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<th>Letter number</th>
<th>Comment</th>
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<tr>
<td>1</td>
<td>Airport management is anti-general aviation / airport management has responsibility for decline in general aviation</td>
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<td>2</td>
<td>Airport management should keep general aviation affordable / should not charge market rates / should promote general aviation as a matter of policy (economic development or otherwise)</td>
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<td>3</td>
<td>Airport management should reinvest funds from rate increase in general aviation facilities</td>
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<td>4</td>
<td>Lease term should be greater than 5 years</td>
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<td>5</td>
<td>Rate increase should be phased in</td>
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<td>6</td>
<td>Board should have regional representation</td>
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<td>7</td>
<td>Study benchmarks not representative</td>
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<td>8</td>
<td>Magnitude of rate increase is too high / unfair / not affordable / will cause lost business</td>
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<td>9</td>
<td>Opposition in general (unspecified)</td>
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<td>10</td>
<td>Timing of rate increase not ideal due to COVID-19 pandemic and likely recession</td>
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<td>11</td>
<td>Opposition to proposed reversionary clause</td>
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<td>12</td>
<td>Federal and other funding will decrease</td>
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<td>13</td>
<td>Airport should use win-win approach</td>
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<td>14</td>
<td>Airport should charge general aviation users cheaper rates because they do not require the same airfield facilities as airlines</td>
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<tr>
<td>15</td>
<td>Airport does not provide adequate services</td>
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I have had an airplane hangared at RAP since 1993. Last year my 1976 Piper Arrow was hangared in the T-hangars that are now torn down. I was paying $222 per month. I am now in WestJet hangar 3 and pay $292 per month. Hangar 3 is a large modern heated hangar designed for larger aircraft. While $292 is a fair rate for a heated hangar, it is more practical for me to be in a less expensive non-heated T-hangar.

The Frasca report acknowledges the decline in GA at RAP. I ask for your support to stop this decline. If Rapid City would commit to replacing affordable T-hangars with the additional revenue from increased rates, I would certainly be relieved.

It is important for young people attempting to get into aviation to keep the cost down. The FAA requires a captain on a major airline to have a minimum of 1,500 hours of flight time. It takes a tremendous amount of money, time, and effort to get to 1,500 hours. There currently is a pilot shortage and more people are needed to enter the pilot profession. New pilots are being trained at RAP.

I recently checked cost and availability of GA hangars at Sturgis, Spearfish, and Hot Springs. Sturgis charges $159.50/month with no availability. Spearfish charges $215/month with 8 people on the waitlist. Hot Springs charges $175.73/month with no availability. RAP provides much more services so naturally rates should be higher, but if the rate gets too high, people will be forced to leave aviation. Any sane person with my income would have sold their plane years ago.

Again, I ask that you help stop the decline in GA at RAP.

Thanks for your consideration,

Jim Schroeder
Matt, Thank you for your recent email inviting me to join the GA focus Group. I have been a long time GA hanger tenant having built my hanger in 1986. I wanted to attend the open meeting last Tuesday from 4-6:00. I had picked up and reviewed the two appraisals from Airport Administration and prepared my concerns regarding your report on the RAP GA Rates and Charges Study. I had planned to fly to my satellite clinic in Pierre last Tuesday with plans to fly home by 4:30 to listen to your presentation and discuss my concerns. Unfortunately the weather didn’t cooperate. Due to snow clearance priorities the Airport couldn’t provide access to my “unimproved” lot in time for my departure, so we had to drive to Pierre and I was unable to return (driving) until after 7:00 pm. As much as I would like to join the focus group, I am out of town the week of March 14-22, so can’t attend the first meeting on the 18th. Depending on dates I should be able to attend the second meeting, but will need to schedule around the date when it is known.

My Concerns: 1. Length of lease needs to be more than 5 years. Short lease will stifle new hanger development and devalues existing high quality hangers. Existing hanger owners with short leases will be reluctant to maintain and improve their hanger space. Best use of the hanger area is airplane storage and I don’t see that changing significantly in the future. 2. Leased hanger space should not include TOFA as indicated by the Wilson Appraisal. 3. My Hanger (4055 Burdine Hanger Ln) had been deemed “unimproved” since it did not have gas, water, or sewer. I installed a propane tank that was used for many years until natural gas was brought to the GA area and I installed natural gas at my expense. Still don’t have water or sewer, but would like it if it became available in my hanger row. 4. I have been paying “unimproved rate” of around $0.13 sq ft, but would be happy the pay the higher “improved” rate of around $0.27 sq ft for my space (less the TOFA) if water and sewer can be brought to my lot line. I applaud the efforts to make the land leases more equitable, but the spaces need to be equivalent in their services. Thank you for listening to my concerns, let me know about future focus study dates.
Sincerely,

J Geoffrey Slingsby, MD

Please strongly consider offering longer terms for the hangar leases. Anything less than 30 years for new construction would be hard to accept. For current leases, I would like to see no less than 10-15 year on renewal. Also, can these high increases in rent be spread out over a 10 year period. Raising rent this much all at once just seems to be a negative business practice.

