

COUNCIL ACTION FORM

SUBJECT: 2009 FARM LEASE FOR AIRPORT PROPERTY

BACKGROUND:

The City of Ames owns approximately 480 acres of land around the municipal airport. Of this amount, 292 acres are available for farming. This land is used for agricultural production purposes and provides income for airport facility improvements and operations.

To advise the City on land management issues, Hertz Farm Management of Nevada, Iowa has been contracted as the Airport Farm Manager. Part of Hertz' duties include negotiating the lease of airport farm land. This year a cash rent lease has been negotiated with John and Daniel Adams to maximize airport farm revenues.

Upon the recommendation of the Farm Manager, City Council is being asked to enter into a \$190.00 per acre cash rent lease for crop year 2009. This lease will provide \$55,461.00 in cash rent, which is a nine percent increase in rent from the previous year. This will result in \$51,024.12 in net revenues for airport operations after payment for farm management services.

ALTERNATIVES:

1. Approve the cash rent lease with John and Daniel Adams for the 2009 crop year in the amount of \$55,461.00 for the Ames Municipal Airport.
2. Reject the lease and seek another form of leasing operation.

MANAGER'S RECOMMENDED ACTION:

It is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the cash rent lease with John and Daniel Adams for the 2009 crop year in the amount of \$55,461.00 for the Ames Municipal Airport.