



CITY OF WASHINGTON, ILLINOIS

Committee of the Whole Agenda Communication

Meeting Date: October 13, 2025

Prepared By: Jon Oliphant, AICP, Planning & Development Director

Agenda Item: 2026 223 Property Farm Lease Discussion

Explanation: The City's current cash rent farm lease on the 223 property with Aaron Vercler expires on December 31, 2025. The Council approved an agreement with Mr. Vercler that includes two mutual 1-year options for 2025 and 2026. The City has had a farm lease agreement with Mr. Vercler since 2018.

The attached current agreement contains a base rent of \$376 per acre for the approximately 195.5 tillable acres for a total of \$73,508. The total tillable acres was subsequently reduced slightly to 192.98 acres as a result of equipment and materials associated with the Dallas Road realignment project still being on a portion of the property at the time of planting in the spring. It also contains a 2025 corn profit-sharing formula that is the gross income per acre less \$1,200 and multiplied by 50%. The agreement stipulates that 25% percent of the base rent is paid on or before June 1 and the remainder on or before December 1. Mr. Vercler reimbursed the City \$1,296 each year through 2023 for the cost of an upgraded concrete access driveway on Cruger Road. The profit-sharing bonus for the corn yields is payable no later than December 31.

The agreement grants the City the right to terminate the lease with 10-days' written notice to the tenant. The tenant is not to plant any crops prior to April 15.

Fiscal Impact: Besides the base \$376 per acre rent, the profit-sharing formula was derived for 2025 and 2026 as follows:

Soybeans (2026): Total number of bushels produced per acre. Multiplied by the price per bushel as determined by the USDA each fall. This number will equal the gross income per acre, less \$900, multiplied by 50%, and added to the base rent.

Corn (2025): Total number of bushels produced per acre. Multiplied by the price per bushel as determined by the USDA each fall. This number will equal the gross income per acre. The bonus rent is the gross income per acre less \$1,200, multiplied by 50%; and added to the base rent.

The current agreement caps the bonus increase or decrease by \$36 per acre. That allows for a total rent of as little as \$340 per acre or as much as \$412 per acre depending on the market conditions.

Action Requested: Staff seeks feedback on moving forward with the second of the two one-year farm lease options for the 223 property with Mr. Vercler for 2026. There are no imminent development plans, though the agreement would continue to provide for the flexibility to terminate the lease should immediate prospects emerge. Mr. Vercler is interested in continuing to farm the property. He has indicated no desired changes to the profit-sharing formula. If the Council is supportive of approving the second one-year option, a resolution with a second amendment to the agreement will be brought to a future meeting for approval for the 2026 farm lease.

EXHIBIT A
Cash Rent Farm Lease

This Lease is entered into on _____, 2024, between the City of Washington, an Illinois home-rule municipal corporation, whose mailing address is 301 Walnut Street, Washington, Illinois 61571 (“**Landlord**”) and Aaron Vercler (“**Tenant**”), whose mailing address is 1985 Eureka Road, Washington, Illinois 61571.

BACKGROUND

A. Landlord owns the real property legally described in Exhibit A-1, together with all buildings and improvements thereon belonging to the Landlord (“**Property**”).

B. Tenant desires to lease the Leased Premises (as defined below) owned by Landlord and Landlord and Tenant desire to enter into a written lease to set forth the terms and conditions of the lease.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Article 1.

Description of Rented Land, Length of Tenure and Option(s)

