

# City Council Agenda Item Memo

**From:** Mike Struck, Community Development Director

**Council Meeting:** May 27, 2025

**Subject:** Resolution 25-055: Intent to Lease Real Property to RTI, LLC

**Presenter(s):** Mike Struck, Community Development Director

## **Summary and Recommended Action:**

Staff recommends approval of the proposed Resolution of Intent to Lease Real Property to RTI, LLC, and authorizing the City Manager, City Clerk, and City Attorney to execute a lease agreement with RTI, LLC, for office and lab space at the Research and Technology Center located at 801 32<sup>nd</sup> Avenue on a month-to-month basis.

## **Item Details:**

The City of Brookings owns the 26,000 square foot Research and Technology Center at 801 32<sup>nd</sup> Avenue and has operated the facility as a business incubator for 20 plus years. Rural Technologies, Inc., has been a tenant at the facility since 2013. The facility is scheduled for removal in 2026 as additional space in the community is available to meet the needs, as well as the site will provide an opportunity for redevelopment.

RTI, LLC, is proposing to extend their lease on a month-to-month basis until August 2026 as they explore options of leasing or new construction. The City recently leased office space to Ryan Companies US, Inc. for the superintendent overseeing the Brookings Marketplace development. The proposed lease extension with RTI would coincide with the Ryan Companies lease and provide time if RTI proceeds with a new build.

The proposed lease maintains the current terms and conditions, whereby the lease rate is ten dollars (\$10.00) per square foot for the office and lab space, and four dollars (\$4.00) per square foot for the unfinished garage space. The lease is a month-to-month lease with an expiration date of August 31, 2026. The lease can be terminated in writing with thirty (30) days notice.

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 May 14, 2025.

**Legal Consideration:**

N/A

**Strategic Plan Consideration:**

Economic Growth – The City of Brookings will support effective diversified community investment and equitable opportunities for prosperity.

**Financial Consideration:**

The City of Brookings will enter into a month-to-month lease with RTI, LLC, for the annual sum of One Hundred Eighteen Thousand, One Hundred and Six Dollars (\$118,106.00).

**Supporting Documentation:**

Memo

Resolution

Legal Notice