

Shawn Alfred

From: Adam Tegen
Sent: Thursday, May 9, 2024 3:24 PM
To: James Brey - D4; Shawn Alfred
Subject: June Finance - Hecker Road Farmland Lease
Attachments: Buck 2024 Lease Amendment Request.pdf; AMENDMENT #1- City Approved Draft.DOCX

Good Afternoon Alder Brey,

As you may recall, we currently have a lease with a farmer for the future industrial area at Hecker/Viebahn. When we purchased the property from the County we entered into a 5-year lease with Dan Buck to farm the property. Pretty standard agreement, main areas of note are the acreage included in the lease (originally 72 acres) and the amount (\$200 per acre). As a result of some recent changes and uncertainty around the future of the property the farmer is requesting some changes to the agreement. Attached is a letter from the farmer that outlines the changes and some of the rationale. I would note that Dan has been wonderful to work with and has always understood that this is likely a temporary situation since the property will ultimately get developed.

First change is tied to the acreage. We sold the western parcel to MPU in 2023 which effectively removed just under 25 acres of tillable land. We also granted an easement to MPU on the west side of the eastern parcels for new overhead electrical lines. This removed just over 1 acre of tillable land. Looking at the remaining property, we would estimate that there is now 46 acres of tillable land.

Second change is the lease amount. As noted, we have agreed to \$200 per acre and in a typical year the farmer is still comfortable with that number. However, last fall when it looked likely that we would be undertaking utility and stormwater pond work this spring, I informed Dan that he may not be able to farm the property in 2024. Understandably he choose not to complete fall tillage which leads to an impact on the productivity this year. As such, he is requesting that for this year the lease amount be reduced to \$150 per acre. On a side note, the lease revenue actually goes to MPU and does not stay with the City.

I verified with MPU that they are not opposed to the change and I have worked with Finance and the City Attorney to draft an amendment to the lease which is also attached.

I was supposed to get this on the May agenda and failed, but hopefully you are okay with getting this on the June agenda.

If you have any questions, please let me know.



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