The Airport Board and General Aviation Committee have struggled for the past decade on the need for hangars and the appropriate entity who should construct those hangars. The desire of the existing Airport Board has been for private or business to do the initial construction of hangars. However, since new development has been stagnant, airport staff is recommending that the Board invest in and build one mixed use facility. This would help meet the need for hangars, corporate hangars and office space on the airfield, and possibly spur additional development.

The proposed facility would be constructed on Lot 49, the area designated for cargo in the upcoming Master Plan. It would include a garage entry, hangar door, and associated office space. The intended use would be to house air cargo, store aircraft of a multitude of size and meet any office need required by the users of the facility. The hangar square footage is estimated at 13,500 square feet, the office space at 5,000 square feet, and the associated land lease at 40,131 square feet. A preliminary exhibit of Lot 49 is attached.

We are estimating the cost of the hangar at $150 per square foot with a total range between $1,850,000 and $2,775,000. (A recent hangar constructed in Spearfish was just under $100 per square foot.) The final design and construction costs would be brought to the Board in the near future for approval.

The project is not FAA/AIP eligible and was not budgeted for this year. However, there are sufficient reserves in the airport capital fund to make this investment. The current balance of the capital fund is approximately $7.7 million.

**STAFF RECOMMENDATION:** Authorize staff to advertise for bids for the design/build of a new mixed use hangar to be located on Lot 49.
Proposed Lease Area Lot 49

SECTION 17, TOWNSHIP 1 NORTH, RANGE 9 EAST, B.H.M.
PENNINGTON COUNTY, SOUTH DAKOTA

OWNER: RAPID CITY REGIONAL AIRPORT

Proposed Lease Area Lot 49

13,500 SF HANGAR

5,000 SF OFFICE

40,131 SF

WEST JET TERMINAL LEASE AREA

WEST JET ROAD

PROPOSED

EXISTING UTILITY LEGEND

ELECTRICAL CONDUIT/CABLE
TELEPHONE CABLE
NATURAL GAS PIPELINE
WATER PIPELINE
SANITARY SEWER PIPELINE

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

DRAWN BY: GCH
DATE: 1/20/2021