

Michael A. Borovetz
Director of Finance - City Clerk
City Hall – 811 W. Laurel
Independence, Kansas 67301
620-332-2505 cityclerk@IndependenceKs.gov

August 11, 2017

Re: Tract “A” Agricultural Lease Proposal

To Whom It May Concern:

The City of Independence, Kansas will be accepting 3 and/or 5 year proposals to lease a tract of farm land located at the Independence Municipal Airport.

The deadline for submitting your **sealed bid(s)** is **Thursday, August 31, 2017, 2:00 p.m.** Please submit your proposal to the City Clerks office at City Hall, 811 W. Laurel, Independence, Kansas, 67301. Please write on the outside of the sealed envelope “Agricultural Lease Proposal”.

I have enclosed a sample copy of the lease that the successful bidder will be signing. The actual lease agreement will be modified to include lease term and payment amounts submitted by the successful bidder. You do not need to sign the lease at this time. It is for your information only.

If you have any questions you may contact me at 620.332.2500 or Cody Shamblin at 620.332.2531.

THE CITY OF INDEPENDENCE, KANSAS

Michael A. Borovetz
Director of Finance - City Clerk

NOTICE TO THE PUBLIC

The City of Independence is accepting 3 and/or 5 year proposals for the lease of a tract of farmland (Tract "A"), approximately 454 acres, located at the Independence Municipal Airport.

Sealed bids will be received at the office of the:

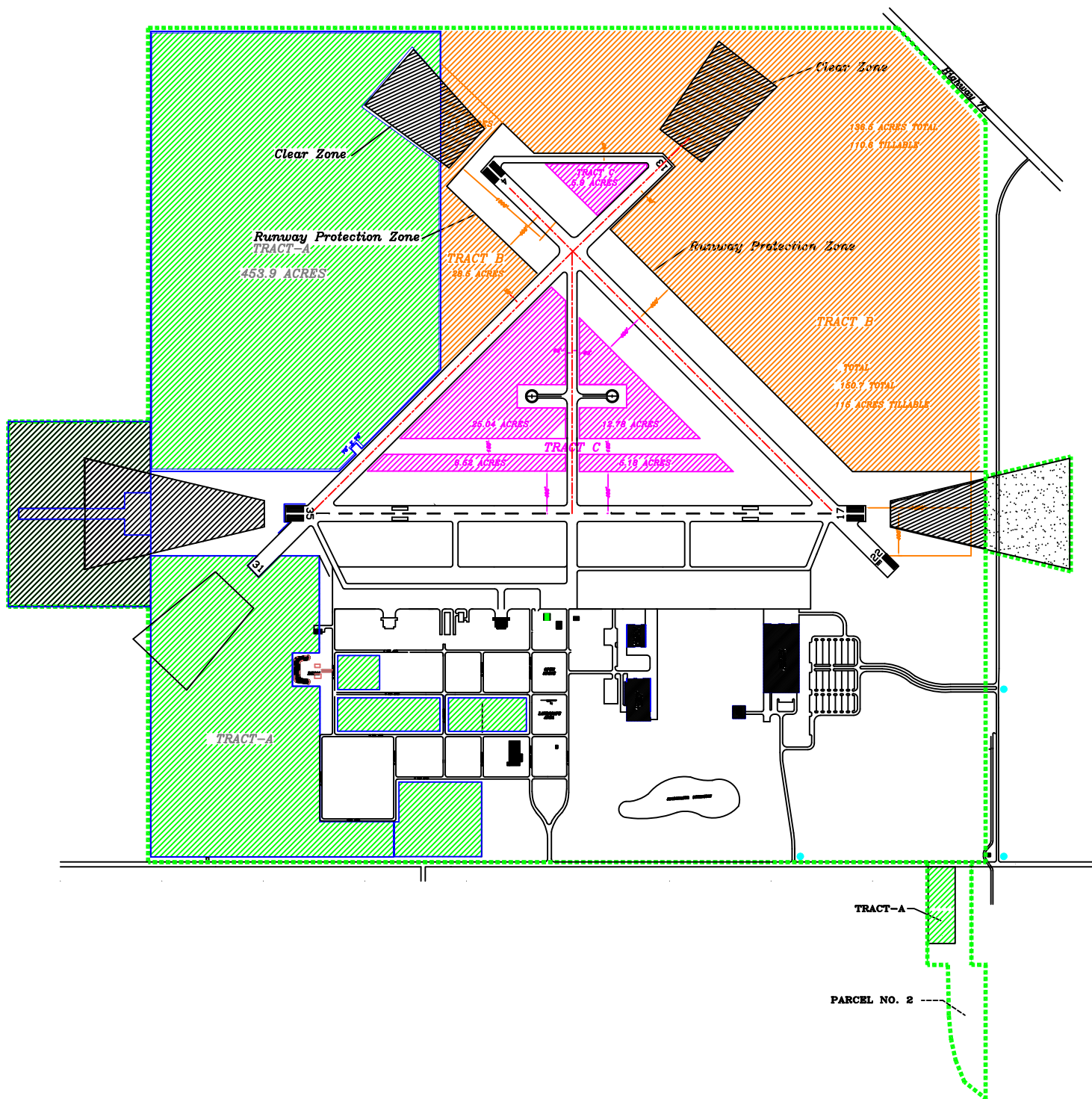
City Clerk
City Hall
811 W. Laurel
Independence, Kansas 67301

