

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: General Services Agency

BOARD AGENDA # \*B-6

Urgent

Routine

AGENDA DATE October 27, 2015

CEO Concur with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of Amendment No. 1 to the Amended and Restated Farm Lease Agreement with Melvin T. Wheeler & Sons, L.P. for 1,112 Acres at the Crows Landing Air Facility

STAFF RECOMMENDATIONS:

1. Approve Amendment No. 1 to the Amended and Restated Farm Lease Agreement with Melvin T. Wheeler & Sons, L.P. to extend the lease expiration date to November 9, 2017.
2. Authorize the County Purchasing Agent to sign Amendment No. 1 to the Amended and Restated Farm Lease Agreement

FISCAL IMPACT:

The current farm lease rent is \$161.16 per acre or \$179,290.92 annually. The agreement includes a credit of \$8,000 annually for providing weed abatement at the Lessee's own expense. The amendment includes a 2% increase to the lease rent each year in November. The total farm lease rent collected over the optional two-year extension period of the agreement will be \$353,239.60.

BOARD ACTION AS FOLLOWS:

No. 2015-500

On motion of Supervisor Chiesa, Seconded by Supervisor Monteith  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Withrow

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

ATTEST:

Christine Ferraro  
CHRISTINE FERRARO TALLMAN, Clerk

File No.

**DISCUSSION:**

Stanislaus County acquired the Crows Landing Air Facility (Property) in 2004, and has since executed a series of farm lease agreements. The current Lessee, Melvin T. Wheeler & Sons, L.P. (Wheeler), was awarded the agricultural farm lease through a Request for Proposal (RFP) process and began farming the property November 10, 2010. This 2010 lease had an initial three-year term, and in 2013 the Board of Supervisors approved the current Amended and Restated Lease to replace the original lease. The 2013 Amended and Restated Lease has an initial 2.5 year term, plus two optional one-year extensions. The initial term will expire November 9, 2015.

Wheeler is also obligated under the Farm Lease to manage weeds around the perimeter of the Leased Premises and all internal roadways, runways and tarmac areas on and over Leased Premises to prevent reseeding at its own expense, for which Wheeler receives a Weed Abatement credit of \$8,000. Wheeler has performed this obligation as required under the terms of the Farm Lease.

In accordance with the existing lease, the General Services Agency (GSA) negotiated pricing terms with Wheeler for the two remaining optional one-year extensions. These negotiations resulted in the following pricing proposal for the Amended and Restated Lease agreement:

Stanislaus County

Price Escalator for Agricultural Lease Optional Extensions

Period	Yr.	Rent / Acre	Year-Over- Year Increase		Annual Rent	Weed Abate. Credit	Net Annual Rent
			\$	%			
11/15 - 11/16	1	\$164.38	\$3.22	2%	\$182,790.56	(\$8,000)	\$174,790.56
11/16 - 11/17	1	\$167.67	\$3.29	2%	186,449.04	(8,000)	178,449.04
Totals					\$369,239.60	(\$16,000)	\$353,239.60

This Agreement will terminate on November 9, 2017. In 2017 the County will issue a new RFP for an agricultural farm lease.

**POLICY ISSUE:**

Approval to award this agreement is consistent with the Board's priorities of promoting a Strong Agricultural Economy/Heritage and Strong Local Economy by maintaining the Crows Landing Air Facility in an agriculturally-productive state while site redevelopment and environmental analysis at the facility continues.

**STAFFING:**

Existing GSA staff will continue to administer the Crows Landing agricultural farm lease.

**CONTACT:**

Keith Boggs, Assistant Executive Officer, GSA Director/Purchasing Agent  
Telephone: (209) 652-1514

**ATTACHMENT:**

Amendment No. 1 to the Amended and Restated Farm Lease Agreement with Melvin T. Wheeler & Sons, L.P.

**AMENDMENT NO. 1**  
**TO**  
**AMENDED AND RESTATED FARM LEASE AGREEMENT**  
**MELVIN T. WHEELER & SONS, L.P.**

This Amendment No. 1 to the Amended and Restated Farm Lease Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the County of Stanislaus ("Landlord") and Melvin T. Wheeler, L.P., ("Tenant").

