



## City Council Agenda Item

**City Council Meeting Date:** July 20, 2021

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jim Throop, City Manager  
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**SUBJECT:** Agricultural Lease Agreement with Rancho Laguna Farms, Inc., for Term of Five Years for Rent of \$4,000.00 Per Year (APNs: 093-051-014, 093-051-012/013, and 097-270-044)

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### **Recommendation:**

Staff recommends the City Council consider whether to approve a new Agricultural Lease Agreement to lease City-owned property to Rancho Laguna Farms, Inc., for a term of five years, for rent of \$4,000.00 per year (Attachment 1), and if approved, grant the City Manager authority to sign the lease.

### **Background:**

The City owns undeveloped property located near H Street, more particularly described as APNs 093-051-014, 093-051-012/013, and 097-270-044 (see map at Exhibit D of Attachment 1). Rancho Laguna Farms, Inc., owns and farms adjacent parcels and would like to rent and farm the City's parcels as well.

### **Discussion:**

The attached Agricultural Lease sets forth the terms and conditions for the proposed rental of the parcels. The term of the lease is five years beginning on May 1, 2021, and ending on April 30, 2026. Under the lease, the tenant will be responsible for supplying its own water source from a well located on adjacent property and will be responsible for all other utilities, as necessary.

### **Fiscal Impact:**

Approval of the new lease, with rent of \$4,000.00 per year will result in of \$20,000 in rent over the next five years, and includes an annual CPI increase. In addition, the City will not be required to perform weed control or other maintenance on the three unimproved parcels.

**Conclusion:**

Approving the lease with Rancho Laguna Farms, Inc., will provide annual rental income on unimproved parcels that would otherwise remain vacant.

Respectfully submitted,

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Jim Throop, City Manager

Attachment: Agricultural Lease Agreement