MEMORANDUM

TO: Airport Board
FROM: Patrick Dame, C.M., Executive Director
DATE: December 22, 2020
RE: Addendum #1 Extend Lease Trotter

The lease held by Drs. Schabauer and Trotter expires on December 31, 2020, and has a five year extension. Dr. Schabauer is assigning his share of the hangar and lease to Dr. Trotter, therefore, the five year option will be exercised with only Dr. Trotter.

The Assignment transferred the interest in the lease from Dr. Schabauer to Dr. Trotter. The attached Addendum #1 then extends the lease agreement for five years until December 31, 2025.

**STAFF RECOMMENDATION:** Staff recommends approval of Addendum #1 to extend the lease until December 31, 2025.
ADDENDUM #1
NON-COMMERCIAL LEASE & USE AGREEMENT
DR. LEE TROTTER

The Rapid City Regional Airport Board City of Rapid City (Board) and Dr. Lee Trotter (Lessee) entered into a Non-Commercial Lease and Use Agreement (Agreement) for a five year period commencing on January 1, 2016, and expiring on December 31, 2020, for the leased premises located at 4076 Hansen Hangar Lane.

WHEREAS, the Agreement expires on December 31, 2020; and

WHEREAS, the Agreement contains an extension option for one additional five year period; and

WHEREAS, the total square footage of the premises (5,715 square feet) includes the approach, or Taxiway Object Free Zone (TOFA), in the amount of 1,578 square feet; and

WHEREAS, the amount of billable square footage hereby excludes the TOFA square footage; and

WHEREAS, the Agreement has a Market Rent Adjustment clause based on the findings of a Rent Study; and

WHEREAS, based on the 2020 Rent Study, the Market Rate Adjustment is hereby applicable to the Agreement.

NOW THEREFORE, be it agreed by the Parties as follows:

The Parties agree that the Agreement dated December 22, 2015, remains in full force and effect, except as specifically modified by this Addendum. The total leased square footage of the premises remains at 5,715, with the Lessee responsible for the repair, maintenance and upkeep of the entire premises. The amount of billable square footage is amended to remove the TOFA of 1,578 square feet, for total billable space of 4,137 square feet as indicated on Exhibit A, attached and incorporated herein by reference. The annual rent is adjusted to the 2020 Rent Study as stipulated in Exhibit B, attached and incorporated herein by reference. The Agreement is amended to reflect that the term of the Agreement shall be from January 1, 2016 through December 31, 2025.

IN WITNESS WHEREOF, the Parties execute this Addendum this ______ day of __________________, 2020.

RAPID CITY REGIONAL AIRPORT BOARD

Darren Haar, Board President

ATTEST: ______________________
Shawn Gab, Secretary

DR. LEE TROTTER

Dr. Lee Trotter, Lessee
EXHIBIT B – Rent

Annual Rent for the first year of the Renewal Term of this Agreement is:

4,137 sq ft @ $.20689 = $855.92

Rate Calculation:

2020 Unimproved Original Rate: $0.13687
2020 Market Adjusted Rate: $0.27000
Amount of Increase: $0.13313
COVID 50% of Increase: $0.06657

January 1, 2021 Market Rate: $0.20344 (.13687 + .06657)
2021 CPI Adjustment of 1.70%: $0.20689
Final Rate for 2021: $0.20689

Rate will be implemented 100% at the full Market Rate, along with applicable CPI Adjustment, beginning January 1, 2022.
EXHIBIT A - 4076 HANSEN HANGAR LANE
LEASE PROPERTY - Dr. Lee Trotter

LOCATED IN THE SW 1/4 OF SECTION 17, TOWNSHIP 1 NORTH, RANGE 9 EAST, B.H.M.
PENNINGTON COUNTY, SOUTH DAKOTA
OWNER: RAPID CITY REGIONAL AIRPORT
SHEET 1 OF 1

Total Property: 5,715 sq ft
TOFA: 1,578 sq ft
Total Billable Space: 4,137 sq ft
Lessee responsible for entire Total Property for maintenance, upkeep and repair.

LEGEND

GROUP 1 25' TAXILANE

GROUP 1 78' TOFA

TOFA

N

DRAWN BY: GCH
CHECKED BY: RAS
DATE: 11/18/2015

PREPARED BY:
KLJ, INC.
330 KNOLLWOOD DRIVE
RAPID CITY, SD 57701-6611
(605) 721-5553

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