## **DULUTH AIRPORT AUTHORITY**



### DULUTH AIRPORT AUTHORITY MEETING AGENDA FEBRUARY 16, 2021

### DAA FEBRUARY BOARD MEETING PARTICIPATION BY TELEPHONE OR OTHER ELECTRONIC MEANS PURSUANT TO MINNESOTA STATUTES SECTION 13D.021

Click below to access meeting:

https://duluthairport.com/wp-content/uploads/2021/02/2-February-Board-Notice.pdf

### AMATUZIO CONFERENCE ROOM DULUTH INTERNATIONAL AIRPORT

### I \*EXECUTIVE DIRECTORS REVIEW

Information Letter to DAA Directors.

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

A. Approval of January 19, 2021 Meeting Minutes.

### III \*DAA CASH DISBURSEMENTS

A. Cash Disbursement Sheets #1, #2, #3, and #4, 2021. Construction Fund Sheets #1, 2021

### IV \*CORRESPONDENCE

- A. January 11, 2021 Letter from State Auditor to DAA Requesting Annual Audit for Year Ending December 31, 2020; January 27, 2021 Letter from the Office of the State Auditor to DAA Confirming Understanding of Services.
- B. Airport News January 26, 2021 DAA News Release "Duluth International Airport Outperforms National Average of Passenger Numbers in 2020; February 8, 2021 AAAE Regulatory Alert "House Transportation Relief Package to Include \$8 Billion for 'Airport Relief'" and February 9, 2021 "Legislation Introduces in Senate and House to Better Protect Transportation Employees and Passengers from COVID-19"
- C. February 1, 2021 E-Mail from Monaco Air Foundation with Summary of January 2021 Activities.
- D. February 8, 2021 DLH Vision 2040 Master Plan Newsletter.
- E. February 10, 2021 Letter from Citizens Committee Environmental Concerns (CCEC) to DAA Regarding Lack of Noise Abatement in FAA Recommendations.
- F. Link for Metropolitan Airports Commission (MAC) Minutes -- <a href="https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx">https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx</a>.

## **DULUTH AIRPORT AUTHORITY**



### V OPPORTUNITY FOR PERSONS TO BE HEARD

### VI OLD BUSINESS

None

### VII NEW BUSINESS

- A. Resolution to Approve the Transportation Network Company Operating Agreement Between the Duluth Airport Authority and Rasier, LLC (UBER),
- B. Resolution to Approve the Transportation Network Company Operating Agreement Between the Duluth Airport Authority and Lyft, Inc.
- C. \*Draft December 2020 Financial Reports.
- D. \*January 2021 Accounts Receivables.
- E. \*January 2021 Airline & Landline Statistics.

### VIII DIRECTORS REPORTS

<u>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).</u>



Travel Globally. Fly Locally.

DATE:

February 16, 2021

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**

- > 67.4% Decrease Total Passengers YTD
- > 67.4% Decrease January Passengers YOY
- > 41.4% Decrease DL Total Passengers YTD
- > 41.4% Decrease January DL Passengers YOY
- > 93.3% Decrease UA Total Passengers YTD
- ➤ 93.3% Decrease January UA Passengers YOY
- > 501 Landline Passengers in January
- > SCASD Grant Update

### OPERATIONS/CONSTRUCTION/PLANNING

- > Planning
  - Master Plan Update
  - Part 150 Noise Study Update
- Operations
  - Draft Capital Improvements Plan
  - Airport Management Internship
- > Airside
  - NSR
- > Landside
  - Terminal Roof Update
- Sky Harbor
  - Building Area Master Plan Update

### **BUSINESS/PROPERTY DEVELOPMENT**

COVID-19 Related Financial Relief to Tenants Update

### FINANCIAL UPDATE

> NSR

## **MARKETING UPDATE**

> NSR

## **LEGISLATIVE UPDATE**

- ➤ Airport Relief 2.0
- ➤ Airport Relief 3.0
- ➤ Sky Harbor LCCMR Amendment

## PRESENTATIONS/TOURS/TRAVEL RECAP

> NSR

### **OTHER**

> Joint Zoning Board Update

Submitted by,

Thomas J. Werner, C.M. Executive Director



## **DULUTH INTERNATIONAL AIRPORT**

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### DRAFT

### MINUTES OF THE MEETING

DATE:

January 19, 2021

PLACE:

Amatuzio Conference Room

Duluth International Airport, Duluth, MN

DIRECTORS PRESENT:

Anna Tanski

Craig Fellman

DIRECTORS PARTICIPATING

VIA ELECTRONICS

**MEANS:** 

Kim Maki

Todd Fedora Don McIsaac Jeff Anderson Elissa Hansen

OTHERS PRESENT:

Tom Werner, Executive Director

Mary Ann Wittkop, Recording Secretary Mark Papko, Director of Operations

Natalie Peterson, Director of Communications & Marketing

Jana Kayser, Business Development Manager Joelle Bodin, Director of Finance & Administration

OTHERS PARTICIPATING

VIA ELECTRONICS

**MEANS:** 

Steve Hanke, Assistant City Attorney

Kathy Leon, Confidential Bookkeeper

Kaci Nowicki, SEH Shawn McMahon, SEH Matt Stewart, SEH Scott Sannes, SEH Mike Magni, Monaco Don Monaco, Monaco

Eric Monson, Lake Superior Helicopter

John Kontny, Jamar Craig Meyer, Citon Carter Nelson, Citon Linda Dobinson, Citon

Bill King, Cirrus

Jeff Davidman, Delta Airlines

President Tanski welcomed everyone to the DAA January Board meeting and called the meeting to order at 8:04 a.m. She performed the roll call noting herself and Dir. Fellman as

present at the meeting; Dir. Maki, Dir. McIsaac, Dir. Anderson and Dir. Hansen participating virtually, Dir. Fedora would be joining virtually in fifteen minutes. Mr. Tom Werner, Executive Director, updated on the Executive Director review:

### EXECUTIVE DIRECTOR'S REVIEW:

• Air Service: Year end -- 52% decrease in total passengers, 66.1% decrease in passengers compared to same period last year; Delta total passengers decreased 50%, and 56.1% decrease in December passengers year over year; United decreased 62.2%, with December passenger's year over year decreasing 67.1%; Landline had 591 passengers for the month of December. Small Community Air Service grant (SCASD) – will be submitting this very strongly supported packet today.

Dir. Fedora joined the meeting at 8:15 a.m.

Mr. Werner introduced Mr. Jeff Davidman, Governmental Affairs for Delta Airlines. Mr. Davidman spoke on the Covid-19 impact on Delta, their priorities and response, reviewed implementation of the Delta CareStandard<sup>SM</sup> and moving forward. Comments and discussion followed; Mr. Werner expressed his appreciation to Mr. Davidman for Delta's strong partnership with DLH and all the airports in the state. Mr. Werner presented on the Duluth International Airport key activity metrics global pandemic recovery; questions followed. Ms. Natalie Peterson, Director of Communications & Marketing, detailed further.

- Operations:
  - Planning: Master Plan (MP) and Part 150 Noise Study -- Ms. Kaci Nowicki, SEH, updated on the MP recent activities, next steps, and upcoming meetings; Part 150 noise study update -- reviewed the project progress, next steps and finalizing the public workshop, tentative for February.
  - Operations: Mr. Mark Papko, Director of Operations, overviewed the different partners and players at this airport and Sky Harbor; he summarized on the FAA discretionary and MnDOT funding and outlined planned construction projects.
  - Landside: Mr. Papko reviewed the recommended viable solution for the terminal roof in preliminary discussion, will keep updated.
  - Other: Joint Airport Zoning Board (JAZB) waiting for final comments and response from MnDOT on the proposed zoning ordinance for DLH.
  - Sky Harbor: Mr. Matt Stewart, SEH, updated on the Sky Harbor master plan project spoke on progress, next steps, and upcoming meetings.

Dir. McIsaac left the meeting at 8:59 a.m.

• Business/Property Development: Ms. Jana Kayser, Business Development Manager, briefed on the COVID-19 related financial relief; still waiting to hear the details for the concessionaire's relief from CARES 2.0 package.

- Financials: Ms. Joelle Bodin, Director of Finance & Administration, spoke on a possible update on the DAA purchasing policy to better align with the City of Duluth; hope to present to the Board next month.
- Marketing: Ms. Peterson mentioned the decision to thank the renewed corporate parking partners by offering a complimentary 2021 Club DLH pass. The Board commended her for the goodwill and outreach to the community.
- Legislative: Mr. Werner briefed on CARES Act 2.0 do not know eligible amount for DLH at this time; will move forward with course of action when the information is received.
- Presentations Recap: Mr. Werner and SEH presented virtually to the AAAE Young Professionals conference on the public awareness and public relations campaign relating to Sky Harbor runway initiative good participation.

Questions and discussion followed on several of the Executive Director's review items. Chair Tanski noted Dir. Fedora had joined in and will be included in the roll call; Dir. McIsaac had left the meeting and would not be part of the roll call vote. Dir. Fellman moved to approve the December 15, 2020 meeting minutes and consent items. Dir. Fedora seconded. Roll call, -- all ayes, motion carried.

### **CONSENT ITEMS**

Cash Disbursement Sheets #29, #30, #30A, #31 and #32, 2020. Construction fund sheet #14, 2020.

Aviation coalition letter to Governor Tim Walz regarding vaccine prioritization; letters from MN Local Air Service Action Committee (LASAC) and Delta Airlines to MN Vaccine Allocation Advisory Group regarding request of immunization Priority 1B aviation frontline workers.

E-Mail from Monaco Air Foundation with summary of December 2020 activities.

Letter from DAA to MN Department of Natural Resources regarding Sky Harbor Public Water Permit and Land Sale Transaction.

AAAE Regulatory Alert "FAA Release Summary of Aircraft Noise Annoyance Study Results". Club DLH Business Suite renewals.

Link for Metropolitan Airports Commission (MAC) Commission minutes -- <a href="https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx">https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx</a>

### OPPORTUNITY FOR PERSONS TO BE HEARD

None.

### **OLD BUSINESS**

None.

### **NEW BUSINESS**

Ms. Kayser gave background information and updated on the Sky Harbor operating agreement; she recommended approval. Dir. Anderson moved to approve the resolution for the Sky Harbor Airport operating agreement between the Duluth Airport Authority and Jon Messerer. Dir. Fellman seconded. Roll call – all ayes. Motion carried.

Mr. Papko outlined the final design work order; Mr. Shawn McMahon, SEH, detailed further on FAA funds and eligibility. Questions followed. Dir. Maki moved to approve the resolution for Work Order #9 — Taxiway R reconstruction Phase 1 Final Design between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. (SEH, Inc.). Dir. Fellman seconded. Roll call — Dir. Anderson abstained, the rest ayes. Motion carried.

Mr. Papko overviewed the Terminal boiler replacements; Mr. John Kontny, Jamar, detailed further. Questions followed. Dir. Maki moved to approve the resolution for invoice and contract for the replacement of three (3) terminal boilers, chemical filtration, system clean-up and analytical testing between the Duluth Airport Authority and The Jamar Company. Dir Anderson seconded. Roll call – Dir. Fellman abstained, the rest ayes. Motion carried.

Mr. Papko reviewed background information and briefed on the process and timeline for the IT managed service bundle. He introduced three Citon representatives -- Mr. Carter Nelson, IT Solutions Specialist, Ms. Linda Dobinson, Director of Operations and Mr. Craig Meyer, Engineering Manager. The representatives briefed on Citon's background, knowledge, active customers, and services provided. Dir. Fellman moved to approve the resolution for IT managed service bundle agreement between the Duluth Airport Authority and The Citon Corporation. Dir Maki seconded. Roll call – Dir. Fedora abstained, the rest ayes. Motion carried.

Ms. Bodin spoke on the resolution addition and explained the amended support grant agreement; Mr. Werner detailed further and commended the St. Louis County Board for their support and leadership during these difficult times. Dir. Fellman moved to approve the resolution for amendment No. 1 to grant agreement 5542B between the Duluth Airport Authority and St. Louis County to increase initial pledge of \$50,000 to \$75,000 in support of the Small Community Air Service Development Grant program (SCASD). Dir Anderson seconded. Roll call – Dir. Maki abstained, the rest ayes. Motion carried.

Dir. Fellman commented on the correspondence item regarding the summary of aircraft noise annoyance study results; question and discussion followed.

Dir. Maki moved to adjourn the meeting. Dir. Fedora seconded. Roll call -- all ayes, motion carried. President Tanski adjourned the January 19<sup>th</sup> DAA board meeting at 9:39 a.m.

Respectfully submitted,

Mary Ann Wittkop Recording Secretary

APPROVED:	6	7	71 2 _	DATE:	9FEB21
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## Duluth Airport Authority DAA Operating Check Register #1-2021 January 7, 2021

## **Document Number From 9675 To 9689**

		Documen		,,,	
Docume	nt N Date	Transaction Type	Payee	77 (2	Amount
9675	1/7/2021	BILLPMT	Aramark		\$59.15
9676	1/7/2021	BILLPMT	CDW Government		\$714.81
9677	1/7/2021	BILLPMT	Compudyne, Inc.		\$75.00
9678	1/7/2021	BILLPMT	Dalco		\$2,889.33
9679	1/7/2021	BILLPMT	Doorco		\$360.00
9680	1/7/2021	BILLPMT	Guardian Pest Solutions		\$175.25
9681	1/7/2021	BILLPMT	MacQueen Equipment, Inc.		\$4,923.08
9682	1/7/2021	BILLPMT	MB Companies inc.		\$942.00
9683	1/7/2021	BILLPMT	Menards - West Duluth		\$278.15
9684	1/7/2021	BILLPMT	Minnesota Power		\$32,928.18
9685	1/7/2021	BILLPMT	NAPA Auto Parts		\$6.91
9686	1/7/2021	BILLPMT	Northern States Supply, Inc.		\$74.99
9687	1/7/2021	BILLPMT	Praxair Distribution Inc.		\$6,997.38
9688	1/7/2021	BILLPMT	The Chamber, Superior-Douglas Coun	ty Area	\$373.00
9689	1/7/2021	BILLPMT	TKDA		\$3,209.27
				Sub-Total	\$54,006.50
			Void Ck #9017 FedEx	\$	(125.31)
			Void Ck #9493 FedEx	\$	(182.50)
			Annual and the second of the s	Total	\$53,698.69

