MEMORANDUM

TO: Airport Board
FROM: Patrick Dame, C.M., Executive Director
DATE: May 11, 2021
RE: Addendum #1 to Airport SASO Ground Lease Agreement with Fugro USA Land, Inc. to Release Square Footage

The Specialized Aviation Services Operator (SASO) ground lease for Fugro USA Land is for an area consisting of 102,894 square feet. Both the lessee, and the airport, desire to reduce the leasehold by 27,378 square feet of ramp space. This change is beneficial to both the airport and the lessee.

The returned area is paved ramp space and is depicted on the attached Exhibit A. By returning this area to the airport, the responsibility for maintenance, upkeep, and snow removal will revert to the airport. This change will also enhance safety on the ramp by eliminating direct access onto the ramp, and relocation of the lessee’s vehicle parking off of the ramp. This space will then be used for ramp storage by the airport. The airport will install new fencing along a portion of the updated leasehold later this summer.

STAFF RECOMMENDATION: Staff recommends Board Approval of Addendum #1 to the agreement with Fugro USA Land, Inc. to reduce the square footage by 27,378 for a new total of 75,516 square feet.
ADDENDUM #1
AIRPORT SPECIALIZED AVIATION SERVICES OPERATOR GROUND LEASE AGREEMENT BETWEEN RAPID CITY REGIONAL AIRPORT AND FUGRO USA LAND, INC.

The Rapid City Regional Airport Board City of Rapid City (Lessor) and Fugro USA Land, Inc. f/k/a Fugro Horizons, Inc. (Lessee) (the “Parties”) entered into an Airport Specialized Aviation Services Operator Ground Lease Agreement on March Commercial Lease and Use Agreement on March 8, 2011. The Parties agree that the Agreement remains in full force and effect, except as specifically modified by this Addendum.

WHEREAS, the Agreement for lease of Commercial Hangar Area consists of 102,894 square feet (the “Leasehold”); and

WHEREAS, the Parties wish to remove 27,378 square feet from the leased property and return it to the Lessor, so that the Leasehold shall consist of 75,516 square feet.

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

The Parties agree that the Lessee’s leasehold is hereby reduced by 27,378 square feet of paved ramp area, and the Lessee and Lessor release this square footage from the Agreement. Therefore, the Parties agree that the Leasehold contains a total of 75,516 square feet, as indicated on Exhibit A, attached and incorporated herein by reference, and Lessee’s payment for rental shall be proportionately reduced based upon the revised square footage of the Leasehold.

The effective date of this Addendum is May 11, 2021. All other terms of the Agreement shall remain the same and continue in full force and effect.

IN WITNESS WHEREOF, the Parties execute this Addendum this 11th day of May, 2021.

______________________________
Rod Pettigrew, Board President

ATTEST:

______________________________
Shawn Gab, Secretary

FU051121-06

______________________________
Edward Saade, President
Preliminary Showing Area Returned

EXHIBIT A
4350 FIRE STATION ROAD
LEASE PROPERTY - FUGRO HORIZONS INC.
LOCATED IN THE S 1/2 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

LEASE AREA = 75,516 S.F.
EXHIBIT A
4350 AIRPORT ROAD
LEASE PROPERTY - FUGRO HORIZONS INC.
LOCATED IN THE S 1/2 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

LEASE AREA = 75,516 S.F.