

Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Thursday, November 10, 2022 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **AGRICULTURAL LEASE RENEWAL - FORMER PEGG PROPERTY**
Proposal to renew Lease located North of 7th Concession Road and West of Westney Road, City of Pickering, Regional Municipality of Durham, Duffins Creek Watershed (CFN 22155)

KEY ISSUE

Seek authority to renew an agricultural lease with Ken Wilson on Toronto and Region Conservation Authority (TRCA) owned land located north of 7th Concession Road and west of Westney Road, being Part of Lot 11, Concession 7, City of Pickering, Regional Municipality of Durham, Duffins Creek watershed. The term is for one year with an annual renewal option for the next four years at the sole option of TRCA (CFN 22155).

RECOMMENDATION:

THAT TRCA's Board of Directors is in receipt of a request from Ken Wilson to renew the lease agreement for agricultural use of TRCA land located north of 7th Concession Road and west of Westney Road, being part of Lot 11, Concession 7, City of Pickering, Regional Municipality of Durham, Duffins Creek watershed;

THEREFORE LET IT BE RESOLVED THAT TRCA renew the agricultural lease with Ken Wilson for the use of 10.76 hectares (26.6 acres), more or less, said land being Part of Lot 11, Concession 7, City of Pickering, Regional Municipality of Durham;

THAT the lease with Ken Wilson be subject to the following terms and conditions:

- (i) that the term of the lease be for one year, together with an annual renewal option for the next four years at the sole option of TRCA;**
- (ii) that consideration be \$2,381 per annum, plus HST, with an annual increase subject to farmland appraisal review, plus HST;**
- (iii) that the tenant be responsible for all approvals required for construction and operation of the agricultural operation;**
- (iv) that the tenant be responsible for all costs associated with the development and operation of the agricultural operation;**
- (v) that the tenant 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 the tenant 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 Ken Wilson to renew the lease agreement for agricultural use of TRCA-owned land located north of 7th Concession Road and west of Westney Road, being Part of Lot 11, Concession 7, City of Pickering, Regional Municipality of Durham, Duffins Creek watershed.

TRCA acquired this property in 1958, and since 1980 Ken Wilson has been farming these TRCA-owned lands for conventional agricultural purposes, and his current farm operation is mainly that of corn production for cattle feed. Ken Wilson has historically incorporated and encouraged 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*.

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 Ken Wilson would allow for the continued operation of this farm through which his 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.

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 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 \$25 (2022 rate).

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Date: October 24, 2022

Attachments: 2

Attachment 1: Site Plan – North of 7th Concession Road and West of Westney Road, City of Pickering

Attachment 2: Orthophoto – North of 7th Concession Road and West of Westney Road, City of Pickering