



Strategic Plan Session DAA Special Meeting

DATE: November 13 2014

PLACE: Sheraton Duluth
Gooseberry Falls Room

DIRECTORS PRESENT: Michael Lundstrom
Ken Stromquist
Pat Mullen
Sue Ross
Heather Rand
Ken Butler
Richard Stewart

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Blaine Peterson, Director of Operations
Natalie Peterson, Com. & Marketing Director
Joelle Bodin, Finance & Administration Director
Joan Christensen, Assistant City Attorney
John DeCoster, Trillion Aviation
Joe Jackson, RS&H
Paul Karas, RS&H
Darren Christopher, RS&H
Benita Crow, SEH
Kaci Nowicki, SEH
Scott Sannes, SEH
Josh Bergstad, City of Hermantown

President Lundstrom welcomed everyone back to the continuation of the strategic planning session. He called the meeting to order at 7:08 a.m. He explained the purpose of this session was Sky Harbor Airport -- where the airport is at, the Environmental Assessment and the future of Sky Harbor. Sky Harbor Airport is important to DAA and the City of Duluth. Mr. Tom Werner, Executive Director, detailed further and explained Board members had requested this topic be discussed in more detail.

Mr. Joe Jackson, RS&H and Facilitator, invited SEH up to present on the Sky Harbor master plan. Ms. Benita Crow introduced Ms. Kaci Nowicki and Mr. Scott Sannes, SEH. She explained this will be a quick overview on the airport Environmental Assessment (EA), construction phasing and funding. Ms. Nowicki gave background information on the EA process and spoke on timelines and alternatives for this process.

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She talked on the Airport Layout Plan (ALP). Ms. Crow spoke on the three phases of construction and impacts, both temporary and permanent. Questions followed. Mr. Sannes detailed on the funding options and strategies at Sky Harbor. Questions and discussion followed.

Ms., Joelle Bodin presented the Sky Harbor financial overview. She summarized on the revenues -- operating agreements, fuel flowage fee, buildings, land and public apron rentals and detailed expenses. Ms. Bodin explained she is in the process of separating out Sky Harbor as its own operation center from the Duluth International Airport. Questions followed. She detailed on five year financial information and touched on financial obligations if the option for closure of airport was considered.

Mr. John DeCoster, Trillion Aviation, summarized on concerns and importance of developing a business plan at Sky Harbor Airport. Touched on challenges funding and operating options, past tenant practices and implementing new policies to business operations that have not been approached in decades could cause resistance with long term tenants. Explained the need to review and capture revenue options such as cost for amenities offered, or seasonal rentals or concessions. Spoke on timing, phasing of implementation of the process. Mr. DeCoster asked the Board for direction for the future strategic plan for Sky Harbor moving forward. Discussion, questions and comments followed.

Pres. Lundstrom recommended a break at 8:21 a.m. The meeting was reconvened at 8:31 a.m.

Mr. Werner overviewed on the vision of Sky Harbor Airport. He summarized on the challenges and possibilities to preserve and maximize the use at Sky Harbor. Emphasize should be on the enjoyment of natural resources, aeronautical education and revenue diversification. The Board members agreed closure of the airport was not an option. Recommendation to seek out partnerships to help build and sustain it. Open discussion followed on partnerships, education and identifying steps to move forward. Sky Harbor Airport Manager, Brian Madsen, answered detailed questions on operations and activities at the airport.

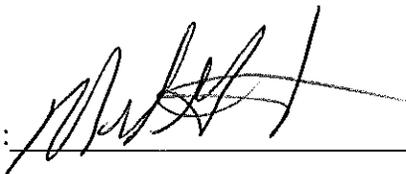
Mr. Jackson summarized on the discussion and asked the Board around the table for final thoughts and conversations. Consensus to keep airport open but need to move forward looking into options and partnerships. Mr. Jackson expressed his appreciation in the level of cooperation with this Board which makes it a success. Pres. Lundstrom thanked the Board members and felt that a positive consensus was reached by all for a sense of direction in moving forward. Mr. Werner thanked all his staff for their hard work in preparing for these sessions.

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Pres. Lundstrom adjourned the strategic plan session for November 13th at 9:29 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  DATE: 12-16-14