WHEREAS, the Landlord and Tenant are parties to that certain Farm Lease entered into on November 10, 2010 ("Original Lease"); and

WHEREAS, on May 7, 2013, the Landlord and Tenant Amended and Restated the Farm Lease Agreement amending certain terms and conditions of the Lease, including the lease term which was amended for an additional two-year period, with the option for two one-year additional renewal terms; and

WHEREAS, the Landlord and the Tenant desire to exercise both one-year renewal options; and

WHEREAS, this amendment is for the mutual benefit of Landlord and Tenant;

NOW, THEREFORE, the Landlord and Tenant agree as follows:

- 1) Paragraph 5 – "Term" is amended as follows:

"TERM: The initial term of the Amended and Restated Lease shall be for a period of approximately two and one-half (2-1/2) years, commencing on May 1, 2013, at 12:00 a.m., and terminating on November 9, 2015, at 11:59 p.m. The first renewal term shall be for one additional year commencing on November 10, 2015, at 11:59 p.m., and terminating on November 9, 2016, at 11:59 p.m. The second renewal term shall commence on November 10, 2016, 11:59 p.m., and terminate on November 9, 2017, at 11:59 p.m."

- 2) Paragraph 4 – "Payment", Section 4.1 is amended to add as follows:

"Tenant agrees to pay to Landlord during the first and second renewal term and Landlord agrees to accept as payment for the use and possession of Lease Premises as follows:

<b>Period :</b>	<b>\$ per acre:</b>	<b>Gross Rent:</b>	<b>Less Weed Abatement Credit:</b>	<b>Net Rent:</b>
11/10/2015 – 11/9/2016	\$164.38	\$182,790.56	\$8,000.00	\$174,790.56
11/10/2016 – 11/9/2017	\$167.67	\$186,449.04	\$8,000.00	\$178,449.04"

- 3) Paragraph 9, "Tenants Duties and Obligations", Section 9.5 "Weed Abatement" is amended as follows:

"Weed Abatement. Tenant shall manage weeds around the perimeter of the Leased Premises and all internal roadways, runways and tarmac areas on and over Leased Premises to prevent reseeding. Tenant shall at its own expense perform weed control at least twice during each lease year – once in the spring prior to the maturation of weed seeds, and once in the fall to control late-growing weeds. Weed growth inhibitors shall be used in accordance with the terms and conditions set forth in Section 9.4 below. Landlord may perform quarterly on-site audits to confirm the effectiveness and completeness of Tenant's weed abatement efforts. Failure of Tenant to provide satisfactory weed abatement shall be considered default of contract by Tenant and may be grounds for termination as defined in Section 7.2 above. For Weed Abatement Credit, please see Section 4 above."

- 4) Paragraph 9, "Tenants Duties and Obligations", Section 9.14 "Debris Removal" is amended as follows:

B "Debris Removal. Tenant, at its own expense, shall dispose of all debris and empty containers generated on the Leased Premises."

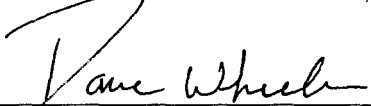
- 5) Except as stated herein, all other terms and conditions of the Agreement remain unchanged.

In witness whereof, the parties have executed this Amendment on the date written above.

LANDLORD:  
COUNTY OF STANISLAUS

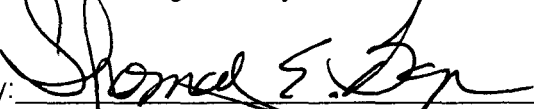
By:   
Keith D. Boggs, Assistant Executive Officer,  
GSA Director/Purchasing Agent

TENANT:  
MELVIN T. WHEELER & SONS, L.P.

By:   
Dave Wheeler, Ranch Foreman/Vice  
President

Approved: BOS Resolution # 2015-500  
Dated: OCTOBER 27, 2015

APPROVED AS TO FORM  
John P. Doering, County Counsel

By:   
Thomas E. Boze, Assistant County Counsel