

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

ITEM NUMBER: 11

DATE: April 17, 2007

STAFF: Daylan Figgs

SUBJECT

Second Reading of Ordinance No. 051, 2007, Authorizing the Lease of a Portion of the Resource Recovery Farm for Agricultural Use.

RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on March 20, 2007, authorizes an agricultural lease on approximately 110 acres located within the Resource Recovery Farm for a period of time starting January 1, 2007 and ending December 31, 2011.

ATTACHMENTS

1. Copy of First Reading Agenda Item Summary - March 20, 2007.

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

ITEM NUMBER: 18

DATE: March 20, 2007

STAFF: Daylan Figgs

COPY

SUBJECT

First Reading of Ordinance No. 051, 2007, Authorizing the Lease of a Portion of the Resource Recovery Farm for Agricultural Use.

RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

The Land Conservation and Stewardship Board unanimously recommended the adoption of the Ordinance on February 14, 2007.

COPY

FINANCIAL IMPACT

The Lessee will pay an annual rate of \$65 per acre for approximately 110 acres of crop land. Additionally the Lessee will be responsible for controlling noxious and toxic plants found within the leased area. The Lessee will also be responsible for costs associated with producing the crop including all costs of tillage, seeds, seeding, fertilizer, irrigation management, weed management, and harvesting. The City will provide 3.6 shares of Lake Canal water, currently owned by the Natural Areas Program, and additional water, if needed, to produce the crop.

EXECUTIVE SUMMARY

This Ordinance authorizes an agricultural lease on approximately 110 acres located within the Resource Recovery Farm for a period of time starting January 1, 2007 and ending December 31, 2011.

COPY

BACKGROUND

The Resource Recovery Farm (RRF), located near Prospect and Interstate I-25, totals approximately 150 acres. The site was purchased from the City of Fort Collins Utilities Department in 2003 in an effort to maintain open space along the I-25 corridor. Prior to acquisition by the Natural Areas Program, the RRF was operated by the City's Utilities

Department as a wastewater biosolids management facility. The agricultural land surrounding the facility was used for land application of the biosolids.

Of the 150 acres, approximately 110 acres are former agriculture lands that have been idle since the Natural Areas purchase. This lease will allow a tenant to farm 110 acres of irrigated agriculture land in either hay or row crop. Irrigation water will be provided by shares of Lake Canal water owned by the Natural Areas Program, ground water from wells located on adjacent city owned property, and/or water leased from the City of Fort Collins Utility Department.

Currently, Natural Areas staff are performing weed control and other maintenance work on the agricultural land totaling approximately \$2900 dollars annually. This lease will transfer much of that responsibility to the farming tenant.

The built infrastructure associated with the wastewater biosolids management facility remains on the RRF. The Natural Areas Program is exploring other uses for the building site; however, to date, future use and development of the property by the City remains uncertain. As a result, grassland restoration of the former agriculture fields is a low priority for the Natural Areas. Leasing the property for agriculture production reduces management and maintenance costs for the Natural Areas program and allows time to explore management and use options for the RRF.

ATTACHMENTS

1. Resource Recovery Farm Area.
2. Excerpt of Minutes from the February 14, 2007 meeting of the Land Conservation and Stewardship Board.

ORDINANCE NO. 051, 2007
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE LEASE OF A PORTION OF
THE RESOURCE RECOVERY FARM
FOR AGRICULTURAL USE

WHEREAS, the City of Fort Collins owns certain real property approximately 150 acres in size (the "Resource Recovery Farm"), which was originally acquired for Utilities purposes but has since been transferred to the City's Natural Areas Program; and

WHEREAS, the Natural Areas Program has not yet finalized its plans for the Resource Recovery Farm; and

WHEREAS, pending development of those plans, the City continues to expend funds on an ongoing basis in order to control weeds and otherwise maintain the Resource Recovery Farm; and

WHEREAS, in order to provide for appropriate use of the Resource Recovery Farm prior to further City actions, and in order to reduce the City's ongoing costs of ownership, City staff has proposed that the City lease approximately 100 acres of the Resource Recovery Farm as more particularly described on Exhibit A, attached hereto and incorporated herein by this reference (the "Lease Area"); and

WHEREAS, City staff has proposed that the Lease Area be leased at an annual rate of \$65 per acre, and that the lease further allow for the use of 3.6 shares of Lake Canal water owned by the City for the Natural Areas Program and historically used to irrigate the Resource Recovery Farm; and

WHEREAS, staff has further proposed that the lessee of the Lease Area be responsible for controlling noxious and toxic plants in the Lease Area and for all costs associated with the lessee's use of the Lease Area, including but not limited to costs of crop production; and

WHEREAS, staff has proposed that the Lease Area be leased on an annual basis for a possible total lease period of five years; and

WHEREAS, staff has negotiated terms and conditions which have been incorporated into a proposed lease agreement, a copy of which is dated March 14, 2007, and is on file in the office of the City Clerk and available for inspection; and

WHEREAS, the Land Conservation and Stewardship Board, at its regular meeting of February 14, 2007, unanimously recommended that the Council authorize the proposed lease; and

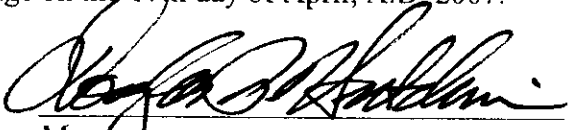
WHEREAS, Section 23-114 of the City Code provides that the City Council is authorized to lease any and all interests it may have in non-utility real property owned by the City, provided the Council first finds by ordinance that the lease of that real property interest is for the benefit of the citizens of Fort Collins and will be in the best interests of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby finds that the lease of the Lease Area as described above is for the benefit of the citizens of Fort Collins and is in the best interests of the City of Fort Collins.

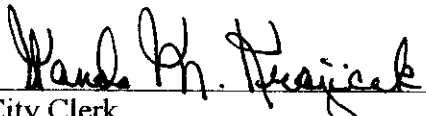
Section 2. That the Mayor is hereby authorized to execute such lease documents and other documents as may be necessary to carry out the terms of this Ordinance, together with such terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary or appropriate to protect the interests of the City, including any necessary corrections to the legal descriptions shown thereon that do not result in a material increase or change in character of the intended lease property.

Introduced, considered favorably on first reading, and ordered published this 20th day of March, A.D. 2007, and to be presented for final passage on the 17th day of April, A.D. 2007.



Mayor

ATTEST:



City Clerk

Passed and adopted on final reading on the 17th day of April, A.D. 2007.

Mayor

ATTEST:

City Clerk