THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: February 23, 2021

Subject: Balsam Gardens has requested a one year extension of their lease of City-owned property at Hardesty Lane where they currently operate an organic farm.

Staff Resource(s): Sam Powers, Community & Economic Development Director
Nikki Reid, Economic Development Program Director
Amber Weaver, Sustainability Officer

Action Requested: Adoption of a resolution authorizing the City Manager to sign an amendment to the existing lease agreement with Balsam Gardens, LLC to extend the term until March 1, 2022.

Background:

- Balsam Gardens has leased 11+ acres of farmland from the City for six years to operate an organic farm.
- Balsam Gardens grows organic vegetables and sells to wholesale markets, local grocers, area restaurants and in local farmers markets.
- No retail or U-Pick operations are allowed to occur on this City property.
- This property is located to the rear of Azalea park and is adjacent to the City's beneficial fill site.
- Balsam Gardens has and will continue to honor all stream buffers, conservation easements wetlands and proposed greenway paths that exist at this location.
- Balsam Gardens has participated in a public education program that allows students to tour a working organic farm.
- This agricultural use has had no impact on the recreational use of Azalea Park or the soccer facility.
- Only one year is being requested because the City intends to release a "Request for Proposals" to the community of organic farmers in the area.
- The City intends to advertise this opportunity to businesses who have been under-represented in the past, such as those owned by people of color, and align the lease with the City's goals to advance racial equity.

Council Goal(s):

- A Clean and Healthy Environment

Committee(s):

- None

Pro(s):

- Uses a unique City property to support local farming and food security in the Asheville area.
- Balsam Gardens employs 6 people year round and 30 seasonally.
- These workers make at least $13 per hour when the average rate is between $8 and $10 per hour.
- This is a small business that is 50% woman owned.

Con(s):

- The land will be unavailable for City use during the term of the lease.
- Due to the floodplain, City use is limited.

Fiscal Impact:

- The City receives approximately $3,800 per year or $317 per month.
- This rental rate is based on research done to determine local fair market rate for farmland leases.

Suggested Motion:

- Motion to approve the resolution authorizing the City Manager to execute an amendment to the lease agreement with Balsam Gardens, LLC.

Attachment(s)

- Resolution
- Map showing the location of the farmland
- Letter from NC FarmLink confirming the competitive lease rate

RESOLUTION NO. 21-_____

RESOLUTION AUTHORIZING A LEASE AGREEMENT BETWEEN THE CITY OF ASHEVILLE AND BALSAM GARDENS, LLC ON CITY-OWNED PROPERTY AT HARDESTY LANE

WHEREAS, N. C. Gen. Stat. 160A-272 authorizes the lease of City owned property for such terms and conditions as the council sees fit, for periods of up to 10 years; and

WHEREAS, the City of Asheville is the owner of real property located on Hardesty Lane and Azalea Road, identified as PIN #9668-22-0260 and 9668-31-9966; and

WHEREAS, Balsam Gardens, LLC, a certified organic farming operation, has been leasing this property for six years to operate a commercial farm on an + or -11 acre of the property at Hardesty Lane and Azalea Road; and

WHEREAS, the Balsam Garden request to extend the term of the lease agreement will be for one additional year at a rental rate of $3,800 per year; and

WHEREAS, the City Clerk published a Notice of Intent in connection with the proposed agricultural lease agreement on January 22, 2021, in the Asheville Citizen-Times; and

WHEREAS, the City has no anticipated need for this portion of the property during the term of the lease;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

Pursuant to North Carolina General Statutes section 160A-272, the City Manager is hereby authorized to execute the Lease Agreement between the City of Asheville and Balsam Gardens, LLC for agricultural use on City property at Hardesty Lane and Azalea Road. In addition, the City Manager is hereby authorized to execute any and all documents necessary to give effect to this resolution, subject to approval by the City Attorney, and compliance with applicable North Carolina law.

Read, approved and adopted this the 23rd of February, 2021.

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City Clerk Mayor

Approved as to form:

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City Attorney