MEMORANDUM

TO: Airport Board
FROM: Patrick Dame, C.M., Executive Director
DATE: February 9, 2021
RE: Letter of Engagement – DSR LLC – Daniel S Reimer

As mentioned at the previous Airport Board meeting, staff has been working to secure specialized aviation legal services. Attached herewith is an engagement letter with the firm of DSR LLC, Daniel S. Reimer.

Mr. Reimer is based out of Denver, CO, and specializes in matters of federal law and policy that dictates or guides aviation and airports. This includes federal statutes, regulations, orders, policies and the terms and conditions of contracts issued by the Federal Aviation Administration and the Transportation Security Administration. The scope of his work further includes legal standards under the U.S. Constitution and common law that similarly affect the ownership and operation of airports.

The initial budget for this representation shall not exceed $50,000.00. Funding will come from the Airport Enterprise funds.

STAFF RECOMMENDATION: Staff recommends approval of the Engagement Letter from DSR LLC, Daniel S. Reimer in an amount not to exceed $50,000.00.
Dear Mr. Haar,

This engagement letter sets forth the terms by which Daniel S Reimer LLC ("DSR LLC") will provide legal representation to the City of Rapid City and Rapid City Regional Airport Board (together “the City”), in connection with the governance, management, operation and development of the Rapid City Regional Airport (“RAP” or “Airport”).

Scope. The scope of this representation is limited to areas within DSR LLC’s experience and expertise, which includes matters of federal law and policy that dictate, guide or influence the City’s ownership and operation of RAP. This includes federal statutes, regulations, orders, policies and the terms and conditions of contracts issued by the Federal Aviation Administration and the Transportation Security Administration. The scope further includes legal standards under the U.S. Constitution and common law that similarly affect the ownership and operation of airports.

Daniel Reimer is not presently licensed to practice in the State of South Dakota and, as a result, this representation will not include issuing any formal legal opinion on matters of state law and/or representing the City in any state court or administrative proceeding. The parties may consider seeking admission pro hac vice in specific proceedings if warranted.

The initial budget for this representation is FIFTY THOUSAND DOLLARS ($50,000). DSR LLC will not invoice the City in excess of this amount without the City’s prior written approval. The budget may be increased without further amendment to this engagement letter.

The City may assign tasks and matters to DSR LLC on an as-needed basis. The City does not commit to any specific task or fee to DSR LLC. Notwithstanding the foregoing, tasks and matters that may be assigned to DSR LLC may include, without limitation, the following: advice and counsel on matters under the jurisdiction of the Department of Transportation and its Federal Aviation Administration, the Department of Homeland Security and its Transportation Security Administration, and the Environmental Protection Agency; work with relevant federal regulatory agencies on aviation and airport issues; counsel on airport governance matters; representation in legal proceedings and litigation support involving aviation or airport matters; the drafting and negotiation of airport use agreements, contracts, leases, policies, and other legal documents; and such other legal advice and legal services to the City as deemed necessary or appropriate.
**Payment.** DSR LLC will provide itemized invoices to the City by the fifth day of each month for fees and expenses incurred in the prior month, containing daily detail of the work performed. As a limited exception, DSR LLC will include expenses in the next regular invoice should the receipt or written support for the expense not be immediately available. Payment will be expected within forty-five (45) days by check, wire transfer, credit card, or Automated Clearing House (ACH) transfer.

Rates for this representation have been established in conformance with Rule 1.5 of the Colorado Rules of Professional Conduct adopted by the Colorado Supreme Court. Daniel Reimer’s rate for this representation is $300 per hour, billed in increments of one-quarter hour (and truncated to the nearest quarter-hour). DSR LLC represents that this rate reflects the lowest hourly rate currently offered to any DSR LLC client.

DSR LLC has available to it two additional attorneys who serve as independent contractors: Tom Devine and Lisa Rorden. Mr. Devine and Ms. Rorden may be called upon, with the City’s concurrence, to assist in tasks and matters performed under this engagement letter. Tom Devine’s rate for this representation is $350 per hour. Lisa Rorden’s rate for this representation is $225 per hour. Legal services provided by these independent contractors shall comply with all terms and conditions of this engagement letter. DSR LLC shall include fees and any expenses of the independent contractors directly in the DSR LLC invoice submitted to the City.

Necessary and incidental expenses will be billed to the City at their actual rate, without markup. DSR LLC will not charge for telephone, copying and similar expenses. DSR LLC will not charge for travel time not spent actively working on RAP matters. To the extent that any formula is used to calculate the City’s portion of an expense (e.g., for subscription-based online legal research), DSR LLC will explain in writing the manner in which the formula is calculated and the basis for the City’s allocated share of the expense.

DSR LLC’s rates will be subject to an automatic rate adjustment of 3% at the start of each calendar year, beginning in January 2022. Any further rate adjustments must be approved in advance by the City.

Disputes as to the reasonableness of fees and expenses charged by DSR LLC will be submitted to arbitration by the Colorado Bar Association Legal Fee Arbitration Committee, or another arbitrator agreed to by the parties.

**Insurance.** DSR LLC shall maintain lawyers professional liability insurance throughout the term of this engagement in the amount of no less than $1,000,000 per claim and $1,000,000 aggregate, including data compromise and cyber coverage. This obligation is intended to survive the termination of this engagement for a period of no less than five years.

**Conflicts.** DSR LLC is not aware of any conflicts of interest that may preclude representation of the City on any matter concerning the Airport. DSR LLC maintains as clients other owners and operators of public use and commercial service airports in the United States as well as airport trade associations, including both the American Association of Airport Executives and Airports
Council International – North America. The parties acknowledge that these representations do not, standing alone, constitute a conflict of interest.

DSR LLC will include the City and RAP in its list of clients for purposes of new client intake and conflict check, and will notify the City promptly of any potential representation that may require a conflict waiver from the City.

Withdrawal and Termination. The City maintains the right to terminate DSR LLC from any further representation of the City for cause or convenience upon reasonable written notice. DSR LLC reserves the right to withdraw from its representation of the City for good cause, including when withdrawal is required or recommended in furtherance of DSR LLC’s ethical obligations under the Rules of Professional Conduct and for the City’s persistent failures to pay DSR LLC’s invoices.

In the event of withdrawal or termination initiated by DSR LLC or the City, DSR LLC will endeavor to close out tasks in an orderly fashion, to promptly return any documents requested by the City, and to submit a final invoice.

Confidentiality and Open Records. DSR LLC will, at all times, comply with its ethical obligations of confidentiality to the City in accordance with the Rules of Professional Conduct. At the same time, the City is a public entity subject to disclosure obligations under South Dakota law and may be subject to discovery obligations in connection with court and administrative proceedings. DSR LLC will not disclose any document or information to any third party without the City’s approval. Further, DSR LLC will not provide comments to, or speak on behalf of the City, to the media or any third party without the City’s approval.

This agreement shall remain in full force and effect unless amended in writing by the parties or terminated as provided herein.

I look forward to the opportunity to provide quality legal services to the City and advance the interests of the Airport.

Sincerely,

[Signature]

Dan Reimer
Daniel S Reimer LLC

Agreed and Accepted:

[Signature]

Darren Haar, President
On Behalf of the Rapid City Regional Airport Board