Airport Director

Airport Authority

City Treasury

# Duluth Airport Authority DAA Operating Check Register #2-2021 January 14, 2021

## **Document Number From 9690 To 9724**

Document Number From 3030 TO 3724				
Docume	nt N Date	Transaction Type	Payee	Amount
9690	1/14/2021	BILLPMT	Afterlife Electronics Graveyard	\$56.00
9691	1/14/2021	BILLPMT	Batteries Plus	\$575.84
9692	1/14/2021	BILLPMT	Bodin, Joelle	\$60.00
9693	1/14/2021	BILLPMT	CDW Government	\$216.14
9694	1/14/2021	BILLPMT	Century Link	\$144.00
9695	1/14/2021	BILLPMT	City Of Duluth Comfort Systems	\$14.33
9696	1/14/2021	BILLPMT	City Of Duluth, Minnesota	\$61.20
9697	1/14/2021	BILLPMT	Compudyne, Inc.	\$504.00
9698	1/14/2021	BILLPMT	Dalco	\$21.69
9699	1/14/2021	BILLPMT	General Security Services Corporation	\$20,547.12
9700	1/14/2021	BILLPMT	Inter City Oil (ICO)	\$101.00
9701	1/14/2021	BILLPMT	Jamar Company	\$1,314.60
9702	1/14/2021	BILLPMT	Kayser, Jana	\$60.00
9703	1/14/2021	BILLPMT	Kraemer Construction, Inc.	\$300.00
9704	1/14/2021	BILLPMT	Landrum and Brown, Incorporated	\$2,000.00
9705	1/14/2021	BILLPMT	Leon, Kathy	\$60.00
9706	1/14/2021	BILLPMT	Lyons, Kevin	\$60.00
9707	1/14/2021	BILLPMT	Menards - Hermantown	\$41.44
9708	1/14/2021	BILLPMT	MN Dept of Emply & Econ. Development	\$0.40
9709	1/14/2021	BILLPMT	Nextera Communications	\$1,602.03
9710	1/14/2021	BILLPMT	Oracle America, Inc.	\$11,148.75
9711	1/14/2021	BILLPMT	Papko, Mark	\$60.00
9712	1/14/2021	BILLPMT	Peterson, Natalie	\$60.00
9713	1/14/2021	BILLPMT	Republic Parking System, LLC	\$1,100.00
9714	1/14/2021	BILLPMT	Sinnott, Paul	\$60.00
9715	1/14/2021	BILLPMT	Smith, Troy R	\$60.00
9716	1/14/2021	BILLPMT	Swim Creative	\$250.00
9717	1/14/2021	BILLPMT	Taylor, Dan	\$60.00
9718	1/14/2021	BILLPMT	Thanks Again, LLC	\$16.37
9719	1/14/2021	BILLPMT	Timm, Kenneth	\$60.00
9720	1/14/2021	BILLPMT	Wabrowetz, Steve	\$60.00
9721	1/14/2021	BILLPMT	Waste Management of WI-MN	\$158.19
9722	1/14/2021	BILLPMT	Werner, Thomas	\$60.00
9723	1/14/2021	BILLPMT	Wittkop, Mary Ann	\$60.00
9724	1/14/2021	BILLPMT	Ziegler, Inc.	\$172.95
			Total	\$41,126.05

Airport Director

Airport Authority

City Treasury

## Duluth Airport Authority DAA Operating Check Register #3-2021 January 21, 2021

## **Document Number From 9730 To 9774**

<b>4</b> 00	Tikes			Amount
	nt N Date	Transactio		
9730	1/28/2021	BILLPMT		\$34.08
9731	1/28/2021	BILLPMT		\$214.71
9732	1/28/2021	BILLPMT	•	\$26.97
9733	1/28/2021	BILLPMT		\$125.98
9734	1/28/2021	BILLPMT		\$776.00
9735	1/28/2021	BILLPMT	Caywood Oil, LLC	\$387.00
9736	1/28/2021	BILLPMT		\$190.88
9737	1/28/2021	BILLPMT	City Of Duluth Comfort Systems	\$13,145.14
9738	1/28/2021	BILLPMT	Como Lube & Supplies	\$932.25
9739	1/28/2021	BILLPMT	Compudyne, Inc.	\$525.00
9740	1/28/2021	BILLPMT	Compudyne, Inc.	\$212.87
9741	1/28/2021	BILLPMT	Dalco	\$1,146.32
9742	1/28/2021	BILLPMT	DSC Communications	\$285.00
9743	1/28/2021	BILLPMT	Federal Express Corporation	\$62.32
9744	1/28/2021	BILLPMT	Goodin Company	\$187.59
9745	1/28/2021	BILLPMT	Hermantown Arena	\$600.00
9746	1/28/2021	BILLPMT	Hermantown Hydraulics, LLC	\$179.25
9747	1/28/2021	BILLPMT	iFIDS.com Inc.	\$125.00
9748	1/28/2021	BILLPMT	Inter City Oil (ICO)	\$14,374.76
9749	1/28/2021	BILLPMT	Jamar Company	\$9,600.75
9750	1/28/2021	BILLPMT	Lift Pro	\$85.42
9751	1/28/2021	BILLPMT	Marsden Building Maintenance	\$12,284.00
9752	1/28/2021	BILLPMT	Menards - Hermantown	\$118.40
9753	1/28/2021	BILLPMT	Menards - Hermantown	\$36,99
9754	1/28/2021	BILLPMT	Metro Sales, Inc.	\$354.83
9755	1/28/2021	BILLPMT	Minnesota Locksmith	\$115.00
9756	1/28/2021	BILLPMT	Minnesota Petroleum Service	\$253.35
9757	1/28/2021	BILLPMT	Minnesota Power	\$6,158.41
9758	1/28/2021	BILLPMT	NAPA Auto Parts	\$68.64
9759	1/28/2021	BILLPMT	New Deal Deicing	\$14,249.00
9760	1/28/2021	BILLPMT	Northern Engine & Supply	\$40.38
9761	1/28/2021	BILLPMT	Northern Tool & Equipment	\$90.84
9762	1/28/2021	BILLPMT	NorthStar Ford	\$149.96
9763	1/28/2021	BILLPMT	Pomp's Tire Service, Inc.	\$475.00
9764	1/28/2021	BILLPMT	Quadient Leasing USA, Inc.	\$266.82
9765	1/28/2021	BILLPMT	Sam's Club	\$14.40
9766	1/28/2021	BILLPMT	Schindler Elevator Corp	\$1,265.81
9767	1/28/2021	BILLPMT	Short Elliott Hendrickson Inc.	\$1,078.86
9768	1/28/2021	BILLPMT	Spectrum Business	\$142.52
9769	1/28/2021	BILLPMT	State Supply	\$437.35
9770	1/28/2021	BILLPMT	United Truck Body Company, Inc.	\$501.21
9771	1/28/2021	BILLPMT	Viking Automatic Sprinkler	\$460.00
9772	1/28/2021	BILLPMT	Welch, Ryan	\$60.00
9773	1/21/2021	CHK	WF Bus Payment Processing - Joelle	\$5,542.49
9774	1/28/2021	BILLPMT	Ziegler, Inc.	\$736.88
			Total	\$88,118.43

Airport Director

Airport Authority

City Freasury

## Duluth Airport Authority DAA Operating Check Register #4-2021 4-Feb-21

## **Document Number From 9775 To 9795**

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Document N	umber Date	Transaction Type	Payee	Amount
9775	2/4/2021	BILLPMT	Aramark	\$59.15
9776	2/4/2021	BILLPMT	Arrowhead Tap House	\$256.25
9777	2/4/2021	BILLPMT	CDW Government	\$267.28
9778	2/4/2021	BILLPMT	City Of Duluth Comfort Systems	\$10.49
9779	2/4/2021	BILLPMT	Compudyne, Inc.	\$75.00
9780	2/4/2021	BILLPMT	Federal Express Corporation	\$16.88
9781	2/4/2021	BILLPMT	General Security Services Corporation	\$1,302.00
9782	2/4/2021	BILLPMT	Goodin Company	\$598.72
9783	2/4/2021	BILLPMT	Guardian Pest Solutions	\$175.25
9784	2/4/2021	BILLPMT	Menards - Hermantown	\$140.67
9785	2/4/2021	BILLPMT	NAPA Auto Parts	\$636.98
9786	2/4/2021	RFND	Natural Resource Engineering Co.	. \$4,148.23
9787	2/4/2021	BILLPMT	Nel's Frame Shop LLC	\$60.00
9788	2/4/2021	BILLPMT	Nextera Communications	\$1,289.40
9789	2/4/2021	BILLPMT	Northern Engine & Supply	\$299.75
9790	2/4/2021	BILLPMT	Northern States Supply, Inc.	\$255.99
9791	2/4/2021	BILLPMT	Praxair Distribution Inc.	\$151.23
9792	2/4/2021	BILLPMT	Thanks Again, LLC	\$21.64
9793	2/4/2021	BILLPMT	Turbo Diesel & Electric	\$1,800.00
9794	2/4/2021	BILLPMT	Viking Industrial North	\$82.31
9795	2/4/2021	BILLPMT	Ziegler, Inc.	\$927.56
Total	0.1			\$12,574.78

Airport Director

Airport Authority

City Treasury

## Duluth Airport Authority DAA Construction Check Register #1-2021 January 19, 2021

## **Document Number From 9725 To 9729**

Documen	t NDaté	Transaction Type	Payee	Amount
9725	1/19/2021	BILLPMT	1 A.W. Kuettel & Son's, Inc.	\$15,045.15
9726	1/19/2021	BILLPMT	1 Becher Hoppe	\$3,200.00
9727	1/19/2021	BILLPMT	1 MediaUSA Adverising Inc	\$500.00
9728	1/19/2021	BILLPMT	1 Short Elliott Hendrickson	\$93,543.86
9729	1/19/2021	BILLPMT	1 Swim Creative	\$523.36
			Total	\$112,812.37

Airport Director

City Treasury







411 West First Street

**Room 120** 



218-730-5350



January 11th, 2021

Ms. Julie Blaha State Auditor State of Minnesota 525 Park Street, Suite 400 St. Paul, Minnesota 55103

Pursuant to Minnesota Laws of 1969, Chapter 577, Section 4, Subdivision 4, we hereby request the annual audit of Duluth Airport Authority, for the year ending December 31, 2020, be performed by your department.

Sincerely,

Josh Bailey, City Auditor

c: Tom Werner, Executive Director Stephanie Erickson

### STATE OF MINNESOTA



### Julie Blaha State Auditor

Suite 500 525 Park Street Saint Paul, MN 55103

January 27, 2021

Mr. Thomas Werner, Executive Director Duluth Airport Authority Duluth International Airport 4701 Grinden Drive Duluth, Minnesota 55811

Board of Directors Finance Director Duluth Airport Authority

We are pleased to confirm our understanding of the services we are to provide pursuant to Minnesota Laws for the Duluth Airport Authority, a component unit of the City of Duluth, Minnesota, for the year ended December 31, 2020. We will audit the component financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Duluth Airport Authority as of and for the year ended December 31, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Duluth Airport Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Duluth Airport Authority's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by accounting principles generally accepted in the United States of America (GAAP) and will be subjected to certain limited procedures, but will not be audited:

- Management's discussion and analysis
- GASB-required supplementary other postemployment benefits and pension information and related notes

We have also been engaged to report on supplementary information other than RSI that accompanies the Duluth Airport Authority's financial statements. We will subject the following supplementary

information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the basic financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- Statement of operating revenues
- Schedule of expenditures of federal awards and related notes
- Schedule of passenger facility charges collected and expended

### **Audit Objectives**

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (a) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance and (b) the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the

provisions of the Uniform Guidance; and the legal provisions of the *Minnesota Legal Compliance Audit Guides*, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions and to report in conformity with the provisions of the *Minnesota Legal Compliance Audit Guides*. We will issue written reports upon completion of our single audit. Our reports will be addressed to the governing body of the Duluth Airport Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

### **Management Responsibilities**

Management is responsible for the financial statements, notes, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. In order to meet your responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, you agree to have information completed and available for audit by the dates identified in a schedule of completion document provided to auditors. If you are unable to prepare the information needed for the financial statements, schedule of expenditures of federal awards, or related notes, or if the completion schedule varies significantly, we will, based on our staffing availability, provide the additional nonaudit services necessary to assist in the preparation of your draft financial statements, schedule of expenditures of federal awards, and related notes, in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on management's chart of accounts and other information determined and approved by management. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. Any such services will be performed in accordance with applicable professional standards. The Authority understands this will result in additional costs and agrees to pay for these services.

You will be required to acknowledge in the written management representation letter our assistance, if any, with preparation of the financial statements, schedule of expenditures of federal awards, and related notes, and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes and any other nonaudit services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

We will also provide clerical assistance consisting of typing, formatting, and printing and/or binding the financial report.

Management is responsible for (a) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported.

Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (a) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (b) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (c) additional information that we may request for the purpose of the audit, and (d) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified

including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings, if applicable, should be available for our review.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written management representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (b) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (c) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written management representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing us with report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those financial audits, attestation engagements, performance audits,

or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the auditor's report, you understand that you must obtain our prior consent to reproduce or use our report in bond offering official statements or other documents.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

### Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (a) errors, (b) fraudulent financial reporting, (c) misappropriation of assets, or (d) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a single audit.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

### Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Duluth Airport Authority's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not

express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Duluth Airport Authority's major programs. The purpose of these procedures will be to express an opinion on the Duluth Airport Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

#### **Audit Administration and Other**

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. Additional copies of the reporting package may be required. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide your governing body, management, related organization representatives, and, if applicable, nonfederal grantor entities with copies of our reports. Management is responsible for all other distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of the Minnesota Office of the State Auditor. We may be requested to make certain audit documentation and appropriate individuals available to a cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. If requested, access to such audit documentation will be provided under our supervision. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained, pursuant to our record retention plan, for a period of ten years after the date the auditor's report is issued. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact those contesting the audit finding for guidance prior to destroying the audit documentation. We will be

available throughout the year to answer questions, provide assistance, or assist you in implementing any of our recommendations.

Our fees are based on standard hourly rates plus travel and any out-of-pocket expenses. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Due to restrictions related to the COVID-19 pandemic auditing procedures are planned to be conducted remotely, to the extent possible. Periodic progress billings will be sent to you. The condition of your records and the assistance you are able to provide us affects both the timeliness and cost of the audit.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any subsequent peer review reports received during the period of the contract when requested by you. Our 2018 peer review report can be found on our website at <a href="https://www.auditor.state.mn.us">www.auditor.state.mn.us</a>.

We appreciate the opportunity to be of service to the Duluth Airport Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please contact Stephanie Erickson, Audit Manager, at (651) 297-7106 or <a href="mailto:Stephanie.Erickson@osa.state.mn.us">Stephanie.Erickson@osa.state.mn.us</a>. If you agree with the terms of our engagement as described in this letter, please sign where provided below and return it to us.

Sincerely,

Stephanie Erickson

Stephanie Erickson, CPA, Audit Manager

Approved: This letter correctly sets forth the understanding of the Duluth Airport Authority.

lan 28 2021

Anna Tanski (Jan 28, 2021 10:35 EST)	Juli 20, 2021
Board President	Date
Tom Werner	Jan 28, 2021
Executive Director	Date
Julle 1 Bohn	Jan 28, 2021
Finance Director	Date

## DAA Sgl Audit 2020

Final Audit Report

2021-01-28

Created:

2021-01-28

By:

Joelle Bodin (jbodin@duluthairport.com)

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FOR IMMEDIATE RELEASE: January 26th, 2021

### CONTACT:

Natalie Peterson, Duluth Airport Authority Director of Communications & Marketing 218-625-7768

## DULUTH INTERNATIONAL AIRPORT OUTPERFORMS NATIONAL AVERAGE OF PASSENGER NUMBERS IN 2020.

**Duluth, MN** — The Duluth International Airport (DLH) today announced their 2020 passenger numbers. A total of 130,994 passengers flew through DLH in 2020. While that's a 59% decrease compared to 2019, DLH actually retained 20% more passengers than the 2020 national average reported by the TSA.

United and Delta have adjusted the type of aircraft commonly used in Duluth to include dual class service on larger aircraft. Delta is currently operating four daily flights, on 69- and 76-seater aircraft and, in January, United is currently operating one flight per day on a 76-seat Embraer 170/175. These changes vary month-by-month with the airlines responding to the airport's demand and pre-bookings. As travel demand returns additional flights will be added to the schedule.

"Our incredible team worked diligently all year to ensure that passengers' health and safety came first," said Tom Werner, Executive Director of the Duluth International Airport. "We partnered with the airlines, TSA and all of our service partners in the terminal to implement mitigation policies and procedures meant to ensure our passengers felt safe flying local."

The DLH mitigation plan includes the following policies and procedures:

- Paper or cloth masks are required for all airport employees and airport tenant employees when interacting with the public.
- Plexiglass barriers have been installed at all person-to-person contact areas, including transportation desks, ticket counters, TSA and passenger boarding gate counters.
- Thorough disinfecting all seating areas, wheelchairs and touchpoints in the public areas
  of the terminal multiple times a day.

 Custom signage and floor spacing decals have been installed to remind passengers to keep socially distant, as well as to take additional precautions such as wearing face coverings and washing hands.

