

City Council Agenda Item Memo

From: Charlie Richter, City Engineer

Council Meeting: December 17, 2024

Subject: Resolution 24-111: Intent to Lease Real Property at Brookings Regional Airport to Madison Aircraft LLC & Dakota Jet Company

Presenter: Lucas Dahl, Airport Manager

Summary and Recommended Action:

Staff recommends approval of the proposed resolution authorizing the City Manager to enter into a new lease for real property with Madison Aircraft LLC & Dakota Jet Company (Lessee), for 4,096 square feet located on site #209 at the Brookings Regional Airport in Section 26, T110N, R50W in the City of Brookings. The new lease rate will be \$0.14/square foot for an annual lease amount of \$573.44. The lease amount will be increased by 2% annually.

Item Details:

The initial term of the current lease regarding site #209 terminates on December 31, 2024. The Lessee requested a new lease be executed for the standard term of 25 years as the Madison Aircraft LLC is in the process of selling its interests to Dakota Jet Company. Staff is acceptable to the request to execute a new lease with the Lessee. The new lease rate will be at \$0.14/square foot resulting in a total annual lease amount of \$573.44. The new lease will be a term of 25-years, which is standard for all hangar lease agreements.

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 on December 6, 2024.

Legal Consideration:

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

Strategic Plan Consideration:

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

Financial Consideration:

The lease rate will be \$0.14/square foot for a total annual revenue of \$573.44. The lease rate will increase by 2% annually and subject to review, as deemed necessary.

Supporting Documentation:

Resolution

Notice

Location Map