

City Council Agenda Memo

From: Matthew Sommerfeld, Airport Manager

Council Meeting: January 11, 2022

Subject: Intent to Lease Real Property at Brookings Airport to Medary Aviation, LLC

Presenter: Charlie Richter, City Engineer

Summary:

The City is entering into a land lease with Medary Aviation LLC for 13,200 square feet located on Site 501 at the Brookings Regional Airport in Section 26 and 27, T110N, R50W in the City of Brookings for a five-year term. The 2022 lease rate will be \$0.13/square foot for a lease amount of \$1,716.00. The lease rate will be increased by 2% annually and subject to review every five years.

Background:

South Dakota State University has been leasing hangar space since 1971. The new hangar lease area is 13,200 square feet located on Site 501 at the Brookings Regional Airport. The City updated the lease format for all hangar lease renewals. The 2022 lease rate will be \$0.13/square foot which will be increased by 2% annually and subject to review every five years to determine a new percentage increase.

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 as required.

Legal Consideration:

The City Attorney approved the updated lease agreement.

Strategic Plan Consideration:

Sustainability – The land lease furthers the strategic initiative of maintaining facilities with a sustainable plan whereby the City receives revenue from the lease to support the Brookings Regional Airport.

Financial Consideration:

The City will receive \$1,716.00 in revenue for 2022 which will be increased at 2% per year. The annual increase will be reviewed every five years.

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:

Memo

Resolution

Legal Notice

Map