The plan also includes a reminder of DLH's Above and Beyond Service Pledge, which states: "No matter where you are going or coming from, we believe it's our job to welcome you or send you off with a great experience. Every team member. Every flight. Every guest. Every time."

### **About 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 a daily nonstop flight to Chicago and Delta offers four daily nonstop flights to Minneapolis/St. Paul. We are committed to providing our customers with superior services in a safe, secure and professional environment. Be sure to visit our Club DLH Business Suite, designed with the working traveler in mind. Visit duluthairport.com, follow us on Twitter @DuluthAirport, and like us on facebook.com/duluthairport.



House Transportation Relief Package to Include \$8 Billion for "Airport Relief"

### February 8, 2021

The House Transportation and Infrastructure Committee will soon unveil <a href="their part of a \$1.9">their part of a \$1.9</a> <a href="trillion coronavirus relief package">trillion coronavirus relief package</a>, including \$8 billion for airports and concessionaires. Details of the proposal, which are circulating among staff on Capitol Hill, follow below.

As we previously reported, House and Senate Democratic leaders have set the stage for the consideration over the next few weeks of a massive, \$1.9 trillion coronavirus relief package. Democrats are moving forward with a budget process known as reconciliation that will ultimately allow them to approve the new spending by a simple majority in both the House and Senate, where major legislation typically takes 60 votes to pass.

Under the terms of the budget resolution, which the House and Senate narrowly approved last week, committees in both chambers have a pot of money to work with and a deadline of February 16 to produce their individual pieces of the \$1.9 trillion package. Lawmakers will then assemble those pieces into a final reconciliation bill, which will be voted on by the House and Senate. Leaders hope to have the package through the House and Senate and to the President by March 14 before current enhanced unemployment insurance benefits expire.

The House Transportation and Infrastructure Committee will begin considering and voting on its piece of the budget resolution including proposed funding for airports and concessionaires on Wednesday morning.

### Airport-Related Provisions - House T&I Committee Reconciliation Package

Airport Funding: The plan to be unveiled by House Democrats includes an additional \$8 billion to help airports and concessionaires "prevent, prepare for, and respond to coronavirus."

**Primary Airports**: Of the \$8 billion included in the bill, \$6.492 billion would be reserved for primary airports and certain cargo airports to use for "costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments." The federal share would be 100 percent.

Funds would be distributed based on a modified AIP apportionment run — as was the case with the airport funding included in the December relief package. The cargo set-aside would remain intact, and there would be no maximum grant amount or PFC turnback. It would preserve doubled entitlements and retain the \$1 million minimum entitlement for smaller primary airports. Any remaining funds would be distributed based on enplanements.

**Non-Primary Commercial Service/General Aviation Airports:** The bill includes \$100 million for nonprimary commercial service and general aviation airports with a 100 percent federal share.

**Concessionaries:** The measure also provides primary airports \$800 million "to provide relief from rents and minimum annual guarantees to airport concessions." Of that amount, \$640 million would be reserved for "small" airport concessions and \$160 million for "large" airport concessions.

An eligible small airport concession is defined as a concession that is "in-terminal" and is a small business with a three-year average of *less* than \$56.42 million in maximum gross receipts or is a joint venture. An eligible large airport concession is defined as a concession that is "in-terminal" and has a three-year average of *more* than \$56.42 million in maximum gross receipts.

The measure calls for airports to "provide relief from rent and minimum annual guarantee obligations to each eligible airport concession in an amount that reflects each eligible airport concession's proportional share of the total amount of the rent and minimum annual guarantees of all those eligible airport concessions at such airport."

**Federal Share for AIP Grants:** The bill includes \$608 million to pay "a Federal share of 100 percent of the costs for any grant awarded in fiscal year 2021, or in fiscal year 2020 with less than 100 percent federal share...."

**Eligibility:** Any airport that received more than four years of operating expenses under the CARES Act would be ineligible for these funds.

Workforce Retention: The bill requires that airports receiving funding to "continue to employ, through September 30, 2021, at least 90 percent of the number of individuals employed (after making adjustments for retirements or voluntary employee separations) by the airport as of March 27, 2020."

The Secretary of Transportation may waive the workforce retention requirement if the Secretary determines that the airport is "experiencing economic hardship as a direct result of the requirement, or the requirement reduces aviation safety or security." As has been the case with previous relief measures, the workforce retention requirement does not apply to nonhub or nonprimary airports.

Airport Input Needed to Press for Additional Relief

As we have indicated previously, the <u>House Transportation and Infrastructure</u> and <u>Senate</u> <u>Commerce</u> Committees, will largely determine the fate of funding for airports, concessionaires, and other transportation interests in the next coronavirus relief package.

With the Transportation and Infrastructure Committee scheduled to begin considering their section of the bill on Wednesday it is critical that you weigh with your lawmakers – and especially those who serve on the <a href="House Transportation">House Transportation and Infrastructure Committee</a> – as quickly as possible.

Please urge your lawmakers to support efforts to provide airports and our partners with an additional \$8 billion in the next coronavirus relief package. (Please keep in mind that if this turns out to be partisan exercise, there may be little or no Republican support for the overall package.)

Your specifics are likely to be the most impactful information for your individual House and Senate members, so we have included draft talking points below that lead with that along with the broader industry "asks." Contact information for your <a href="House members">House members</a> and <a href="Senators">Senators</a> is available via these links.

### **Draft Talking Points - Additional Relief**

- On behalf of \_\_\_\_\_\_\_, I urge you to ensure that relief to airports and our industry partners is included in the coronavirus relief package assembled in the days ahead by the House Transportation Committee and the Senate Commerce Committee as part of the reconciliation process.
- The House Transportation and Infrastructure Committee recently unveiled a plan
  to provide airports and concessionaires with \$8 billion to respond to and recover
  from the pandemic. I urge you to support that proposal because it would
  provide airports like ours with the funding we need to meet significant
  challenges in the months ahead.
- The aviation industry is facing unprecedented challenges and is in desperate need of additional federal support. Our nation's economic recovery depends on a strong aviation system.
- Like the airlines, airports are burning through cash as passenger traffic continues to be 60-70% below 2019 levels.
- Airports have to remain open and operational, make debt payments, and invest in increased public health improvements - all while revenues plummet.
- Reduced revenues and increased costs are forcing many airports to slash budgets, put capital projects on hold, deplete their reserves, and contemplate layoffs or furloughs.
- The challenges are growing more intense by the day as uncertainty grows.
- At our airport (please provide specifics)....

- Providing airports with more funding now will ensure they can continue to respond to new operational demands, pay for debt service on their bonds, help keep their critical safety and security projects on track, and keep airport staff employed.
- Thank you for your consideration and support.



Joel Bacon, Executive Vice President
Brad Van Dam, Senior Vice President
Stephanie Gupta, Senior Vice President
Colleen Chamberlain, Vice President
Justin Barkowski, Vice President
Janet Bennett, Director



Legislation Introduced in Senate and House to Better Protect Transportation Employees and Passengers from COVID-19

### February 9, 2021

Yesterday Senators Richard Blumenthal (D-CT), Maria Cantwell (D-WA), and Edward Markey (D-MA) introduced the <u>Essential Transportation Employee Safety Act of 2021</u>. This bill codifies the Executive Order mandating face mask usage in airports, on airplanes, as well as on other forms of public transportation for the duration of the pandemic. The text specifically requires:

- passengers to wear masks or protective face coverings while traveling, with an exception for reasonable modifications to accommodate the American for Disabilities Act, and
- employees to wear masks or face coverings when interacting with passengers, the
  public, or coworkers who interact with the public or when working in locations
  where social distancing and other preventative measures are not possible.

The bill also directs owners and operators of transportation facilities, including airports, to provide personal protective equipment and sanitizing equipment to at-risk employees; to regularly clean, disinfect, and sanitize equipment and facilities per guidance issued by the Centers for Disease Control and Prevention (CDC); and to establish or adhere to any existing guidelines for notifying an employee of a confirmed diagnosis of COVID-19 with whom the notified employee has had physical contact or interaction with during the 48 hours preceding the time at which the diagnosed employee developed symptoms. The definition of at-risk employees includes Transportation Security Officers.

While not defined as an at-risk employee, the bill requires the Federal Aviation Administration to provide air traffic controllers and airway transportation systems specialists with personal protective and sanitizing equipment and to ensure that each air traffic control facility is cleaned, disinfected and sanitized frequently following CDC guidance.

Finally, the bill directs the Department of Transportation (DOT), CDC, and the Federal Emergency Management Agency to help state and local governments provide for priority testing of transportation workers categorized as "essential critical infrastructure workers" with respect COVID–19.

For more details about the Essential Transportation Employee Safety Act, here is a <u>summary</u> of the introduced bill.

Separately, last Friday, House Aviation Subcommittee Chairman Rick Larsen (D-WA) and Rep. Don Beyer (D-VA) reintroduced the <u>National Aviation Preparedness Plan Act</u>. This legislation, originally introduced in the 116<sup>th</sup> Congress and supported by AAAE, requires DOT, in collaboration with the Department of Health and Human Services (HHS), Department of Homeland Security (DHS), and other relevant federal agencies to develop a national aviation preparedness plan to tackle future communicable disease outbreaks, as first recommended by the Government Accountability Office in 2015 following the Ebola outbreak.

The bill also directs DOT to work with the airports, air carriers, labor unions representing frontline at-risk workers, and other key aviation stakeholders on a plan to:

- Improve coordination between agencies, industries, and nations for screening, testing, quarantining, and contact tracing;
- Require that frontline employees are equipped with appropriate personal protective equipment;
- Ensure frontline employees are appropriately considered for access to necessary vaccines and therapeutics;
- Require aircraft, airports, and other enclosed facilities to be sanitized and have the appropriate protective infrastructure in accordance with public health guidelines; and
- Identify opportunities to develop and deploy emerging technologies and solutions to reduce communicable disease transmission.

AAAE will provide updates on these two pieces of legislation when they are considered by the Senate Commerce, Science, and Transportation Committee or the House Transportation and Infrastructure Committee.





Joel Bacon, Executive Vice President
Brad Van Dam, Senior Vice President
Stephanie Gupta, Senior Vice President
Colleen Chamberlain, Vice President
Justin Barkowski, Vice President
Janet Bennett, Director

### **Mary Ann Wittkop**



From:

Don Monaco <donm@monacoairduluth.com>

Sent:

Monday, February 1, 2021 5:41 PM

To:

Tom Werner; 'Anna Tanski (anna@visitduluth.com)'

Cc:

'Dave Gaddie (dgaddie@bell.bank)'; 'Greg Fox (gregandsheilafox@hotmail.com)'; 'Bill

King (BKing@cirrusaircraft.com)'; Michael A. Magni; 'Pat Mullen

(runtrailfree@gmail.com)'; 'Richard Stewart (RStewart@uwsuper.edu)'; 'Fedora, Todd P';

'Steve Overom (soverom@overomlaw.com)'; Mary Ann Wittkop

Subject:

January, 2021 Monaco Air Foundation Report

Tom and Anna,

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

### Summary of January, 2021 Activities

Airport Tour Program: The Foundation continues to offer Duluth International Airport tours to groups of high school students and to other groups upon request. Tours have been suspended during the COVID-19 pandemic and will resume after groups begin requesting tours and procedures for safe conduct are in place.

Other Initiatives: The Foundation welcomes additional requests from the Duluth Airport Authority Board for initiatives the Board would like the Foundation to pursue.

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

<u>donm@monacoairduluth.com</u> <u>www.monacoairduluth.com</u> Subscribe

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# Aviation activity forecast | Evaluation of taxiway and building area layout alternatives | Part 150 Virtual Public Workshop

The DLH Vision 2040 Master Plan team continues to take steps to limit public gatherings and be conscious of public safety concerns by engaging stakeholders virtually as the Mater Plan process continues. Virtual meetings will continue to be the preferred method for the foreseeable future. Meeting summaries and materials are available on the <u>project website</u> for review and we encourage all stakeholders to review meeting materials and provide comments.

### :::: PROJECT UPDATES ::::

### **Aviation Activity Forecast**

The aviation activity forecast section discusses the projected growth of annual aircraft operations (a takeoff or a landing at an airport) and expected passenger growth. As part of the Master Plan process aviation forecasts have been developed and submitted to the Federal

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The forecast was re-evaluated in fall 2020 as the ongoing pandemic affected air travel. It was found that the five- and ten-year projected activity levels are an accurate projection of likely future air service activity levels. The forecasts also identify potential scenarios that may occur, such as the addition of air service to a new destination and summarize how potential future scenarios may change airport activity.

The ongoing impacts of the Coronavirus pandemic are still unknown. With the introduction of several effective vaccines in 2020, travel is expected to rebound in the coming years. Air service is forecasted to return to pre-pandemic levels in many markets by 2023. Additionally, it is likely that domestic air travel will reach pre-pandemic levels before international travel.

### **Taxiway and Building Area Layout**

Master Plan efforts continue to focus on the building area and taxiway layout while also incorporating findings from the air traffic control tower siting analysis and continued identification of potential aeronautical and non-aeronautical development sites around the airport. Several virtual stakeholder meetings have occurred since the end of November. The Taxiway and Apron Technical Advisory Committee (TAC) and the air traffic control tower TAC met collaboratively in early December 2020. This meeting focused on evaluating the initial building area and apron layouts and discussions on future air traffic control tower locations.

A follow-up survey was conducted to gather more feedback from committee members on the future building area development. Special consideration is being given to snow storage throughout the building area since DLH sees, on average, 86.1" of snow annually. This will ensure that aircraft continue to operate safely during the winter months with minimal impact.

### ::::: NEWS & INFO ::::

### **Blog Post**

Check back soon for new blog posts about various elements of the Master Plan.

Upcoming posts will include details on future plans for air traffic control tower replacement, building area development opportunities for aeronautical and non-aeronautical uses, and an overview of the ongoing Part 150 Noise Study, how it relates to the Master Plan and how it impacts the community.



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#### **Questions or Comments?**

If you have comments or questions about the project, a contact us form is located at the bottom of the <u>FAQ page of the Master Plan</u> website and we encourage stakeholders and neighbors to stay connected with us during this time.

#### ::::: PART 150 STUDY ::::

The Part 150 Noise Study is a separate planning study being completed concurrently with the Master Plan. The study includes development of Noise Exposure Maps (NEMs) and a Noise Compatibility Program (NCP). The NEMs provide information on the existing and future noise impacts. The NCP sets forth measures intended to mitigate and abate the impacts of significant noise exposure on noise-sensitive areas near DLH and to limit, to the extent possible, the introduction of new incompatible land uses into locations exposed to significant noise levels. Levels of significance are identified in the Federal Aviation Regulations.

You can learn more about the Part 150 Noise Study on the project website.

A Virtual Public Information Workshop will be held on February 17, 2021, at 6:00 p.m. The workshop will:

- 1. Present an overview of the Part 150 Study process
- 2. Offer opportunities for you to share your comments and participate in the study
- Provide information on existing and future noise contours and associated housing and population impacts
- Provide information on recommended noise abatement and land use mitigation alternatives within the DLH Noise Compatibility Program (NCP)
- 5. Next steps in the Part 150 Study process

You can register for the virtual public workshop <a href="here">here</a>. A recording of the presentation and meeting summary will be made available on the project website following the meeting. If you would like to submit questions or comments about the noise study or materials presented, you can do so on the <a href="study website">study website</a> in the overview tab or by <a href="mailto:email">email</a>. Comments related to the Virtual Public Information Workshop will be accepted for a period of 30 days after the workshop.



