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COMMUNITY DEVELOPMENT

Planning,
Zoning,
Building Safety,
Construction Inspection Services,
Public Health,
Housing Inspections,
Code Enforcement

MEMORANDUM

To: Mayor and City Council Members

Cc: Gregg Mandsager, City Administrator

From: Steven Boka, Director of Community Development

Date: December 12, 2011

Re: Airport – Agricultural Lease Extension – Public Hearing

INTRODUCTION: The City owns and operates the Muscatine Municipal Airport on approximately 642 acres of real estate. Of that amount, 356 acres is either used directly for airport related activities and cannot be used for any other purpose. The remaining 286 acres is located within the airport fence and has been acquired to prevent construction within a variety of aircraft approach zones. The remaining 286 acres may be utilized for agricultural use.

BACKGROUND: Over the last 20+ years, the city has leased a portion of the airport property for agricultural use. The current lease holder, Bartenhagen Farms, has continued to farm the property by mutual agreement for the last few years. After determining their continued interest in farming the airport property, staff negotiated a proposed extension of the existing lease, new lease rate, consideration of the property that has been removed from agricultural use, property being utilized for the growth of non-cash crops, etc.

RECOMMENDATION/RATIONALE: The city has been pleased with the performance of the Bartenhagen family, their understanding of airport use regulations, security requirements, and construction activities that have disrupted their operations. Since the lease extension involves a duration of more than two years, the Code of Iowa requires a public hearing prior to executing the lease extension. It is therefore recommended that the City Council set a public hearing for January 5, 2012 and publish the attached Notice of Public Hearing in the Muscatine Journal as required.

BACKUP INFORMATION:

1. Resolution Setting the Public Hearing
2. Public Notice of the Hearing

LEASE AGREEMENT

THIS AGREEMENT entered into this 1st day of January, 2012, between the City of Muscatine, Iowa, a Municipal Corporation (hereinafter called Lessor), and Fred, Roger, and Keith Bartenhagen Farms, whose address for the purpose of this lease is 9468 180th Street, Muscatine, Iowa 52761, (hereinafter referred to as Lessee), for the lease of certain farm ground located adjacent to the Muscatine Municipal Airport, owned by the Lessor, which consists of 250 acres more or less.

TERM

The Lessor agrees to lease to the Lessee the above described farm ground commencing January 1, 2012, and ending December 31, 2022. Said tenancy shall terminate December 31, 2022, with no extensions except by the express agreement of the parties.

The Lessee hereby expressly waives any and all notices required by Chapter 562 of the 1995 Code of Iowa and agrees that this lease shall terminate December 31, 2022, unless extended by an express agreement of the parties.

CONDITIONS

1. The premises shall be used for farming purposes only.
2. The Lessee shall conduct his farming operation so as not to interfere with the operations of the Muscatine Municipal Airport or create any hazard to traffic using said airport. The Lessee shall not cause any violation to the Airport Zoning requirements as stated in the Municipal Code of the City of Muscatine, Iowa.
3. It is understood and agreed that crops grown in the approach areas at the ends of each runway shall be restricted to low-growing varieties and that no crops shall encroach within the setback requirements for runways and taxiways established by FAA. (See attached Exhibit "A")
4. Lessee and Lessor agree to meet annually to review and reach mutual agreement as to proper husbandry, planting, fertilizer, weed control, harvesting, irrigation, for which the Lessee agrees to be 100% financially responsible as well as any other expense connected with the farm crop.
5. Permission is hereby granted to the Lessee for the operation of an existing irrigation system. The Lessee agrees to be financially responsible for all routine costs and expenses associated with said irrigation system and shall furnish the

pump and motor for its operation. The Lessee shall be responsible for furnishing documentation to the City relating to the volume of irrigation water pumped on an annual basis as required by the Iowa Department of Natural Resources. Further, it shall be the responsibility of the Lessee to drain the irrigation system and secure its wheels to prevent damage during periods of non-use.

6. The Lessee and Lessor have discussed the potential impact of the irrigation system on the VOR system. Although approval has been granted by FAA concerning this item, in the event that the VOR system is tripped by the irrigation system immediate remedial modification or discontinuance of the use of the irrigation system by the Lessee will be required to resolve the problem.
7. The Lessee shall not sublet any of the agricultural land defined under the lease agreement and the performance of the Lessee shall be reviewed annually by the Lessor and Lessee.
8. In the event the Lessee plants a Fall crop and circumstances result in a change of Lessee's due to termination of this Lease Agreement, the Lessee planting the Fall crop and related work is entitled to mutually agreeable compensation. This settlement would be negotiated by the City and relevant parties.
9. If Lessor or Lessee violates the terms of this Lease, the other shall have the right to pursue the legal and equitable remedies to which it is entitled and if either party files suit to enforce the terms of this Lease, the prevailing party shall be entitled to recover court costs and reasonable attorney fees.

CONSIDERATION

Payment for the above described farmland and previously stated terms and conditions shall be \$34,000 per year payable by the Lessee upon sale of seasonal crop harvest, but in no event later than December 31st of each year during the duration of this lease.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first written above.

CITY OF MUSCATINE, IOWA
a Municipal Corporation

ATTEST:

BY
Richard W. O'Brien, Mayor

Gregg Mandsager, City Clerk

WITNESS:

Steven W. Boka
Community Development
Director

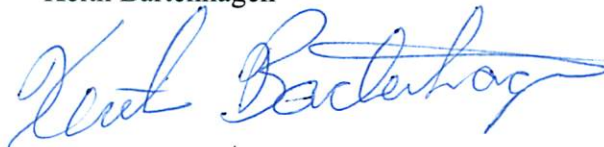
Fred Bartenhagen Farms
9468 180th Street
Muscatine, IA 52761

A handwritten signature in blue ink, appearing to read "Fred Bartenhagen", written over a horizontal line.

Roger Bartenhagen

A handwritten signature in blue ink, appearing to read "Roger Bartenhagen", written over a horizontal line.

Keith Bartenhagen

A handwritten signature in blue ink, appearing to read "Keith Bartenhagen", written over a horizontal line.

