

# City Council Agenda Item Memo

**From:** Charlie Richter, City Engineer

**Council Meeting:** June 25, 2024

**Subject:** Resolution 24-061: Intent to Lease Real Property at Brookings Airport to Altitude Investments, LLC.

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

## **Summary:**

Staff recommends approval to enter into a land lease with Altitude Investments, LLC, for 21,693 square feet located on Site #167 at the Brookings Regional Airport (Section 26 and 27, T110N, R50W).

## **Background:**

Altitude Investments, LLC, submitted a request to construct a 12,000 square foot hangar, 3,379 square foot dedicated drainage area, and 6,314 square foot parking lot within the Brookings Regional Airport boundary. The Airport Board discussed the proposal at their May 31, 2024 meeting and voted in favor of the request. The proposed lease with Altitude Investments, LLC, utilizes the standard lease template, which has a term of 25-years and annual increases.

## **Item Details:**

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.

The Notice of Public Hearing was published on June 14, 2024.

## **Legal Consideration:**

The lease has been reviewed by the City Attorney as to legal form.

**Strategic Plan Consideration:**

Fiscal Responsibility: The proposed lease furthers the strategic initiative of Fiscal Responsibility, as the City will receive additional revenue from the lessee.

Economic Growth: The proposed hanger will promote economic growth within the City.

**Financial Consideration:**

The 2024 lease rate will be \$0.18/square foot, which will be increased by 2% annually and subject to review by City Council. The 2024 prorated revenue will be \$2,032.60.

**Options and Recommendation:**

The City Council has the following options:

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

Staff recommends approval.

**Supporting Documentation:**

Resolution

Notice

Proposed Site Map

Location Map