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16-1088



CITY OF MANITOWOC
WISCONSIN, USA
www.manitowoc.org



October 27, 2016

To: Mayor and Common Council
From: Manitowoc City Plan Commission
Subject: **PC 35 – 2016 Request to Lease Vacant City Owned Land Off of Orchard Lane for Farm Purposes (Former Heresite Property)**

Dear Mayor and Common Council:

At the October 26, 2016 meeting of the Manitowoc City Plan Commission, the Commission considered all items on its agenda, including the item identified above, and wishes to report and recommend to the Common Council the following actions: To approve the request to lease the vacant City owned property off of Orchard Lane for farm purposes subject to the following recommendations: i) instruct the Attorney's Office to draft a lease, and ii) determine a lease rate and length of lease including language in the lease to allow the City to terminate the lease if the land is sold or used for different purposes at the City's discretion, and iii) instruct the Mayor and Clerk to sign said lease.

Respectfully Submitted,

Paul Braun
Plan Commission Secretary

Attachment: Map
Granicus # 16-1004

Requester:
Jay Steuer
6006 Wagon Wheel Road
Manitowoc, WI 54220



16-1004

Standing Committee: Plan Commission

Document Name: Request to Lease City Owned Land off of Orchard Lane for Farm Purposes (Former Heresite Property), PC 35 - 2016.

Consent


Non-Consent

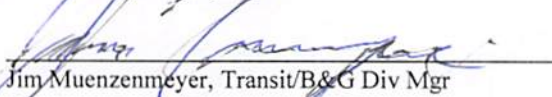
Recommendation: Approve the request subject to the following recommendations:
i) instruct the Attorney's Office to draft a lease, and ii) determine a lease rate and length of lease, including language in the lease to allow the City to terminate the lease if the land is sold or used for different purposes at the City's discretion, and iii) instruct the Mayor and Clerk to sign said lease.

Attest:



Aldersperson Jim Brey



David Djedrich, Member



Dennis Steinbrenner, Member


Jim Muenzenmeyer, Transit/B&G Div Mgr


Peter Dornier, Member


Daniel Hornung, Member


Dan Koski, Director of Public Infrastructure


Rick Schwarz, Building Inspector (Alternate)

Approved:

Justin M. Nickels
Mayor

Date

Report to the Manitowoc Plan Commission

Meeting Date: October 26, 2016

Report Print Date: October 21, 2016; 2:55 PM

Request: PC 35 - 2016 Request to Lease City Owned Land off of Orchard Lane for Farm Purposes (Former Heresite Property).

Reason for Request: The Finance Committee received a request from Jay Steuer who would like to lease some City Owned Property for farm purposes. The Finance Committee referred the request to the Community Development Department.

Existing Land Use for Subject Property: Vacant / Undeveloped property.

Existing Zoning for Subject Property: I-1 Light Industrial

Surrounding Property Land Uses and Zoning

Direction	Existing Land Use	Existing Zoning
East	Vacant Industrial Parcel	I-1 Light Industrial (City)
North South West	Agricultural or Undeveloped	R-2 Residential (Town of Newton)

Comprehensive Plan: Single and Two Family Residential

Report: A request from Jay Steuer was referred to the Plan Commission from the City Finance Committee. Mr Steuer's family owns (S&S Investments, LLC) land that is adjacent to the City owned parcel. Mr. Steuer would like to lease from the City Lot 2 of a Certified Survey recorded in Volume 32, Page 47, parcel # 052-801-102-051.00; he would like to use the land for farm purposes. The lot is 12.06 acres but approximately 9.5 acres is tillable due to a small woods and trees growing along the fence line. Mr. Steuer stated that the land would be virtually unusable the first year due to the weeds that would need to be sprayed and tilled. He would also like to spray and till the land this year yet prior to the ground freezing.

Lot 2 was originally part of a larger 20 acre parcel that City acquired from the Heresite Company. Heresite donated the land to the City because they were unable to sell the land due to actual or perceived environmental concerns. The City subsequently used some the EPA Site Assessment Funds to perform phase 1 & 2 testing on the property. Based on the assessment results the City split the property into two parcels. The east parcel (Lot 1) was required by the Wisconsin DNR's Environmental Closure Letter; to have a use restriction placed on it of "Industrial Uses" only, unless the soils with environmental concerns were removed and landfilled. Lot 2, the former farmed area does not have any use restrictions placed on it by the DNR.

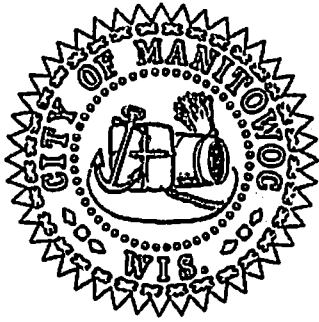
Currently the City is not using Lot 1 or Lot 2 for any purposes; Lot 2 has been taken over by weeds. The City has received some inquiries from individuals interested in purchasing the property in the past but the City wanted to have all of the environmental testing completed before leasing to anyone.

