

# Agricultural Lease Bid Process and Policy

October 7, 2014 Updated August 4, 2017

## **Introduction:**

Pitkin County Open Space & Trails (OST) was established by the voters of Pitkin County in 1990 with the following mission;

*“...to acquire, preserve, maintain and manage open space properties for multiple purposes including but not limited to recreational, wildlife, **agricultural**, scenic and access purposes...”*

~~Since The OST's inception the~~ program has acquired several properties ~~totaling approximately 240 acres~~ with an active agricultural component and will continue evaluating agricultural properties as possible acquisitions to fulfill the mission of the program. ~~Until recently~~ Prior to the implementation of the Agricultural Lease Bid Process (the “Process”), OST properties ~~have been~~ were leased purely in exchange for general management and stewardship. ~~We are now realizing a modest lease payment on one property~~ OST now receives a monetary lease rate and stewardship for an OST agricultural lease. ~~At the same time, there is a burgeoning interest in local food production in our valley.~~ OST wishes to stimulate interest in local production while continuing to maintain and enhance our agricultural resources. To that end, we invite a competitive process to determine the best lessees for our agricultural lands as specified in the individual property's management plans.

The purpose of this document is to update the Process to guide OST staff in selecting an appropriate tenant or lessee to manage OST fee-owned lands and guide management decision regarding capital improvements and support for agricultural lands. ~~The agricultural lease bid process will~~ This document ~~was~~ developed with public input to ensure the process works for a variety of users, including established farmers and ranchers and new and beginning farmers and ranchers. This process shall be periodically reviewed and revised as needed to account for newly acquired unique properties, developments and new techniques for farming and ranching, desires of the community, and other similar reasons.

## **Administration**

### **Procurement Process**

In creating a competitive process, we are guided by the Pitkin County procurement code, which is intended to:

*“...provide procurement procedures that will promote competition and maximize the purchasing power of public funds, increase organizational effectiveness, efficiency and accountability, and fair and equitable treatment of all persons participating...”*

The Pitkin County Procurement Code shall guide our agricultural lease processes. As provided for in the Procurement Code, a Request for Proposals (RFP) will be used to solicit bids for available agricultural properties as identified by OST staff.

The RFP will include information regarding the sample lease language, boundaries, existing infrastructure, water rights, agricultural history, etc., of the agricultural parcel being offered. Lease language will vary from tenant to tenant based on the operation proposed and parcel.

Potential lessees will be evaluated on a set of criteria developed by OST staff and Board with public input. ~~the OST Board and must have a physical address within at least 45 miles of the leased property to ensure the lessee is a Roaring Fork Valley resident or resides in close proximity.~~ The criteria are intended to elicit supply enough information ~~from to~~ the selection committee potential lessee to determine that the practices and operation proposed will be the best fit for the property and enhance the conservation values.

### Evaluation Criteria

Please describe the operation you propose for this property with as much detail as possible. Please include the following; (65%)

- Practices that conserve soil, native vegetation, resources.
  - Water management / irrigation plan, water conservation techniques planned for the property, etc...
- Duration of lease to accomplish agricultural goals i.e. X years are required before production goal is met.
- Agricultural product and the proposed market for your product. If you plan to manage an organic operation, please describe your experience in organic production.
- Any potential alteration to the leased ground and how the leased ground will be returned to Pitkin County upon the termination of lease.
- If applicable, have you previously leased property from OST?  
If yes,
  - Which property and on which dates did you lease the property?
  - What issues, if any, did you encounter during the duration of the lease?

Please describe your agricultural background. (15%)

- If you are currently involved in other agricultural enterprises, briefly describe the operation(s). Include general locations. ~~(5%)~~

How will the Pitkin County agricultural land you are proposing to lease fit in with your operation? (5%)

Please list the machinery and equipment needs for your planned operation on the property and how you will meet those needs. (Own, lease, borrow, hire, etc.) (5%)

Describe how you will meet the labor demands for the proposed operation. Are you involved in your agricultural enterprises on a full-time basis? If not, what percentage of your time is dedicated to agricultural pursuits? (5%)

Please provide personal references that are familiar with your agricultural experience. (5%)

~~Based on your operation, what would be a reasonable lease fee (monetary or other) for the property?~~ Proposed lease rate. (105%)

Any monetary fees received by OST in exchange for an agricultural lease will be invested back into OST agricultural properties. This ensures the monetary fee from the tenant furthers the goals of the OST agricultural program.

### **Management Plan Priorities**

In some cases, a management plan developed for an OST property will further prioritize the type of agricultural operation and lessee. These priorities may include; organic or natural production, new and beginning farmers, vegetable production, fruit production, hay production, cattle grazing, small animal husbandry, diverse production, etc... If the agricultural lease area has been identified with a priority, any application meeting the priority use will be scored and evaluated as a potential lessee first. If the priority applications are not viable or sufficient in stewarding the OST land, as determined by the selection committee, then all applications will be evaluated.

## Growers' Associations / Co-operative Agricultural Leases

~~OST agricultural leases do not allow sub-leasing of OST fee-owned agricultural properties. Keeping that in mind,~~ OST staff recognizes that in some cases, several individuals with the same goal may come together to form "Growers' ~~Associations~~" Associations" or "Cooperative" to lease a portion of an OST property for agricultural production.

