

**MINUTES FOR THE RAPID CITY REGIONAL AIRPORT BOARD OF DIRECTORS**  
**Rapid City, South Dakota**  
**Friday September 6, 2019**

**ROLL CALL AND DETERMINATION OF QUORUM**

MEMBERS PRESENT: Darren Haar, President; Rod Pettigrew, Vice President; Michelle Thomson, Member and David Gustafson, Member

MEMBERS ABSENT: Shawn Gab, Secretary

OTHERS PRESENT: Patrick Dame, Airport Executive Director; Toni Broom, Airport Finance and Administration; Chris Deitz, Airport Operations; Becky Drury, City Council; Carla Cushman, City Attorney; Don Rydstrom; Westjet; Linda Rydstrom, Westjet; Miranda Maleki, Westjet; Sidney Owen, Westjet; Rod Senn, KLJ; Tom Schauer, KLJ; Jeff Hartz, Mead & Hunt; Les Mittleider, L&D Aero; Brook Stromer, Stromer's Storage; Lisa Houghton; Dr. Bert Corwin; Gary Telkamp; Jim Schroeder; David Schweitert; Bill Evans, Rapid City Council; and Lindsey Martin, Airport Administration

**ADOPTION OF AGENDA**

Motion to approve agenda as presented made by Thomson, second by Pettigrew, motion carried.

**GENERAL PUBLIC COMMENT**

Jim Schroeder stated the Board needs to be more involved in replacing the T-Hangars that are being torn down. He recommended giving more favorable lease terms to Westjet if they were to replace them.

David Schweitert had three questions for the Board. 1) What is the status of the driving lanes on the general aviation ramp from Westjet to L&D Aero? Dame stated the lines were removed and will not be replaced and where to drive will be included in the driver's training program when a badge is received. 2) What is the status of runway 5-23? Dame stated there is no longer funding from the FAA to maintain runway 5-23. The expense now is solely the Airports. 3) With regards to the hangar situation, Schweitert stated Rapid City general aviation is not growing although it produces many operations. It is cost prohibitive for private individuals to produce hangars and the Board needs to step up.

Bert Corwin stated the airport could lose 32-based aircraft with the T-Hangars coming down. They need the Boards help to get hangars going.

**ROUND TABLE ITEMS**

- 1) Air Service Presentation – Dame reviewed the Airport's role in operation, the makeup of Board positions and the general powers of the Board. Jeff Hartz discussed RAP's air service including domestic flights/seats by airport size, declining airfares, fleet trends, an overview of RAP monthly enplanements, traffic/capacity trends, the top O&D markets from RAP year-end 1Q 2019, regional average fares, Summer 2019 service levels and potential new opportunities for destinations. Hartz also discussed RAP air service development efforts that include monitoring flights and fares on a regular basis, meeting with incumbent and new entrant airlines at both headquarters and industry conferences, and analyzing new route opportunities.
- 2) Mayor's Address to the Board – Mayor Allender said Rapid City is growing and the Airport is performing. He praised the Board, Director and Staff for their work.
- 3) FAA Grant Assurances Presentation – Tom Schauer discussed what FAA Grant Assurances are, why we have them, what are the key assurances and common mistakes Sponsors make. Grant Assurances are in place to preserve public interest in aviation and investment.

- 4) Review of 2018 Strategic Plan – Dame reviewed key points from the strategic plan completed in 2018. Items included the vision, mission, strengths, weaknesses, opportunities, threats, and goals. Some of the rising business threats at the airport are transportation network companies and peer-to-peer car sharing as 53% of the airports revenue are derived from the car rental and pay parking concessions.
- 5) Airport Development Presentation – Tom Schauer discussed options for future development of the Airport. RAP is unique because it has a finite amount of land available. RAP is located on a butte with limited easily developable land. Some of the key developments to consider are utilities, terminal expansion, GA area expansion/reconfiguration, pavement to and aircraft when primary runway is under repair, reconstruction of terminal apron, cargo/firefighting staging area and support facilities such as a hotel, QTA and parking. The Board needs to formalize a firm decision on hangars.
- 6) Key Performance Indicators – Dame reviewed current fund balances, outstanding bonds and the makeup of airport revenues and expenses. In comparing 2015 to 2018, revenues have grown 24.5% and expenses only grew 8.73%. Staff does a great job of keeping expenses low. One key point was that 92.83% of all aeronautical revenue comes from the airlines. Another came from the general aviation revenues. Of the total revenue received for land rent, two tenants pay 56%, six tenants pay 79.5% and the remaining 20.5% comes from 21 tenants.
- 7) Future Goals, Objectives and Additions to the Strategic Plan – Dame said there could be consideration for a seven member board in the future to include members from outside the city limits, or from surrounding counties. The Board needs to look internally and decide, “Who do we need to be?”
- 8) Airport Board President Remarks – Haar said these are exciting times in Rapid City with the B21, DUNE project, hospital expansion, Black Hills Energy expansion and the Ascend Center. This is a robust community that is going to see a lot of growth, and the Airport needs to grow with it. Things are going very well at the airport. He encouraged everyone to work together. The airport staff has the support of the Board, Mayor and Council.
- 9) Direction to Staff – Haar stated the Board needs to dust off the planning process, look at the forecast, readjust, and extrapolate growth we have. What are the big things? The Board also needs to make a decision on hangar development.

## **ADJOURNMENT**

At 1:41 pm Thomson, made a motion to adjourn, second by Gustafson, motion carried.

Respectfully submitted,

Michelle Thomson  
Member