

City Council Agenda Item Memo

From: Mike Struck, Community Development Director

Council Meeting: July 30, 2026

Subject: Resolution 26-041: Intent to Lease Real Property to RTI, LLC

Presenter(s): Mike Struck, Community Development Director

Summary and Recommended Action:

Staff recommends approval of the proposed Resolution of Intent to Lease Real Property to RTI, LLC, and authorizing the City Manager, City Clerk, and City Attorney to execute a lease agreement with RTI, LLC, for office and lab space at the Research and Technology Center located at 801 32nd Avenue on a month-to-month basis.

Item Details:

The City of Brookings owns the 26,000 square foot Research and Technology Center at 801 32nd Avenue and has operated the facility as a business incubator for 20 plus years. Rural Technologies, Inc., has been a tenant at the facility since 2013. The facility is scheduled for removal in 2026 as additional space in the community is available to meet the needs, as well as the site will provide an opportunity for redevelopment.

RTI, LLC, is proposing to extend their lease on a month-to-month basis until December 31, 2026 as they have acquired a facility and are undertaking renovations and have requested to extend the lease to accommodate time for the construction to be completed.

The proposed lease maintains the current terms and conditions, whereby the lease rate is ten dollars (\$10.00) per square foot for the office and lab space, and four dollars (\$4.00) per square foot for the unfinished garage space. The lease is a month-to-month lease with an expiration date of December 31, 2026. The lease can be terminated in writing with thirty (30) days notice.

A public hearing and adoption of a Resolution 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 on July 17, 2026.

Legal Consideration:

N/A

Strategic Plan Consideration:

Economic Growth – The City of Brookings will support effective diversified community investment and equitable opportunities for prosperity.

Financial Consideration:

The City of Brookings will enter into a month-to-month lease with RTI, LLC, for the monthly sum of Nine Thousand, Eight Hundred, Forty-Two Dollars and Seventeen Cents (\$9,842.17).

Supporting Documentation:

Memo

Resolution

Legal Notice