MEETING SUMMARY

RE: Economic Development Technical Advisory Committee (TAC)  
Meeting #1  

Date of Meeting: April 9, 2020  

Project Manager: Kaci Nowicki  

Time of Meeting: 1:00 p.m.  

SEH No.: DULAI 150733 16.00  

Location of Meeting: Online Meeting (login info provided at end of agenda)  

The following summarizes the Economic Development TAC meeting that was held via Zoom online meeting on April 9, 2020. The meeting utilized voice, video, screen share (presentation) and mentimeter (written feedback/polling) to gain feedback from TAC Members as well general discussions. The summary references slides numbers from the meeting presentation. The presentation slides are attached to this summary. Responses from Mentimeter are also included at the end of this summary.

I. Welcome and introductions (See slides 2-6) – Attendees present included:
   - Arik Forsman – Minnesota Power  
   - Bill King – Cirrus  
   - Brian Hanson – APEX  
   - Chad Ronchetti – City of Duluth / DEDA  
   - Don Monaco – Monaco  
   - Elissa Hansen – Northspan  
   - Eric Monson – LSH  
   - Jason Serck – City of Superior  
   - Jenn Ryan – Bremer Bank / Hermantown Chamber of Commerce  
   - Kate Ferguson – Duluth Seaway Port Authority  
   - Kevin Comnick – Canosia Township / JAZB  
   - Mike Wenholz – ARDC  
   - Pete DeSutter – AAR  
   - Suzanne Herstad – City of Rice Lake  
   - Taylor Pedersen – Superior Chamber of Commerce  
   - Tom Werner – DAA  
   - Jana Kayser – DAA  
   - Natalie Peterson – DAA  
   - Mark Papko – DAA  
   - Scott Sannes – SEH  
   - Matt Stewart – SEH  
   - Shawn McMahon – SEH  
   - Kaci Nowicki – SEH

II. Master Plan overview (see attached overview flyer distributed to attendees and slides 7-10)

III. Airport overview (See slides 11-24)
   A. Kaci Nowicki gave a summary of the airport property and the various areas protected from development for various aeronautics needs. These include areas protected by airport zoning as well as restricted areas around navigational aids and other airfield equipment. A summary of airport wetlands and environmental features was also given. Kaci also gave a brief summary of the MnDOT Office of Aeronautics Statewide Airport Economic Impact study results for DLH and the past and anticipated future infrastructure investment. More information on the MnDOT Economic Impact Study can be found here.

IV. Potential types of on-airport development (See slides 25-27)
   A. Kaci summarized the differences between Aeronautical vs non-aeronautical and discussed potential development and re-development areas that will be explored in the Master Plan. She also noted that...
these are only examples and the Master Plan process as well as the conversations with this group may identify additional areas that should be explored for development or redevelopment.

V. Economic Development TAC Goals: (See slides 28-29)  
A. Kaci discussed the goals of the TAC and ways that TAC members could inform the Master Plan process. The goals include:
   1. Inform the Master Plan process and how the airport can support economic development
   2. Inform the ultimate airport land use
   3. Inform future DAA investments
   4. Understand the role DLH plays in the overall regional economy
B. The Master Plan will include an appendix with Development or Redevelopment Area Summaries

