



Annual REPORT 2018



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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.



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.

2018

Board of Directors:

Michelle Thomson – President
Darren Haar – Vice President
Rod Pettigrew – Secretary
Shawn Gab – Member
Dr. Helen Usera – Member



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. 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.

Through the support of our wonderful customers, we accomplished our second record enplanement year in a row in 2018, making it another exciting year for the Rapid City Regional Airport. We were fortunate to be able to announce, and start, new air service to Newark, NJ and the New York City area. Some of our notable 2018 projects and accomplishments included: reconstruction of the gift shop and restaurant in the airline terminal area beyond security, completion of a strategic plan, a finalized design for new escalators and elevator in the airline terminal, replacement of one of our baggage return belts, installation of additional outdoor ramp lighting to Light Emitting Diodes (LED) and was awarded a Small Community Air Service Development Grant to help attract non-stop service to Phoenix-Sky Harbor. The Airport also received the SD Hall of Fame Acts of Excellence Award for the green roof project. Our rooftop patio is the jewel of the airport and our customers enjoy spending time there. The green roof has transformed that area into a relaxing space that helps to reduce our environmental footprint.

Many groups have contributed to the recent success at the airport. We have developed strong partnerships with the City of Rapid City, Visit Rapid City, Elevate Rapid City and State Tourism. Our Airport Board is looking toward the future and is supportive of the efforts of airport management and staff. The two most critical groups contributing to the success of the airport are our customers who commit to flying locally, and our hard-working staff who keep the airport operating, day or night, rain or snow. It is the dedication of our hard-working employees, which allows us to connect Rapid City to the world.

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).



— Year-Round Route
- - - Seasonal Route



NEWARK *Arrival*

We welcomed our inaugural nonstop flight from Newark on United Airlines with our customary water cannon salute on June 23, 2018. Newark Liberty International Airport is the 3rd largest hub for United and is situated 15 miles southwest of New York City and 60 miles northeast of Philadelphia.



PHOENIX *Sky Harbor*



The airport was awarded a Small Community Air Service Development (SCASD) grant in July to pursue and develop future year-round, daily nonstop service to Phoenix Sky Harbor Airport with American Airlines. The total award of \$914,100 included \$214,100 in local matches and in-kind contributions from our partners: Visit Rapid City, SD Department of Tourism, the City of Rapid City, Rapid City Economic Development Partnership, Airhost Rapid City, Overland West dba Hertz Rent a Car, and Republic Parking Systems. Sky Harbor Airport is American Airline's sixth largest hub and will provide multiple connections to the West Coast and beyond.



Another
**RECORD
BREAKING
YEAR**

**2018 was a second consecutive
year for breaking records!**

TOTAL PASSENGERS

625,918: A 5% INCREASE OVER OUR
PREVIOUS RECORD IN 2017

PASSENGER ENPLANEMENTS

310,810: A 5.3% INCREASE OVER OUR
PREVIOUS RECORD IN 2017

The addition of a new route to Newark and increased service to Charlotte contributed to the historic year.

OUR CONCESSIONS

Transportation

6 CAR RENTAL COMPANIES



AIRPORT SHUTTLE



Parking

OPERATED BY



Shopping & Dining

RESTAURANT OPERATED BY
AIRHOST, INC.

GIFT SHOP OPERATED BY
**MOUNT RUSHMORE
MEMORIES**



Special Visits IN 2018



PENCE *Visit*

It's not every day that a sitting United States Vice President comes to town! We were pleased to welcome Vice President Mike Pence and other distinguished guests on November 5, 2018, for a rally for newly elected Governor Kristi Noem. Approximately 1,500 people attended the event.



Tin Goose VISIT

The local Experimental Aircraft Association (EAA) welcomed the 1929 Ford Tri-Motor, also known as the "Tin Goose", to the airfield last June. Along with a free general aviation open house consisting of static displays and various aircraft, passengers were able to purchase rides on the historic luxury aircraft.



CAPITAL IMPROVEMENTS



Concourse EXPANSION

Mount Rushmore Memories Gift Shop

was expanded to include additional room for products and a fabulous new display case. Our unique gift store features a large variety of South Dakota made products, specialty gifts and other sundries.

Air Host of Rapid City, Inc.

operates the restaurant which now offers an expanded cook to order menu and a wide selection of grab and go items. A total of ten TVs were added along with a new self-serve beer wall featuring six different local brews.



Wayfinding Signage

To better serve our customers and provide directional guidance, the wayfinding signage project was completed in 2018. New location signs were installed along terminal road up to and in front of the terminal. Parking lot directional signs that are color coded, aptly designed and named after our four famous presidents, were also installed.



