

ORDER

AN ORDER APPROVING THE LEASE OF TWO HUNDRED AND FIFTEEN ACRES OF REAL PROPERTY FOR AGRICULTURAL PURPOSES AND NOT OTHERWISE NEEDED FOR MUNICIPAL OR RELATED PURPOSES

WHEREAS, pursuant to Miss. Code Anno. §21-17-1 (1972 as amended), and on such terms as the municipal authority may elect, the City of Tupelo, Mississippi may lease, sell or convey any real property owned by it which has ceased to be used for municipal purposes, provided the sale is deemed conducive to the best interest of the municipality; and

WHEREAS, whenever the governing authority of the municipality shall find and determine, by resolution duly and lawfully adopted and spread upon its minutes (i) that any municipally owned real property is no longer needed for municipal or related purposes and is not to be used in the operation of the municipality, (ii) that the sale of such property in the manner otherwise provided by law is not necessary or desirable for the financial welfare of the municipality, and (iii) that the use of such property for the purpose for which it is to be sold, conveyed or leased will promote and foster the development and improvement of the community in which it is located and the civic, social, educational, cultural, moral, economic or industrial welfare thereof, the governing authority of the municipality shall be authorized and empowered, in its discretion, to sell or convey same for any of the purposes set forth herein without having to advertise for and accept competitive bids, and;

WHEREAS, the above cited statute requires that if the municipality proposes to lease, sell or convey the real property without advertising for and accepting competitive bids, the governing authority may lease, sell or convey the property for consideration not less than the average of the fair market price for such property as determined by at least two (2) professional property appraisers selected by the municipality and approved by the purchaser or lessee; and

WHEREAS, on February 14, 2025, the city acquired approximately 235 acres of real property located south of Eason Boulevard from BSB Associates, a portion of which shall be used as an expansion of the City's current Class II rubbish landfill; and

WHEREAS, the remaining approximately 215 acres lies primarily in a floodway, and is comprised of 175 acres of farmland, wooded area, and waterways, and the only beneficial use of the remaining property is continued use as farmland; and

WHEREAS, two (2) appraisals have been obtained to determine the fair market value of the lease, attached as Exhibit "A" and "B", and the average fair market value of the lease is \$89.25 per acre; and

WHEREAS, a contract for the lease of approximately 175 acres of farmland is attached hereto as Exhibit "C".

NOW THEREFORE, BE RESOLVED BY THE GOVERNING AUTHORITIES OF THE CITY OF TUPELO:

1. The prefatory paragraphs are incorporated herein by reference as if fully reproduced in words and figures.

2. The City Council finds that the approximately 125 acres of real property owned by the city and described above is no longer needed for municipal or related purposes and is not to be used in the operation of the municipality.

3. The City Council finds that advertising for the lease of the property is not necessary or desirable for the financial welfare of the municipality.

4. The City Council finds that the only meaningful use of the property is farmland, which is not a lawful enterprise of the municipality, and the lease of the property for agricultural purposes will promote and foster the development and improvement of the community in which it is located and the civic, social, educational, cultural, moral, economic or industrial welfare thereof.

5. The average fair market lease value of the property is Eighty-Nine Dollars and Twenty-Five Cents (\$89.25) per acre, as determined by the opinions of two qualified appraisers, and represents the lease price of the property.

6. The lease of the real property described above to James R. “Jamie” Rogers and Ronnie “Mac” Reedy is hereby approved.

7. The form of the lease agreement attached hereto as Exhibit “C” is hereby approved, and the mayor is authorized to execute it on behalf of the city.

The foregoing order was proposed in a motion by Council Member _____, seconded by Council Member _____, and after discussion, no council member having called for a reading was brought to a vote as follows:

Councilmember Mims	_____
Councilmember Bryan	_____
Councilmember Beard	_____
Councilmember Davis	_____
Councilmember Palmer	_____
Councilmember Gaston	_____
Councilmember Jones	_____

WHEREUPON, the foregoing Order was declared, passed and adopted at a regular meeting of the Council on this the 6th day of May 2025.

CITY OF TUPELO, MISSISSIPPI

NETTIE DAVIS, City Council President

ATTEST:

MISSY SHELTON, Clerk of the Council

APPROVED:

TODD JORDAN, Mayor

DATE

Hodges Appraisal & Realty Co.

