



City of Grand Island

Tuesday, May 07, 2002

Council Session

Item G11

#2002-126 - Approving Utility Property Farm Leases

The Utilities, Public Works and Parks and Recreation Departments lease lands owned, but not required for actual equipment installations and operations for agricultural use. This process reduces department maintenance expense and provides revenue from the farming operations. Except for the pasture lease on Farm #10, the leases are for one-year terms with access for utility and city purposes guaranteed at any time. Areas included are; unsold property at Platte Valley Industrial Park, Burdick Station, the Well Field, land north of the Wastewater Treatment site, the City Landfill and CHAAP.

Lease Summaries:

<i>Propert</i>	<i>Tenant</i>	<i>Acres Rented</i>	<i>Rent Share</i>
<i>#7-Cornhusker Army Ammunition Plant</i>	<i>Robert Nunnenkamp</i>	<i>300.7 +/- Acres</i>	<i>1/3 share of corn crop</i>
<i>#8-Cornhusker Army Ammunition Plant</i>	<i>Matt Tureck</i>	<i>51 +/- Acres</i>	<i>1/3 of Hay Crop</i>
<i>#10-City Landfill Site</i>	<i>Bill Cure</i>	<i>170 +/- Acres</i>	<i>\$3,750 Cash Rent</i>
<i>#16-Platte Valley Industrial Park</i>	<i>Larry Knuth</i>	<i>7.5 +/- Acres</i>	<i>40% of Alfalfa</i>
<i>#18-Northwest Portion of City Well Field</i>	<i>Kenneth Clausen</i>	<i>110 +/- Acres</i>	<i>50% Prairie Hay</i>
<i>#19-Southwest and Central Portion of Larry Knuth</i>	<i>520 +/- Acres</i>	<i>50% Prairie Hay</i>	<i>City Well Field</i>
<i>#20-East Portion City Well Field</i>	<i>Jack Webb</i>	<i>650 +/- Acres</i>	<i>\$500 Cash Rent; 50% P</i>
<i>#21-Wastewater Treatment Plant</i>	<i>Mike Peters</i>	<i>128.4 +/- Acres</i>	<i>\$9,500 Cash Rent</i>
<i>#21A-Southeast of Burdick Station</i>	<i>Gerald Bremer</i>	<i>16.5 +/- Acres</i>	<i>\$50 Cash Rent</i>

Approval of these leases is recommended by the Utilities, Public Works and Parks and Recreation Departments.

Staff Contact: Charlie Cuypers

Thomazin Co.

FARM & RANCH MANAGEMENT AND SALES

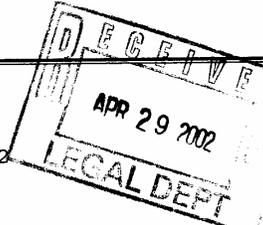
JOHN R. THOMAZIN
1914 - 1975

ROBERT J. THOMAZIN

43445 KILGORE ROAD • GIBBON, NE 68840

PHONE (308) 468-6773

April 23, 2002



Charles J. Cuyoers
City Attorney
P.O. Box 1968
Grand Island, NE 68802-1968

RE: City of Grand Island
#8 Agricultural Leases
Farms 7, 8, 16, 18 thru
21A

Dear Mr. Cuyppers:

I enclose (8) leases covering the several tracts of agricultural land owned by the City of Grand Island for your review and presentation to the City Council. The following is a brief summary of the terms and other data for each lease.

- Farm #7 300.7 acres Cropland, Cornhusker Army Ammunition Plant lease to Robert Nunnenkamp for 1 year, City to receive 1/3 share of corn crop and 1/3 of L.D.P. with no costs of production to City. Lessee will install irrigation pump and power unit in existing well at his expense making about 117 acres irrigable.
- Farm #8 51 Acres Brome Meadow, part of 420 acres in Cornhusker Army Ammunition Plant site which includes above 300.7 acres of cropland, lease to Matt Tureck for 1 year with City to receive 1/3 of hay crop with Lessee paying all costs of production. This meadow includes many old buildings and access roads making mowing, etc. inefficient thus the rent share is somewhat less than the standard 50% share. Todate, Spring moisture conditions are poor which will adversely affect production if adequate rainfall is not received.
- Farm #10 City Landfill Site, 170 acres pasture, lease to Bill Cure for two (2) years with two (2) one (1) year option periods, City to receive \$3,750.00 cash rent payable \$1,750.00 May 1st, and \$2,000.00 November 1st. for 2002, the second year of the lease with the rental for each of the two(2) one (1) year option periods negotiated 30 days prior to the expiration date of the lease or option period. The lease limits the pasture to the same number of cow/calf pairs and bulls, i.e. 35 pairs and 2 bulls rotated in 6 tracts.
- Farm #16 Platte Valley Industrial Park, 7.5 acres +/- lease to Larry Knuth for 1 year with City to receive 40% share of alfalfa on 7.5 acres cropland Subject to the 120 foot wide Construction Easement along the South Boundary. Because water and sewer construction has begun bisecting the pasture, the pasture will not be leased this year.

