

City Council Agenda Memo

From: Mike Struck, Community Development Director

City Council Meeting: March 28, 2023

Subject: Resolution 23-027: Transfer of Real Property for Economic Development Purposes - Armory

Person(s) Responsible: Mike Struck, Community Development Director

Summary:

The City of Brookings desires to transfer Lot 1, Front Street Addition, City of Brookings, Brookings County, South Dakota, also known as 221 Main Avenue, referred to as the Armory Building, to the Brookings Economic Development Corporation for the proposed purchase price of \$1.

Background:

The Brookings Economic Development Corporation is tasked with furthering economic growth and development within the City of Brookings. Furthermore, the Brookings Economic Development Corporation is delegated with selling, conveying, or otherwise transferring property to businesses in efforts to expand the economic base in the City of Brookings.

Item Details:

The City of Brookings issued a Letter of Interest in February 2019 to garner interest in an adaptive reuse of the Armory building. The Letter of Interest lead to a Request for Qualifications from interested developers and ultimately to a Request for Proposals. Through the process, Linchpin Corporation was ultimately chosen as the developer to move forward with an adaptive reuse proposal which included commercial, meeting room, and food and beverage space within the Armory building, as well as an attached hotel to the west of the Armory. The City and Linchpin Corporation entered into a Development Agreement in October 2020. An amendment to the development agreement for an extension of time to complete the due diligence was approved and Linchpin Corporation has completed the due diligence period and abatement process.

The development agreement between the City of Brookings and Linchpin Corporation contains a number of pre-closing requirements, which the City Attorney and staff have been tracking. Building plans have been submitted to the Community Development Department and the Building Services Division is reviewing.

Legal Consideration:

The City Attorney has reviewed the development agreement and drafted the resolution transferring the real property.

Strategic Plan Consideration:

Sustainability – The transferring of the property will allow an adaptive reuse of the Armory building.

Economic Growth – The transferring of the property will allow private sector investment to generate economic growth in the downtown area.

Financial Consideration:

None

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.

Supporting Documentation:

Resolution

Presentation