

City Council Agenda Memo

From: Jackie Lanning, City Engineer

Council Meeting: January 28, 2020

Subject: Public Hearing and Action on Resolution 20-010, a Resolution of Intent to Lease Real Property at Brookings Airport to Madison Aircraft, LLC.

Person(s) Responsible: Jackie Lanning, City Engineer

Summary:

This resolution will approve a Brookings Airport Hangar Lease to Madison Aircraft, LLC, for a period of five (5) years.

Background:

The City would like to renew the Hangar Lease with Madison Aircraft, LLC (Chris Funk) for 4,096 square feet in Section 26, Township 110 North, Range 50 West at the Brookings Airport. The 2020 lease rate will be \$0.13/square foot resulting in a total annual lease amount of \$532.48.

Since this lease is in excess of \$500 and 120 days, the City is required to hold a public hearing to adopt a Resolution of Intent to Lease Real Property to a private person, which is referenced in the following SDCL excerpts:

9-12-5. Powers - Lease or transfer of property for public purposes.

Every municipality shall have power to lease or sell or give and convey any personal or real property of the municipality or perform any work or render any services, to the state or any public corporation thereof, to be used by such grantee for an authorized public purpose; such lease or sale or gift and conveyance, or the performance of such work, to be authorized, made or done on the terms and in the manner provided by resolution of the governing body.

9-12-5.1. Powers - Lease of property - Term and conditions.

Every municipality may lease its municipally-owned property. Any such lease shall be for a term and upon the conditions provided by resolution of the governing body.

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 was published as required.

Discussion:

The rental lease rate will be \$532.48 per year for 2020-2024 with annual increases as approved by the City Council. The lease amount may be adjusted by the Brookings City Council for future years, and the lease is payable the last working day in January of each year. The City of Brookings may terminate this lease with a notice of 60 days to the lessee.

Legal Consideration:

None.

Financial Consideration:

The City will enter into a Lease Agreement with Madison Aircraft, LLC, for a period of five (5) years, ending 12/31/2024, for the lease rate of \$532.48 per year starting in 2020 and increased as adopted by City Council. The revenue is deposited in the airport fund.

Options:

The City Council has the following options:

1. Approve as presented
2. Deny

Recommendation:

Staff recommends approval of the resolution as presented.

Action Requested:

Approve the Resolution of Intent to Lease Real Property at Brookings Airport to Madison Aircraft, LLC.

Supporting Documentation:

1. Resolution
2. Notice