Site Assessment: Staff would recommend that only the west lot (lot 2) be leased and that the lease term would be year to year or a short term with clauses in place to terminate the lease if the City has a buyer or another use for the lot.

In other similar requests the Plan Commission has not determined land values or lease rates, those items were determined by the Assessor, Attorney or other means. For informational purposes: the County leases some of their property for a per acre range of \$111 to \$210. The acreages leased range from 11 to 122 acres. County wide the lease rate range is \$40 - \$300 per acre according to Scott Gunderson, UW-Manitowoc Extension Office and Jerry Halvorsen, Soil and Water Conservation.

Recommendation: Approve the request subject to the following recommendations:

i) instruct the Attorney's Office to draft a lease, and ii) determine a lease rate and length of lease, including language in the lease to allow the City to terminate the lease if the land is sold or used for different purposes at the City's discretion, and iii) instruct the Mayor and Clerk to sign said lease.



16-0928

Standing Committee: Finance Committee

Document Name: Request to lease former Heresite Property for farming purposes

Consent

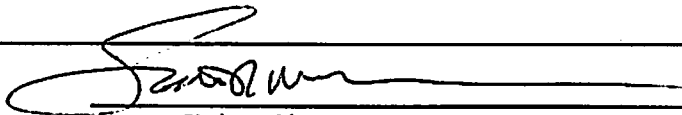
Non-Consent

Chairman Recommend

Recommendation:

Refer to Community Development Director

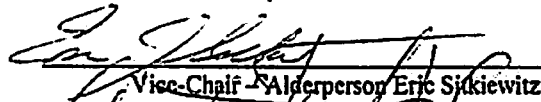
Attest:



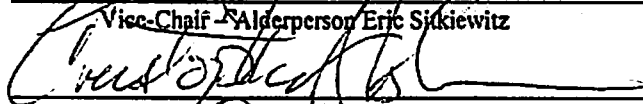
Chair - Alderperson Scott McMeans

10-4-16

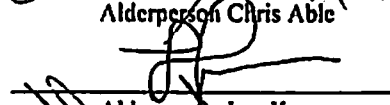
Date



Vice-Chair - Alderperson Eric Sikkewitz



Alderperson Chris Able



Alderperson Lee Kummer



Alderperson Steve Czckala

Approved:

Justin M. Nickels
Mayor

Date

Paul Braun

From:

Jay Steuer <honeycombfarmsandapiary@gmail.com>

Sent:

Wednesday, October 19, 2016 11:07 AM

To:

Paul Braun

Subject:

Orchard drive property lease

Paul,

Below is a summary of our phone discussion with some thoughts attached.

My family owns land that directly butts up to the field off of orchard drive that the city currently owns. I would like to sign a lease agreement with the city to farm the tillable acres on that property. It is currently not being used as farm land and only growing weeds on it at this time. I believe that there is around 25 to 30 acres that could be used as farm land. Below are a few thoughts on the property :

