

**Memorandum
Community Economic Development Department**



To: Thomas Thomas, City Manager
Subject: Colony Point, Inc. Farm Lease
Date: October 21, 2015

Mr. Andrew Kordik of Colony Point, Inc. of 1209 5th Avenue in Moline has been actively farming a city-owned parcel of land at the northwest corner of IL 92 and Andalusia Road for a number of years. This activity has occurred without a current lease with the City. It has come to the CED staff's attention that use of this parcel as a farm has resulted in the City losing its tax exempt status on this property. To remedy this situation, CED staff were able to reach a tentative lease agree with Mr. Kordik to allow him to continue to farm the land while providing the City with adequate and appropriate compensation for use of the land. CED staff requests Council consider the proposed lease agreement for approval.

RECOMMENDATION: The CED Department recommends: 1) Council approval of the proposed lease agreement with Colony Point, Inc. subject to minor modifications by the City Attorney; and 2) Council authorization for the City Manager to execute the contract documents.

Submitted by: Jeffery A. Eder, Assistant City Manager/CED Director
Brandy Howe, AICP, Urban Planner

Approved by: Thomas Thomas, City Manager

**CITY OF ROCK ISLAND
FARM LEASE
COLONY POINT, INC.**

THIS AGREEMENT, entered into this ____ day of _____ 2015 by and between the City of Rock Island (City), a municipality under the laws of the State of Illinois, and Colony Point, Inc. (Operator) of 1209 5th Avenue, Moline, Illinois.

THE PARTIES AGREE AS FOLLOWS:

The City of Rock Island, in consideration of the terms specified herein, hereby leases to the Operator for agricultural purposes Parcel Number 11-191-1 in Blackhawk Township, City of Rock Island, Illinois.

1. **Term of Lease.** The term of this lease shall be for a period beginning _____, 2015 and ending December 31, 2016. Annual extensions must be placed in writing on this lease, and both parties agree that failure to execute an extension at least ninety days before the end of the current term shall be constructive notice of intent to allow the lease to expire.
2. **Purpose of the Lease.** The Operator shall have the right to use the property for the production of certified organic crops, as approved by the United States Department of Agriculture (USDA).
3. **Rent.** The Operator agrees to pay the City annual cash rent for the above described farm in the amount determined by the following method.
 - a. The annual cash rent shall be the sum of \$1,700. This represents 17.0 acres of cropland at \$100.00 per acre.
 - b. The rent shall be paid in full at the time of expiration of the lease on December 31, 2016.
4. **Government Payment.** The Operator is entitled to 100% of any government payment, if the farm is applicable.
5. **Insurance.** Lessee is required to submit a Certificate of insurance to the City of Rock Island in the amount of \$1,000,000.00 Umbrella Liability Protection.
6. **Operator Duties and Conditions.** Operator agrees to:
 - a. Farm the land in an efficient and steward-like manner. Crops shall be planted and harvested in a timely fashion as weather conditions permit. In the event Operator fails to do so, the City reserves the right, personally or through designated agents, to enter upon the real estate and properly care for and harvest all growing crops, charging the cost of the care and harvest to the Operator. In the case of termination of this agreement, the Operator shall not perform any tillage nor incur any other expense for the City for the following year's crop without prior written consent of the City.
 - b. Provide to the City production or yield information about harvest crops each year, such as may be required for participation in Farm Service Agency programs or for setting crop insurance actual production history yields, and using measurement methods acceptable for these purposes.

- c. Comply with pollution control, water quality, and environmental protection requirements as required by local, state, and federal agencies, as well as to implement soil erosion control practices to comply with the soil loss standards mandated by local, state, and federal agencies.
 - d. Comply with all local, state, and federal laws and regulations governing activities related to the application of manure and the cultivation of crops and the compliance thereof.
 - e. Use reasonable efforts to control weeds in fields, fence rows, road ditches, and all other areas of the farm utilizing conventional tillage practices.
7. **Indemnification.** Operator does hereby agree to release, indemnify, defend, and hold the City harmless from any and all claims, causes of action, damage, liability and cost and expenses, including litigation costs and attorneys' fees, against or incurred by the City, and hereby further agrees to waive and release any and all claims or causes of action of every kind and nature whatsoever, both in law and equity, whether known, unknown, foreseen, unforeseen, which the undersigned, or anyone claiming through or against the undersigned, might have, including without limitation claims for personal injury, death or property damage resulting from, arising out of, or being in any way connected with the use of the subject property. This indemnity agreement shall also be effective to the maximum extent permitted by law.

