

Section I – Items for Board of Directors Action

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

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **LEASE RENEWAL MCVEAN INCUBATOR FARM**
9030 and 9376 McVean Drive, City of Brampton, Regional Municipality of Peel,
Humber River Watershed (CFN 39900)

KEY ISSUE

Proposal from McVean Incubator Farm operator, Mr. Hugh Phillips, to renew Toronto and Region Conservation Authority-owned (TRCA) land lease permitting continued operation of urban farm located north of Queen Street East and west of McVean Drive, municipally known as 9030 and 9376 McVean Drive, in the City of Brampton, Regional Municipality of Peel, Humber River watershed.

RECOMMENDATION

THE EXECUTIVE COMMITTEE RECOMMENDS THAT WHEREAS TRCA is in receipt of Mr. Phillips' request to renew lease agreement to continue operating McVean Incubator Farm located north of Queen Street East and west of McVean Drive, municipally known as 9030 and 9376 McVean Drive, City of Brampton, Regional Municipality of Peel, Humber River watershed;

THEREFORE LET IT BE RESOLVED THAT TRCA renew the lease with Mr. Phillips for the use of 4.85 hectares (12 acres), more or less, said land being Part of Lots 6 and 7, Concession 8, municipally known as 9030 and 9376 McVean Drive, City of Brampton, Regional Municipality of Peel;

THAT the lease with Mr. Phillips be subject to the following terms and conditions:

- (i) that the term of the lease be for 5 years;**
- (ii) that consideration is \$3,150 per annum, plus HST, with an annual increase subject to an independent rent appraisal, plus HST;**
- (iii) that Mr. Phillips is responsible for all approvals required for construction and operation of the McVean Incubator Farm;**
- (iv) that Mr. Phillips is responsible for all costs associated with construction, development, and operation of the McVean Incubator Farm;**
- (v) that Mr. Phillips is responsible for securing and managing all sub-tenants for the McVean Incubator Farm;**
- (vi) that Mr. Phillips is 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 will restore the lands to the satisfaction of TRCA;**
- (vii) that Mr. Phillips is 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 McVean Incubator Farm or anything in connection therewith;**
- (viii) any other terms and conditions deemed appropriate by the TRCA staff and solicitor;**

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

BACKGROUND

TRCA received a request from Mr. Phillips to renew the McVean Incubator Farm lease at the McVean farm site, located north of Queen Street East, and west of McVean Drive, municipally known as 9030 and 9376 McVean Drive, City of Brampton, Regional Municipality of Peel, Humber River watershed.

McVean Farm is Brampton's oldest farm and was once owned by early settler Alexander McVean. TRCA acquired the land from the McVean estate in 1971, and the historic McVean Farm site was leased to FarmStart as a pilot urban agricultural project, from 2008 to 2016, to train and support new farmers. In 2017, TRCA assumed operational control of the farm site and administered individual lease agreements with participants of the Incubator Farm.

In 2020, TRCA leased the farm to a new operator, Mr. Phillips, who is responsible for operating the McVean Farm site. Mr. Phillips was introduced to farming through an incubator program. He drew upon this experience when designing his own innovative program that focuses on modern organic farming practices, team collaboration, and innovative marketing strategies.

Under Mr. Phillip's management, the McVean Incubator Farm continues to provide new farmers with a methodical path to managing their own profitable vegetable farm businesses. Further, TRCA municipal partner funding facilitates infrastructure improvements which continually supports operational requirements. The McVean Incubator Farm continues to enhance the urban farm community through this type of collaboration.

To provide a sense of security for further program development and investment, Mr. Phillips requested a five-year lease renewal for use of the site. If approved, Mr. Phillips will continue to assume all responsibility for this farm.

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.

Lease Agreement

The area subject to this lease consists of approximately 4.85 hectares (12 acres) of land. The following are the key terms and conditions of the proposed lease arrangement:

1. Lease Payment: \$3,150 per annum, with an annual increase subject to an independent rent appraisal, plus HST;
2. Initial Term: 5 years;
3. Insurance: Mr. Phillips will provide five million dollars in commercial general liability insurance;
4. Expenses: Mr. Phillips is solely responsible for all costs associated with the operation of the McVean Incubator Farm, as well as 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: Mr. Phillips 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 and urban agriculture with partners, to improve the health of watersheds and

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communities. Renewing the lease agreement with Mr. Phillips facilitates continued operation of the McVean Incubator Farm. This arrangement will promote social equity, health, and food security in the City of Brampton by providing opportunities for increased accessibility to fresh, healthy, and affordable foods. It will continue to create jobs and meaningful work for the local community; provide education, skill development, training, and leadership opportunities. It will continue to build connections between the community and TRCA programs and facilities, as well as the City of Brampton's Community Garden Program at the McVean Farm site.

Finally, considering the COVID-19 pandemic, locally grown produce, grown for example by the McVean Incubator Farm, is an essential method of contributing to Ontario's food supply, and an important way to empower community growth.

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 3 – Rethink greenspace to maximize its value

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. A fair market appraisal is scheduled to be completed in 2022 by a company experienced in agricultural land review. Fair market assessments establish a rental rate range with appropriate rate escalations for each Region while incorporating factors such as site access, soil type and quality, agricultural models, available infrastructure and amenities, and existing lease structure, which could influence rental range levels. Once evaluated, rental rate structures are then applied to lease agreements.

Within the first year of obtaining a fair market assessment, agricultural leases will be reviewed to ensure existing rental rates are within suggested rental ranges determined by fair market assessments. Rental rate increases will be applied, where appropriate.

TRCA currently absorbs the property taxes at an annual cost of \$1,800 (2021 rate).

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Date: March 21, 2022

Attachments: 2

Attachment 1: Site Plan - 9030 and 9376 McVean Drive, City of Brampton

Attachment 2: Orthophoto - 9030 and 9376 McVean Drive, City of Brampton