

City Council Agenda Memo

From: Charlie Richter, City Engineer

Council Meeting: December 20, 2022

Subject: Resolution 22-097: Intent to Lease Real Property at Brookings Airport to M&C Partners LLC

Person(s) Responsible: Lucas Dahl, Airport Manager

Summary:

The City is renewing a land lease with M&C Partners LLC for 4,032 square feet located on Site 117A & 117B at the Brookings Regional Airport in Section 26 and 27, T110N, R50W in the City of Brookings for a 25-year term. The 2023 lease rate will be \$0.14/square foot for a lease amount of \$564.48. The lease amount will be increased by 2% annually and subject to review every five years.

Background:

M&C Partners LLC has been leasing this hangar site since 2012. The lease area is 4,032 square feet located on Site 117A and 117B at the Brookings Regional Airport. The previous lease was for a five-year term. The City updated the lease format for a 25-year term for all hangar lease renewals. The 2023 lease rate will be \$0.14/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 on December 9, 2022.

Legal Consideration:

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

Strategic Plan Consideration:

The hangar lease furthers the strategic initiative of Fiscal Responsibility, whereby the City receives revenue from the lease.

Financial Consideration:

The City will receive \$564.48 in revenue for 2023 which will be increased at 2% per year. The annual increase will be reviewed every five years throughout the lease.

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 of the resolution as presented.

Supporting Documentation:

Resolution

Notice

Map