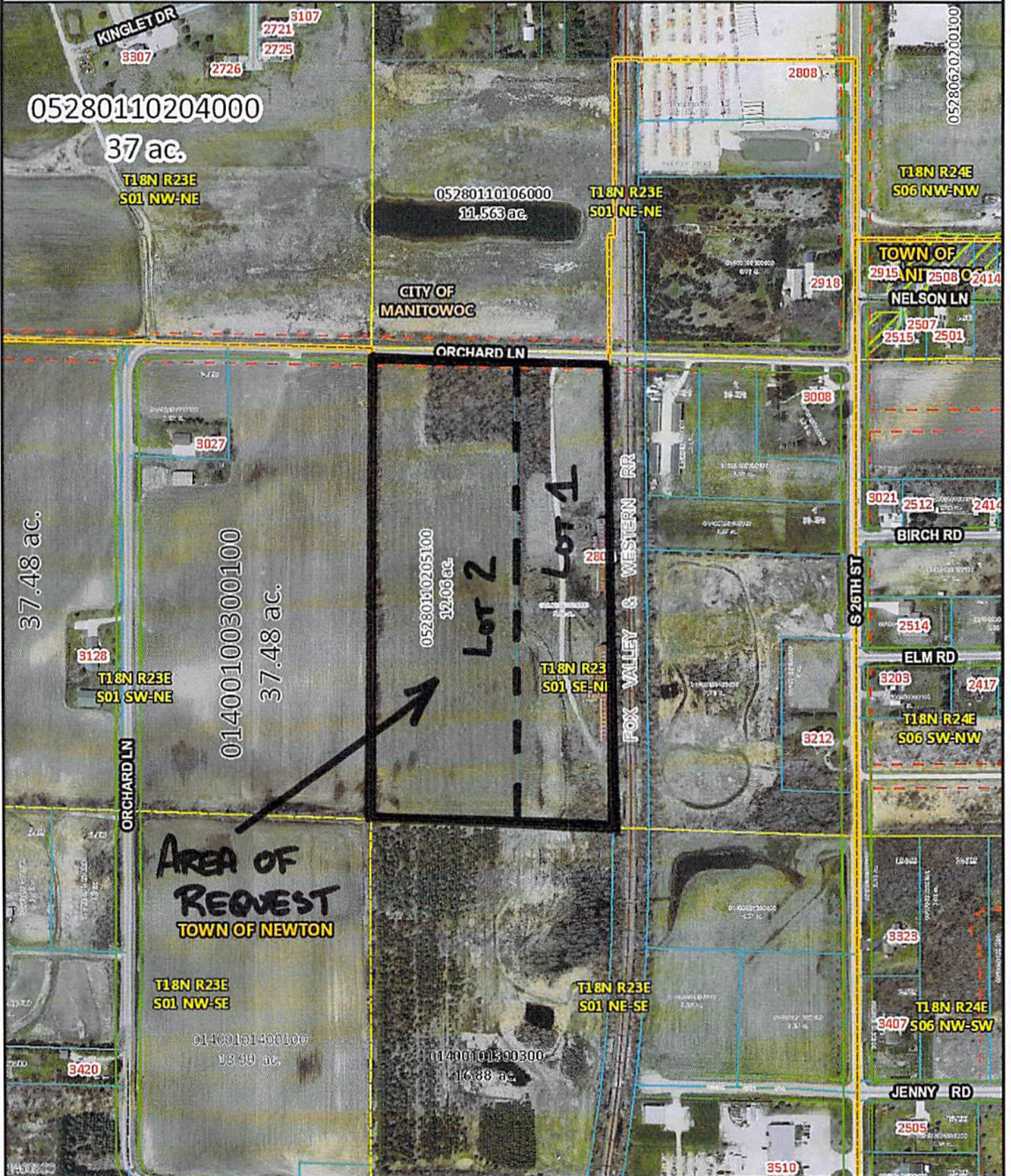
1. It has been some time since anything other than weeds has occupied the field , it will take a large effort to both till multiple times and spray both this fall if possible and again in spring .
2. Because of the condition of the weeds the first year will be a loss in profit with the extra cost of multiple tilling and extra spray. Also we will only be able to plant corn on that property for the first year and will be subject to the low corn market as it currently sits.
3. We would be looking for a multiyear agreement because of the work that would have to go into the property with the understanding that if it was sold the we would deal with the new owners and the agreement would be terminated.
4. We have done a few leases of set aside property before and I can lay out the agreements that we have done with those as far as payment schedule. First year was free because of the heavy input costs, second year was 25 dollars an acre and every year after that the price was 50 dollars an acre. This structure completely covered taxes and more that would be generated from that property. I know that there is a large window of lease prices for land and it ranges from 20 to 300 an acre, there are many variables in price and only in the last few years have we seen the 300 an acre with extremely high milk prices and large 100+ acres fields going up for rent but now that the milk prices are predicted to be at a low for the next few years I'm sure we will see land leases at a much cheaper rate.
5. Lastly if possible we would like to try and do some work before the frost this year so we can get a better start in spring . We would be looking to mow all the weeds and clean up debris and clean the fence line. Also if possible plow the field once before winter.

Thank you for you time in considering the lease.

