EXECUTIVE DIRECTORS REVIEW

Duluth International Airport
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Duluth Airport Master Plan & Part 150 Noise Study

Project Update

March 17, 2020

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VISION 2040

TAC Meeting #1 Summary

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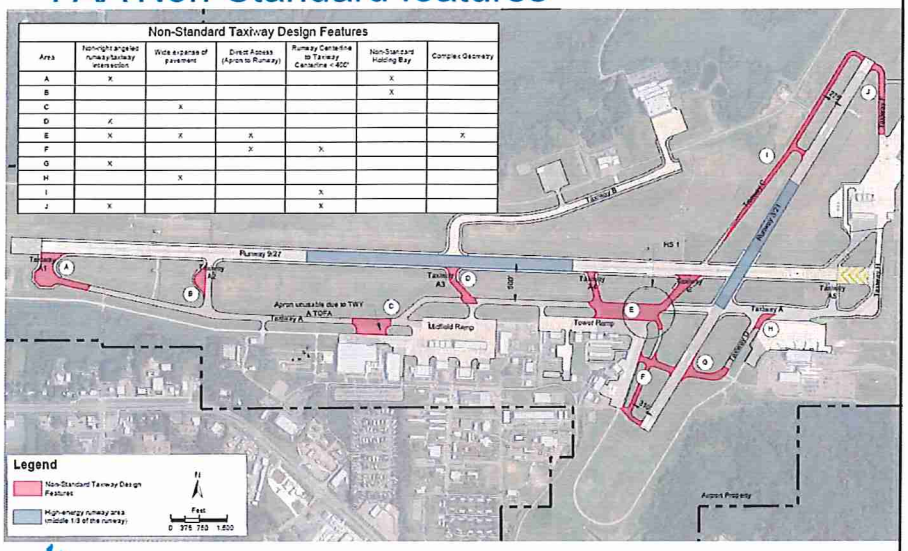
VISION 2040

FAA Non-Standard features

Non-Standard Taxiway Design Features						
Area	Non-right angled runway/taxiway intersection	Wide expanse of pavement	Direct Access (Apron to Runway)	Runway Centerline to Taxiway Centerline < 400'	Non-Standard Holding Bay	Complex Geometry
A	X				X	
B					X	
C		X				
D	X					
E	X	X	X			X
F			X	X		
G	X					
H		X				
I				X		
J	X			X		



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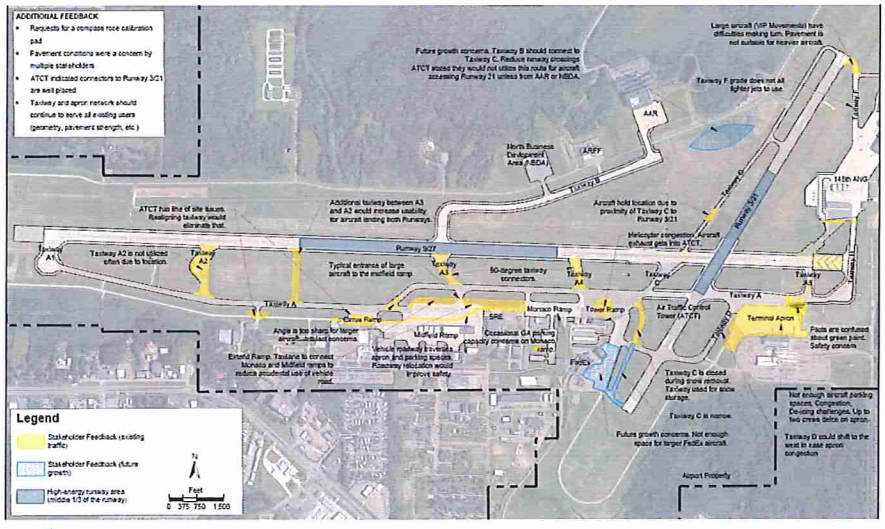
Meeting #1 User Feedback



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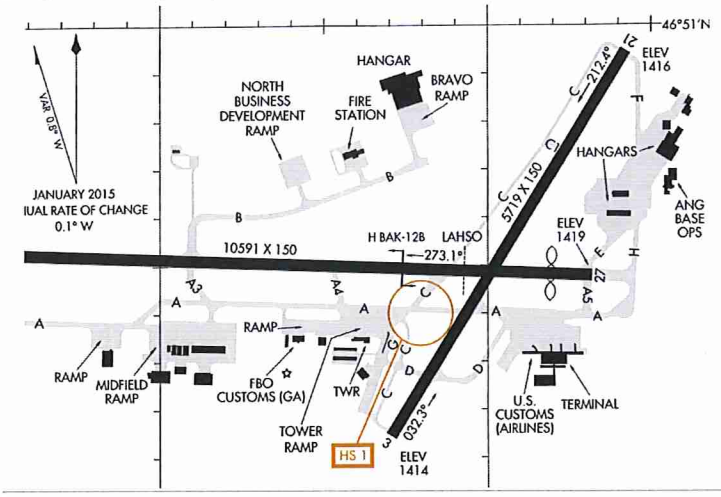
Hot Spot 1 – Complex Intersection

Hot Spot: History or potential risk of collision or runway incursion



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TAC Meeting #2 Summary

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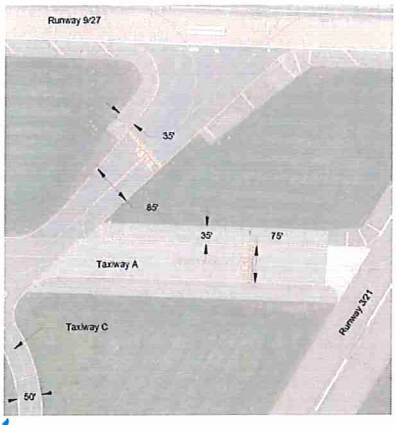
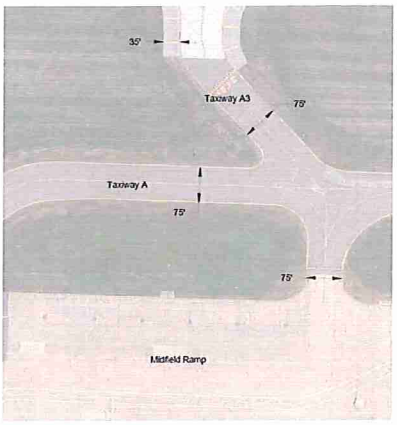
How is Taxiway A Designed Today?
Existing Taxiway A Pavement

With Shoulders



Without Shoulders



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TDG requirements by aircraft type

	Civilian Aircraft Requirements				UFC / Military Aircraft		
	TDG 2 *CRJ-700*	TDG 3 *A-320*	TDG 4 *MD-90*	TDG 5 *A-330*	Class A *UC-35*	Class B *F-16*	Class B *KC-135*
Pavement Width	35'	50'	50'	75'	50'	75'	75'
Paved Taxiway Shoulder Required	No	Recommended	Yes	Yes	N/A[1]	Yes[1]	Yes[2]
Paved Taxiway Shoulder Width	15'	20'	20'	30'	-[1]	10'[1]	25'[2]
Total pavement width	**65'**	**90'**	**90'**	**135'**	**50'**	**95'**	**125'**

TDG 3 Eligible for FAA Funding

Notes:
[1]Air Force taxiways devoted exclusively for fighter and trainer aircraft
[2]Army and Air Force airfields

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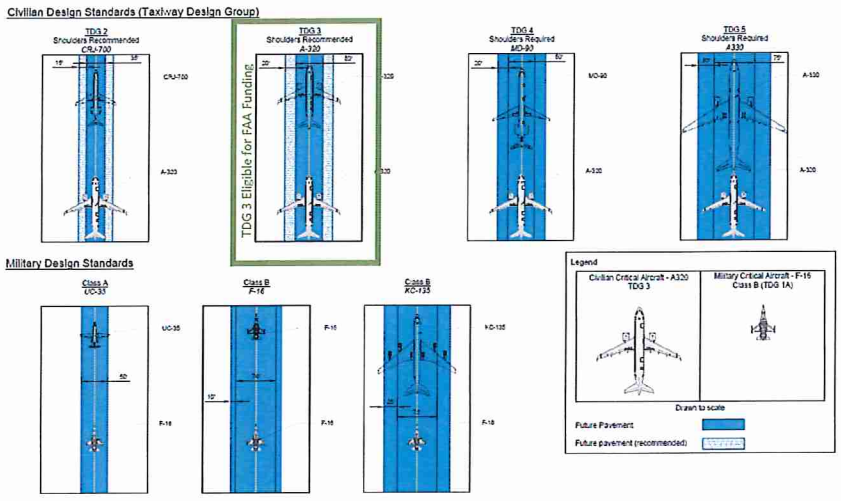
TDG and UFC Pavement Requirements



Taxi routes and aircraft parking

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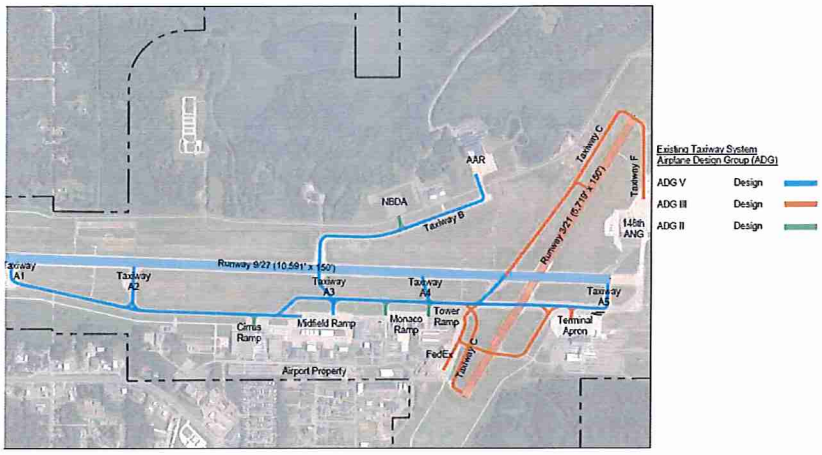
VISION 2040

Current Taxiway **Design** – ADG (wingspan)



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Current Taxiway **Usage** – ADG (wingspan)

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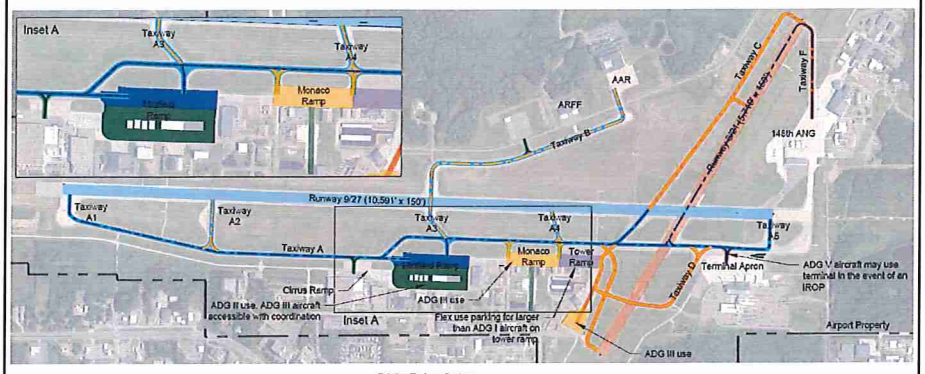
Current Taxiway Design & Usage – ADG (wingspan)



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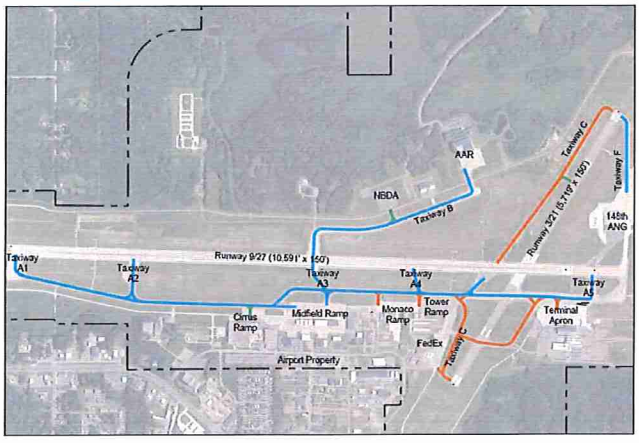
Current Taxiway **Design** – TDG (pavement usage)



