



## CITY COUNCIL MEMORANDUM

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**TO:** Matthew R. Schmitz, MPA - City Manager

**FROM:** Brett Soukup, Airport Director

**DATE OF MEETING:** October 27, 2025

**ITEM TITLE:** Airport Lease – Request for Early Termination

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### BACKGROUND:

There is currently a lease for the farm ground located at the Independence Municipal Airport. The current lease term is March 1, 2024, to February 29, 2027, with a rental rate of \$320.00 per acre for 59 acres more or less. Provision #4 of the lease states the following:

**4. TERMINATION OF LEASE.** *This lease shall be continued for the lease term herein provided, except that it may be terminated by default of Tenant or by way of breach of security by the Tenant, i.e. if gates are left open, unlocked or neglected in any way. Further, such lease shall continue after such agreed term from year to year, upon the same terms and conditions, unless either party gives due timely and legal written notice to the other of election to cancel or terminate any such extended lease period, whereupon the tenancy shall terminate March 1, following: provided further such tenancy shall not continue because of absence of notice in case there be a default in the performance of the existing rental agreement. Due, timely and legal written notice shall be notice on or before September 1, as provide by law (Iowa Code §562.7, as amended) unless by express agreement, the parties provide the same notice at an earlier time.*

The leased ground has been in hay production for several years, and according to the current lessee, it has reached the end of its productive life for hay. Replanting at this stage would not yield a viable crop in the first year, which would result in an unproductive growing season. Given these circumstances, the lessee has requested to terminate the lease early.

### DISCUSSION:

The City's established process for leasing agricultural ground requires City Council approval for all multi-year lease agreements. Since this request involves early termination of a Council-approved lease, staff is bringing this matter forward for Council consideration and direction.

The lease termination would allow the City to prepare the property for re-bidding and potentially secure a new tenant interested in a full-term lease starting in **2026**. Several individuals have already expressed interest in leasing the farm ground when it becomes available, and staff believes there will be sufficient demand to re-lease the property through a competitive bid process.

### RESULTS:

The City has established priorities during strategic planning sessions. This item supports the Vision from that session of **efficient and effective planning and prioritizing of all available resources**. This item helps achieve that vision by effectively planning for the future of this farm lease and the airport grounds.

**FINANCIAL CONSIDERATION:**

While the termination of the lease would stop the cash inflow generated from the lease, it would also allow the City an opportunity to advertise for a new lessee that may be willing to pay at least the same, or possibly more, for the lease. It's worth noting, though, that the new lease could come in lower than the existing one as well.

**RECOMMENDATION:**

Staff recommends a motion to approve the early termination of the Airport Farm Lease with the current lessee, Mr. Leon Bachman, and to authorize staff to advertise the land for a new tenant.