on or before 2:00 p.m., Thursday, August 31, 2017.

Please write on the outside of the sealed envelope "Agricultural Lease Proposal". The City reserves the right to accept or reject any or all bids, or to waive any irregularities should any occur as may best benefit the City.

This tract of farmland may be viewed by contacting Cody Shamblin, at 620-332-2531, for an appointment.

AGRICULTURAL LEASE AREAS



K-STATE

Research and Extension

KSU Soil Testing Laboratory
2308 Throckmorton Plant Sciences Center
1712 Claflin Road
Manhattan, KS 66506-5503

*Knowledge
for Life*

Tel: 785-532-7897 Fax: 785-532-7412
www.agronomy.ksu.edu/soiltesting

Soil Test Report

Billing Account #: 151

Sample Information:

Sample ID: #1

Prepared For:

Jeri Geren
Wildcat Ext Dist - Montgomery
410 Peter Pan Rd
Suite B
Independence, KS 67301

Send Copy To:

Philip Fontes Jr.
City Municipal Airport
811 W. Laurel St.
Independence, KS 67301

Order Number: 10167

Lab Number: 000345

Received: 7/24/2017

Reported: 7/26/2017

County: Montgomery
(where sample was taken)

6203312690

jlsigle@ksu.edu

Results

Analysis	Value Found	Analysis	Value Found
Soil pH (1:1, soil:water)	7.4	Phosphorus (P) Mehlich-3	35 ppm
Potassium (K)	220 ppm		

Nutrient Graph

Nutrient	Very Low	Low	Medium	Optimum	Above Opt	Very High
pH	4.7	5.5	6.0	7.0		8.5
P	7	14	20	40		100
K	41	81	130	161		300

General References:

For current information and order forms, please visit

<http://www.agronomy.ksu.edu/services/soiltesting/forms/index.html>

Philip,

I was unsure if you were intending to plant any particular crop, or if you just needed the soil test results. Let me know if you have specific crops you intend to plant, and I will make recommendations for those.

You can email me at jlsigle@ksu.edu or call me at the office at 620-331-2690.

