



2017 ANNUAL REPORT

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A MESSAGE FROM

Patrick Dame, C.M, Airport Executive Director

To Our Stakeholders:

Having a strong airport is vital to the Black Hills Regional economy. We have been working hard to develop partnerships within the City, Region and State. The Rapid City Regional Airport serves a five-state area with state of the art terminal and facilities providing commercial air service, corporate aviation, general aviation and military aviation to our region. As a vital transportation hub for our region, it is a key component of the local economy contributing over \$175 million annually and providing nearly 350 jobs through the many businesses at the airport.

2017 was an exciting year for the Rapid City Regional Airport. We saw record passenger enplanements and added a new route to Charlotte, NC. Some of our notable 2017 projects included: launching a new user-friendly website, strong investments in inbound marketing of the airport and completion of a multi-year aircraft parking apron project in our General Aviation area. The Airport also took steps to reduce our environmental footprint by adding a Glycol Recovery Vehicle (GRV) and changing some of our outdoor lighting to Light Emitting Diodes (LEDs). We plan to continue the LED conversions over the next two to three years.

This success was made possible with the hard work of our excellent airport staff and the partnerships we have with our stakeholders, both on and off the airport.

We are also looking to the future of the Rapid City Regional Airport. In an effort to strengthen our air service in the future, we have developed strong partnerships with the City of Rapid City, Visit Rapid City, Chamber of Commerce, Economic Development Partnership and State Tourism. All of these entities are working hard for regional air service development. With the support of the Airport Board of Directors, we also developed some future conceptual plans for Airline Terminal upgrades to help improve the airline passenger experience. We recognize the need to continuously evolve and improve our airport to meet today's savvy travelers.

We are working hard and will continue to provide great service, more options and a better gateway into the beautiful Black Hills.





AIRPORT OVERVIEW

Rapid City Regional Airport is owned by the City of Rapid City and is governed by a five member Board of Directors appointed by the Mayor and confirmed by the Rapid City Common Council. Members serve five-year terms and are responsible for the general oversight of the airport authorizing the expenditure of funds and execution of contracts needed to operate the airport.

2017 Board of Directors:

Shawn Gab – President
Bill Eldridge – Vice President
Michelle Thomson – Secretary
Ron Johnsen – Member
Darren Haar – Member

Our Mission

OUR MISSION IS TO PROVIDE A SAFE, ENVIRONMENTALLY RESPONSIBLE AND FISCALLY SELF-SUSTAINABLE OPERATION ENSURING HIGH QUALITY SERVICES AND FACILITIES.

Our Vision

OUR VISION IS TO PROVIDE WORLD CLASS TRANSPORTATION SERVICE ENHANCING ECONOMIC GROWTH.



OUR DESTINATIONS



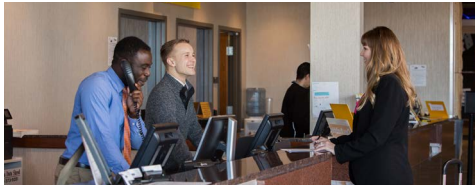
Rapid City Regional Airport is the fastest and most convenient way to travel to and from Rapid City and the Black Hills. The terminal building is fully ADA compliant and includes a jet loading bridge with associated hold room seating for each of its seven gates. Serving nearly 600,000 passengers each year, we offer nonstop service to 11 major U.S. cities (some summer only).



SERVED BY FOUR MAJOR AIRLINES:



OUR CONCESSIONS



TRANSPORTATION

6 CAR RENTAL COMPANIES



AIRPORT SHUTTLE



P
PARKING

OPERATED BY



**SHOPPING
& DINING**

RESTAURANT OPERATED BY
AIRHOST, INC.

