

City Council Agenda Memo

From: Mike Struck, Community Development Director

Council Meeting: March 10, 2020

Subject: R & T Center Lease – Brookings Backpack Program

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

Summary:

The Brookings Backpack Program is a non-profit entity providing free meals to children and youth in Brookings County, who may not have enough food to eat at home by providing them with easy to prepare weekend meals and snacks throughout the year. The program is looking for a new location as their current location has been leased by another business.

Background:

The Brookings Backpack Program is seeking available space in the Research & Technology Center to store and package weekend meals and snacks for area youth. The program has benefited from the generosity of local property owners throughout the years. The program is seeking to relocate as the current location has recently entered into a lease agreement with a business.

The City is proposing to lease space in the Research and Technology Center located at 813 32nd Avenue to the Brookings Backpack Program. The lease will be on a month-to-month basis for a period not to exceed one year. Staff is proposing a lease rate of \$0.00 with the tenant responsible for utilities. The Notice of Public Hearing was advertised one time 10 days prior to the hearing. This resolution will allow the City to enter into a lease agreement with Brookings Backpack Program on a month-to-month basis.

Discussion:

The space is currently vacant and not actively being marketed as the Research and Technology Center is scheduled for demolition in 2021. The Brookings Backpack Program is a non-profit entity providing free meals and snacks to Brookings County youth.

The City has the ability to enter into lease agreements with private entities. The original mission of the Research and Technology Center was as a business incubator; however, the grant restrictions have been removed upon the expiration of the lien. The City has the flexibility to utilize the facility as it deems appropriate.

Legal Consideration:

The following statutes provide guidance for municipalities leasing property.

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.

Financial Consideration:

The space is currently not generating revenue. The City is paying utilities associated with the space as a minimum temperature needs to be maintained due to the fire suppression system.

Options:

The City Council has the following options:

1. Approve as presented
2. Approve with recommended adjustments
3. Deny
4. Do nothing

Recommendation:

Staff recommends approval of the Resolution of Intent to Lease Real Property to the Brookings Backpack Program.

Action Requested:

Approval of Resolution 20-028, authorizing a Lease Agreement with the Brookings Backpack Program.

Supporting Documentation:

1. Resolution
2. Lease Agreement
3. Notice of Public Hearing