Gregory Scherr
Comments: I am a hanger owner at RAP and have been for years. General Aviation infrastructure and GA support has had a checkered history at RAP in the 25 years I have been there. Many of the proposals and rates have been driven by FBO monopoly and political insider good old boy deals. This started to change with the new Airport master plans and some proposals were implemented after much letter writing and hand wringing. Such as self serve fuel. Some things are still slanted such as the requirement that all Airport Board members be residents of Rapid City at a regional airport that services a large area. Maybe 1/2 of the members should be regional?? Many of the users and tenants do not live within the Rapid City borders. When I moved here from Minnesota I could not believe how fractured the aviation community was when we're all in this together. In Minnesota (I still have a hanger there) the airport culture is helpful and open. In Rapid City it is not and is largely an "us vs them environment." As ex FAA ATC I can tell you that ATC services are based on traffic count. With the culture we have at Rapid City which largely discourages GA and the new proposals coming forward that are not GA friendly it does not look good. Without a healthy GA community at Rapid City the traffic count will drop significantly. If the idea is to promote the Rapid City Airport to the airlines and business jets you should be looking at trying to improve weather reporting and ATC service so the airport can be fully utilized 24 hours a day. In order to do this you need a robust General Aviation community and increasing traffic count. Building a hanger or basing a GA aircraft at Rapid City is already prohibitively expensive and it looks to be getting more so. All one has to do is look and see there are no persons or companies trying to build and rent GA hangers at Rapid even though there is a definite shortage. Why do you suppose that is? All major airports that are now largely airlines and business jet orientated such as MSP and ORD had a growing period of years with a robust GA community and now have satellite GA airports as the cities grew and the airports became over utilized. We do not have that problem and will not for a long time. The airport should be trying to promote GA and get a robust general aviation community with at least 2 FBO's and many more hangers and maintenance options. Looks to me like we're headed in the wrong direction. I do not have an ax to grind in this as I have sold my airplane for health reasons and will be divesting myself of all my airport property. Thanks for your consideration, Brad Docken

Comments: Just a positive suggestion to supplement my earlier comments. With a huge pilot shortage now and in the future forecast for both the Airlines and Military maybe we should be trying to capitalize on this instead of trying to run general aviation off the airport? Thanks again for your consideration - Brad Docken

Brad Docken

The Rapid City Airport Board needs to compare other airports in SD to RAP instead of other airports in similar size across the US. I understand the need to increase rent, but that rent for the ground should be shared equally between the FBO's and other general aviation parties. Further, the BIGGEST deal, is we really need a 25 to 35 year lease on ground under new hangar construction, and a minimum 20 year lease for existing hangars. I was going to buy a hangar last year, but I couldn’t get financing due to the 5 year lease (maybe 10 years...) that I was told I would get at a maximum.

Craig Goodrich
March 12, 2020

RE: GA Rates and Charges proposal

Dear Sir/Madam:

I have been at this airport for 39 years and have never seen so much anti “General Aviation”, as the current administration.

I am currently paying $2523 in rent per month, so of course would not be in favor of a huge increase in rent. Obviously the airport does not need the additional income, as it was previously stated that they had set aside half a million dollars when looking for other investments outside of aviation.

Medical Air Rescue Company has been providing a service to the community for 37 years, in a business that has a bad debt ratio of over 40%.

Rapid Fuel keeps fuel prices down in the area. Compare the following:

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<tr>
<th>Location</th>
<th>100LL @ $</th>
<th>Jet A @ $</th>
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<tbody>
<tr>
<td>Our price</td>
<td>4.98</td>
<td>3.89</td>
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<tr>
<td>Aspen, Colorado</td>
<td>6.45</td>
<td>7.43</td>
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<tr>
<td>Jackson Hole, WY</td>
<td>5.99</td>
<td>7.39</td>
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<tr>
<td>Minneapolis, MN</td>
<td>8.08</td>
<td>7.71</td>
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No wonder these others can pay more rent.