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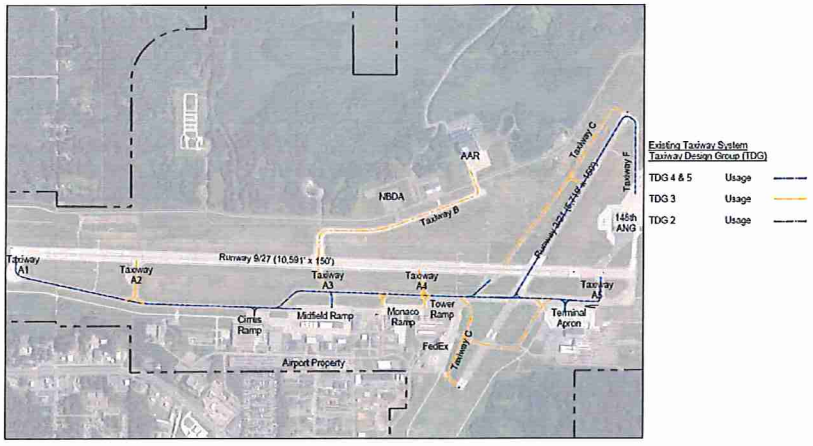
Current Taxiway **Usage** – TDG (pavement usage)



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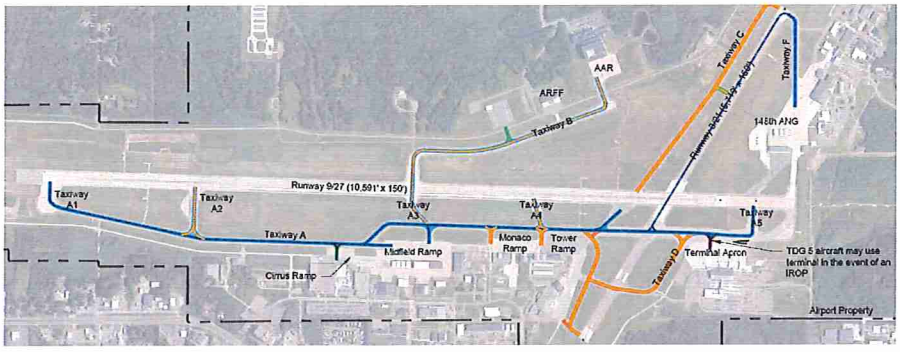
Current Taxiway Design & Usage - TDG



Existing Taxiway System
Taxiway Design Group (TDG)

TDG 4 & 5 Taxiway Design
Usage

TDG 3 Taxiway Design
Usage

TDG 2 Taxiway Design
Usage

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Taxiway A Network Preliminary Alternatives

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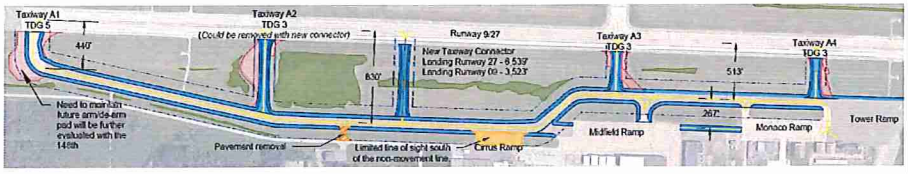
Taxiway A Alternative 1



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Taxiway A Alternative 2

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Taxiway A Alternative 3

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Next Steps

- Refined Alternatives
  - Taxiway layouts
  - Apron alternatives
    - Connections to taxiway system
    - Aircraft parking needs and alternatives
- TAC Meeting #3 – Date TBD

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Thank You!

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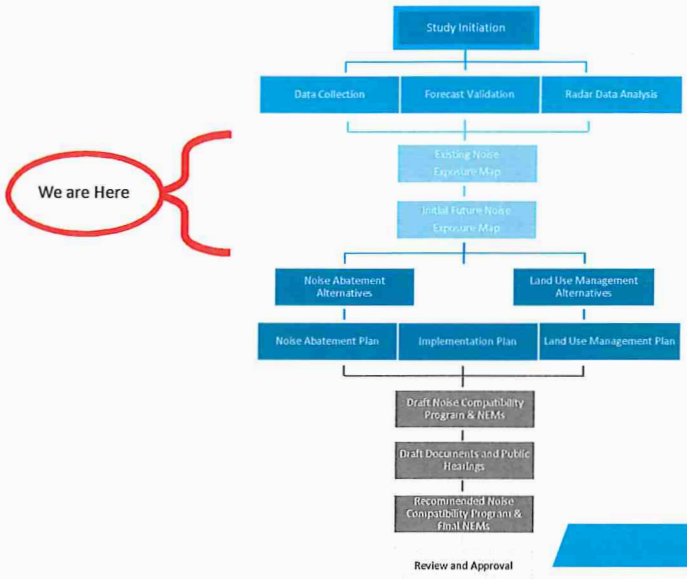
FAR Part 150 Update – Duluth (DLH)

Project Update | March 2020

Public Advisory Committee Meeting #2

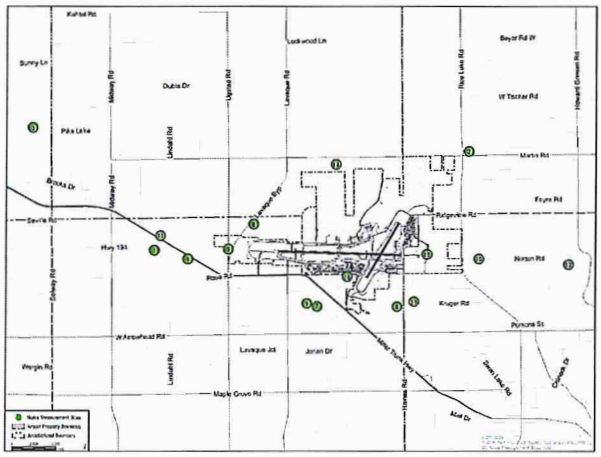
- Introduction
- Part 150 Study Overview
- Short-Term Noise Monitoring Results
- Noise Modeling Methodology
- Existing (2020) Noise Exposure Map (NEM) Contours
- Future (2025) Baseline Noise Exposure Contours
- Elements of a Noise Compatibility Study
- Part 150 Schedule
- Next Steps

Part 150 Study Overview



Short-Term Noise Monitoring Sites

Noise Measurement Sites



Site	Location	City
1	5560 MN-194	Hermantown
2	4483 Martin Rd	Duluth
3	5963 Helm Rd	Duluth
4	5454 Miller Trunk Rd	Hermantown
5	Old Ugstad Rd	Duluth
6	4725 Swan Lake Rd	Hermantown
7	5006 Timber Hill Ct	Hermantown
8	4670 Lavaque Bypass Rd	Hermantown
9	5025 Silver Leaf St	Hermantown
10	3902 Norton Rd	Duluth
11	5545 Miller Trunk Hwy	Hermantown
12	2220 Norton Rd	Duluth
13	4509 Kruger Rd	Duluth
14	4926 Martin Rd	Duluth
15	Mustang Dr south of Deuce Ave	Duluth
16	4464 Ralston Dr	Duluth

Noise monitoring was conducted at all locations requested by community members

Noise Modeling Methodology

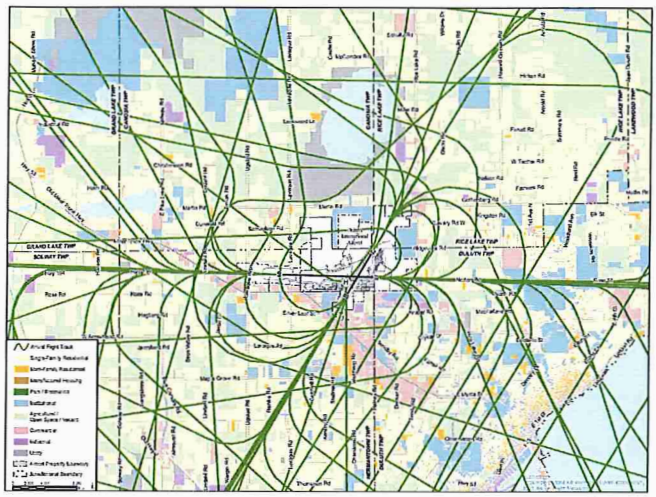
- Model and Input Data
  - FAA's Aviation Environmental Design Tool (AEDT) Version 3b
  - Flight Tracks and Runway Use
    - FAA's National Offload Program (NOP) data (8 weeks from 2018)
    - MnANG 148th Fighter Wing
  - Aircraft Fleet Mix , Annual Operations, Stage Length and Time of Day
    - FAA's Traffic Flow Management System (TFMS) – Fleet Mix
    - FAA's Air Traffic Data System (ATADS) - Operations
    - MnANG 148th Fighter Wing – Reported 2458 Sorties (4,916 Operations)
      - AEDT ANP ID: F16PW0
      - AEDT AIRFRAME: Lockheed Martin F-16 Fighting Falcon
      - AEDT ENGINE MODEL: F110-GE-129 (w/AB)
      - AEDT ENGINE CODE: F1129A