A. **Description of Land.** The Landlord rents and leases to the Tenant, for the Tenant to occupy and to use for agricultural purposes only, the Property with the exception of the Realignment Area (as defined below) and an area approximately 30' (E-W) x 40' (N-S) located in the northeast corner of Field #2 and labeled “Official Sign Location” as shown in Exhibit B-1 (the “**Leased Premises**”). Tenant shall have no right to occupy or use that portion of the Property that is timberland except as is necessary for ingress and egress. Furthermore, Landlord and Tenant both acknowledge that on October 31, 2023, the Landlord broke ground on the Nofsinger Road Realignment Project (the “**Project**”), which upon completion would result in Nofsinger Road being realigned at its intersection with U.S. Highway 24. Due to the commencement of the Project, the Property is now dissected as identified in Exhibit C-1 attached hereto (the “**Realignment Area**”). As a result of the Project, Tenant shall have no right to occupy or use the Realignment Area. Tenant shall not interfere with or impede the Project or Realignment Area when utilizing the Leased Premises for agricultural purposes. Upon completion of the Project and the opening of the Realignment Area to the general public, Tenant shall then be able to utilize the Realignment Area in the same manner as the general public will use the Realignment Area, as well as for ingress and egress to the Leased Premises.

B. **Length of Tenure.** The term of this Lease shall be one year, commencing on January 1, 2025, to December 31, 2025, unless sooner terminated as provided herein (the “**Term**”).

C. **Option(s).** The Landlord shall consider 1-year options, commencing on January 1, 2026, with terms to be mutually agreed upon by the Landlord and Tenant.

Article 2. Rent and Commodity Price Adjustment

Tenant will pay Landlord as base rent for the Leased Premises in a lease year an amount equal to Seventy-Three Thousand Five Hundred Eight Dollars (\$73,508), based on the Leased Premises containing approximately 195.5 tillable acres ("**Rent**"). Twenty-five percent of the Rent shall be paid on or before June 1, 2025. The remainder of the Rent shall be paid on or before December 1, 2025.

The Rent shall be subject to a Commodity Price Adjustment calculated as follows:

For corn: The Commodity Price Adjustment is equal to the W223 Gross Corn Income less \$1,200.00 per acre multiplied by 50%. For purposes of the preceding sentence, the "W223 Gross Corn Income" is equal to the total number of bushels of corn produced on the Property *multiplied* by the price per bushel as determined by the USDA each fall.

For soybeans: The Commodity Price Adjustment is equal to the W223 Gross Soybean Income less \$900.00 per acre multiplied by 50%. For purposes of the preceding sentence, the "W223 Gross Soybean Income" is equal to the total number of bushels of soybeans produced on the Property *multiplied* by the price per bushel as determined by the USDA each fall.

The total maximum Commodity Price Adjustment shall be equal to Seven Thousand Thirty-Eight Dollars (\$7,038) which is the equivalent of a maximum adjustment of Thirty-Six Dollars (\$36) per acre.

Rent and Commodity Price Adjustment payments shall be made payable and delivered to the City of Washington, c/o Washington City Clerk, 301 Walnut Street, Washington, Illinois 61571.

Article 3. Tenant's Duties in Operating Farm

A. Tenant covenants and agrees as follows:

- i. To cultivate the Leased Premises faithfully and in a timely, thorough, and businesslike manner.
- ii. To prevent all unnecessary waste, loss, or damage to the Leased Premises or any other property of the Landlord.
- iii. To use the Leased Premises only for agricultural purposes.

- iv. Not to erect or permit to be erected any structure or building or to incur any expense to Landlord for such purpose, without the prior written consent of Landlord.
- v. Not to permit, encourage, or invite other persons to use any part or all of the Leased Premises for any purpose or activity not directly related to its use for agricultural production.
- vi. Not to allow any livestock on the Leased Premises.
- vii. Not to cut live trees for any reason without the express written consent of the Landlord.
- viii. To comply with all federal, state and local statutes, regulations, ordinances, rules and policies, all court and administrative orders and decrees, all arbitration awards, and the common law, which pertain to environmental or natural resource matters or contamination of any type whatsoever (**“Environmental Laws”**).
- ix. Not to permit the erection of any commercial advertising signs.
- x. Not to assign this Lease to any person or persons or sublet any part of the Leased Premises.
- xi. To prevent noxious weeds from going to seed on the Leased Premises and to destroy the same and keep the weeds and grass cut.
- xii. To keep open ditches, tile drains, tile outlets, grass waterways, and terraces in good repair. In the event of a major tile break, Tenant shall notify the City Engineer of the break before any repairs are undertaken.
- xiii. To preserve established watercourses or ditches and to refrain from an operation that will injure them.
- xiv. To keep the fences (including hedges), and other improvements on the Leased Premises in as good repair and condition as they are when Tenant takes possession or in as good repair and condition as they may be put by the Landlord during the Lease Term or any Option term- ordinary wear, loss by fire or unavoidable destruction excepted.
- xv. To comply with rules and regulations of the Illinois Pollution Control Board, United States Department of Agriculture and the Natural Resources Conservation Service. Tenant shall not be responsible for action of Landlord that may be contrary to said rules and regulations.

