

# City Council Agenda Memo

**From:** Jackie Lanning, City Engineer

**Council Meeting:** December 8, 2020

**Subject:** Resolution 20-106: Intent to Lease Real Property to Lyle Bothe in Section 11-T109N-R50W (Main Ave. S. & 32<sup>nd</sup> St. S.)

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

**Summary:**

This resolution will allow the City to enter into a contract with Lyle Bothe for the City Hay Land Lease in Section 11-T109N-R50W for 2021 and 2022 with the option to renew for two additional one-year terms for 2023 and 2024.

**Background:**

The City awarded a contract to Lyle Bothe on November 10, 2020 to lease 18 acres of hay land in the Section 11-T109N-R50W, for the bid price of \$52.50 per acre. The parcel is located southeast of the intersection of Main Avenue S. & 32<sup>nd</sup> Street S. The City leases the property for haying operations which provides for extra income for the City as well as provides for weed control.

**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:**

None.

**Strategic Plan Consideration:**

The hay lease furthers the strategic initiative of financial responsibility, whereby the City receives revenue from the lease. The person providing the hay removal also provides weed control, thereby saving City staff and expenses for the weed control operations.

**Financial Consideration:**

The City will enter into a two-year contract for 2021 and 2022 with Lyle Bothe for the high bid of \$52.50 per acre for 18 acres resulting in the annual payment of \$945.00. The contract may be renewed for two additional one-year terms, for 2023 and 2024.

**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

Hearing Notice

Map