#### Citizens Committee ∞ l

Dwight Morrison and Faye Topliff, Co-chairs, 218-413-8828, 5560 Highway 194, Hermantown, Minnesota 55811

To: Jesse Baker, Kaci Nowicki,

2/12/2021

Environmental Concerns

Fr: Citizens Committee for Environmental Concerns

Re: Complaint on 'Lack of Noise Abatement' in FAA Recommendations

Cc: mwittkop@duluthairport.com, jmulder@hermantownmn.com, news@duluthnews.com,

#### Dear FAA Study Participants:

We am contacting you as a follow-up to the PAC meeting #4 held last Wednesday on the web on the FAA Noise Study at the airport. We only receive 34-=r d a copy of the 'Pre-meeting informational packet' on the Monday before the meeting, so have just finished with the meeting preparation. The shock was that the FAA Noise Study at PAC meeting #4 states - (see NCP Recommendations)

" there are no recommended noise abatement measures in Duluth International Airport (DLH or Airport) NCP " (NCP = Noise Compatibility Program of the FAA)

We at the Citizens Noise Committee looked forward to the FAA Noise Study results at PAC Meeting #4. This was the culmination of the recent time and efforts spent to deal with ongoing airport noise in Duluth. This meeting was where citizens effected by airport noise would be provided with the FAA study proposed recommendations. Yes, we are seriously interested in the FAA Noise Study results to the ongoing jet and helicopter noise from the Duluth Airport. In the last year of the Covid 19 epidemic We have seen airport noise reduced, but only by reductions in flights. Now, apparently, we are faced with no Abatement recommendations for the source of the noise. What Duluth citizens got for the time and money in the FAA Noise Study, was - no noise abatement recommendations.

The study did put forward 10 very common ways to reduce the effect of noise on citizens. These 10 ways to reduce the effect of the airport noise were what we know already. We know that, if we do insulate better and have better windows, the noise level on people will be reduced. If that does not work, then the citizens are left with no alternative but to sell out and move. So, 20 pages of the 22 page NCP Report lists 10 ways to reduce the bad effects of noise and itemized the cost of doing the noise reduction at the receiving end (mitigation). We as citizens are left with the same old effects of the noise problem, without any recommendations on noise reduction at the source (abatement)

The FAA study purpose was - "to abate the noise levels in the surrounding communities". The report stated unequivocally that - "there are no recommended noise abatement measures". Yet, other airports that have been studied have all proposed a number of abatement recommendations from the FAA Noise Compatibility Programs. Some of the possibilities listed are 1) air / space modifications, 2) flight track changes, 3) airport facilities modifications, 4) aircraft operation changes, 5) airport ground site modifications, and 6) aircraft mix of engines / type/ location - to name a few. It appears that the FAA (and DAA) have concluded that they are not willing to do any changes to solve the noise problem at the source! The two year study of Airport Noise is just another way for inaction.

What citizens received from two years of expensive FAA study, is nothing new! The purpose of the study was - "to abate the noise levels in the surrounding communities". The FAA 150 Noise Study and the NCP recommendations do **NOT** meet this purpose.

Dwight Morrison, CCEC

5560 Highway 194, Hermantown, Mn. 55811

dmorrisn2@yahoo.com Ph# 218-729-7126



## Transportation Network Company (Uber, Lyft) Operating Agreement

#### Terms:

• 2 years January 1, 2021 to December 31, 2022

#### Background:

 Original agreement expired Dec 31, 2020; operating in hold over period until new agreement is established.

#### Agreement Overview:

Renewal of previous agreement.

Rates remained the same at \$1.50 per each pick up and each drop off.

### <u>DULUTH INTERNATIONAL AIRPORT</u> TRANSPORTATION NETWORK COMPANY OPERATING AGREEMENT RASIER, LLC

THIS OPERATING AGREEMENT (the "Agreement") is hereby made and entered into on \_\_\_\_\_\_\_, 2021, by and between Rasier, LLC ("Operator"), and Duluth Airport Authority ("Airport Authority"). Operator and Airport Authority are sometimes hereinafter referred to individually as a "Party" or collectively as the "Parties".

**WHEREAS,** Airport Authority is the operator of the Duluth International Airport (the "Airport") located in Duluth, Minnesota;

**WHEREAS,** Operator desires to operate a transportation network business at the Airport wherein the network provided by Operator will be used by independent contractor drivers to connect passengers with pre-arranged transportation services offered by such drivers;

**WHEREAS,** Airport Authority has agreed to allow the Operator to conduct its business at the Airport, subject, however, to the terms and conditions of this Agreement; and

WHEREAS, the following definitions shall apply to this Agreement at all times:

- (a) "App" shall mean the mobile smartphone application or platform developed by Operator that connects passengers with Drivers/Vehicles.
- (b) "Airport Property" shall mean the property shown on Exhibit A attached hereto and incorporated herein.
- (c) "Designated Areas" shall mean loading zones that are available to Drivers to pick up and drop off passengers at the Airport as shown on Exhibit A attached hereto and incorporated herein.
- (d) "Driver" means any individual who has been approved by Operator to use a Vehicle to transport passengers whose rides are arranged through the App. For purposes of this Agreement, the term "Driver" applies at all times that Driver is on Airport Property by reason of the Driver's relationship with the Operator, regardless of whether the Vehicle is carrying a passenger.
- (e) "Ordinance" shall mean Article V of Chapter 47 of the Duluth City Code, 1959, as amended.
- (f) "Rules and Standards" shall mean the Rules and Standards adopted by the Authority that govern operations on the Airport, as may be amended from time to time.
- (g) "Vehicle" shall mean the vehicle used by a Driver.

**NOW, THEREFORE,** in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

#### 1. OPERATIONS

- 1.1. Designated Areas. Airport Authority grants to Operator the right to allow Drivers affiliated with Operator to use, in common with others so authorized, the Designated Areas to provide the Permitted Use (hereinafter defined), subject to the terms and conditions hereinafter set forth. Operator shall also inform Drivers of the Rules and Standards and the Ordinance. Upon request, Drivers shall allow Airport Authority personnel access to electronic waybill information (described in Section 3.4). Operator shall perform, or have a third party perform, criminal background checks on each Driver before said Driver begins offering services at the Airport and shall not permit an individual to act as a Driver in violation of the Ordinance. Nothing in this Agreement shall be construed as granting or creating any license or franchise rights pursuant to any federal, state or local laws, rules or regulations. Operator's rights to use the Designated Areas shall be on a non-exclusive basis at all times. Operator shall ensure that all Drivers shall maintain personal insurance for their Vehicles in accordance with state financial responsibility requirements at all times. Operator acknowledges that observance of Airport Rules and Standards is of the utmost importance to the Airport Authority. Operator agrees that, upon written notice from the Airport Authority demanding that Operator suspend the privileges to operate at or from the Airport of any Driver who the Airport Authority has reasonable grounds to believe is intentionally or repeatedly violating Airport Rules and Standards, then Operator will prohibit such Driver from providing transportation network services at the Airport.
- 1.2. <u>Rights of Ingress and Egress</u>. Drivers affiliated with Operator shall have the non-exclusive rights of ingress and egress across Airport Property to conduct their permitted operations hereunder and in accordance with the permit terms and conditions which may be amended from time to time, provided that such ingress and egress activity: (a) shall not impede or interfere, in any way, with the operation of the Airport by Airport Authority or the use of the Airport by its tenants, passengers, employees or the general public; (b) shall be on roadways, and other areas designated by Airport Authority from time to time; and (c) may be temporarily suspended by Airport Authority in the event of an emergency or a threat to the Airport during the time period of such emergency or threat, for construction or maintenance purposes or operational needs, or for any other purpose deemed prudent by the Airport Authority.
- 1.3. Changes to Airport. Operator acknowledges and agrees that: (a) Airport Authority shall have the right, at all times, to change, alter and expand the Airport, including the terminals, roadways and designated pick-up, drop-off and staging areas; and (b) Airport Authority has made no representations, warranties and/or covenants to Operator regarding the design, construction, passenger or automobile traffic, or views of the Airport. Without limiting the generality of the foregoing, Operator acknowledges and agrees that: (a) the Airport may from time to time undergo renovation, maintenance, construction and other Airport modifications; and (b) the Airport Authority may from time to time adopt rules and regulations relating to security or operational matters that may affect Operator's business.
- 1.4. <u>"As-Is" Condition</u>. Operator accepts the Designated Areas and the Airport Property in their present condition and "as-is", without representation or warranty of any kind, and subject to all applicable laws, ordinances, rules and regulations.
- 1.5. Requirements. During the term of this Agreement and subject to its terms, Operator shall have a non-exclusive, revocable license solely to: (a) operate a transportation network business (subject to this Agreement and all applicable laws, rules, ordinances and regulations, Rules and Standards, permit requirements and the Ordinance) at the Airport utilizing mobile smartphone application technology to connect passengers with pre-arranged transportation services for hire; (b) permit Drivers to access the App in order to transport such passengers and their personal baggage to and/or from the Airport in

Vehicles in compliance with Section 47-52 of the Ordinance and approved by Operator and in compliance with the other provisions of the Ordinance; and (c) permit Drivers in providing rides matched through the App to use common-use Airport roadways for ingress and egress to and from the Airport's passenger terminal. Nothing herein shall be deemed to grant Operator any exclusive right or privilege.

1.6. <u>Geo-Fence</u>. Operator shall demonstrate to the Airport Authority's satisfaction that Operator has established a Geo-Fence at its expense at the location shown on attached Exhibit A attached hereto as incorporated herein to manage its airport business and shall notify affiliated Drivers about the geo-fence.

#### 2. TERM; COMMENCEMENT DATE; TERMINATION

2.1. <u>Term</u>. This Agreement shall be effective on January 1, 2021 and shall be in effect for a period of two (2) years. In the event that the Term expires and a new agreement has not been executed, at the sole discretion and upon written consent of the Executive Director, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of fees.

Prior to January 1, 2021, Operator will ensure the following:

- (a) Airport Authority shall have received certificates evidencing that Operator has obtained all insurance required by this Agreement;
- (b) Operator shall have implemented a virtual perimeter that encompasses the real-world geographic area as shown on Exhibit A attached hereto and incorporated herein ("Geo-Fence"). Operator will use the Geo-Fence and other tools, as appropriate, to manage its airport business and comply with the terms of this Agreement.
- (c) Each Driver will maintain information on his or her smartphone while using the App. This information will allow the Airport Authority to confirm the following information for any Driver or Vehicle using the App while on Airport Property:
  - (1) Driver identity and color photo;
  - (2) Vehicle make, model;
  - (3) License plate number;
  - (4) Certificates of insurance; and
  - (5) The electronic equivalent of a waybill that meets the criteria set forth in Section 3.4.
- 2.2. **Termination**. This Agreement will continue in force until terminated as hereinafter provided:
- (a) Airport Authority shall have the right to terminate this Agreement upon the occurrence of an Event of Default (hereinafter defined) if Operator has not cured such Event of Default within the period set forth in Section 8; or
- (b) Either party may terminate this Agreement, at any time, without cause, if the requesting Party gives not less than thirty (30) days' prior written notice thereof to the other Party.

#### 3. <u>USE</u>

- 3.1. <u>Permitted Use</u>. Operator and Drivers may use the Designated Areas only to provide transportation network company services (collectively, "Permitted Use") and for no other purpose, and shall not conduct any activity or operations at the Airport not expressly authorized by this Agreement.
- 3.2. **No Exclusivity**. Operator acknowledges and agrees that it has no exclusive rights to conduct the business described herein, and that Airport Authority has the right, at all times, to arrange with others for similar activities at the Airport.
- 3.3. <u>Transportation Requirements</u>. In conducting its operations consisting solely of the Permitted Use, without limiting the generality of other provisions of this Agreement, Operator shall inform and educate Drivers regarding the terms of this Agreement, as amended from time to time by Airport Authority:
- (a) Each Driver shall maintain, within such driver's vehicle at all times while upon Airport Property, a digital decal or distinctive trade dress as required by the Ordinance;
- (b) Each Driver shall be allowed to pick-up passengers at the Airport at the Designated Area, and will be allowed to drop-off passengers at the Designated Area;
- (c) Each Driver must be able to produce, upon the request of any enforcement officer or other Airport Authority representative, the electronic equivalent of a waybill meeting the requirements of Section 3.4;
- (d) Once a Driver has made contact with the passenger(s) with whom such Driver was matched, the Driver shall promptly load such passenger(s); and
- (e) Each Driver shall limit such Driver's Designated Areas and curbside time to the time required for the prompt loading and unloading of passengers, and after loading passengers, such Driver shall thereafter promptly depart from the Airport.
- 3.4. **Waybills**. In lieu of a physical waybill and as an explicit requirement of Airport Authority under this Agreement, every passenger pick-up and drop off shall be documented electronically immediately after the completion of the ride to which it relates. Drivers shall, upon request, present the electronic equivalent of a requested waybill to any Airport Authority official for inspection.
- 3.5. **No Advertising or Promotions**. No Vehicle shall post or display, on the exterior thereof, any signage or other displays except for Operator's name and/or logo and/or distinctive trade dress (or the signage of other transportation network companies).
- 3.6. <u>General Prohibited Activities</u>. Without limiting any other provision herein, Operator shall not, and shall inform Drivers that they shall not, without the Airport Authority's prior written consent: (a) cause or permit anything to be done, in or about the Designated Areas or the Airport, or bring or keep anything thereon, which would be reasonably likely to (i) increase, in any way, the rate of fire insurance on the Airport, (ii) create a nuisance, or (iii) obstruct or interfere with the rights of others on the Airport or injure them; (b) commit, or suffer to be committed, any waste upon the Designated Areas or the Airport; or (c) place any loads upon the floor, walls or ceiling which endanger the structure or obstruct the sidewalk, passageways, stairways or escalators, in front of, within or adjacent to the Designated Areas or the roadways.

- 3.7. Other Prohibited Activities. Without limiting the generality of other provisions of this Agreement, the following activities are prohibited by Drivers and Operator shall notify Drivers that the following activities are prohibited:
- (a) Turning off or disabling the App when a Vehicle is on Airport Property, unless the Driver is departing the Airport after a drop-off;
- (b) Allowing operation of a Vehicle on Airport roadways by an unauthorized driver;
- (c) Transporting a passenger in an unauthorized vehicle;
- (d) Picking-up or discharging passengers, or their baggage, at any location other than the Designated Areas;
- (e) Failing to provide information, or providing false information, to police officers or Airport personnel;
- (f) Displaying, to an Airport official, a waybill in an altered or fictitious form;
- (g) Soliciting passengers on Airport Property;
- (h) Using or possessing any alcoholic beverage while operating on Airport Property;
- (i) Failing to operate a vehicle in a safe manner;
- (i) Failing to comply with posted speed limits and traffic control signs;
- (k) Using profane or vulgar language;
- (I) Attempting to solicit payment in excess of that authorized by law;
- (m) Soliciting for or on behalf of any hotel, club, nightclub, or other business;
- (n) Soliciting of any activity prohibited by the applicable laws, rules or regulations;
- (o) Operating a vehicle which is not in a safe mechanical condition or which lacks mandatory safety equipment;
- (p) Disconnecting any pollution control equipment;
- (g) Using or possessing any illegal drug or narcotic while on Airport Property;
- (r) Operating a vehicle without proper certification or at any time during which Operator's authority is suspended or revoked;
- (s) Engaging in any criminal activity;
- (t) Operating at the Airport when the operating rights of the Driver have been suspended or revoked by the City;

- (u) Using the Designated Areas for any improper, immoral, unlawful or reasonably objectionable purpose; and
- (v) Operating when in violation of the Airports Rules and Standards or the Ordinance.
- 3.8. Representative of Operator. Operator shall provide the Airport Authority with name, address, telephone and email address for at least one qualified representative authorized to represent and act for Operator in matters pertaining to its operation, and shall keep Airport Authority informed, in writing, of the identity of each such person.