- xvi. To plant crops in accordance with generally accepted farming and soil conservation practices and provide Landlord with written reports of the crops planted, fertilizers, herbicides and other products applied to the Leased Premises.

Article 4. Real Estate Taxes

Landlord shall pay the general real estate taxes and special assessments levied against the Property during the term of this Lease.

Article 5. Inspection

Landlord shall have the right to enter the Leased Premises at any time to inspect the Leased Premises, and to perform any acts related to the safety, protection, preservation, reletting or improvement of the Leased Premises.

Article 6. Early Termination of Lease Term

Landlord reserves the right, with ten (10) days written notice to Tenant, to demand and take possession of all or any portion of the Leased Premises at any time for any purpose and terminate the Lease for such property (the “**Terminated Property**”). In such event, Landlord shall pay to Tenant the reasonable value for work performed on the Terminated Property prior to the termination date, including but not limited to input costs applied to the Leased Premises and machinery and labor costs for applying the inputs to the Terminated Property. Landlord shall not pay for the value of the crops planted on the Terminated Property unless Landlord harvests crops on the Terminated Property. If Landlord harvests crops on the Terminated Property, Tenant shall receive the market value of the crops harvested instead of the reasonable value for work performed on the Terminated Property. Notwithstanding the above, Landlord shall not reimburse Tenant for the cost of any inputs (seed, fertilizers, herbicides, etc.) that were purchased by Tenant but were not applied to the Terminated Property. Tenant agrees that it will not plant any crop on the Leased Premises prior to April 15 in a lease year and will not apply any inputs on the Terminated Property once it has received written notice under this Article. The amount payable by reason of Landlord's termination of the Lease affecting only a portion of the Leased Premises shall be deducted from the second rental payment. Reasonable value shall be determined by a Tazewell County farm agent or extension advisor of the University of Illinois if the parties are unable to select a farm agent. Tenant shall only be entitled to compensation under this Article 6 if Tenant is not in default under the terms of the Lease at the time Landlord sends Tenant the notice of lease termination.

Article 7. Public Liability Insurance

Tenant shall, at his own expense, at all times during the term of this Lease, maintain in effect a comprehensive public liability insurance policy with a carrier acceptable and approved by

Landlord, which will name Landlord as an additional insured, insuring against claims, demands and actions with respect to bodily injury, death or property damage arising from Tenant's use of the Leased Premises, with the following minimum limits of coverage:

Crop Insurance: \$376.00 per acre Liability
Insurance: \$2,000,000 per occurrence
Property Damage: \$2,000,000 per occurrence

Tenant shall deliver to Landlord appropriate insurance certificates evidencing such coverages, such certificates providing for not less than 30 days' notice to Landlord of cancellation or termination.