Respectfully submitted,

Jerry Dale
Dale Aviation, Inc / MARC / Rapid Avionics / Rapid Fuel

1. The suggested rental rate is more than double the 2020 rental rate for my hanger rental rate. This is an unfair rate increase.
2. The lease renewal agreement term should be more than 5 year. At least 10 year.
3. Lease rental fees should be used for GA improvement and contribution to the hanger fund.

Bert C. Corwin
3-12-2020

David Schwietert, D.C., DABCI

Dear Airport Board,

I am opposed to your consultants findings of comparable airports, which seems to me to have been cherry picked for rates. It has been apparent to me for some time that it appears that the Board in its actions wants to get rid of general aviation (GA) at Rapid City. These proposed rate increases are just a part of the steps being taken and instituted that will result in GA being driven away, with the resulting affects of economic hardships to individual owners, multiple businesses, both at the airport and supporting businesses.

Though unable to attend in person your recent public presentation, I believe I have availed myself to your presented information. As someone who has been a hangar owner since the early 1970's and who also has had family who have owned since the 1950's, I believe that I can speak with some knowledge and history.

I have over recent years and on numerous occasions presented to the airport board, as well as individually to support staff, many of these concerns. I have also presented positive solutions, which seem to have fallen on deaf ears.

If the airport board was truly interested in GA, it would be taking a whole different approach than the one it has been on for the last number of years.

In conclusion, my hope for the future of the airport would be for all users and not just the airlines. While the airlines are important, you might find epidemics/pandemics and other disruptions dictating changes that are beyond your control. These adverse ramifications may make some future board wish they had not destroyed GA at Rapid City.

Sincerely,
David Schwietert. D.C., DABCI

Doug Kotinek

I strongly oppose the proposed Rates and Charges.

This increases the divisive relations between Airport Director/Board and the airport tenants.
To Whom it May Concern,

The proposed increase to Rates and Charges for General Aviation tenants is incredibly concerning. We are a small business, operating on razor thin margins with price sensitive customers.

We started this business in 2016 because of a distinct shortage in flight training and aircraft rental options. We have grown to a fleet of six aircraft and a handful of full and part time flight instructors. We provide high quality flight training from beginners to Airline Transport Pilots and everything in between. In addition we provide pilot services and an FAA written testing center, the only one in Western South Dakota.

Our clients come from a wide variety of backgrounds. Many think of learning to fly as a "rich persons hobby", but it's much more than that. I have trained truck drivers, construction workers and college students. As the uncertainty continues with COVID-19 and our already cost sensitive client base we cannot afford any increases in overhead.

The increased rates won't just drive out new students. Aircraft owners and operators will be forced to find alternate airfields to operate out of, or sell the aircraft. We anticipate clients with large piston twin and medium turboprop aircraft leaving our area all together. As other airports, such as Custer, receive more funding for better facilities we will become less competitive.

Should the rates increase in the drastic rate proposed we will be forced to take measures to combat the increase in overhead and costs. We would sell aircraft, move to another airport or a combination of both. Putting pilots and instructors out of work and further shrinking the aviation community in Rapid City.

We started this business because of our passion for aviation and sharing it with the community of Rapid City. We want to continue to provide these services to our clients and welcome new ones, but we know we cannot do so with increased costs.

Respectfully,

Miranda and Bijan Maleki  
Owners and Certified Flight Instructors  
Plane Training LLC
Below are the official comments from Westjet Air Center, Inc. regarding the proposed Rates & Charges that were presented February 25th, 2020.

Our ground lease rate would increase by approximately 1024%. This will cause a major impact on all of our tenants which include Air Carriers currently serving Rapid City.