#### 4. FEES; REPORTING; AND RECORDKEEPING

- 4.1. **<u>Defined Terms</u>**. As used in this Agreement, the following capitalized terms shall have the following meanings:
- (a) "Trip" means each instance in which a Driver affiliated with the Operator picks up or drops off one or more passengers within the Airport Geo-fence.
- (b) "Permit Fee" means the annual Permit Fee required of the Operator in order to operate at the Airport. The Permit Fee will be adopted each fiscal year by the Airport Authority. Permit Fees are for the full fiscal year and shall not be pro-rated. The Permit Fee for 2021 is shown on the Rates and Charges attached as Exhibit B.
- (c) "Per Trip Fee" means \$1.50 for each pick-up and \$1.50 for each drop off.
- (d) "Monthly Fee" means the product of the following: (i) the number of pick-ups and drop offs conducted by Vehicles in one calendar month, and (ii) the Per Trip Fee.

#### 4.2. Payment Requirements and Reports.

- (a) Within fifteen (15) days after the close of any calendar month, Operator shall submit its operations report to Airport Authority for the previous calendar month (the "Monthly Report"). The Monthly Report shall be in an agreed-upon electronic or paper format as specified by Airport Authority, and shall contain the total number of Trips for the reporting period. All such information shall be accurate at all times.
- (b) Operator agrees to pay a Monthly Fee to the Airport Authority, which shall constitute a total of the Per Trip Fees assessed for each pick-up and drop-off in the relevant month. The Monthly Fee is due, in full, and received by the Airport Authority, within twenty (20) days after the close of any calendar month. All payments hereunder, including Monthly Fees, shall be paid at the office of the Airport Authority, or at such other place or manner as Airport Authority may designate in writing.
- (c) All payments hereunder, including Monthly Fees, shall be paid in lawful money of the United States of America, free from all claims, demands, setoffs, or counterclaims of any kind. Any payments hereunder, including Monthly Fees, not paid when due shall be subject to a service charge of one and one-half percent (1.5%) per month, or if lower, the maximum amount allowed by law.

#### 4.3. Books and Records.

- (a) Operator agrees to maintain and make available, in physical or electronic form as specified by the Authority, to Airport Authority at Operator's place of business or a mutually agreed upon third party location, but in no event a distance greater than 30 miles from the Airport, during regular business hours, accurate and detailed books and accounting records reflecting its performance of its obligations under this Agreement. Operator shall maintain such books and records in accordance with generally accepted accounting principles ("GAAP"), unless otherwise agreed to by the Airport Authority. Upon Airport Authority's reasonable prior written request, which shall not occur more than twice per calendar year, Operator shall permit the Airport Authority to audit and examine such books and records relating to the performance of its obligations under this Agreement at Operator's place of business or a mutually agreed upon third party location, but in no event a distance greater than 30 miles from the Airport. Operator shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years from the expiration or termination of this Agreement, whichever is later.
- (b) Should any examination, inspection and audit of Operator's books and records by the Airport Authority disclose an underpayment by Operator of the consideration due, Operator shall promptly pay Airport Authority the amount of such underpayment. If said underpayment exceeds five percent (5%) of the consideration due, Operator shall reimburse the Airport Authority for all reasonable costs incurred in the conduct of such examination, inspection and audit.

#### 5. ASSIGNMENT

- 5.1. No Assignment. Operator shall not assign, encumber or otherwise transfer, whether voluntarily or involuntarily or by operation of law, this Agreement, or any right hereunder, without Airport Authority's prior written consent, which consent may be granted or denied in Airport Authority's sole and absolute discretion (the term "Transfer" shall mean any such assignment, encumbrance, or transfer). Airport Authority's consent to one Transfer shall not be deemed a consent to any subsequent Transfers. Any Transfer made without Airport Authority's consent shall constitute a default hereunder and shall be voidable at Airport Authority's election. Notwithstanding the above, with the consent of the Airport Authority's Executive Director which consent shall not be unreasonably withheld, Operator shall have the right to Transfer this Agreement to an affiliate of Operator defined as an entity that directly or indirectly controls, is controlled by, is under common control with, or is a subsidiary of Operator ("Affiliate").
- 5.2. <u>Change of Control</u>. The sale or other transfer of a controlling percentage of the capital stock or membership interests of Operator, whether by merger, stock sale or otherwise, or the sale or transfer of more than fifty percent (50%) of the value of the assets of Operator related to the operations hereunder, shall be deemed a Transfer subject to the restrictions in Section 5.1. The phrase "controlling percentage" means the ownership of, and the right to vote, stock or interests possessing more than fifty percent (50%) of the total combined voting power of all classes of Operator's capital stock or interests issued, outstanding and entitled to vote for the election of directors.

#### 6. COMPLIANCE WITH LAWS

At all times, Operator shall cause its use of the Airport and its operations under this Agreement to comply with all applicable laws, ordinances including but not limited to the Ordinance, Rules and Standards, orders, directives, rules, codes, regulations and decrees of federal, state and local governmental entities and agencies, and their respective departments, agencies, authorities and boards (individually, a "Governmental Entity", or collectively, "Governmental Entities"), and all grant assurances provided by

Airport Authority to any federal or state Governmental Entity in connection with the Airport Authority's ownership or operation of the Airport, and all other applicable rules, regulations, policies, and procedures of Airport Authority, as the same may be amended, modified or updated from time to time, including, but not limited to, those relating to health and safety, especially those pertaining to public safety such as safe driving practices, seat belts, and child seats/restraints. For purposes of this Agreement, the term "Governmental Entity" shall also mean and include, without limitation, Airport Authority, State of Minnesota, U.S. Department of Transportation, Federal Aviation Administration, Transportation Security Administration and the City of Duluth.

#### 7. WAIVER; INSURANCE

- 7.1. Indemnification. Operator, or Affiliate in the event of a Transfer of this Agreement pursuant to Section 5.1, agrees to defend, indemnify, and save harmless the Airport Authority and the City of Duluth (the "City"), and their officers, agents, servants, and employees from any and all liens, judgments, claims including those for contribution and indemnity, suits, demands, liability, costs, damages, and expenses asserted by any person or persons including agents or employees of the Airport Authority, the City or the Operator or Affiliate by reason of death or injury to person or persons or the loss or damage to property or any cause of action arising out of or in connection with or relating to the operation of Operator, Affiliate or Drivers on Airport Property. The forgoing indemnification obligation is contingent upon Airport Authority providing Operator or Affiliate in the event of a Transfer of this Agreement with (i) prompt written notice of any potential claim subject to indemnification hereunder, (ii) sole control over the defense and settlement of each such claim (provided that Operator or Affiliate will not settle or compromise any claim without written consent of Airport Authority, which consent shall not be unreasonably withheld, conditioned or delayed), and (iii) reasonable cooperation, at Operator's or Affiliate's expense, in the defense and settlement of a claim. Notwithstanding the foregoing, Operator or Affiliate in the event of a Transfer of this Agreement shall have no obligation under this Section for claims arising solely out of any negligent act or omission of Airport Authority or its officers, directors, agents, and employees, or any allegation related to the Airport Authority's authority to enter this Agreement or Airport Authority's enforcement of this Agreement.
- 7.2. <u>Insurance</u>. Operator, or Affiliate in the event of Transfer of this Agreement pursuant to Section 5.1, shall procure and maintain, at its sole cost and expense and at all times during the term of this Agreement, insurance of the kind and in the amount hereinafter provided, by financially responsible and qualified companies authorized or eligible to do business in the State of Minnesota, covering all operations under this Agreement (including those of Drivers with respect to the Drivers' liability arising from the use of an automobile while on the App). Prior to the Commencement Date, Operator or Affiliate shall provide a certificate of insurance to Airport Authority, in a form acceptable to Airport Authority, showing that Operator or Affiliate has complied with the obligations of this Section. The certificate of insurance required of this Section shall provide an obligation that the insurer provide the Airport Authority with at least thirty (30) days prior written notice of cancellation, non-renewal or material modification. The following insurance coverages are required to be provided by Operator, or Affiliate in the event of Transfer of this Agreement:
- (a) Commercial Automobile Liability Insurance with limits of not less than One Million Five Hundred Thousand Dollars (\$1,500,000) for each accident for third party bodily injury and property damage. This coverage applies to Vehicles operated by Drivers while:
  - The Driver is located on the Airport Property during the course of providing an accepted trip
    including the picking-up and dropping-off of passenger(s);

- ii. The Driver has logged into the App controlled by the Operator or Affiliate and is "available to receive requests" for transportation services from passengers using the App and the Driver is located on the Airport Property.
  - "Available to receive requests" means the App is in a state such that an applicable request would be transmitted to the Driver's smartphone for acceptance by the Driver.
- (b) Commercial General Liability Insurance of not less than One Million Five Hundred Thousand Dollars (\$1,500,000) per occurrence, insuring the Operator, or Affiliate in the event of Transfer of this Agreement, arising from bodily injury (including wrongful death), personal injury, and damage to property arising out of this Agreement, including for alleged liability arising from bodily injury (including wrongful death), personal injury, and damage to property caused by Drivers and/or arising out of this Agreement.

All Vehicles must be included under Operator's or Affiliate's Commercial Automobile Liability Policy or covered by a blanket coverage form or endorsement; and all employees of Operator or Affiliate must be covered under the General Liability policy of Operate or Affiliate in the event of Transfer of this Agreement. The limits of the foregoing insurance shall not, in any way, limit the liability of Operator or Affiliate under the terms of this Agreement. In addition, the foregoing insurance policies are primary insurance to any other insurance held by Airport Authority with respect to any covered claims arising out of this Agreement. The Airport Authority and the City of Duluth shall be named as an additional insured on the Commercial Automobile Liability and Commercial General Liability Insurance of Operator or Affiliate in the event of a Transfer of this Agreement.

- 7.3. <u>Notice</u>. Each Party hereto shall give to the other Party, prompt and timely written notice of any loss arising out of this Agreement, meaning any and all losses, liabilities, judgments, suits, claims, damages, costs and expenses (including reasonable attorney's fees, investigation costs, remediation costs, and court costs), of any kind or nature, coming to its knowledge which in any way, directly or indirectly, contingently or otherwise, affects or might affect either.
- 7.4 Confidentiality of Records. Any information that Operator makes available to Airport Authority pursuant to this Agreement is deemed to be confidential and proprietary information ("Operator's confidential information"), regardless of whether the records are marked as such, and shall not be disclosed to anyone without Operator's express written permission unless required to be disclosed by applicable law or a court order; including without limitation the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, provided that Airport Authority notifies Operator of such requirement promptly prior to disclosure, and provided further that Airport Authority makes diligent efforts to limit disclosure pursuant to any available provisions of the Minnesota Government Data Practices Act or other applicable law. If the Airport Authority determines that it must disclose such information, it nevertheless shall use any available authorities to redact personal or business confidential information from such records to the extent consistent with applicable law including the Minnesota Government Data Practices Act and the final judgment.
- 7.5 <u>Limitation on Damages</u>. Notwithstanding anything in this Agreement to the contrary, in no event will either party be liable to the other party for any consequential, incidental or special damages, or lost revenues or lost profits.

#### 8. <u>DEFAULT; REMEDIES</u>

- 8.1. <u>Event of Default</u>. The occurrence of any one or more of the following events shall constitute a breach of this Agreement and an "Event of Default":
- (a) Operator shall fail, duly and punctually, to pay Monthly Fees (or to submit any Monthly Report), or to make any other payment required hereunder, when due to Airport Authority, and such failure shall continue beyond the date specified in a written notice of such breach or default from Airport Authority, which date shall be no earlier than the tenth (10<sup>th</sup>) business day after the effective date of such notice;
- (b) A Transfer occurs without the prior approval of the Airport Authority as set forth in section 5.1;
- (c) Operator fails to obtain and maintain the insurance required hereunder, or to provide copies of the insurance certificates to the Airport Authority as required herein; or
- (d) Operator's City of Duluth transportation network company license is suspended or revoked or Operator fails to comply with any provision of the Ordinance and such failure continues for a period of more than twenty (20) days after delivery by Airport Authority of a written notice thereof.
- (e) Operator fails to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement, and such failure continues for a period of more than thirty (30) days after delivery by Airport Authority of a written notice thereof.
- 8.2. <u>Remedies</u>. Upon the occurrence and during the continuance of an Event of Default, Airport Authority shall have the following rights and remedies in addition to any and all other rights and remedies available to the Airport Authority under this Agreement, at law, or in equity: (a) Airport Authority may elect to terminate this Agreement; and (b) nothing herein shall be deemed to limit Airport Authority's right to terminate this Agreement as provided in Section 2. In such event, the Airport Authority may seek and be entitled to monetary damages from Operator, may seek and be entitled to injunctive and declaratory relief, and may seek other legal or equitable relief.
- 8.3. <u>Cumulative Rights</u>. The exercise by Airport Authority of any remedy provided in this Agreement shall be cumulative and shall in no way affect any other remedy available to Airport Authority under law or in equity.
- 8.4. <u>Fines/Penalties</u>. By operating on the Airport, Operator and Drivers affiliated with Operator shall be subject to all applicable laws, ordinances, rules and regulations including any fines or penalties in connection therewith. Airport Authority shall have no obligation to Operator to impose fines on, or otherwise take action against, any other person or entity at the Airport.

#### 9. GOVERNMENTAL PROVISIONS

9.1. **No Representations**. Operator acknowledges and agrees that neither Airport Authority, nor any person on behalf of Airport Authority, has made, and Airport Authority hereby disclaims, any representations or warranties, express or implied, regarding the business venture proposed by Operator at the Airport, including any statements relating to the potential success or profitability of such venture. Operator represents and warrants that it has made an independent investigation of all aspects of the business venture contemplated by this Agreement.

9.2. Federal Nondiscrimination. Operator understands and acknowledges that Airport Authority has given to the United States of America, acting by and through the Federal Aviation Administration, certain assurances with respect to nondiscrimination, which have been required by Title VI of the Civil Rights Act of 1964, as effectuated by Title 49 of the Code of Federal Regulations, Subtitle A - Office of the Secretary of Transportation, Part 21, as amended, as a condition precedent to the government making grants in aid to Airport Authority for certain Airport programs and activities, and that Airport Authority is required under said Regulations to include in every agreement or concession pursuant to which any person or persons other than Airport Authority, operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which Operator agrees, as follows: "Operator, in its operation at and use of Duluth International Airport, covenants that (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that the grantee, licensee, permittee, etc., shall comply with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Subtitle A, Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuations of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended."

#### 10. GENERAL PROVISIONS

10.1. <u>Notices</u>. Except as otherwise specifically provided in this Agreement, any notice, demand or other correspondence given under this Agreement shall be in writing and given by prepaid certified mail (return receipt requested), or reputable overnight courier (such as Federal Express), to: (a) Operator at its Notice Address; or (b) Airport Authority at its Notice Address; or (c) such other address as either Operator or Airport Authority may designate as its new address for such purpose by notice given to the other in accordance with this Section 10. Any notice hereunder shall be deemed to have been given and received, and effective, two (2) days after the date when it is mailed. For convenience of the Parties, copies of notices may also be given by facsimile or electronic mail; however, neither Party may give official or binding notice by facsimile or electronic mail.