New Albany, MS.

*141 Fairfield Dr.
P.O. Box 936
New Albany, MS .38652
Telephone: 662-534-2331*

EXHIBIT "A"

April 18, 2025

*City of Tupelo, MS.
C/O Mr. Stephen N. Reed, Attorney
71 Troy Street
Tupelo, MS. 38802*

RE: Appraisal of approximately 215.0 acres identified as being part of tax parcel 113V-09-004-00, Lee County, MS.

Dear Mr. Reed,

In accordance with your request, I have made an appraisal of the above-mentioned property for the purpose of estimating its market value as of April 13, 2025.

The appraisal is to be used as a basis for establishing the just compensation which the owners are entitled to for the property.

Market value** is defined as the most probable price which a property should bring in a competitive and open market under all condition's requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby.

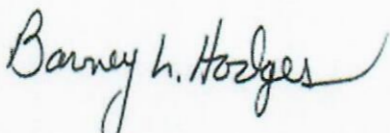
1. buyer and seller are typically motivated.
2. both parties are well informed or well advised and acting in what they consider their best interest.
3. a reasonable time is allowed for exposure in the open market.
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by the special or creative financing or sales concessions granted by anyone associated with the sale.
- 6.

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As a result of the appraisal and analysis, it is my opinion that the current market value of the subject property is \$ 550,000.00 with an annual crop rent rate of \$ 88.50 per acre.

The supporting data and analysis upon which these conclusions were based are contained in the accompanying report.

Respectfully Submitted,

A handwritten signature in black ink that reads "Barney L. Hodges". The signature is fluid and cursive, with a long horizontal stroke at the end.

Barney L. Hodges, GA-136
State Certified General Real Estate Appraiser
Hodges Appraisal & Realty Company

BLH/drw

HEATH APPRAISAL SERVICES

4622 ANTIOCH ROAD
RANDOLPH, MS. 38864
662-419-1703

EXHIBIT "B"

April 14, 2025

City of Tupelo, Ms.
71 E Troy Street
Tupelo, Ms. 38804

RE: Appraisal Report of 215 +/- acres of cropland located on Eason Blvd. - Tupelo, Ms. 38804

Dear City of Tupelo,

In response to your request and authorization, I have conducted the required investigation, gathered the necessary data, and made certain analyses that have enabled me to form an opinion of the "as is" market value of the above referenced property. This appraisal does not address unforeseeable events that could alter the market conditions reflected in this analysis.

As a result of my inspection of the property, investigation and analysis undertaken, it is my opinion that the "as is" market value of the subject property, as of March 25, 2025, is in the following amount:

\$ 602,000.00
(SIX HUNDRED TWO THOUSAND DOLLARS)

This appraisal report sets forth a discussion of value, factors considered, available, and pertinent data. The opinion of value is subject to the certification, assumptions and limiting conditions that are a part of this report. This appraisal may not be used or relied upon by anyone other than the client, for any purpose whatsoever, without the express written consent of the appraiser. Should additional information or clarification of any of the data included in this report be needed, please contact me.

One of the methods used in determining the estimated value of the subject property was the income approach. 3 different sources were used and reconciled in the development of this approach. That data indicated that the estimated market rental rate for the subject property is \$ 90.00 per acre.

Respectfully Submitted,



Paul A. Heath

MS License Certified General Appraisal, #GA-834

EXHIBIT "C"

Farmland Lease Agreement

This Farmland Lease Agreement ("Agreement") is entered into and agreed to on this the date indicated below by and between **JAMES R. "JAMIE" ROGERS** and **RONNIE "MAC" REEDY** ("Tenants"), and the **CITY OF TUPELO, MISSISSIPPI**, ("Lessee").

1. CONTRACTING PARTIES AND DATE:

This lease shall begin on May 1, 2025, and shall end on January 31, 2026. Upon the Lessee's receipt of written notice from the Tenants on or before January 31st of each year, the Tenants may renew this lease annually for up to four (4) additional years. The total life of this Agreement shall not exceed five (5) years. Any renewal is subject to acceptance by the Lessee each year. Failure of the Tenants to notify the Lessee in writing of their desire to renew the lease on or before the date indicated above each year shall nullify the Agreement, and the parties shall have no lingering obligations.