- Rates will increase for fuel, maintenance and other services, making Rapid City less competitive for not only new based General Aviation customers but tourist/transient customers as well.
  - Tourist/Transient customers can choose to utilize Sturgis, Spearfish or Custer for airplane destination travel. Custer County’s proposed 10 Million Dollar Expansion will take business away from Rapid City Regional Airport General Aviation if rates are not competitive.
  - Tourist/Transient refueling customers can choose to utilize Pierre, Sioux Falls, Gillette, Chadron or Scottsbluff for their fuel stops.
    - Fuel stops bring more than fuel flowage and landing fees to the community. They bring passengers and crew that see the area and what to come back and experience all we have to offer.
  - Fuel, hangar and maintenance costs will increase to tenants already on the airfield.
    - Tenants could choose to fly to surrounding airports to obtain fuel at a lower price, or move their aircraft to another airport all together if Rapid City Regional Airport becomes unaffordable.
    - Tenants forced out of their hangars due to lack of new construction will move elsewhere and will not contribute to the RAP ecosystem at all.
    - Air ambulance will see an increase in rates, increasing the cost of immediate medical transport.
    - Corporate aircraft will see an increase which could discourage them from moving to or continuing to do business in Rapid City.
    - Two Flight Training providers would see an increase and could choose to move their operations to more favorable airports, losing up to 6 aircraft based at Rapid City.
  - Fuel and maintenance costs would increase to our Commercial Air Carriers, as they are the backbone of our business. Fuel pricing is one of the major concerns to the all Air Carriers.
  - Loss in revenue by decreased Aviation business and Passenger Loads will effect Passenger Facility Charges, Federal Funding and Grants, Airport Improvement Project Funding and Bonds.

United Airlines is speculating that with the Coronavirus, the conditions are lined up to be a harder economic impact than 9/11. Increasing the rates to the airlines during this critical time could cause catastrophic effects to all airlines in and out of Rapid City.

We have never had an objection to a fair rate increase. We received the rate we did because we did not get any assistance with any of our developments in the past from the city or airport. Other businesses at the airport in the past have had their lease fees waived or the utilities put in by the airport. We are required to maintain insurance limits that are 25 times higher than many other tenants and operate 24
hours a day, to name just a few examples. We would not have made the decision to expand our hangar and terminal building to the extent we did four years ago if we had known this was going to be the case. So many of our costs are fixed so the only way to absorb this increase is through higher costs of goods and services.

We are concerned because this type of rate increase to all operators at the airport can have the opposite effect by driving business away with noncompetitive rates. This cost increase has to be shared among all those that utilize the airport. We have lost based aircraft in the last few years, to the point that Spearfish and Sturgis combined, now have more based aircraft than Rapid City which also reduces revenues and many other aircraft will be without hangar by the year end.

*Linda N Rydstrom
President
Westjet Air Center, Inc.*

Increasing the rates at the current proposal would have a large negative impact on the small business and general aviation community at our airport. I understand if the board needs to increase rates. Using a gradual increase over years would be a much better decision. To instantly make a large change is not reasonable or economically wise for our airport.

Jayme Scherr

Comment relative to land lease rates:
I have had an airplane and hangar at Rapid City Regional for a number of years. It has been my impression that the airport has not been General Aviation friendly. It has made it nearly impossible to any right thinking mind to conceive of building a hangar. This has put clamps on growth of the airport. The reversionary clause being sought is unrealistic for growth. The financial impact of general aviation should be revealed. It appears that only airline traffic is being cozied up to. If there are negative opinions about the airport from the general aviation community, it is not hard to understand.

Curtis Groote
12 March 2020

Dear Sir/Madam;

A few years ago, I looked at building some T hangars at the airport. The project was scrapped when my projections indicated a no better than 2% return over 20-25 years in the best of circumstances. This figure was obtained without inclusion of loan or lost opportunity cost. I concluded that the Airport Authority either had no real interest in fostering projects of this kind or lacked even a vague idea about the finances involved. Either case should be regarded as unacceptable.

The consultant (from Frasca, I recall) was at best ill informed and at worst duplicitous to suggest the FAA looks askance at lease terms of more than thirty years. It was pointed out by an attendee at the Holiday Inn meeting that the figure is actually fifty years. The consultant’s reaction left me with the impression that she was aware of the true fifty year figure. She suggested that lease rates per square foot should be the same for all users and that differential length of lease should be used to compensate for level of investment, but I saw no terms in excess of 25 years suggested in her presentation.

The consultant indicated that the cost sharing should be fair to all users. It should be considered that the RAP runway cost is two to three times what would be necessary to almost all of our general aviation users. This should be considered during cost apportionment. There are other obvious examples.

Many at the Holiday Inn meeting found the consultant’s use of Jackson Hole and Aspen as airports of comparison for Rapid City to reflect at best a profound ignorance of the differences in GA at these airports and at worst, a deliberate prevarication constructed to provide a preordained conclusion for airport administration.