VI. Discussion questions – The following discussion questions were discussed using Mentimeter for written feedback and verbal discussion of the responses and additional feedback. The responses below provide summaries of the feedback received. The Mentimeter raw responses are attached to this summary.
A. How does the existing air service benefit economic development?
   1. Local companies wouldn’t have such a large employee base if national and global connections were not available. If the airport didn’t have these connection Duluth may not be considered when companies do a national search to start an office.
   2. Airline loyalty can play a big role in passenger travel.
   3. A strong economy and competitive market leads to cheaper airfares.
   4. Provides access to global markets.
B. What challenges does the existing air service present?
   1. Regional airports are not like big metro airports. Some examples of challenges could be age of workforce, population and median household income.
   2. Multiple comments were about how the ease of travel through DLH is a positive aspect.
   3. Cost can be a factor, but less so lately.
   4. Saturation in the market – 4 carriers can drive the costs down but can drive out capacity in the long run.
   5. Limited options to make effective connections. Layover in MSP usually 3-4 hours.
   6. Reliability can be a challenge
   7. DLH needs more direct connections to major hubs.
C. What are the aeronautical economic development needs?
   1. 26 people are on the hangar waiting list for Duluth International. Additional at Sky Harbor. A mix of large hangar development and smaller units is desired with a mix of heated and non-heated hangars.
   2. Recreational hangar space
   3. Expansion space for manufacturing
   4. Improved infrastructure
   5. Runway 3/21 extension
   7. A larger development site on the north side (50-100 acres).
   8. Businesses located at the airport will continue to expand as market needs expand.
D. What infrastructure and types of sites are needed for aeronautical sites to be marketable or attractive?
   1. Shovel ready sites are needed.
   2. Fuel storage, independent fire suppression capability
   3. Ability to handle heavy weight aircraft.
   4. Ability to retain EPA hazards.
   5. Soil quality and environmental conditions has been a challenge to development in some areas.
   6. LSH is having difficulty finding storage space that meets their needs. LSH is also a Robinson Service Center.
   7. The airport could consider moving Airport Road to expand developable area in the southwest quadrant.
8. A 30 minute drive from downtown Duluth to the North Business Development Area impacts businesses being interested in locating in that area.
9. The airport, the facilities and its ability to be open in inclement weather conditions is a great asset when marketing the Duluth area globally.

E. Describe the marketable development sites and/or types of space that are most needed in the community?
1. Multiple TAC members gave feedback on the need to have large sites available in the community. Large sites are difficult to find.
2. Daycare
3. Hotel immediately adjacent to the airport

F. What complementary or supply chain businesses are needed near the airport?
1. Hard to see the practicality of having manufacturers relocate to Duluth to support local aviation businesses due to the small percentage of work that would be done for businesses in Duluth. APEX has explored similar options with suppliers for Cirrus.
2. Lines of communication remains open for suppliers who may have potential to add value to local businesses through relocating to the area.
3. Large site development on the north side of the airport, or even research to find 50 or 100 acre locations on the north side of the airfield would be beneficial
4. Commercial access to supersonic airspace over Lake Superior would be valuable. Due to military restrictions, a commercial venture would be challenging.
5. Air Park Industrial Park still has lots available for development. Sites developed on the airport should complement the Air Park and airport surrounding area. The uses allowed in the industrial park are limited and that should be considered as development areas are considered on the airport.
6. A hotel next to, or closer to, the airport.

G. As the economy in the region changes, what can the airport do to support the region from an economic development standpoint?
1. Support multi-modal options to the airport and consider aging demographic for access to the airport.
2. Think about planning for autonomous vehicles and considering how that looks for airports.
3. DTA route timing is challenging to get employees to the area surrounding airport.
4. Integration of unmanned aircraft on to the airfield
5. Encourage and accommodate utility extensions to the north side.
6. Continue working closely with the 148th Fighter Wing

H. What are the barriers to economic development?
1. Workforce challenges
2. Housing and daycare availability
3. Climate/weather
4. Soil contamination at the airport
5. Availability of large developable sites.
6. Lack of ease of access to the North Business Development area.
7. Creating a city/area that is desirable to a young/talented/sustainable workforce.
8. Business friendliness of the State of Minnesota can impact economic development not only at the airport, but statewide.
9. Multiple comments were made regarding broadband internet access being a challenge regionally and more notably recently due to large number of people working remotely.

I. What transportation challenges (all modes) exist related to economic development on the airport?
1. Transit connections through the area can be challenging to surrounding communities such as Superior to the Airport.
2. Freight should be able to be connected between the Port and the Airport

J. What do you see the role of DLH being in growing the overall regional economy?
   1. Maintaining strong infrastructure
   2. Continue to expand airline service, partners with other entities, advocate for manufacturers
   3. Access point that’s easy and affordable.
   4. The growth of DLH provide relevancy to our region.
   5. Support new and current businesses in a model which supports growth.
   6. Significant role – both for aviation/airport based businesses and for attracting new businesses to the region.