#### Operator's Notice Address:

Rasier, LLC 1455 Market Street, 4th Floor San Francisco, CA, 94103 ATTN: Legal Department

#### Airport Authority's Notice Address:

Duluth Airport Authority Attn: Executive Director 4701 Grinden Drive Duluth, MN 55811

- 10.2. <u>Waiver of Performance</u>. The waiver by the Airport Authority of any provisions of this Agreement shall not constitute a future waiver of performance of such provisions. To be effective, any waiver by the Airport Authority shall be in writing.
- 10.3. <u>Entire Agreement</u>. The Parties intend that this Agreement shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.
- 10.4. **Recitals.** The parties agree that the recitals set forth above are hereby incorporated in and made a part of this Agreement.
- 10.5. <u>Amendments</u>. Amendments to this Agreement require written agreement of the Parties. Notwithstanding the foregoing, if a Governmental Entity requires modifications or changes to this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, Operator shall agree to make such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required.
- 10.6. <u>Interpretation</u>. The headings and captions of this Agreement have been inserted for convenience of reference only, and such captions or headings shall in no way define or limit the scope or intent of any provision of this Agreement. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein, and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the Party responsible for drafting any part of this Agreement.
- 10.7. <u>Successors and Assigns</u>. The terms and conditions contained in this Agreement shall bind and inure to the benefit of Operator and Airport Authority, and, to their personal representatives and successors and assigns.
- 10.8. **Severability**. If any provision of this Agreement or the application thereof to any person, entity or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the full extent permitted by law.
- 10.9. **Governing Law**. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Minnesota. Any dispute arising out of this Agreement, including, but not limited to, any issues relating to the existence, validity, formation, interpretation or breach of this Agreement, shall be brought and litigated exclusively in a state or federal court located in St. Louis County, Minnesota; and the Parties consent to the exclusive jurisdiction thereof.
- 10.10. **Authority**. Operator represents and warrants that Operator is a duly authorized and existing entity, that Operator has and is duly qualified to do business in Minnesota, that Operator has full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of Operator are authorized to do so. Upon Airport Authority's request, Operator shall provide Airport Authority with evidence reasonably satisfactory to Airport Authority confirming the foregoing representations and warranties.

10.11. **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**IN WITNESS WHEREOF,** the Parties have caused their respective duly authorized representatives to execute this Agreement on the date set forth above.

DULUTH AIRPORT AUTHORITY	RASIER, LLC
Ву:	Ву:
Printed:	Printed:
Title:	Title:
Ву:	
Printed:	
Title:	



## Transportation Network Company (Uber, Lyft) Operating Agreement

#### Terms:

• 2 years January 1, 2021 to December 31, 2022

#### Background:

• Original agreement expired Dec 31, 2020; operating in hold over period until new agreement is established.

#### Agreement Overview:

- Renewal of previous agreement.
- Rates remained the same at \$1.50 per each pick up and each drop off.

### DULUTH INTERNATIONAL AIRPORT TRANSPORTATION NETWORK COMPANY OPERATING AGREEMENT LYFT, INC.

THIS OPERATING AGREEMENT (the "Agreement") is hereby made and entered into on \_\_\_\_\_\_, 2021, by and between Lyft, Inc. ("Operator"), and Duluth Airport Authority ("Airport Authority"). Operator and Airport Authority are sometimes hereinafter referred to individually as a "Party" or collectively as the "Parties".

**WHEREAS,** Airport Authority is the operator of the Duluth International Airport (the "Airport") located in Duluth, Minnesota;

**WHEREAS**, Operator desires to operate a transportation network business at the Airport wherein the network provided by Operator will be used by independent contractor drivers to connect passengers with pre-arranged transportation services offered by such drivers;

**WHEREAS,** Airport Authority has agreed to allow the Operator to conduct its business at the Airport, subject, however, to the terms and conditions of this Agreement; and

WHEREAS, the following definitions shall apply to this Agreement at all times:

- (a) "App" shall mean the mobile smartphone application or platform developed by Operator that connects passengers with Drivers/Vehicles.
- (b) "Airport Property" shall mean the property shown on Exhibit A attached hereto and incorporated herein.
- (c) "Designated Areas" shall mean loading zones that are available to Drivers to pick up and drop off passengers at the Airport as shown on Exhibit A attached hereto and incorporated herein.
- (d) "Driver" means any individual who has been approved by Operator to use a Vehicle to transport passengers whose rides are arranged through the App. For purposes of this Agreement, the term "Driver" applies at all times that Driver is on Airport Property by reason of the Driver's relationship with the Operator, regardless of whether the Vehicle is carrying a passenger.
- (e) "Ordinance" shall mean Article V of Chapter 47 of the Duluth City Code, 1959, as amended.
- (f) "Rules and Standards" shall mean the Rules and Standards adopted by the Authority that govern operations on the Airport, as may be amended from time to time.
- (g) "Vehicle" shall mean the vehicle used by a Driver.

**NOW, THEREFORE,** in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

#### 1. OPERATIONS

- 1.1. Designated Areas. Airport Authority grants to Operator the right to allow Drivers affiliated with Operator to use, in common with others so authorized, the Designated Areas to provide the Permitted Use (hereinafter defined), subject to the terms and conditions hereinafter set forth. Operator shall also inform Drivers of the Rules and Standards and the Ordinance. Upon request, Drivers shall allow Airport Authority personnel access to electronic waybill information (described in Section 3.4). Operator shall perform, or have a third party perform, criminal background checks on each Driver before said Driver begins offering services at the Airport and shall not permit an individual to act as a Driver in violation of the Ordinance. Nothing in this Agreement shall be construed as granting or creating any license or franchise rights pursuant to any federal, state or local laws, rules or regulations. Operator's rights to use the Designated Areas shall be on a non-exclusive basis at all times. Operator shall ensure that all Drivers shall maintain personal insurance for their Vehicles in accordance with state financial responsibility requirements at all times. Operator acknowledges that observance of Airport Rules and Standards is of the utmost importance to the Airport Authority. Operator agrees that, upon written notice from the Airport Authority demanding that Operator suspend the privileges to operate at or from the Airport of any Driver who the Airport Authority has reasonable grounds to believe is intentionally or repeatedly violating Airport Rules and Standards, then Operator will prohibit such Driver from providing transportation network services at the Airport.
- 1.2. <u>Rights of Ingress and Egress</u>. Drivers affiliated with Operator shall have the non-exclusive rights of ingress and egress across Airport Property to conduct their permitted operations hereunder and in accordance with the permit terms and conditions which may be amended from time to time, provided that such ingress and egress activity: (a) shall not impede or interfere, in any way, with the operation of the Airport by Airport Authority or the use of the Airport by its tenants, passengers, employees or the general public; (b) shall be on roadways, and other areas designated by Airport Authority from time to time; and (c) may be temporarily suspended by Airport Authority in the event of an emergency or a threat to the Airport during the time period of such emergency or threat, for construction or maintenance purposes or operational needs, or for any other purpose deemed prudent by the Airport Authority.
- 1.3. Changes to Airport. Operator acknowledges and agrees that: (a) Airport Authority shall have the right, at all times, to change, alter and expand the Airport, including the terminals, roadways and designated pick-up, drop-off and staging areas; and (b) Airport Authority has made no representations, warranties and/or covenants to Operator regarding the design, construction, passenger or automobile traffic, or views of the Airport. Without limiting the generality of the foregoing, Operator acknowledges and agrees that: (a) the Airport may from time to time undergo renovation, maintenance, construction and other Airport modifications; and (b) the Airport Authority may from time to time adopt rules and regulations relating to security or operational matters that may affect Operator's business.
- 1.4. <u>"As-Is" Condition</u>. Operator accepts the Designated Areas and the Airport Property in their present condition and "as-is", without representation or warranty of any kind, and subject to all applicable laws, ordinances, rules and regulations.
- 1.5. Requirements. During the term of this Agreement and subject to its terms, Operator shall have a non-exclusive, revocable license solely to: (a) operate a transportation network business (subject to this Agreement and all applicable laws, rules, ordinances and regulations, Rules and Standards, permit requirements and the Ordinance) at the Airport utilizing mobile smartphone application technology to connect passengers with pre-arranged transportation services for hire; (b) permit Drivers to access the App in order to transport such passengers and their personal baggage to and/or from the Airport in

Vehicles in compliance with Section 47-52 of the Ordinance and approved by Operator and in compliance with the other provisions of the Ordinance; and (c) permit Drivers in providing rides matched through the App to use common-use Airport roadways for ingress and egress to and from the Airport's passenger terminal. Nothing herein shall be deemed to grant Operator any exclusive right or privilege.

1.6. <u>Geo-Fence</u>. Operator shall demonstrate to the Airport Authority's satisfaction that Operator has established a Geo-Fence at its expense at the location shown on attached Exhibit A attached hereto as incorporated herein to manage its airport business and shall notify affiliated Drivers about the geo-fence.

#### 2. TERM; COMMENCEMENT DATE; TERMINATION

2.1. <u>Term</u>. This Agreement shall be effective on January 1, 2021 and shall be in effect for a period of two (2) years. In the event that the Term expires and a new agreement has not been executed, at the sole discretion and upon written consent of the Executive Director, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of fees.

Prior to January 1, 2021, Operator will ensure the following:

- (a) Airport Authority shall have received certificates evidencing that Operator has obtained all insurance required by this Agreement;
- (b) Operator shall have implemented a virtual perimeter that encompasses the real-world geographic area as shown on Exhibit A attached hereto and incorporated herein ("Geo-Fence"). Operator will use the Geo-Fence and other tools, as appropriate, to manage its airport business and comply with the terms of this Agreement.
- (c) Each Driver will maintain information on his or her smartphone while using the App. This information will allow the Airport Authority to confirm the following information for any Driver or Vehicle using the App while on Airport Property:
  - (1) Driver identity and color photo;
  - (2) Vehicle make, model;
  - (3) License plate number;
  - (4) Certificates of insurance; and
  - (5) The electronic equivalent of a waybill that meets the criteria set forth in Section 3.4.
- 2.2. **Termination**. This Agreement will continue in force until terminated as hereinafter provided:
- (a) Airport Authority shall have the right to terminate this Agreement upon the occurrence of an Event of Default (hereinafter defined) if Operator has not cured such Event of Default within the period set forth in Section 8; or
- (b) Either party may terminate this Agreement, at any time, without cause, if the requesting Party gives not less than thirty (30) days' prior written notice thereof to the other Party.

#### 3. <u>USE</u>

- 3.1. <u>Permitted Use</u>. Operator and Drivers may use the Designated Areas only to provide transportation network company services (collectively, "Permitted Use") and for no other purpose, and shall not conduct any activity or operations at the Airport not expressly authorized by this Agreement.
- 3.2. **No Exclusivity**. Operator acknowledges and agrees that it has no exclusive rights to conduct the business described herein, and that Airport Authority has the right, at all times, to arrange with others for similar activities at the Airport.
- 3.3. <u>Transportation Requirements</u>. In conducting its operations consisting solely of the Permitted Use, without limiting the generality of other provisions of this Agreement, Operator shall inform and educate Drivers regarding the terms of this Agreement, as amended from time to time by Airport Authority:
- (a) Each Driver shall maintain, within such driver's vehicle at all times while upon Airport Property, a digital decal or distinctive trade dress as required by the Ordinance;
- (b) Each Driver shall be allowed to pick-up passengers at the Airport at the Designated Area, and will be allowed to drop-off passengers at the Designated Area;
- (c) Each Driver must be able to produce, upon the request of any enforcement officer or other Airport Authority representative, the electronic equivalent of a waybill meeting the requirements of Section 3.4;
- (d) Once a Driver has made contact with the passenger(s) with whom such Driver was matched, the Driver shall promptly load such passenger(s); and
- (e) Each Driver shall limit such Driver's Designated Areas and curbside time to the time required for the prompt loading and unloading of passengers, and after loading passengers, such Driver shall thereafter promptly depart from the Airport.
- 3.4. **Waybills**. In lieu of a physical waybill and as an explicit requirement of Airport Authority under this Agreement, every passenger pick-up and drop off shall be documented electronically immediately after the completion of the ride to which it relates. Drivers shall, upon request, present the electronic equivalent of a requested waybill to any Airport Authority official for inspection.
- 3.5. <u>No Advertising or Promotions</u>. No Vehicle shall post or display, on the exterior thereof, any signage or other displays except for Operator's name and/or logo and/or distinctive trade dress (or the signage of other transportation network companies).
- 3.6. <u>General Prohibited Activities</u>. Without limiting any other provision herein, Operator shall not, and shall inform Drivers that they shall not, without the Airport Authority's prior written consent: (a) cause or permit anything to be done, in or about the Designated Areas or the Airport, or bring or keep anything thereon, which would be reasonably likely to (i) increase, in any way, the rate of fire insurance on the Airport, (ii) create a nuisance, or (iii) obstruct or interfere with the rights of others on the Airport or injure them; (b) commit, or suffer to be committed, any waste upon the Designated Areas or the Airport; or (c) place any loads upon the floor, walls or ceiling which endanger the structure or obstruct the sidewalk, passageways, stairways or escalators, in front of, within or adjacent to the Designated Areas or the roadways.

- 3.7. Other Prohibited Activities. Without limiting the generality of other provisions of this Agreement, the following activities are prohibited by Drivers and Operator shall notify Drivers that the following activities are prohibited:
- (a) Turning off or disabling the App when a Vehicle is on Airport Property, unless the Driver is departing the Airport after a drop-off;
- (b) Allowing operation of a Vehicle on Airport roadways by an unauthorized driver;
- (c) Transporting a passenger in an unauthorized vehicle;
- (d) Picking-up or discharging passengers, or their baggage, at any location other than the Designated Areas;
- (e) Failing to provide information, or providing false information, to police officers or Airport personnel;
- (f) Displaying, to an Airport official, a waybill in an altered or fictitious form;
- (g) Soliciting passengers on Airport Property;
- (h) Using or possessing any alcoholic beverage while operating on Airport Property;
- (i) Failing to operate a vehicle in a safe manner;
- (i) Failing to comply with posted speed limits and traffic control signs;
- (k) Using profane or vulgar language;
- (I) Attempting to solicit payment in excess of that authorized by law;
- (m) Soliciting for or on behalf of any hotel, club, nightclub, or other business;
- (n) Soliciting of any activity prohibited by the applicable laws, rules or regulations;
- (o) Operating a vehicle which is not in a safe mechanical condition or which lacks mandatory safety equipment;
- (p) Disconnecting any pollution control equipment;
- (g) Using or possessing any illegal drug or narcotic while on Airport Property;
- (r) Operating a vehicle without proper certification or at any time during which Operator's authority is suspended or revoked;
- (s) Engaging in any criminal activity;
- (t) Operating at the Airport when the operating rights of the Driver have been suspended or revoked by the City;

- (u) Using the Designated Areas for any improper, immoral, unlawful or reasonably objectionable purpose; and
- (v) Operating when in violation of the Airports Rules and Standards or the Ordinance.
- 3.8. Representative of Operator. Operator shall provide the Airport Authority with name, address, telephone and email address for at least one qualified representative authorized to represent and act for Operator in matters pertaining to its operation, and shall keep Airport Authority informed, in writing, of the identity of each such person.

#### 4. FEES; REPORTING; AND RECORDKEEPING

- 4.1. <u>Defined Terms</u>. As used in this Agreement, the following capitalized terms shall have the following meanings:
- (a) "Trip" means each instance in which a Driver affiliated with the Operator picks up or drops off one or more passengers within the Airport Geo-fence.
- (b) "Permit Fee" means the annual Permit Fee required of the Operator in order to operate at the Airport. The Permit Fee will be adopted each fiscal year by the Airport Authority. Permit Fees are for the full fiscal year and shall not be pro-rated. The Permit Fee for 2021 is shown on the Rates and Charges attached as Exhibit B.
- (c) "Per Trip Fee" means \$1.50 for each pick-up and a \$1.50 fee for drop off.
- (d) "Monthly Fee" means the product of the following: (i) the number of pick-ups and drop offs conducted by Vehicles in one calendar month, and (ii) the Per Trip Fee.

#### 4.2. Payment Requirements and Reports.

- (a) Within fifteen (15) days after the close of any calendar month, Operator shall submit its operations report to Airport Authority for the previous calendar month (the "Monthly Report"). The Monthly Report shall be in an agreed-upon electronic or paper format as specified by Airport Authority, and shall contain the total number of Trips for the reporting period. All such information shall be accurate at all times.
- (b) Operator agrees to pay a Monthly Fee to the Airport Authority, which shall constitute a total of the Per Trip Fees assessed for each pick-up and drop-off in the relevant month. The Monthly Fee is due, in full, and received by the Airport Authority, within twenty (20) days after the close of any calendar month. All payments hereunder, including Monthly Fees, shall be paid at the office of the Airport Authority, or at such other place or manner as Airport Authority may designate in writing.
- (c) All payments hereunder, including Monthly Fees, shall be paid in lawful money of the United States of America, free from all claims, demands, setoffs, or counterclaims of any kind. Any payments hereunder, including Monthly Fees, not paid when due shall be subject to a service charge of one and one-half percent (1.5%) per month, or if lower, the maximum amount allowed by law.

