



Airport Expansion Loans

Governor's Office of Economic Development

Overview

Governor Rhoden is recommending a total of \$30 million in loans to support the expansion of the Sioux Falls and Rapid City airports. Each loan of \$15 million will be offered at 0% interest, over a 20-year period. The Board of Economic Development will have oversight of issuing the loans for the airports, with the opportunity to provide smart economic development throughout the state. These loans must be approved by June 30, 2030, for airports to be eligible.

Background

Since the start of the Noem-Rhoden Administration in 2019, the Rapid City airport saw an increase of 30% in travelers and the Sioux Falls airport saw an increase of 25% in travelers. Expansion projects will allow for the airports to increase the number of gates, flights, and destinations. This will benefit both South Dakotans traveling to other parts of the country and visitors to our state.

During the 2022 legislative session, \$100 million was dedicated to workforce housing loans, and approximately \$65 million of that funding remains unutilized. The Governor recommends transferring the remaining balance of these funds to the Revolving Economic Development and Initiative (REDI) Fund to provide loans to the airports and to support future economic development projects. Repayment of loans to the REDI Fund will then be used to support future development in the state.

Funding

The financing of the loans will operate similarly to the support of Douglas School District during the 2025 legislative session and will not create any additional costs for South Dakota taxpayers.