Baggage Belt #2

Baggage Claim Belt #2 was replaced in 2018. The existing belt assembly came over from the original terminal building and had been in use for over 35 years. We thought it was time for an upgrade!

LED Lighting

As part of our commitment to environmental responsibility, each year we are replacing older light fixtures to Light Emitting Diodes (LED). In 2018, we replaced 42 light fixtures along the perimeter of the aircraft parking apron and commercial ramp.



OUT WITH THE *Old* IN WITH THE *New*

Using our federal Airport Improvement Program grant, we were able to purchase a 2018 Freightliner to assist with snow removal efforts. A Skid Steer with associated implements was also purchased to remove snow around the ramp areas. As we change out our equipment, we are able to donate grant funded pieces to other airports. Last year, we donated our 1996 Oshkosh Sander to the Black Hills Airport in Spearfish.





Airport Green Roof Project **RECEIVES SD HALL OF FAME ACT OF EXCELLENCE AWARD**



Partnering with South Dakota School of Mines & Technology graduate student Jason Phillips, the airport installed a new green roof on its outdoor patio overlooking the Black Hills. The research project was funded in part by a grant from the West Dakota Water Development District. Phillips will monitor and study the performance of the green roof over the next few years. The patio is a great way for passengers to relax, view the beautiful Black Hills, and learn about green roofs through an interactive kiosk. The collaborative project earned an Act of Excellence Award from the South Dakota Hall of Fame.

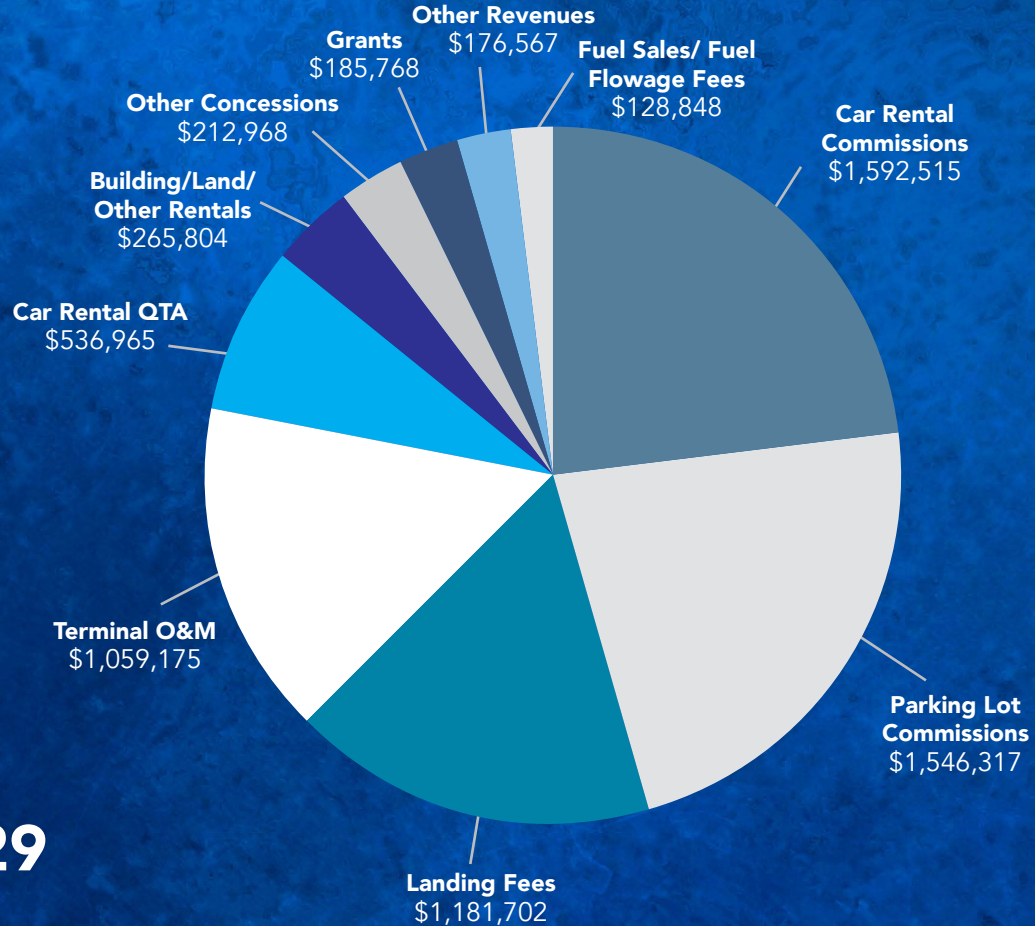


Pictured in top from left to right: Jennifer Benning, Ph.D., an Associate Professor of Civil and Environmental Engineering at SDSM&T, and Ph.D. student Jason Phillips.