#### 4.3. Books and Records.

- (a) Operator agrees to maintain and make available, in physical or electronic form as specified by the Authority, to Airport Authority at Operator's place of business or a mutually agreed upon third party location, but in no event a distance greater than 30 miles from the Airport, during regular business hours, accurate and detailed books and accounting records reflecting its performance of its obligations under this Agreement. Operator shall maintain such books and records in accordance with generally accepted accounting principles ("GAAP"), unless otherwise agreed to by the Airport Authority. Upon Airport Authority's reasonable prior written request, which shall not occur more than twice per calendar year, Operator shall permit the Airport Authority to audit and examine such books and records relating to the performance of its obligations under this Agreement at Operator's place of business or a mutually agreed upon third party location, but in no event a distance greater than 30 miles from the Airport. Operator shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years from the expiration or termination of this Agreement, whichever is later.
- (b) Should any examination, inspection and audit of Operator's books and records by the Airport Authority disclose an underpayment by Operator of the consideration due, Operator shall promptly pay Airport Authority the amount of such underpayment. If said underpayment exceeds five percent (5%) of the consideration due, Operator shall reimburse the Airport Authority for all reasonable costs incurred in the conduct of such examination, inspection and audit.

#### 5. ASSIGNMENT

- 5.1. No Assignment. Operator shall not assign, encumber or otherwise transfer, whether voluntarily or involuntarily or by operation of law, this Agreement, or any right hereunder, without Airport Authority's prior written consent, which consent may be granted or denied in Airport Authority's sole and absolute discretion (the term "Transfer" shall mean any such assignment, encumbrance, or transfer). Airport Authority's consent to one Transfer shall not be deemed a consent to any subsequent Transfers. Any Transfer made without Airport Authority's consent shall constitute a default hereunder and shall be voidable at Airport Authority's election. Notwithstanding the above, with the consent of the Airport Authority's Executive Director which consent shall not be unreasonably withheld, Operator shall have the right to Transfer this Agreement to an affiliate of Operator defined as an entity that directly or indirectly controls, is controlled by, is under common control with, or is a subsidiary of Operator ("Affiliate").
- 5.2. <u>Change of Control</u>. The sale or other transfer of a controlling percentage of the capital stock or membership interests of Operator, whether by merger, stock sale or otherwise, or the sale or transfer of more than fifty percent (50%) of the value of the assets of Operator related to the operations hereunder, shall be deemed a Transfer subject to the restrictions in Section 5.1. The phrase "controlling percentage" means the ownership of, and the right to vote, stock or interests possessing more than fifty percent (50%) of the total combined voting power of all classes of Operator's capital stock or interests issued, outstanding and entitled to vote for the election of directors.

#### 6. COMPLIANCE WITH LAWS

At all times, Operator shall cause its use of the Airport and its operations under this Agreement to comply with all applicable laws, ordinances including but not limited to the Ordinance, Rules and Standards, orders, directives, rules, codes, regulations and decrees of federal, state and local governmental entities and agencies, and their respective departments, agencies, authorities and boards (individually, a "Governmental Entity", or collectively, "Governmental Entities"), and all grant assurances provided by

Airport Authority to any federal or state Governmental Entity in connection with the Airport Authority's ownership or operation of the Airport, and all other applicable rules, regulations, policies, and procedures of Airport Authority, as the same may be amended, modified or updated from time to time, including, but not limited to, those relating to health and safety, especially those pertaining to public safety such as safe driving practices, seat belts, and child seats/restraints. For purposes of this Agreement, the term "Governmental Entity" shall also mean and include, without limitation, Airport Authority, State of Minnesota, U.S. Department of Transportation, Federal Aviation Administration, Transportation Security Administration and the City of Duluth.

#### 7. WAIVER; INSURANCE

- 7.1. Indemnification. Operator, or Affiliate in the event of a Transfer of this Agreement pursuant to Section 5.1, agrees to defend, indemnify, and save harmless the Airport Authority and the City of Duluth (the "City"), and their officers, agents, servants, and employees from any and all liens, judgments, claims including those for contribution and indemnity, suits, demands, liability, costs, damages, and expenses asserted by any person or persons including agents or employees of the Airport Authority, the City or the Operator or Affiliate by reason of death or injury to person or persons or the loss or damage to property or any cause of action arising out of or in connection with or relating to the operation of Operator, Affiliate or Drivers on Airport Property. The forgoing indemnification obligation is contingent upon Airport Authority providing Operator or Affiliate in the event of a Transfer of this Agreement with (i) prompt written notice of any potential claim subject to indemnification hereunder, (ii) sole control over the defense and settlement of each such claim (provided that Operator or Affiliate will not settle or compromise any claim without written consent of Airport Authority, which consent shall not be unreasonably withheld, conditioned or delayed), and (iii) reasonable cooperation, at Operator's or Affiliate's expense, in the defense and settlement of a claim. Notwithstanding the foregoing, Operator or Affiliate in the event of a Transfer of this Agreement shall have no obligation under this Section for claims arising solely out of any negligent act or omission of Airport Authority or its officers, directors, agents, and employees, or any allegation related to the Airport Authority's authority to enter this Agreement or Airport Authority's enforcement of this Agreement.
- 7.2. Insurance. Operator, or Affiliate in the event of Transfer of this Agreement pursuant to Section 5.1, shall procure and maintain, at its sole cost and expense and at all times during the term of this Agreement, insurance of the kind and in the amount hereinafter provided, by financially responsible and qualified companies authorized or eligible to do business in the State of Minnesota, covering all operations under this Agreement (including those of Drivers with respect to the Drivers' liability arising from the use of an automobile while on the App). Prior to the Commencement Date, Operator or Affiliate shall provide a certificate of insurance to Airport Authority, in a form acceptable to Airport Authority, showing that Operator or Affiliate has complied with the obligations of this Section. The certificate of insurance required of this Section shall provide an obligation that the insurer provide the Airport Authority with at least thirty (30) days prior written notice of cancellation, non-renewal or material modification. The following insurance coverages are required to be provided by Operator, or Affiliate in the event of Transfer of this Agreement:
- (a) Commercial Automobile Liability Insurance with limits of not less than One Million Five Hundred Thousand Dollars (\$1,500,000) for each accident for third party bodily injury and property damage. This coverage applies to Vehicles operated by Drivers while:
  - i. The Driver is located on the Airport Property during the course of providing an accepted trip including the picking-up and dropping-off of passenger(s);

- ii. The Driver has logged into the App controlled by the Operator or Affiliate and is "available to receive requests" for transportation services from passengers using the App and the Driver is located on the Airport Property.
  - "Available to receive requests" means the App is in a state such that an applicable request would be transmitted to the Driver's smartphone for acceptance by the Driver.
- (b) Commercial General Liability Insurance of not less than One Million Five Hundred Thousand Dollars (\$1,500,000) per occurrence, insuring the Operator, or Affiliate in the event of Transfer of this Agreement, arising from bodily injury (including wrongful death), personal injury, and damage to property arising out of this Agreement, including for alleged liability arising from bodily injury (including wrongful death), personal injury, and damage to property caused by Drivers and/or arising out of this Agreement.
- All Vehicles must be included under Operator's or Affiliate's Commercial Automobile Liability Policy or covered by a blanket coverage form or endorsement; and all employees of Operator or Affiliate must be covered under the General Liability policy of Operate or Affiliate in the event of Transfer of this Agreement. The limits of the foregoing insurance shall not, in any way, limit the liability of Operator or Affiliate under the terms of this Agreement. In addition, the foregoing insurance policies are primary insurance to any other insurance held by Airport Authority with respect to any covered claims arising out of this Agreement. The Airport Authority and the City of Duluth shall be named as an additional insured on the Commercial Automobile Liability and Commercial General Liability Insurance of Operator or Affiliate in the event of a Transfer of this Agreement.
- 7.3. **Notice**. Each Party hereto shall give to the other Party, prompt and timely written notice of any loss arising out of this Agreement, meaning any and all losses, liabilities, judgments, suits, claims, damages, costs and expenses (including reasonable attorney's fees, investigation costs, remediation costs, and court costs), of any kind or nature, coming to its knowledge which in any way, directly or indirectly, contingently or otherwise, affects or might affect either.
- 7.4 Confidentiality of Records. Any information that Operator makes available to Airport Authority pursuant to this Agreement is deemed to be confidential and proprietary information ("Operator's confidential information"), regardless of whether the records are marked as such, and shall not be disclosed to anyone without Operator's express written permission unless required to be disclosed by applicable law or a court order; including without limitation the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, provided that Airport Authority notifies Operator of such requirement promptly prior to disclosure, and provided further that Airport Authority makes diligent efforts to limit disclosure pursuant to any available provisions of the Minnesota Government Data Practices Act or other applicable law. If the Airport Authority determines that it must disclose such information, it nevertheless shall use any available authorities to redact personal or business confidential information from such records to the extent consistent with applicable law including the Minnesota Government Data Practices Act and the final judgment.
- 7.5 <u>Limitation on Damages</u>. Notwithstanding anything in this Agreement to the contrary, in no event will either party be liable to the other party for any consequential, incidental or special damages, or lost revenues or lost profits.

#### 8. DEFAULT; REMEDIES

- 8.1. <u>Event of Default</u>. The occurrence of any one or more of the following events shall constitute a breach of this Agreement and an "Event of Default":
- (a) Operator shall fail, duly and punctually, to pay Monthly Fees (or to submit any Monthly Report), or to make any other payment required hereunder, when due to Airport Authority, and such failure shall continue beyond the date specified in a written notice of such breach or default from Airport Authority, which date shall be no earlier than the tenth (10<sup>th</sup>) business day after the effective date of such notice;
- (b) A Transfer occurs without the prior approval of the Airport Authority as set forth in section 5.1;
- (c) Operator fails to obtain and maintain the insurance required hereunder, or to provide copies of the insurance certificates to the Airport Authority as required herein; or
- (d) Operator's City of Duluth transportation network company license is suspended or revoked or Operator fails to comply with any provision of the Ordinance and such failure continues for a period of more than twenty (20) days after delivery by Airport Authority of a written notice thereof.
- (e) Operator fails to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement, and such failure continues for a period of more than thirty (30) days after delivery by Airport Authority of a written notice thereof.
- 8.2. Remedies. Upon the occurrence and during the continuance of an Event of Default, Airport Authority shall have the following rights and remedies in addition to any and all other rights and remedies available to the Airport Authority under this Agreement, at law, or in equity: (a) Airport Authority may elect to terminate this Agreement; and (b) nothing herein shall be deemed to limit Airport Authority's right to terminate this Agreement as provided in Section 2. In such event, the Airport Authority may seek and be entitled to monetary damages from Operator, may seek and be entitled to injunctive and declaratory relief, and may seek other legal or equitable relief.
- 8.3. <u>Cumulative Rights</u>. The exercise by Airport Authority of any remedy provided in this Agreement shall be cumulative and shall in no way affect any other remedy available to Airport Authority under law or in equity.
- 8.4. <u>Fines/Penalties</u>. By operating on the Airport, Operator and Drivers affiliated with Operator shall be subject to all applicable laws, ordinances, rules and regulations including any fines or penalties in connection therewith. Airport Authority shall have no obligation to Operator to impose fines on, or otherwise take action against, any other person or entity at the Airport.

#### 9. GOVERNMENTAL PROVISIONS

9.1. <u>No Representations</u>. Operator acknowledges and agrees that neither Airport Authority, nor any person on behalf of Airport Authority, has made, and Airport Authority hereby disclaims, any representations or warranties, express or implied, regarding the business venture proposed by Operator at the Airport, including any statements relating to the potential success or profitability of such venture. Operator represents and warrants that it has made an independent investigation of all aspects of the business venture contemplated by this Agreement.

9.2. Federal Nondiscrimination. Operator understands and acknowledges that Airport Authority has given to the United States of America, acting by and through the Federal Aviation Administration, certain assurances with respect to nondiscrimination, which have been required by Title VI of the Civil Rights Act of 1964, as effectuated by Title 49 of the Code of Federal Regulations, Subtitle A - Office of the Secretary of Transportation, Part 21, as amended, as a condition precedent to the government making grants in aid to Airport Authority for certain Airport programs and activities, and that Airport Authority is required under said Regulations to include in every agreement or concession pursuant to which any person or persons other than Airport Authority, operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which Operator agrees, as follows: "Operator, in its operation at and use of Duluth International Airport, covenants that (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that the grantee, licensee, permittee, etc., shall comply with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Subtitle A, Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuations of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended."

#### 10. GENERAL PROVISIONS

10.1. **Notices**. Except as otherwise specifically provided in this Agreement, any notice, demand or other correspondence given under this Agreement shall be in writing and given by prepaid certified mail (return receipt requested), or reputable overnight courier (such as Federal Express), to: (a) Operator at its Notice Address; or (b) Airport Authority at its Notice Address; or (c) such other address as either Operator or Airport Authority may designate as its new address for such purpose by notice given to the other in accordance with this Section 10. Any notice hereunder shall be deemed to have been given and received, and effective, two (2) days after the date when it is mailed. For convenience of the Parties, copies of notices may also be given by facsimile or electronic mail; however, neither Party may give official or binding notice by facsimile or electronic mail.

#### Operator's Notice Address:

Lyft, Inc. c/o Bakari Brock 185 Berry Street, Suite 5000 San Francisco, CA 94107 ATTN: Legal Department

#### Airport Authority's Notice Address:

Duluth Airport Authority Attn: Executive Director 4701 Grinden Drive Duluth, MN 55811

- 10.2. <u>Waiver of Performance</u>. The waiver by the Airport Authority of any provisions of this Agreement shall not constitute a future waiver of performance of such provisions. To be effective, any waiver by the Airport Authority shall be in writing.
- 10.3. <u>Entire Agreement</u>. The Parties intend that this Agreement shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Agreement.
- 10.4. <u>Recitals</u>. The parties agree that the recitals set forth above are hereby incorporated in and made a part of this Agreement.
- 10.5. <u>Amendments</u>. Amendments to this Agreement require written agreement of the Parties. Notwithstanding the foregoing, if a Governmental Entity requires modifications or changes to this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, Operator shall agree to make such amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required.
- 10.6. <u>Interpretation</u>. The headings and captions of this Agreement have been inserted for convenience of reference only, and such captions or headings shall in no way define or limit the scope or intent of any provision of this Agreement. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein, and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the Party responsible for drafting any part of this Agreement.
- 10.7. <u>Successors and Assigns</u>. The terms and conditions contained in this Agreement shall bind and inure to the benefit of Operator and Airport Authority, and, to their personal representatives and successors and assigns.
- 10.8. **Severability**. If any provision of this Agreement or the application thereof to any person, entity or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the full extent permitted by law.
- 10.9. <u>Governing Law</u>. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Minnesota. Any dispute arising out of this Agreement, including, but not limited to, any issues relating to the existence, validity, formation, interpretation or breach of this Agreement, shall be brought and litigated exclusively in a state or federal court located in St. Louis County, Minnesota; and the Parties consent to the exclusive jurisdiction thereof.
- 10.10. <u>Authority</u>. Operator represents and warrants that Operator is a duly authorized and existing entity, that Operator has and is duly qualified to do business in Minnesota, that Operator has full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of Operator are authorized to do so. Upon Airport Authority's request, Operator shall provide Airport Authority with evidence reasonably satisfactory to Airport Authority confirming the foregoing representations and warranties.

