

# City Council Agenda Memo

**From:** Charlie Richter, City Engineer

**Council Meeting:** December 20, 2022

**Subject:** Resolution 22-100: Intent to Lease Real Property to MC Hay, lowest bidder, 85 acres of public land for agricultural haying in Section 21-T110N-R50W (east of Brookings Regional Airport)

**Person(s) Responsible:** Charlie Richter, City Engineer

**Summary:**

Adoption of the proposed Resolution and approval of the recommended actions will allow the City to award bid and to enter into an agreement with MC Hay, Mike Erickson and Corey Granum, for the City Hay Lease in Section 21-T110N-R50W for 2023 with the option to renew for two additional one-year terms for 2024 and 2025.

**Background:**

The City owns a parcel in the Southeast ¼ of Section 21-T110N-R50W, which is located west of Brookings Regional Airport. The City has bid the hay lease for this parcel approximately every two years. This year, the hay lease is for one year, 2023, with an option to renew for two additional one year terms for 2024 and 2025, if agreeable to the City and the bidder. The City leases the property for haying operations which provides for extra income for the City as well as provides for weed control.

**Item Details:**

A bid letting was conducted at 1:30 p.m. on Tuesday, December 6, 2022, and the following bids were received:

MC Hay	\$141.50 per acre
Lyle Bothe	\$125.01 per acre
Lyle Johnson	\$115.00 per acre
David Berndt	\$114.00 per acre
David Bauer	\$ 97.51 per acre

A public hearing and adoption of a Resolution 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.*

The Notice of Public Hearing was published on December 9, 2022.

**Legal Consideration:**

None.

**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 removal also provides weed control, thereby saving City staff and expenses for the weed control operations.

**Financial Consideration:**

The City will enter into a one-year contract for 2023 with MC Hay for the high bid of \$141.50 per acre for 85 acres resulting in the annual payment of \$12,027.50. The contract may be renewed for two additional, one year terms, for 2024 and 2025.

**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 and recommended actions, as presented.

**Supporting Documentation:**

1. Resolution
2. Notice
3. Map