Lessee: City of Tupelo, Mississippi

Tenants: James R. "Jamie" Rogers

Ronnie "Mac" Reedy

Address: PO Box 1485

Tupelo, MS 38802

Address: _____

2. SUBJECT PROPERTY DESCRIPTION:

The Lessee hereby leases to the Tenants the following described Subject Property:

See attached Exhibit "A."

The Subject Property consists of approximately 175 tillable acres (215 +/- total acres) situated in the City of Tupelo, Lee County, Mississippi.

3. GENERAL TERMS OF THE LEASE:

A. Time period. This Agreement will be in effect from May 1, 2025, until January 31, 2026, and may be extended as stated in Section 1 above.

B. Review Period. This lease may be reviewed prior to January 31st each year with written agreement and signed consent of both the Lessee and the Tenants.

C. Partnership. It is not intended or implied by this Agreement to create a partnership between the Lessee and the Tenants.

D. Right of entry. The Lessee reserves the right to enter the Subject Property at any reasonable time.

E. Buildings and Improvements. This lease does not include the use of any buildings or improvements on the Subject Property.

F. Holdover. If Tenants occupy the property after the expiration of this agreement, such a holdover shall be on a month-to-month basis.

4. LAND USE:

A. Tenants Use. Tenants may use the Subject Property only for the purpose of planting, growing, and harvesting crops.

B. Farming Practices. Tenants will cultivate the Subject Property in a timely, diligent, thorough, and farmer-like manner in accordance with good farming practices. Tenants will take care not to cause waste or damage to the Subject Property or create a nuisance. Tenants are responsible for weeding, managing pests, preventing soil degradation, and irrigating responsibly.

C. Maintenance. Tenants will maintain the Subject Property in good and organized condition, including, without limitation, free of trash, debris, and unused equipment.

D. Improvements. Tenants may not place sheds, hoop houses, or otherwise install permanent or moveable structures on the Subject Property without first obtaining Lessee's written approval.

E. Management Responsibility. Tenants are responsible for the planning, management, and carrying out of the Tenants' operations on the Subject Property. Tenants will pay all expenses, fees, and charges Tenants incur in the process of maintaining and using the Subject Property. Tenants are responsible for procuring necessary tools and equipment, seeds, and fertilizers, and for hiring, monitoring, and paying for any labor Tenants uses on the Subject Property.

F. Storage. Tenants may store on the Subject Property during the growing season farming equipment and other personal property used for normal farming operations on the Subject Property. Tenants may not store any materials that may be hazardous or that may cause damage to the Subject Property (other than fuel for equipment), or that are not used for such farming operations. Tenants are responsible for the security of equipment, supplies or any other personal Subject Property stored on the Subject Property. Lessee will not be liable for any claims arising from theft, loss, or damage of personal Subject Property left or stored on the Subject Property.

G. Compliance with Law. Tenants will at Tenants' expense comply with all laws, including, without limitation, environmental, labor and employment, and occupational safety laws, applicable to Tenants' operations on the Subject Property.

H. Prohibited Uses. Tenants may not conduct any non-production activities on the Subject Property, including, without limitation, selling produce from a farm stand, camping, cooking out, renting out for events, or engaging in or hosting other recreational or income-generating activities, or doing any burning on the Subject Property, without first obtaining Lessee's written approval.

I. Rubbish landfill. Approximately 20-acres adjacent to the Subject Property shall be used by the Lessee as a Class II Rubbish Landfill. Tenants agree not to utilize for any purpose any portion of the site permitted by the Mississippi Department of Environmental Quality as a Rubbish Landfill. Furthermore, Tenants agree to familiarize themselves with the boundaries of the landfill site, and to not inhibit or impede the ability of the Lessee or any agent thereof to access or utilize the landfill site.

J. Signs. Tenants shall not install or erect or allow the installation or erection of any signs on the Subject Property without first receiving the express written permission of the Lessee.

K. Risk of Loss and Insurance. The Lessee is not responsible for loss, damage, or theft of the Tenant's personal property or crops regardless of cause. Tenants are responsible for securing the property as to not allow damage or vandalism to crops, fields or other personal property. The Tenants are encouraged to obtain their own insurance to cover loss of any personal property or crops.