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- Farm #17 Platte Generating Station had been leased to Roger Krolikowski for the past several years. Roger informed me he no longer wished to lease the PGS site. Due to the poor production capability of the soils on this site which have also been adversely impacted by drought condition, production costs may well exceed production revenue. At this time I do not have a tenant for this parcel but may be able to lease the area outside the coal service track comprised of Prairie Hay. I will confer with Gary Mader regarding our options and make every attempt to find someone to rent this site or, at least, keep it cleaned up.
- Farm #18 Northwest 110 acres +/- (115 acres less R.O.W. and new access road) lease to Kenneth Clausen for 1 year with City receiving 50% share of hay crop and Lessee paying all costs of production. In spite of the NRD's wetlands project making harvesting difficult and several years of below average rainfall, this meadow is a good producer.
- Farm #19 Southwest and Central 520 acres +/- of City Well Field, lease for 1 year to Larry Knuth with City receiving 50% of hay crop and paying no cost of production. Due to the reduction of acres, i.e. Highway #281 R.O.W.. increased from 41 foot width to 200 feet, additional wells and drought conditions, production last year decreased. If we receive good Spring rainfall, this tract could see production increases in the range of 20 to 30%.
- Farm #20 East 650 acres +/- of City Well Field, lease for 1 year to Jack Webb with City receiving \$500.00 cash rent May 1st. for a portion of the meadow and 50% of the hay produced on the balance with Lessee paying all production costs. This tract is the most adversely affected out of the 3 Well Field tracts by City Wells, but if adequate rainfall is received in the Spring and water levels recede in mid Summer permitting the haying of accretion lands, this tract is capable of producing a good hay crop.
- Farm #21 Grand Island Industrial Subdivision, lease to Mike Peters for 1 year with City receiving cash rent of \$9,500.00 payable on December 1st. The tract contains 116.4 acres +/- in 4 parcels and the Lessee pays for all costs of production and provides all irrigation pipe needed to irrigate the tract. Since there is only 1 irrigation well for the 92+ acres North of the outfall ditch, additional irrigation water can be provided by Lessee from a second well on other land to the West which he also leases. Production on the West half of the 92 acre portion will suffer somewhat due to leveling done two years or so ago but should improve over the next couple of years.

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Farm #21A Small 16.5 acre tract of hay meadow South and East of Cherry Street substation, lease to Gerald Bremer for 1 year with nominal cash rent of \$50.00 paid as of this date. This small meadow is very rough and volunteer trees and other growth make mowing difficult and if not leased at a nominal rent the City would have to mow and maintain the area at their expense.

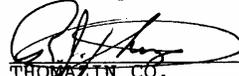
In 2001 gross receipts for the City's agricultural lands totaled \$ 44,521.76 compared to \$ 29,748.00 for 2000. The increase in gross receipts is primarily due to the addition of the 420 acres purchased last year located at the Cornhusker Army Ammunition Plant of which 300 acres is cropland. Annual gross receipts often vary substantially from year to year. Hay produced one year may be sold the next year or the L.D.P. for Farm #7 may not be received from the USDA in the year the crop was sold. However, over a 10 year period, calculating gross receipts provides a fairly good average of income generated by City owned lands.

Although we experienced Lower hay production in 2001 due to drought conditions, hay prices remained strong partially offsetting the lower tonnage. Commodity prices remain at 25 to 30 year lows adversely impacting both cash and share rents. If we receive good precipitation this Spring, hay production will increase and the addition of the 420 acre CAAP land could push gross receipts over the \$40000.00 mark again in 2002..

If you have any questions, please give me a call.

Thank you and with kind personal regards, I remain

Sincerely,



THOMAZIN CO.

RJT/bt
Encl.

cc: Gary Mader
Steven Riehle
Steve Paustian

R E S O L U T I O N 2002-126

WHEREAS, the Utilities, Public Works, and Parks and Recreation Departments have negotiated and submitted proposed leases for the 2002 crop year for its crop and hayland; and

WHEREAS, approval of these leases is recommended.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the following leases be, and hereby are, approved and the Mayor is authorized and directed to sign the leases on behalf of the City of Grand Island:

Property	Tenant	Acres Rented	Rent Share
Platte Valley Industrial Park	Larry Knuth	7.5 +/-	40% of Alfalfa
Northwest Portion City Well Field	Kenneth Clausen	110 +/-	50% Prairie Hay
Southwest and Central Portion City Well Field	Larry Knuth	520 +/-	50% Prairie Hay
East Portion City Well Field	Jack Webb	650 +/-	\$500.00 Cash Rent 50% Prairie Hay
Wastewater Treatment Plant	Mike Peters	116.4 +/-	\$9,500 Cash Rent
Southeast of Burdick Station	Gerald Bremer	16.5 +/-	\$50.00 Cash Rent
Cornhusker Army Ammunition Plant	Robert Nunnenkamp	300.7 +/-	33% Corn
Cornhusker Army Ammunition Plant	Matt Turek	51 +/-	33% Prairie Hay
City Landfill	Bill Cure	170 +/-	\$3,750 Cash Rent

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Adopted by the City Council of the City of Grand Island, Nebraska, May 7, 2002.

RaNae Edwards, City Clerk

Approved as to Form ? _____	
May 2, 2002	? City Attorney