

**PUBLIC WORKS DEPARTMENT  
MEMORANDUM #2018 – 19**

DATE: April 23, 2018  
TO: Honorable Mayor Carol A. Dodge and City Council Members  
FROM: James A. Hayes, AICP, City Manager *JH*  
Robert Webber, MBA, Interim Director of Public Works *RW*  
SUBJECT: **CR - 61**  
Agricultural Lease Agreement

---

**PURPOSE**

City Council is considering a Resolution to approve the contract for an Agricultural Lease for land located at the Waste Water Treatment Plant (WWTP).

**BACKGROUND**

The reintroduction of sustainable agriculture to the WWTP will benefit the City through controlled crop growth, weed maintenance mitigation and provide for a more visually appealing site. Additional benefits will be revenue sharing with the farmer and the reduction labor hours by Northglenn staff to maintain this area.

This is an Agricultural Lease Agreement between the City of Northglenn and the farmer, Matthew Hulstrom. Mr. Hulstrom has submitted a proposal to farm the land at Northglenn's Wastewater Treatment Plant (WWTP). The contract includes an option for renewal for up to three (3) additional consecutive years.

There is 210 acres conducive to farming at the WWTP. There is 112 acres of irrigated land which allows for crop rotation including corn, wheat, millet and occasionally triticale. Irrigation will most likely not occur in 2018, due to drought conditions and previous commitments for the City's agricultural water shares. The farmer assumes all risk of farming the land without irrigation and will be entitled to all profits, when irrigation is available the city will receive 10% of the net profit from the crop revenue.

There is also 98 acres of dry land (non-irrigated) that allows for crop rotation including corn, wheat, millet and occasionally triticale. Due to the higher risk of crop development associated with the non-irrigated acreage, the city does not expect any crop revenue from this area.

The benefit to the City in regard to both the irrigated and non-irrigated land, irrespective of generating revenue to the city, is the savings to the city in not having to maintain the 210 acres for mowing, weed control and aesthetics to the surrounding areas.

**BUDGET IMPLICATIONS**

There are no costs to the city if the contract is approved, however there is a potential revenue stream if crop production is successfully harvested. Revenue would be 10% of the net profit the farmer receives once the crop is sold.

**RECOMMENDATION/NEXT STEPS**

Staff recommends approval of this Resolution.

**STAFF REFERENCE**

Ray Reiling, Utilities Manager

[rreiling@northglenn.org](mailto:rreiling@northglenn.org)

303.450.4049

**ATTACHMENTS**

Agricultural Lease Agreement

Exhibit A – Agricultural Lease Agreement Map

Proposal Memorandum from Matthew Hulstrom

SPONSORED BY: MAYOR DODGE

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-61  
Series of 2018

\_\_\_\_\_  
Series of 2018

A RESOLUTION APPROVING AN AGRICULTURAL LEASE AGREEMENT BETWEEN THE CITY OF NORTHGLENN AND MATTHEW HULSTROM FOR THE USE OF APPROXIMATELY 210 ACRES OF CITY OWNED PROPERTY LOCATED ADJACENT TO THE NORTHGLENN WASTEWATER TREATMENT PLANT FOR AGRICULTURAL PURPOSES

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The Agricultural Lease Agreement between the City of Northglenn and Matthew Hulstrom, attached hereto, for the use of approximately 210 acres of City-owned property located adjacent to the Northglenn Wastewater Treatment Plant for agricultural purposes, is hereby approved and the Mayor is authorized to execute same on behalf of the City of Northglenn.

DATED at Northglenn, Colorado, this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
CAROL A. DODGE  
Mayor

ATTEST:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
COREY Y. HOFFMANN  
City Attorney

## AGRICULTURAL LEASE AGREEMENT

THIS AGRICULTURAL LEASE AGREEMENT (the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018 (the "Effective Date") by and between the City of Northglenn, a Colorado home rule municipality with an address of 11701 Community Center Drive, Northglenn, Colorado (the "City"), and Matthew Hulstrom, with an address of 1050 W. 152<sup>nd</sup> Ave. Brookfield ("Tenant") (each a "Party" and collectively the "Parties").

