

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENTERING INTO	)	RESOLUTION NO. 03-3325
5-YEAR AGRICULTURAL LEASES WITH	)	
CALFARMS LLC AND SAUVIE ISLAND	)	Introduced by Michael Jordan, Chief
ORGANICS LLC ON METRO OPEN SPACE	)	Operating Officer with the concurrence of
PROPERTIES AT WILLAMETTE NARROWS	)	Council President David Bragdon
AND SAUVIE ISLAND	)	

WHEREAS, Metro Council Resolution 97-2483 “For the Purpose of Authorizing the Executive Officer to Execute Current and Future Leases Related to Metro’s Open Spaces Property Acquisitions” adopted on April 14, 1997, provides that the Chief Operating Officer may execute leases of Metro open space lands for terms of one year or less, and Metro Code Section 2.04.026 (a) (3) requires Metro Council approval for all other leases of Metro open space real property; and

WHEREAS, in accordance with Metro Council Resolution No. 97-2483, Metro leases open space lands for agricultural purposes for terms of one year or less when said agricultural use is complementary to Metro’s natural resources stewardship management goals and objectives and does not conflict with anticipated future parks uses; and

WHEREAS, current tenants CalFarms LLC and Sauvie Island Organics LLC have requested five-year agricultural leases at Metro-owned properties at Willamette Narrows and Sauvie Island for the purpose of farming crops which meet Green or Organic labeling standards; and

WHEREAS, organic farmers require multi-year agricultural leases to insure justifiable economic return on investments; and

WHEREAS, ORS 271.310 provides that whenever a political subdivision of the State of Oregon finds that the public interest may be furthered by leasing its real property to a private party, said political subdivision may lease said real property accordingly; and

WHEREAS, the Metro Regional Parks and Greenspaces Department has determined that the subject leases promote Metro’s natural resource stewardship and property management goals and objectives, improve site productivity, and do not preclude anticipated future uses, thereby offsetting some of Metro’s future costs of restoration when these properties are converted to park use; now therefore,

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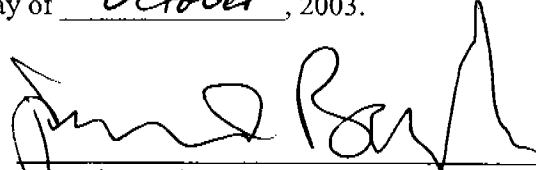
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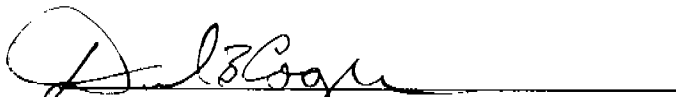
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BE IT RESOLVED that the Metro Council finds that it is in the public interest to enter into the attached five-year agricultural leases with CalFarms LLC and Sauvie Island Organics LLC to practice Green or Organic farming on properties at Willamette Narrows and Sauvie Island, and authorizes the Chief Operating Officer to enter into said leases.

ADOPTED by the Metro Council this 2nd day of October, 2003.

  
David Bragdon, Council President

Approved as to Form:

  
Daniel B. Cooper, Metro Attorney



## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 03-3325, FOR THE PURPOSE OF  
ENTERING INTO FIVE-YEAR AGRICULTURAL LEASES WITH CALFARMS LLC  
AND SAUVIE ISLAND ORGANICS LLC ON METRO OPEN SPACE PROPERTIES  
AT WILLAMETTE NARROWS AND SAUVIE ISLAND

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Date: August 29, 2003

Prepared by: Jim Desmond  
Janelle Geddes

### **BACKGROUND**

Metro Regional Parks and Greenspaces Department has received requests from CalFarms LLC and Sauvie Island Organics LLC for five-year agricultural leases on eighty-nine (89) acres and thirteen (13) acres, respectively. As set forth in ORS 271.310, Oregon state law allows political subdivisions to lease real property to private parties based upon a finding that it is in the public interest to do so. Metro Council Resolution 97-2483, "For the Purpose of Authorizing the Executive Officer to Execute Current and Future Leases Related to Metro's Open Spaces Property Acquisitions," adopted by Metro Council on April 17, 1997, currently provides that the Chief Operating Officer may approve leases of open spaces lands with terms of up to and including one year. Leases longer than one year require the approval of the Metro Council, as required by Metro Code Section 2.04.026(a)(3).