Jeri Geren

Soil Test Report

Billing Account #: 151

Sample Information:

Prepared For:

Jeri Geren
Wildcat Ext Dist - Montgomery
410 Peter Pan Rd
Suite B
Independence, KS 67301

Send Copy To:

Philip Fontes Jr.
City Municipal Airport
811 W. Laurel St.
Independence, KS 67301

Sample ID: #2

Order Number: 10167

Lab Number: 000346

Received: 7/24/2017

Reported: 7/26/2017

County: Montgomery
(where sample was taken)

6203312690

jlsigle@ksu.edu

Results

Analysis	Value Found	Analysis	Value Found
Soil pH (1:1, soil:water)	7.5	Phosphorus (P) Mehlich-3	206 ppm
Potassium (K)	226 ppm		

Nutrient Graph

Nutrient	Very Low	Low	Medium	Optimum	Above Opt	Very High
pH	4.7	5.5	6.0	7.0	8.5	
P	7	14	20	40	100	
K	41	81	130	161	300	

General References:

For current information and order forms, please visit

<http://www.agronomy.ksu.edu/services/soiltesting/forms/index.html>

**AGRICULTURAL LEASE AGREEMENT
TRACT "A"**

This lease agreement is entered into on the **14th day of September, 2017**, between the City of Independence, Kansas, hereinafter referred to as "Lessor", and _____ hereinafter referred to as "Lessee".

1. PROPERTY. Lessor hereby leases to Lessee certain land located at the Independence Municipal Airport, and more particularly described as Tract "B", attached hereto and incorporated herein by reference.

2. TERM. This agreement shall be for a **three (3) year** term commencing **October 1, 2017**, and ending **September 30, 2020**. Upon expiration of the term, Lessee shall surrender possession of the property to Lessor except as provided in Paragraph 15.

3. RENT. Lessee shall pay Lessor the **annual** sum of \$_____, payable in equal semi-annual payments due on or before **March 1st** and **August 31st** of each year for the term of the lease agreement beginning with the first payment on **March 1, 2017**. The lease payment schedule is as follows:

April 1, 2018	\$ _____
September 30, 2018	\$ _____
April 1, 2019	\$ _____
September 30, 2019	\$ _____
April 1, 2020	\$ _____
September 30, 2020	\$ _____
 TOTAL	 \$ _____

4. AMOUNT OF ACREAGE. Lessor makes no representation as to the number of acres, the size of any tracts or the number of tillable acres. Lessee must satisfy himself/herself as to the amount of acreage. Lessee hereby acknowledges that he/she has examined the property, knows the extent thereof, accepts the said property under the terms and conditions of this agreement, and will provide Lessor the number of tillable acres that has been determined by Lessee to be the basis for the lease pricing of this agreement at the time of execution of the agreement.

5. USE OF ADJOINING PROPERTY AS AIRPORT. Lessee acknowledges that the property is part of the Independence Municipal Airport. Lessee shall do nothing in his/her farming operation that interferes with or obstructs the use of the adjoining ground as an Airport. The parties acknowledge that the entire Airport, including the property leased to Lessee can be under certain circumstances (such as national emergency) appropriated by the federal government. In such event, Lessee shall be paid the reasonable value of any growing crops, the reasonable value of any work done on unplanted land, and reimbursed for any actual damages Lessee suffers as a result of such appropriation.

6. SALE OR USE OF LAND BY LESSOR. It is acknowledged by Lessee that Lessor has plans for the possible development or use for other City purposes of all

AGRICULTURAL LEASE AGREEMENT TRACT "A"

property covered by this agreement. Lessor may sell, lease or use any portion of the property as an industrial site or other use determined necessary by Lessor. In that event, Lessee shall be paid the reasonable value of any growing crops and/or the reasonable value of any work done on unplanted land.

7. LIME MAINTENANCE PROGRAM. Lessor and Lessee shall participate in the lime maintenance program, hereinafter referred to as "Program". The Program shall be undertaken and carried out by Lessor, with Lessee's participation, in such a manner and at such times so as to least interfere with Lessee's farming operation to give both Lessor and Lessee the greatest benefit. Lessee shall pay Lessor the additional sum of Two Dollars (\$2.00) per tillable acre **annually** to be applied to the cost of the Program. The tillable acreage used to calculate the annual Program payment will be the greater of tillable acreage as setforth in Section 4 – "AMOUNT OF ACREAGE" and Section 22 – "RECERTIFYING". The annual Program payment shall be paid to Lessor on or before **September 30th** for each year of the term of this lease agreement in addition to the regular land lease payment as setforth in Section 3 – "RENT". Lessor shall pay all other costs of the program and will conduct, or cause to be made, periodic soil tests to maintain the same.