Respectfully submitted,

Tom Fulbright
Commentary on Rapid City Regional Airport (RAP) General Aviation Rates and Charges Survey

I am a private pilot who has based an aircraft at RAP since moving to Rapid City in 1995. I rented hangar space from others until 2012 at which time I purchased a hangar which had 10 years remaining on a 25-year lease. My current lease expires in 2022. My intention is to continue to be an active pilot and base an airplane at RAP for another 25 years. Since I will be directly affected by decisions made by the Airport Board based upon the Frasca and Associates study, I have reviewed the study in its entirety, not just their executive summary. The executive summary provides an incomplete, and in some areas completely incorrect summation of the material content of the entire study, particularly Frasca’s reporting of the two assessors’ reports. Additionally, pertinent FAA material was minimized regarding the FAA’s requirements for airport sponsors’ leasing of airport property for aviation purposes. My comments are limited to the materials related to private aircraft storage. I am not commenting on the SASO or FBO portions of the study.

There are two, fundamental areas in which the Frasca study fails in its justification that the ground lease for private storage hangars should be increased to $0.30/sq.ft. The first is their failure to recognize the effect of a lease’s length on rental rates, and the fact that RAP’s current standard lease is for only five years, and second is their conclusion that the proposed rate is “fair market value” and is representative of the FAA’s position for the establishment of ground leases at airports that receive Airport Improvement Project (AIP) funding.

**Term of Lease**

Both the Shaykett and Wilson appraisals describe the typical airport lease to be for a 25 to 30 year length. In fact, Wilson states that the implied ground lease term is *minimum* 25 years (pg. 1 and 4). The intent for this length is because at the end of the lease, the improvements revert to the Airport, so there needs to be an adequate period of time for the structure to have been in use by the tenant to make it worthwhile to invest in a hangar structure in the first place. Indeed, on page six of its executive summary, Frasca states that, “The useful life of the investment is usually the most logical time period to use as the term for a lease agreement.” The next sentence describes extending the term of the lease to allow, “…the tenant to amortize its investment.” Useful life of an investment and its amortization schedule is defined in the IRS amortization schedules. A hangar structure’s defined life, and its corresponding amortization period is 39 years. Even a simple concrete pad’s amortization period is 15 years. RAP’s current, standard lease is for only five years. Based upon the statements made by the Frasca presenter and airport administrators at the public open house on February 25th, that lease term is not expected to change despite lease length being an integral component of both appraisers’ assumptions. Wilson went so far as to place length of lease as one of his “extraordinary assumptions...which, if found to be false, could alter the appraiser’s opinions or conclusions.” (pg. 4)

RAP’s current and future policy of 5 year leases (based upon the airport administrator’s comments of February 25) is by far the shortest lease period of all of the comparable airports in
the Wilson report. In fact, of the 13 airports for which he sought comparables, the *average* ground lease is 31.5 years (pg. 83-84). Frasca’s executive summary falsely states that RAP’s current standard lease agreement “…provide for the adjustment of the rental rate every five years pursuant to the findings of a Rent Study to establish market rental rates”. That is a flagrantly erroneous statement; the current standard lease is for five years at which time any improvements to the land revert to RAP. With a lease term of only five years, there is no incentive to build a new hangar, or even to upgrade an existing hangar.

When I pointed this error out to the Frasca presenter, she stated that lease length is independent of lease rates, and that lease length is only a function of the value of the improvements placed on the property. Airport administrators further expounded on this line of thinking, stating that the lease length is a negotiated item that depends on the quality of the structure being built. This is false and dangerous logic; to introduce a subjective standard of “investment quality” to lease terms opens the airport administration up to claims of favoritism, elitism, and cronyism and invites FAA investigation for not treating all classes of users equally. All structures must comply with the Airport Governing Documents and Minimum Standards; the fact that a tenant may choose to have an epoxy coated concrete floor, LED lighting, and R-24 insulation should have no bearing on lease term. Neither appraiser even alludes to this line of thinking, much less endorses it.

“Fair Market Value” to Determine Ground Lease Rates

Frasca’s executive summary mischaracterized the FAA’s position of the methodology used to determine lease rates. The FAA Airport Compliance Manual, FAA Order 5190.6B contains the pertinent language regarding an airport’s fee structure. Frasca selectively chose portions of this document to support their recommendations. A complete reading of the document reveals a far different picture.