Article 8. Default

A. The occurrence of any one or more of the following events shall constitute an Event of Default under this Lease:

- i. The failure by Tenant to pay any installment of rent or any money due under this Lease and such failure is not cured within five (5) days after delivery of written notice from Landlord specifying such failure to pay.
- ii. The failure by Tenant to perform any other covenant or agreement to be performed by Tenant under this Lease except those requiring the payment of rent or any money due under this Lease and Tenant shall have failed to cure such breach within thirty (30) days after written notice from Landlord specifying the nature of such breach; provided, however, if Tenant's default cannot be reasonably cured within such thirty (30) day period, then Tenant shall not be in default if it commences to cure the default within such thirty (30) day period and thereafter diligently prosecutes such cure to completion.
- iii. A receiver or similar officer becomes entitled to the leasehold interest of Tenant under this Lease.
- iv. Abandonment of the Leased Premises by Tenant.
- v. Levy, seizure, attachment, or sale of the leasehold interest of Tenant under this Lease.
- vi. Tenant becomes insolvent or unable to pay debts as they mature, or admits in writing to such effect; makes an assignment for the benefit of creditors; a proceeding is instituted by or against Tenant alleging that Tenant is insolvent or unable to pay debts as they mature; or a petition under any bankruptcy or insolvency law is brought by or against Tenant.

the Tenant for any actual damage Tenant may suffer for crops destroyed by these activities and to release Tenant from obligation to continue farming the Leased Premises when development of mineral resources interferes materially with Tenant's farming operations.

C. **Tenant Liability.** Tenant takes possession of the Leased Premises subject to the hazards of operating a farm, and assumes all risk of accidents personally as well as for family, employees, or agents in the pursuance of farming operations.

D. **Landlord's Lien.** The Landlord's lien provided by statute on crops grown or growing, together with any other security agreement(s) created by Tenant in favor of Landlord, shall be the security for the rent herein specified and for the faithful performance of the terms of the Lease. The Tenant shall provide the Landlord with the names of persons to whom the Tenant intends to sell crops grown on the Leased Premises at least 30 days prior to the sale of such crops. A lesser period may be allowed by mutual written agreement. Tenant consents to any filing required by law to perfect the statutory landlord's lien upon crops. If the Tenant fails to pay the rent due or fails to keep any of the agreements of this Lease, all costs and attorney fees of the Landlord in enforcing collection or performance shall be added to and become a part of the obligations payable by the Tenant.

E. **Indemnification.** Except to the extent of the negligence or willful misconduct of Landlord, or its agents, employees or contractors, Tenant shall hold harmless, indemnify and defend Landlord and its members, agents and employees from all damages, liabilities, penalties, actions, attorney's fees, costs and expenses resulting from or arising out of any of the following: (a) Tenant's occupancy or use of the Leased Premises; (b) any accident or other occurrence in the Leased Premises arising in connection with Tenant's use of the Leased Premises; or (c) any violation resulting from an act or omission by Tenant or Tenant's members, stockholders, partners, officers, agents, employees, or invitees, of any law or ordinance in any way related to the Leased Premises, including but not limited to Environmental Laws.

Article 10. General Provisions

A. Titles to Articles and sectional headings herein are for information purposes only.

B. The provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and assigns.

C. This Lease shall be construed, enforced and governed in all respects in accordance with the laws and the statutes of the State of Illinois.

D. The invalidity of any particular term or provisions of the Lease shall not affect the validity of the remaining terms and provisions hereof.

E. No alterations to or modification of the terms or the provisions of this Lease shall be effective unless such alteration or such modification is reduced to writing, and is then properly executed by the parties hereto.

F. This Lease supersedes any prior contract or arrangement between the parties hereto, and represents the complete agreement of the parties hereto.

G. All notices provided by this Lease shall be given in writing (i) either by actual delivery of the notice to the party thereunder entitled, or (ii) by mailing of the notice in the United States mail, first- class postage prepaid, to the address of the party entitled thereto, registered or certified mail, return receipt requested. The notice shall be deemed to be received (i) on the date of its actual receipt by the party entitled thereto and (ii) on the date of its mailing. All notices, demands or other communications to any of the parties to this Lease shall be addressed as described above. The address of any party hereto may be changed by notice to the other party duly served in accordance with the provisions hereof.

H. Any waiver by a party hereto of a breach of any term or condition of this Lease shall not be considered as a waiver of any subsequent breach of the same or any other term or condition hereof.

I. Nothing contained in this Lease shall be deemed or construed as creating a relationship of principal and agent, or of partnership or of joint venture between the parties hereto.

J. Time is of the essence of each and every provision, covenant, and condition herein contained and on the part of Tenant or Landlord to be done and performed.