WHEREAS, the City is the owner of certain real property described as follows:

5445 Weld County Road 2, in the City of Northglenn, Colorado EXCEPTING that part devoted to the operations of the City of Northglenn Wastewater Treatment Plant, more particularly described and depicted in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Premises"); and

WHEREAS, Tenant wishes to use the Premises for agricultural purposes and the City wishes to lease the Premises to Tenant for such purposes.

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions, and promises contained herein, the parties hereto agree as follows:

1. Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of three (3) successive one-year terms. This Agreement shall automatically renew for the successive one-year terms provided herein unless written notice of nonrenewal is provided on or before December 1 of any given year. Either Party may terminate this Agreement upon ninety (90) days' prior written notice to the other Party.

2. Rent. Except for the income from crop production provided in paragraph 3, because Tenant's presence on and upkeep of the Premises is of value to the City, and based on Tenant's covenants contained herein, the City will not collect rent from Tenant under the Agreement.

3. Income from Crop Production. Income from crop production of the Premises shall be shared as follows:

a. Irrigated Land. Tenant shall provide to the City ten percent (10%) of the revenue for crops grown in the irrigated portion of the Premises, depicted and referred to in **Exhibit A** as the "Irrigated Field."

- Due to water restrictions during drought seasons, the City may be unable to provide water to the tenant in the irrigated field.
- During that time the tenant exercises the right to plant non-irrigated crops in this portion of land with City written approval. Tenant shall retain all revenue from crops grown without access to City provided water during said drought seasons.

b. Dry Land. Tenant shall retain all revenue from crops grown in the non-irrigated portion of the Premises, depicted and referred to in **Exhibit A** as the "Dry Land."



c. Tenant shall maintain an accounting of all crop production income from the Premises which shall be accessible to the City at all reasonable times upon request.

4. Tenant Covenants. Tenant, in consideration for the leasing of the Premises, agrees as follows:

a. To keep and maintain the Premises in good condition and repair, at Tenant's own expense, and at the expiration of the Agreement, to surrender the Premises in as good a condition as when Tenant entered the Premises, loss by fire, inevitable accident and ordinary wear and tear excepted;

b. To comply with all federal, state and local laws and regulations applicable to the Premises, at Tenant's own expense, and to neither permit nor suffer any disorderly conduct, noise or nuisance having a tendency to annoy or disturb any persons occupying adjacent properties;

c. To use the Premises solely for agricultural purposes and related maintenance operations; and

d. To conduct all operations on the Premises in accordance with standards of good agriculture in the area in which the Premises is located.

5. Tenant Duties. During the term of this Agreement, Tenant shall, among other things, at Tenant's own cost and expense:

a. Furnish all labor, necessary equipment and seeds to properly plant, cultivate, grow, and harvest on the Premises in a manner specified in this Agreement;

b. Pay all costs of fertilizer and herbicide used on the Premises. Use of all chemicals and fertilizers on the Premises is subject to prior approval by the City. The Parties hereby agree that pesticides shall be used on the Premises; and

c. Pay the cost of all water, power and soil tests, except that the City shall be responsible for any sprinkler maintenance in the Irrigated Field.

d. Maintain both the irrigated land and dry land, regardless of water supply, even if the lands remain idle (fallow).

6. Access. The City shall have access to the Premises to determine compliance with the terms of this Agreement during regular business hours.

7. Improvements. Tenant shall not construct any improvements on the Premises.

8. Insurance. Tenant shall maintain, with respect to the Premises, comprehensive liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence and three hundred fifty thousand dollars (\$350,000) per person, naming the City as an additional or co-insured.

9. Assignment and Subletting. This Agreement shall not be assigned, nor shall Tenant enter into any sublease, without the prior written consent of the City.