K. What are you or your organization hoping to get out of the Master Plan process as it relates to economic development?
   1. To understand where certain types of development fit on and near the airport.
   2. Identification of buildable sites on the airport.
   3. Understand the resources DLH has and make sure future developments make sense and compliment others in the region.
   4. Understand the desired plan for redevelopment of the area near the air traffic control tower.
   5. An updated vision and actionable items for policymakers and surrounding land use.
   6. Support for growth of existing large operations.
   7. Identification of larger development sites.
   9. Ensure our voice is heard in regards to growth plans and ideas.
   10. A well-considered superstructure in land use and land impact options.

VII. Next steps
   A. The meeting summary and materials will be emailed and posted on the project website. The project team encouraged attendees to review the website for additional information about other areas and topics being evaluated in the Master Plan.
   B. A meeting invite will be sent for the Economic Development TAC Meeting #2. A date has not yet been set for this meeting.
How does the existing air service (cost, airlines, schedule, etc.) benefit economic development?

Access to the global economy

Great access to/from the region for business travel.

Ability to easily connect

Bill King

Allows for ease of visits for business travel, provides a landing point for visitors.

Provides a gateway to the larger world market/economy.

Accessible

Increases mobility

Helps supply chain, customer options
How does the existing air service (cost, airlines, schedule, etc.) benefit economic development?

- Access to global markets

  Serves existing companies with access to customers, suppliers, and other stakeholders. Gating item as a must-have for many companies seeking to locate in the region. Allows for key employers like Cirrus, AAR and Monaco Air.

- More than one commercial service option

- Ease of flying direct from Duluth.
What challenges does the existing air service present?

- Cost, connecting locations, less now than before!
- Access only through MSP or Chicago, and weather delays.
- Reliability of current service
- Reliability during winter
- Need more direct connections to major hubs
- Limited options on making effective connections to the larger market.
- Only two other commercial airlines after AA leaves. Usually only MSP or Chicago access.
What challenges does the existing air service present?

- Need a longer 327 runway to increase access and reliability. Need to be able to present larger sites for development. North Business Development serves as an important option, but it would be nice to have a 100 acre site.

- Layover in MSP on returning flights usually 3-4 hours. Cost can be a factor but has not been recently.

- Saturation of the market with essentially 4 options to travel from Duluth. Drives prices down but can drive out capacity in the long term.

- Continuing flight options at low cost.

- Substandard soil conditions
### What are the aeronautical development needs?

<table>
<thead>
<tr>
<th>Recreational hangar space</th>
<th>Expansion space for manufacturing</th>
<th>Improved infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential UAV users, updated and expanded facilities for manufacturing</td>
<td>Additional &quot;rent ready&quot; hangar development. (New HOA Hangars)</td>
<td>RWY 3/21 extension Additional ramp space for large aircraft or hangar development</td>
</tr>
<tr>
<td>Business tenant that need runway access</td>
<td>Expansion area for Cirrus, adjacent to existing, Runway 327. Large site on north side - 50 to 100+ acres. Access for commercial use of supersonic airspace over Lake Superior?</td>
<td>Ability to develop more areas on the south side of the field where business with higher customer flows can operate with ease of access in an affordable way.</td>
</tr>
<tr>
<td>Requirements</td>
<td>Details</td>
<td></td>
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<td>------------------------------------------------------------------------------</td>
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<tr>
<td>&quot;Shovel&quot; ready</td>
<td>Possibly better roadway access, especially regarding freight movement.</td>
<td></td>
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<tr>
<td>utilities, build ready, water/sewer, environmental/Architectural resource clearance,</td>
<td>Fuel storage, independent fire suppression capability, ability to handle heavy weight aircraft, ability to retain EPA hazards, security</td>
<td></td>
</tr>
<tr>
<td>Mitigated wetlands and ready for development</td>
<td>Large contiguous sites, wetland mitigation bank credits</td>
<td></td>
</tr>
<tr>
<td>Reliably broadband, parking, space for growth, ease of access for employees and customers</td>
<td>Utility extensions to north side. Cleanup and proper soils around the airport. Access off Steiner to sites on north side.</td>
<td></td>
</tr>
<tr>
<td>Ease of landslide access, airfield taxiway network (i.e. easy access to runways), secure facility.</td>
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</tbody>
</table>
Describe the development sites and/or types of space that are most needed in the community

