

Municipality of Chatham-Kent

Finance, Budget, Information Technology & Transformation

Financial Services

To: Mayor and Members of Council

From: Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Date: September 15, 2020

Subject: Land Lease - 25280 Big Pointe Road Agricultural Land

Recommendation

It is recommended that:

1. Administration enter into a five year lease with Shawn Newman and Allan Martin in the amount of \$350 per acre per year, with three one year renewals, for approximately 8 acres at 25280 Big Pointe Rd, legally described as Plan of Survey of Part of Lot 9, Concession 7, Geographic Township of Dover, Chatham-Kent; being part of Property Identification Number 00773 – 0118 (LT).

Background

This vacant parcel of farmland fronts onto the south side of Big Pointe Road in the Community of Dover (GIS map attached) and has a frontage of approximately 661 feet. The property has a mixed classification broken down as follows: Commercial, Residential, and Exempt. The total assessed value of all the classifications is \$636,000. The zoning on this property is Agriculture.

The subject agriculture land of this parcel has been leased to an area farmer for many years. The lease has since expired. Administration would like to continue to offer this land for lease as a way to maintain the land and reduce operational costs.

This property was advertised for lease for agricultural purposes in the local newspaper, Chatham-Kent This Week, on August 13, 2020 and Wallaceburg Courier Press on August 13, 2020. This property was also advertised for lease online with The Chatham Voice for 2 weeks starting August 10, 2020 and on the municipal website beginning August 10, 2020.

Comments

Administration has received an offer to lease the parcel for five years at \$350 per acre per year. Administration supports the lease of this property to Shawn Newman and Allan Martin for \$350 per acre per year. At the September 14, 2020 closed session meeting, Council directed administration to negotiate the lease.

Three offers to lease the property were received. The bid criteria is entirely dependent upon bid price per acre as noted in the Request for Quotation package distributed to those parties who expressed interest in submitting a bid.

Bidder Name	Price per Acre per year
Shawn Newman and Allan Martin	\$350
Jeff Couture	\$345
Agri-Couture Inc.	\$330

This property is being offered for lease only.

This lease will save any future yard maintenance costs from being charged to the municipal budget to maintain this property.

Areas of Strategic Focus and Critical Success Factors

The recommendation in this report supports the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:
Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community
- Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendation in this report supports the following critical success factors:

- Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable

- Open, Transparent and Effective Governance:
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors
- Neutral issues (does not support negatively or positively)

Consultation

Building Services confirmed the zoning of this property.

Legal Services will assist with the preparation and issuance of the lease upon Council approval.

Financial Implications

The lease proceeds offset the legal costs associated with the lease and maintenance costs. Any surplus from the lease will contribute to the revenue line. The lease of municipal lands decreases municipal maintenance costs. Over the five year term of the lease approximately \$13,580 in lease revenue will be received.

Prepared by:

Reviewed by:

Amy McLellan, CPA, CGA
Manager, Revenue, Financial Services

Matt Torrance, MBA, CPA, CGA
Director, Financial Services

Reviewed by:







Gord Quinton, MBA, CPA, CGA
Chief Financial Officer, Treasurer

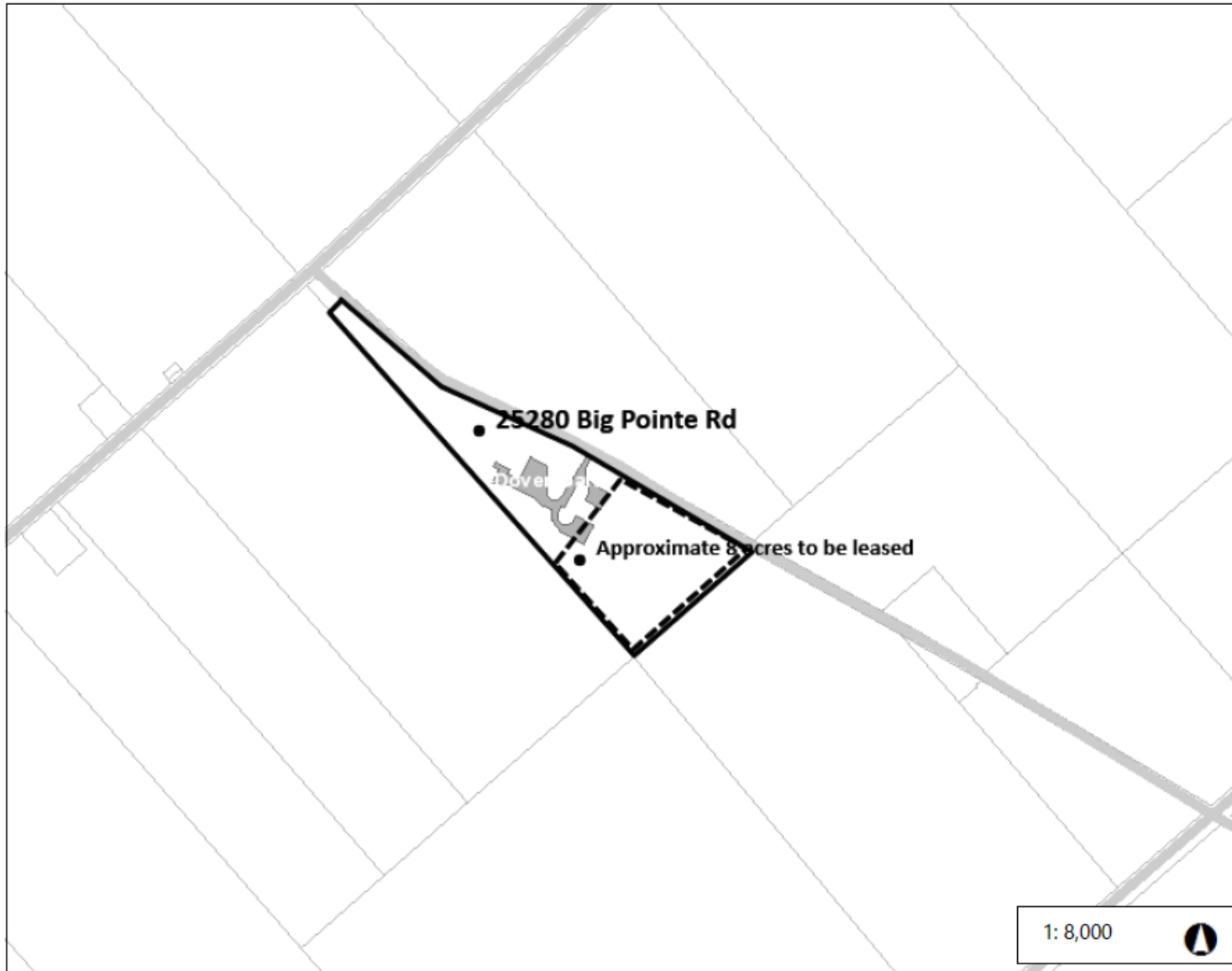
Attachment: GIS map of parcel

P:\RTC\F&PS\Finance\2020\RTC028 – Land Lease – 25280 Big Pointe Rd Agricultural Land.docx



Legend

-  Settlement Areas
-  Road Network
-  Railway
-  Parking Lots
-  Footprints
-  Assessment Parcel



1: 8,000



0.3 0 0.13 0.3 Miles

NAD_1983_UTM_Zone_17N
© Latitude Geographics Group Ltd.

This map is a user generated static output from an Internet mapping site and is for reference only.
Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.
Queen's Printer retains the copyright in full in the SWOOP2015 Orthophotography Products

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Notes