The two properties proposed for five-year agricultural leases are located in the Willamette Narrows Target Area (Weber) and the Multnomah County Local Share Target Area (Taber-Bridge) respectively. The Willamette Narrows/Weber property is historically agricultural and was an active dairy and grain crop farm at the time of Metro's purchase. Currently this property is farmed by CalFarms LLC under a one-year agriculture lease. The Taber-Bridge property, located on Sauvie Island, is adjacent to Howell Territorial Park. The farmed area was in hay production prior to Metro's purchase of the property. This area is farmed by Sauvie Island Organics, LLC, under a one-year agriculture lease. Both properties are located in areas where agriculture is the predominant use of surrounding landowners.

Five-year agriculture leases are being requested for these properties for the purpose of providing adequate time for farmers to implement soil amelioration activities (soil amendments and cover crops) so crops produced on the land may meet either Green or Organic labeling standards. Soil amelioration is a long-term investment that is performed over a period of time exceeding Metro's typical one-year lease. A five-year lease also provides the lessee the ability to achieve sustainable farming practices through planning beyond a one-year term for farming activities, allows for a return on the soil amelioration investment, and adds a sense of security about their operations. Five-year leases for these properties also provide a stable tenant and rental income for Metro Regional Parks and Greenspaces for five-year increments at rates comparable to or exceeding market values.

In accord with the following findings, the Metro Regional Parks and Greenspaces Department has determined that the proposed five year agriculture leases are in the public interest, because they complement Metro's natural resources stewardship management goals and objectives and do not conflict with anticipated future uses.

- Neither property is recommended by the Green Ribbon Committee for future development for public access at this time.
- Metro's five-year commitment to the leases reinforces the perception of Metro as a stable supporter of the local agricultural community. Current agriculture lease agreements state a long-term commitment for planning crop rotations but do not legally commit for more than one year.
- The sites will be better prepared for future natural resource benefits. When future restoration activities occur on these properties, the sites will be in excellent condition for those projects to move forward with a higher rate of success and lower costs because of the soil stabilization and improvements that have been made.

Based upon the findings set forth above, these leases have been determined to be a "Park Use" for purposes of the Metro's Easement, Right of Ways and Leases Policy, adopted via Resolution No. 97-2539B "For the Purpose of Approving General Policies Related to the Review of Easements, Right of Ways, and Leases for Non-Park Uses Through Properties Managed by the Regional Parks and Greenspaces Department."

### **ANALYSIS/INFORMATION**

1. **Known Opposition** - No known opposition.
2. **Legal Antecedents** – Metro Code Section 2.04.02 (a) (3). Resolution 97-2483 "For the Purpose of Authorizing the Executive Officer to Execute Current and Future Leases Related to Metro's Open Space Acquisitions." ORS 271.310 "Transfer or lease of real property owned or controlled by political subdivision." Resolution No. 97-2539B "For the Purpose of Approving General Policies Related to the Review of Easements, Right of Ways, and Leases for Non-Park Uses Through Properties Managed by the Regional Parks and Greenspaces Department."
3. **Anticipated Effects** – Five year agriculture leases will allow sustainable farming practices which maintain or improve site productivity over the long-term through soil improvements, decrease potential erosion, reduce the possibility of contaminants entering waterways, provide comparable or higher revenue from the leases, and ensure stable tenants at each site, all of which support a finding that entering into these leases is in the public interest.
4. **Budget Impacts** – Extending the lease period from one to five years on these two sites will produce no change in budgeted amounts.

### **RECOMMENDED ACTION**

The Chief Operating Officer recommends that the Metro Council find that it is in the public interest to enter into five-year agricultural leases with CalFarms LLC and Sauvie Island Organics, LLC to practice Green or Organic farming on properties at Willamette Narrows and Sauvie Island and authorize the Chief Operating Officer to execute said leases.