

City of Sedgwick
City Council Meeting
April 2, 2025

TO: Mayor and City Council

SUBJECT: Agricultural Lease Agreement

INITIATED BY: Administration

AGENDA: New Business

Recommendation: It is recommended that council approve the agricultural lease agreement as presented.

Background: The City initiated an annual agricultural lease agreement with Mr. Grattan to farm the 27.33 acres of undeveloped land in the Industrial park and the approximately 15 acres of undeveloped land located at the east water tower. This year's renewal takes the East Water Tower parcel out of the lease agreement to allow the City and the Recreation Commission to begin development work of the East Side Ball Diamond project.

Financial Considerations: If approved, the City will see a decrease in contract value of \$750 annually due to the East Water Tower parcel not being included in the agreement.

Recommendations/Actions: It is recommended that the council approve the agricultural lease agreement as presented.

Attachments: Lease agreement

AGRICULTURAL LEASE AGREEMENT

THIS AGREEMENT made and entered into this 1st day of March, 2025, by and between the **City of Sedgwick, Kansas**, a municipal corporation, hereinafter referred to as "LESSOR", and **Curt Grattan**, hereinafter referred to as "LESSEE",

WITNESSETH THAT:

1. **REAL ESTATE:** LESSOR for the consideration, covenants and agreements mentioned herein to be paid, kept and performed by LESSEE, has leased and let to LESSEE, and LESSEE has rented and taken from LESSOR, LESSOR's interest in that portion of and to the following described real estate **which is considered tillable**, to-wit:

Parcel 1: 27.33 acres

A portion of the Northwest Quarter of Section 3, Township 25 South, Range 1 West of the 6th Principal Meridian, Sedgwick County, Kansas described as follows:

Lots 2,3,4,5,6, and 7, Block 1, Sedgwick Industrial Park 2nd, an addition to the City of Sedgwick, Sedgwick County, Kansas, containing approximately 27.33 acres, subject to any rights-of-way and easements of record.

It is expressly understood that the tillable portion of the above-described acreage in Parcel 1 represents a total of 27.33 acres which shall be the total acreage for computation of the lease payment.

It is further expressly understood that LESSOR reserves the right of ingress and egress upon the leased premises in order to facilitate preparation for development by survey or engineering crews, without prior notice and without compensation for any direct, consequential, or incidental damages. Such ingress and egress shall NOT be subject to payment for damages as contemplated in paragraph 2 herein.

2. **TERM:** The term of the lease shall be for a period of one year, beginning March 1, 2025 and ending February 28, 2026 without further notice or demand. Provided, however, parties hereto agree that LESSEE and LESSOR will meet between December 1, 2025 and January 31, 2026, to review the term of this Lease and to determine whether it should be extended for an additional one year term. The failure of the parties to meet shall result in the termination of this lease on February 28, 2026.

In the event the lease shall terminate on February 28, 2026, LESSEE shall be entitled to remove any growing crops as of the date of the termination from the real estate.

It is expressly understood between the parties hereto that LESSOR reserves the right, with a minimum notice period of one week to terminate this lease in whole or in part for any portion of the leased premises in order to facilitate development efforts for the subject property. In the event such termination shall occur, LESSOR shall refund to LESSEE the full amount of the cash payment tendered by the LESSEE at the beginning of the current lease term on that portion of the leased property so terminated.

Further, it is expressly understood between the parties hereto that, in the event the LESSOR does not renew this lease with the LESSEE for one additional term, **that LESSOR will pay the sum of \$ 50.00 per acre for any acreage within the leased premises that has been planted with and has an established crop of alfalfa or other perennial crop.** Such payment shall serve as full and complete compensation for the substantial investment LESSEE has incurred for that specific crop.

Any holding over or working of the property after termination of this lease shall not be construed as a renewal thereof.

3. USE OF LAND: This lease is for the production of crops therefrom, and LESSEE shall make no other use of the premises. LESSEE shall have the right to sublease the leased premises, or assign this lease, in part or in whole, only with the written consent of the LESSOR.

Except as otherwise provided herein, LESSEE shall take possession of the leased premises on an "as is-where is" basis.

4. RENT: As rent for the use of the leased premises during the term hereof, LESSEE agrees to pay LESSOR on the following basis:

(a) LESSOR shall receive a cash payment as follows:

- LESSOR shall receive a cash payment representing **fifty dollars (\$50.00) per acre.**
- Such payment shall be tendered in full by LESSEE on or before April 30, 2025.
- Failure to timely tender such payment shall result in immediate termination of this lease agreement subject to the standard statutory rights of a year-to-year tenant regarding that portion of the leasehold with existing growing crops as of April 30, 2025.

5. EXPENSES: As to the expenses incident hereto, parties agree that LESSEE shall be responsible for all necessary expenditures incurred in the production of crops contemplated by this agreement.