Noise Modeling Methodology

Flight Track Development

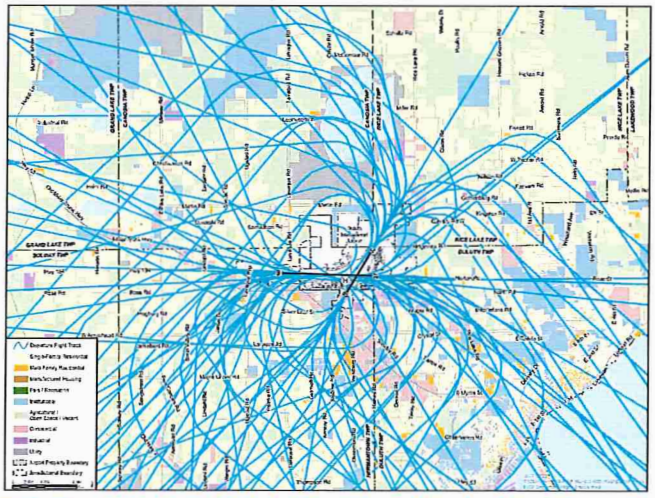
Noise Modeling Methodology

Civilian Arrival Flight Tracks



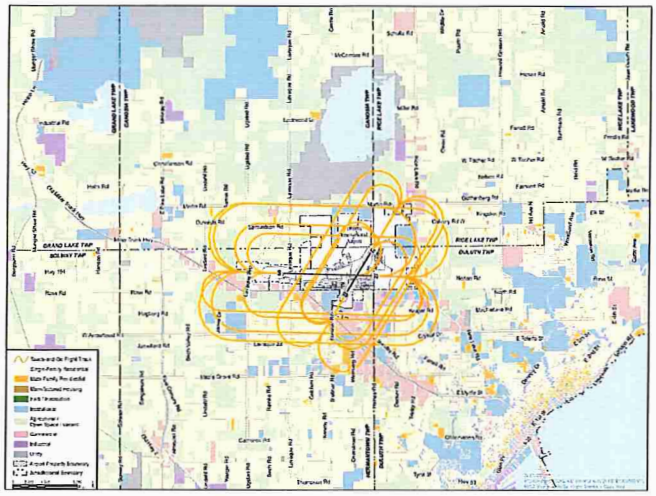
Noise Modeling Methodology

Civilian Departure Flight Tracks



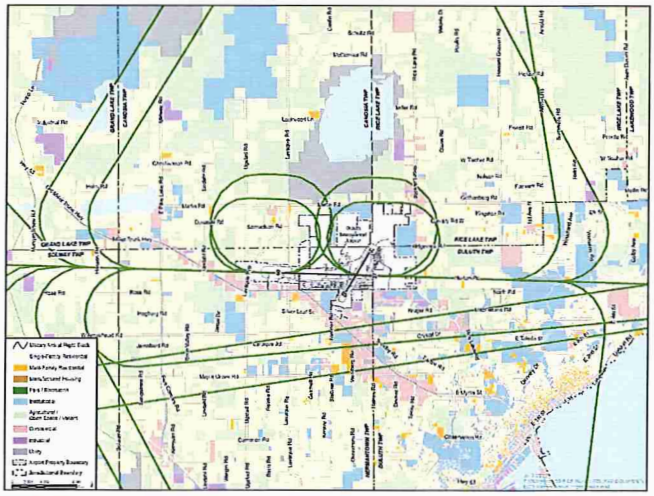
Noise Modeling Methodology

Civilian Touch-and-Go Flight Tracks



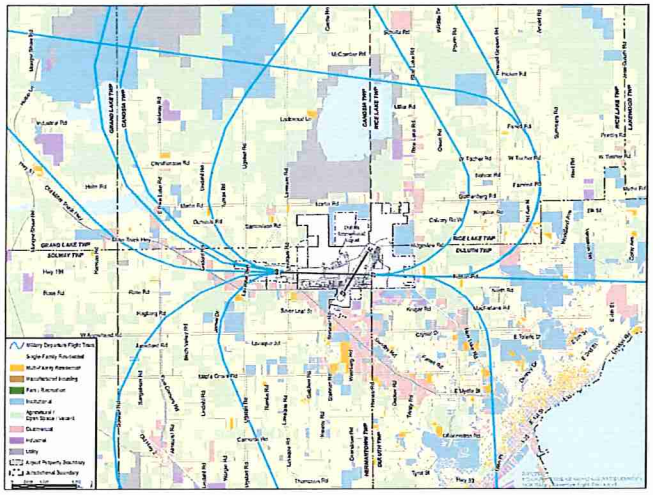
Noise Modeling Methodology

Military Arrival Flight Tracks



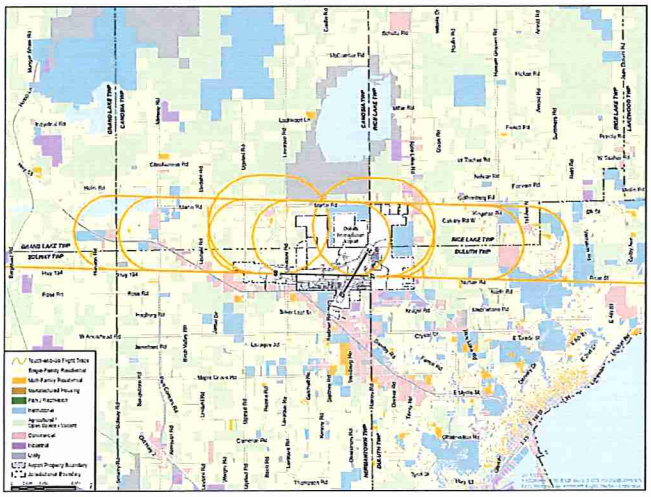
Noise Modeling Methodology

Military Departure Flight Tracks



Noise Modeling Methodology

Military Low Approach Flight Tracks



Noise Modeling Methodology

Existing (2020) NEM - Operating Levels and Fleet Mix

Aircraft Type	2020 Annual Operations	2020 Average Annual Day			Percent of Total
		Day	Night	Total	
Large Jets	1,792	2.6	2.3	4.9	2.8%
Regional/Air Taxi Jets	5,767	11.6	4.2	15.8	8.9%
Commuter/Air Taxi Props	2,013	3.1	2.4	5.5	3.1%
General Aviation Jets	16,290	37.3	7.3	44.6	25.2%
General Aviation Props	28,925	61.4	17.8	79.3	44.8%
General Aviation Helicopter	468	0.6	0.7	1.3	0.7%
Civil Aircraft Subtotal	*55,254*	*116.8*	*34.7*	*151.4*	--
Military Aircraft	5,087	25.0	0.4	25.4	14.4%
Grand Total	*60,341*	*141.8*	*35.1*	*176.8*	*100.0%*

Note: Military operations are based on flying days in a year and not 365 days, MnANG 148th Fighter Wing reported 199 flying days, while the C130 used 250 flying days (federal holidays and weekends deemed as non-flying days). Totals may not equal sum total due to rounding.

- Large Jets - Bombardier CRJ-900/700 (53%) and the Airbus 319-131 (30%)
- Regional/Air Taxi Jets - Bombardier Challenger 600/CRJ-200 (67%)
- Military Aircraft - Lockheed F-16 Fighting Falcon (97%)

Noise Modeling Methodology

Existing (2020) NEM - Arrival Runway Use

Aircraft Category	Runway End					Total
	03	09	21	27	H1	
Daytime Arrivals						
Large Jets	--	66.7%	--	33.3%	--	100.0%
Regional/Air Taxi Jets	17.2%	28.1%	13.3%	41.4%	--	100.0%
Commuter/Air Taxi Props	27.5%	26.3%	9.7%	36.5%	--	100.0%
General Aviation Jets	17.2%	25.9%	14.1%	42.8%	--	100.0%
General Aviation Props	20.4%	30.3%	15.3%	34.0%	--	100.0%
General Aviation Helicopter	--	--	--	--	100.0%	100.0%
Military Aircraft	--	20.0%	--	80.0%	--	100.0%
Nighttime Arrivals						
Large Jets	11.3%	40.6%	1.9%	46.2%	--	100.0%
Regional/Air Taxi Jets	12.0%	32.0%	--	56.0%	--	100.0%
Commuter/Air Taxi Props	23.4%	30.8%	11.5%	34.3%	--	100.0%
General Aviation Jets	12.0%	32.0%	--	56.0%	--	100.0%
General Aviation Props	20.3%	29.8%	9.6%	40.4%	--	100.0%
General Aviation Helicopter	--	--	--	--	100.0%	100.0%
Military Aircraft	--	20.0%	--	80.0%	--	100.0%

Note: Totals may not equal sum total due to rounding.

- Runway 09/27 is utilized for 69% of all arrivals
- 75% of Jet aircraft arrive to Runway 09/27
- Military operations only use Runway 09/27

Noise Modeling Methodology

Existing (2020) NEM - Departure Runway Use

Aircraft Category	Runway End					Total
	03	09	21	27	H1	
Daytime Departures						
Large Jets	9.2%	24.0%	3.3%	63.5%	--	100.0%
Regional/Air Taxi Jets	14.2%	35.2%	10.5%	40.1%	--	100.0%
Commuter/Air Taxi Props	17.6%	28.8%	11.4%	42.2%	--	100.0%
General Aviation Jets	14.9%	36.9%	11.0%	37.2%	--	100.0%
General Aviation Props	14.7%	36.5%	11.1%	37.7%	--	100.0%
General Aviation Helicopter	--	--	--	--	100.0%	100.0%
Military Aircraft	--	20.0%	--	80.0%	--	100.0%
Nighttime Departures						
Large Jets	--	40.0%	--	60.0%	--	100.0%
Regional/Air Taxi Jets	20.0%	33.3%	3.3%	43.3%	--	100.0%
Commuter/Air Taxi Props	28.0%	19.0%	6.9%	46.1%	--	100.0%
General Aviation Jets	20.0%	33.3%	3.3%	43.3%	--	100.0%
General Aviation Props	19.1%	25.4%	10.0%	45.6%	--	100.0%
General Aviation Helicopter	--	--	--	--	100.0%	100.0%
Military Aircraft	--	--	--	--	--	--

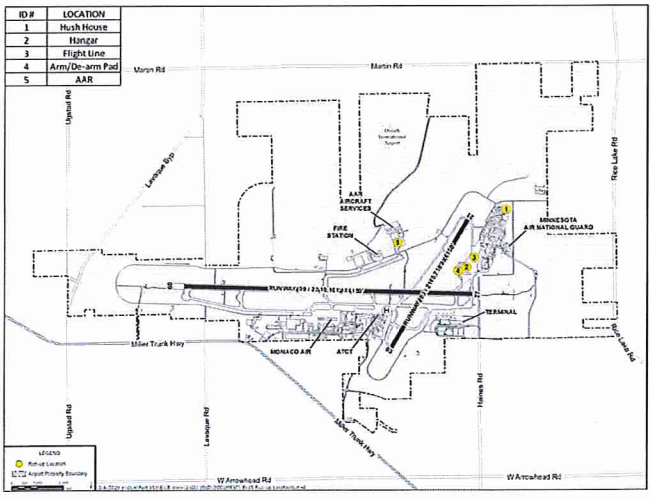
Note: Total may not equal sum total due to rounding.

- Runway 09/27 is utilized for 74% of all departures
- 77% of Jet aircraft depart from Runway 09/27
- Military operations only use Runway 09/27

Noise Modeling Methodology

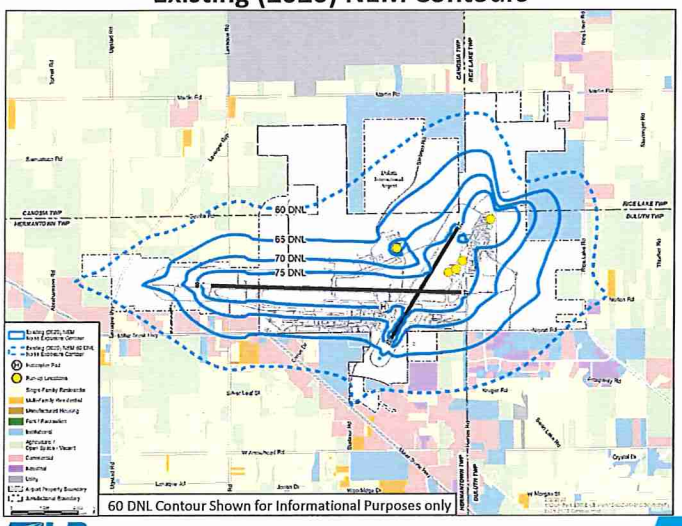
Aircraft Run-up Locations

ID #	LOCATION
1	Hush House
2	Hangar
3	Flight Line
4	Arm/De-arm Pad
5	AAR



Existing (2020) Noise Exposure Map (NEM) Contours

Existing (2020) NEM Contours



Existing (2020) Noise Exposure Map (NEM) Contours

Existing (2020) NEM Contours – Impacted Homes

Category	Type	DNL 65-70 dB	DNL 70-75 dB	DNL 75+ dB
Housing	Single-Family Residential	13	1	0
	Multi-Family Residential	0	0	0
	Manufactured Housing	19	0	0
	Total Housing Units	**32**	**1**	**0**
Population	Single-Family Residential	25	2	0
	Multi-Family Residential	0	0	0
	Manufactured Housing	36	0	0
	Total Population	**60**	**2**	**0**

Note: Population estimates are based on the United States Census Bureau 2017 American Community Survey (ACS) average household size per number of housing units per census block group. Prison Housing statistics are not included in impacted housing or population counts.

Future (2025) Baseline Noise Exposure Contours

- No airfield changes
- No airspace changes
- Future (2025) Baseline modeling methodology;
  - Master Plan Aviation Forecast
  - 63,560 forecasted operations at DLH by 2025
  - Boeing 717-200 added for new Delta Airlines service
  - Military arm and de-arm run up activity increase (+190.0 Annually/0.95 Daily)
  - No change to runway utilization, track utilization, stage length distribution and time of day utilization
- Lockheed Martin F-35 Lightning II
  - Part 150 stipulates the Future (2025) fleet mix is designed from an FAA approved aviation forecast
  - Potential deployment after Future (2025) Baseline
  - If deployed to DLH the Air National Guard would conduct an Environmental Analysis

Future (2025) Baseline Noise Exposure Contours

Future (2025) Baseline Operating Levels and Fleet Mix

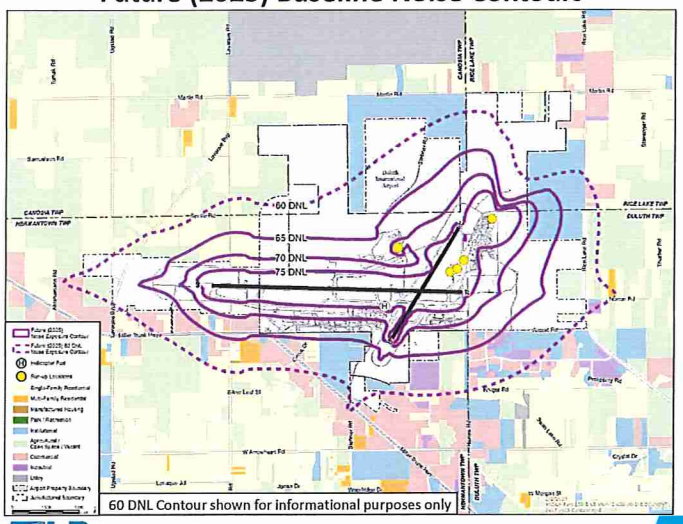
Aircraft Type	2025 Annual Operations	2025 Average Annual Day			Percent of Total
		Day	Night	Total	
Large Jets	3,092	3.6	4.9	8.5	4.2%
Regional/Air Taxi Jets	5,746	11.6	4.2	15.7	7.8%
Commuter/Air Taxi Props	2,006	3.1	2.4	5.5	2.7%
General Aviation Jets	18,893	43.2	8.5	51.8	25.5%
General Aviation Props	33,548	71.2	20.7	91.9	45.3%
General Aviation Helicopter	575	0.7	0.8	1.6	0.8%
Civil Aircraft Subtotal	*63,859*	*133.5*	*41.4*	*175.0*	--
Military Aircraft	5,650	27.6	0.4	28.0	13.8%
Grand Total	*69,509*	*161.1*	*41.8*	*203.0*	*100.0%*

Note: Military operations are based on flying days in a year and not 365 days, MnANG 148th Fighter Wing reported 199 flying days, while the C130 used 250 flying days available (federal holidays and weekends deemed as non-flying days). Totals may nut equal sum total due to rounding.

- Large Jets - Bombardier CRJ-900/700 (63%), Airbus 319-131 (23%)
- Regional/Air Taxi Jets - Bombardier Challenger 600/CRJ-200 (67%)
- Military Aircraft - Lockheed F-16 Fighting Falcon (94%)
- Increase of 9,168 annual operations (26.2 daily operations)

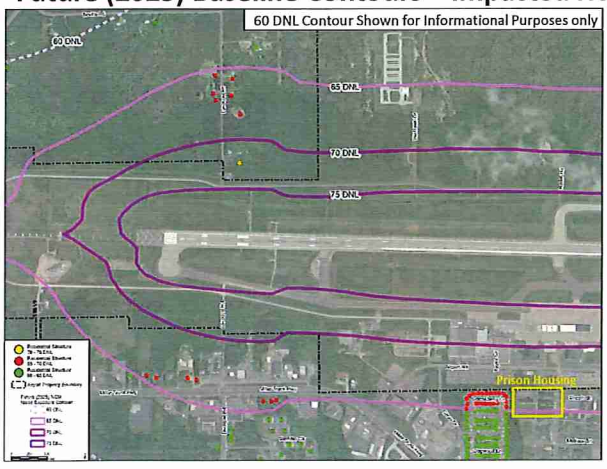
Future (2025) Baseline Noise Exposure Contours

Future (2025) Baseline Noise Contours



Future (2025) Baseline Noise Exposure Contours

Future (2025) Baseline Contours – Impacted Homes

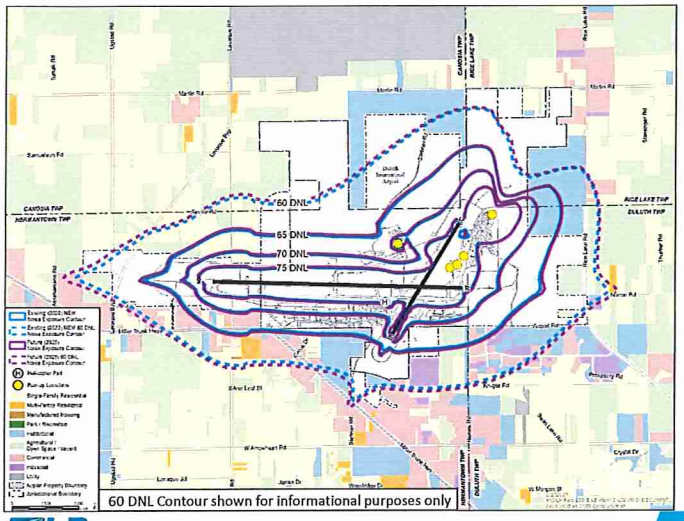


Category	Type	DNL 65-70 dB	DNL 70-75 dB	DNL 75+ dB
Housing	Single-Family Residential	13	1	0
	Multi-Family Residential	0	0	0
	Manufactured Housing	22	0	0
	Total Housing Units	**35**	**1**	**0**
Population	Single-Family Residential	25	2	0
	Multi-Family Residential	0	0	0
	Manufactured Housing	41	0	0
	Total Population	**66**	**2**	**0**

Note: Population estimates are based on the United States Census Bureau 2017 American Community Survey (ACS) average household size per number of housing units per census block group. Prison Housing statistics are not included in impacted housing or population counts.

Future (2025) Baseline Noise Exposure Contours

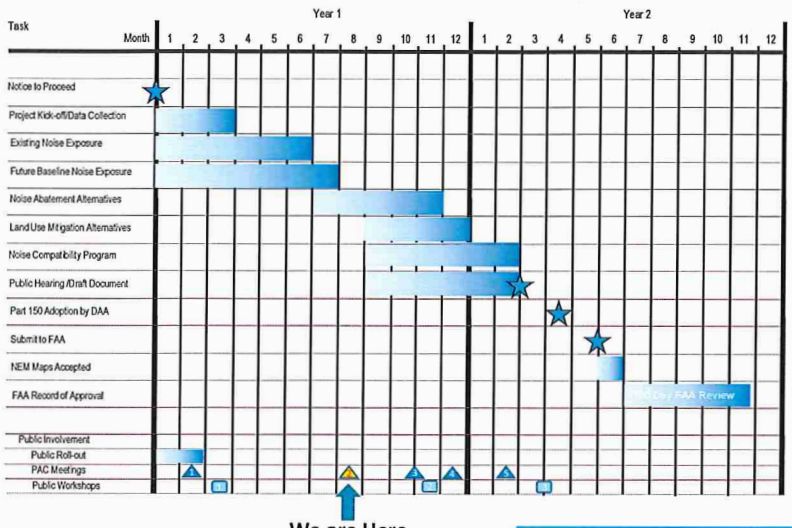
Existing (2020) NEM vs. Future (2025) Baseline Noise Contours



Elements of a Noise Compatibility Program

- Noise Abatement Alternatives
  - Flight Track Location
  - Runway Use
  - Flight Management
  - Ground Activity Restrictions
  - Facility Modification
- Land Use Management Alternatives
  - Preventive
  - Corrective
- Implementation Alternatives
  - Measures designed to assist the implementation of the Noise Compatibility Program (NCP)

Part 150 Study Schedule



Next Steps

- **Compile Suggested Noise Abatement Alternatives**
- **Begin Evaluation of Noise Abatement Alternatives**
- **Begin Evaluation of Land Use Management Alternatives**
- **Prepare Draft Documentation**
- **Next Advisory Committee anticipated in late Spring of 2020**

Duluth Airport Authority
2019 4th Quarter Financial Update

March, 17 2019

SKY HARBOR AIRPORT

DULUTH INTERNATIONAL AIRPORT

Duluth Airport Authority

DAA Board Packet Budget vs. Actual Summary

From Jan 2019 to Adjust 2019

Unaudited

Financial Row	Prior Year Actual (Jan 2018 - Adjust 2018)	Current Year Actual (Jan 2019 - Adjust 2019)	Budget Amount (Jan 2019 - Adjust 2019)	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2019 - Adjust 2019)
Ordinary Income/Expense						
Income						
Non-Aeronautical Revenue	2,956,468	3,416,236	2,651,808	459,768	764,428	2,651,808
Non-Passenger Aeronautical Revenue	1,599,158	1,606,641	1,510,738	7,483	95,902	1,510,738
Passenger Airline Aeronautical Revenue	1,238,773	1,467,133	1,407,786	228,360	59,347	1,407,786
Total - Income	5,794,399	6,490,009	5,570,332	695,610	919,677	5,570,332
Gross Profit	5,794,399	6,490,009	5,570,332	695,610	919,677	5,570,332
Expense						
Miscellaneous Expenses	28,343	39,163	29,625	10,820	9,539	29,625
Personnel Compensation & Benefits	2,111,378	2,103,811	2,210,849	(7,567)	(107,039)	2,210,849
Services and Charges	1,630,538	1,684,506	1,614,373	53,967	70,133	1,614,373
Supplies	436,717	562,182	461,435	125,465	100,747	461,435
Total - Expense	4,206,976	4,389,662	4,316,282	182,685	73,379	4,316,282
Net Ordinary Income	1,587,422	2,100,348	1,254,050	512,925	846,298	1,254,050
Other Income and Expenses						
Other Income						
Non-Operating Revenue	575,184	685,466	524,000	110,282	161,466	524,000
Total - Other Income	575,184	685,466	524,000	110,282	161,466	524,000
Other Expense						
Non-Operating Expense	330,594	303,978	379,834	(26,616)	(75,856)	379,834
Total - Other Expense	330,594	303,978	379,834	(26,616)	(75,856)	379,834
Net Other Income	244,590	381,488	144,166	136,898	237,322	144,166
Net Income Exclusive of Project Expenses, Depreciation & Amortization	1,832,012	2,481,835	1,398,216	649,823	1,083,620	1,398,216
Projects/Grants	9,533,826	13,570,891	18,243,905	4,037,065	(4,673,014)	18,243,905
Depreciation & Amortization	(10,272,587)	(10,076,599)	(9,588,809)	195,988	(487,790)	(9,588,809)
Net Income	1,093,251	5,976,127	10,053,312	4,882,876	(4,077,185)	10,053,312

* This report is based on an allocated budget, which is seasonally adjusted. At this time the DAA is at a positive variance of over 1M.
* The results of this report are expected to change slightly with audit adjustments.
* The largest variance from budget in revenues comes from concession revenue specifically parking and car rental concessions. Revenue is nearly 920k over budget.
* The largest variance from budget in expenses comes from increased fuel and sand due to the harsh winter conditions as well as emergency equipment repairs and increased per gallon price of fuel. Expenses are over 73k over budget.
* Non-operating income is up due to increased PFC collections of $155k while expenses are down nearly 76k in budgeted line of credit interest.

FAA Traffic Count

6% under the three year average and 8% under 2018

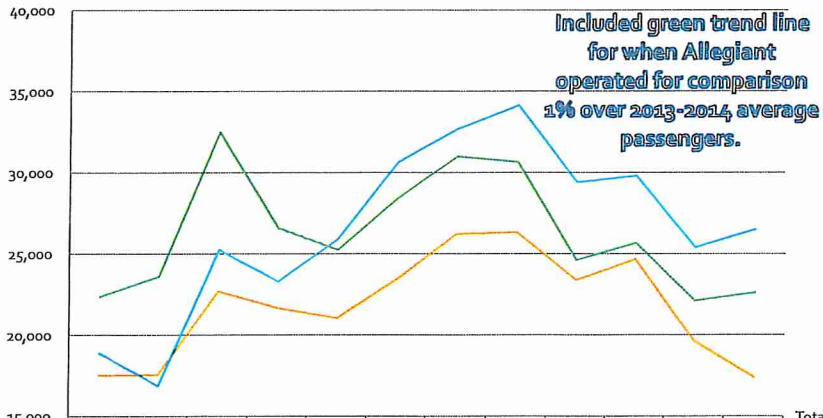
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2016-2018	4,069	4,632	5,188	5,068	5,483	5,087	5,163	5,639	6,055	6,087	5,496	4,762	62,729
2019	4,368	3,076	4,312	4,213	5,382	5,349	5,096	5,317	5,476	6,622	5,165	4,300	58,676

DULUTH INTERNATIONAL AIRPORT

Total Passengers (Including Charters)

22% above the 3 year average and 14% more than 2018.

Included green trend line for when Allegiant operated for comparison 1% over 2013-2014 average passengers.



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2016-2018	17,522	17,569	22,694	21,662	21,047	23,436	26,215	26,323	23,381	24,669	19,627	17,394	315,416
2019	18,892	16,892	25,262	23,297	25,921	30,639	32,700	34,143	29,406	29,792	25,402	26,499	261,537
2013-2014	22,370	23,609	32,506	26,592	25,264	28,431	30,996	30,641	24,621	25,664	22,113	22,612	318,845

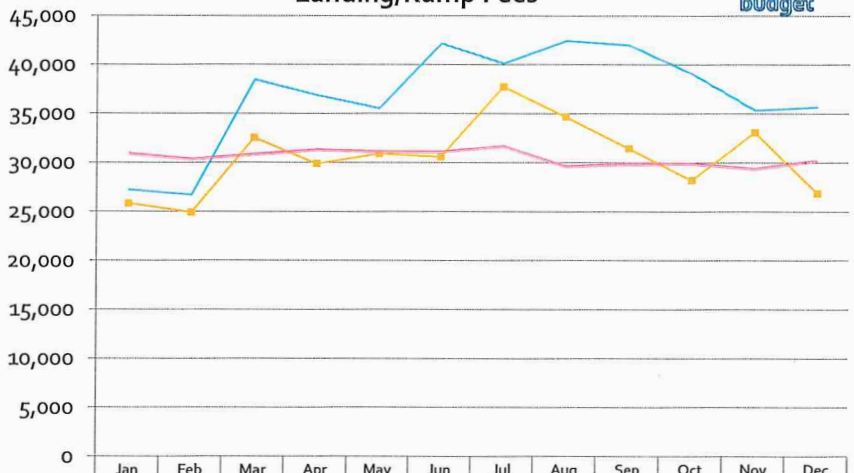
DULUTH INTERNATIONAL AIRPORT

Revenues

DULUTH INTERNATIONAL AIRPORT

Landing/Ramp Fees

21% over the 3 yr average & 21% over budget

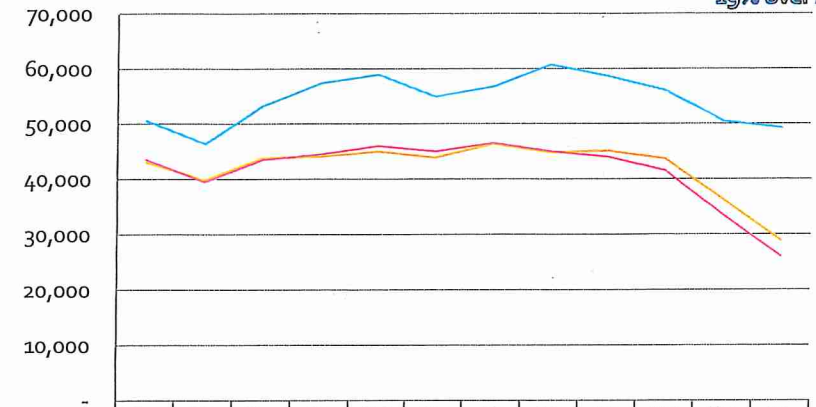


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2016-2018	25,828	24,909	32,534	29,867	30,897	30,593	37,748	34,680	31,435	28,200	33,097	26,877	366,666
2019	27,248	26,714	38,520	36,911	35,561	42,195	40,139	42,476	42,010	39,106	35,366	35,682	441,929
Budget	30,880	30,340	30,825	31,300	31,075	31,080	31,660	29,625	29,850	29,890	29,365	30,200	366,085

DULUTH INTERNATIONAL AIRPORT

Passenger Facility Charge Collection
$4.50 per enplaning customer

29% over 3 year average, 31% over budget & 19% over 2018

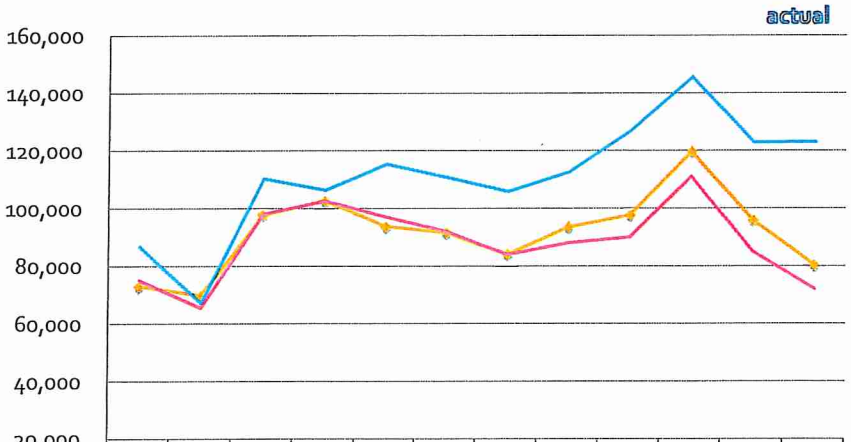


	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Totals
2016 - 2018	43,095	39,830	43,790	44,050	45,013	43,924	46,303	44,818	45,105	43,662	36,326	28,910	504,826
2019	50,599	46,461	53,289	57,379	58,929	54,932	56,736	60,750	58,633	56,049	50,483	49,292	653,531
Budget	43,500	39,500	43,500	44,500	46,000	45,000	46,500	45,000	44,000	41,500	33,500	26,000	498,500

DULUTH INTERNATIONAL AIRPORT

Parking Lot Concession Revenue

21% over 3yr avg., 26% over budget & 16% over 2018 actual



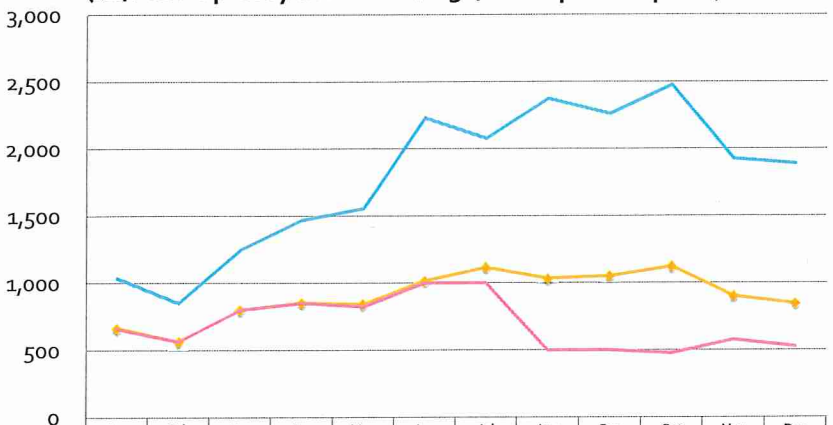
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2016-2018	73,049	69,858	97,804	102,619	93,718	91,625	84,087	93,567	97,675	119,746	95,919	80,398	1,100,064
2019	86,717	67,277	110,306	106,345	115,314	110,829	105,889	112,559	126,963	145,646	122,937	123,077	1,333,859
Budget	75,000	65,500	98,000	102,500	97,000	92,000	84,000	88,000	90,000	111,000	85,000	72,000	1,060,000

DULUTH INTERNATIONAL AIRPORT

TNC Per Trip Fees

98% over 2018 & 159% over budget

($2/Pick-Up Only in 2018 – $1.50/Pick up & Drop Off)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2018	666	564	800	852	842	1,016	1,116	1,034	1,050	1,122	900	846	10,808
2019	1,040	852	1,248	1,470	1,557	2,232	2,079	2,375	2,262	2,478	1,926	1,892	21,410
Budget	660	565	800	850	825	1,000	1,000	500	500	475	575	525	8,275

DULUTH INTERNATIONAL AIRPORT

Rental Car Concession

(Average includes Dec. Reimb- 2019 New Agreement)

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Totals
2016-2018	34,578	28,828	31,224	29,651	33,188	44,289	55,946	68,226	49,449	43,936	32,797	16,378	468,491
2019	33,448	35,565	42,442	37,164	52,164	64,056	80,992	86,578	61,750	57,897	39,737	39,622	631,415
Budget	29,000	28,000	33,000	30,000	37,000	50,000	56,000	61,000	45,000	40,000	32,000	20,000	461,000

DULUTH INTERNATIONAL AIRPORT

Arrowhead Taphouse
Food & Beverage Concession

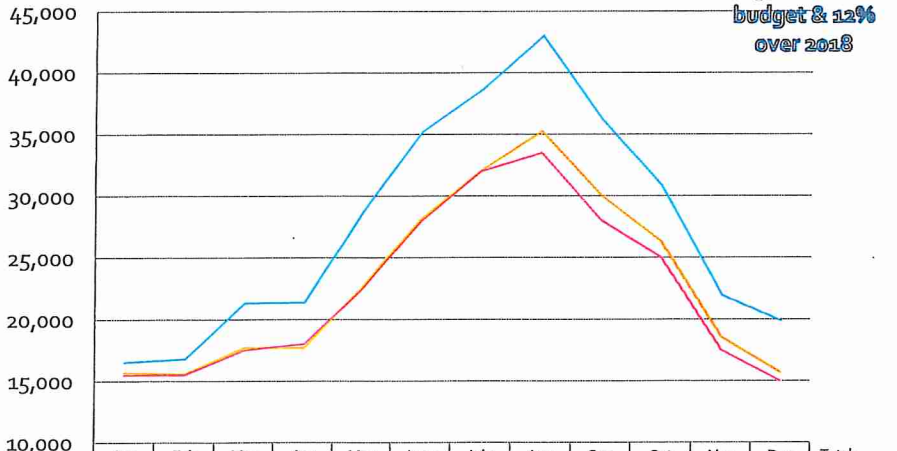
29% over the 3 yr avg., 33% over budget & 21% over 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2016-2018	4,061	4,007	5,252	4,866	5,247	6,732	7,148	7,428	6,376	6,316	5,025	7,459	69,917
2019	4,914	5,092	6,261	5,712	7,025	9,670	9,429	10,288	9,389	8,539	7,205	6,827	90,351
Budget	4,500	4,500	5,500	5,000	5,500	7,000	7,000	7,000	5,700	6,500	4,300	5,500	68,000

DULUTH INTERNATIONAL AIRPORT

Customer Facility Charge Collection
$4/day up to 4 days on Auto Rental

20% over the 3yr avg., 23% over budget & 12% over 2018



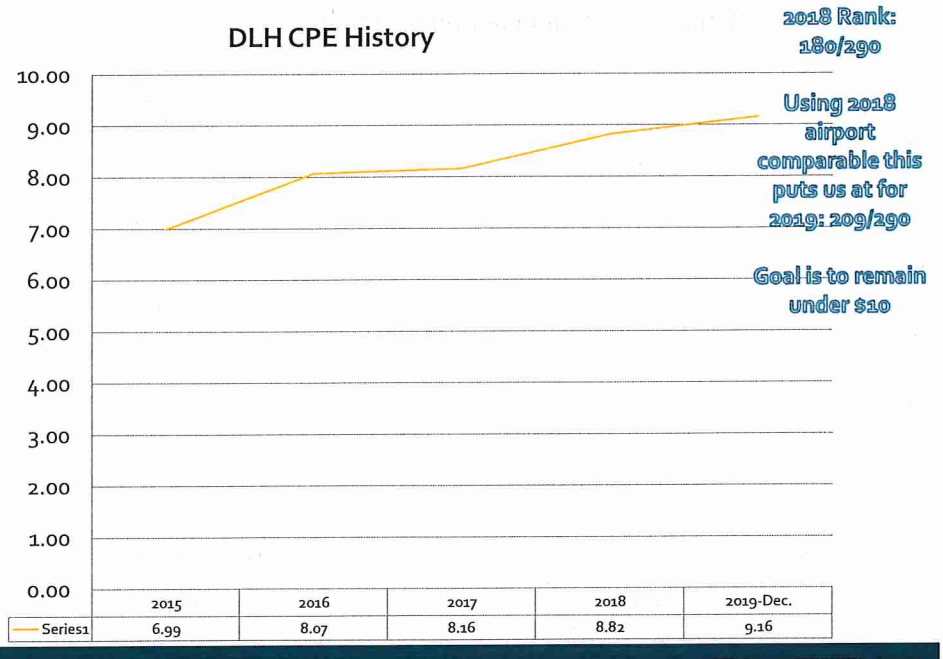
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Totals
2016-2018	15,671	15,591	17,700	17,703	22,688	28,221	32,079	35,255	30,029	26,325	18,553	15,689	275,504
2019	16,528	16,788	21,308	21,360	28,732	35,272	38,648	43,008	36,216	30,840	21,931	19,876	330,507
Budget	15,500	15,500	17,500	18,000	22,500	28,000	32,000	33,500	28,000	25,000	17,500	15,000	268,000

DULUTH INTERNATIONAL AIRPORT

Cost Per Enplaned Passenger (CPE)

- The average passenger airline payments per enplaned passenger at an airport.
- Cost to an airline for operating out of an airport.
- Varies based on costs included as well as reported enplanements.
- Key metric to evaluate the financial operations of an airport.
- Provides only partial information about the financial operations of an airport and must be considered with other metrics.

DULUTH INTERNATIONAL AIRPORT

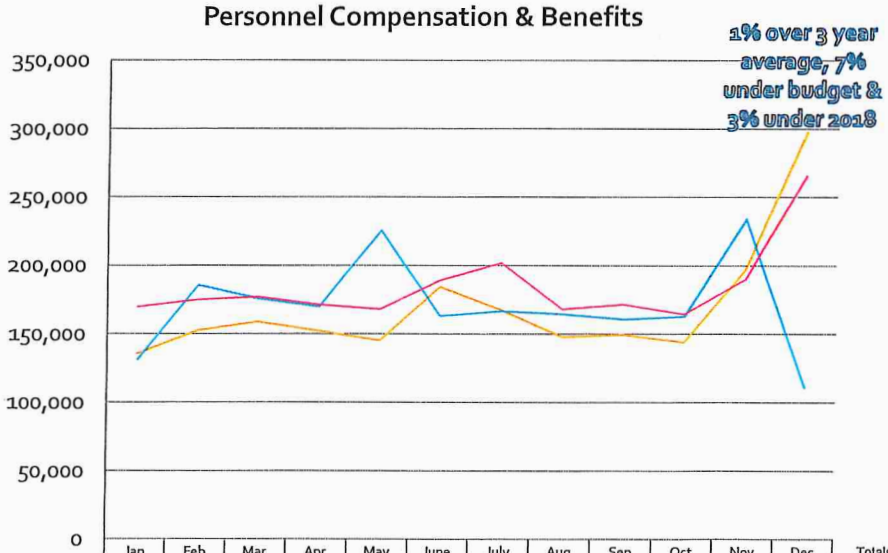


DULUTH INTERNATIONAL AIRPORT

Operating Expenditures

DULUTH INTERNATIONAL AIRPORT

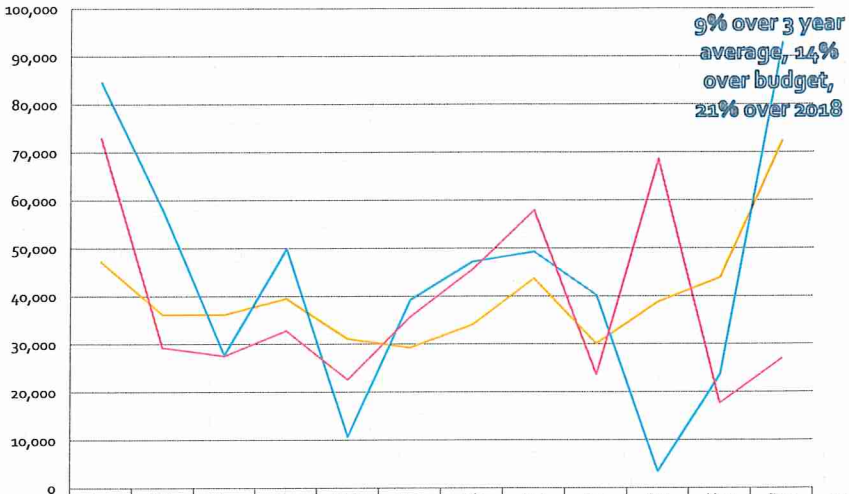
Personnel Compensation & Benefits



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Totals
2016-2018	135,591	152,509	158,941	152,349	145,411	184,470	167,529	147,935	149,622	144,143	197,151	297,502	2,033,153
2019	131,503	185,507	175,789	169,926	225,662	163,071	166,568	164,531	160,724	162,824	234,135	111,065	2,051,306
Budget	169,638	174,722	176,841	171,332	167,943	189,185	201,838	167,943	171,432	164,553	189,974	265,448	2,210,849

DULUTH INTERNATIONAL AIRPORT

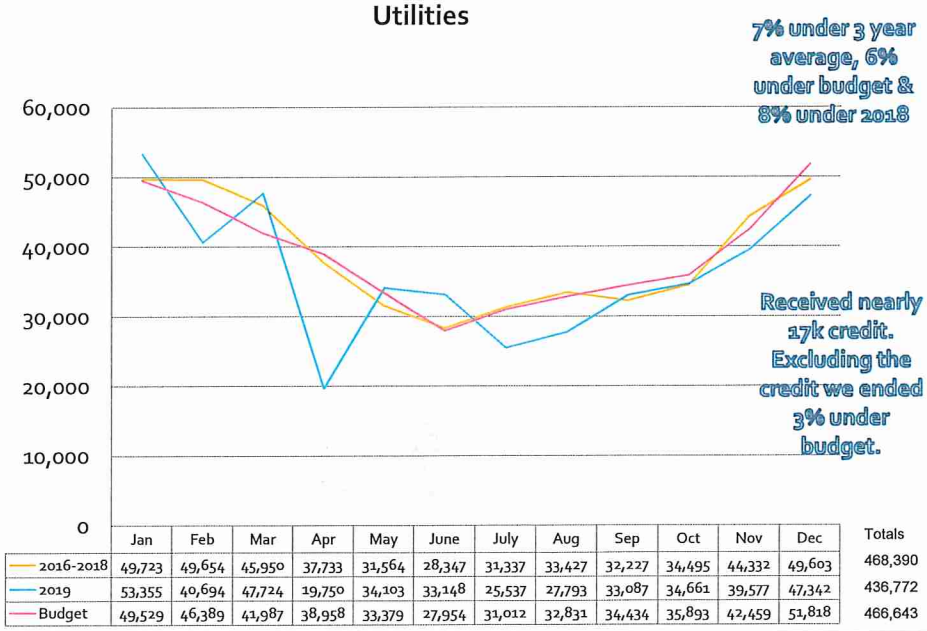
Supplies



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Totals
2016-2018	47,180	36,152	36,144	39,494	31,093	29,258	34,021	43,692	30,059	38,773	43,816	72,283	481,965
2019	84,652	58,019	27,845	50,048	10,807	39,285	47,212	49,299	40,269	3,501	23,724	92,832	527,493
Budget	72,948	29,278	27,573	32,828	22,598	35,678	45,598	57,928	23,748	68,628	17,648	26,978	461,435

DULUTH INTERNATIONAL AIRPORT

Utilities



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Totals
2016-2018	49,723	49,654	45,950	37,733	31,564	28,347	31,337	33,427	32,227	34,495	44,332	49,603	468,390
2019	53,355	40,694	47,724	19,750	34,103	33,148	25,537	27,793	33,087	34,661	39,577	47,342	436,772
Budget	49,529	46,389	41,987	38,958	33,379	27,954	31,012	32,831	34,434	35,893	42,459	51,818	466,643

DULUTH INTERNATIONAL AIRPORT

Long-Term Liabilities

Fund Source	City Loan 1 (Bonding) CFC	PFC	DAA OPERATING	Total	City Loan 2 (Bonding) PARKING REVENUES	DEDA Amort 0%	NCA Loan 8.85%	City Loan 3 (Bonding) LSC RENT	Total Annual Long-Term Liability
2012	192,681.26	321,781.26	107,518.76	621,981.28	-	26,666.64	75,000.00		723,647.92
2013	189,981.26	322,281.26	111,018.76	623,281.28	-	26,666.64	75,000.00		724,947.92
2014	192,281.26	322,681.26	109,418.76	624,381.28	115,718.04	26,666.64	75,000.00		841,765.96
2015	194,481.26	322,981.26	107,818.76	625,281.28	338,981.26	26,666.64	75,000.00		1,065,929.18
2016	191,581.26	323,181.26	106,218.76	620,981.28	340,571.26	26,666.64	75,000.00	242,752.33	1,305,971.51
2017	193,681.26	323,281.26	109,618.76	626,581.28	336,071.26	26,666.64	75,000.00	247,137.50	1,311,456.68
2018	190,681.26	323,281.26	107,918.76	621,881.28	335,446.26	26,666.64	75,000.00	247,337.50	1,306,331.68
2019	192,681.26	323,181.26	106,218.76	622,081.28	338,776.26	26,666.64	37,500.00	247,387.50	1,272,411.68
2020	194,193.76	322,331.26	109,306.26	625,831.28	336,336.26	26,666.64	-	247,287.50	1,236,121.68
2021	195,393.76	326,037.50	107,168.76	628,600.02	338,006.26	2,222.62	-	247,037.50	1,215,866.40
2022	191,268.76	324,162.50	109,918.76	625,350.02	338,443.76	-	-	246,637.50	1,210,431.28
2023	191,937.50	321,812.50	107,425.00	621,175.00	338,108.76	-	-	246,087.50	1,205,371.26
2024	192,050.00	323,618.76	109,693.76	625,362.52	336,971.26	-	-	245,387.50	1,207,721.28
2025	191,800.00	324,768.76	111,693.76	628,262.52	340,143.76	-	-	244,537.50	1,212,943.78
2026	196,175.00	325,237.50	108,412.50	629,825.00	337,393.76	-	-	243,437.50	1,210,656.26
2027					339,218.76			246,877.50	586,096.26
2028								244,675.00	244,675.00
2029								246,975.00	246,975.00
2030								243,695.00	243,695.00

DULUTH INTERNATIONAL AIRPORT

Questions ...

DULUTH INTERNATIONAL AIRPORT

NEW BUSINESS

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

DAA Board Meeting
March 17, 2020

RESOLUTION ADD INS:

VII NEW BUSINESS

H. Resolution to Accept and Approve the MnDOT Air Service Marketing FY2021 Grant Agreement and to Authorize the Authority's President and Secretary to Execute the Grant.

I. Resolution Authorizing an Agreement to Insure Certain Duluth Airport Authority Property and Equipment Under the City of Duluth's Property Insurance Policy.

DEPARTMENT OF TRANSPORTATION

Jill H.

MnDOT Contract #: 1036377
State Project No. A6901-SM028

STATE OF MINNESOTA
STATE AIRPORTS FUND
FY2021 GRANT AGREEMENT – AIR SERVICE MARKETING

This agreement is between the State of Minnesota, acting through its Commissioner of Transportation ("State"), and **Duluth International Airport** ("Grantee").