OPERATOR

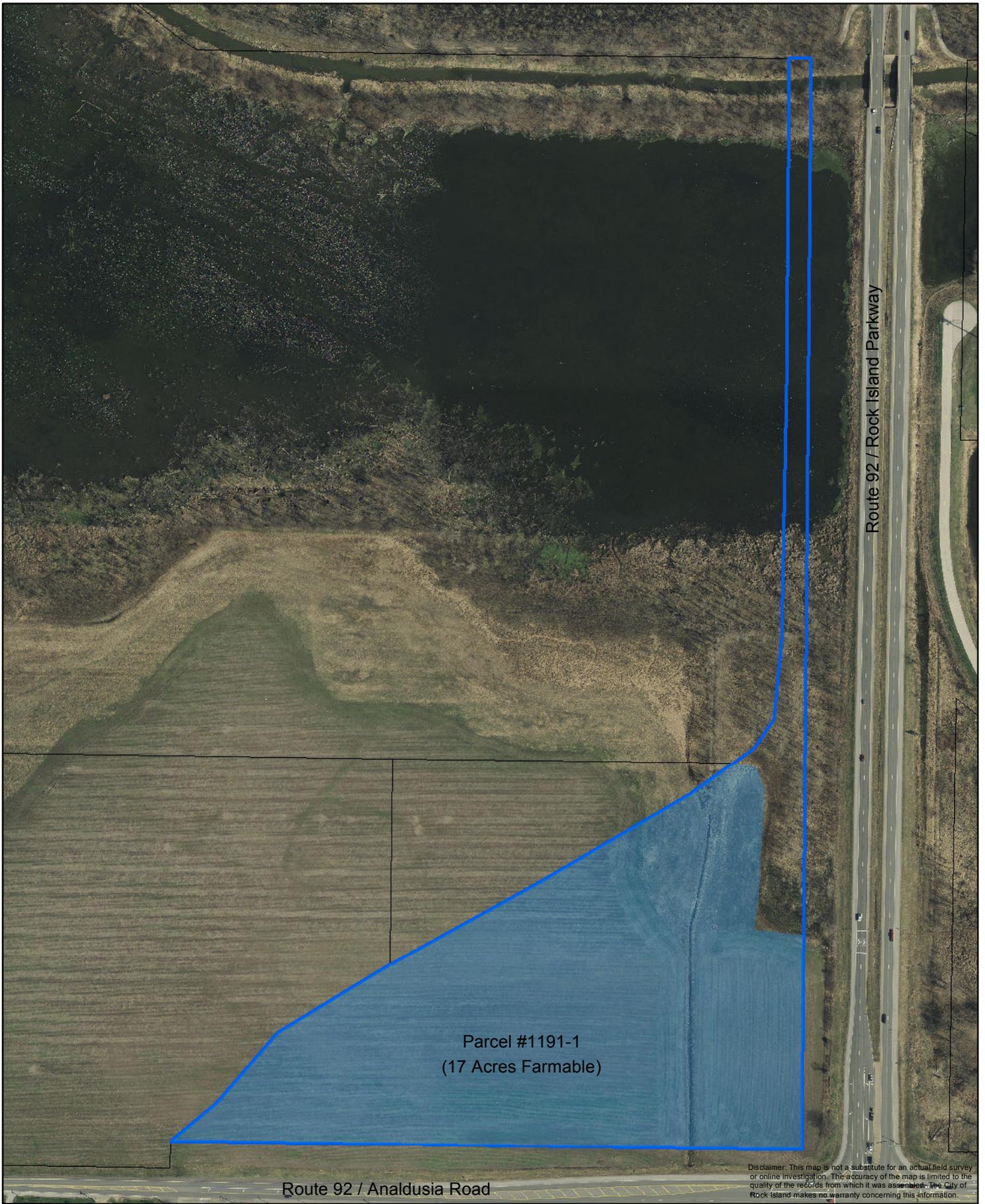
CITY

Andrew Kordik, Colony Point, Inc.

Thomas Thomas, City Manager

ATTEST

Aleisha Patchin, City Clerk



Parcel #1191-1
(17 Acres Farmable)

Route 92 / Rock Island Parkway

Route 92 / Analdusia Road

Disclaimer: This map is not a substitute for an actual field survey or online investigation. The accuracy of the map is limited to the quality of the records from which it was assembled. The City of Rock Island makes no warranty concerning this information.

EXHIBIT A

- Legend**
- Farmable Acreage
 - Subject Property
 - Parcels



City of Rock Island,
Community and Economic Development Department

Drawn By: KDouglass

Date Created: August 2015

LEASE EXTENSION

Extension No. 1

This lease shall be extended from January 1, 2017, to December 31, 2017.

Signed _____, 20____.

_____ Operator

_____ City

Extension No. 2

This lease shall be extended from January 1, 2018, to December 31, 2018.

Signed _____, 20____.

_____ Operator

_____ City

Extension No. 3

This lease shall be extended from January 1, 2019, to December 31, 2019.

Signed _____, 20____.

_____ Operator

_____ City

Extension No. 4

This lease shall be extended from January 1, 2020, to December 31, 2020.

Signed _____, 20____.

_____ Operator

_____ City