



Staff Report

File #: 24-99

Version: 1

Date: 3/25/2024

Item #: 3.3c.

TO: Mayor and City Council

THROUGH: Keith Stahley, City Manager

FROM: Kristin Retherford, Community Planning and Development Department Director

SUBJECT:

Ground lease with North Valley Hay & Farms LLC for property located at 2301 Orchard Heights Road NW.

Ward(s): 8

Councilor(s): Varney

Neighborhood(s): WSNA

Result Area(s): Good Governance; Natural Environment Stewardship

SUMMARY:

The City owns the property identified as Tax Lots 073W1701601 and 073W170101603, commonly known as 2301 Orchard Heights Road NW (Property). The Property is unimproved and is the site of the future Grice Hill Park.

ISSUE:

Shall City Council authorize the City Manager to execute the attached lease with North Valley Hay & Farms LLC?

RECOMMENDATION:

Authorize the City Manager to execute the attached lease with North Valley Hay & Farms LLC.

FACTS AND FINDINGS:

Staff and North Valley Hay & Farms LLC (Cole Sandlin, Member) (Lessee) and staff have come to terms on a proposed lease (Lease) (Attachment 1) to allow Lessee to farm the Property. Key terms of the Lease are below.

Acreage:	31.75
Lease Term:	2 years, 7 months
Lease Rate Base Term:	\$5,557 annually (\$175/acre)
Lease Rate Option Period:	\$6,096 annually (\$192/acre)
Renewal Options:	three 1-year terms

BACKGROUND:

Lessee has been farming the Property since 2020 under a permit of entry. In addition to rental revenue, the City realizes cost savings by not having to maintain the property and having the land put to productive use. Development of Grice Hill Park is not planned within the time frame of the Lease.

Revenue from the Lease will go to the Parks Trust & Agency account.

Clint Dameron
Real Property Services Manager

Attachments:
1. Lease