

**MINUTES  
RAPID CITY REGIONAL AIRPORT BOARD  
TUESDAY, NOVEMBER 15, 2005, 9:00 AM  
AIRPORT CONFERENCE ROOM**

**MEMBERS PRESENT:** Jerry Shoener, President; Jerry Brown, Vice-President; Jerry Mitchell, Secretary; Bert Corwin, Jeff Partridge

**OTHERS PRESENT:** Mason Short, Airport Executive Director; Ken Simmons, Airport Operations Officer; Jason Green, City Attorney; Malcom Chapman & Bill Okrepkie, City Council Liaison; Larry McIntyre, Dave Eatherton, Jeannie Eatherton, Waypoint Aviation, Inc.; Timothy Jensen, Dean Robinson, CJ System Aviation Group; Milo Schindler, Don and Linda Rydstrom, Westjet Air Center Jay Shultz, Lynn, Jackson, Shultz & LeBrun and Wanda Peacock, Administrative Assistant

Due to the late arrival of Jerry Shoener, President; Jerry Mitchell, Secretary; called the special meeting of the Airport Board to order at 9:10 A.M.

**AGENDA REVIEW AND APPROVAL**

It was moved by Bert Corwin and seconded by Jeff Partridge to approve the Agenda of the November 15, 2005, Special Airport Board meeting as presented. Motion carried.

**NOTICE OF INTENT – VISIONAIR LLC –HEARING**

It was moved by Bert Corwin and seconded by Jeff Partridge to declare the VisionAir LLC Hearing open. Motion carried.

The following comments were discussed:

Mason Short, Airport Executive Director briefed the Board on the Notice of Intent – VisionAir LLC. They are seeking approval to lease the property which holds the improvements currently owned by Tumbling T LLC and formerly the Jet Stream Aviation property. We have been informed both parties have a verbal agreement to purchase these improvements. VisionAir LLC is proposing to provide the services of air ambulance and charter service. They are not proposing to operate an FBO. The purchase can't go through until the lease is approved and we want to make certain the Airport Board is in favor of this agreement. This property has been the reason for the numerous executive sessions over the past year.

The leasehold which was held by Tumbling T will be reduced for the following reasons:

- The amount of available land on the airport, particularly close to the ramp is in short supply. It would not be prudent for the Airport Board to keep large parcels of unimproved land tied up in long term leases as was the case with previous tenants.
- The lease rate on the premises will be the same as other improved property on the airport which is currently \$.22/ft/yr., not the preferential rate provided by FBO's.
- The reduced footprint will allow for the construction of an FBO with close proximity to the ramp in the future, it is a requirement of our AIP grant assurances to ensure that space is available for commercial aeronautical service

Chris Lien of VisionAir LLC discussed their intentions to negotiate a lease with the Airport Board.

Board member Jerry Mitchell asked Mr. Lien if this lease could be made into an FBO. Mr. Lien said the space would be used for the same type of operation as Dale Aviation, to provide Air Charter and Air Ambulance.

Larry McIntyre asked if they were proposing self-service fuel and where did this topic come from?

Mason informed him that a couple parties have made inquiries on self-service fuel.

Don Rydstrom asked if the buildings not used on the property would be torn down.

Chris Lien said the intent is to enter into lease with the other buildings with interior improvements. They do not have plans to tear down the hangars.

Don Rydstrom talked about the water supply and that it is serious and you can barely get enough to meet fire regulations now. This subject needs to be addressed immediately.

Mason Short said the switch has been made in town that has pumped up our GPM's, and that the Airport is considering the installation of a pipeline surrounding the runway, in conjunction with the taxiway project, which will increase the capacity available on the airport.

Jay Shultz, Attorney wanted to know if the City was terminating the current lease with Tumbling T and was any city money being used in the transaction? Jason Green, City Attorney replied no.

Jay Shultz said Westjet Air Center has a lease with Tumbling T LLC and has performed their obligation to this agreement. The concern Westjet has is to make sure no City subsidy is being offered?

The City Attorney assured him a subsidy is not being offered.

Don Rydstrom questioned that Tumbling T and VisionAir have reached an agreement to purchase the lease?

Mason stated that we have received notice that an agreement in principal has been achieved.

Don Rydstrom - Tumbling T is willing to walk away from the lease when they have .5 Mil invested? He assured the Airport Board this will be investigated further.

Dean Robertson, CJ Systems asked when VisionAir will take over.

Chris Lien - They will enter into agreement for multi-services as SASO and close on 12/1/05. CJ Systems lease is good until June 1, 2006. VisionAir plans to honor all leases currently in place with Tumbling T.

Don Rydstrom asked if land is being reserved for an additional FBO.

Mason Short discussed advantages of bonding, which can be more preferential than going to a bank. There are businesses out there that prefer to use municipal bonding to finance improvements.

Don Rydstrom said for any FBO to make it you have to have 30 years of financing.

Jay Shultz pointed out defects in the legal notice; one it was advertised as an FBO and signed by Craig Uhre who is no longer President of the Airport Board. Jason Green, City Attorney informed Mr. Schultz that the agreement is between (2) private parties and Westjet Air Center will continue to perform as FBO. The City is not a party to this agreement, it is a business agreement. The board's approval was required per the agreement.

Mason apologized to Don Rydstrom for the error in the legal notice being advertised as an FBO.

Chris Lien said they are just looking for a new home on Airport because their lease with Westjet will expire on May 30, 2006.

Larry McIntyre asked about the hangar on the end – is it owned by Lien.

It was determined the hangar is owned by BHL.

Bert Corwin advised we get back to the subject of the hearing.

Jay Shultz asked if the existing lease with Tumbling T will just go forward. Jason Green said this is in regards to the mutual agreement between Tumbling T & Westjet – it is not a lease.

It was moved by Bert Corwin and seconded by Jeff Partridge to close the VisionAir LLC hearing. Motion carried

It was moved by Bert Corwin and seconded by Jerry Shoener to direct staff to prepare a lease for VisionAir LLC. and bring back to the Airport Board for approval. Motion carried.

Jerry Shoener resumed duties as President

#### AIRPORT AUTHORITY – BY-LAWS

The Airport Board met in special session to work on Airport Authority By-Laws. The By-Laws need to be consistent with state law. Suggested changes were discussed and made. Mason Short said the By-Laws are used to direct the operations of the Airport Board. The model/draft currently being used is from the Sioux Falls airport.

The Airport Authority will be accountable for checks and balances with the City Council. The Authority could be dissolved by the City Council.

The Airport Board recommended they stay with a five member board as they have in the past.

The Airport discussed the hearing that would be presented to the City Council on November 21, 2005. Mason Short updated the Airport Board on the process and informed them the notice for the hearing on the 21<sup>st</sup> was not completed. The Council is facing many major issues right now and it is impossible for us to make the change on January 1, 2006. The official notice for the public hearing was not published prior to November 11, 2005. He recommended to the Airport Board that we request the Council to delay the hearing and action until after the first of the year with a goal of January 1, 2007 fro a new proposed start date for the Airport Authority.

Ken Simmons, Airport Operations Officer will post the Creating Resolution, Agreement for Cooperative Action and the By-Laws on the Airport web page.

#### ADJOURNMENT

It was moved by Jerry Mitchell and seconded by Bert Corwin to adjourn the Special Meeting of November 15, 2005, at 11:30 AM. Motion carried.

Respectfully Submitted,

Jerry Mitchell  
Secretary

:wlp