

# City Council Agenda Item Memo

**From:** Charlie Richter, City Engineer

**Council Meeting:** January 14, 2025

**Subject:** Resolution 25-005: Intent to Lease Real Property at Brookings Regional Airport to Civil Air Patrol, Inc.

**Presenter:** Lucas Dahl, Airport Manager

## **Summary and Recommended Action:**

Staff recommends approval of the attached Resolution, an intent to lease approximately 1,020 square foot of the Brookings Regional Airport Terminal Building to Civil Air Patrol, Inc. for a period of five (5) years, starting on February 1, 2025, at a lease rate of \$97.85 per month (\$0.094/sq. foot), with three percent (3%) increases each year.

## **Item Details:**

The Civil Air Patrol has requested renewal of their lease for the City-owned Airport Terminal Building. On November 21, 2024 the Airport Board met and unanimously recommended the renewal of the lease, as the Civil Air Patrol provides essential emergency services when disasters hit and they mentor and educate local students interested in aviation and search and rescue.

The Civil Air Patrol is an affiliate of the “SD Civil Air Patrol Wing.” Their mission is to provide Cadet programs for leadership, aerospace education to interested students, and emergency services. There are 550 Civil Air Patrol aircraft nationwide and six planes are based in South Dakota. Locally, the Civil Air Patrol operates a Cessna 172, which is owned by the Air Force. The Brookings Civil Air Patrol has 18 members (4 “senior” members who are over 21 years old, and 14 students between the ages of 12 and 18). The group meets weekly with the students for education and leadership, and they hold other events such as search and rescue training, and a regional conference each year.

The Civil Air Patrol have been leasing the Terminal Building since 2012. In 2016 the City Council approved a reduced lease rate to the Civil Air Patrol, due to their limited funding and services to the community. The local Civil Air Patrol group is required to pay for the lease, one-half of the utilities and most of the fuel for the airplane. Their annual operating budget is approximately \$3,000, which is raised through fundraisers such as washing planes, etc. The local group also pays rent for a hangar at Pheasant’s Fury, and purchases gas, both of which benefit the airport. The 2024 lease rate was \$95.00 per month, in addition to paying one-half of the utilities for the building.

**Legal Consideration:**

The City is allowed to apply a lower lease rate for this type of group. The FAA Airport Compliance Manual, Order 5190-6B, Chapter 17, on self-sustainability, provides an exception for Not-for-Profit Aviation Organizations, which is as follows:

“17.16. Exception for Not-for-Profit Aviation Organizations. Reduced Rent. A sponsor may charge reduced rental rates to aviation museums and aeronautical secondary and post-secondary education programs conducted by accredited education institutions to the extent that civil aviation receives reasonable tangible or intangible benefits from such use. A sponsor may also charge reduced rental rates to Civil Air Patrol units operating aircraft at the airport.”

The following state statutes also apply:

9-12-5. Powers - Lease or transfer of property for public purposes.

Every municipality shall have power to lease or sell or give and convey any personal or real property of the municipality or perform any work or render any services, to the state or any public corporation thereof, to be used by such grantee for an authorized public purpose; such lease or sale or gift and conveyance, or the performance of such work, to be authorized, made or done on the terms and in the manner provided by resolution of the governing body.

9-12-5.1. Powers - Lease of property - Term and conditions.

Every municipality may lease its municipally-owned property. Any such lease shall be for a term and upon the conditions provided by resolution of the governing body.

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.

A public notice was published, as required by SDCL and the proposed lease has been reviewed by the City Attorney.

**Strategic Plan Consideration:**

Fiscal Responsibility – The City of Brookings will responsibly manage resources through transparency, efficiency, equity, and exceptional customer service.

**Financial Consideration:**

If approved, the City will enter into a Lease Agreement with the Civil Air Patrol, Inc., for a period of five (5) years, starting on February 1, 2025 and ending December 31, 2029. The 2025 lease rate will be \$97.85 per month and each January, the lease rate will increase by three percent (3%). The Civil Air Patrol, Inc., will also pay one-half of the utilities for the building, with the City funding the other half, as the building also supplies power to essential FAA equipment which is not in the lease space. All revenue will be deposited in fund #606 - Airport.

**Supporting Documentation:**

Resolution

Notice

Location Map