



Legislation Text

File #: 19-773, **Version:** 1

Report Prepared by: Karen Baker, Development Associate, Merced Visitor Services

SUBJECT: Approval of an Agricultural Ground Lease Between the City of Merced and James Wolf for Use of Approximately Seventy-Eight (78.84) Acres in and Around the Merced Regional Airport with Rent Starting at \$17,640.00 per Year for a Term of Three (3) Years, with Annual Extensions by Mutual Agreement of Both Parties

REPORT IN BRIEF

Considers a lease agreement (3-year term with annual extensions by mutual agreement of the parties) with James Wolf for use of approximately seventy-eight (78.84) acres located in and around the Merced Regional Airport.

RECOMMENDATION

City Council - Adopt a motion approving a lease agreement between James Wolf and the City of Merced, and authorizing the City Manager or the Assistant City Manager to execute all necessary documents.

ALTERNATIVES

1. Approve as recommended by staff; or,
2. Approve, subject to modifications as conditioned by Council; or,
3. Deny the request completely; or
4. Refer back to staff for reconsideration of specific items as requested by Council; or,
5. Continue item to a future Council meeting (date to be specified in City Council motion).

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

City of Merced adopted Budget Fiscal Year 2019-2020.

DISCUSSION

The City of Merced owns property north and south of the runway located at Merced Regional Airport. The property was acquired to protect the takeoff and landing flight lines at the Merced Regional Airport from dense or incompatible land uses, and is zoned as Restricted Agriculture, A-1-20. Other than agriculture, land uses such as residential, commercial, and industrial are restricted, which is consistent with the Merced Airport Master Plan.

Staff put out a Request for Proposals for the 78.84 Acre Agricultural Lease Site on September 4,

2019 for the property south of the runway fronting Dickenson Ferry Road. Two respondents submitted proposals by the October 18, 2019 due date. Of the two proposals received, Mr. Wolf's Proposal was over the minimum rent requested, offering to pay the entire annual rent amount of \$ 17,640.00 up front. James Wolf has indicated that they would like to graze cattle on the irrigated pasture, and farm row crops on another portion of the acreage, as described in Exhibit A of the proposed Lease (see Attachment 1).

Key Lease Terms: Notable term of the Lease Agreement include:

Parties: Lessor: City of Merced
 Lessee: James Wolf

Premises: The subject site is Seventy-Eight (78.84) Acres of City-owned property located along the Merced Regional Airport flight line on Dickinson Ferry Road. (See Exhibit A).

Term: Three (3) year lease with annual extension by agreement with both parties.

Tenant

Improvements: No tenant improvement allowance is included.

Utilities and Maintenance: James Wolf will be responsible for all utilities and maintenance for the premises. Lessee agrees to cut and remove all weeds each season and will take steps to control all pests and rodents as necessary.

Assignment and Subletting: Lessee is prohibited from assigning or subletting his interest in said premises.

IMPACT ON CITY RESOURCES

The rent revenue generated are deposited into the Airport Revenue Account 561-1303-352.03-05 and this rent revenue is included in the annual budget process.

ATTACHMENTS

1. James Wolf Lease Agreement