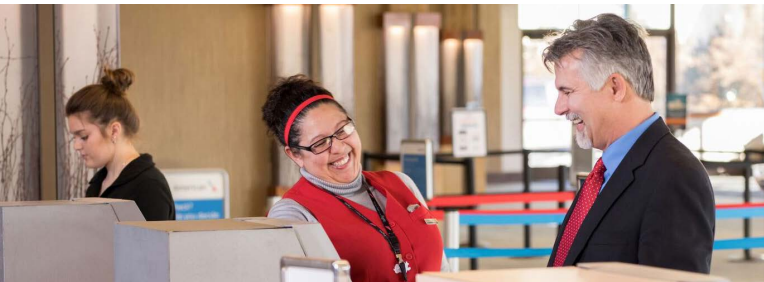
GIFT SHOP OPERATED BY
**MOUNT RUSHMORE
MEMORIES**

2017 was a RECORD BREAKING YEAR!

595,936

TOTAL PASSENGERS REACHED

A 1% increase over our previous record year in 2010 of 591,600 passengers.



295,215

PASSENGER ENPLANEMENTS

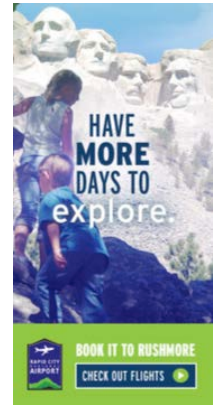
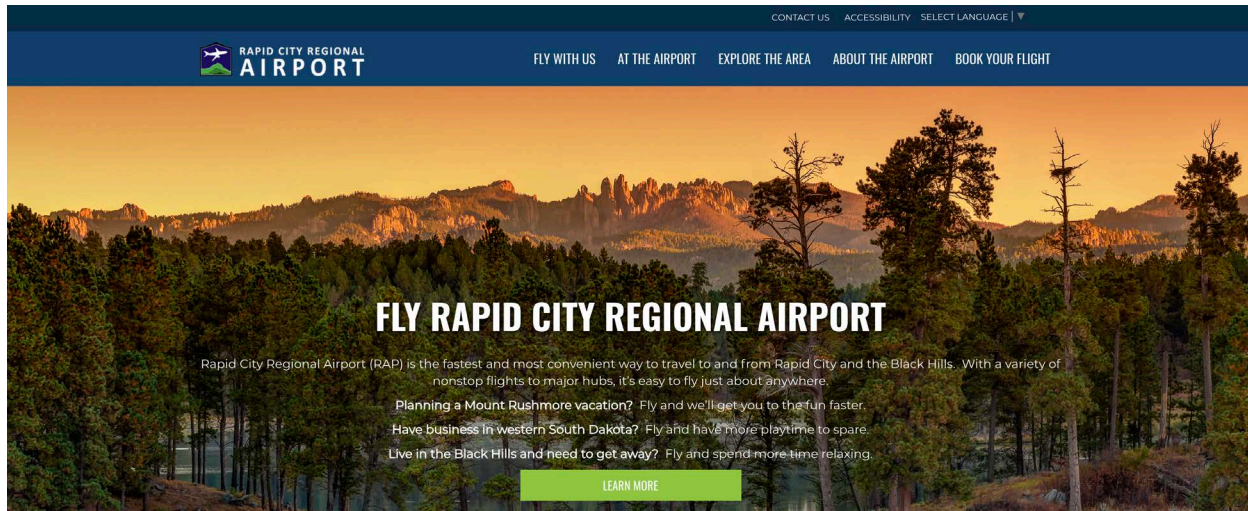
Total number of passengers boarding the aircraft at RAP also saw a 1% increase over our 2010 numbers of 292,940 passengers.

The addition of a new route to Charlotte, winter service to Chicago, and the International Computer Programmers Competition (ICPC) contributed to the historic year.

WEBSITE & MARKETING CAMPAIGN

In 2017 the airport launched a new website and marketing campaign targeting specific markets encouraging travelers to fly to Rapid City, rather than drive, giving them “more days to play” once here.

The digital campaign performed so well, it earned the Bronze Adrian Award from the Hospitality Sales & Marketing Association International. In its 61st annual competition, the Adrian Awards are the largest and most prestigious global travel marketing competition.