Order 5190.6B states that airport sponsors must maintain a fee and rental structure that makes an airport as financially self-sustaining as possible, acknowledging that for some airports, this is not possible due to the individual circumstances of some airports. Commendably, RAP has been successful at being self-sufficient as demonstrated in their 2020 budget. Revenues from airport operations not only cover airport expenses, but the budget shows a surplus of more than $1.6 Million. The FAA Order also states that “Some airports may have sufficient market power to charge fees that exceed total airport costs. In establishing new fees and generating revenues from all sources, sponsors should not seek to create revenue surpluses that exceed the amounts required for airport system purposes…”, and “The progressive accumulation of substantial amounts of surplus airport revenue may warrant an FAA inquiry into whether aeronautical fees are consistent with the sponsor’s federal obligation to make the airport available on fair and reasonable terms.” More specifically, section 17.10 states:

**Rates charged for Aeronautical Use.** Charges for aeronautical uses of the airport must be reasonable. For aeronautical users, the FAA considers charges that reflect the cost of the services or facilities satisfies the self-sustaining
requirement. Accordingly, the FAA does not consider the self-sustaining obligation to require the sponsor to charge fair market value rates to aeronautical users.

Later, in that same section:

Aeronautical fees for landside or non-movement area airfield facilities (e.g., hangars and aviation offices) may be at a fair market rate, but are not required to be higher than a level that reflects the cost of services and facilities. In other words, those charges can be somewhere between cost and fair market value.

Frasca’s asserts in its executive summary that their recommendations of charging market rates represents “industry best practices” and so therefore should be accepted. Is it industry best practice to violate FAA regulations? Though both appraisers obtained their data by surveying comparable airports, the methodology by which each of those airports determined rental rates is unknown. Perhaps some, or all, used the FAA recommended cost approach, and as each airport’s circumstances are unique, that explains the wide variation in rental rates between the various airports. If airports were a true market in competition with each other, and each airport determined rates based on “true market value”, then the rental rates would be very close to each other and not display the wide range that is seen amongst the various airports. The very concept of “market value rates” is not valid at many airports, particularly at RAP where there is no competition in the area. The concept of market value relies on an “…open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither compelled to buy or sell…” (pg. 8). Airports function more like utilities, where there is little or no competition for the needed service. That is why utility rates are subject to the control of public utility commissions, whose responsibility is to allow the provider of the needed service adequate income to provide the service, but not allow them to charge rates that only a select few can afford. That philosophy is reflected in the FAA’s Compliance Manual.

Clearly, the FAA allows an airport sponsor some latitude in its fees and charges. It is up to our Airport Board and ultimately, the City Council to decide. That decision should be based on the long term goals and needs of those the airport serves. To most of the general public, their vision of airports is the beginning or end of a trip on a commercial airliner. Most don’t understand the vital importance that general aviation has to the local community. To concentrate on one segment of aviation, such as commercial operations to the detriment of general aviation is short sighted and dangerous. Wilson astutely describes the positive effect that general aviation has to support the infrastructure of an airport. Additionally, he soberly describes the likely decline in based aircraft at the airport. His description on page 26 is prescient:

“While the commercial segment of the market at RAP is growing, activity in the general aviation segment, as measure by based aircraft and operations, appears to have remained constant for decades and may be poised for some contraction with the imminent demolition of some aging T-hangars. As of the date of this appraisal, there were no plans to replace those hangars, either from the public or private sector. Since
virtually all of the GA aircraft are stored in hangars at RAP, a reduction in based aircraft appears nearly certain in the short term. To the extent that the t-hangar subtenants are displaced, this will result in decline in demand for local services for the FBO and SASOs at RAP. This, in turn, tends to put downward pressure on airport real estate rents and values for parcels restricted to these uses. Based aircraft form the airport businesses’ backbone customer base. On the date of this appraisal there were nine such businesses (SASOs) at RAP catering to that base. An expanding GA segment would have the opposite effect on rents and values. So, while the supply and demand equation for the GA segment appeared to be in equilibrium on the date of value, this situation is expected to deteriorate to the extent that based aircraft leave the airport.”

General aviation operations are responsible for the majority of the total aircraft operations at the airport, and based aircraft are responsible for the majority of general aviation operations (pg. 47). FAA Airport Improvement Projects (AIPs) and their funding are determined in large part by the number of operations at an airport. So, while passenger counts may increase due to the addition of commercial flights or by the carriers’ use of larger capacity aircraft, they do little to increase the number of operations at the airport. Wilson states that RAP currently functions at 22% capacity. Loss (or gain) of general aviation activity will have a much greater effect on that number than that of the airlines.