Pictured in bottom from left to right: Patrick Dame, CM, Airport Executive Director, SDSM&T Ph.D. student Jason Phillips, and Rapid City Mayor Steve Allender.

Operating REVENUES

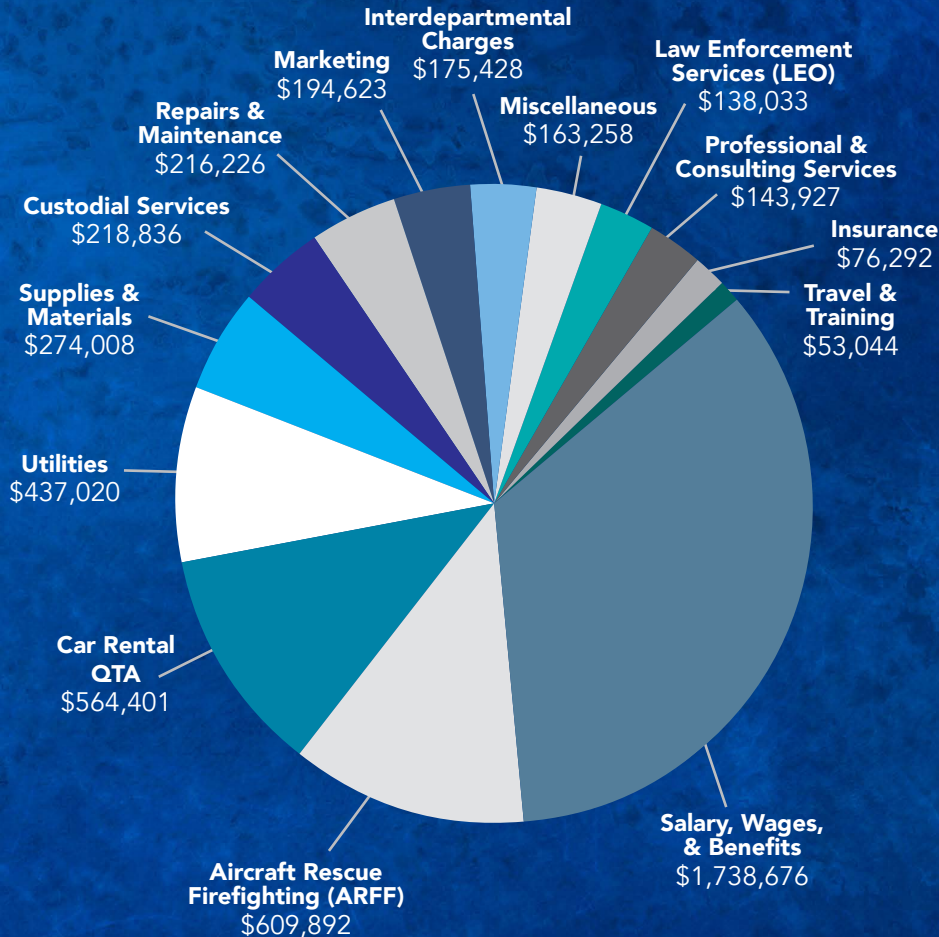
The Airport is required by the federal government to be as self-sustaining as possible thereby receiving all of its operating revenues from tenants and users of the Airport. Functioning like a business, Rapid City general fund tax dollars are not required to support Airport operations. Nearly 78% of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



Total **\$6,886,629**

2015 TOTAL: \$5,529,556

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 35% of our operating budget. Approximately 19% was paid to the City of Rapid City for airport law enforcement officers, ARFF (airport rescue and firefighting) services, and interdepartmental charges.

Total **\$5,003,664**

2015 TOTAL: \$4,601,793

Looking Ahead: OUR GOALS



Protect
the People,
Property
and the
Environment

1



Grow
and Develop
Commercial
Air Service

2



Enhance
the Airport's
Overall Value
for the
Benefit of the
Stakeholders

3



Inspire
Innovation
to Improve
Customer
Experience

4



Develop
Organizational
Excellence

5



Engage
Organizations
and Levels of
Government
to Advance
Airport
Development

6

GIVING BACK

to our community

Airport staff and tenants prepare and serve a hot breakfast monthly at the Cornerstone Rescue Mission. Breakfast items are purchased using change funds collected at the TSA checkpoint. In 2018, we collected \$3,391 and served nine meals, handed out blessing bags and provided laundry detergent, dish soap and sanitary/healthcare items.



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