



# City of Grand Island

Tuesday, August 13, 2002

Council Session

## Item G19

### **#2002-242 - Approving Utility Property Farm Lease - Farm #17**

***Background:***

*The Utilities Department leases lands owned, but not required for actual equipment installations, for agricultural use. This process reduces department maintenance expense and provides revenue from the farming operations. The leases provide access for utility purposes guaranteed at any time.*

***Discussion:***

*The Utility Department has a number of leases on various properties such as the Well Field and the Platte Valley Industrial Park. The long term tenant at the Platte Generating Station opted not to renew his lease for this year. The other leases were approved by Council at the May 7, 2002 meeting. Thomazin and Company, the Department's land manager, has negotiated a lease with the same terms and conditions as the previous lease, with a new tenant.*

***Lease Summary:***

*Property: Farm #17 – Platte Generating Station Site Tenant: Mike Lilienthal Acres Rented: 255+/- Acres Rent Share: 33% Alfalfa, 33% Prairie Hay, & 33% Grain*

***Recommendation:***

*The lease agreement has been reviewed and approved by the Legal Department. Approval of this lease is recommended by the Utilities Department.*

***Fiscal Effects:***

*Receipt of revenue by the department depends on success of the farming year. Total lease revenue has historically run approximately \$30,000 per year; about \$4,500 from this lease.*

***Alternatives:***

*As directed by Council. See attached RESOLUTION.*

**Staff Contact: Gary R. Mader**

LEASE AGREEMENT

COPY

**THIS LEASE AND AGREEMENT** made and entered into June 22, 2002, by and between the City of Grand Island, a municipal corporation in Hall County, Nebraska hereinafter called the Lessor and Michael Liliethal 5700 South Locust, Grand Island, Nebraska, 68801, hereinafter called the Lessee.

**WITNESSETH:** The Lessor has on this day leased unto the Lessee, the following described property situated in Hall County, in the State of Nebraska, to-wit: That part of the cropland and hayland in the North Half (N1/2) of Section Nine (9), Township Ten (10) North, Range Nine (9) West of the 6th P.M., Hall County, Nebraska shown on the attached Exhibit "A" outlined in green and containing about 255 Acres +/-.

**THIS LEASE AGREEMENT** shall commence on the 22nd day of June, 2002 and terminate on the 31st day of March, 2004.

**IT IS EXPRESSLY AGREED** that the consideration for this lease to be paid by the lessee shall be equal to One Third (1/3) of the Alfalfa and Native Hay mowed, raked, baled, piled and ready to be delivered, and One Third (1/3) of any Oats and Wheat planted, harvested and delivered to market at such times as rotation is needed for reseeding of alfalfa. All costs of fertilizer and chemicals and application thereof; and mowing, raking and baling shall be the obligation of and at the expense of the lessee. Payment for the Lessor's share of the crop shall be made to the THOMAZIN CO., Limited Landlord Agent for the LESSOR.

**THE FOLLOWING PROVISIONS, RESTRICTIONS AND OBLIGATIONS** shall be in effect during the term of this lease.

1. **THE DEMISED PREMISES** will be used primarily for the production of alfalfa and prairie hay excepting therefrom those areas of old alfalfa which from time to time require a two (2) year oats and wheat rotation to permit future seeding of new alfalfa.
2. **NO IRRIGATION, LEVELING OR GRADE CHANGES** will be allowed on the part of the Lessee with the exception of minor grade changes or leveling due to disking in preparation for alfalfa seeding.
3. **LESSEE AGREES TO MOW, DISK AND PREPARE** the premises from time to time as needed in preparation for the seeding of alfalfa, oats or wheat. Lessee further agrees to control all noxious weeds on the demised premises during the term of this Lease.
4. **NO STRUCTURE OR FENCES** of any kind shall be erected by the Lessee.
5. **LESSOR SHALL HAVE UNRESTRICTED ACCESS TO ALL AREAS** of the leased premises at any time for the repair and maintenance of all underground facilities and to maintenance areas and buildings. Lessee shall hold Lessor harmless for damages to growing crops due to minor excavations made to locate, repair and maintain said underground facilities.
6. **LESSOR AGREES TO PAY FOR ALFALFA SEED** to be planted from time to time as deemed necessary on the demised premises, however, the cost of oats and wheat seed shall be the Lessee's obligation.
7. **IT IS FURTHER AGREED** by the Lessee that he will not sublet or in any manner release any part of the described premises without the written consent of the City.


8. **IT IS FURTHER AGREED** that upon 30 days notice by the City this lease may be canceled and terminated in part as to any portion or portions of the premises leased herein as necessary or convenient for the operation of the City's utility department. The provisions of this lease shall be severable to the extent necessary to permit such partial termination. In the event such partial termination is exercised, Lessee shall be paid by Lessor the value of the work performed or the value of Lessee's share of the crops on that portion of the premises affected by such partial termination.
9. **AND IT IS FURTHER AGREED** that the Lessee will promptly at the expiration of this Lease, being the 31st day of March, 2001, yield up possession of said premises without notice, unto the City, in as good repair as they now are or may be at any time during the continuance of this Lease, ordinary wear and loss by fire excepted. The Lessee specifically waives all and any type of notice by the City for termination of this Lease if termination date falls on the 31st day of March, 2004.
10. **TIME IS OF THE ESSENCE** in the performance of the terms of this Lease. The agreements herein shall extend to and be binding upon the Heirs, Executors, and Administrators of the parties of this Lease.

