

City Council Agenda Item Memo

From: Charlie Richter, City Engineer

Council Meeting: November 12, 2024

Subject: Resolution 24-100: Intent to Lease Real Property at Brookings Regional Airport to Pheasants Fury Aviation, LLC

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 with Pheasants Fury Aviation LLC, for 5,280 square feet located on Site #133 at the Brookings Regional Airport in Section 26 and 27, T110N, R50W in the City of Brookings and terminate the current lease agreement with Pheasants Fury Aviation LLC. The new lease rate will be \$0.18/square foot for an annual lease amount of \$950.40. The lease amount will be increased by 2% annually and subject to review every five years.

Item Details:

Pheasants Fury Aviation LLC has been the Fixed Base Operator at the Brookings Regional Airport since 2008 and has been leasing hangar site #133 since 2018. Pheasants Fury Aviation LLC was previously owned by Randy Hanson and has recently sold to Joseph Johnson. With the sale of the corporation, the current hangar lease to Pheasants Fury Aviation LLC (Randy Hanson) will be terminated and a new hangar lease with Pheasants Fury Aviation LLC (Joseph Johnson) will be executed. The lease area is 5,280 square feet, located on Site #133. The previous lease was for a 25-year term and 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 November 1, 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 2024 lease rate will be \$0.18/square foot, which will be increased by 2% annually and subject to review every five years. The 2025 revenue will be \$969.41.

Supporting Documentation:

Resolution

Notice

Location Map