The primary goal for all stakeholders in the future of Rapid City Regional Airport should be to increase the numbers of all aircraft operations. Pricing for aircraft storage should be designed to enhance RAP’s desirability to attract new tenants, for which there is plenty of available space. The more based aircraft, the more revenues are provided to the airport via fuel flowage fees, the improved economic stability of the FBOs and SASOs, the more attractive AIP grant requests will be viewed by the FAA and the economy of the entire area. Should rental fees be increased over that which is being charged today? Unless the lease lengths are corrected to reflect those which are usual and customary, then the answer is a strong NO. If the lease lengths are adjusted appropriately, then a fee increase is reasonable. Should the Airport Board and City Council charge the entire amount recommended by Frasca? The short-sighted approach would be to go ahead and charge that now, and be responsible for the continued downward spiral of general aviation operations at RAP. For those citizens interested in improving the long-term viability and sustainability of RAP, the correct approach would be to do everything possible to increase the number of based aircraft, and make the airport a more desirable place for general aviation operations. This approach is most consistent with the FAA’s Compliance Manual, where charges should be “...somewhere between cost and fair market value.”

Thank you for your consideration.

Stephen Eckrich
Rapid City, SD
March 13, 2020 at 12:15 pm.

**RE: Rates and Charges Public Comments**

Dear Rapid City Regional Airport Board of Directors,

With the overnight economic CRISIS and worldwide pandemic, this is not the time for any business changes.

It is in the best interest of Rapid City Regional Airport to postpone any economic impact on the Airport and its Tenants. Especially Rates and Charges.

These are times of emergency, and leadership needs to focus on stabilizing the impact by putting issues such as Rates and Charges on Hold.

This is not a Time Sensitive decision. Rates and Charges can be reviewed with Tenant and User Meetings at another time in the year.

Please consider this request as a Leadership decision.

Thank you,

Lisa

---

**Lisa Modrick**  
*Director of Operations*
Comments in regards to General Aviation at Rapid City Regional Airport:

Almost every time that I go out to the airport I hear someone complaining about someone or something in regards to how it impacts General Aviation. It is either what the airport is or isn’t doing (Staff and Board) to GA. I think there is some basis to many of these comments and at other times there isn’t. I clearly understand that the airport cannot be everything to everyone at all times. I do however think that the time has come for everyone to set all of their personal issues and hurt feelings aside and move on and do what is best for the airport and Rapid City. Being a general aviation user, I admittedly think that we are of some value to the airport and community. I just don’t see a negative side of having general aviation on the airport, it brings revenue and people to the community. We don’t need to be making flippant comments along the lines that people always have the option of going to Sturgis or Spearfish if they don’t like Rapid City, this does not benefit or elevate Rapid City. Personally, I don’t have so much of an issue with land lease increases, so long as that does not drive people and business away. If we are just looking at the additional income generated from rate increases (after deducting the consulting costs) and we lose customers and fail to attract new ones, I am not sure that would be a good business decision but might very well be shortsighted. The airport staff and board is doing a lot of great things for the airport and the community, and you don’t always get the thanks that you deserve, but we can always strive to be better. If we can go forward together we can all be winners and more importantly so can the airport and Rapid City.

Respectfully submitted,
Gary O. Telkamp (garytelkamp@gmail.com)
605-381-5530

PS: Attached are some statistics that came from AOPA, which I was not aware of and found to be interesting.

- General aviation (GA) is all civilian flying except scheduled passenger airline service.
- An estimated 65% of general aviation flights are conducted for business and public services that need transportation more flexible than the airlines can offer.
- More than 90% of the roughly 220,000 civil aircraft registered in the United States are general aviation aircraft.
- More than 80% of the 609,000 pilots certificated in the U.S. fly GA aircraft.
- *General Aviation generates more than $150 billion in economic activity annually and creates 7.6M jobs.
- *Nationally, civil aviation contributed 5.1% of the GDP, but at the state level, the value of contribution to a state’s GDP ranges from a high of 19 percent (Hawaii) to a low of 0.5 percent (Delaware).
March 13, 2020

My name is Dean Beresford, Chief Pilot for Moyle Petroleum. We operate a Lear 45 based at Rapid City Regional Airport. I have been in the Business Aviation field for over 35 years.