10. Hazardous Materials. Tenant shall not cause or permit any hazardous material to be brought upon, kept or used in or about the Premises by Tenant, its agents or employees. If the presence of hazardous material on the Premises caused or permitted by Tenant results in contamination of the Premises, Tenant shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such hazardous material to the Premises; provided that the City's approval of such actions shall first be obtained. As used herein, "hazardous material" means any hazardous or toxic substance, material or waste which is regulated at the time of its storage or use by the State of Colorado or the United States. The term includes, without limitation, any material or substance that is (i) defined as a "hazardous substance" under state law; (ii) asbestos; (iii) designated as a "hazardous substance" pursuant to Section 311 of the Federal Waste Pollution Control Act (33 U.S.C. § 1321), as amended; (iv) defined as "hazardous waste" pursuant to Section 1004 of Federal Resource Conservation and Recovery Act (42 U.S.C. § 6903), as amended; (v) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environment Response, Compensation and Liability Act (42 U.S.C. § 9601), as amended; or (vi) defined as a regulated substance pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks) (42 U.S.C. § 6991), as amended.

11. Indemnification. Tenant shall indemnify, defend and hold harmless the City and its officials, employees, agents and representatives from any and all claims, cause of action, damages, penalties, fines, costs, attorney's fees, consultants' fees, liability or losses, sums paid in settlement or default in connection with Tenant's use of the Premises.

12. Notice. Any notice under the Agreement shall be in writing, and shall be deemed sufficient when directly presented or sent pre-paid, first class United States Mail to the party at the address set forth on the first page of this Agreement.

13. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in Weld County, Colorado.

14. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

15. Third Parties. There are no intended third-party beneficiaries to this Agreement.

16. Subject to Annual Appropriation. Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the City not performed during the current fiscal year is subject to annual appropriation by the City Council, shall extend only to monies currently appropriated, and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year.







**Legend**



**Irrigated Land**

112 acres

40.0040156, -104.947069



**Dry Land (non-irrigated)**

98 acres

40.0040158, -104.959484



**Date:** January 31, 2018

**To:** The City of Northglenn  
11701 Community Center Drive  
Northglenn, CO 80233  
Attn: Raymond Reling, Manager Utilities Division

**Project:** Farming at the City of Northglenn's Wastewater Treatment Plant

**Letter of Introduction**

Mr. Reling,

I would like to introduce myself and submit a proposal to reintroduce farming at the City of Northglenn's Wastewater Treatment Plant (WWTP). I live very close to the WWTP property and drive by it frequently. I have wondered why such a perfect place for farming has been left barren. I see an opportunity to introduce sustainable agriculture at the WWTP. I am confident that I can make the property a productive farm, benefiting not only myself but also the City through planned growth, weed control and improving the grounds visual appeal.

My family has been farming in Adams County and the surrounding areas since 1905. In addition to being a chemistry teacher at Pomona High School, I have been running my own farming business since 1990. I farm over 2,000 acres, including approximately 400 acres of Open Space for the City and County of Broomfield. Of those 2,000 acres, I currently farm close to 300 acres of irrigated farm ground which is similar to WWTP.

Items in the proposal are negotiable. Please feel free to ask any questions, I am very open to any ideas and proposals. I am very honored and grateful to have a chance to farm this property.

Sincerely,



Matthew Hulstrom  
720-351-0042  
mwhuls@msn.com

**Enclosures:** Proposal, Scope of Work and References

**Project:** Farming at the City of Northglenn's Wastewater Plant

## **Scope of Work**

### **General**

- Develop the property into a productive farm.
- All of the farming operations will be completed by myself with two exceptions (1) grain hauling, (2) fertilizer spreading, which will be completed by a third party at my expense.
- Weed Control.
- Improve the visual ascetics of the property.

### **Crops**

- Rotate crops (corn, wheat, millet and sometimes triticale).

### **Chemicals, Fertilizers & Pesticides**

- Prior to use, all chemicals or fertilizers to be used on City property will first be approved by Project Lead, Raymond Reling, Utilities Manager.
- Maintain my license with the Environmental Protection Agency (EPA) for "Restricted Chemical Use."
- Fertilize correctly to keep soil in good health.
- Fertilizer that will be used is Microessentials SZ ([www.microessentials.com](http://www.microessentials.com)).
- No pesticides will be used.

### **Monitoring**

- Consistently monitor the property.
- Evaluate crops performance.
- Restrict soil erosion by implementing no-till and minimal till farming systems.

### **Reporting**

- Report all of my acreage and yields to the Farm Service Agency (FSA).