RAPID CITY REGIONAL AIRPORT ARFF Station 8 Wins Valor Award

The Rapid City Regional Airport Aircraft Rescue Firefighting (ARFF) Station #8 was presented with the American Association of Airport Executives (AAAE), Great Lakes Chapter (GLC) 2017 ARFF Valor Award. Established in 1975, the Award of Valor is presented annually for outstanding performance in ARFF/safety. The Award recognizes an individual or department who has shown exceptional skills in the workplace as demonstrated by acts of professional service and dedication that resulted directly in saving a human life. RAP ARFF Station #8 was specifically recognized for actions performed on August 11, 2016, when JetBlue flight #429, an A-320 Airbus from Boston bound for Sacramento, encountered severe turbulence over western South Dakota, causing an emergency landing at Rapid City Regional Airport. RAP ARFF Station #8 firefighters responded and immediately took charge of the situation as other responding units arrived.

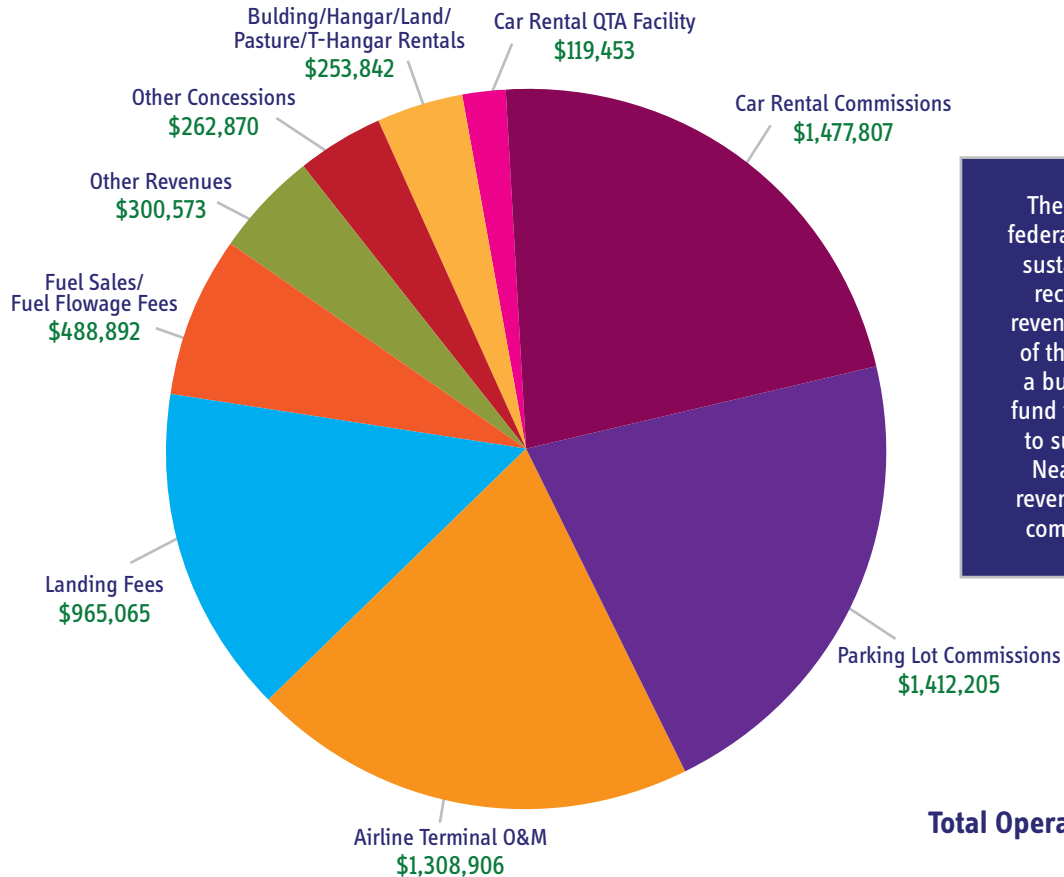


2017 Triennial FULL SCALE EXERCISE



On June 17th, a plane crash simulation was held at the north end of our main runway to test and train multiple emergency response agencies. The FAA requires all commercial service certificated airports to hold a full-scale emergency exercise at least once every 36 consecutive calendar months. Moulage was applied to volunteers demonstrating injuries ranging from scrapes and burns to impalements and limb loss. The rescue response was highly successful entailing triage, treatment, transporting crash victims, firefighting, as well as administrative components. Multiple agencies participated in the exercise.