- Large sites - 50 to 100 acres.
- Larger developable sites
- Ditto
- Big sites!
- Hotel immediately adjacent to the airport
- daycare
What complementary or supply chain businesses are needed near the airport?

- Hotel adjacent to the airport
- Wetlands, site size, housing, workforce, business policy & construction costs
As the economy in the region changes, what can the airport do to support the region from an economic development standpoint?

- Support more multi-modal transportation options.
- Integration of unmanned aircraft on to the airfield
- Continue working closely with the 148th
- Encourage and accommodate utility extensions to north side. Continue active role in ED

We have a new reality to adapt to - that will create new opportunities for economic development. Need to spend some time brainstorming what this may be.
What are the biggest barriers to economic development?

- Cost of housing in the area
- Availability of large contiguous easily developable sites, ease of access to the north side,
- Employment training
- High construction costs for new facilities.
- Cost to develop on field
- Workforce
- Population
- Soil contamination at the airport
What are the biggest barriers to economic development?

- Workforce

- Housing availability. Daycare, the climate can be a challenge if not embraced properly

- Creating a city/area that is desirable to a young/talented/sustainable workforce.
What transportation challenges (all modes) exist related to economic development on the airport?

Provides a role as our “Front door” to any businesses looking to grow or expand here. It is our most important “Main Street”
What do you see the role of DLH being in growing the overall regional economy?

- Maintain strong infrastructure
- Access point that’s easy and affordable for business travelers
- Significant role - both for aviation/airport based businesses and for attracting new business to the region.
- Continue to expand airline service, partner with other entities, advocate for manufacturers
- Growth of DHL provides relevancy to our region
- Fantastic service at the terminal. Opportunity to identify large sites.
- Transportation for businesses, making it easy to attract new businesses, supply chain
- Support new and current businesses in a model which supports growth
What are you or your organization hoping to get out of the Master Plan process as it relates to economic development?

- **Where do future developments fit. Clearly identified.**
- **Understand desires for the ATCT area.**
- **Making sure our voice is heard in regards to growth plans and ideas.**
- **Buildable sites.**
- **Updated vision and actionable items for policymakers and land use.**
- **a well-considered future superstructure in land use and land impact options.**
- **Support for growth with existing large operations. Broken record - large sites. Reinforce need to cross wind 3/21 expansion.**
Figure 2

Legend

- Airport Property
- Critical Areas and Runway Protection Zones

Legend icons:

- Runway 9/27
- Runway 3/21
- Runway Protection Zone (RPZ)
- North Business Development Area
- ASOS Critical Area
- 148th Air National Guard's Munitions Critical Area
- Airport Surveillance Radar (ASR) Critical Area
- US Highway 53
- Martin Road
- Airport Road
- Terminal
- Lavaque Bypass Road
- Rice Lake Road
- Stebner Road
- Rock Lake Road
- Martin Road

Airport Surveys:

- Duluth, Minnesota
- Duluth International Airport
- Airport Master Plan

Date:

04/2020; DULAI 150733

Critical Areas:

- 148th Air National Guard's Munitions Critical Area
- Runway Protection Zone (RPZ)
- North Business Development Area
- ASOS Critical Area
- Airport Surveillance Radar (ASR) Critical Area

Scale:

0 400 800 1,600

Feet

0 400 800 1,600

Legend

- Airport Property
- Critical Areas and Runway Protection Zones

Vision 2040

SEH