

STAFF REPORT



SUBJECT: 536 Lease Agreement Renewal
MEETING: Council Meeting - 07 Sep 2021
DEPARTMENT: Public Works
STAFF CONTACT: Nick Williams

RECOMMENDATION:

Staff recommends renewal of the existing lease agreement of the 536-acre tract with Wesley Wood Cattle Company for a term of one year.

BACKGROUND:

The City of Stephenville entered into a lease of the city's 536-acre tract with Wesley Wood Cattle Company in April of 2017. The agreement was renewed in 2018 and is set to expire on October 1, 2021. Mr. Wood has expressed his desire to continue leasing the property.

Mr. Wood is well aware of the city's pending development of the 536 Well Field and is adamant that any site work will not interfere with his operations and that his operations will not interfere with any development of the well field. In the proposed lease agreement, under Section IV.1., Mr. Wood agrees to allow the city to perform the necessary activities associated with well field development.

FISCAL IMPACT SUMMARY:

The lease term would be from October 1, 2021 through October 1, 2022. The agreement provides staff the autonomy to renew the agreement for up to three successive one-year increments. Likewise, the agreement also provides an option to terminate the agreement with ninety days' notice. Lessee agrees to pay a rate of \$12.00 per acre annually for a total of \$6,432 annually. The amount was discussed with and confirmed as appropriate with the local Erath County Agricultural Extension Agent. A provision is also included allowing the lease rate to be modified in the future. A copy of the draft lease agreement is attached to this memorandum.

ALTERNATIVES:

The following alternatives are provided for consideration:

1. Do not renew the lease agreement;
2. Revise the lease agreement.

ADVANTAGES:

1. Approval of the draft lease agreement with Wesley Wood Cattle Company provides a small income to the city.
2. Approval of the draft lease agreement ensures the property remains occupied, is not vacant and fences are maintained.

DISADVANTAGES:

There are no disadvantages identified at this time associated with extending the existing lease agreement with Wesley Wood Cattle Company.

ATTACHMENTS:

[536 Lease Agreement Renewal - Wood - 2021_09-07](#)