K. For the convenience of the parties, this Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

L. Tenant will permit no lien, notice of intention to file lien, or other charges (whether arising out of work of Tenant or any contractor, subcontractor, mechanic, laborer or material man of Tenant or any mortgage, conditional sale, security agreement, chattel mortgage or otherwise) which might be or become a lien or encumbrance or charge upon the Leased Premises or any part thereof.

[SIGNATURE PAGE TO FOLLOW]

Executed by the parties hereto as of the day and year first above written.

Landlord:

Tenant:

City of Washington, an Illinois
municipal corporation

Aaron Vercler

Gary W. Manier, Mayor

Aaron Vercler, individually

Attest:

Valeri Brod, City Clerk

Exhibit A-1

Tract 1: A part of the Southeast Quarter of Section 10 and a part of the Southwest Quarter of Section 11, all in Township 26 North, Range 3 West of the Third Principal Meridian, as shown on Survey recorded in Plat Book "CCC" at page 142, being more particularly described as follows: Commencing at the Northwest corner of said Southwest Quarter of Section 11, said point also being the Point of Beginning of the tract to be described: From the Point of Beginning; thence North 88 degrees 25 minutes 14 seconds East (bearings are for descriptive purposes only), along the North line of said Southwest Quarter of Section 11, a distance of 1082.42 feet to a point on the Northerly right-of-way line of U.S. Route 24; thence the next three courses are along said Northerly right-of-way line of U.S. Route 24; thence South 69 degrees 49 minutes 06 seconds West, a distance of 408.90 feet; thence South 58 degrees 13 minutes 13 seconds West, a distance of 360.25 feet; thence South 62 degrees 59 minutes 50 seconds West a distance of 1810.15 feet to a point on the Easterly right-of-way line of Nofsinger Road; thence North 21 degrees 09 minutes 40 seconds West along said Easterly right-of-way line of Nofsinger Road; a distance of 121.90 feet to a point on the apparent existing Easterly right-of-way line of Nofsinger Road; thence South 88 degrees 10 minutes 01 seconds West, a distance of 25.00 feet; thence North 01 degrees 51 minutes 28 seconds West, a distance of 408.06 feet; thence North 00 degrees 55 minutes 13 seconds West, a distance of 255.88 feet; thence North 04 degrees 29 minutes 49 seconds East a distance of 266.74 feet; thence North 04 degrees 56 minutes 38 seconds East, a distance of 55.97 feet to a point on the North line of said Southeast Quarter of Section 10; thence North 88 degrees 54 minutes 04 seconds East along said North line of the Southeast Quarter of Section 10 a distance of 1281.67 feet to the Point of Beginning; EXCEPTING THEREFROM any part taken or used for roadway purposes; situated in Tazewell County, Illinois.

Permanent Index Number for information only: 02-02-10-400-028

Tract 2: A part of the Southeast Quarter of Section 10, part of the Southwest Quarter of Section 11, part of the Northwest Quarter of Section 14, and part of the Northeast Quarter of Section 15, all in Township 26 North, Range 3 West of the Third Principal Meridian, more particularly described as follows: Commencing at the Northeast corner of said Northwest Quarter of Section 11; thence South 01 degrees 21 minutes 13 seconds East, (bearings are for descriptive purposes only), along said East line of the said Northwest Quarter of Section 11, a distance of 2720.91 feet to the Northeast corner of said Southwest Quarter of Section 11; thence continuing South 01 degrees 21 minutes 13 seconds East, along the East line of said Southwest Quarter of Section 11, a distance of 153.93 feet to a point on the Southerly right-of-way line of U.S. Route 24, said point also being the Point of Beginning of the tract to be described; From the Point of Beginning, thence continuing South 01 degrees 21 minutes 13 seconds East, along said East line of the Southwest Quarter of Section 11, a distance of 2523.44 feet, more or less, to a point which lies 40.00 feet North of an iron rod marking the Southeast corner of said Southwest Quarter of Section 11; thence South 89 degrees 51 minutes 25 seconds West, along the proposed Northerly right-of-way line of Cruger Road, as shown on Survey recorded in Plat Book "CCC" at page 141, a distance of 708.76 feet to a point 42.38 feet normally distant Northerly from the proposed centerline of Cruger Road; thence North 00 degrees 08 minutes 35 seconds West, 10.00 feet to a point 52.38 feet normally distant Northerly from the proposed centerline of Cruger Road, thence South 89 degrees 51 minutes 25 seconds West, 40.00 feet to a point 52.38 feet normally distant Northerly from the