8. FERTILIZER. Lessee shall apply fertilizer to said property in accordance with the following minimum standards at Lessee's own expense:

<u>Crop</u>	<u>Minimum Required</u>
Wheat	60 lbs. actual nitrogen per acre 40 lbs. actual phosphorus per acre 40 lbs. actual potassium per acre
Grain Sorghum	90 lbs. actual nitrogen per acre 40 lbs. actual phosphorus per acre 40 lbs. actual potassium per acre
Soybeans	15 lbs. actual nitrogen per acre 40 lbs. actual phosphorus per acre 40 lbs. actual potassium per acre

Further, in the event Lessee shall plant short-season milo or soybeans following a wheat crop, Lessee shall pay Lessor an additional One Dollar (\$1.00) per tillable acre **annually** upon all such acreage, to be applied towards the lime maintenance program mentioned above in Section 7 – "LIME MAINTENANCE PROGRAM". The tillable acreage used to calculate the annual Program payment will be the greater of tillable acreage as setforth in Section 4 – "AMOUNT OF ACREAGE" and Section 22 – "RECERTIFYING". The annual Program payment shall be paid to Lessor on or before **September 30th** for each year of the term of this lease agreement in addition to the regular land lease payment as setforth in Section 3 – "RENT".

**AGRICULTURAL LEASE AGREEMENT
TRACT "A"**

- 9. SILAGE, CORN OR HAY CROPS.** Lessee shall plant no silage, corn or hay crops on the property except as permitted by this agreement. Lessee shall not burn the straw or stover from any crops planted or harvested during the term of this agreement.
- 10. NOXIOUS WEEDS.** At all times, Lessee shall conduct his/her farming operation so as to minimize and control noxious weeds. In the event it should become necessary to spray the property to eradicate noxious weeds, the cost of all chemical sprays, labor and equipment used in connection therewith shall be paid by Lessee.
- 11. EXISTING LEASE AGREEMENTS.** Lessee accepts the property subject to any existing agricultural lease agreements, and acknowledges and agrees that the present tenant of the property has the right to remove and harvest growing crops, which may delay Lessee's taking physical possession of all or part of the property.
- 12. CROPS ADJACENT TO AIRPORT FACILITIES.** Lessee shall not plant crops within four hundred feet (400') of the site of any runway centerline or aircraft parking area. Lessee shall not plant crops within one thousand feet (1,000') of the end of any runway or within fifty-eight feet (58') of the apron edge or within the runway clear zone as shown on the attached map.
- 13. LIABILITY FOR AIRCRAFT ACCIDENTS.** Lessor shall not be liable to Lessee for any damages to Lessee's equipment and personal property or growing crops caused by aircraft crashes or accidents of any kind or nature.
- 14. AIRPORT AREA FREE OF EQUIPMENT.** Lessee shall keep all dirt, rocks, debris, vehicles and farm equipment away from any runway, taxi ways and parking area, and shall conduct his/her farming operation in such a way so as not to interfere with the use, operation or maintenance of the adjoining area as a public airport facility.
- 15. GROWING CROPS.** Lessee shall have the right to harvest any growing crops that exist upon the property upon termination of this agreement provided the crops were planted prior to March 1, 2020.
- 16. FARMING OPERATION.** Lessee shall at all times farm and care for the property in a good and workmanlike manner and in accordance with good farm and soil conservation practice. Lessee shall not commit or permit waste thereon and shall carefully protect all improvements of every kind that are now on the property, or may be erected thereon or adjacent thereto during the term of this agreement.
- 17. ASSIGNMENT.** Lessee shall not sublease or assign this agreement or any part thereof, without the written consent of Lessor.
- 18. SOIL CONTROL.** Lessee shall in general provide for soil control, shall construct other soil control devices, and shall perform his/her farming operation in such a manner as to minimize erosion on the property during the term of this agreement.

