

City Council Agenda Memo

From: Matthew Sommerfeld, Airport Manager

Council Meeting: December 14, 2021

Subject: Resolution 21-110: Resolution of Intent to Lease Real Property to MC Hay, Mike Erickson and Corey Granum, owners, for Hay Lease at Brookings Airport

Presenter: Charlie Richter, City Engineer

Summary:

This Resolution will allow the City to enter into a contract with MC Hay for the 2022 Hay Lease at the Brookings Regional Airport.

Background:

The City awarded a contract to MC Hay on November 23, 2021 to lease 314 acres of hay land in Sections, 26, 27 and 28 T110N, R50W, which is shown on the enclosed map. The City leases the property of haying operations which provides extra income for the City as well as provides for weed control. A public hearing is required as per SDCL 9-12-5.2 to lease to a private person.

9-12-5.2. Powers - Lease to private person - Resolution - Notice - Hearing - Authorization. If the governing body decides to lease any municipally owned property to any private person for a term exceeding one hundred twenty days and for an amount exceeding five hundred dollars annual value it shall adopt a resolution of intent to enter into such lease and fix a time and place for public hearing on the adoption of the resolution. Notice of the hearing shall be published in the official newspaper once, at least ten days prior to the hearing. Following the hearing the governing body may proceed to authorize the lease upon the terms and conditions it determines.

Item Details:

The Notice of Public Hearing was advertised as required. This resolution will allow the City to enter into a lease agreement with MC Hay for one-year lease for 314 acres at the awarded contract price of \$91.33 per acre, with the option to renew for one additional year at the same rate.

Legal Consideration:

The City Attorney has reviewed the contract.

Strategic Plan Consideration:

The hay lease furthers the strategic initiative of financial responsibility, whereby the City receives revenue from the lease. The person providing the hay lease also provides weed control, thereby saving City staff and expenses for the weed control operations.

Financial Consideration:

The City will receive \$28,677.62 in revenue in 2022 and potentially 2023.

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a work session
5. Discuss / take no action / table

Staff recommends approval of the resolution as presented.

Supporting Documentation:

Resolution

Legal Notice

Map