5. PAYMENTS AND DUE DATES:

A. The annual cash rent for the Subject Property paid by the Tenants to the Lessee will be as follows:

175 tillable acres @ \$ 89.25 per acre = **\$15,618.75 total yearly rent**

B. Total rent payment will be made directly to the Lessee by December 31 of each calendar year for as long as this agreement is effective.

6. MISCELLANEOUS

A. No Representations. Lessee does not make any representations or warranties to Tenants about the Subject Property including the suitability of the Subject Property for Tenants' farming activities. The Tenants are responsible for making Tenants' own inspection of farming conditions on the Subject Property before entering into this Agreement. Tenants accept the Subject Property on an "as-is" basis as of the date of occupancy, subject to any easements, servitudes, rights of way, or other land rights.

B. Assignment, Subleasing, and Licensing. Tenants may not assign, sublease, or license all or any part of the Subject Property.

C. Liens and Encumbrances. Tenants will not incur, create, or assume any lien or encumbrance on any portion of the Subject Property, including any mechanic's or materialmen's liens, except any liens or encumbrances created under this Agreement. Nothing in this Section will prevent Tenants from assuming customary crop financing and other financing arrangements and granting security interests in Tenants' crops, inventory, equipment, supplies, and other assets.

D. Taxes. Tenants are responsible for all tax returns and payments arising from Tenants' occupation and use of the Subject Property, including without limitation, income, sales, and personal Subject Property taxes. Lessee will pay any real property taxes.

E. Sale by Lessee. If Lessee should sell or otherwise transfer title to the Subject Property, Lessee will require the transferee to recognize and take the Subject Property subject to this Agreement. Tenants will recognize the purchaser as the owner and take such actions to that end as are appropriate, including entering into an agreement in customary form in which the Tenants and attorns to the purchaser.

F. Jointly and Severally. The undersigned Tenants are jointly and severally responsible and liable for all obligations under this agreement.

7. INDEMNIFICATION

A. Indemnification by Tenants. Tenants will assume all liability and indemnify and hold Lessee and Lessee's respective officers, employees and agents harmless from and against all claims, liabilities, losses, damages, expenses, and attorneys' fees that may arise directly or indirectly from: (a) Tenants' use or occupancy of the Subject Property; (b) any claims by third parties the Tenants invite onto the Subject Property; (c) sale and consumption of food grown on the Subject Property; or (d) any breach by Tenants of this Agreement.

8. TERMINATION/AMENDMENT OF AGREEMENT:

This lease terminates on the ending date stated in Section 1 without any notice from either party unless extended by mutual agreement of the parties.

The Lessee shall have the absolute right to terminate this lease by written notice in the event the Tenants shall violate this agreement or if the Lessee sells this Subject Property, by giving the Tenants written notice that the lease would end at the completion of the current lease year. In the event the above occurs, the Tenants would be allowed until the end of the current calendar year to complete the harvest of crops grown during the current year. If the Subject Property is vacated by the Tenants, mid-calendar year or crop year, the landowner, shall have exclusive right to occupy the Subject Property and take control of any crops remaining and profit thereof.

Either party may request a meeting to review and possibly amend the lease for the following years in the current contract by sending written notice to the other party by January 31st each year. Both parties must agree to any amendments.

[SIGNATURES ON THE FOLLOWING PAGE]

9. SIGNATURES:

CITY OF TUPELO, MISSISSIPPI

TODD JORDAN, Mayor

DATE

TENANTS

JAMES R “JAMIE” ROGERS

DATE

RONNIE “MAC” REEDY

DATE

STATE OF MISSISSIPPI

COUNTY OF LEE

Personally appeared before me, the undersigned authority in and for the said county and state, on the 29th day of April 2025, within my jurisdiction, the within named JAMES R. "JAMIE" ROGERS and RONNIE "MAC" REEDY who acknowledged that they executed the above and foregoing Farmland Lease Agreement.

Signature of notarial officer

My commission expires:

STATE OF MISSISSIPPI

COUNTY OF LEE

Personally appeared before me, the undersigned authority in and for the said county and state, on this _____ day of _____, 2025, within my jurisdiction, the within named TODD JORDAN who acknowledged that he is the Mayor of the City of Tupelo, Mississippi and that in said representative capacity he executed the above and foregoing Farmland Lease Agreement, after first having been duly authorized so to do.

Signature of notarial officer

My commission expires:
