DULUTH AIRPORT AUTHORITY
MEETING AGENDA
AUGUST 16, 2016

AMATUZIO CONFERENCE ROOM
THIRD FLOOR

I *EXECUTIVE DIRECTORS REVIEW

Information Letter to DAA Directors.

II *APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS

A. Approval of July 19, 2016 Meeting Minutes.

III *DAA CASH DISBURSEMENTS

A. Cash Disbursement Sheets #14 and #15, 2016.

IV *CORRESPONDENCE

A. July 14, 2016 Notice Letter from Curtis R Fisher to DAA to Exercise the Option to Occupy Parcel II in the Ground Lease Agreement. August 3, 2016 Thank You and Follow Up Letter from DAA to Curtis R Fisher For Discussion Related to Exercising the Option on Parcel II.
B. July15, 2016 Thank You Letter from Duluth Air & Aviation Expo to DAA for Support and Partnership for the 2016 Duluth Air Show.
C. July 26, 2016 Letter from DAA to AAR Regarding Defining 60 Day Continuous Construction Schedule for Runway 9/27 for 2017. August 9, 2016 Letter from DAA to AAR Regarding Construction Schedule.
D. July 27, 2016 Copy of Letter from Lake Superior College to City of Duluth Regarding Discontinuation of Aircraft Rescue and Fire Fighting Training Program.
E. July 27, 2016 Thank You Letter from Congressman Rick Nolan to Mr. Tom Werner for Participation in Roundtable Discussion on Transportation and Economic Development with U.S. Secretary of Transportation Anthony Foxx.
F. July 31, 2016 DNT News Article "Soaring Together: Local 'Aviation Cluster' Grows Up Around Cirrus".
G. August 2, 2016 E-Mail from Monaco Air Foundation with Summary of July 2016 Activities.
H. August 3, 2016 Letter from DAA to Monaco Air Duluth Regarding Lease Agreement to Old Maintenance Garage Warehouse 2.
I. August 8, 2016 Letter from DAA to Delegation Members Updating Efforts to Accommodate Airport Tenants for the Runway Construction in 2017.
J. August 11, 2016 Agenda for DLH Tenant Meeting for the Runway 9/27 Reconstruction.

K. August, 2016 News Release from DAA "Duluth Airport Launches Above & Beyond Initiative".

V OPPORTUNITY FOR PERSONS TO BE HEARD

VI OLD BUSINESS

A. Resolution to Approve SEH Work Order #2016-4 for the Construction Administration, Observation, and Closeout Services for Duluth International Airport, Runway 9/27 Reconstruction, Phase 2.
B. Committee Structure Discussion.

VII NEW BUSINESS

A. Presentation on the City of Duluth's Comprehensive Plan (Imagine Duluth 2035 – Forward Together) Mr. Keith Hamre and Mr. Adam Fulton.
B. Resolution to Approve _____ as the Duluth Airport Authority Board Representative on the Monaco Foundation Board of Directors.
C. *June 2016 Financial Report.
D. *July 2016 Accounts Receivables.
E. * July 2016 Airline Statistics.

VIII DIRECTORS REPORTS

Items annotated by an (*) are approved by consent and require no discussion or action unless questioned by a Director (In accordance with resolution passed by Directors at March 19, 2002).

EXECUTIVE DIRECTORS REVIEW

DULUTH AIRPORT AUTHORITY

DATE: August 16th, 2016
TO: DAA Directors
FROM: Executive Director
SUBJECT: EXECUTIVE DIRECTORS REVIEW

The following items will be briefed during the Executive Director's Review. If action is required of the DAA on any of these items, they will also appear on the agenda. If you have questions or desire additional information, please contact me and I will provide it at the DAA meeting.

AIR SERVICE

- 10.2% Decrease in YTD
- 4.3% Decrease Delta YTD
- .5% Increase United Express YTD
- 2013 Leakage Study Review
- Allegiant and SkyWest Meetings

AIRFIELD OPERATIONS & DEVELOPMENT

- Airside
  - Runway 9/27 Reconstruction Phase 1B- Werner, T.
  - Runway 9/27 Phase 2- Peterson, B.
  - FAR Part 139 Certification Inspection- Peterson, B.
- Landside
  - FBO Remodel/FIS Project Update- Peterson, B.
  - Cirrus Completion Center Project Update- Peterson, B.
- Business/Property Development
  - Business Service Contract Update- Werner, T.
  - Parking Management Contract RFP- DeCoster, J.
  - Fedex Development- DeCoster, J.
  - Air National Guard Land Lease/Environmental Cleanup- DeCoster, J.
- Sky Harbor
  - Sky Harbor Promotion at Oshkosh Airshow

FINANCIAL UPDATE

- AIP 54 and 55 Grant Closeout
- Collective Bargaining Unit Contract Negotiations- Bodin, J.
- 2016 2nd Quarter Financial Review- Bodin, J.

Duluth International Airport
Sky Harbor Airport
4701 Grinden Drive
Duluth, MN 55811
Phone (218) 727-2968
Fax (218) 727-2960
daa@duluthairport.com
www.duluthairport.com

MARKETING UPDATE

- New Marketing Campaign- Peterson, N.

LEGISLATIVE UPDATE

- Capital Funding Request
- MNDOT Appropriation
- State Zoning Reform

NORTHERN AERO ALLIANCE

- NSR

PRESENTATIONS/TOURS/TRAVEL RECAP

- NSR

OTHER

- Board Retreat Action Items
- Open Director's Position

Thomas J. Werner
Executive Director

MINUTES

DULUTH AIRPORT AUTHORITY

DRAFT

MINUTES OF THE MEETING

DATE: July 19, 2016

PLACE: Amatuzio Conference Room
Duluth International Airport, Duluth, MN

DIRECTORS PRESENT: Pat Mullen
Ken Butler
Richard Stewart
Anna Tanski
Todd Fedora

DIRECTORS ABSENT: Sue Ross

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Blaine Peterson, Director of Operations
Natalie Peterson, Director of Marketing & Communications
Joelle Bodin, Director of Finance & Administration
Ryan Welch, Airport Facilities Manager
John DeCoster, Trillion Aviation
Brian Madsen, Sky Harbor Manager
Jana Kayser, Part Time Bookkeeper
Benita Crow, SEH
Shawn McMahon, SEH
Scott Sannes, SEH
Mike Magni, Monaco Air Duluth
Darren Christopher, RS&H
Peter DeSutter, AAR
Tom Burchnell, AAR
Faye & Robert Topliff, Public
Dwight & Joan Morrison, Public
Ray McClelland, Property Owner

President Mullen welcomed everyone and called the meeting to order at 8:00 a.m. He introduced and welcomed Dir. Todd Fedora, President, US Bank, to the Board. Dir. Fedora spoke briefly on his background information. He mentioned he has been DAA Board member in the past and looking forward to working with everyone and serving on this Board again. Pres. Mullen explained Ms. Heather Rand submitted her resignation to the Board due to her City of Duluth position. He thanked the public for their interest and reminded people to sign in for the Opportunity to be Heard section. He invited Mr. Tom Werner, Executive Director, to present on the Executive review.

EXECUTIVE DIRECTOR'S REVIEW

- Air Service: Overall year to date numbers down by 10.5%, Delta down 2.5% and United down .5%; spoke on future flight schedule and seat capacity fluctuation due to demand, upcoming airline meetings and updated on Public Charters meetings. DAA interns have helped with deep data collections on key metrics, Mr. Werner thanked DAA intern, Mr. Cody Witzany, for all his work and presented information on June domestic and international destinations, fare differential samples -- message to share, flying out of Duluth can be competitive, need to look and compare. Airfield operations and development: Airside -- Mr. Werner spoke on Runway 9/27 Reconstruction Phase 1B – have held stakeholders outreach meetings, need to define construction period. Mr. Blaine Peterson, Director of Operations, outlined Phase 1B and Phase 2 projects, Phase 2 is in the planning and coordination stage; Noise update – meeting with concerned citizens, discussed past noise studies, DAA's role and commitment and FAA Part 150 Noise Study, researching for best time for this process; Lake Superior Helicopter (LSH) self-fueling permit application -- Fire Marshall has inspected and reviewing, should receive opinion in next several weeks; Duluth Airshow summary, parking shuttle system successful, great event, Blue Angels will be here for another airshow first week in June. Business Development: Mr. John DeCoster, Trillion Aviation, briefed on the LSH lease, downsized to smaller office space, looking into longer term solution for future; FedEx development -- provided background information, notice letter to exercise option on the second parcel and summarized on the process, obligations and discussions, Mr. Werner detailed further, one year notice, response will go out this week and will hold future meetings to resolve issues. Sky Harbor: Love Creamery, ice cream vendor, has a mobile cart stored at Sky Harbor, operating and well received. Mr. Werner spoke on the second successful tenant and staff event in July, will host one more in August.
- Financial: Ms. Joelle Bodin, Director of Finance & Administration, explained timeline for operating procedures for budget preparation – draft to the Board in September, approval by Board in October and November approval by City Council; Letter will be going out to begin negotiations with the collective bargaining unit, term ending December of this year.
- Marketing: Ms. Natalie Peterson, Director of Marketing & Communications, Delta Sky Magazine is highlighting Duluth and DAA will have a presence, processing and editing video hoping to finalize for the magazine; Employee meetings being held for the Above and Beyond program, launching press release in August; DAA will again be a sponsor for Bentleyview, have four tickets from United and working on hotel package.
- Legislative Update: Mr. Werner spoke on the capital funding request, hoping for special session and alternative plans if session does not happen; Passing of FAA funding extension, summarized on key provisions.

- The next Northern Aero Alliance meeting is scheduled for tomorrow July 20th at the Hermantown Chamber.
- Secretary of Transportation, Mr. Anthony Foxx, will be in Duluth Thursday for a Transportation Investment Forum, will have an opportunity to meet and discuss projects.
- Board Retreat end of July, air service focus and spoke on planned discussions for the two days.
- City Planning staff will present in August on updating the City's comprehensive plan.

Questions and discussion followed on several of the Executive Director's review items. Dir. Butler moved to approve the June 21st meeting minutes and other consent items below. Dir. Stewart seconded. Motion carried.

CONSENT ITEMS

Cash disbursement sheets #12 and #13, 2016 and Construction fund sheet #6, 2016.
Letter from FAA to DAA regarding Passenger Facility Charge (PFC) Number 05-07-C-00-DLH Closeout.
Acknowledgement letter from FAA to DAA regarding PFC application 17-12-C-00-DLH.
Copy of letter from Minnesota Council of Airports (MCOA) to Minnesota Department of Transportation regarding meetings to discuss changes to State Zoning Statute.
Letter from DAA to PCI Roads Runway 9/27 Phase 1B Schedule.
Fox News.com news release "US Airlines Facing Major Pilot Shortage Despite Rising Wages".
E-mail from Monaco Air Foundation with summary of June 2016 activities.
E-mail notice from Curtis R. Fisher to DAA to exercise the option to occupy Parcel II in the ground lease agreement.
Notice letter from DAA to AAR to prepare for the next phase of runway construction.
News release from the Office of Minnesota's Eighth District Congressman Rick Nolan "Nolan Applauds FAA Funding Extension, Pushes for Long-Term Funding Bill".
May 2016 financial report, June 2016 accounts receivables and airline statistics.

OPPORTUNITY FOR PERSONS TO BE HEARD

Ms. Faye Topliff was welcomed and invited to speak to the Board. Ms. Topliff thanked the Duluth Airport Authority for recognition and conversation concerning noise, very forward thinking and expressed her appreciation for the good work. Pres. Mullen thanked Ms. Topliff for her engagement in this process.

OLD BUSINESS

Mr. DeCoster spoke on the Sky Harbor hangar lease agreement. Dir. Tanski moved to approve the resolution for the Sky Harbor short-term lease agreement between the Duluth Airport Authority and John Justad. Dir. Stewart seconded. Motion carried.

NEW BUSINESS

Mr. Peterson provided background information, summarized and spoke on timeline for the Phase 2 reconstruction of Runway 9/27. He recommended approval. Dir. Stewart moved to approve the resolution to award PCI Roads in the amount of $5,763,444.05 for the Duluth International Airport, Runway 9/27 Reconstruction, Phase 2. Work Scope includes reconstruction of the west 2,162 feet of Runway 9/27 and associated in-pavement lighting, including the Precision Approach Path Indicators (PAPIs) on the west end. Dir. Butler seconded. Motion carried

Mr. Werner explained the SEH Work Order was not ready at this time, recommended to table and will bring forward next month. Dir. Stewart moved to table the resolution to approve SEH Work Order #2016-4. Dir. Fedora seconded. Motion carried.

Mr. Peterson summarized on the airfield security fencing, gate upgrades and improvements. Mr. Werner detailed further. Questions and discussion followed. Mr. Peterson spoke on TSA security airfield perimeter guidelines. Dir. Tanski moved to award a contract to Century fence in the amount of $1,019,156.63 for the Duluth International Airport, 2016 airfield fence improvements. Work Scope includes improvement to the airfield perimeter fence and automatic gates to meet TSA security requirements and FAA recommendations for wildlife hazard management. Dir. Steward seconded. Motion carried.

Mr. Peterson explained the following resolution is related to the fencing improvements and summarized on the process. He recommended approval. Questions followed. Dir. Butler moved to approve SEH Work Order #2016-5 for the construction administration, observation, and closeout services for Duluth International Airport, 2016 Airfield fence improvements. Dir Fedora seconded. Motion carried.

Mr. Peterson detailed and spoke on the hots spots. He summarized on the scope of work for the triggering event Master Plan. Dir. Butler moved to approve SEH Work Order #2016-6 for the triggering event Master Plan. Scope of work includes resolution

to the hot spots on the east end of the runway, including engineering design issues, stakeholder coordination, public outreach, noise contours, environmental impacts, and updating the airport layout plan (ALP) to reflect the new Runway 27/Taxiway E layout. Dir. Tanski seconded. Motion carried

Pres. Mullen commented on the resignation of Ms. Heather Rand and the add in resolution for selection for DAA Vice President and Secretary. He presented the Executive Committee's recommendation for the new slate of officers as Ken Butler, Vice President and Anna Tanski, Secretary. Dir. Fedora approved the slate of officers as recommended. Dir. Stewart seconded. Motion carried.

Dir. Stewart moved to adjourn the July 19th meeting. Dir. Tanski seconded. Motion carried. Pres. Mullen adjourned the July 19th DAA Board meeting at 9:03 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: _____ DATE: August 10th, 2016

CASH DISBURSEMENT

Duluth Airport Authority
Operating Check Register
July 15, 2016 - July 15, 2016
CD #14-2016
DAA Operating Check Register

Document N	Date	Transaction	Payee	Amount
3936	7/15/2016	BILLPMT	AAAE Great Lakes Chapter	$35.00
3937	7/15/2016	BILLPMT	AirFiber	$49.95
3938	7/15/2016	BILLPMT	Airgas North Central	$76.00
3939	7/15/2016	BILLPMT	Ameripride Linen & Apparel Services	$137.02
3940	7/15/2016	BILLPMT	Apex	$1,250.00
3941	7/15/2016	BILLPMT	Aviation Security Clearinghouse	$500.00
3942	7/15/2016	BILLPMT	Batteries Plus	$13.49
3943	7/15/2016	BILLPMT	Benson Electric Company	$589.62
3944	7/15/2016	BILLPMT	Best Oil Company	$7,209.30
3945	7/15/2016	BILLPMT	Blueglobes LLC	$423.16
3946	7/15/2016	BILLPMT	Bodin, Joelle	$60.00
3947	7/15/2016	BILLPMT	CDW Government	$998.83
3948	7/15/2016	BILLPMT	Charter Communications	$123.25
3949	7/15/2016	BILLPMT	City Of Duluth Comfort Systems	$15.25
3950	7/15/2016	BILLPMT	Compudyne, Inc.	$583.00
3951	7/15/2016	BILLPMT	Dalco	$696.31
3952	7/15/2016	BILLPMT	Denny's Lawn And Garden	$121.68
3953	7/15/2016	BILLPMT	Fastenal Company	$29.50
3954	7/15/2016	BILLPMT	General Security Services Corporation	$18,729.45
3955	7/15/2016	BILLPMT	Genes Pest Control	$290.00
3956	7/15/2016	BILLPMT	Grainger	$407.97
3957	7/15/2016	BILLPMT	Guardian Pest Control	$110.25
3958	7/15/2016	BILLPMT	Helen A Kallberg	$51.18
3959	7/15/2016	BILLPMT	Jamar Company	$9,839.50
3960	7/15/2016	BILLPMT	Kraemer Construction, Inc.	$40.00
3961	7/15/2016	BILLPMT	Marsden Building Maintenance	$16,826.00
3962	7/15/2016	BILLPMT	Menards	$526.95
3963	7/15/2016	BILLPMT	Menards	$34.61
3964	7/15/2016	BILLPMT	Minnesota Elevator, Inc	$1,517.70
3965	7/15/2016	BILLPMT	Minnesota Power	$11.73
3966	7/15/2016	BILLPMT	Monaco Air Duluth, LLC	$230.45
3967	7/15/2016	BILLPMT	MSC Industrial Supply Co.	$322.84
3968	7/15/2016	BILLPMT	MSC Industrial Supply Co.	$85.38
3969	7/15/2016	BILLPMT	NAPA Auto Parts	$121.96
3970	7/15/2016	BILLPMT	Nextera Communications	$111.06
3971	7/15/2016	BILLPMT	Northern Engine & Supply	$38.71
3972	7/15/2016	BILLPMT	Northern Tool + Equipment	$120.91
3973	7/15/2016	BILLPMT	Peterson Septic Pumping	$185.00
3974	7/15/2016	BILLPMT	Peterson, Blaine	$60.00
3975	7/15/2016	BILLPMT	Peterson, Natalie	$60.00
3976	7/15/2016	BILLPMT	Peterson, Natalie	$74.34
3977	7/15/2016	BILLPMT	Security Jewelers	$52.00
3978	7/15/2016	BILLPMT	SFM	$10,445.00
3979	7/15/2016	BILLPMT	Sinnott, Paul	$30.00
3980	7/15/2016	BILLPMT	Swanson, Richard	$1,616.00
3981	7/15/2016	BILLPMT	Thanks Again, LLC	$70.03
3982	7/15/2016	BILLPMT	Trillion Aviation	$6,510.00
3983	7/15/2016	BILLPMT	Twist Inc	$2,961.83
3984	7/15/2016	BILLPMT	Wabrowetz, Steve	$60.00
3985	7/15/2016	BILLPMT	Waste Management of WI-MN	$1,845.72
3986	7/15/2016	BILLPMT	Welch, Ryan	$60.00
3987	7/15/2016	BILLPMT	Werner, Thomas	$60.00
Total				$86,417.93

Approvals:

Airport Director

Airport Authority

City Treasurer

CD 14 -- 2016

Duluth Airport Authority
Operating Check Register
July 22, 2016 - July 29, 2016
CD #15-2016
DAA Operating Check Register

Document N	Date	Transaction	Payee	Amount
3988	7/29/2016	BILLPMT	Ameripride Linen & Apparel Services	$314.56
3989	7/29/2016	BILLPMT	Arrowhead Tap House	$126.90
3990	7/29/2016	BILLPMT	AT&T Mobility	$256.66
3991	7/29/2016	BILLPMT	Best Oil Company	$5,038.80
3992	7/29/2016	BILLPMT	Big Frog of Duluth, MN	$96.18
3993	7/29/2016	BILLPMT	Century Link	$291.82
3994	7/29/2016	BILLPMT	City Of Duluth Comfort Systems	$5,708.53
3995	7/29/2016	BILLPMT	Dalco	$1,249.70
3996	7/29/2016	BILLPMT	Dash Express, LLC	$70.00
3997	7/29/2016	BILLPMT	Essentia Health	$209.00
3998	7/29/2016	BILLPMT	Glenwood Signs & Awards, Inc.	$10.95
3999	7/29/2016	BILLPMT	Grainger	$351.36
4000	7/29/2016	BILLPMT	iFIDS.com Inc.	$350.00
4001	7/29/2016	BILLPMT	J.N. Johnson Fire and Safety	$225.80
4002	7/29/2016	BILLPMT	Jamar Company	$10,637.50
4003	7/29/2016	BILLPMT	Kayser, Jana M	$62.64
4004	7/29/2016	BILLPMT	Menards	$33.07
4005	7/29/2016	BILLPMT	Minnesota Power	$23,323.56
4006	7/29/2016	BILLPMT	NAPA Auto Parts	$25.95
4007	7/29/2016	BILLPMT	Northern Tool + Equipment	$379.83
4008	7/29/2016	BILLPMT	Pace Analytical Services, Inc	$592.50
4009	7/29/2016	BILLPMT	Peterson, Blaine	$74.97
4010	7/29/2016	BILLPMT	Pomp's Tire Service, Inc.	$317.50
4011	7/29/2016	BILLPMT	Praxair Distribution Inc.	$247.94
4012	7/29/2016	BILLPMT	Sam's Club	$118.06
4013	7/29/2016	BILLPMT	Security Jewelers	$52.00
4014	7/29/2016	BILLPMT	Swanson, Richard	$1,616.00
4015	7/29/2016	BILLPMT	TDS Metrocom	$1,467.17
4016	7/29/2016	BILLPMT	Viking Automatic Sprinkler	$4,695.34
4017	7/29/2016	BILLPMT	Visit Duluth	$250.00
4018	7/22/2016	CHK	WF Bus Payment Processing - Joelle	$858.54
4019	7/29/2016	BILLPMT	WF Bus Payment Processing - Tom	$1,428.46
Total				$60,481.29

Approvals:

Airport Director

Airport Authority

City Treasurer

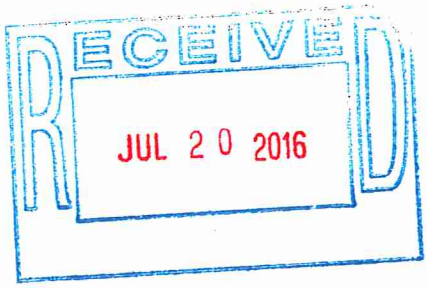
CD 15 -- 2016

CORRESPONDENCE

IIA

COLDWELL BANKER COMMERCIAL

COLDWELL BANKER COMMERCIAL
FISHER GROUP
1961 PREMIER DRIVE
SUITE 404
MANKATO, MN 56001
OFFICE 507.625.4715
FAX 507.388.3941
www.cbcfishergroup.com



July 14, 2016

Thomas J Werner
Executive Director Duluth Airport Authority
4701 Grinden Drive
Duluth MN 55811.

Dear Tom,

I wish to provide a 12 month notice to exercise the option in the Ground Lease executed on the 23rd day of August, 1990 between the Duluth Airport Authority and Curtis R Fisher.

The lease term with extensions has a term of 99 years. Article II B. of the lease provides an option to occupy Parcel II as follows:

"In addition, Authority does hereby agree to lease Parcel II of the Leased Premises to Lessee at no additional charge during the term of this Agreement and the options thereof; provided, however, that in the event that Lessee wishes to occupy said Parcel II, Lessee agrees to give Authority notice of its intent to do so not less than twelve (12) months prior to the time it intends to occupy said premises, said notice to be given in the same manner as provided for in Paragraph B of Article VII below."

As you are aware, I have been trying to assist FedEx with an expansion for their onsite Maintenance Facility needs. This began in good faith while trying to assist the Authority with its needs to vacate Hanger 2 for another use. As we worked together, the timing of the proposed use for Hanger 2 was critical and forced the assembly of a development proposal for FedEx that escalated into a priority approval process. At the same time, I requested multiple proposals from contractors to lock in pricing and propose lease terms. A team was created that was structured to meet the deadlines. A letter was sent to FedEx on behalf of the Authority that heightened the expectation that the proposed use of Hanger 2 was moving forward and FedEx did not want to be in a short term position. Additionally, winter conditions were approaching in the schedule and it became more apparent that things needed to move with speed.

Unfortunately, the proposed use did not materialize. Momentum for the new facility had been created and a design by their architects had been approved. The building is very efficient and designed to meet FedEx standards. They have made the decision to proceed. The critical timing is no longer an issue, however the process is complete to move forward and contractors assembled and bids complete. FedEx desires to complete the expansion and maintain a long term commitment to this facility on Airport and continued vision for its use.

Each Office Is Independently Owned and Operated.

From my perspective, when initially choosing this location in 1990, the ability to expand the facility for future needs of FedEx (or if they left another user), was a very important consideration. The lease was purposely negotiated to provide a long term (99 years) and with expansion for the future (Parcel II). The building was design to expand out on the end next to Parcel II. The end panels were designed to lift out and utilities and roof and floor drainage were stubbed out.

While the counter proposal from the Authority provides area for the new parking needed for the FedEx expansion, it does not provide a key purpose of the option, which is expansion of the building. I believe there are approximately 73 years left on the Ground Lease. It is my hope that growth of the Duluth Regional Market allows for this expansion in the future. Therefore the proposal to carve off an area for the new parking does not satisfy the long term vision of expanding the building into Parcel II.

It would be my hope that we can meet and review alternatives that assist the Authority with its vision and that of Monoco and I will look forward to meeting upon my return in late July or Aug.

Thanks for your consideration,

Curt Fisher

DULUTH INTERNATIONAL AIRPORT

Closer to everywhere.

August 3, 2016

Mr. Curtis Fisher
Coldwell Banker Commercial Fisher Group
1400 Madison Ave. #616
Mankato, MN 56001

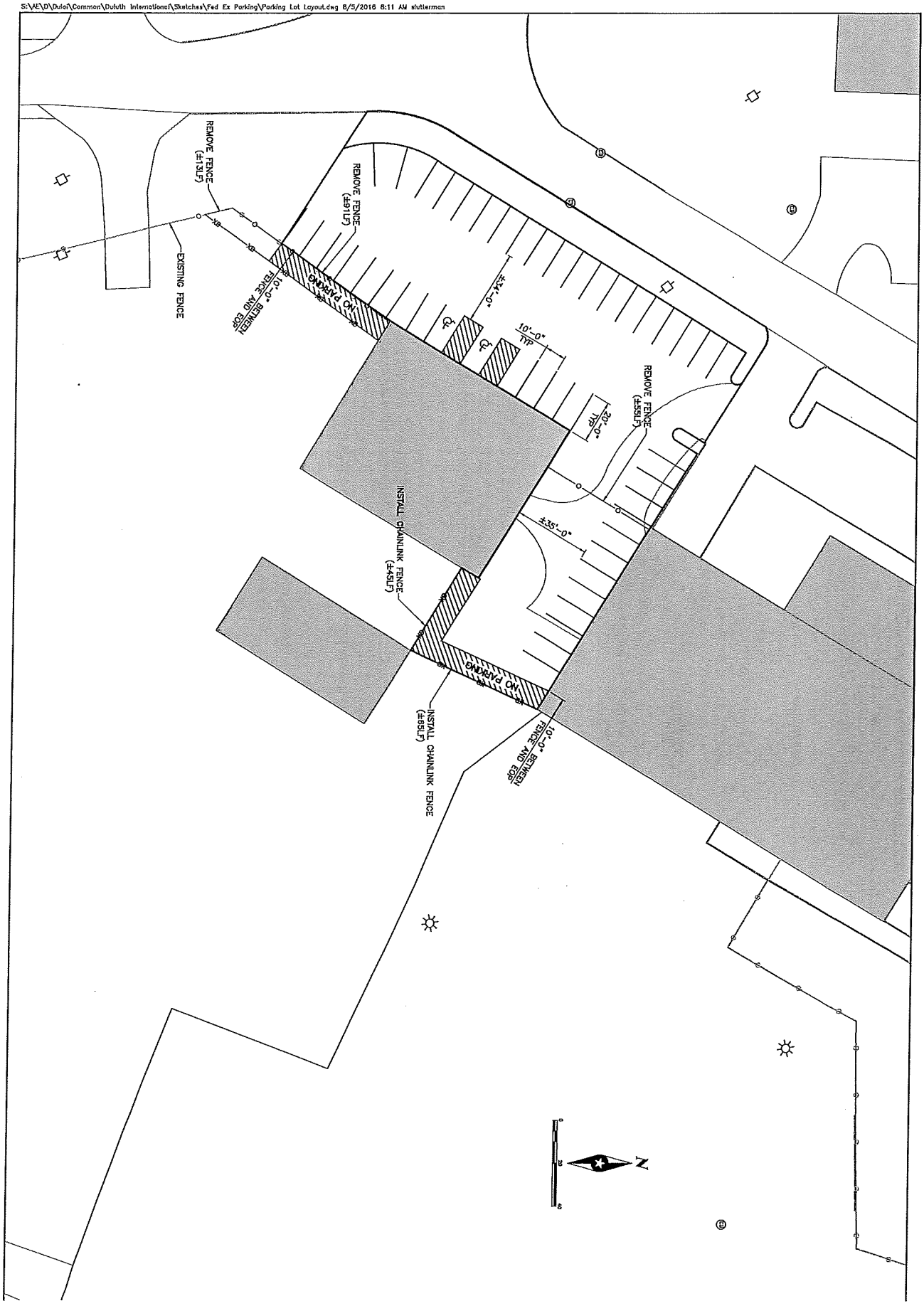
Re: Follow Up From July 27th Phone Call

Dear Mr. Fisher,

Thank you for taking the time to discuss elements related to the exercise of the Option on Parcel II on the call on July 27th. We believe it was a beneficial discussion to explore ways to achieve your goal of securing the Option on the Parcel II site as well as provide stability for the use of the existing Monaco Air GSE maintenance facility as well as the Authority storage facility. Outlined below is a summary of our understanding of the elements discussed:

1. The Authority acknowledges the Option is exercised and will be added to the lease on July 7, 2017. The land will be leased with no change in the applicable lease payment in accordance with the terms of the Agreement.
2. There are no immediate plans to expand the existing building on to Parcel II; rather a portion of Parcel II is needed for replacement parking for FedEx employees resulting from the planned expansion.
3. The Fisher Group has developed a parking layout on the peripheral land of Parcel II to allow for the continued use of the existing facilities. The Authority has reviewed that plan to ensure that it is in compliance with TSA security requirements. After that review, an amended plan is proposed and attached (Area A) that meets security requirements.
4. Provided the parties can agree to an alternative parking plan in a timely manner in order to correspond to the planned fence replacement project commencing next month,, the Authority will adjust the security fence line to correspond to the approved parking plan at the expense of the Authority.
5. The Fisher Group will develop the parking lot per the layout (Area A).
6. Following the transfer of the lease rights to Parcel II, the Authority will sublease back the remaining land (Area B) at no cost to the Authority for a base term of five (5) years. In addition, the Authority proposes that the sublease will include two (2) Option Terms of five (5) years each cancellable without cause provided there is a one (1) year notice period.
7. The Fisher Group will perform a Phase I and Phase II environmental investigation on Parcel II. For any services that require soil boring, access and the work to be performed will be coordinated with the Authority and Monaco Air so as to not disrupt operations.
8. The Authority will coordinate any environmental mitigation that is the responsibility of the Authority with the Fisher Group so as to provide for timely use of the land.
9. All operations and development of the leased premises will be in compliance with the Rules and Standards adopted by the Authority, which may be amended from time to time. A copy of the current Rules and Standards is attached.

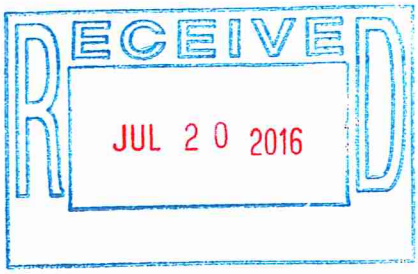
S:\AE\D\Duluth\Common\Duluth International\Sketches\Fed Ex Parking\Parking Lot Layout.dwg 8/5/2016 8:11 AM slutterman



A	SHEET TITLE PARKING LOT SKETCH	SEH FILE NO. —— STATE PROJECT NO. —— ISSUE DATE —— DESIGNED BY —— DRAWN BY —— Short Elliott Hendrickson, Inc. ® (SEH) © 2016 Short Elliott Hendrickson, Inc.	MARK DATE DESCRIPTION REVISIONS	DULUTH INTERNATIONAL AIRPORT FED EX PARKING LOT DULUTH, MN		DULUTH INTERNATIONAL AIRPORT	SEH 3535 VADNAIS CENTER DR ST PAUL, MN 55110 PHONE: 651.490.2000 FAX: 651.490.2150 WATS: 800.325.2055 www.sehinc.com

IV B

RECEIVED
JUL 20 2016



DULUTH AIR AND AVIATION EXPO

2110 West First Street
Duluth, MN 55806
P: 218.628.9996
F: 218.727.2654
www.duluthairshow.com

July 15, 2016

Tom Werner
C/o Duluth International Airport
4701 Grinden Dr.
Duluth, MN 55811

Tom,

As we conclude the 2016 Duluth Air and Aviation Expo I wanted to say thank you for your partnership and support of the Duluth Airshow this year! We were incredibly fortunate to have amazing weather over the weekend and an amazing turn out with over 45,000 spectators physically on the airport grounds to watch the USAF Thunderbirds.

This year alone, the Duluth Air and Aviation Expo provided a local economic impact of nearly 9 million dollars! Additionally, through your partnership you contributed to our ability to support more than 50 area non-profit groups who work the event and were able to generate revenue from the Duluth Airshow to sustain and grow their organizations. Many of these non-profit groups count on the Duluth Airshow's award winning Protected Group Fund (PGF) as their sole source of funding and because of your willingness to partner with us we are able to have a significant impact on our community.

The Duluth Airshow also provided educational opportunities to the public in aviation and aerospace careers with the help of local colleges, universities, and educational organizations. The Duluth Air and Aviation Expo will continue to see growth in terms of adding even more events and opportunities within the event.

We are already in planning for our next show which will take place in just 11 months on June 3-4, 2017 for Duluth's first ever back-to-back airshow when we welcome back the United States Navy Blue Angels! On behalf of the Duluth Airshow Board of Directors, I want to say thank you for supporting the Duluth Air and Aviation Expo.

Respectfully,

Ryan Kern
President/Founder
Duluth Airshow

ICAS Marketing Awards Winner | 2001, 2003, 2006, 2008, 2010, 2012

The Duluth Airshow is a non-profit 501c3 organization.

IIF C

DULUTH INTERNATIONAL AIRPORT

Closer to everywhere.

July 26, 2016

Dany Kleiman
Group Vice President MRO
1100 N. Wood Dale Road
Wood Dale, IL 60191

Mr. Kleiman,

We are in receipt of Mark Ketterer's email dated July 22nd. Thank you for your internal analysis and offering a potential 20-25 day construction window sometime in August or early September. As noted in our July 11th letter, we are approaching the time where we need to define a 60 day continuous construction schedule when Runway 9/27 will be closed during next summer's construction season. A series of shortened construction periods are not an option next summer. The segment completed this summer was void of electrical and drainage infrastructure making it easier to complete in a shorter timeframe. We will not have that to work with in the balance of the middle section where the majority of the electrical and drainage infrastructure must be reconstructed in a continuous manner. The increased cost associated with breaking up the first phase in two is $3 million dollars to construction costs. In addition, the re-phasing will result in the 148th Fighter Wing relocating temporarily in 2017 at a cost of $2-3 million dollars. This past spring you said that AAR's operational planning would offer more flexibility as there may be an extended period of employee training during a transition to a new airframe served at DLH. It was also noted that a year's notice would help you prepare for a 60 day continuous construction next summer.

We understand that AAR's operational planning may not have developed in the manner you had anticipated. Even if you're not where you thought you'd be in your planning for next year, it is imperative that we commit to a 60 day continuous construction schedule for 2017 within the next two weeks and we would prefer to do this in a collaborative manner. At this time, July 15th-September 15th 2017 is our construction schedule unless we mutually agree on an alternative. The Duluth Airport Authority has a contractual obligation to provide the contractor dates and will need to make a final determination by August 5th on the final construction schedule. Selecting the construction dates by August 5th provides responsible notice to all of our airport users and ensures that we have a committed date with our contractor in preparation for next year's runway closure.

Duluth International Airport | 4701 Grinden Drive | Phone (218) 727-2968 | daa@duluthairport.com
Sky Harbor Airport | Duluth, MN 55811 | Fax (218) 727-2960 | www.duluthairport.com

We understand a project of this type is difficult to schedule around. However completing the 60 day construction period in 2017 will mean another 60 years of Duluth's runway supporting AAR and your customers.

Either Tom or I are happy to discuss this with you via phone or in person as we firm up our date on August 5th. We look forward to hearing from you.

Sincerely,

Pat Mullen
President
Duluth Airport Authority

Tom Werner
Executive Director
Duluth Airport Authority

cc: Senator Tom Bakk
Senator Roger Reinert
Representative Mary Murphy
Representative Erik Simonson
Representative Jennifer Schultz
Mayor Emily Larson
Mark Ketterer

DULUTH INTERNATIONAL AIRPORT

Closer to everywhere.

August 9th, 2016

Dany Kleiman
Group Vice President MRO
1100 N. Wood Dale Road
Wood Dale, IL 60191

Mr. Kleiman,

Thank you for your email dated August 1st. I understand the variety of challenges in the operational planning process. Your industry is constantly evolving and it's difficult to stay in front of all the variables. AAR's operational planning may not have developed in the manner you had anticipated since we discussed a continuous 60 day schedule for Phase 1B this past spring. For many reasons, including the runway condition, 148th Fighter Wing relocation, and other airfield tenant issues, it is imperative that the Duluth Airport Authority support the commitment we all made this spring to a 60 day continuous construction schedule next summer. The construction schedule least disruptive to our stakeholders is July 15-September 15, 2017. We will inform our other stakeholders and the contractor of these dates by the end of this week. We completely understand that this is not optimal for you. To help answer any questions or discuss a different 60-day construction window for next summer, Pat Mullen, DAA Board President and I will be available at the DAA office this Thursday, August 11th at 1:00 PM to meet with you and/or your staff either in-person or by phone. We welcome the opportunity to explain why a continuous 60 day schedule is critical and answer any questions you may have. Our engineering firm will be on hand to answer more technical questions as well.

Please confirm with me if you would like to meet with Pat and me on Thursday as described above. I can be reached by email at twerner@duluthairport.com or by phone at 218.625.7766.

Sincerely,

Tom Werner
Executive Director
Duluth Airport Authority

cc: Emily Larson, Mayor
Dave Montgomery, City Administrative Officer
Heather Rand, Executive Director, DEDA
Mark Ketterer, Vice President, AAR

Enclosure

Duluth International Airport
Runway 9/27 Reconstruction, Phase 1B

Runway 9/27 Pavement Condition

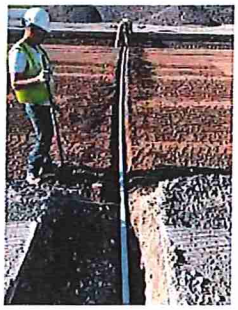
Runway 9/27 is the main runway at the Duluth International Airport and accommodates a large majority of landing and departing aircraft. The runway is nearly 60 years old and pavement testing over the last several years have indicated the runway is reaching the end of its useful life. In recognition of this concern, the Federal Aviation Administration (FAA) and MnDOT Office of Aeronautics provided substantial grant funds to reconstruct the runway, beginning with 95% of the costs to reconstruct Phase 1, which is the center section that requires runway closure.

To accommodate airfield tenants, this phase was separated into Phase 1A, which was a 5,100 ft by 30 ft lane of concrete on the south edge of the runway, completed in June of 2016. Phase 1B is the balance of the project, resulting in new concrete runway for 6,100 feet of length and 150 feet in width, and scheduled for 2017. The completion of Phase 1A confirmed the poor pavement condition, based on the ease of concrete breakdown and removal, and the absence of any steel reinforcement generally required to accommodate large aircraft.

Runway 9/27 Phase 1B – Challenges with Ongoing Segmented Construction

Phase 1B requires approximately 60 calendar days for completion, during which time Runway 9/27 needs to be closed. Attempting to further break down this critical phase into smaller phases is challenging, with no favorable solution that would still provide long-term performance and reliability of the runway.

Continuation of Reconstruction of Longitudinal Paving Lanes: As with Phase 1A, exploring a continuation of rebuilding the runway one lane at a time requires additional time, increases costs, and compromises quality.



- Removal of old concrete adjacent to new concrete – As new lanes are built, old concrete remains. Trying to remove old concrete that is adjacent to new concrete is extremely difficult. Like the game of Operation, touching the new concrete in any way will likely damage the edges, forcing the airport to enter into a long-term maintenance program of monitoring and repairing spalled concrete.
- Centerline light drainage – Runway centerline lights are crucial to help a pilot land a runway in poor weather conditions or at night. The old runway centerline lights collected water, and water and electricity don't mix. The lights need to be reliable, and the new design provides for drainage pipes to take water from the lights and outlet it at the edge of the runway. Installing drainage pipes in sections over multiple years risks leaky joints and water pooling in areas where it shouldn't.
- Groundwater – Most of Runway 9/27 is "crowned," which means the center of the runway is the highest point, and water drains from there out to the edges. Subsurface drainage works the same way. Underneath the runway are clay soils that like to trap water. For Phase 1A, which was the very edge of the runway, this trapped water was removed by draining to the shoulders and into a collection system. Removing and replacing additional lanes of runway, one lane at a time, will create a "bathtub effect." It will essentially trap water between new concrete pavement and old concrete pavement, with nowhere to go and no drainage system nearby. Freeze and thawing of this water, if not adequately removed, may cause heaving and damage the new pavement.
- Aggregate Base – The key to the long-term success of pavement is the quality, compaction, and consistency of the material underneath. If Phase 1B is constructed in its entirety, the base materials under the pavement can be spread and compacted over a large area with large equipment. Construction in this manner provides quality, compaction and consistency. In a lane-by-lane scenario, it is much more challenging to place and compact base materials with large equipment. Smaller, less effective equipment may be required to navigate small areas. Different materials may be placed each year as a lane is constructed. This does not provide the quality, compaction, and consistency to get another 60 years of pavement life.

Runway 9/27 is the most critical piece of infrastructure at Duluth International Airport, and Phase 1 is the most critical phase of construction. The goal is to get another 50-60 years of pavement life from the new concrete runway, and the best way to ensure this is to move forward with completion of Phase 1B in its entirety in 2017.

60 days of construction for 60 years of useful life.

IV D

Lake Superior COLLEGE

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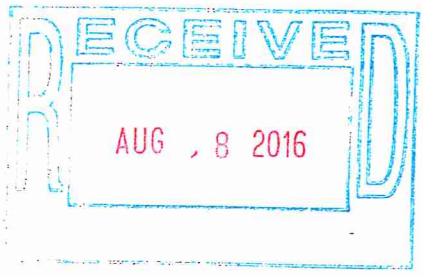

July 27, 2016

David Montgomery
Chief Administrative Officer
City of Duluth
411 West First Street
Duluth, MN 55802

Dear Mr. Montgomery:

As explained in the attached letter, Lake Superior College is discontinuing its Aircraft Rescue and Firefighting training program. The training has been held at our Emergency Response Training Center located in western Duluth. Some of the land at this location was purchased in 1991 with federal Airport Improvement Program grant funds. Grant assurances require us to return $144,000 to the City of Duluth for use in future airport improvement projects.

The Federal Aviation Authority (FAA) needs a letter from the City stating that they will only use the funds for Airport Improvement Projects. Please provide a letter addressed to Jacob Martin at the FAA. The process needed for Lake Superior College to make the payment cannot continue until the FAA receives your letter.

If you have any questions, please contact me at a.finlayson@lsc.edu or 218-733-7613.

Sincerely,

Alan Finlayson
Vice President of Administration

Cc:
Tom Werner, Executive Director
Duluth International Airport

Jacob Martin, Program Manager
Dakota – Minnesota Airports District Office

Lake Superior COLLEGE

Connect. Explore. Achieve.

July 27, 2016

Jacob Martin
Program Manager
Dakota – Minnesota Airports District Office
Minneapolis Office
Suite 102
6020 28th Avenue South
Minneapolis, MN 55450

Dear Mr. Martin:

Lake Superior College currently operates an Airport Rescue and Fire Fighting (ARFF) training facility on property originally purchased with assistance from the federal government. It is our intent to discontinue the program and re-purpose it into an industrial firefighting facility in the near future. The condition of the land the site is situated on is in fair condition with wooded and cleared areas and it has access to most utilities including city water and sewer. The college plans to use the property for industrial firefighting training in the future.

The college has lost money on this program for the last several years and does not believe the market justifies continuing the program. The training has been held at our Emergence Response Training Center (ERTC) located in western Duluth. The college acknowledges that federal Airport Improvement Program (AIP) project number 27-0024-11-91 money was used to purchase part of the ERTC site in 1991. This letter is our request for a full release of Lake Superior College from all special conditions and grant assurances associated with the grant.

We understand that the assurances for real property have no time limit and the college must repay 90% of the current appraised value. The close-out materials for the grant show that approximately 5.73 acres of the tax forfeiture land and 36.56 DelZotto acres were considered acquired under this grant, the remaining acreage identified in the grant was obtained via separate tax forfeit proceedings and without AIP participation. The property is further described as an irregular shaped parcel consisting of approximately 42.29 acres described as the south 250 feet of the NW ¼ of the NE 1/4, part of the south 250 feet of the NE ¼ of the NE ¼, the north 480 feet of the SW ¼ -of the NE ¼ of the former Delzotto property, and part of Government Lot 6 located in the SE ¼ of the NE ¼ all located in Section 9 of T48N – R15W. Lake Superior College hired F.I. Salter to do an appraisal of this land and a copy of their appraisal is attached.

The appraisal values the land purchased with grant money at $160,000. Lake Superior College is responsible for repaying $144,000. We understand that payment will be made to the sponsor of the

grant which is the City of Duluth. We have asked the City to provide you with a letter assuring you that the funds will be used for future Airport Improvement projects.

Please respond with your authorization to release the college from the grant assurances. We will then promptly issue payment to the City of Duluth. If you have any questions, please contact me at a.finlayson@lsc.edu or 218-733-7613.

Sincerely,

Alan Finlayson
Vice President of Administration

Exhibits:
Exhibit 1: GIS Property Sketch
Exhibit 2: Property Sketch with DNR Elevations
Exhibit 3: 1992 Exhibit A Land Ownership Map of Subject Property
Exhibit 4: F.I. Salter Real Estate Appraisal

Cc:
Tom Werner, Executive Director
Duluth International Airport

David Montgomery
Chief Administrative Officer
City of Duluth

RICHARD M. NOLAN
8TH DISTRICT, MINNESOTA

WASHINGTON OFFICE
2366 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-6211

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FACEBOOK.COM/USREPRICKNOLAN
TWITTER.COM/USREPRICKNOLAN

Congress of the United States
House of Representatives
Washington, DC 20515–2308

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
AVIATION
HIGHWAYS AND TRANSIT
WATER RESOURCES AND ENVIRONMENT
RAILROADS, PIPELINES, AND HAZARDOUS MATERIALS

COMMITTEE ON AGRICULTURE
CONSERVATION AND FORESTRY
LIVESTOCK AND FOREIGN AGRICULTURE

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AUG 8 2016

July 27, 2016

Mr. Thomas Werner
Executive Director
Duluth Airport Authority
4701 Grinden Dr, Suite 9
Duluth, MN 55811

Dear Tom,

I want to thank you for participating in my roundtable discussion last week with U.S. Secretary of Transportation Anthony Foxx on the topic of transportation and economic development. You honored us with your presence and with the information that you shared.

As your Representative in Congress, I believe very strongly in investing in our state's transportation system. Like you, I understand how important reliable transportation is to job creation and economic development. Furthermore, I believe that it is the obligation of the Federal Government to step up and be a partner with state and local governments to make these critical investments.

Secretary Foxx could not have been more impressed by the city of Duluth and St. Louis County and the collaboration so essential to economic success. In Northern Minnesota, from a transportation standpoint, we know where our region wants to go and we shared that vision with Mr. Foxx.

As I said at the roundtable, the long term Transportation Bill we passed last year in Congress will provide nearly $4 billion for Minnesota roads, bridges and transit over the next five years. Yet even more funding for roads and bridges is crucial. Congestion is growing. Truck and freight traffic on our highways is up by 65% from just a few years ago. Storms resulting from climate change are continuing to cause expensive damage to our aging infrastructure. And human error, partially the result of distracted driving and texting, has resulted in a 7.7% increase in accidents and fatalities during this year alone.

As Minnesota's only member of the House Transportation & Infrastructure Committee, I'm really looking forward to working with Secretary Foxx and all of you to keep advancing transportation throughout our region. We will keep you posted as events proceed. Meanwhile, I want to hear your thoughts. Feel free to contact me with any additional follow up information from the roundtable or if I can be of assistance to you.

Sincerely,

You make us all so proud!

Rick

Richard M. Nolan
Member of Congress

DULUTH OFFICE
11 EAST SUPERIOR STREET, SUITE 125
DULUTH, MN 55802
PHONE: (218) 464-5095

BRAINERD OFFICE
501 LAUREL STREET
BRAINERD, MN 56401
PHONE: (218) 454-4078

CENTER CITY OFFICE
313 N MAIN ST, ROOM 174
CENTER CITY, MN 55012
PHONE: (218) 491-3131

CHISHOLM OFFICE
316 WEST LAKE STREET #7
CHISHOLM, MN 55719
PHONE: (218) 491-3114

IIE F

Soaring together: Local 'aviation cluster' grows up around Cirrus

By **Brady Slater** on Jul 31, 2016 at 7:00 a.m.

Brian Hanson reflected on Miami 2011 as if he was an athlete, having played an instrumental role in a big game. He and a team of Northland business delegates had descended on a staple aviation industry trade show, MRO Americas, and worked from pink sunrise to orange sunset.

They had an empty maintenance hangar some 1,800 miles north in Duluth to fill, and the local contingent saved their pitch meeting with AAR — a global aircraft services company — for last. "That was on purpose," said Hanson, president and chief executive officer for APEX, a private-sector economic development agency in Duluth. "We got a little smarter from the first 20 meetings." Built specifically to maintain a fleet of Airbus aircraft, Northwest Airlines had abandoned the 187,000-square-foot facility during bankruptcy filings in 2005.

Save for a 2008-09 stopover by Cirrus Aircraft on its way to permanent headquarters and production facilities across the Duluth International Airport's main airstrip, the hangar sat as empty as an echo chamber. The recession had hit, causing Cirrus to curb production steeply and turn its energies inward toward innovation. Other aviation manufacturers and suppliers in what is called the aviation cluster in Duluth drew down production, some to a trickle. What had been a burgeoning aviation sector was suddenly either getting by, scrambling to diversify or both.

One of those suppliers was SCS Interiors. SCS doesn't make Cirrus Aircraft seats, but it wraps the foam and upholsters the seats. During a recent tour of their new facility near the airport, SCS workers hand-checked their leather to identify and keep out defects. SCS President Mike Hudyma doesn't like to talk about the recession anymore — "We're a successful company," he said — but the hard reality was that during its roughest patch the company housed only a handful of employees.

It was that stagnant business climate that made up the backdrop to the Duluth group's trip to Miami. Their pitch was followed shortly after touchdown back home in Duluth by a phone call from a top AAR executive, expressing interest in the hangar. Within months, AAR's recruiting staff was scouting a local job fair designed to show the company the skilled workforce awaiting them in the area. AAR left with

400 leads on employees, including many Federal Aviation Administration-approved airframe and powerplant certified mechanics who'd formerly worked for Northwest.

That cinched it. Moving into Duluth's biggest commercial hangar in 2012 served to tie the room together, so to speak, for the local aviation industry — filling a large maintenance void to go alongside the manufacturing, military and air service industries that were emerging from the recession. "AAR was probably the biggest deal I'll ever do," Hanson said. "I was lucky to quarterback that team."

Quantifying the 'cluster'

Centered mostly in Duluth and concentrated largely around the airport, the local aviation cluster features more than 30 businesses and enterprises. Outside of longstanding staples such as the Duluth International Airport and Minnesota Air National Guard's 148th Fighter Wing, most of it has taken wing in the 22 years since Cirrus Aircraft moved to Duluth from Baraboo, Wis. "If Cirrus had not have moved here," said Dan Larson, president and owner of parts manufacturer Hydrosolutions of Duluth, "there would have been no reason to locate here." Instead, the local aviation industry grew up around Cirrus, which does business with many of the local suppliers and manufacturers.

According to a University of Minnesota Extension office report in 2013 commissioned by the local businesses, the aviation cluster combined to pay about $270 million in wages in 2012 and produced nearly $1 billion in economic output that same year. Those numbers were up from $207.6 million and $861 million in 2008.

While no more recent data exists, the current numbers only figure to have grown as many of the local entities have expanded their infrastructure and added staff in the years since it was issued. To wit, in the same 2013 report, 75 percent of the aviation-related businesses in the Northland indicated they'd increased sales since 2008. To date, the report stands as one of the only documents that attempts to quantify the impact of an aviation cluster that has taken wing since Cirrus' move to Duluth in 1994.

So much of what is known about the aviation cluster has focused on the individual entities within the cluster — the deployments of the 148th Fighter Wing, the Northwest-AAR saga, the addition of aviation-related curriculums to local trade colleges, the rise of Cirrus into a worldwide leader in personal aircraft,

the 2015 completion of the airport terminal renovation, and much more. It wasn't until 2009 that the individual components of the local aviation cluster acted on their own behalfs to create what's called the Northern Aero Alliance.

What started with Larson wrangling together nine other like-minded members is now more than 30 businesses and organizations. Its members meet six times per year to trade contacts and share information about their roles in the industry. Eschewing the cutthroat nature of business, the alliance has forged a compact in which its members agree to support one another's success.

"I haven't met anyone that's not a genuine person," said Sue Boudrie, the operations manager for Ikonics who was recruited into Duluth from a career in aviation to oversee Ikonics' growth as a producer of sound-deadening acoustic liners for use in jet engines. "We're all out to work together and help each other out when we can." The 2013 survey bore that out as 64 percent of the companies in the local cluster say they purchase "inputs" locally from one another, and 54 percent said they would like to buy more inputs locally.

'He was so impressed'

Since she started her business, GreyStar Electronics, in her kitchen in 1993, Mary Moldenhauer has grown her company into one that boasts $2 million in sales. "I think we'll maintain that in 2016, but it's hard; it's very competitive," she said. "My niche is everything done here has to be done by hand." GreyStar was just awarded a state grant that will allow her company to do business in China.

Having been a longtime contractor with Cirrus — populating circuit cards with wires for Cirrus' first two aircraft, the SR20 and SR22 — Moldenhauer figures to use Cirrus' contacts within its Chinese ownership to ask them about the lay of the land. "I want to know from them, 'Who do you deal with?' " she said. A pioneer in the local aviation community, she was inducted into the Minnesota Women Business Owners Hall of Fame in 2014, but, even at 66, is in no hurry to call it a career. Moldenhauer might be the only person in what is still a relatively young aviation cluster to have called the late Duluth business icon Jeno Paulucci a business partner. Paulucci housed her fledgling company on the second floor of one of his Canal Park buildings. "I talked him into buying 11 percent," she said. "He would come up at night and

go look in the back area. He loved seeing all the testing. It was dark and we would have all the lights on in the test bed. He was so impressed."

The story of aviation industry growth in Duluth is rife with anecdotes like that — moments in time as pieces that served the rise of the whole. None was more fortuitous than Cirrus' decision to move to Duluth. Having grown out of building airplane kits, the company was poised to start production on its first aircraft.

Bill King, executive director of business development, made the move to Duluth with the company and recalled the impetus for the move while standing in front of a framed photograph of Cirrus' original digs at the Baraboo-Wisconsin Dells Airport. Part of the space in the photo was filled with employees' cars — a fact that upset the local airport authorities. They wanted a pastoral airfield, King said, one populated with planes and hangars, not overrun with automobiles. "(Founders) Alan and Dale Klapmeier built a little lean-to and got up to about five simple structures with 30 cars in the field," King said. "Now we've got 1,300 (employees)."

'Talent at every level'

A tour earlier this summer of the Cirrus assembly plant with King revealed glimpses at the innovation being fostered locally in the aviation industry.

The Vision Jet, nearing final FAA approval, is in production and figures to revolutionize jet travel. Not a private jet requiring a professional pilot, the company has billed it as the "personal jet" for the way it will allow the owner to fly it. "I have a jet on order," said Don Monaco, owner of nearby Monaco Air. "I have my place number: No. 20." A raw fuselage for the Vision Jet rested on the factory floor — one single carbon fiber orb and tail, replacing what historically in aviation had been pieces of aluminum and "a zillion rivets," King said.

Even Cirrus' single-engine planes start assembly with two composite right-left halves. But for the jet the company's research and development created a molding process that can be removed from the inside once the fiber settles around the mold. "We're doing some pretty exotic stuff in terms of design," King said,

later showing off the edge of a wing that features hundreds of tiny pores through which is secreted a de-icing solution.

Cirrus' innovation even reaches shipping and handling processes — having created in-house rolling racks for transporting rows of propellers that used to have to be painstakingly packaged one at a time and wrapped like a dead Egyptian pharaoh. It was the "guys on the floor" that came up with the propellor racks that slide nicely into the back of a semi trailer, King said, adding, "We've got that kind of talent at every level."

What the local aviation cluster needs now more than ever is more of the same. Cirrus posts billboards around town calling for new workers. SCS Interiors is always looking for people with proficiency in sewing. At AAR, where they strip hulking passenger jets down to the bones and perform everything from preventative maintenance to reupholstering to engine repair, Vice President of Operations Mark Ketterer said, "If I had it my way we'd get 300 more jobs in here. That's really what it's about: finding talented people."

Help would appear to be on the way. Last spring, Lake Superior College graduated its first 16 students from its new Center for Advanced Aviation at the Duluth International Airport. Years ago, the school had purchased the program's infrastructure, including an entire inventory of engines, from Winona State University, which divested itself of aviation. The program sat in crates for several years, and it was members of what would become the Northern Aero Alliance that urged the school to push its program through the accreditation process. "I heard it from them," said Jenni Swenson, the school's dean of business and industry. "They would explain the growth. Knowing we had the equipment, it all kind of aligned."

The future of the aviation industry in Duluth depends in part on its ability to attract employees. To that end, the Northern Aero Alliance conducted its own report earlier this year, identifying almost 40 types of workers it will need to attract to maintain the viability of its members. The list includes everything from

office staff to flight trainers to welders to computer-aided designers to engineers and electrical aviation mechanics.

"You create a demand by making quality components with repeatability," said Hydrosolutions' Larson, outlining what has been the recipe for success throughout the local aviation cluster. "You can't be a Joe Schmoe and be competitive."

IZG

Mary Ann Wittkop

From:	Don Monaco <donm@monacoairduluth.com>
Sent:	Tuesday, September 01, 2015 4:33 AM
To:	Tom Werner; Ken Stromquist (KENNETH.J.STROMQUIST@leidos.com)
Cc:	Dale Klapmeier (dklapmeier@cirrusdesign.com); Dave Gaddie (dgaddie@bankrepublic.com); Greg Fox (gregandsheilafox@hotmail.com); Michael A. Magni; Pat Mullen (pmullen@mnpower.com); Steve Overom; Mary Ann Wittkop
Subject:	August, 2015 Monaco Air Foundation Report

Tom and Ken,

Please share this report with the Duluth Airport Authority Board at its next regularly scheduled meeting.

Summary of August, 2015 Activities

The IRS has approved Honor Flight Northland's 501(c)(3) application and the Monaco Air Foundation is no longer Honor Flight Northland's fiscal agent.

The Foundation is participating in the Duluth Airport Authority's effort to revitalize the entrance to the Duluth International Airport which includes naming the terminal in memory of the late U.S. Representative James. L. Oberstar. The Foundation is working with the project team to raise and disburse the necessary funds.

The Foundation is working with Tom Albright, Civic Engagement Coordinator for the Duluth Public School District, to establish a High School Aviation Day program at the Duluth High Schools and in the process of contacting Hermantown, Proctor, and Superior High Schools to arrange visits to the airport this upcoming school year.

Please let me know if you have any questions about this month's report.

Respectfully submitted,

Don Monaco
President
Monaco Air Foundation, Inc.
4535 Airport Approach Road
Duluth, MN 55811
Phone: 218-727-2911
Mobile: 630-728-5571
Fax: 218-336-0001
donm@monacoairduluth.com
www.monacoairduluth.com

IIZ H

DULUTH INTERNATIONAL AIRPORT

Closer to everywhere.

August 3, 2016

Mr. Don Monaco
Monaco Air Duluth
4535 Airport Approach Road
Duluth, MN 55811

Re: Lease Agreement Old Maintenance Garage Warehouse 2

Dear Don,

The Authority and Monaco Air Duluth entered into a Lease Agreement for the above referenced property commencing November 1, 2005 which terminated on October 31, 2010 for a 7,200 square foot facility at 4504 Airport Approach Road. Since the expiration, per the terms of the Agreement, the Lease has continued on a month to month basis.

One of the provisions of Section 5 of the Agreement was that if Curtis Fisher exercised his Option on the parcel, the Agreement with Monaco would be terminated. The Authority has been notified by Mr. Fisher of his intent to exercise that Option effective July 7, 2017. This letter shall serve as notice by the Authority of the cancellation of this Agreement effective July 7, 2017.

As you are aware, the Authority is attempting to negotiate with Mr. Fisher to retain control of the portion of the option parcel that contains the building leased to Monaco Air. At this time, an agreement has not been arrived at. The Authority will keep you advised if an agreement is reached to continue to have this site controlled by the Authority beyond the Option effective date. If that negotiation is successful, the intent would be for the Authority to enter into a new sublease agreement with Monaco for the term that the Authority was able to secure.

Mr. Fisher has indicated that he is going to proceed with a Phase I and a Phase 2 environmental study on the parcel. The Phase 2 will involve doing soli borings. We have requested that any such work be coordinated with the Authority and Monaco Air. We ask for staff to cooperate as much as possible to accomplish the borings as long as the requests do not materially impact daily operations.

We wanted to provide this notice as a courtesy so that there is adequate time to make alternative arrangements if an agreement extending the control of the parcel by the Authority cannot be reached with Mr. Fisher. We will keep you advised of any status updates.

Sincerely,

Tom Werner
Executive Director

Duluth International Airport
Sky Harbor Airport
4701 Grinden Drive
Duluth, MN 55811
Phone (218) 727-2968
Fax (218) 727-2960
daa@duluthairport.com
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IRI

DULUTH INTERNATIONAL AIRPORT

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August 8th, 2016

Senator Bakk
Minnesota Senate Bldg, Rm 3113

Representative Simonson
State Office Bldg, Rm 221

Senator Reinert
Minnesota Senate Bldg, Rm 3101

Representative Schultz
State Office Bldg, Rm 215

Representative Murphy
State Office Bldg, Rm 343

Dear Delegation Members,

I'd like to update you on our efforts to accommodate airport tenants in preparation for our necessary 60-day runway construction in 2017.

The Duluth Airport Authority (DAA) has been actively working to confirm a schedule for 2017's runway reconstruction project at the Duluth International Airport. This spring we were pleased AAR had suggested a segmented construction schedule for 2016 that would allow construction to commence with the understanding a longer 60-day construction period is necessary next year. Approximately 20% of the first phase was completed this summer during a twenty-two day runway closure. Our contractor was able to accommodate a segmented plan because the section of runway selected was void of utilities and located along the south edge of the runway having minimal impact to the overall pitch of the surface. The segmented plan added $3 million dollars to the overall cost of the project.

Our engineers have looked for other similar shorter segmented construction opportunities for 2017 but unfortunately none exist. The balance of phase one must be completed in a continuous 60-day construction schedule next summer. This allows for the entire width of the runway to be excavated, all utilities and related infrastructure to be replaced and concrete paving to occur with minimal breaks preserving the longevity of the runway. If the first phase is segmented further, this would severely degrade the lifespan of the runway and lead to millions of dollars in increased construction and maintenance costs. For your review, I have enclosed a more detailed explanation of the technical reasons for finishing the rest of phase one within one continuous 60-day construction schedule. Further segmentation of the first phase next summer into multiple construction periods will also severely disrupt other users such as Monaco Air and displace the 148th for additional phases at a cost of $2-3 million each time they relocate.

Leadership at the City of Duluth and DAA have encouraged AAR to provide input on a sixty day continuous schedule for next season. In April, AAR's leadership indicated that with a year's notice, they would be able to prepare for a 60-day construction period next summer. We are now just inside of one year from our preferred 60 day construction period.

Duluth International Airport | 4701 Grinden Drive | Phone (218) 727-2968 | daa@duluthairport.com
Sky Harbor Airport | Duluth, MN 55811 | Fax (218) 727-2960 | www.duluthairport.com

Duluth International Airport
Runway 9/27 Reconstruction, Phase 1B

Runway 9/27 Pavement Condition

Runway 9/27 is the main runway at the Duluth International Airport and accommodates a large majority of landing and departing aircraft. The runway is nearly 60 years old and pavement testing over the last several years have indicated the runway is reaching the end of its useful life. In recognition of this concern, the Federal Aviation Administration (FAA) and MnDOT Office of Aeronautics provided substantial grant funds to reconstruct the runway, beginning with 95% of the costs to reconstruct Phase 1, which is the center section that requires runway closure.

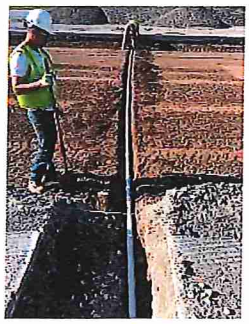
To accommodate airfield tenants, this phase was separated into Phase 1A, which was a 5,100 ft by 30 ft lane of concrete on the south edge of the runway, completed in June of 2016. Phase 1B is the balance of the project, resulting in new concrete runway for 6,100 feet of length and 150 feet in width, and scheduled for 2017. The completion of Phase 1A confirmed the poor pavement condition, based on the ease of concrete breakdown and removal, and the absence of any steel reinforcement generally required to accommodate large aircraft.

Runway 9/27 Phase 1B – Challenges with Ongoing Segmented Construction

Phase 1B requires approximately 60 calendar days for completion, during which time Runway 9/27 needs to be closed. Attempting to further break down this critical phase into smaller phases is challenging, with no favorable solution that would still provide long-term performance and reliability of the runway.

Continuation of Reconstruction of Longitudinal Paving Lanes: As with Phase 1A, exploring a continuation of rebuilding the runway one lane at a time requires additional time, increases costs, and compromises quality.

- Removal of old concrete adjacent to new concrete – As new lanes are built, old concrete remains. Trying to remove old concrete that is adjacent to new concrete is extremely difficult. Like the game of Operation, touching the new concrete in any way will likely damage the edges, forcing the airport to enter into a long-term maintenance program of monitoring and repairing spalled concrete.
- Centerline light drainage – Runway centerline lights are crucial to help a pilot land on a runway in poor weather conditions or at night. The old runway centerline lights collected water, and water and electricity don't mix. The lights need to be reliable, and the new design provides for drainage pipes to take water from the lights and outlet it at the edge of the runway. Installing drainage pipes in sections over multiple years risks leaky joints and water pooling in areas where it shouldn't.



- Groundwater – Most of Runway 9/27 is "crowned," which means the center of the runway is the highest point, and water drains from there out to the edges. Subsurface drainage works the same way. Underneath the runway are clay soils that like to trap water. For Phase 1A, which was the very edge of the runway, this trapped water was removed by draining to the shoulders and into a collection system. Removing and replacing additional lanes of runway, one lane at a time, will create a "bathtub effect." It will essentially trap water between new concrete pavement and old concrete pavement, with nowhere to go and no drainage system nearby. Freeze and thawing of this water, if not adequately removed, may cause heaving and damage the new pavement.
- Aggregate Base – The key to the long-term success of pavement is the quality, compaction, and consistency of the material underneath. If Phase 1B is constructed in its entirety, the base materials under the pavement can be spread and compacted over a large area with large equipment. Construction in this manner provides quality, compaction and consistency. In a lane-by-lane scenario, it is much more challenging to place and compact base materials with large equipment. Smaller, less effective equipment may be required to navigate small areas. Different materials may be placed each year as a lane is constructed. This does not provide the quality, compaction, and consistency to get another 60 years of pavement life.

Runway 9/27 is the most critical piece of infrastructure at Duluth International Airport, and Phase 1 is the most critical phase of construction. The goal is to get another 50-60 years of pavement life from the new concrete runway, and the best way to ensure this is to move forward with completion of Phase 1B in its entirety in 2017.

60 days of construction for 60 years of useful life.

IIJ

SEH

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for All of Us®

AGENDA

DLH Tenant Meeting
Thursday, August 11, 2016
3:00 PM
DLH Terminal, 3rd Floor (Amatuzio Room)

Copies to: Blaine Peterson, Tom Werner, DLH Tenants

I. Introductions

II. Runway 9/27 Reconstruction Overview
- A. Phase 1 (Center 6,091 feet)
  - 1. 2016 Construction (Phase 1A)
  - 2. 2017 Construction (Phase 1B)
- B. Phase 2 (West 2,162 feet)
  - 1. 2017 Construction
- C. Phase 3 (East 1, 1909 feet)
  - 1. 2018 Construction

III. Runway 9/27 Reconstruction, Phase 1B
- A. Schedule
  - 1. July 15 – September 15, 2017
  - 2. Runway 9/27 will be closed
- B. Continuation of Longitudinal Paving Lanes
  - 1. No longer feasible
    - a. Concrete Removal
    - b. Centerline Light Drainage
    - c. Groundwater and Subsurface Drainage
    - d. Underlying pavement materials
      - (1) Cement Treated Base (CTB)
      - (2) Aggregate Base
      - (3) Need for additional pavement "strips" each time
    - e. Cost
    - f. Time and Efficiency
      - (1) Five lanes one year at a time – five years of runway closures
    - g. Runway pavement condition

IV. Opportunities for Updates
- A. Tenant meetings
  - 1. Weekly
- B. DAA Meetings
- C. Special Meetings
- D. DLH and SEH staff

Duluth International Airport
Runway 9/27 Reconstruction, Phase 1B

Runway 9/27 Pavement Condition

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Runway 9/27 Phase 1B – Challenges with Ongoing Segmented Construction

Phase 1B requires approximately 60 calendar days for completion, during which time Runway 9/27 needs to be closed. Attempting to further break down this critical phase into smaller phases is challenging, with no favorable solution that would still provide long-term performance and reliability of the runway.

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Runway 9/27 is the most critical piece of infrastructure at Duluth International Airport, and Phase 1 is the most critical phase of construction. The goal is to get another 50-60 years of pavement life from the new concrete runway, and the best way to ensure this is to move forward with completion of Phase 1B in its entirety in 2017.

60 days of construction for 60 years of useful life.

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FOR IMMEDIATE RELEASE

CONTACT INFORMATION
Natalie Peterson
Communications and Marketing Director
(218) 625-7768
npeterson@duluthairport.com

DULUTH AIRPORT LAUNCHES ABOVE & BEYOND INITIATIVE

DULUTH, MN—The Duluth International Airport announces their newest customer service initiative, the Above & Beyond Service Pledge. "We believe that no matter where you are going or coming from, it's our job to welcome our customers or send them off with a great experience. Every team member. Every flight. Every guest. Every time," explained Natalie Peterson, Communications and Marketing Director at the Duluth Airport.

The regional airport created the Above & Beyond Service Pledge as a commitment to exceed expectations in every way possible, which is carried out by its many employers and employees. On duluthairport.com/aboveandbeyond, airport guests and flyers can provide feedback or recognition depending on their experience. The ultimate goal is to identify any areas of improvement, as well as celebrate those who are making the airport a place you want to begin your journey from.

"The airport's mission is to provide customers with superior service that matches the environment that this terminal creates for our customers," said Peterson. "This initiative is a way to create a culture of excellent service and recognize team members who go out of their way to bring that mission to life."

While the airport acknowledges that it can't control every aspect of air travel, its employers and employees are dedicated to responding to the realities of flight in the best way possible. Based on guest-submitted comments, feedback and peer recognition, this effort is designed to celebrate staff members who excel in their work and make a difference for our customers. To participate, guests are invited to visit the link and submit a memorable person or experience that they've encountered at the Duluth Airport.

###

About the Duluth International Airport

The new state-of-the-art passenger terminal at the Duluth International Airport opened for business on January 14, 2013. Currently United Airlines offers four daily nonstop flights to Chicago and Delta offers five daily nonstop flights to Minneapolis/St. Paul. We are committed to providing our customers with superior services in a safe, secure, professional environment.

Be sure to check out our loyalty rewards program – Thanks Again. www.thanksagain.com/DLH

Visit www.duluthairport.com, like us at facebook.com/duluthairport or follow us on Twitter @DuluthAirport

OLD BUSINESS

EXT A

WORK ORDER
No. 2016-4
Between

The Duluth Airport Authority (DAA) (Owner) and
Short Elliott Hendrickson Inc. (SEH) (Consultant) **Dated: August 16, 2016**

CONSTRUCTION ADMINISTRATION, OBSERVATION, AND CLOSEOUT RUNWAY 9/27 RECONSTRUCTION, PHASE 2 (WEST SECTION) DULUTH INTERNATIONAL AIRPORT (DLH)

This work order includes construction administration, observation and closeout services for the Runway 9/27 Reconstruction, Phase 2 project at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 1-20-2015) between the DAA and SEH remain in effect for this work order.

Estimated start date is September 1, 2016; estimated end date is December 31, 2017.

Compensation by the Owner to the Consultant shall be a lump sum amount of $658,100.

A description of the services to be provided is included in Attachments A.

A detailed estimate of labor cost and expenses is included in Attachment B.

Point of Contact: Benita L. Crow, PE

APPROVED:

Duluth Airport Authority (DAA)

_____

Title:_____

Date:_____

_____

Title:_____

Date:_____

Short Elliott Hendrickson Inc.

_____

Title:_____

Date:_____

ATTACHMENT A

Duluth International Airport (DLH)

Duluth Airport Authority (DAA)

Runway 9/27 Reconstruction – Phase 2 (West 2,162 feet)

Scope of Work

(Construction Administration, Observation and Closeout)

Project Description – Runway 9/27 is the main runway at Duluth International Airport and is 10,162 feet in length. The existing concrete pavement has been in place since the 1950s and recent geotechnical studies conducted as part of master planning efforts and confirmed by preliminary engineering work have indicated that it is reaching the end of its useful life. Historically, pavement rehabilitation work on Runway 9/27 has been separated into three phases – the first phase is the center section of the runway during which the entire runway is closed. The second and third phases include rehabilitation of each end of the runway while providing a minimum of 7,000 feet of runway length for military and commercial aircraft operations. This scope of work is related to Phase 2.

Final design, plans and specifications development, and bidding services (DAA Work Order #2016-3, May 17, 2016) for Phase 2 are complete. The final scope of work for construction of Phase 2 includes the following:

1. Reconstruction of the west 2,162 feet of Runway 9/27
2. Reconstruction of a portion of the bituminous shoulders and connecting taxiway to accommodate concrete paving operations and electrical installations
3. Reconstruction of the west blast pad
4. Replacement of inset centerline and touchdown zone lighting and related components
5. Installation of Precision Approach Path Indicators (PAPIs) on the west end of the runway
6. Other miscellaneous and related work

This scope of engineering services includes construction administration, observation and project closeout services. Construction is anticipated to take place in the summer of 2017, with a time of substantial completion for construction of 60 calendar days. Work components to be completed prior to contract time include pavement marking removal and displaced threshold markings, together with runway edge light and threshold light modifications. Additional work components occurring after substantial completion include sawcut grooving, displaced threshold pavement marking removal, pavement marking replacement and return of lighting to normal operations. An additional five (5) working days is estimated for this, with nighttime runway closures between 6 PM and 6 AM.

This work will be performed under a Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant in accordance with Advisory Circular (AC) 150/5100-14, "Architectural, Engineering and Planning Consulting Services for Airport Grant Projects."

Project Deliverables – The project deliverables of this scope include the following:

1. Construction Administration Services
2. Construction Observation
3. Project Closeout
4. Project Management

This work scope includes:

Work Element 1: Construction Administration Services

Specific tasks included with this work element include:

Task 1.1 – Scope Development – SEH will develop the project scope to ensure that necessary aspects of the project are included. Scope development includes coordination with the Sponsor and FAA for scope review, preparation of the final scope, fee proposal development, and contract negotiations. As part of the scope development, SEH will coordinate and obtain scope and fee estimates for subconsultant work including quality assurance testing and electrical engineering services.

Task 1.2 – Project Administration Services – Office engineering staff, CAD personnel, and administrative staff will assist the construction project team as necessary during construction in response to requests for information, plan or specification clarifications, change orders and other issues that may arise. Other administrative tasks include project set up and invoicing, internal meetings (bi-weekly), progress reports, subconsultant coordination and contract management.

Task 1.3 – Construction Management Plan (CMP) – A draft of the CMP was included as part of the final design services. SEH will obtain the Contractor's Quality Control Plan (QCP) and complete a thorough review of the document for completeness. Any recommended revisions or updates will be submitted to the Contractor. Following review of the QCP, SEH will update the draft CMP by extracting data from the QCP and combining it with Sponsor and Engineer information for project responsibilities. A final CMP will be submitted to the Sponsor and FAA for approval.

Task 1.4 – Preparation of Project Files – SEH will develop construction contracts, review Contractor bonding information, and ensure that Sponsor insurance requirements have been met. SEH will coordinate routing and signature of the construction contracts by the DAA and the Contractor. Plans, contract documents, and technical specifications will be updated to include all addenda items issued during bidding. SEH will ensure that the Contractor is supplied with adequate copies of the construction plans and project manual.

Task 1.5 – Establish Survey Control – SEH will establish the necessary horizontal and vertical control for construction staking for the project. (The Contractor is required to provide the construction staking.)

Task 1.6 – Wetland Determination Staking (Batch Plant and Contractor Storage Locations) – Due to the presence of wetlands identified in the location of the batch plant and Contractor storage areas, SEH will utilize the GPS coordinates gathered as part of the wetland determination completed during Final Design to mark the existing wetlands in advance of any

Contractor mobilization to provide guidance to the Contractor for silt fence installation and wetland avoidance. A Certified Wetland Delineator will mark wetlands in the area of the proposed batch plant and Contractor storage limits. The identification of these boundaries will assist in proper erosion control and implementing Best Management Practices (BMP) during construction.

Task 1.7 – Pre-Construction Activities – Two (2) preconstruction meetings will be held – one in the fall of 2016 and one prior to the start of construction in the spring of 2017.

- The purpose of the pre-construction meeting in the fall of 2016 is to familiarize the Contractor and appropriate employees of safety and security requirements, badging requirements, and necessary training that will be required prior to issuing a Notice to Proceed and allowing access to the airfield for the work.
- The purpose of the pre-construction meeting in the spring of 2017 is to outline and discuss project requirements, administration procedures, airfield closure procedures, displaced threshold requirements, schedules, project responsibilities and communication, Disadvantaged Business Enterprise (DBE) reporting, Contractor submittals, and other related MnDOT and FAA requirements, as necessary.

SEH will administer both pre-construction meetings, develop the agendas, issue notifications, and record and distribute meeting minutes. Attendees will include the Sponsor, FAA, MnDOT, Contractor, Subcontractors, SEH (Project Manager, Professional Engineer, and RPRs), and subconsultants (electrical engineer and material testing firm).

Task 1.8 – Construction Security Coordination – SEH will meet with DLH security personnel to ensure necessary security provisions included in the Construction Safety and Phasing Plan (CSPP) and the Safety Plan Compliance Document (SPCD) are communicated to Contractor personnel. Some of these security provisions include badging requirements for Contractor staff, airfield access point management, personnel training, and escort authority. Additionally, weekly coordination between SEH and DLH staff will occur while construction is occurring to identify and address any security or safety issues.

Task 1.9 – Permit Coordination – SEH will coordinate and review all applicable permits related to the project construction.

Task 1.10 – Submittal and Shop Drawing Review – SEH will review product and material data, shop drawings, concrete material testing and concrete mix design, bituminous material testing and bituminous mix design, material samples, and other items required to be submitted by the Contractor.

Task 1.11 – Progress Meetings – Construction Progress Meetings will be held once a week while construction work is being performed on the airfield. The progress meetings will be attended by SEH staff, including the Project Manager, Professional Engineer, Resident Project Representative(s) (RPR) and other staff as needed or required. It is anticipate that ten (10) progress meetings will occur during construction activities.

Task 1.12 – Pre-Paving Conference – A pre-paving conference is required as part of Section 100 "Quality Control Program" in the Project Manual. The pre-paving conference will address Quality Control and Quality Assurance requirements of the project specifications.

Task 1.13 – Review of Quality Control Testing – All quality control test results performed by the Contractor will be monitored on a daily basis and summarized by SEH. In the event of a failed test result, the Contractor will be required to take corrective action and a retest will be taken until passing results are achieved. SEH will review all quality control testing performed by the Contractor for compliance with the specifications. This will be conducted prior to submission to the FAA. Should any additional testing need to be accomplished, this will be coordinated with the Contractor who will be responsible for completion.

Task 1.14 – Review of Quality Assurance Testing – All quality assurance test results performed by the material testing subconsultant will be monitored on a daily basis and summarized by SEH. In the event of a failed test result, the Contractor will be required to take corrective action and a retest will be taken until passing results are achieved. SEH will review final quality assurance testing for compliance with the specifications. This will be conducted prior to submission to the FAA. Should any additional testing need to be accomplished, this will be coordinated with the subconsultant who will be responsible for completion.

Task 1.15 – Review of Contractor Payroll Forms – SEH will review weekly payroll reporting by the Contractor to ensure that wage rates comply with the requirements of the federal and state wage rates for the work being performed. The RPR will conduct compliance monitoring of the Contractor's Davis-Bacon Act and DBE contractual obligations, including recording the Contractor/subcontractor employees, type of work being completed, and conducting random interviews.

Task 1.16 – Calculate Construction Quantities – SEH will review quantities with the Contractor on a weekly basis. Any discrepancies or disagreements regarding completed quantities will be resolved in advance of any partial pay application process. Periodic cost estimates will be developed by SEH to ensure compliance with the overall project budget.

Task 1.17 – Pay Applications – SEH will prepare partial pay applications once each month during construction, a final pay application including final agreed upon quantities for all work components, and a pay application releasing retainage to the Contractor once all closeout requirements have been met. Actual completed quantities will be tabulated for use in preparing all pay applications.

Task 1.18 – Daily Reports – SEH will maintain a daily log of the construction activities and maintain construction photos for record keeping purposes.

Task 1.19 – Weekly Reports – SEH will prepare a weekly status report using the FAA's standard form. The report will be developed by the RPR, reviewed by the Project Manager, and submitted to the Sponsor, FAA, and MnDOT via electronic submittal (PDF).

Task 1.20 – Change Orders / Supplemental Agreements – SEH shall review and provide recommendations to the Sponsor of proposed changes to the contract documents, technical specifications and plans. As necessary, SEH

will issue supplemental details, design data, drawings and modifications to Contractor for change order pricing. The Project Manager will prepare change orders/supplemental agreements. All Change Orders and Supplemental Agreements require FAA approval prior to being issued. In the case where new materials may be required in addition to those in the bid documents, new bid items will be added to the project and a Request for Pricing from the Contractor will be proposed.

Task 1.21 – Final Inspection and Punchlist – SEH will conduct a final inspection after completion of the project. SEH will issue notifications and prepare a punchlist of any outstanding items requiring correction. A tracking document will be prepared and progress on the punchlist items will be recorded until all issues are resolved.

Task 1.22 – Record Drawings – SEH will utilize Contractor and engineering drawings during construction to complete record drawings for the project. The record drawings will incorporate any modifications or additions/subtractions that occurred during construction. Three (3) final plan sets will be plotted and distributed to the Duluth Airport Authority (DAA) for records. Electronic (PDF) copies of the record drawings will be provided to DAA, MnDOT and FAA.

Task 1.23 – Final Quality Control / Quality Assurance Summary – SEH will prepare and submit the final QC/QA summary for the project.

Task 1.24 – Final Engineering Report – SEH will prepare a final engineering report which will include a project narrative, testing summaries, change orders showing any modifications that may have occurred during construction, all project cost information, including administrative expenses, engineering fees, and construction costs, and any other required project data.

**The deliverables associated with Tasks 1.22, 1.23, and 1.24 will be compiled and saved on a CD to be provided to the DAA, MnDOT, and FAA.*

Task 1.25 – Warranty Inspection Site Visit – SEH will complete a warranty inspection site visit prior to the expiration of the warranty period to identify and document any issues to be resolved by the Contractor as party of the warranty guarantee.

Work Element 2: Construction Observation

Construction is expected to occur during normal construction hours of 6:00 AM until 6:00 PM. To accommodate the scope of the work and the project schedule, construction observation services include providing two (2) RPRs on a full-time basis, supplemented by assistance from the Project Manager, for 60 calendar days. Work conducted before and after the project time for completion will include one RPR. Specific tasks included with this work element include:

Task 2.1 – Construction Observation – SEH will provide daily construction observation for the duration of construction. This project is projected to occur for 60 calendar days during the summer of 2017. Two (2) RPRs will be available to assist in ensuring that construction is performed in accordance with contract documents during this time. The RPRs will document and record construction progress through a daily journal. A collective weekly progress report will be developed at the end of the week and submitted to the

Sponsor, FAA, MnDOT, and other individuals/organizations as needed (See Task 1.19). During critical elements of construction, part-time construction observation will be performed by the Project Manager.

Construction observation will be required in a limited capacity in the Fall of 2016 for mobilization activities and again in the Spring of 2017 in preparation for the project (pavement marking removals, displaced threshold markings, monitor erosion control installation and measures, haul route preparation, etc). Following substantial completion, additional observation is anticipated to complete the remaining work items, such as restoration, final pavement marking, saw-cut grooving and haul road repair. It is anticipated that one RPR will cover pre- and post-construction contractor activities.

Further duties of the on-site engineering staff include monitoring the Contractor's schedule, safety plan implementation, security plan compliance, general communication, adherence to technical specifications, and project drawing execution.

Task 2.2 – Construction Coordination – The Project Manager will make up to eight (8) site visits to the project to assist the onsite engineering staff, review construction activities, and coordinate updates with the Sponsor.

Work Element 3: FAA Reporting and Project Closeout

Task 3.1 – FAA Quarterly Reports - SEH will complete the required FAA quarterly reports starting with grant acceptance through grant closeout.

Task 3.2 – FAA Closeout Report – SEH will complete the required FAA closeout report following completion of the project to reconcile all project related costs and closeout the FAA grant for the work.

Task 3.3 – Project Closeout – SEH will work with the Contractor to ensure that all necessary closeout documents are submitted by the Contractor. These include, but are not limited to, IC-134 documentation, lien waivers, wage rate compliance, and other documentation as identified in the specifications.

Task 3.4 – Disadvantaged Business Enterprise (DBE) Requirements – SEH will review and submit the required documentation to confirm the Contractor's compliance with the DBE program and goals for this project, or provide evidence of "good faith efforts" to meet DBE requirements.

Work Element 4: Project Management – This task includes the overall project management of Work Elements 1 through 3 noted above. Project Management includes administration of the project, agency and Sponsor meetings, airfield user and tenant outreach meetings, and related project administration tasks.

Task 4.1 – Duluth Airport Authority (DAA) Meetings –This task includes attendance at monthly DAA Board meetings to provide project updates to the DAA Board of Directors.

Task 4.2 – DLH Tenant Meetings –This task includes attendance at weekly DLH tenant meetings to keep airport users apprised of the project and schedule.

Task 4.3 – DLH Airfield User Meetings – This task includes specific meetings with airlines, airfield businesses, MN Air National Guard, and other airfield users prior to construction and during construction to provide updates on the status of the project and address any issues or concerns. This task also

includes coordination with local FAA tech ops regarding the project schedule, any impacts to FAA equipment, and other coordination items.

Task 4.4 – FAA and Air Traffic Control Tower (ATCT) Meetings – This task includes meetings with local FAA and Air Traffic Control Tower (ATCT) staff to coordinate work with FAA staff and other FAA-related projects. Meetings with the ATCT will be held on an as-needed basis to coordinate NOTAMs and update ATCT staff on the status of the construction progress and upcoming schedule.

Task 4.5 – Community Outreach Meetings – This task includes providing an open house meeting to local residents and surrounding community members to provide an overview of the project, potential impacts to local roads, business, and residents, and provide an opportunity for questions and concerns to be addressed.

Task 4.6 – Overall Project Management –This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, subconsultant oversight, progress reports, budget updates and monthly invoices.

Duluth International Airport

Runway 9/27 Reconstruction - Phase 2

Electrical Construction Administration Services

Scope of Work

Overall Project Scope. The ultimate project scope of work will involve the reconstruction of the entire length (10,162') of Runway 9/27. The west and of the runway will be reconstructed in phase 2, which is the basis of this proposal.

Electrical Construction Administration Scope, Phase 2. The reconstruction of the runway pavement will require removal of the existing pavement layers as well as the existing in-pavement light fixtures, conduit and cable within those layers. The impacted lighting fixtures include the runway centerline lights (CTL) and touchdown zone (TDZ) lights. Replacement of the runway edge lighting will not be included in the project scope, with exception of modification of light globes will be indicated to be changed out temporarily during construction of phase 2. New homeruns for the TDZ and CTL lighting circuits will be indicated, and new Precision Approach Path Indicator (PAPI) for Runway 9 will be designed.

Anticipated Elements of Work for the Electrical Construction Administration Scope.

1. The Consultant will attend and participate in pre-construction meeting.
2. The Consultant will conduct four (4) site visits during construction.
3. Attend and participate in final inspection. The Consultant's Senior Electrical Engineer will attend the final walk through and assist with the punch list development. The Consultant will advise SEH as to the acceptance of the work.
4. Review and Evaluate Contractor Submittals and Shop Drawings. The Consultant will log, track, review and respond to the Contractor's shop drawings, samples and submittals. The Consultant's review of all shop drawings, samples and submittals will be for general conformance with the design concept and general compliance with the requirements of the drawings and project manual. Such review will not relieve the Contractor from its responsibility for performance in accordance with the construction documents, nor is such review a guarantee that the work and materials covered by the shop drawings, samples and submittals are free of errors, inconsistencies or omissions. A total of 6 Contractor submittals and 3 re-submittals have been assumed for budgeting purposes.
5. Review and Respond to Contractor RFI's. The Consultant will review the Contractor's requests for information or clarification of the construction contract. The RFI's will be logged, tracked and coordinated with SEH as necessary. A total of 12 RFIs have been assumed for budgeting purposes. An excessive amount of requests by the Contractor may be cause for additional compensation.
6. Prepare Record Drawings. The Consultant will revise the original design drawings to reflect available record information provided by the Contractor for the final record drawings. One full-size set of drawings, two half-size sets and one electronic set on CD will be provided to

SEH.

7. Schedule. The timing of these services will be coordinated with the contractor's construction progress schedule and SEH. Construction is not anticipated to begin until Spring of 2017.
8. Cost of Services. The attached spread sheet details the man-hours and fee proposal for the various elements of work to be undertaken as part of the project. Burns & McDonnell will bill SEH monthly for services provided.
9. Project management is included in this proposal.

SEH
DLH RW 9-27 CTL & TDZ LIGHTING PHASE 2

BURNS & MCDONELL ENGINEERING FEE PROPOSAL
JUNE 2016

Task No.	Task Description	Sr. Elec. Engr (Associate) $205.00	Sr. Civil Engr. / Project Mgr (Associate) $174.00	Elec. Engr. (Senior) $174.00	Sr. CADD (Staff) $158.00			Task Hours	Task Cost
I	**Construction Administration**								
1	Attend Pre-construction Meeting			8				8	$ 1,392.00
2	Construction Site Visits	8		24				32	$ 5,816.00
3	Attend Final Inspection	8						8	$ 1,640.00
4	Shop Drawing Review	8		16				24	$ 4,424.00
5	Construction Coordination / RFIs	20		16	16			52	$ 9,412.00
6	Record Drawings		4		24			28	$ 4,488.00
7	Project Management		16					16	$ 2,784.00
V	**Other Direct Costs**								
1	Reproduction Costs								$ 300.00
2	Shipping								$ 100.00
3	Travel								$ 2,500.00
	Grand Total								$ 32,856.00

BRAUN INTERTEC
The Science You Build On.

Project Proposal

QTB040550

Runway 9-27 Reconstructuion, Phase 2

Client:

Short-Elliott-Hendrickson, Incorporated
Benita L. Crow
3535 Vadnais Center Dr
Saint Paul, MN 55110

Work Site Address:

Duluth International Airport
4701 Grinden Drive
Duluth, MN 55811

Service Description:

Construction Materials Testing
Duluth International Airport
AIP 3-27-0024-59-16
SP A6901-185

		Description	Quantity	Units	Unit Price	Extension
Phase 1		**CMT**				
	Activity 1.1	**Soils**				**$19,760.00**
	207	**Compaction Testing - Nuclear**	88.00	Hour	78.00	$6,864.00
	209	**Sample pick-up**	20.00	Hour	78.00	$1,560.00
	1162	**Sieve analysis with 200 wash (ASTM C 136 and C 117), per sample**	10.00	Each	125.00	$1,250.00
	1320	**Modified Proctor test (ASTM D 1557)**	8.00	Each	175.00	$1,400.00
	106	**Night Rate / OT**	25.00	Hour	90.00	$2,250.00
	1308	**Nuclear moisture-density meter charge, per hour**	88.00	Each	22.00	$1,936.00
	1318	**CTB Proctor Test(ASTM D 558)**	30.00	Each	150.00	$4,500.00
	Activity 1.2	**Concrete**				**$22,110.00**
	261	**Concrete Testing**	120.00	Hour	78.00	$9,360.00
	278	**Concrete Beam Pick up**	25.00	Hour	78.00	$1,950.00
	1367	**Flexural strength of beams (ASTM C 78 and ASTM C 293), per specimen**	90.00	Each	120.00	$10,800.00
	Activity 1.3	**Pavement**				**$6,560.00**
	222	**Bituminous Testing P403**	50.00	Hour	105.00	$5,250.00
	PERDIEMBILL	**Per diem Billable**	5.00	Each	160.00	$800.00
	1862	**Pavement Trip Charge**	2.00	Each	255.00	$510.00
	Activity 1.4	**Project Oversight / Meetings**				**$5,913.00**
	238	**Project Assistant**	4.00	Hour	82.00	$328.00
	226	**Project Manager / Meetings**	20.00	Hour	155.00	$3,100.00
	264	**Project Engineer**	2.00	Hour	170.00	$340.00
	1230	**Final Report**	1.00	Each	900.00	$900.00
	PERDIEMBILL	**Per diem Billable**	3.00	Each	160.00	$480.00
	1862	**PM Trip Charge**	3.00	Each	255.00	$765.00
					Phase 1 Total:	**$54,343.00**

Proposal Total:	**$54,343.00**

ATTACHMENT B

ESTIMATED FEES AND EXPENSES
RUNWAY 9/27 RECONSTRUCTION (PHASE 2)
CONSTRUCTION ADMINISTRATION, OBSERVATION, AND CLOSEOUT
DULUTH INTERNATIONAL AIRPORT (DLH)
Duluth Airport Authority (DAA)
Duluth, Minnesota

Task No.	Task Description	Principal	Project Manager	Professional Engineer	Professional Engineer (RPR#1)	Senior Technician (RPR#2)	Senior CAD Technician	Survey Crew Chief	Instrument Operator	Aviation Planner	Wetland Scientist	Admin Technician
Construction Administration Services												
1.1	Scope Development	0	44	26	0	0	0	0	0	0	0	6
1.2	Project Administration Services	16	84	128	12	8	28	0	0	0	0	18
1.3	Construction Management Plan (CMP)	0	4	24	4	4	0	0	0	0	0	2
1.4	Preparation of Project Files	0	4	24	4	0	16	0	0	0	0	12
1.5	Establish Survey Control	0	0	2	16	0	8	28	24	0	0	0
1.6	Wetland Determination Staking	0	0	2	8	0	2	0	0	2	8	0
1.7	Pre-Construction Activities (Preparation and Follow-up)	0	8	16	4	0	8	0	0	0	0	8
	Fall 2016 Pre-Construction Meeting	0	8	8	4	0	0	0	0	0	0	2
	Spring 2017 Pre-Construction Meeting	0	8	8	4	8	0	0	0	0	0	2
1.8	Construction Security Coordination	0	8	24	4	0	0	0	0	0	0	4
1.9	Permit Coordination	0	2	4	16	8	0	0	0	0	0	2
1.10	Submittal and Shop Drawing Review	0	2	16	14	0	0	0	0	0	0	6
1.11	Progress Meetings	0	40	80	0	0	0	0	0	0	0	8
1.12	Pre-Paving Conference	0	8	8	0	0	0	0	0	0	0	2
1.13	Review of Quality Control Testing	0	0	20	0	0	0	0	0	0	0	2
1.14	Review of Quality Assurance Testing	0	0	20	0	0	0	0	0	0	0	2
1.15	Review of Contractor Payroll Forms	0	0	24	0	0	0	0	0	0	0	2
1.16	Calculate Construction Quantities	0	0	16	4	2	4	0	0	0	0	2
1.17	Pay Applications	0	2	18	14	6	0	0	0	0	0	6
1.18	Daily Reports	0	0	8	14	8	0	0	0	0	0	0
1.19	Weekly Reports	0	0	8	12	6	0	0	0	0	0	4
1.20	Change Orders / Supplemental Agreements	0	8	16	8	0	8	0	0	0	0	4
1.21	Final Inspection and Punchlist	0	12	48	44	0	0	0	0	0	0	4
1.22	Record Drawings	0	0	8	24	8	40	0	0	0	0	0
1.23	Final Quality Control/Quality Assurance Summary	0	0	4	16	4	0	0	0	0	0	4
1.24	Final Engineering Report	0	8	24	40	16	16	0	0	0	0	8
1.25	Warranty Inspection Site Visit	0	8	12	16	0	0	0	0	0	0	2
Construction Observation												
2.1	Construction Observation	0	0	120	840	660	0	0	0	0	0	0
2.2	Construction Coordination	0	80	0	0	0	0	0	0	0	0	0
FAA Reporting and Project Closeout												
3.1	FAA Quarterly Reports	0	0	16	0	0	0	0	0	0	0	2
3.2	FAA Closeout Report	0	8	40	16	0	8	0	0	0	0	8
3.3	Project Closeout	0	4	24	16	8	8	0	0	0	0	4
3.4	DBE Requirements	0	4	16	0	0	0	0	0	0	0	2
Project Management and Meetings												
4.1	Duluth Airport Authority (DAA) Meetings	16	64	0	0	0	0	0	0	0	0	0
4.2	DLH Tenant Meetings	0	4	0	14	0	0	0	0	0	0	0
4.3	DLH Airfield User Meetings	0	16	16	8	0	0	0	0	8	0	0
4.4	FAA and ATCT Meetings	0	16	16	0	0	0	0	0	0	0	0
4.5	Community Outreach Meetings	16	16	16	0	0	8	0	0	0	0	8
4.6	Ovrall Project Management	16	160		0	0	0	0	0	0	0	0
	Total hours per labor category	64	630	860	1176	746	154	28	24	10	8	136

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Principal	64	$71.67	$4,586.88
Project Manager	630	$62.13	$39,141.90
Professional Engineer	860	$51.08	$43,928.80
Professional Engineer (RPR#1)	1176	$39.88	$46,898.88
Senior Technician (RPR#2)	746	$36.88	$27,512.48
Senior CAD Technician	154	$31.19	$4,803.26
Survey Crew Chief	28	$35.00	$980.00
Instrument Operator	24	$24.00	$576.00
Aviation Planner	10	$47.88	$478.80
Wetland Scientist	8	$29.11	$232.88
Admin Technician	136	$23.88	$3,247.68
Total Direct Labor Costs:	3,836		$172,387.56
Direct Salary Costs plus Overhead (66.03%)			$286,215.07
Total Labor Costs			**$458,602.63**
Fee (15%) on Total Labor Costs:			**$68,790.39**

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Electrical Engineering (Airfield Lighting) - Subconsultant	1	$32,856.00	$32,856.00
Quality Assurance Testing - Subconsultant	1	$54,343.00	$54,343.00
Employee Mileage	21980	$0.54	$11,869.20
Employee Per Diem	95	$200.00	$19,000.00
Empolyee Auto Allowance	146	$13.00	$1,898.00
Survey Equipment - Total Station	24	$25.00	$600.00
Survey Equipment - GPS	24	$25.00	$600.00
Reproductions / Miscellaneous / Travel Expenses	1	$9,500.00	$9,500.00
Total Expenses			**$130,666.20**

SUMMARY:

Total Labor Costs + Expenses + Fee	$658,059.22
Estimated Total	**$658,100.00**

NEW BUSINESS

VII C

Duluth Airport Authority

Balance Sheet

End of Jun 2016

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
Petty Cash	$100.00
Pooled Cash - City Balance	**$1,606,429.81**
Total Bank	**$1,606,529.81**
Accounts Receivable	**$615,780.96**
Other Current Asset	
Inventory Assets	**$22,190.02**
Prepaid Items	**$67,500.88**
Total Other Current Asset	**$89,690.90**
Total Current Assets	**$2,312,001.67**
Fixed Assets	
Accumulated Depreciation	**($82,428,097.80)**
Capital Assets	**$193,734,392.71**
Work in Progress	**$2,290,353.45**
Total Fixed Assets	**$113,596,648.36**
Other Assets	
Accumulated Amortization	**($859,290.41)**
Airport Planning Projects - Contributed	$1,840,515.15
Airport Planning Projects - Invested	$375,622.36
Deferred Outflows	$141,846.00
Lease Buyout Costs	$112,212.95
Total Other Assets	**$1,610,906.05**
Total ASSETS	**$117,519,556.08**
LIABILITIES & EQUITY	
Current Liabilities	
Accounts Payable	
Accounts Payable	$100,669.85
Contracts Payable	$364,082.87
Total Accounts Payable	**$464,752.72**
Credit Card	**$3,067.82**
Other Current Liability	
Accrued Interest	**$122,385.84**
Accrued Salaries & Wages	$0.04
Accrued Sales Taxes Payable - All	$4.15
Accrued Vacation	$92,674.74
Deferred Inflows	$71,306.00
Loans Payable - DEDA MIF	($13,333.32)
Loans Payable to City of Duluth	**$11,885,000.00**
Revenue Note Payable - FBO Acquisition	$193,889.15
Unearned Revenue - Non Current	$265,223.01
Total Other Current Liability	**$12,617,149.61**
Total Current Liabilities	**$13,084,970.15**
Long Term Liabilities	
LT Loans Payable - DEDA MIF	$135,555.82
Net Other Postemployment Benefits Liability	$1,152,094.67
Net Pension Liability	$995,044.00
Total Long Term Liabilities	**$2,282,694.49**
Equity	
Contributed Equity	$16,621,909.55
Retained Earnings	$86,213,100.42
Net Income	(683,118.53)
Total Equity	**102,151,891.44**
Total LIABILITIES & EQUITY	**117,519,556.08**

Duluth Airport Authority

Income Statement

From Jan 2016 to Jun 2016

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	$5,650.00
Concession Revenue	**$784,743.48**
Customer Facility Charges	$104,441.27
Miscellaneous Revenues	**250,496.98**
Parking	**$101,156.97**
Permits	**$7,012.59**
Plowing Services	$7,600.00
Reimbursed Expenses	**$27,286.20**
Rent	**$72,527.23**
Sponsorship Income	$75,000.00
State Aid	**$43,353.40**
Total - Non-Aeronautical Revenue	**1,479,268.12**
Non-Passenger Aeronautical Revenue	
Aviation Gas	$25,937.75
Concession Revenue	**$89,580.24**
Event Income	$5,000.00
Landing Fees	**$15,807.08**
Ramp Fees	$8,945.82
Rent	**602,824.68**
Security Reimbursement	$41,901.75
Tie Downs	$3,300.00
Total - Non-Passenger Aeronautical Revenue	**793,297.32**
Passenger Airline Aeronautical Revenue	
Landing Fees	**$131,702.86**
Terminal Office/Space Rental	$379,984.68
Total - Passenger Airline Aeronautical Revenue	**$511,687.54**
Total - Income	**2,784,252.98**
Gross Profit	**2,784,252.98**
Expense	
Amortization Expense	**$18,196.80**
Miscellaneous Expenses	**$4,782.24**
Personnel Compensation & Benefits	**$875,127.72**
Services and Charges	**836,978.91**
Supplies	
Merchandise for Resale	**$15,518.49**
Office Supplies	**$17,932.39**
Operating Supplies	**$48,021.70**
Repairs & Maintenance Supplies	**167,156.94**
Total - Supplies	**248,629.52**
Total - Expense	**1,983,715.19**
Net Ordinary Income	**800,537.79**
Other Income and Expenses	
Other Income	
Capital Contributions	
Contributed Capital	**$25,772.19**
Grants	**($1,479,702.13)**
Total - Capital Contributions	**($1,453,929.94)**
Non-Operating Revenue	**$170,998.27**
Total - Other Income	**($1,282,931.67)**
Other Expense	**$200,724.65**
Net Other Income	**($1,483,656.32)**
Net Income	**(683,118.53)**

Duluth Airport Authority
DAA Board Packet Budget vs. Actual
From Jan 2016 to Jun 2016

Financial Row	Prior Year Actual (Jan 2015 - Jun 2015)	Current Year Actual (Jan 2016 - Jun 2016)	Budget Amount (Jan 2016 - Jun 2016)	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2016 - Adjust 2016)
Ordinary Income/Expense						
Income						
Non-Aeronautical Revenue	$1,843,933.10	$1,479,268.12	$1,404,229.70	($364,664.98)	$75,038.42	$2,712,951.90
Non-Passenger Aeronautical Revenue	$242,827.08	$793,297.32	$740,172.37	$550,470.24	$53,124.95	$1,524,245.63
Passenger Airline Aeronautical Revenue	$126,261.28	$511,687.54	$485,017.02	$385,426.26	$26,670.52	$970,034.04
Total - Income	$2,213,021.46	$2,784,252.98	$2,629,419.09	$571,231.52	$154,833.89	$5,207,231.57
Gross Profit	$2,213,021.46	$2,784,252.98	$2,629,419.09	$571,231.52	$154,833.89	$5,207,231.57
Expense						
Miscellaneous Expenses	$8,937.89	$4,782.24	$3,929.94	($4,155.65)	$852.30	$7,859.88
Personnel Compensation & Benefits	$848,605.29	$875,127.72	$983,871.48	$26,522.43	($108,743.76)	$1,967,742.96
Services and Charges	$833,295.10	$836,978.91	$799,161.76	$3,683.81	$37,817.15	$1,546,471.52
Supplies	$257,609.02	$248,542.82	$300,490.52	($9,066.20)	($51,947.70)	$594,479.04
Total - Expense	$1,948,447.30	$1,965,431.69	$2,087,453.70	$16,984.39	($122,022.01)	$4,116,553.40
Net Ordinary Income	$264,574.16	$818,821.29	$541,965.39	$554,247.13	$276,855.90	$1,090,678.17
Other Income and Expenses						
Other Income	$248,131.94	$170,998.27	$255,581.52	($77,133.67)	($84,583.25)	$511,163.04
Other Expense	$167,084.92	$200,724.65	$211,361.46	$33,639.73	($10,636.81)	$422,722.92
Net Other Income	$81,047.02	($29,726.38)	$44,220.06	($110,773.40)	($73,946.44)	$88,440.12
Net Income Exclusive of Project Expenses, Depreciation & Amortization	$345,621.18	$789,094.91	$586,185.45	$443,473.73	$202,909.46	$1,179,118.29
Projects/Grants	($3,620,570.39)	($1,453,929.94)	$10,532,072.40	$2,166,640.45	($11,986,002.34)	$21,064,144.80
Depreciation & Amortization	($4,614,485.85)	($18,196.80)	($4,278,024.96)	$4,596,289.05	$4,259,828.16	($8,556,049.92)
Net Income	($7,889,435.06)	($683,031.83)	$6,840,232.89	$7,206,403.23	($7,523,264.72)	$13,687,213.17

Notes

* This report is based on an allocated budget, which is seasonally adjusted. At this time the DAA is at a positive variance of $ 202,909.46
* Though this appears to be a positive thing for the DAA, the DAA sold equipment in early 2016 totaling over $133,000. This source of revenue is being evaluated by the FAA and state auditors
* With the above information, we are around $69,000 over break-even.

EXHIBIT D

Duluth Airport Authority
Duluth A/R Aging Report
As of August 8, 2016
Filters: Transaction Type (equal to Invoice, Credit Memo, Payment)

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	7/9/2016 - 8/7/2016 (30)	6/9/2016 - 7/8/2016 (60)	5/10/2016 - 6/8/2016 (90)	BEFORE 5/10/2016 (>90)	TOTAL
						Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
AAR Aircraft Service											
	Invoice	6/24/2016	587	7/24/2016	45	$0.00	$0.00	$1,075.00	$0.00	$0.00	$1,075.00
	Invoice	7/18/2016	698	8/17/2016	21	$0.00	$315.00	$0.00	$0.00	$0.00	$315.00
	Invoice	8/4/2016	746	9/3/2016	4	$0.00	$4,152.08	$0.00	$0.00	$0.00	$4,152.08
Total - AAR Aircraft Service						**$0.00**	**$4,467.08**	**$1,075.00**	**$0.00**	**$0.00**	**$5,542.08**
Abateco, Inc.	Invoice	8/5/2016	750	9/4/2016	3	$0.00	$3,557.05	$0.00	$0.00	$0.00	$3,557.05
Aeronautical Radio, Inc.	Invoice	8/1/2016	735	8/31/2016	7	$0.00	$123.87	$0.00	$0.00	$0.00	$123.87
Avis Rent A Car	Invoice	8/1/2016	714	8/31/2016	7	$0.00	$1,844.80	$0.00	$0.00	$0.00	$1,844.80
Bellamy Bill	Invoice	8/5/2016	753	9/4/2016	3	$0.00	$941.43	$0.00	$0.00	$0.00	$941.43
BKR Investments DBA Duluth Pack						$0.00	$250.00	$250.00	$0.00	$0.00	$500.00
Budget Rent A Car	Invoice	8/1/2016	715	8/31/2016	7	$0.00	$1,180.18	$0.00	$0.00	$0.00	$1,180.18
Case, Ronald Jr.	Invoice	6/27/2016	610	7/27/2016	42	$0.00	$0.00	$102.00	$0.00	$0.00	$102.00
Cirrus Design Corporation						$0.00	$22,603.67	$21,963.67	$0.00	$22,289.65	$66,856.99
City of Duluth						$0.00	$1,489.10	$1,489.10	$1,489.10	$1,489.10	$5,956.40
Commemorative Air Force	Invoice	8/1/2016	738	8/31/2016	7	$0.00	$441.50	$0.00	$0.00	$0.00	$441.50
Compudyne						$0.00	$26.91	$26.91	$0.00	$0.00	$53.82
Cotter Rob						$0.00	$578.64	$0.00	$42.13	$0.00	$620.77
Delta Airlines						$0.00	$9,052.06	$1,237.17	$0.00	$0.00	$10,289.23
Delta Global Services						$0.00	$1,525.00	$200.00	$1,515.00	$0.00	$3,240.00
Duluth Economic Development	Invoice	8/1/2016	710	8/31/2016	7	$0.00	$22,055.00	$0.00	$0.00	$0.00	$22,055.00
Edwards Michael	Invoice	6/27/2016	613	7/27/2016	42	$0.00	$0.00	$51.00	$0.00	$0.00	$51.00
Engstad, David	Invoice	7/11/2016	670	8/10/2016	28	$0.00	$60.00	$0.00	$0.00	$0.00	$60.00
Enterprise Leasing Company						$0.00	$0.00	$0.00	$65.00	($10.00)	$55.00
Evans Griffith	Invoice	7/11/2016	663	8/10/2016	28	$0.00	$180.00	$0.00	$0.00	$0.00	$180.00
Federal Express Corporation	Invoice	7/18/2016	701	8/17/2016	21	$0.00	$890.00	$0.00	$0.00	$0.00	$890.00
Goritchan Boris						$0.00	$0.00	$0.00	$0.00	$329.00	$329.00
Graves, Michelle						$0.00	$0.00	$153.00	$0.00	$164.00	$317.00
GSSC	Invoice	6/24/2016	599	7/24/2016	45	$0.00	$0.00	$250.00	$0.00	$0.00	$250.00
Hall John						$0.00	$260.05	$260.05	$260.05	$0.00	$780.15
Hermantown Hydraulics						$0.00	$595.59	$595.59	$591.18	$0.00	$1,782.36
Hertz Car Rental Agency						$0.00	$1,162.10	$0.00	$0.00	$1,888.15	$3,050.25
Hillman Colin	Invoice	8/5/2016	747	9/4/2016	3	$0.00	$215.00	$0.00	$0.00	$0.00	$215.00
Hydro Solutions, Inc.						$0.00	$3,466.75	$3,466.75	$0.00	$100,674.34	$107,607.84

