



# **Corporate** NO: R053

# **Report** COUNCIL DATE: March 13, 2000

## **REGULAR COUNCIL**

**TO: Mayor & Council**    **DATE: March 9, 2000**

**FROM: Manager, Facilities & Realty**    **FILE: 0541-137/138**  
**Engineering Department**

**SUBJECT: New Lease of the City Property at 5288 - 168 Street (Mound Farm)**

## **RECOMMENDATION**

That Council approve the lease of the City farmlands at 5288 - 168 Street (Mound Farm) for a 20 year term commencing April 1, 2000.

## **BACKGROUND**

### **1. The Property and Land Uses**

The City property, comprised of Mound Farm at 5288 - 168 Street and Mound Park at 5202 - 168 Street, has a total site area of  $\pm 65.2$  hectares ( $\pm 161$  acres). Mound Farm is comprised of two distinct portions, the north  $\pm 24.3$  hectare ( $\pm 60$  acre) portion and the south  $\pm 24.3$  hectare ( $\pm 60$  acre) portion with a further  $\pm 3.2$  hectares ( $\pm 8$  acres) that is not farmed. Mound Park has a site area of  $\pm 13.4$  hectares ( $\pm 33$  acres), and has been dedicated as park. There are two heritage houses located on Mound Park that continue to be rented by the City pending the development of the park.

As the farming season commences the beginning of April, it is imperative that the lease be approved as soon as possible.

### **2. Plan Designations and Zoning**

The subject property is designated Agricultural in the Official Community Plan and zoned A-1 (General Agricultural).

### **3. Previous Farming of the Lands**

Canadian Farms was the tenant of the south  $\pm 24.3$  hectare portion of the farmlands when the City purchased the property in May 1993. Canadian Farms was also the only applicant for the lease of the north  $\pm 24.3$  hectare portion of the farmlands when the City later invited bids for the lease. The leases for both the north and south farmlands expired in October 1996, and Canadian Farms held over under the terms and conditions of the expired leases up to November 1999.

## **DISCUSSION**

The Master Plan for the City property sets out requirements for the City to make the farmlands available for active farming through offering a lease on a 20 year term. The City has advertised for the lease of the farmlands, and four offers to lease were received before the closing date. The offers included information on the applicants' financial resources, farming experience, and present farming operations. A fifth offer to lease in the form of a short letter was also received after the closing date, but this offer was not considered.

The offers to lease have been evaluated by staff with the assistance of three members of Surrey Agricultural Advisory Committee (SAAC) employing criteria that favour young, full-time, experienced farmers in family run operations. Two farmers offered to lease both north and south portions of land, and the other offered to lease the north portion only. It was preferred by the SAAC members that both the north and south portions of land be managed under one lease.

It was concluded from the evaluation of the offers that the farmlands should be offered to the joint applicants, Canadian Farms Produce Inc. and Heppell's Potato Corp., and to Maddock's Produce Inc. for the rotational farming of the lands through a partnership of these companies. The types of crops that will be farmed by Canadian Farms and Heppell's Potato are understood to require a minimal amount of pesticides. The matter of pesticides is important because of the public recreational use proposed for Mound Park and the consequent interaction between park users and the farming operations. The food crops proposed are also understood to offer benefits pertaining to soil sustainability. One of the two crops proposed by Maddock's Produce also has similar soil sustainability benefits. Staff continue to pursue the partnership option with the three farmers.

The proposed lease will have a 20 year term with the tenant responsible for all taxes and utility costs arising from the use of the lands. The base rent will be reviewed every five years. The lease will further contain provisions for either party to terminate it at anytime by giving 12 months' notice.

## **CONCLUSION**

The Master Plan for the City property sets out the objectives of continued active farming of the farmlands through offering a long-term lease of the lands. The City has advertised for the lease, and four offers to lease were received before the closing date. The offers have been evaluated, and it has been concluded that the best arrangement for the City would be to encourage Canadian Farms, Heppell's Potato, and Maddock's Produce to form a partnership for the rotational farming of the lands. It is recommended that Council approve a new lease of the farmlands at 5288 - 168 Street for a 20 year term commencing April 1, 2000.

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Manager, Facilities & Realty

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Appendices

I. Location Map

II. Site Map

III. Aerial Photograph

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