



Corporate NO: R101

Report COUNCIL DATE: May 28, 2002

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **May 9, 2002**

FROM: **General Manager, Engineering** FILE: **0541-112**

NEW FILE: **0930-30**

SUBJECT: **Lease Renewal of a ±16.79 Hectare Portion of 17910 Colebrook Road (Map 87)**

RECOMMENDATION

That Council approve a lease of the ±16.79 hectare (±41.5 acre) farmland portion of the City-owned property located at 17910 Colebrook Road for a five year term commencing November 1, 2001 to Nicomekl Farms Ltd.

BACKGROUND

1. The Property and Land Uses

The subject property has an area of ±20.53 hectares (±50.73 acres) with ±16.79 hectares (±41.5 acres) in farm use. The balance of ±3.74 hectares (±9.24 acres) is forested and improved with a house that is being rented.

The City has been leasing the subject land for farming purposes since its purchase in July 1989. Nicomekl Farms Ltd. have been tenants of this property since 1997. The existing lease expired in November 2001 and Nicomekl has requested a new lease.

2. Plan Designations and Zoning

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

DISCUSSION

As the lease of the subject farmland has expired, Nicomekl Farms Ltd. is paying rent under the terms of the expired lease on a month-to-month basis. The tenant wishes to secure a longer term tenancy, and has requested a new lease to ensure that it can continue its farm operations for full crop seasons.

City staff have agreed to a five year lease term of the farmland, commencing on November 1, 2001. The rent will remain at the existing level, which is considered to reflect market rates for similar local agricultural land. The tenant will be responsible for all taxes and utility costs arising from its use of the property.

The lease will continue to have provisions allowing the City to terminate at any time by giving the tenant six months notice. However, the termination date shall not take effect during the tenant's crop season from April 1 through October 31. This notice requirement is to avoid potential crop loss to the tenant.

All City departments have been consulted and have not expressed any concerns on the proposed lease. Also, rental payments are up to date, and there are no known defaults under the terms of the existing tenancy.

CONCLUSION

Since there are no internal objections to the City entering into a new lease agreement, and there are no known defaults under the existing tenancy, it is recommended that Council approve a new lease to Nicomekl Farms Ltd. of the ±16.79 hectare farmland portion of the property located at 17910 Colebrook Road for a five year term commencing November 1, 2001.

Paul Ham, P.Eng.

General Manager, Engineering

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Appendices

- I. Location Map
- II. Site Map
- III. Aerial Photograph