proposed centerline of Cruger Road; thence South 00 degrees 08 minutes 35 seconds East 10.00 feet to the said proposed Northerly right-of-way line of Cruger Road, as shown on Survey recorded in Plat Book "CCC" at page 141, which lies 42.38 feet normally distant Northerly from the proposed centerline of Cruger Road; thence continuing South 89 degrees 51 minutes 25 seconds West, 588.48 feet along said proposed Northerly right-of-way line, to a point 43.07 feet normally distant Northerly from the proposed centerline of Cruger Road; thence continuing North 89 degrees 58 minutes 16 seconds West, a distance of 441.98 feet, to a point which lies 45.00 feet normally distant Northerly from the proposed centerline of Cruger Road; thence continuing along the existing right-of-way line of Cruger Road, as shown on Survey recorded in Plat Book "CCC" at page 141, South 88 degrees 08 minutes 43 seconds West, a distance of 422.39 feet; thence North 86 degrees 52 minutes 55 seconds West, a distance of 159.05 feet; thence South 73 degrees 43 minutes 53 seconds West, a distance of 164.93 feet; thence South 70 degrees 03 minutes 40 seconds West, a distance of 622.49 feet; thence South 89 degrees 02 minutes 56 seconds West, a distance of 542.02 feet to a point on the East line of a 6.053 acre tract as shown in Plat Book "HH" at page 282, at the Tazewell County Recorder's Office; thence North 15 degrees 22 minutes 38 seconds West, along said East line of the 6.053 acre tract, a distance of 308.99 feet; thence North 78 degrees 56 minutes 07 seconds East, a distance of 20.11 feet; thence North 14 degrees 49 minutes 40 seconds West, a distance of 858.72 feet; thence North 75 degrees 09 minutes 01 seconds East, a distance of 24.91 feet to a point on the Easterly right-of-way line of Nofsinger Road; thence the next two courses are along said Easterly right-of-way line of Nofsinger Road; thence North 11 degrees 02 minutes 05 seconds West, a distance of 300.60 feet; thence North 10 degrees 05 minutes 12 seconds East, a distance of 74.66 feet to a point on said Southerly right-of-way line of U.S. Route 24; thence the next six courses are along said Southerly right-of-way line of U.S. Route 24; thence North 62 degrees 59 minutes 50 seconds East, a distance of 1919.97 feet; thence North 64 degrees 35 minutes 34 seconds East, a distance of 359.14 feet; thence North 62 degrees 59 minutes 46 seconds East, a distance of 204.74 feet; thence along a curve concave to the Southeast, having a radius of 1800.00 feet and an arc length of 792.65 feet, being subtended by a chord bearing of North 75 degrees 36 minutes 24 seconds East, and a chord length of 786.27 feet; thence North 88 degrees 13 minutes 03 seconds East, a distance of 204.74 feet; thence North 88 degrees 12 minutes 59 seconds East, a distance of 704.41 feet to the Point of Beginning: EXCEPTING THEREFROM any part taken or used for roadway purposes; situated in Tazewell County, Illinois.

Permanent Index Numbers for information only: 02-02-11-300-007 / 02-02-14-100-037 / 02-02-15-200-040



Tillable Area
Total Acreage

Legend
 Tillable Area
 City Boundary

**195.5 Tillable Acres
Post-Realignment**

Date: 10/7/2024

This map indicates approximate data locations and may not be 100% accurate. Parcels are provided and maintained by Tazewell County.