OPERATING REVENUES



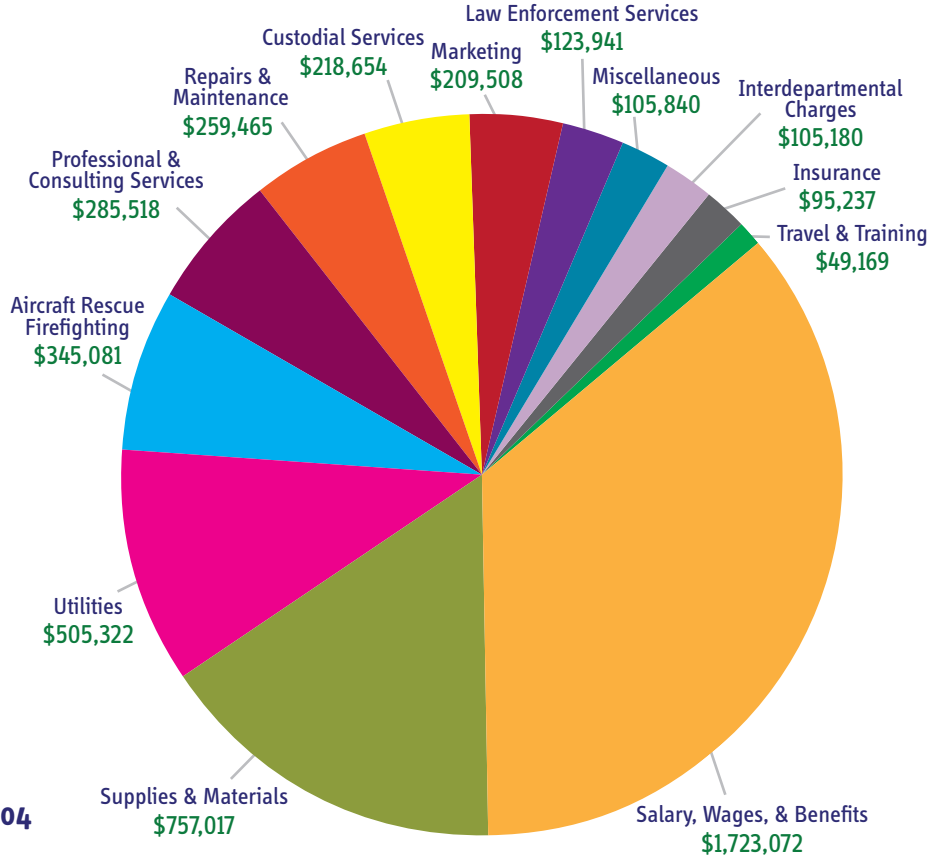
The Airport is required by the federal government to be as self-sustaining as possible thereby receiving all of its operating revenues from tenants and users of the Airport. Functioning like a business, Rapid City general fund tax dollars are not required to support Airport operations. Nearly 78% of the operating revenue comes from concession commissions and airline fees.

Total Operating Revenue: \$6,589,612

OPERATING EXPENSES

Operating expenses are necessary to provide quality services to our customers: passengers, tenants, employees and our community. Providing full-time employment for 24 staff members, personnel costs were 36% of our operating budget. Approximately 12% was paid to the City of Rapid City for airport law enforcement officers, ARFF (airport rescue and firefighting) services, and interdepartmental charges.

Total Operating Expenses: \$4,783,004



2017 Capital Improvements

Airport capital funding is provided mainly through FAA Airport Improvement Program Grants with local matching funds from the airport and a match from the SD Department of Transportation. In 2017, we completed over \$6 million in capital improvements including a major ramp renovation, purchase of a high speed broom for snow removal, and a glycol recovery truck. LED lighting improvements were also made along the commercial ramp and in the car rental return lot.





GIVING BACK to the COMMUNITY



Airport staff and tenants prepare and serve a hot breakfast monthly at the Cornerstone Rescue Mission. Breakfast items are purchased using the donated funds collected at the TSA checkpoint.





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www.rapairport.com