Growers' Associations will be evaluated on the same evaluation criteria as individual lease applicants. Growers' Associations must also submit bylaws and each member's contact information and qualifications (i.e. agricultural experience, proposed product, etc.) within their RFP application. Growers' Associations chosen as lessees must notify OST staff of association meetings and make available the minutes from association meetings. One point of contact must be assigned from the association to facilitate communication between OST and association members.

### Sub Leasing

OST agricultural leases state, "Tenant agrees not to assign or sublease any part of the Property without the written consent of the Landlord." OST staff will evaluate assignments or subleases on a case by case basis. Legitimate circumstances for assignment include, but are not limited to:

- Original lessee is forming a cooperative or association in which they are involved.
- Lessee would like to sublease a portion of the lease area to complement their operation.
- Lessee would like to maintain profitability of cover crop by leasing as grazing ground.

Lessees may be compensated for subleasing so long as the compensation does not exceed the annual lease rate paid to Pitkin County. Goods and services estimated to be above the monetary annual lease rate may be considered acceptable compensation if the service improves the condition of the County owned property or improves the County owned infrastructure.

### Process Steps

Standard process steps will be followed by OST staff in determining appropriate lessees:

Step	Description
1	Identify property(s) that are eligible for leasing due to new property acquisition or existing leases within one year of expiration.
2	Review property lease terms and conditions; make necessary adjustments if needed.
3	Develop a Request for Proposals (RFP) for lease property following the County procurement code and process.
4	Publicly advertise and send announcements to interested parties.
5	Pre-bid presentation and Q&A hosted on site at subject property or at nearby location for potential lessees.
6	Receive and evaluate all RFPs.
7	The OST Director, <del>Assistant Director</del> <u>Resource and Trails Manager</u> , and <del>Operation Supervisor</del> <u>Land Officer</u> , with consultation from NRCS and/or CSU

	<u>Extension</u> , select successful lessee. Notify all parties who have submitted a RFP of decision.
8	Finalize lease.

If necessary, OST staff will seek input from Community Development Representative and outside agencies to determine feasibility of applicant’s proposed operation. Acceptable outside agencies include, but are not limited to, the Natural Resource Conservation Service (NRCS), Mount Sopris Conservation District, and the Colorado State University Agricultural Extension Agent. All appeals will be referred to the Pitkin County Hearing Officer.

### Property Management

By inviting more public to participate in the procurement process, a potential for diverse uses on fee properties will most likely be presented. To ensure lessee management and activities are compatible with open space properties, more comprehensive record keeping of agricultural inputs and oversight of agricultural operations will be required from all lessees. At a minimum, all lessees will be required to keep irrigation, fertilizer and seeding, and yield records. An annual operating plan will be developed for each lease to assist OST staff in assessing proper property management and to ensure compliance with any existing management plans and conservation easements associated with the leased ground. OST staff will also make regular site visits to leased properties to facilitate communication. Any structures associated with an agricultural lease will be managed in accordance with the management plan for that OST property.

The terms of the agricultural lease will list lessee management and stewardship obligations. If a contemplated activity is not addressed within the agricultural lease, the lessee must contact OST staff to determine if the activity is compatible before any aspect of the activity is undertaken.

### Pest Management

OST recognizes that farmers and ranchers must manage properties to control unwanted animal, fungus, plant and insect pests. Lessees will prioritize non-chemical options for pest control and will be encouraged to work with adjacent landowners and lessees to coordinate efforts.

Only upon consultation and approval from OST staff will any lessee be authorized to apply chemical herbicide or pesticide. OST staff will review the agricultural lease, annual operating plan, noxious weed species, and proposed chemical application to ensure compliance and if it is the best course of action for the area. If a chemical is approved, the lessee shall post signage prior to application with application date(s), type of pesticide/herbicide, and objective of use to inform the public.

### Policies

Agricultural leases will be managed and operated in accordance with the OST Statement of Policies and Objectives. Notable objectives and policies that are specifically applicable to agricultural lease program include:

- Stewardship Objective – Stewardship practices seek to preserve and enhance the ecological, scenic, recreational and cultural values of the open space and trails acquired

by Open Space and Trails.

- Stewardship Policy #3 - Neighborliness – Being a good steward of the land means being a good neighbor. Every reasonable effort is made to minimize or eliminate the impacts of trespassing, noise, fire hazard, livestock harassment, or other inappropriate behaviors on neighboring landowners.
- Stewardship Policy #4 – Retain Agricultural Lands – It is the policy of the OST Board to cooperate with the county’s agricultural community in strategies designed to retain and continue production on the large tracts of farm and ranch lands which provide important open space buffers between the communities of the Roaring Fork and Crystal River valleys. As a corollary policy, the OST Board also supports the responsible use of public lands for agricultural and ranching purposes.

### **Property Improvements**

Updates to infrastructure may be necessary to accomplish the goals of an OST lessee. Improvements that are considered permanent enhancements including headgate replacement, ditch lining, utility updates, cement diversion structures, etc..., and enhancements identified in property management plans will be completed by OST staff or contractors. If a permanent enhancement is specific to the lessee’s operation OST staff will work on cost sharing the item as it will be retained by Pitkin County at the time of lease termination.

### **Intergovernmental Management**

In certain cases, OST partners with other governmental agencies or organizations to manage properties. OST may defer lease procurement and management to the partner organization. In these cases, an intergovernmental agreement will be prepared to ensure the OST property will be properly stewarded.

### **Attachments**

- A. Maps of Fee Agricultural Properties