RECITALS

1. Minnesota Statutes Chapter 360 authorizes State to provide financial assistance to eligible airport sponsors for the acquisition, construction, improvement, marketing, maintenance, or operation of airports and other air navigation facilities.
2. Grantee owns, operates, controls, or desires to own an airport ("Airport") in the state system, and Grantee desires financial assistance from the State for air service marketing activities under Minn. Stat. § 360.0151 ("Project").
3. Grantee represents that it is duly qualified and agrees to perform all services described in this agreement to the satisfaction of the State. Pursuant to Minn.Stat.§16B.98, Subd.1, Grantee agrees to minimize administrative costs as a condition of this agreement.

AGREEMENT TERMS

1 **Term of Agreement, Survival of Terms, and Incorporation of Exhibits**

1.1 **Effective Date.** This agreement will be effective on the date the State obtains all required signatures under Minn. Stat.§16B.98, Subd. 5. As required by Minn.Stat.§16B.98 Subd. 7, no payments will be made to Grantee until this agreement is fully executed. Grantee must not begin work under this agreement until this agreement is fully executed and Grantee has been notified by the State's Authorized Representative to begin the work.

1.2 **Expiration Date.** This agreement will expire on **June 30, 2021**, or when all obligations have been satisfactorily fulfilled, whichever occurs first.

1.3 **Survival of Terms.** All clauses which impose obligations continuing in their nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this agreement, including, without limitation, the following clauses: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 11. Governing Law, Jurisdiction, and Venue; and 13. Data Disclosure.

1.4 **Plans, Specifications, Descriptions.** Grantee has provided the State with a detailed work plan and budget, which are on file with the State's Office of Aeronautics and are attached and incorporated into this Agreement as Exhibit A.

2 **Grantee's Duties**

2.1 Grantee will complete the Project in accordance Exhibit A.

2.2 Grantee will notify State's Authorized Representative in advance of any meetings taking place relating to the Project.

2.3 Grantee will comply with all required grants management policies and procedures set forth through Minn.Stat.§16B.97, Subd. 4 (a) (1).

2.4 Grantee will submit written progress reports at quarterly intervals. Payments will not be made under section 4.6 if a progress report is past due unless Grantee has been given a written extension by the State.

3 **Time**

3.1 Grantee must comply with all the time requirements described in this agreement. In the performance of this grant agreement, time is of the essence.

4 **Cost and Payment**

4.1 **Cost Participation.** Costs for the Project will be allocated as follows:

State:	**$79,024.00**
Grantee:	**$33,876.42**
Total:	**$112,841.42**

4.2 **Work Period.** State will pay Grantee for work done under section 2.1 during the period of **July 1, 2020**, through **June 30, 2021**.

4.3 **Eligible Costs.** Costs for the following activities related to commercial passenger air service at the Grantee's airport are eligible for reimbursement under this Agreement: (1) advertising of service; (2) public relations

activities intended to educate the public on the value of the airport and its commercial passenger air service; (3) marketing studies; or (4) service improvement activities such as route analysis, service studies, and other activities intended to preserve or increase service from an existing or new-entry air carrier. This grant may not be used to reimburse: (1) an activity that promotes an airport within the service area of another airport; (2) a promotional activity that features one specific air carrier at an airport when more than one air carrier serves the airport; (3) administrative costs associated with the marketing program or with the routine operation of the airport; or (4) payments to air carriers as fare subsidies, service subsidies, or seat guarantees. State's Authorized Representative has sole discretion over, and will make the final determination regarding, the eligibility of any submitted cost. Grantee is encouraged to submit questions regarding cost eligibility to State's Authorize Representative prior to incurring the expenditure.

4.4 **Sufficiency of Funds**. Pursuant to Minnesota Rules 8800.2500, the Grantee certifies that (1) it presently has available sufficient unencumbered funds to pay its share of the Project; (2) the Project will be completed without undue delay; and (3) the Grantee has the legal authority to engage in the Project as proposed.

4.5 **Total Obligation.** The total obligation of the State for all compensation and reimbursements to Grantee under this agreement will not exceed **$79,024.00.**

4.6 **Payment**

4.6.1 **Invoices.** Grantee will submit invoices for payment. The State's Authorized Representative, as named in this agreement, will review each invoice against the approved grant budget, grant expenditures to-date, and the latest written progress report before approving payment. The State will promptly pay Grantee after Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices will be submitted timely and according to the following schedule:

Payment Schedule - FY2021		
Payment No.	Program Work Period	Invoice Due Date
1	July-September	10/15/2020
2	October-December	1/15/2020
3	Janurary-March	4/15/2021
4	April-June	7/15/2021

4.6.2 **All Invoices Subject to Audit.** All invoices are subject to audit, at State's discretion.

4.6.3 **State's Payment Requirements**. State will promptly pay all valid obligations under this agreement as required by Minnesota Statutes §16A.124. State will make undisputed payments no later than 30 days after receiving Grantee's invoices and progress reports for services performed. If an invoice is incorrect, defective or otherwise improper, State will notify Grantee within ten days of discovering the error. After State receives the corrected invoice, State will pay Grantee within 30 days of receipt of such invoice.

4.6.4 **Grantee Payment Requirements.** Grantee must pay all contractors under this agreement promptly. Grantee will make undisputed payments no later than 30 days after receiving an invoice. If an invoice is incorrect, defective, or otherwise improper, Grantee will notify the contractor within ten days of discovering the error. After Grantee receives the corrected invoice, Grantee will pay the contractor within 30 days of receipt of such invoice.

4.6.5 **Grant Monitoring Visit and Financial Reconciliation.** During the period of performance, the State will make at least annual monitoring visits and conduct annual financial reconciliations of Grantee's expenditures.

4.6.5.1 The State's Authorized Representative will notify Grantee's Authorized Representative where and when any monitoring visit and financial reconciliation will take place, which State employees and/or contractors will participate, and which Grantee staff members should be present. Grantee will be provided notice prior to any monitoring visit or financial reconciliation.

4.6.5.2 Following a monitoring visit or financial reconciliation, Grantee will take timely and appropriate action on all deficiencies identified by State.

4.6.5.3 At least one monitoring visit and one financial reconciliation must be completed prior to final payment being made to Grantee.

4.6.6 **Closeout.** The State will determine, at its sole discretion, whether a closeout audit is required prior to final

payment approval. If a closeout audit is required, final payment will be held until the audit has been completed. Monitoring of any capital assets acquired with grant funds will continue following grant closeout.

5 **Conditions of Payment**

All services provided by Grantee under this agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law. In addition, Grantee will not receive payment for Airport's failure to pass periodic inspections by a representative of the State's Office of Aeronautics.

6 **Authorized Representatives**

6.1 The State's Authorized Representative is:
Kevin R. Carlson, Planning Program Coordinator, 222 East Plato Blvd, St. Paul, MN 55107 Ph;(612)269-5370, kevin.r.carlson@state.mn.us, or his/her)successor. State's Authorized Representative has the responsibility to monitor Grantee's performance and the authority to accept the services provided under this agreement. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

6.2 Grantee's Authorized Representative is:
Natalie Peterson, Director of Communications & Marketing, Duluth Airport Authority, Duluth, MN 55811 Ph: (218)625-7768, npeterson@duluthairport.com. If Grantee's Authorized Representative changes at any time during this agreement, Grantee will immediately notify the State.

7 **Assignment Amendments, Waiver, and Grant Agreement Complete**

7.1 **Assignment.** The Grantee may neither assign nor transfer any rights or obligations under this agreement without the prior written consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this agreement, or their successors in office.

7.2 **Amendments.** Any amendments to this agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.

7.3 **Waiver.** If the State fails to enforce any provision of this agreement, that failure does not waive the provision or the State's right to subsequently enforce it.

7.4 **Grant Agreement Complete.** This grant agreement contains all negotiations and agreements between the State and Grantee. No other understanding regarding this agreement, whether written or oral, may be used to bind either party.

8 **Liability**

Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this agreement by Grantee or Grantee's agents or employees. This clause will not be construed to bar any legal remedies Grantee may have for the State's failure to fulfill its obligations under this agreement.

9 **State Audits**

Under Minn. Stat. § 16B.98, Subd.8, the Grantee's books, records, documents, and accounting procedures and practices of Grantee, or other party relevant to this grant agreement or transaction, are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of **6 years** from the end of this agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. Grantee will take timely and appropriate action on all deficiencies identified by an audit.

10 **Government Date Practices and Intellectual Property Rights**

10.1 **Government Data Practices.** Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this agreement. The civil remedies of Minn. Stat. §13.08 apply to the release of the data referred to in this clause

by either Grantee or the State. If Grantee receives a request to release the data referred to in this section 10.1, Grantee must immediately notify the State. The State will give Grantee instructions concerning the release of the data to the requesting party before the data is released. Grantee's response to the request shall comply with applicable law.

11 **Governing Law, Jurisdiction, and Venue**
Minnesota law, without regard to its choice-of-law provisions, governs this agreement. Venue for all legal proceedings out of this agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

12 **Termination; Suspension**

12.1 **Termination by the State.** The State may terminate this agreement with or without cause, upon 30 days written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

12.2 **Termination for Cause.** The State may immediately terminate this grant agreement if the State finds that there has been a failure to comply with the provisions of this agreement, that reasonable progress has not been made, that fraudulent or wasteful activity has occurred, that Grantee has been convicted of a criminal offense relating to a state grant agreement, or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

12.3 **Termination for Insufficient Funding.** The State may immediately terminate this agreement if:

12.3.1 It does not obtain funding from the Minnesota Legislature; or

12.3.2 If funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Grantee. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State will provide the Grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

12.4 **Suspension.** The State may immediately suspend this agreement in the event of a total or partial government shutdown due to the failure to have an approved budget by the legal deadline. Work performed by the Grantee during a period of suspension will be deemed unauthorized and undertaken at risk of non-payment.

13 **Data Disclosure**
Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

14 **Fund Use Prohibited.** The Grantee will not utilize any funds received pursuant to this Agreement to compensate, either directly or indirectly, any contractor, corporation, partnership, or business, however organized, which is disqualified or debarred from entering into or receiving a State contract. This restriction applies regardless of whether the disqualified or debarred party acts in the capacity of a general contractor, a subcontractor, or as an equipment or material supplier. This restriction does not prevent the Grantee from utilizing these funds to pay any party who might be disqualified or debarred after the Grantee's contract award on this Project. For a list of disqualified or debarred vendors, see www.mmd.admin.state.mn.us/debarredreport.asp.

15 **Discrimination Prohibited by Minnesota Statutes §181.59.** Grantee will comply with the provisions of Minnesota Statutes §181.59 which requires that every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Contractor agrees: 1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Contractor, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens

who are qualified and available to perform the work to which the employment relates; 2) That no Contractor, material supplier, or vendor, will, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause 1 of this section, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color; 3) That a violation of this section is a misdemeanor; and 4) That this contract may be canceled or terminated by the state of Minnesota, or any county, city, town, township, school, school district or any other person authorized to grant contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this Agreement.

16 **Limitation.** Under this Agreement, the State is only responsible for receiving and disbursing funds. Nothing in this Agreement will be construed to make the State a principal, co-principal, partner, or joint venture with respect to the Project(s) covered herein. The State may provide technical advice and assistance as requested by the Grantee, however, the Grantee will remain responsible for providing direction to its contractors and consultants and for administering its contracts with such entities. The Grantee's consultants and contractors are not intended to be third party beneficiaries of this Agreement.

17 **Additional Provisions**
[Intentionally left blank.]

[The remainder of this page has intentionally been left blank.]

DEPARTMENT OF TRANSPORTATION

MnDOT Contract #: 1036377
State Project No. A6901-SM028

STATE ENCUMBRANCE VERIFICATION
Individual certifies that funds have been encumbered as required by Minn. Stat. § 16A.15 and § 16C.05.