ATTEST;

CITY OF GRAND ISLAND, NEBRASKA,  
A Municipal Corporation, LESSOR

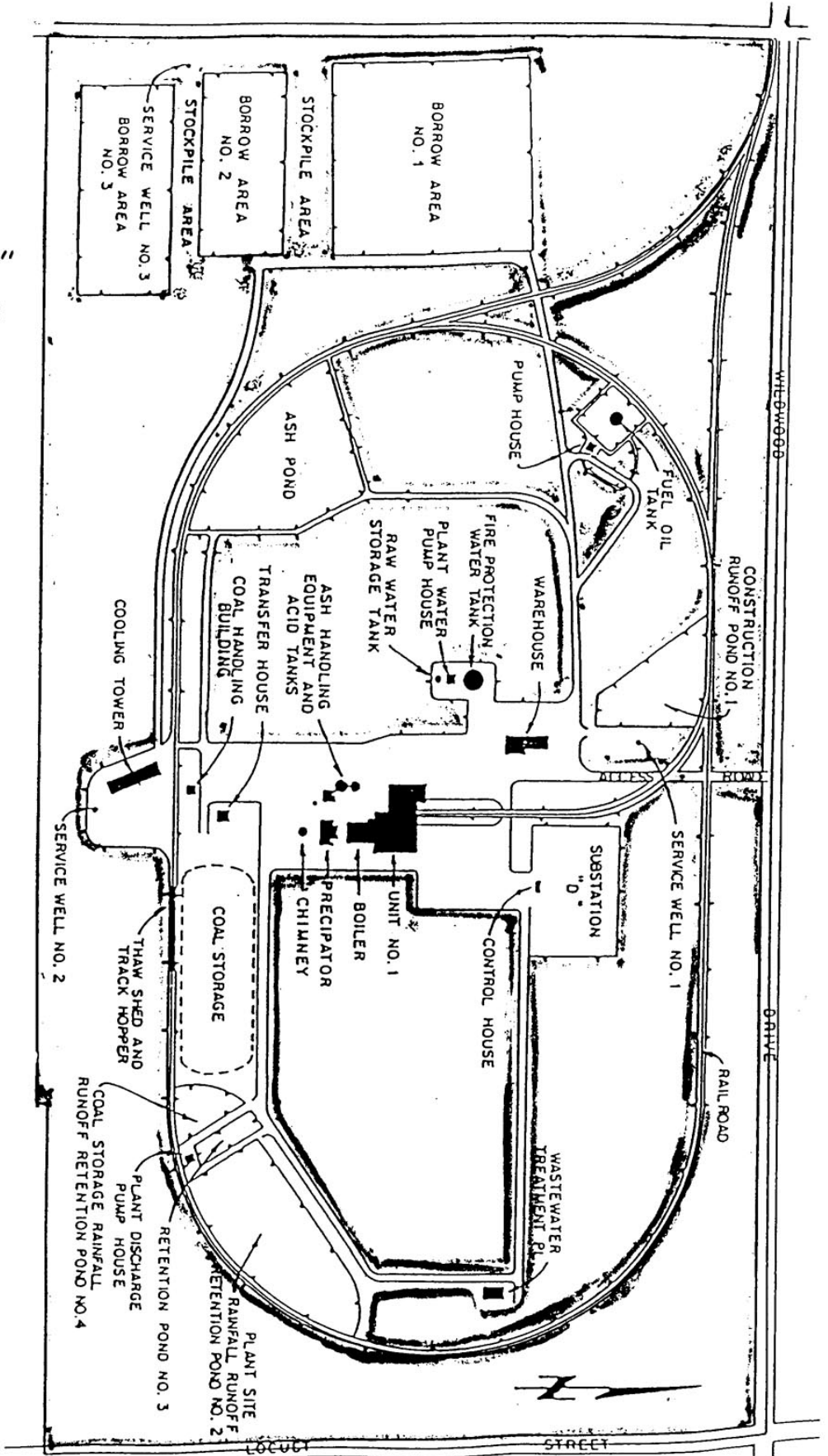
\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Thomas Co., Limited Landlord  
Agent for Lessor

X   
\_\_\_\_\_  
Lessee

EXHIBIT "A"



CITY OF GRAND ISLAND UTILITIES DEPARTMENT	
SITE PLAN P. G. S.	
DRN. BY: T. W. BARNES	DATE: 7/5/83
SCALE: 1" = 500'	# P.G.S.-309

R E S O L U T I O N 2002-242

WHEREAS, the Utilities Department has negotiated and submitted a proposed lease with Mike Lilienthal for the 2002 crop year for approximately 255 acres of City property located at the Platte Generating Station site; and

WHEREAS, in consideration of the use of the land, the City would receive proceeds of the crop in the following shares: 30% alfalfa, 33% prairie hay and 33% grain; and

WHEREAS, approval of this lease is recommended.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the lease between the City and Mike Lilienthal to rent approximately 255 acres of land near Platte Generating Station is hereby approved; and the Mayor is hereby authorized and directed to execute the lease on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, August 13, 2002.

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RaNae Edwards, City Clerk

Approved as to Form ? _____
August 9, 2002 ? City Attorney