During my career I have never seen an airport that does not acknowledge and support the importance of General Aviation. A perfect example is the airport landing fees for General Aviation aircraft that weigh over 12,500 lbs. Very few airports charge landing fees to general aviation aircraft, and if they do, they exempt based aircraft and military aircraft. The new proposal on land lease fees is just another example of airports not supporting General Aviation.

These proposed policies do not encourage economical growth to General Aviation. For each additional aircraft based at Rapid City Regional it can add economical benefits to Rapid City in fuel sales, maintenance, etc.

Black Hills Power aircraft is based in Omaha and dead heads empty to provide travel to their employees in Rapid City. They operate the same jet as we do and the two hours round trip from Omaha isn’t cheap. They do not base their jet here because of fees. NBAA fact, as published in there no plane no gain, is a comprehensive advocacy initiative for business aviation communities. A single business aircraft can bring an airport and its community 2.5 million in economic benefit. Do you think a major corporation doesn’t look at the cost of operations before they decide to base an airplane and expand or move their corporation headquarters, open a plant, or do business with customers in Rapid City?

In closing, the health of Westjet is a large part of this puzzle. I see Westjet as a creditable status to the airport and if their costs go up they will pass it on to the consumer and flying into Rapid City will become even more expensive. Westjet capital expenditures to their facility and their experience, rates them high in my book. I have been flying into FBO’s all my life and the last thing I want is for one of the big three FBO’s to move in getting huge Internal fees for ramp charges, handling costs, in addition to higher airport landing fees etc. It’s always best to support our local business as well.

Thank you for your time in addressing this matter of importance.

Respectfully,

Dean Beresford
Moyle Petroleum
Regarding lease policy by RCRA administration.

Please forgive the late reply, am out of the country, and have been delayed due to travel restrictions and poor connectivity related to Chinese data firewalls. I appreciate consideration of these inputs.

I have been a part of the Rapid City Aviation community as an aircraft owner, a hanger owner and an operator of military, FAA part 135, FAA part 121, and FAA part 91 private aircraft.

The current policies and actions related to the support of general aviation have forced me to forestall the acquisition of a light twin aircraft to be based at Rapid City regional airport, and to look at options to rebase existing aircraft elsewhere, as many other potential tenants already have, if the situation does not improve.

Losing aircraft and tenants is not only a loss of revenue to the airport, but represents an economic impact to Rapid City.

This is very disappointing and dreaded option, as like so many others, I consider Rapid City regional airport my “Home field”. Together with other members of the community we have supported the airport over the past decades in countless ways, from the quiet but persistent flow of our tax dollars, fuel purchases, and lease payments, to the more visible of planning and executing events, takeoff/landing operations, and nationwide aviation advocacy. Our efforts have have been recognized and supported at the highest levels of government.

It is not only GA revenue that the airport stands to lose by driving pilots and aircraft owners away - like many GA operators, I’m also one of RCRA’s most frequent commercial aviation passengers, flying annually to top tier of airline loyalty programs.

The current lease proposal is just one of many reasons that are driving pilots, owners and tenants to evaluate alternative locations. Leaseholds, which should be aviation friendly with viable long-terms and readily available, are being withheld or leveraged, with terms and conditions that discourage any prospective investment by private citizens. Maintenance operations, such as essential snow removal, allowing access to Aircraft and Airport surfaces, have suffered due to policy, and inexplicably high turnover of what is typically long-term, skilled employees. Pictures from this winter of blocked hangers and inaccessible taxiways due to degraded snow removal operations tell the story of an airport in decline with respect to quality of service. As the cost of operating on the field has gone up, so has fuel prices and maintenance costs, as vendors pass on the burden.

Most businesses would consider a 10% increase in prices enormous. The proposed Hangar lease price increases dwarf that. With the excessive amount of money that’s been spent on extra-administrational consulting, discretionary expenses, even money approved for the consideration of purchasing a half-million dollar residential property, without even submitting a business plan for public scrutiny, the request for an increase in Hangar lease rates cannot be seen to address a shortage in operating funds, but detrimental policy directed toward a group of tenants in the airport.
An airport should serve its community. The high cost of the full-time airport administration is justified by its service in making available and maintaining access of this essential infrastructure to the Aviation community - with the benefits, some intangible and even invisible, and multiplicative economic impact that aviation operations have for our community.

We have a shortage of hangers, and an aversion of aircraft owners willing to base at Rapid City regional airport. Hostile lease terms and increased rates degrade Rapid City's appeal for aviation business and represent at best an indifference to the voice of the aviation community.

Doug Bodine  
Rapid City SD

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Best