Signed:_____

Date:_____

SWIFT Contract/PO No(s).:_____

GRANTEE
The Grantee certifies that the appropriate person(s) have executed the grant agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By:_____

Title:_____

Date:_____

By:_____

Title:_____

Date:_____

DEPARTMENT OF TRANSPORTATION

By:_____
(with delegated authority)

Title:_____

Date:_____

DEPARTMENT OF TRANSPORTATION
OFFICE OF FINANCIAL MANAGEMENT – GRANT UNIT

By:_____

Date:_____

DEPARTMENT OF TRANSPORTATION
CONTRACT MANAGEMENT

By:_____

Date:_____

Tactic	Schedule	Media
Campaign - Simple As DLH		
Television	Sep-Nov, Mar-Apr	$37,542
Billboards	Jul-Sep	$15,000
Skywalk Boards	Ongoing	$6,750
UMD Games	Nov - Mar	$14,000
Print - Duluthian (4-col; 2/3 page)	Sept/Oct & Mar/Apr	$4,050
2020 SEM	Ongoing	$9,000
Digital - Paid Social	Jul-Sep, Mar-Jun	$20,000
Digital - Email, blog & social post	6/year	$3,900
Consumer Surveys	Jan/Sep	$2,600
Total		**$112,842**

DEPARTMENT OF TRANSPORTATION

RESOLUTION

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIR SERVICE MARKETING

It is resolved by the **Duluth Airport Authority** as follows:

1. That the state of Minnesota Agreement No. **MnDOT Contract No. 1036377,**

   "Grant Agreement for Air Service Marketing," for **State Project No. A6901-SM028** at the

   Duluth International Airport is accepted.

2. That the _____ and _____ are
   (Title) (Title)

   authorized to execute this Agreement and any amendments on behalf of the

   Duluth Airport Authority.

CERTIFICATION

STATE OF MINNESOTA

COUNTY OF _____

I certify that the above Resolution is a true and correct copy of the Resolution adopted by the

_____
(Name of the Recipient)

at an authorized meeting held on the _____ day of _____, 20____

as shown by the minutes of the meeting in my possession.

Signature: _____
(Clerk or Equivalent)

CORPORATE SEAL **/OR/** _____
NOTARY PUBLIC

My Commission Expires:_____

VII I

AGREEMENT TO INSURE CERTAIN DULUTH AIRPORT AUTHORITY PROPERTY AND EQUIPMENT UNDER THE CITY OF DULUTH'S PROPERTY AND BOILER INSURANCE POLICIES

TERMS:

- Length of Agreement: One Year
- Price: $71,867.92
- $100,000 deductible
- Provider: Hanover Insurance & Hartford Steam Boiler

ARGEEMENT OVERVIEW (CONTEXT):

- Four and a half years ago the DAA moved from a separate policy to the City of Duluth's policy to leverage about 30k in annual savings.
- No change in price was expected for 2020 as of discussions last Summer/Fall. Renewal came in $100,000 over previous year's cost.
- City re-bid the insurance and switched provider from Harford Insurance to Hanover Insurance. Increased cost to the DAA vs 2019 is $24,853.27. This is still around $4,000 less than it was prior to moving to the City's Policy $4+ years ago.
- City will re-bid this in 2020 for the 2021 year in hopes of reducing cost.
- Airport buildings, personal property, heavy equipment and boilers are covered by these policies.
- This agreement is the same as previous years with only updated prices.

Prepared by: Joelle Bodin

RESOLUTION AUTHORIZING AN AGREEMENT TO INSURE CERTAIN DULUTH AIRPORT AUTHORITY PROPERTY AND EQUIPMENT UNDER THE CITY OF DULUTH'S PROPERTY AND BOILER INSURANCE POLICIES IN THE AMOUNT OF $71,867.92

RESOLVED, by the Duluth Airport Authority (DAA) that the proper DAA officials are hereby authorized to enter into an Agreement, substantially in the form of that attached hereto with the City of Duluth pursuant to which certain DAA property and equipment will be insured under the City of Duluth's property and boiler insurance policies for the period of February 16, 2020, to February 16, 2021; DAA to pay the City in the amount of $71,867.92

Approved by the Duluth Airport Authority this 17th day of March, 2020.

ATTEST:

_____
Executive Director

STATEMENT OF PURPOSE: This resolution authorizes the DAA to enter into an Agreement with the City of Duluth pursuant to which DAA-owned buildings and equipment will be insured under the City's property and boiler insurance policies at a cost which will represent a substantial savings to the DAA. The City has a full blanket property policy with a $100,000 deductible and a $100,000 deductible for flood. The annual cost for the insurance from February 16, 2020 to February 16, 2021, is $71,867.92.

DAA will be listed as a lien holder on the polices. If DAA were listed as a named insured, DAA could be held responsible for premium payments should the City not pay them as well as for litigation related to City-owned buildings. The City is required to pay over to DAA any claim settlements related to DAA property and equipment.

AGREEMENT TO INSURE CERTAIN DULUTH AIRPORT AUTHORITY PROPERTY UNDER THE CITY OF DULUTH'S PROPERTY INSURANCE POLICY

Pertaining to the period of February 16, 2020 to February 16, 2021

This Agreement is by and between the DULUTH AIRPORT AUTHORITY ("Authority"), and the CITY OF DULUTH ("City").

WHEREAS, buildings owned by the City are insured with Hanover Insurance Company located at 440 Lincoln Street, Worcester, MA 01653 through the City's insurance agent, Chris James of Marsh & McLennan Agency LLC; and

WHEREAS, the City maintains equipment breakdown insurance coverage (commonly referred to as "boiler insurance") and inspection through Hartford Steam Boiler Inspection and Insurance Company located at 595 East Swedesford Road, Wayne, PA 19087 through the City's insurance agent Paul Johnsen of Otis Magie Insurance Agency, Inc.; and

WHEREAS, the City's property insurance coverage and boiler insurance coverage runs from February 16, 2020 to February 16, 2021; and

WHEREAS, the Authority desires to insure certain of its property through the City's policies of insurance.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. ALL RISK BLANKET POLICY

The City hereby agrees to include the Authority properties and equipment set forth on Exhibit A (hereinafter the "Authority Buildings") on the City's all risk blanket policy which covers buildings and business personal property and boiler insurance policy. The values of the Authority Buildings for purposes of property and boiler insurance are also set forth on Exhibit A. Authority shall be named a lien holder on the insurance policies. The City agrees to immediately pay over to Authority any claim settlements on any of the Authority Buildings. Additionally, Authority shall immediately be provided any notices pertaining to the Authority Buildings. The Authority shall immediately notify the City's claims investigator/adjuster or designee (the "City Adjuster") of any changes that may affect the value of any of the Authority Buildings.

2. TERM OF INSURANCE COVERAGE

The Authority Buildings shall be insured for the period of February 16, 2020 to February 16, 2021.

3. PAYMENT BY AUTHORITY.

Authority agrees to pay City for insuring the Authority Building in the amount of Seventy-One Thousand Eight Hundred Sixty-Seven dollars and 92 cents ($71,867.92) payable into City Fund 610-036-1659-4906 (Self-Insurance Liabilities, Insurance Accounts, Airport Insurance, Other Insurance Charges).

4. MUTUAL COOPERATION

The Authority shall immediately give notice to the City of any damage to the Authority Property. The City Adjuster in cooperation with Authority's Executive Director will handle the processing of any claims involving the Authority Buildings. The City and Authority shall fully cooperate with the insurance companies in processing any claims.

5. POINT OF CONTACT

The point of contract for each of the parties to this Agreement shall be as follows:

City of Duluth: Jesse J. Budisalovich
City of Duluth
440 City Hall
411 West First Street
Duluth, MN 55802
(218) 730-5276

Authority: Tom Werner
Duluth Airport Authority
Duluth International Airport
4701 Grinden Drive
Duluth, MN 55811
(218) 625-7766

6. WAIVER

Any waiver by either party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision.

7. APPLICABLE LAW

This Agreement, together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation

hereunder shall be in a court located in St. Louis County, Minnesota. However, litigation in the federal courts involving the parties shall be in the appropriate federal court within the State of Minnesota.

8. SEVERABILITY

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

9. ENTIRE AGREEMENT

It is understood and agreed that the entire agreement of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

CITY OF DULUTH

By_____
Mayor

Attest:_____
City Clerk
Date: _____

Countersigned:

_____
City Auditor

Approved as to form:

_____
City Attorney

DULUTH AIRPORT AUTHORITY

By_____
President

By_____
Secretary

Exhibit A

Buildings & Personal Property				
Building #	**Building Name**	**Building Address**	**Replacement Value**	**Content Value**
103	Hangar 103	4960 Airport Approach Rd, Duluth	$ 3,000,000.00	
104	Hangar 104 - Bays 7/8	4927 Airport Approach Rd, Duluth	$ 650,000.00	
	Hangar 104 - Bay 9/10	4923 Airport Approach Rd, Duluth	$ 650,000.00	
105	Hangar 105	4527 Vandenberg Dr, Duluth	$ 285,000.00	
106	Hangar 106	4529 Vandenberg Dr, Duluth	$ 285,000.00	
107	Hangar 107	4531 Vandenberg Dr, Duluth	$ 285,000.00	
301	Electrical Vault	4867 Malstrom St, Duluth	$ 1,000,000.00	
303	Snow Removal Equipment Building (SRE)	4875 Malstrom St, Duluth	$ 5,000,000.00	$ 750,000.00
305	Building 305	4845 Lackland St, Duluth	$ 1,300,000.00	
308	911 Building	4848 Lackland St, Duluth	$ 850,000.00	
311	Building 311	4464 Ralston Drive, Duluth	$ 2,100,000.00	
614	Ranch Hangars (7)	4526 Airport Approach Rd, Duluth	$ 425,000.00	
615	T-Hangars (14)	4524 Airport Approach Rd, Duluth	$ 600,000.00	
616	Airport Tower Building	4525 Airport Approach Rd, Duluth	$ 1,950,000.00	$ 125,000.00
622	Municiple Hangar II	4535 Airport Approach Rd, Duluth	$ 1,600,000.00	
N/A	Terminal	4701 Grinden Drive, Duluth	$ 62,000,000.00	$ 750,000.00
N/A	Sky Harbor Airport Office/Hangar	5000 Minnesota Avenue	$ 500,000.00	$ 250,000.00

Equipment					
Unit #	**Make**	**Model**	**VIN/Serial Number**	**Year**	**Actual Cash Value**
13	Oshkosh	27' Plow 2	10TBFSF2XVS062879	1997	$ 166,000.00
16	Oshkosh	P Series w/ 27' Plow	10T2C3B24H1030510	1987	$ 45,000.00
17	Caterpillar	Grader	CAT0163HCARL00356	2004	$ 150,000.00
18	Caterpillar	Grader	5AK00173	1998	$ 120,000.00
19	Caterpillar	Grader	CAT0160M3N9T00167	2015	$ 300,000.00
20	Oshkosh	H2723B Snow Blower	10TBFAP118S097443	2008	$ 325,000.00
22	Oshkosh	Blower	10TBFPY142S073260	2001	$ 250,000.00
25	Ford	Tractor Mower	D470851	1991	$ 48,000.00
26	New Holland	Tractor Mower	RVS055495	2007	$ 100,000.00
28	Caterpillar	Loader	CATIT62GPAYA00220	2005	$ 100,000.00
29	Chevrolet	Sander	1GBT7H4C2XJ100539	1999	$ 35,000.00
30	Caterpillar	Loader	CAT0972MEA8P00659	2015	$ 570,000.00
31	Oshkosh	Blower	10T3E1BX7N1043343	1991	$ 142,000.00
32	Oshkosh	Blower	10T3E1BX7N1046105	1992	$ 126,000.00
36	Oshkosh	Multi-Purpose Tractor	10TAJHGF6FS774787	2014	$ 428,000.00
36	Oshkosh	Multi-Purpose Sweeper	10TA52513EA770881	2014	$ 368,000.00
37	Oshkosh	MB Sweeper	10TBFAP1555085016	2005	$ 300,000.00
43	Caterpillar	930G Loader	CAT0930GATWR01560	2005	$ 178,000.00
44	Caterpillar	236B Skidsteer	CAT0236BEHEN09082	2009	$ 25,000.00