Jelinski John	Invoice	1/26/2016	206	2/25/2016	195	$0.00	$0.00	$0.00	$0.00	$60.00	$60.00
Kallberg Dan	Invoice	11/30/2015	60	11/15/2015	252	$0.00	$0.00	$0.00	$0.00	$180.00	$180.00
Koski Julie	Invoice	11/30/2015	62	11/22/2015	252	$0.00	$0.00	$0.00	$0.00	$900.00	$900.00
Kunkel, Dan	Invoice	7/26/2016	706	8/25/2016	13	$0.00	$102.00	$0.00	$0.00	$0.00	$102.00
Lake Country Flightseeing						$0.00	$430.00	$0.00	$0.00	$25.00	$455.00
Lake Superior Aviation, LLP	Invoice	8/1/2016	741	8/31/2016	7	$0.00	$673.27	$0.00	$0.00	$0.00	$673.27
Lake Superior College	Invoice	8/1/2016	734	8/31/2016	7	$0.00	$33,775.67	$0.00	$0.00	$0.00	$33,775.67
Lake Superior Helicopters						$0.00	$3,192.93	$125.00	$663.51	$15,234.10	$19,215.54
Lloyds Systems						$0.00	$0.00	$0.00	$0.00	$65.00	$65.00
Lucero Andrew	Invoice	7/11/2016	672	8/10/2016	28	$0.00	$30.00	$0.00	$0.00	$0.00	$30.00
Luck, Rick	Invoice	8/5/2016	751	9/4/2016	3	$0.00	$71.84	$0.00	$0.00	$0.00	$71.84
Malachi Israel						$0.00	$60.00	$0.00	$0.00	$0.00	$60.00
Marino, Mark						$0.00	$240.00	$0.00	$0.00	$25.00	$265.00
Marsden BLD Maint. DBA Crystal Clean of the North						$0.00	$515.00	$0.00	$0.00	$0.00	$515.00
Messerer Jon	Invoice	8/1/2016	712	8/31/2016	7	$0.00	$1,645.85	$0.00	$0.00	$0.00	$1,645.85
Minnesota Air National Guard						$0.00	$105.49	$0.00	$375.00	($125.00)	$355.49
Minnesota Power						$0.00	$406.43	$0.20	$123.49	$0.00	$530.12
Monaco Air Duluth						$0.00	$6,965.72	$0.00	$0.00	$0.00	$6,965.72
Natural Resource Engineering Co.	Invoice	7/11/2016	673	8/10/2016	28	$0.00	$60.00	$0.00	$0.00	$0.00	$60.00
Northland Constructors, Inc.	Invoice	8/1/2016	729	8/31/2016	7	$0.00	$181.50	$0.00	$0.00	$0.00	$181.50
Oakwells CR, LLC						$0.00	$875.37	$769.71	$0.00	$0.00	$1,645.08
Padden Geary	Invoice	7/11/2016	674	8/10/2016	28	$0.00	$30.00	$0.00	$0.00	$0.00	$30.00
PCI Roads LLC	Invoice	6/28/2016	652	7/28/2016	41	$0.00	$0.00	$35,000.00	$0.00	$0.00	$35,000.00
PGKK (Goldschmidt & Kundel)	Invoice	8/1/2016	711	8/31/2016	7	$0.00	$1,091.36	$0.00	$0.00	$0.00	$1,091.36
Pirkola Tom	Invoice	7/11/2016	671	8/10/2016	28	$0.00	$120.00	$0.00	$0.00	$0.00	$120.00
QMS, INC.						$0.00	$0.00	$0.00	$0.00	$300.00	$300.00
Reabe, Troy	Invoice	6/24/2016	604	7/24/2016	45	$0.00	$0.00	$125.00	$0.00	$0.00	$125.00
RS&H	Invoice	8/1/2016	742	8/31/2016	7	$0.00	$1,939.44	$0.00	$0.00	$0.00	$1,939.44
Runway Express						$0.00	$216.43	$214.29	$0.00	$0.00	$430.72
Security Jewelers	Invoice	8/1/2016	743	8/31/2016	7	$0.00	$250.00	$0.00	$0.00	$0.00	$250.00
SEH						$0.00	$520.69	$373.09	$0.00	$0.00	$893.78
Skywest Airlines	Payment	8/4/2016	550	8/4/2016	4	$0.00	($9,492.68)	$0.00	$0.00	$0.00	($9,492.68)
Torgerson Management, Inc.	Invoice	7/11/2016	667	8/10/2016	28	$0.00	$60.00	$0.00	$0.00	$0.00	$60.00
United Parcel Service	Invoice	6/24/2016	606	7/24/2016	45	$0.00	$0.00	$195.00	$0.00	$0.00	$195.00
University of Minnesota Duluth	Invoice	8/1/2016	713	8/31/2016	7	$0.00	$3,000.00	$0.00	$0.00	$0.00	$3,000.00
University of Wisconsin Superior	Invoice	8/2/2016	744	9/1/2016	6	$0.00	$200.00	$0.00	$0.00	$0.00	$200.00
Total						**$0.00**	**$124,232.09**	**$67,922.53**	**$5,124.46**	**$143,488.34**	**$340,767.42**

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DULUTH AIRLINE STATISTICS
ALL SCHEDULED AIRLINES

MONTH	ENPLANEMENTS 2014	ENPLANEMENTS 2015	ENPLANEMENTS 2016	DEPLANEMENTS 2014	DEPLANEMENTS 2015	DEPLANEMENTS 2016	TOTAL PASSENGERS 2014	TOTAL PASSENGERS 2015	TOTAL PASSENGERS 2016	2015/2016 PASS. INCREASE/DECREASE ORIG	% DIFF	TOTAL	% DIFF
JAN	11,696	10,480	8,897	10,482	9,841	8,192	22,178	20,321	17,089	(1,583)	(15.10)	(3,232)	(15.90)
FEB	12,243	10,478	9,179	11,295	9,900	8,725	23,538	20,378	17,904	(1,299)	(12.40)	(2,474)	(12.14)
MAR	15,983	12,717	11,015	16,002	12,765	11,043	31,985	25,482	22,058	(1,702)	(13.38)	(3,424)	(13.44)
APR	13,322	11,154	10,308	13,679	11,540	10,166	27,001	22,694	20,474	(846)	(7.58)	(2,220)	(9.78)
MAY	12,400	9,975	9,587	13,052	10,663	10,220	25,452	20,638	19,807	(388)	(3.89)	(831)	(4.03)
JUN	13,003	11,462	10,675	14,329	11,959	11,018	27,332	23,421	21,693	(787)	(6.87)	(1,728)	(7.38)
JUL	14,784	13,395	12,361	15,392	13,769	12,440	30,176	27,164	24,801	(1,034)	(7.72)	(2,363)	(8.70)
AUG	15,504	13,870		14,929	13,164		30,433	27,034	-				
SEP	12,816	10,649		12,073	10,285		24,889	20,934	-				
OCT	13,260	12,062		12,681	11,333		25,941	23,395	-				
NOV	10,041	8,883		10,636	8,838		20,677	17,721	-				
DEC	10,809	8,664		10,482	8,654		21,291	17,318	-				
TOTAL	155,861	133,789	72,022	155,032	132,711	71,804	310,893	266,500	143,826	(7,639)	(9.56)	(16,272)	(10.20)

TOTALS WITH CHARTER INCLUDED

Month	Enplanements 2014	Enplanements 2015	Enplanements 2016	Deplanements 2014	Deplanements 2015	Deplanements 2016	Total
JAN	11,696	10,746	9,188	10,648	10,106	8,483	17,671
FEB	12,368	10,538	9,287	11,420	9,900	8,833	18,120
MAR	16,247	12,961	11,060	16,102	13,069	11,088	22,148
APR	13,322	11,270	10,620	13,679	11,540	10,478	21,098
MAY	12,675	10,136	9,740	13,327	10,940	10,373	20,113
JUN	13,393	11,782	10,781	14,577	12,279	11,018	21,799
JUL	14,875	13,587	12,361	15,483	13,961	12,657	25,018
AUG	15,539	13,999		14,964	13,293		-
SEP	13,094	10,815		12,351	10,451		-
OCT	13,260	12,215		12,681	11,486		-
NOV	10,041	9,193		10,636	9,148		-
DEC	10,927	8,664		10,482	8,654		-
Total	157,437	135,906	73,037	156,350	134,827	72,930	145,967

DULUTH AIRLINE STATISTICS
DELTA AIRLINES

MONTH	ENPLANEMENTS 2014	ENPLANEMENTS 2015	ENPLANEMENTS 2016	DEPLANEMENTS 2014	DEPLANEMENTS 2015	DEPLANEMENTS 2016	TOTAL PASSENGERS 2014	TOTAL PASSENGERS 2015	TOTAL PASSENGERS 2016	2015/2016 PASS. INCREASE/DECREASE ORIG	%DIFF	TOTAL	%DIFF
JAN	5,909	5,817	5,556	5,368	5,460	5,221	11,277	11,277	10,777	(261)	(4.49)	(500)	(4.43)
FEB	5,696	6,132	6,023	5,346	5,835	5,795	11,042	11,967	11,818	(109)	(1.78)	(149)	(1.25)
MAR	7,110	7,608	7,534	7,258	7,714	7,458	14,368	15,322	14,992	(74)	(0.97)	(330)	(2.15)
APR	6,649	6,636	6,940	6,640	6,665	6,689	13,289	13,301	13,629	304	4.58	328	2.47
MAY	6,791	6,005	6,082	7,045	6,455	6,498	13,836	12,460	12,580	77	1.28	120	0.96
JUN	7,648	7,381	6,660	8,602	7,788	6,765	16,250	15,169	13,425	(721)	(9.77)	(1,744)	(11.50)
JUL	8,587	8,663	7,580	8,663	8,825	7,427	17,250	17,488	15,007	(1,083)	(12.50)	(2,481)	(14.19)
AUG	9,217	8,569		8,693	8,133		17,910	16,702	-				
SEP	7,415	5,636		6,983	5,402		14,398	11,038	-				
OCT	7,984	7,552		7,489	7,111		15,473	14,663	-				
NOV	5,839	5,708		6,367	5,614		12,206	11,322	-				
DEC	5,973	5,432		5,688	5,340		11,661	10,772	-				
TOTAL	84,818	81,139	46,375	84,142	80,342	45,853	168,960	161,481	92,228	(1,867)	(3.38)	(4,756)	(4.30)

Month	2016 ENPLANEMENTS Non Rev	2016 ENPLANEMENTS Revenue	2016 DEPLANEMENTS Non Rev	2016 DEPLANEMENTS Revenue	Total
JAN	334	5,222	326	4,895	10,777
FEB	367	5,656	305	5,490	11,818
MAR	455	7,079	473	6,985	14,992
APR	357	6,583	385	6,304	13,629
MAY	268	5,814	272	6,226	12,580
JUN	294	6,366	317	6,448	13,425
JUL	407	7,173	415	7,012	15,007
AUG					-
SEP					-
OCT					-
NOV					-
DEC					-
Total	2,482	43,893	2,493	43,360	92,228

DULUTH AIRLINE STATISTICS
UNITED AIRLINES

MONTH	ENPLANEMENTS 2014	ENPLANEMENTS 2015	ENPLANEMENTS 2016	DEPLANEMENTS 2014	DEPLANEMENTS 2015	DEPLANEMENTS 2016	TOTAL PASSENGERS 2014	TOTAL PASSENGERS 2015	TOTAL PASSENGERS 2016	2015/2016 PASS. INCREASE/DECREASE ORIG	%DIFF	TOTAL	%DIFF
JAN	3,010	3,306	3,341	2,718	3,119	2,971	5,728	6,425	6,312	35	1.06	(113)	(1.76)
FEB	3,167	3,121	3,156	3,010	2,874	2,930	6,177	5,995	6,086	35	1.12	91	1.52
MAR	3,505	3,697	3,481	3,651	3,665	3,585	7,156	7,362	7,066	(216)	(5.84)	(296)	(4.02)
APR	3,332	3,236	3,368	3,209	3,479	3,477	6,541	6,715	6,845	132	4.08	130	1.94
MAY	3,606	3,410	3,505	3,683	3,504	3,722	7,289	6,914	7,227	95	2.79	313	4.53
JUN	3,938	4,081	4,015	4,317	4,171	4,253	8,255	8,252	8,268	(66)	(1.62)	16	0.19
JUL	4,985	4,732	4,781	5,164	4,944	5,013	10,149	9,676	9,794	49	1.04	118	1.22
AUG	4,749	5,301		4,826	5,031		9,575	10,332					
SEP	4,259	5,013		3,989	4,883		8,248	9,896					
OCT	3,955	4,510		3,909	4,222		7,864	8,732					
NOV	3,108	3,175		3,186	3,224		6,294	6,399					
DEC	3,580	3,232		3,528	3,314		7,108	6,546					
TOTAL	45,194	46,814	25,647	45,190	46,430	25,951	90,384	93,244	51,598	64	0.37	259	0.52

Month	2016 Enplaned Non Rev	2016 Enplaned Revenue	2015 Deplaned Non Rev	2015 Deplaned Revenue	Total
JAN	108	3,233	95	2,876	6,312
FEB	97	3,059	90	2,840	6,086
MAR	103	3,378	94	3,491	7,066
APR	87	3,281	69	3,408	6,845
MAY	115	3,390	98	3,624	7,227
JUN	123	3,892	128	4,125	8,268
JUL	154	4,627	121	4,892	9,794
AUG					-
SEP					-
OCT					-
NOV					-
DEC					-
Total	787	24,860	695	25,256	51,598

DULUTH AIRLINE STATISTICS
CHARTERS

MONTH	ENPLANEMENTS 2014	ENPLANEMENTS 2015	ENPLANEMENTS 2016	DEPLANEMENTS 2014	DEPLANEMENTS 2015	DEPLANEMENTS 2016	TOTAL PASSENGERS 2014	TOTAL PASSENGERS 2015	TOTAL PASSENGERS 2016	2015/2016 PASS. INCREASE/DECREASE ORIG	% DIFF	TOTAL	% DIFF
JAN	-	266	291	166	265	291	166	531	582	25	9.40	51	9.60
FEB	125	60	108	125	-	108	250	60	216	48	80.00	156	260.00
MAR	264	244	45	100	304	45	364	548	90	(199)	(81.56)	(458)	(83.58)
APR	-	116	312	-	-	312	-	116	624	196	168.97	508	437.93
MAY	275	161	153	275	277	153	550	438	306	(8)	(4.97)	(132)	(30.14)
JUN	390	320	106	248	320	-	638	640	106	(214)	(66.88)	(534)	(83.44)
JUL	91	192		91	192	217	182	384	217	(192)	(100.00)	(167)	(43.49)
AUG	35	129		35	129		70	258	-				
SEP	278	166		278	166		556	332	-				
OCT	-	153		-	153		-	306	-				
NOV	-	310		-	310		-	620	-				
DEC	118	-			-		118	-	-				
TOTAL	1,576	2,117	1,015	1,318	2,116		2,894	4,233	2,141	(344)	0.71	(576)	66.70

Month	XTRA	SUN CO.	AIRTRAN	VISION	AMERI STAR	Allegiant	Total
JAN	300	282					582
FEB		216					216
MAR		90					90
APR	300	324					624
MAY		306					306
JUN		106					106
JUL		106				111	217
AUG							
SEP							
OCT							
NOV							
DEC							-
Total	600	1,430		-		111	2,141