



MANAGEMENT REPORT

Date: March 24, 2025
To: Mayor and Council
From: Neil Anderson, Fire Chief
Report Number: COU25-031
Attachments: None

Title: Airport Farmland Lease Award

Objective: To obtain Council approval to enter into a lease of 160 acres of farmland located adjacent to the Stratford Municipal Airport.

Background: The land available for this farmland lease is the approximately 160 acres of agricultural land, described as Part of Lots 39, 40, 41, Concession 5 and Parts of Lots 38, 39, 40 and 41 Concession 6, located adjacent to the Stratford Municipal Airport in the municipality of Perth East.

Since 1986, Vanmeurs Farms Ltd. has been the steward of the farmland through the lease agreements, clearing the fields of debris and rehabilitating the land into workable farmland. They have also installed drainage tile at their own expense, making it less prone to flooding and easier to farm. They also tended to the 60 acres that are not easily accessible through having the small trees and weeds cut back.

In early 2024, Council had directed that the contract with Vanmeurs Farms Ltd. be ended 31 December 2024 and that another Request for Expression of Interest (RFEOI) be more widely published in 2025, including in the Ontario Farmer publication to ensure that current farm values were reflected in our agreement.

As a result, a RFEOI was advertised over a period of two weeks in February 2025 (based upon publication dates of each format) in the Beacon Herald, Ontario Farmer, Bids and Tenders, the City's website and Community Board.

Analysis: The lease represents a constant revenue stream within the airport division.

The results of the submissions for the RFEOI, for the years 2025, 2026, and 2027, are below in descending order. There were fifteen requests for the RFEOI package, and seven submissions as follows:

Peter Koot and Rachael Berta - \$48,000 per year or \$300 per workable acre.

Van Nes Custom Welding Inc. - \$41,600 per year or \$260 per workable acre.

A Touch of Dutch - \$28,800 for 2025, or \$180 per workable acre, and \$30,400 for both 2026 and 2027, or \$190 per workable acre.

Country Custom Ag Inc. - \$29,600 per year or \$185 per workable acre

Bacon Crest Farms – \$28,800 per year or \$180 per workable acre

Vanmeurs Farms - \$28,000 per year or \$175 per workable acre

De Jong Excavating - \$8000 per year for each year or \$50 per workable acre

The terms of the new lease agreement will be as per the previous agreement, including termination clauses and language around the insurance and indemnity clauses to reflect current practices. Consumer Price Index (CPI) increases will be applied annually, like those captured in the Fees and Charges By-law.

The City incurs annual costs for these lands in the form of property taxes to Perth East. For the tax year 2025 the estimated taxes are \$15,614.

Peter Koot and Rachael Berta, who provided the highest submission, have 11 years of experience farming corn, soybeans, edible beans, wheat, canola and alfalfa hay.

Financial Implications:

Financial impact to current year operating budget:

If approved, the City will collect \$48,000 in rental income plus \$6,240 HST that is remitted to Canada Revenue Agency, a total annual lease of \$54,240. After paying property taxes, the City will have an approximate net revenue of \$32,386 that will positively impact the airport division’s bottom line.

Financial impact on future year operating budget:

Given annual increases expected in both revenues and costs, the net impact is expected to remain similar each year.

Insurance considerations:

The required insurance is \$5 million and shall include the owner and its employees as Insureds. It does not currently require the City named as additional insured. The proof of insurance provides assurance to the City that the business has sufficient coverage to deal with risks that arise within the corporation, but this section of the agreement will be reviewed by our insurance advisor before completion of the agreement.

Alignment with Strategic Priorities:

Enhance our Infrastructure

This report aligns with this priority as it provides stewardship of the farmland and proper drainage, while preventing overgrowth of the land surrounding the airport.

Alignment with One Planet Principles:

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade, planning a sustainable future for Stratford’s resources and environment.

Culture and Community

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living through the farming of crops.

Sustainable Water

Using water efficiently, protecting local water resources and reducing flooding and drought using proper drainage tiles.

Staff Recommendation: THAT the RFEOI for a three (3) year term from Peter Koot and Rachael Berta for the lease of 160 acres of farmland adjacent to the Stratford Municipal Airport, described as Part of Lots 39, 40, 41, Concession 5 and Parts of Lots 38, 39, 40 and 41 Concession 6, from March 1, 2025, to December 31, 2027, be accepted;

AND THAT the Mayor and City Clerk, or their respective delegates, be authorized to sign the Farmland Lease Agreement.

Prepared by: Neil Anderson, Director of Emergency Services/Fire Chief
Recommended by: Joan Thomson, Chief Administrative Officer