

Frogtown Farm Lease with Department of Parks and Recreation

Overview Draft Lease Sent to Parks Commission

Background Pertinent to the Contract

Frogtown Gardens dba Frogtown Farm

Frogtown Farm is a 501(c) 3 organization.

As part of the requirement of a 501(c) 3 organization, financial statements are made public each May.

Financial statements will be produced in audit ready form for the City to review.

Frogtown Farm has joined with the Trust For Public Land. TPL and other donors have contributed over \$4M to this project. TPL, in addition of the City, will provide stewardship and oversight as plans move forward.

Frogtown Farm has contracted with Rebar Design Studio of San Francisco and will complete and approve the Frogtown Framework Plan **March 10, 2014**. They structured this time line keeping in mind that the design and the values of the community should lead to strategic decisions to develop a sound business plan by **May 30, 2014**

Frogtown Farms will launch a search for an Executive Director in April with a milestone to hire an Executive Director by **June 30, 2014**.

Key Lease Points

Lease Commencement- Lease commences when the City finishes improvements on the site. The official commencement date will be memorialized with a letter from the City to Frogtown Farm.

Length of Lease: 7 Year Term with 2 terms of renewal

Rent Payments: Based on ***Gross Earned Income*** derived from sales of appropriate goods and services by Frogtown Farm

- Years 1: 0%
- Years 2 – 5: 8%
- Years 6 – 7: 10%
- Renewal Terms – to be negotiated

City Assessments: FTF will pay 39% of assessments (5/12.5 acres)

Site Preparation:

- City responsible for (Exhibit C in lease)
 - Entrance road and parking lot
 - Utility infrastructure with stub outs for Farm to central sites
 - Perimeter fencing – none envisioned at this time
 - Stormwater infrastructure
 - Lighting
 - Irrigation – stub outs for water
 - Basic park amenities
 - Removal of construction rubble (under discussion)
 - Public Toilets
- Farm responsible for (Exhibit D in lease)
 - Soil Remediation
 - Preparation and delineation of farm plots

- Planting and maintenance of all crops including orchards
- Construction or purchase of ancillary farm buildings

Maintenance Responsibilities: Each party responsible for the portion that most benefits them: City for park area, road, parking lot, community gathering spots, and paths: Farm responsible for agricultural areas including production, demonstration and education.

Subletting of Leased Land: Need City permission but assignment of individual farm plots does not constitute subleasing.

Resolution of Questions: 3-step process

1. Project managers discuss and resolve;
2. Director of Parks and Rec discuss with Executive Director of Farm
3. Mediation

Frogtown Farm Default

1. Failure to maintain non-profit status
2. Failure to raise 100% of the first year's anticipated expenses by December, 2014
3. Failure of FTF to comply with any obligations under the terms of this Lease

Amortization of Investment Upon Lease Non-Renewal by City:

If City chooses not to renew the lease and there are not conditions of default by FTF, then the City will reimburse FTF for the value of the useful remaining life of buildings that have benefit to the City.

Annual Reviews: The City and Frogtown shall meet to review Frogtown's programs and services at a minimum of once per year. Parties will develop a list of metrics with input from the community to be used to evaluate the performance of Frogtown that will include annual financial statements.