the south side of Baseline Road with no direct access from the road. The Farmlands may only be accessed from the 424 Lands which are currently being leased to Nostadt for farming purposes. As Nostadt can only access the Farmlands from the 424 Lands, the Town is unable to use the regular RFP process.

The Policy provides the following in Section 3.9 a) ii) and iii):

"3.9 Non-Competitive Purchases

a) The requirement for competitive bid solicitation for goods, services and construction may be waived under joint authority of the appropriate Department Director and the Purchasing Coordinator and replaced with negotiations by the Department Director under the following circumstances:

i) ...

ii) where only one source of supply would be acceptable and cost effective;

iii) where there is an absence of competition for technical or other reasons and the goods, services or construction can only be supplied by a particular supplier and no alternative exists;..."

Section 3.9 b) of the Purchasing Policy further states that:

"When a Department Director intends to select a supplier to provide goods, services or construction pursuant to subsection 3.9 a), a written report indicating the compelling rationale that warrants a non-competitive selection will be submitted by the Department Director to Town Council for approval."

This report has been prepared in accordance with Section 3.9 b) of the Policy to recommend the Town enter into a Farm Lease Agreement with Nostadt for the 2019 Crop Year at the rate of \$238.13 per acre, plus HST.

The rate of \$238.13 is in keeping with the rate to be paid by Nostadt to 424 in 2019. It is greater than the 2018 per acre lease payment received by the Town of \$233.00 per acre plus HST, based on a 2.2% increase in the Consumer Price Index.

The Farm Lease Agreement for the 2019 Crop Year has been prepared in keeping with the same provisions of previous agreements. The payment installments have been split 50/50 effective June 1, 2019 and October 1, 2019. In brief summary, Nostadt 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 the 2019 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;
- leaving the Farm in good condition in accordance with proper farm husbandry and ready for the next farm crop year; and
- payment of rent in the annual amount of \$4,286.27 plus HST, as applicable.

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.

Consultations

Financial Services

Financial Implications

The lease payment to the Town for the 2019 Crop Year under the Farm Lease Agreement is due in two (2) instalments:

- June 1, 2019 \$2,143.14 plus HST
- October 1, 2019 \$2,143.13 plus HST

The total lease payment for the 2019 Crop Year is \$4,286.27 plus HST, as applicable.

Link to Strategic Priorities

Applicable	2017-18 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 the Town of 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 the Town of Tecumseh's plans and priorities.
<input 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:

Laura Moy, Dipl. M.M., CMMIII HR Professional
Director Corporate Services & Clerk

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Deputy Treasurer & Tax Collector

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Map of Town Lands

Appendix 1

