

# City Council Agenda Memo

**From:** Jackie Lanning, City Engineer

**Council Meeting:** March 9, 2021

**Subject:** Intent to Lease Real Property at Brookings Airport to Harry Thompson

**Person(s) Responsible:** Jackie Lanning, City Engineer

## **Summary:**

The City is renewing a hangar lease with Harry Thompson for 5,280 square feet located on Site 135 at the Brookings Regional Airport in Section 26 and 27-T110N-R50W in the City of Brookings for a 25-year term. The 2021 lease rate will be \$0.13/square foot for a lease amount of \$686.40. The lease amount will be increased by 2% annually and subject to review every five (5) years.

## **Background:**

Harry Thompson has been leasing this hangar site since 2010. The lease area is 5,280 square feet located on Site 135 at the Brookings Regional Airport. The previous lease was for a 5-year term. The City updated the lease format for a 25-year term for all hangar lease renewals. The 2021 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:**

An updated lease agreement will be used for the lease, which was approved by the City Attorney.

**Strategic Plan Consideration:**

The hangar lease furthers the strategic initiative of maintaining facilities with a sustainable plan whereby the City receives revenue from the lease to support the airport.

**Financial Consideration:**

The City will receive \$686.40 in revenue for 2021 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 work session
5. Do nothing

Staff recommends approval of the resolution as presented.

**Supporting Documentation:**

Resolution

Notice

Map