6. CRP PROGRAM: Parties hereto agree that none of the land leased hereunder shall be placed in the government CRP program during the term of this lease or as otherwise extended without the agreement of both parties.

7. TAXES: LESSOR shall be obligated to pay all ad valorem taxes.

8. INSURANCE: LESSEE shall provide fire and extended coverage insurance on the leased premises, and all general farm or ranch liability insurance.

9. POSSESSION: LESSEE shall be entitled to possession of the leased premises in the following manner:

(a) LESSEE shall continue current possession of the real estate upon execution of the lease agreement.

10. INDEMNIFICATION: LESSEE will indemnify and hold LESSOR harmless from any loss, claim or damage by whatever means so ever to any persons injured while on said real estate during the term of this lease.

11. OIL AND GAS LEASES: Parties hereto agree that this lease is subject to existing oil and gas leases, if any, affecting the leased premises, and any oil and gas leases which LESSOR may execute. LESSOR's agents and assigns shall have the right, at all times, of ingress and egress on the premises to drill for and to transmit oil, gas, and other minerals, without compensation to LESSEE by LESSOR. LESSEE may, however, settle for and receive his share of all surface and crop damages from those performing such operations and causing such damage.

12. INSPECTION OF PREMISES: LESSOR shall have the rights, with reasonable notice, to come on the leased premises for the purposes of inspection to determine the need for required repairs and maintenance and LESSEE's compliance with this lease, or otherwise, in person or by representative or employees, provided that LESSOR shall not unduly interfere with LESSEE's agricultural operations thereby.

13. COVENANTS AND AGREEMENTS OF LESSOR: LESSEE covenants and agrees that:

- (a) They will maintain the lands in good and presentable condition and avoid the accumulation of unsightly material which would have an adverse affect on the appearance of the premises;
- (b) Reasonably protect the lands from erosion by the elements, and will suffer no noxious weeds or grasses to grow thereon;
- (c) Will promptly pay the rentals in the manner and form herein specified;
- (d) Will not place any acreage in any federal program without LESSOR's written consent first being obtained;
- (e) Will not commit or permit nor suffer any waste of the leases premises.

14. BREACH: Upon the failure of LESSEE to keep and perform all of the covenants herein, and after written notice thereof to LESSEE after which for thirty (30) days LESSEE fails to proceed with due diligence to correct the situation, LESSOR may, at their option, terminate this lease upon written notice to LESSEE. In the event of termination after default, LESSOR shall have and hereby reserves the right to enter upon the leased premises, to complete possession and control thereof, and to remove therefrom all property of LESSEE, at LESSEE's expenses, and in such event LESSOR shall be in no manner liable to LESSEE. Such lease termination and recovery of possession shall in no way impair any rights of LESSOR to enforce collection of any damages due or which may become due LESSOR by reason of breach of contract by LESSEE.

15. EMINENT DOMAIN: It is expressly understood and agreed if all or any material portion of the premises are taken by the exercise of Eminent Domain, LESSEE may cancel the lease by written notice, mailed to the LESSOR, within ten days of the taking, provided, that LESSEE shall not be precluded from participating in such proceedings to establish any damage resulting to it from such exercise of the right of Eminent Domain.

16. BANKRUPTCY: If LESSEE shall make any assignment for the benefit of creditors or shall be adjudicated bankrupt, or if any receiver is appointed for LESSEE, or their assets, or for LESSEE's interest under this lease, and if the appointment of such receiver is not vacated within five days, or if a voluntary petition is filed under the Bankruptcy Act by LESSEE, or if any involuntary petition is approved, then, in such event, LESSOR may, after giving LESSEE 10 days notice of such election, terminate LESSEE's rights to possession of the premises.

17. LIEN FOR UNPAID RENT: All property of LESSEE which is now or may hereinafter at any time for the term of this lease be in or upon said real estate, shall be bound by and subject to a lien for the payment of the rent herein reserved.

18. NOTICES: Any notice required or permitted hereunder or by law shall be sent by registered mail, with return receipt requested, postage prepaid, to LESSOR at 520 N. Commercial, PO Box 131, Kansas 67135, and to LESSEE at 12010 N. Ridge Road, Kansas 67135. All rent payments due hereunder shall be delivered to said LESSOR at the above address.

19. CONTINGENCY: This lease shall insure to the benefit of the heirs, administrators, executors, assigns, trustees and successors in interest of the respective parties hereto.

IN WITNESS WHEREOF, we have hereunto executed the above Lease Agreement on the day and year first above written.

LESSOR: The City of Sedgwick

Mayor

ATTEST:

City Clerk

SEAL

LESSEE: Curt Grattan

By: _____

Curt Grattan

Title: _____

Remort