Jay Steuer

Sent from my iPad

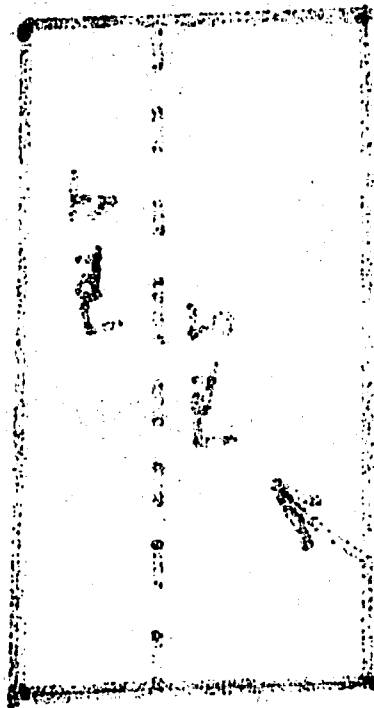
Orchard Lane



Author:
Date Printed: 10/20/2016



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City of
Manitowoc

STATE OF WI - MTWC CO
PRESTON JONES REG/DEEDS
RECEIVED FOR RECORD
09/23/2015 3:43:40 PM



CIVIL & STRUCTURAL ENGINEERS
102 REVERE DRIVE
MANITOWOC, WI. 54220-3147
PHONE 884-5583 FAX 884-5584

128725

- - EXISTING IRON PIPE
- - IRON PIPE SET WEIGHING 1.50 lbs./ft
- △ - MAG NAIL SET

ALL BEARINGS ARE RELATED TO THE WISCONSIN COORDINATE REFERENCE SYSTEM

TAX ID 052-801-102-050.00

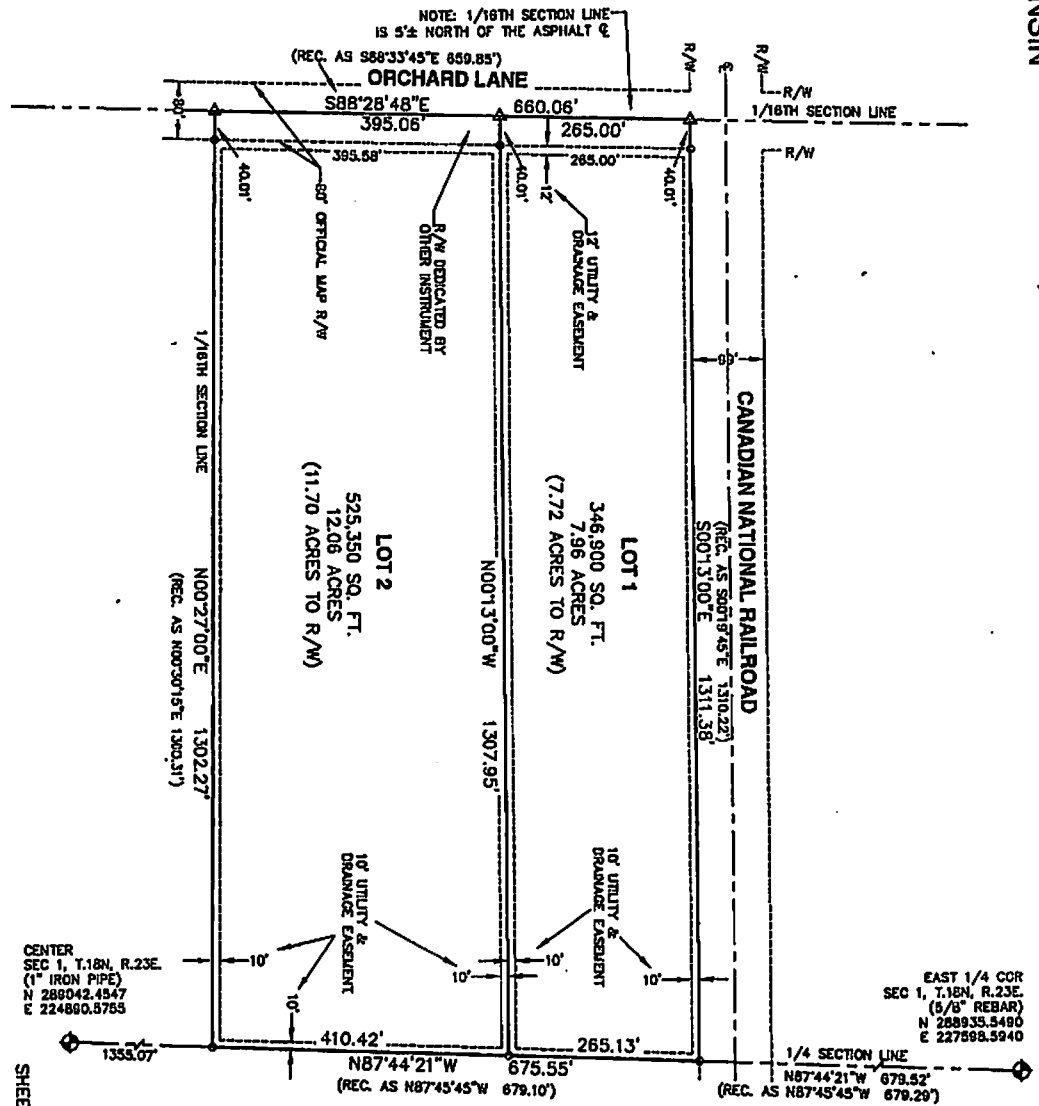


CERTIFIED SURVEY LOCATED IN THE SE 1/4 OF THE NE 1/4 OF SECTION 1, T.18N., R.23E., CITY OF MANITOWOC, MANITOWOC COUNTY, WISCONSIN

Doc# 1160475

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Pg 47



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