

**Sioux Falls Regional Airport Authority
Board Meeting Minutes**

April 27, 2023

Members Present: Eric Ellefson, Kent Cutler, and John Taylor

Members Present via Phone: Lon Stroschein and Blake Curd

Staff Present: Dan Letellier and Kristin Elgersma

Guests Present: Joy Feige – Eide Bailly, Aaron Storm – KLJ Engineers, and Mike Maloney – SP Plus Parking

Guests Present on-line: Brian Stavenger – Eide Bailly

Ayes and nays were taken on all motions and all motions were passed unanimously unless otherwise noted.

Vice-Chairman Ellefson called the meeting to order at 12:00 pm.

1. **Minutes-** Kent Cutler moved and John Taylor seconded a motion to approve the minutes of March 23, 2023. Motion Carried.
2. **Bills for Approval-** Kent Cutler moved and John Taylor seconded approval of the bills as presented. Motion carried.
3. **Consent Agenda-** Report on Consent Agenda items by the Executive Director. John Taylor moved and Lon Stroschein seconded approval of the Consent Agenda. Motion carried.
 - A. Lease agreement with Craig Broughton for airport T-hangar 3-6.
 - B. Change Order #2 with Soukup Construction for additional work associated with the Economy Lot Expansion Project. - \$1,400.00
 - C. Change Orders 3 &4 with Henry Carlson Construction for additional work associated with the Parking Garage Project. \$36,272. (Reduction from construction allowance.)

4. New Business –

- A. Presentation of Audit 2022 Financial Statements, FAA Grant and PFC Single Audits – Eide Bailly. – Joy Fiege and Brian Stavenger with Eide Bailly were present to talk about the draft report of the 2022 Financial Audit. They also reviewed the audit results of the Single Audit of Federal Grant handling as well as the Passenger Facility Charge program.
- B. Approval of property exchange with the City of Sioux Falls – The Authority recently received approval from the FAA to move forward with a land exchange plan with the City of Sioux Falls. When the Authority was created in 1986, all airport property was transferred from the City to Authority ownership. A small section of property within Elmwood Golf Course along with another parcel north of the golf course were

mistakenly transferred in error. In order to return these parcels, a zero-dollar exchange has been agreed to that will provide the Airport Authority avigation easements for City property that fall within the approaches to both runway 3 and 21 in exchange for the airport parcels. Lon Stroschein moved and John Taylor seconded a motion for approval of the property exchange with the City of Sioux Falls. Motion Carried.

- C. SD Symphony Orchestra Funding Request. Several weeks ago, Director Letellier met with Jennifer Teisinger, Executive Director of the South Dakota Symphony Orchestra to discuss continued support for the Symphony. Over the past few years, we have provided funding to the Symphony in exchange for several holiday concerts performed by their Dakota Wind Quintet and Dakota String Quartet. They are asking for future support of \$15,000 for six holiday performances in December as well as advertisement in their digital program through next season. They also plan to promote these holiday concerts with an e-blast and social media channels. John Taylor moved and Kent Cutler seconded a motion to continue our funding to the SD Symphony at the annual level of \$15,000. Motion Carried.

5. Report by Executive Director-

- A. Passenger Traffic and Concession Revenue – March enplanements increased 8.4% compared to 2022 setting an all-time record of 60,632 passengers. Total traffic improved 10.0% and year-to-date enplanements are up 12.7%. Increase in traffic associated with increase in available seats and numerous non-stop destinations available for leisure travelers. Parking, Food/Beverage, Car Rental, Gift Shop, and Hotel all saw increases.
- B. Construction Update –
- a. Parking Garage: Asphalt removals are complete along with sub-base on the east half of the new garage. Forms for foundation and footings are being installed currently. Work continues in the terminal for new structural steel and expansion to accommodate the new skyway connection.
 - b. Economy Lot Expansion: Significant progress has been made with gravel and final grading complete. Curb and gutter to be poured next week with asphalt scheduled for mid-May.
- C. Parking Garage Loan – Director Letellier has met with several banks over the last few weeks since to secure a construction loan of \$10 million to assist with funding of the parking garage. Preliminary term sheets have been received from three banks and plan to have a recommendation to the Board at the May meeting.

Lon Stroschein left the meeting at 1:00 pm

6. Old Business –

A. Ground Lease transfer from Maverick Air Center to Charter First – Last month the Board discussed the transfer of the ground lease held by Maverick Air Center to Charter First (Midwest Aviation) for the hangar located at 2 W. Weather Lane. Maverick intends to sell the hangar on this property to Pete Johnson, owner of Charter First. The Board deferred a decision on the lease transfer pending discussions on a modification to the terms of the lease to allow the airport to purchase the hangar in several years to foster hangar development on the east side of the airfield. Mr. Johnson has agreed to amend the lease if transferred to Charter First to provide the Authority right of first refusal should Mr. Johnson plan to sell in the future, as well as an option after 10 years to purchase the hangar at current market rates while providing Charter First and equal amount of property to lease for a new hangar. The Board agreed with the proposal but requested that a third-party appraisal be utilized to determine the fair market value of the hangar prior to airport purchase. John Taylor moved and Kent Cutler seconded a motion to transfer the ground lease to Charter First pending lease modifications as outlined above. Motion Carried.

7. Open Segment

None

Blake Curd moved and Kent Cutler seconded a motion to adjourned the meeting at 1:15 pm.

Date

Secretary

Next Board Meeting: May 25, 2023 10:30 am