

### Section I – Items for Board of Directors Action

**TO:** Chair and Members of the Executive Committee  
Meeting, Friday, May 06, 2022

**FROM:** Michael Tolensky, Chief Financial and Operating Officer

**RE:** **AGRICULTURAL LEASE RENEWAL: FORMER LAMONT PROPERTY**  
Proposal to renew the lease at 12707 Concession 11, Township of King,  
Regional Municipality of York, Humber River Watershed (CFN 22088)

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#### KEY ISSUE

Proposal from John Workman to renew the 1-year lease of Toronto and Region Conservation Authority-owned (TRCA) land for agricultural use located south of King Road and east of Concession 11, municipally known as 12707 Concession 11, Township of King, Regional Municipality of York, Humber River watershed.

#### RECOMMENDATION

**THE EXECUTIVE COMMITTEE RECOMMENDS THAT WHEREAS TRCA is in receipt of a request from John Workman to renew the lease agreement for agricultural use of TRCA land located south of King Road and east of Concession 11, municipally known as 12707 Concession 11, Township of King, Regional Municipality of York, Humber River watershed;**

**THEREFORE LET IT BE RESOLVED THAT TRCA renew the agricultural lease with John Workman for the use of 38.04 hectares (94 acres), more or less, said land being Part of Lots 1 to 5, Concession 10, municipally known as 12707 Concession 11, Township of King, Regional Municipality of York;**

**THAT the lease with John Workman be subject to the following terms and conditions:**

- (i) that the term of the lease be for 1 year, together with an annual renewal option for the next four years at the sole option of TRCA;**
- (ii) that consideration be \$12,978 per annum, plus HST, with an annual increase subject to farmland appraisal review, plus HST;**
- (iii) that John Workman to be responsible for all approvals required for construction and operation of the agricultural operation;**
- (iv) that John Workman be responsible for all costs associated with the development and operation of the agricultural operation;**
- (v) that John Workman will be solely responsible for all costs associated with the removal of any fixtures/infrastructure on the lands under lease, at the end of the term, and to the satisfaction of TRCA;**
- (vi) that John Workman will be required to obtain at his cost, all necessary licenses and permits, and comply with all applicable by-laws, rules, regulations, and laws governing the conduct and operation of the farm operation or anything in connection therewith; and**
- (vii) any other terms and conditions deemed appropriate by the TRCA staff and solicitor;**

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**AND FURTHER THAT authorized TRCA officials be directed to take the necessary action to finalize the transaction, including obtaining any necessary approvals and the signing and execution of documents.**

### **BACKGROUND**

TRCA has been administering agricultural leases on its land since the 1950s and continues to manage agricultural lands across its jurisdiction and as per TRCA's *Agricultural Land Use Policy*.

TRCA is in receipt of a request from John Workman to renew the lease agreement for agricultural use of TRCA-owned land located south of King Road and east of Concession 11, municipally known as 12707 Concession 11, Township of King, Regional Municipality of York, Humber River watershed.

Since 1991, John Workman has been farming these TRCA-owned lands for conventional agricultural purposes, and his current farm operation is mainly that of hay production. John Workman has historically incorporated best management practices into his farming operation to encourage sustainability and good stewardship of these TRCA-owned lands. The terms and conditions of the renewal and the governance of this farming operation would continue to be in accordance with TRCA's *Agricultural Land Use Policy*.

Attachment 1 is a site plan illustrating the location of the subject lands. Attachment 2 is an orthophoto illustrating the location of the subject lands. The attachments show the lands to be subject to the lease and identify the location on those lands where the farming operations will occur.

### **Lease Agreement**

The area subject to this lease consists of approximately 38.04 hectares (94 acres) of land. The following are the key terms and conditions of the proposed lease arrangement:

1. Lease Payment: \$12,978 per annum, plus HST, with an annual increase subject to farmland appraisal review, plus HST;
2. Initial Term: that the term of the lease be for 1 year together with an annual renewal option for a further 4-year period, at TRCA's sole option;
3. Insurance: John Workman will provide five million in commercial general liability insurance;
4. Expenses: John Workman will be solely responsible for all costs associated with the agricultural operation, as well as the removal of any fixtures/infrastructure on the lands under lease at the end of the term, and will restore the lands to the satisfaction of TRCA; and
5. Further Approvals: John Workman will comply with any applicable laws, directions, rules, and regulations.

### **RATIONALE**

TRCA supports agriculture on its properties, where appropriate, and aligns its work in agriculture, to improve the health of watersheds and communities. Renewing the lease agreement with John Workman would allow for the continued operation of this farm through which locally grown agricultural products are being supplied to the Greater Toronto Area. Finally considering the COVID19 pandemic, now more than ever, locally grown agriculture has been recognized as an important essential service for continuing Ontario's food supply and economic development.

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### **Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan**

This report supports the following strategies set forth in the TRCA 2013-2022 Strategic Plan:

**Strategy 5 – Foster sustainable citizenship**

**Strategy 7 – Build partnerships and new business models**

### **FINANCIAL DETAILS**

As per TRCA's *Agricultural Land Use Policy*, TRCA will establish and maintain fair market rent for its agricultural land under lease and will complete a fair market assessment by an independent appraisal company every five years, and this is next scheduled to be completed in 2022. The fair market assessment will establish a rental rate range and appropriate rental rate escalations per region will be completed by an appraisal company experienced in agricultural land review and will consider additional factors that could influence the level of the rental range initially applied to the lease agreement (such as site access, soil type and quality, agricultural models, available infrastructure and amenities, and the current lease structure etc.). Within the first year of obtaining the new fair market assessment, each agricultural lease will be reviewed to ensure current rental rates are within the suggested rental range determined by the fair market assessment and rent increases will be applied, where appropriate.

TRCA currently absorbs the property taxes at an annual cost of \$7,348 (2021 rate).

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**Date: March 21, 2022**

**Attachments: 2**

Attachment 1: Site Plan - 12707 Concession 11, Township of King

Attachment 2: Orthophoto - 12707 Concession 11, Township of King