



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, March 12, 2019
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Reject Farm Bid and Authorize Advertising to Re-bid Farm Lease
Background Information:	<p>The City is the owner of property located in Commerce Industrial Park. Significant work has been done on that property. The City did advertise for and solicit bids for the lease of Commerce Industrial Park for agricultural purposes. Bid was properly advertised and one bid was received on the bidding date. Bid was for a 5 year period of time with bid of \$10 per acre for years 2019 and 2020, \$15 per acre for 2021, \$20 per acre for 2022 and \$25 per acre for 2023.</p> <p>City staff has deemed the bid received to be insufficient. Because the property is held for rent, the City does have to pay real estate taxes for this property. City estimates that the taxes to be paid for 2019 would be approximately \$3,100.</p> <p>City staff has also considered that the City could apply a cover crop to control weeds. Such internal costs are estimated to be approximately \$50 per acre for material and labor to have a cover crop to eliminate noxious weeds.</p> <p>City staff is recommending that the one bid received be rejected. Staff recommends rebidding the property with the requirement that a minimum bid of \$30 per acre per year be required. Additionally, staff is recommended that notice of the bidding procedure be provided to each of the existing tenants in an attempt to solicit additional interest in this property.</p>
Fiscal Impact:	Set forth above.
Alternative/ Variations:	Council could agree to accept the one bid. Acceptance of the bid is not recommended.
Recommendations:	Council reject the submitted bid and authorize staff to re-bid this parcel for agricultural purposes.