

Section I – Items for Board of Directors Action

TO: Chair and Members of the Executive Committee
Friday October 7, 2022 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **AGRICULTURAL LEASE RENEWAL - FORMER GILLAN PROPERTY**
South of Coolihans Sideroad and East of Glen Haffy Road, Town of Caledon,
Regional Municipality of Peel, Humber River Watershed (CFN 22163)

KEY ISSUE

Renew 1-year agricultural lease agreement on Toronto and Region Conservation Authority (TRCA) owned lands located south of Coolihans Sideroad and east of Glen Haffy Road, being Part of Lot 35, Concession 2, in the Town of Caledon, Regional Municipality of Peel, Humber River watershed.

RECOMMENDATION:

THE EXECUTIVE COMMITTEE RECOMMENDS THAT WHEREAS TRCA received a request from Ms. Susan Rasmussen to renew an agricultural lease agreement on land located south of Coolihans Sideroad and east of Glen Haffy Road, being Part of Lot 35, Concession 2, Town of Caledon, Regional Municipality of Peel, Humber River watershed;

THEREFORE LET IT BE RESOLVED THAT TRCA renew Ms. Rasmussen's lease agreement for 5.67 hectares (14.02 acres), more or less, of land, being Part of Lot 35, Concession 2, Town of Caledon, Regional Municipality of Peel;

THAT the lease with Ms. Rasmussen is subject to the following terms and conditions:

- (i) 1-year lease; annual renewal over the next four years at TRCA's sole option;**
- (ii) consideration is \$1,547 per annum, plus HST. Annual increases are subject to farmland appraisal review;**
- (iii) tenant is responsible for construction and agricultural operation approvals;**
- (iv) tenant is responsible for all development and agricultural operation costs;**
- (v) tenant is responsible for all costs associated with removing any fixtures/infrastructure placed on the lands, at the end of the term, and to TRCA's satisfaction;**
- (vi) tenant is required to obtain and pay for necessary licenses and permits, and comply with all applicable laws, rules, and regulations governing farm operations or anything in connection therewith; and**
- (vii) any other terms and conditions TRCA deems appropriate.**

AND FURTHER THAT authorized TRCA officials are directed to finalize the transaction, including obtaining necessary approvals, signing, and executing documents.

BACKGROUND

TRCA has administered agricultural leases on its land since the 1950s. The organization continues to manage these agreements within its jurisdiction per its Agricultural Land Use Policy.

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Ms. Susan Rasmussen farmed this plot of land since TRCA's acquisition in 1978 and accesses the parcel off of Coolihans Sideroad through her privately owned farm. While historically using the land for crop and pasture purposes, Ms. Rasmussen currently uses the land for the latter. The farm encourages best farming management practices in an effort to promote land sustainability and to demonstrate good land stewardship. Ms. Rasmussen's lease renewal will continue to encourage this practice while ensuring the operation complies with TRCA's Agricultural Land Use Policy.

In addition to the terms and conditions noted above, if approved, the tenant will continue to provide five million dollars in commercial general liability insurance.

RATIONALE

TRCA supports agriculture on its properties, particularly when it improves watershed health and contributes to the wellbeing of communities. Renewing Ms. Rasmussen's lease agreement continues a farm operation that has been a part of the Caledon countryside for over forty years.

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 \$561 (2021 rate).

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Date: August 22, 2022

Attachments: 2

Attachment 1: Site Plan - South of Coolihans Sideroad and East of Glen Haffy Road, Caledon

Attachment 2: Orthophoto - South of Coolihans Sideroad and East of Glen Haffy Road, Caledon