



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, April 14, 2020
Category:	CONSENT AGENDA
Type:	ACTION
Subject:	Consider approval of an amendment to farm lease between the City of Marshall, Lessor and Mortier Farm, Inc., Lessee.
Background Information:	<p>The City of Marshall and Mortier Farms, Inc., a Minnesota corporation, have previously entered into a three-year farm lease dated October 13, 2017. Mortier Farms, Inc, Lessee is farming 70.38 of City owned land for the farming years, 2018,2019,2020. Rental rate is \$180.00 per acre. Annual rental payments \$12,668.40.</p> <p>Mike Mortier previously indicated approximately five acres of land located in parcel 11 have been wet during the terms of the lease and he has not been able to get a crop or has a reduced crop on those five acres. Mr. Mortier approached the City and has requested that the farm lease be amended to delete five acres from the lease so that they would then be leasing 65.38 at a rate of \$180.00 per acre for the farming year 2020. City staff is aware the parcel property is wet as Mr. Mortier maintains and it seems fair and reasonable to honor Mr. Mortier’s request to eliminate those five acres from the lease.</p> <p>Mr. Mortier has also inquired as to whether or not the City would agree to an assignment of 20% of the rental obligation to his son David Mortier. Therefore Mr. Mortier is proposing that Mortier Farms, Inc. be responsible for 80% of the farm lease payment and that David Mortier be responsible for 20% of the farm lease payment.</p> <p>I believe the requests from Mr. Mortier to be reasonable and have prepared an amendment to farm lease as Mr. Mortier has requested. Attached to this report is a copy of the original farm lease between the City and Mortier Farms, Inc. Also attached is a map showing the five-acre wet property as well as a proposed amendment to farm lease. It is recommended that the amendment to farm lease be approved and that the rental payment due by lessee for 2020 be reduced to the amount of \$11,768.40.</p>
Fiscal Impact:	The farm rental payment would be reduced by \$900.00. Total payment in the amount of \$11,768.40 is now due.
Alternative/ Variations:	No alternative action recommended.
Recommendations:	That the City Council approve the amendment to farm lease as presented.