**AGRICULTURAL LEASE AGREEMENT
TRACT "A"**

19. TERRACES. Lessee shall annually maintain at Lessee's own expense all terraces in order to minimize erosion upon the property during the term of this agreement.

20. WATERWAYS. Lessee shall keep waterways mowed at Lessee's own expense during the term of this agreement.

21. DEFAULT. If Lessee fails or neglects to observe, keep or perform any of the covenants, terms, or conditions contained herein, and if such default continues for a period of ten (10) days after written notice from Lessor setting forth the nature of Lessee's default, then and in that event, Lessor shall have the right at its option, upon written notice to Lessee, to terminate this agreement. Lessor shall then have the right to enter and take possession of the property, with or without process of law, and to remove all personal property (including crops) from the property, without incurring liability to Lessee or to any persons occupying the property for all damage caused or sustained by reason of such entry on the premises or removal of persons or property therefrom.

Should Lessor at any time terminate this agreement for any breach thereof, in addition to any other remedy it may have, Lessor may recover from Lessee all damages incurred by reason of such breach. Additionally, should Lessor terminate this agreement based upon Lessee's breach, Lessor shall obtain title to any and all growing crops located thereon, and Lessee shall forfeit any rights thereto.

22. RECERTIFYING. Lessee shall be responsible for recertifying the crop acreage to the Farm Service Agency (FSA) or its successor entity and verifying the amount of certification to the Lessor. Enrollment in other FSA programs shall be at the discretion of the Lessee.

23. SLUDGE. Lessor shall have the right to dispose of sludge from its wastewater treatment plant on the property. Lessor shall have the right to enter upon the property at any time, which does not reasonably interfere with Lessee's farming operation for the purpose of disposing of sludge. Such materials shall be approved by the Kansas Department of Health and Environment (KDH&E) for said use. Such materials shall be placed in a manner approved by KDH&E at no cost to the Lessee. Lessor's disposal of sludge on the property shall be done in a manner, which does not damage Lessee's crops.

24. FURTHER RESTRICTIONS ON LESSEE AND PREMISES

A. Lessee for himself/herself, his/her heirs, representatives, successors, and assigns, as part of the consideration hereof, does hereby covenant and agree as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the property described in this agreement for the purpose of a Department of Transportation program or activity or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate the facilities and services in compliance with all other requirements imposed by 49 C.F.R. Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation.

**AGRICULTURAL LEASE AGREEMENT
TRACT "A"**

B. Lessee for himself/herself, his/her heirs, representatives, successors, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:

1. No person on the ground of race, color, or national origin shall be subjected to discrimination in the use of said facilities.

2. In the construction of any improvements on, over, or under such land and the furnishing of such services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

3. That the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to 49 C.F.R. Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as regulations may be amended.

C. Nothing contained herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958.

D. Lessee shall furnish service on a fair, equal and not unjustly discriminatory basis to all users thereof, and shall charge fair, reasonable and not unjustly discriminatory prices for each unit or service; PROVIDED, that the Lessee may make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchases.

25. BINDING EFFECT. This agreement shall be binding upon the heirs, executors, administrators, trustees, successors, receivers and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereunto subscribe their names.

LESSOR:

LESSEE:

Mayor

Attest:

Director of Finance – City Clerk

BID FORM

Farm Land Bid – Airport – Tract “A”

Name:_____

Address:_____

Phone:_____

I/we, the undersigned bidders, do hereby submit the following lease bid:

OPTION #1 – 3 YEAR TERM:

The **annual** sum of \$_____, payable in equal semi-annual payments for a term of three (3) years, commencing on October 1, 2017 and ending on September 30, 2020.

OPTION #2 – 5 YEAR TERM:

The **annual** sum of \$_____, payable in equal semi-annual payments for a term of five (5) years, commencing on October 1, 2017 and ending on September 30, 2022.

Bidder hereby acknowledges that he has examined the property.

Date:_____

Bidder Signature