10.11. <u>Counterparts</u>. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**IN WITNESS WHEREOF,** the Parties have caused their respective duly authorized representatives to execute this Agreement on the date set forth above.

DULUTH AIRPORT AUTHORITY	LYFT, INC.
Ву:	Ву:
Printed:	Printed:
Title:	Title:
Ву:	
Printed:	
Title:	



#### **Duluth Airport Authority**

### Balance Sheet End of Adjust 2020

Financial Row	Amoun
ASSETS	
Current Assets	
Bank	
Checking Account	\$182.5
Lottery Account	\$10,757.9
Petty Cash	\$80.5
Pooled Cash - City Balance	\$3,274,533.4
Total Bank	\$3,285,554.4
Accounts Receivable	
Accounts Receivable - Restricted PFC	\$17,058.73
Accounts Receivable Billed	\$387,726.26
Lottery Sales Receivable	(\$8,555.00
Total Accounts Receivable	\$396,229.99
Other Current Asset	
Inventory Assets	\$26,820.2°
Prepaid Items	\$13,263.28
Undeposited Funds	\$15,281.67
Total Other Current Asset	\$55,365.16
Total Current Assets	\$3,737,149.58
Fixed Assets	
Accumulated Depreciation	(\$120,377,406.80
Capital Assets	\$243,929,929.73
Work in Progress	\$9,390,779.83
Total Fixed Assets	\$132,943,302.76
Other Assets	¥102 019 02 1
Accumulated Amortization	(\$1,757,535.18
Airport Planning Projects - Contributed	\$2,266,606.50
Airport Planning Projects - Invested	\$404,503.05
Deferred Outflows - OPEB	\$28,487.00
Deferred Outflows - Pension	\$106,609.00
Total Other Assets	\$1,048,670.37
Total ASSETS	\$137,729,122.71
LIABILITIES & EQUITY	Ψ107,720,122.71
Current Liabilities	
Accounts Payable	
Accounts Payable	\$93,623.44
Contracts Payable	
	\$97,267.22
Lottery Payable	\$416.74
Total Accounts Payable	\$191,307.40
Credit Card	\$5,401.00
Other Current Liability	\$2,091,239.21
Total Current Liabilities	\$2,287,947.61
Long Term Liabilities	
LT Loans Payable to City of Duluth	\$6,495,000.00
Net Pension Liability	\$1,039,410.00
Total Other Post Employment Benefit Liability	\$2,794,376.50
Total Long Term Liabilities	\$10,328,786.50
Equity	•
Contributed Equity	\$16,621,668.70
Retained Earnings	\$101,589,181.87
Net Income	\$6,901,538.03
Total Equity	\$125,112,388.60
Total LIABILITIES & EQUITY	\$137,729,122.71

#### UNAUDITED DRAFT

#### **Duluth Airport Authority**

### **Income Statement**

### From Jan 2020 to Adjust 2020

Amount
\$10,800.00
\$293.00
\$302,119.87
\$26,208.33
\$338.37
\$502,057.48
\$10,379.00
\$600.00
\$7,338.00
\$4,536.56
\$853,870.61
\$151,008.00
\$92,826.94
\$130,815.20
\$6,980.51
\$8,302.00
\$55,278.57
\$228,780.08
\$70,000.00
\$45,640.98
\$1,654,302.89
ψ1,004,002.00
\$62,746.22
\$100,772.78
\$35,564.20
\$38,674.95
\$18,596.16
\$1,140,429.66
\$86,013.66
\$2,520.00
\$1,485,317.63
\$217,924.53
\$1,103,884.84
\$1,321,809.37
\$4,461,429.89
\$4,461,429.89
\$4,829.38
\$4,243.09
\$10,044.16
. \$64.41
\$17,793.70
\$36,974.74
\$244.80
\$193,589.37
\$391,169.15
\$86,166.00
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	\$49,730.5 \$2,163,819.5
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	\$3,500.0
	\$45,200.0
	\$178,521.2
	\$18,470.3
	\$2,622.0
	\$185.4
In the state of th	\$86,544.1
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	\$13,957.0
	\$456,863.5
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No. of the Control of	\$1,092.1
	\$463,603.6
	\$1,721,183.0
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	\$56,938.5
	\$23,865.6
	\$113,212.7
· ·	\$350,584.8
	\$544,601.7
	\$4,466,579.1
	(\$5,149.24
	,
	\$815,976.6
	\$6,039,634.7
	\$6,855,611.4
	(\$524.81
	\$41,930.8
	\$284,059.8
	\$325,465.8
	\$7,181,077.3
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	\$274,455.0
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	\$6,906,622.2
	\$6,901,473.0

## Duluth Airport Authority DAA Board Packet Budget vs. Actual Summary From Jan 2020 to Adjust 2020

	ajust z	020				
t to	Adjust	ments				
ıal (Jan	(Jan 2020 -	Budget Amount (Jan 2020 - Adjust 2020)	% of Budget	from Prior	Variance	Total Budget (Jan 2020 - Adjust 2020)
8,645	1,654,303	3,061,031	54.04%	(1,764,342)	(1,406,728)	3,061,031
9,941	1,485,318	1,534,533	96.79%	(124,624)	(49,215)	1,534,533
7,133	1,321,809	1,493,899	88.48%	(145,323)	(172,090)	1,493,899
5,719	4,461,430	6,089,462	73.26%	(2,034,289)	(1,628,032)	6,089,462
5,719	4,461,430	6,089,462	73.26%	(2,034,289)	(1,628,032)	6,089,462
10,263	36,975	33,540	110.24%	(3,289)	3,435	33,540
19,961	2,163,820	2,408,510	89.84%	(56,142)	(244,691)	2,408,510
34,506	1,721,183	1,843,702	93.35%	36,677	(122,519)	1,843,702
32,182	544,602	606,835	89.74%	(17,580)	(62,233)	606,835
06,912	4,466,579	4,892,587	91.29%	(40,333)	(426,008)	4,892,587
38,806	(5,149)	1,196,875	-0.43%	(1,993,956)	(1,202,024)	1,196,875
35,466	325,466		******************	(360,000)	(285,414)	610,880
35,466	325,466	610,880	53.28%	(360,000)	(285,414)	610,880
03,978	274,455	354,455	77.43%	(29,523)	(80,000)	354,455
03,978	274,455	354,455	77.43%	(29,523)	(80,000)	354,455
31,488	51,011	256,425	19.89%	(330,477)	(205,414)	256,425
70,294	45,862	1,453,300	3.16%	(2,324,432)	(1,407,438)	1,453,300
70,891	6,855,611	2,956,410	231.89%	(6,715,280)	3,899,201	2,956,410
76,599)	0	(10,236,194)	******************	······································	10,236,194	(10,236,194)
64,586	6,901,473	(5,826,484)	-118.45%	1,036,887	12,727,957	(5,826,484)
1 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	or Year ial (Jan Adjust 2019)  8,645 19,941 17,133 15,719 10,263 19,961 14,506 12,182 16,912 18,806 18,466	Current or Year Year Actual ial (Jan (Jan 2020 - Adjust Adjust 2020 2019) )  8,645 1,654,303 19,941 1,485,318 17,133 1,321,809 15,719 4,461,430 10,263 36,975 19,961 2,163,820 14,506 1,721,183 12,182 544,602 16,912 4,465,579 18,806 (5,149) 18,5466 325,466 13,978 274,455 13,978 274,455 13,488 51,011 170,294 45,862 176,599) 0	or Year Year Actual (Jan 2020 - Adjust Adjust 2020)  8,645 1,654,303 3,061,031 19,941 1,485,318 1,534,533 17,133 1,321,809 1,493,899 15,719 4,461,430 6,089,462 15,719 4,461,430 6,089,462 10,263 36,975 33,540 19,961 2,163,820 2,408,510 14,506 1,721,183 1,843,702 14,506 1,721,183 1,843,702 16,912 4,466,579 4,892,587 18,806 (5,149) 1,196,875 18,806 325,466 610,880 10,3,978 274,455 354,455 13,978 274,455 354,455 13,978 274,455 354,455 13,978 274,455 354,455 13,978 274,455 354,455 13,978 274,455 354,455 13,978 274,455 354,455 13,978 274,455 354,455 13,978 274,455 354,455 13,988 51,011 256,425 17,294 45,862 1,453,300 176,599) 0 (10,236,194)	Current or Year Year Actual ral (Jan (Jan 2020 - Budget Amount Adjust Adjust 2020 (Jan 2020 - % of 2019) Adjust 2020) Budget  8,645 1,654,303 3,061,031 54.04% 19,941 1,485,318 1,534,533 96.79% 17,133 1,321,809 1,493,899 88.48% 15,719 4,461,430 6,089,462 73.26% 15,719 4,461,430 6,089,462 73.26% 10,263 36,975 33,540 110.24% 19,961 2,163,820 2,408,510 89.84% 14,506 1,721,183 1,843,702 93.35% 14,506 1,721,183 1,843,702 93.35% 16,912 4,466,579 4,892,587 91.29% 18,806 (5,149) 1,196,875 -0.43% 18,5466 325,466 610,880 53.28% 10,3,978 274,455 354,455 77.43% 13,978 274,455 354,455 77.43% 13,978 274,455 354,455 77.43% 13,978 274,455 354,455 77.43% 13,978 274,455 354,455 77.43% 13,978 274,455 354,455 77.43% 13,978 274,455 354,455 77.43% 13,978 274,455 354,455 77.43% 10,294 45,862 1,453,300 3.16% 10,294 45,862 1,453,300 3.16% 10,294 45,862 1,453,300 3.16% 10,891 6,855,611 2,956,410 231.89% 10,891 6,855,611 2,956,410 231.89% 10,891 6,855,611 2,956,410 231.89% 10,891 6,855,611 2,956,410 231.89% 10,891 6,855,611 2,956,410 231.89% 10,891 6,855,611 2,956,410 231.89% 10,0891 6,855,611 2,956,410 231.89%	Current or Year Year Actual ral (Jan (Jan 2020 - Budget Amount Adjust Adjust 2020) (Jan 2020 - W of From Prior 2019) Adjust 2020) Budget Year  8,645 1,654,303 3,061,031 54.04% (1,764,342) 9,941 1,485,318 1,534,533 96.79% (124,624) 17,133 1,321,809 1,493,899 88.48% (145,323) 15,719 4,461,430 6,089,462 73.26% (2,034,289) 15,719 4,461,430 6,089,462 73.26% (2,034,289) 16,263 36,975 33,540 110.24% (3,289) 14,506 1,721,183 1,843,702 93.35% 36,677 162,182 544,602 606,835 89,74% (17,580) 16,912 4,466,579 4,892,587 91.29% (40,333) 18,806 (5,149) 1,196,875 -0.43% (1,993,956) 13,978 274,455 354,455 77.43% (29,523) 13,978 274,455 354,455 77.43% (29,523) 13,978 274,455 354,455 77.43% (29,523) 170,294 45,862 1,453,300 3.16% (2,324,432) 176,599 0 (10,236,194) 0.00% 10,076,599	Current or Year Year Actual ral (Jan 2020 - Budget Amount Adjust Adjust 2020 (Jan 2020 - Wof from Prior Variance Sudget Amount Adjust Adjust 2020 (Jan 2020 - Wof from Prior Variance Prom Budget Sudget Adjust 2020) Budget Year From Budget Sudget Su

<sup>\*</sup> This report is based on an allocated budget, which is seasonally adjusted. At this time the DAA is at a negative variance budget vs actual of over 1.4M.

<sup>\*</sup> CARES Funds requests through the period of December were 3.9M which produces a positive variance of over 2.5M. We are still awaiting reimbursement of \$1.6M requested.

<sup>\*</sup> The results of this report are expected to change slightly with audit adjustments as well as delayed revenue and expense postings due to COVID.

<sup>\*</sup> The largest variance from budget in revenues comes from a reduction in concession revenues due to COVID and decreased passengers. Revenue is over 1.6M under budget.

<sup>\*</sup> The largest variance from budget in expenses comes decreased services and charges as well as personnel costs and supplies. Essential spending was implemented which helped in the decrease of expenses. There was decreased overtime as well as delays in hiring which also contributed to the reduced spending. Expenses are about 426k under budget.

<sup>\*</sup> Non-operating income is down due to decreased PFC collections while expenses are down due budgeted line of credit interest which hasn't been utilized for a total negative variance of just over 205k.

# Duluth Airport Authority Duluth A/R Aging Report As of February 10, 2021

Filters: Transaction Type (equal to Invoice, Payment, Credit Memo)

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	1/11/2021 - 2/9/2021 (30)	12/12/2020 - 1/10/2021 (60)	11/12/2020 - 12/11/2020 (90)	BEFORE 11/12/2020 (>90)	TOTAL
	TYPE	DATE	NUMBER	DATE		Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Avis Rent A Car						\$0.00	\$9,886.94	\$0.00	\$0.00	\$0.00	\$9,886.94
Bemidji Aviation	Invoice	1/31/2021	7857	3/2/2021	10	\$0.00	\$814.43	\$0.00	\$0.00	\$0.00	\$814.43
BKR Investments DBA Duluth Pack	Invoice	2/1/2021	7801	3/3/2021	9	\$0.00	\$225.00	\$0.00	\$0.00	\$0.00	\$225.00
Briden, Tom						\$0.00	\$196.81	\$125.00	\$0.00	\$0.00	\$321.81
Budget Rent A Car	Invoice	2/1/2021	7799	3/3/2021	9	\$0.00	\$1,483.63	\$0.00	\$0.00	\$0.00	\$1,483.63
Case, Ronald Jr.						\$0.00	(\$510.00)	\$0.00	\$0.00	\$0.00	(\$510.00)
Chandler, Daniel	Payment	12/8/2020	6915	12/8/2020	64	\$0.00	\$0.00	\$0.00	(\$51.00)	\$0.00	(\$51.00)
Churchill, Sean	Invoice	2/1/2021	7843	3/3/2021	9	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Cirrus Design Corporation						\$0.00	\$36,670.01	\$14,736.30	\$0.00	\$0.00	\$51,406.31
City of Duluth						\$0.00	\$1,645.57	\$1,645.57	\$0.00	\$0.00	\$3,291.14
Compudyne	Invoice	2/1/2021	7825	3/3/2021	9	\$0.00	\$29.59	\$0.00	\$0.00	\$0.00	\$29.59
DATM, LLC	Invoice	12/31/2020	7855	1/30/2021	41	\$0.00	\$0.00	\$23.50	\$0.00	\$0.00	\$23.50
Delta Airlines						\$0.00	(\$10,750.52)	\$0.00	\$0.00	\$0.00	(\$10,750.52)
Divine Carriers						\$0.00	\$126.33	\$126.33	\$0.00	\$0.00	\$252.66
Donald J. Trump for President, Inc.	Invoice	9/30/2020	7431	9/30/2020	133	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000.00	\$15,000.00
Duluth Economic Development Authority	Invoice	2/1/2021	7796	3/3/2021	9	\$0.00	\$2,025.00	\$0.00	\$0.00	\$0.00	\$2,025.00
Duluth Hangar, LLC	Invoice	2/1/2021	7827	3/3/2021	9	\$0.00	\$734.50	\$0.00	\$0.00	\$0.00	\$734.50
Enbridge Energy, Inc.			~			\$0.00	\$0.00	\$3,200.00	\$0.00	\$0.00	\$3,200.00
FeraDyne Outdoors	Invoice	12/15/2020	7648	1/14/2021	57	7 \$0.00	\$0.00	\$1,000.00	\$0.00	\$0.00	\$1,000.00
Ferrari, Matt	Payment	1/8/2021	6901	1/8/2021	33	\$0.00	\$0.00	(\$153.00)	\$0.00	\$0.00	(\$153.00)
General Services Administration	Invoice	2/1/2021	7819	3/3/2021	ξ	\$0.00	\$4,875.90	\$0.00	\$0.00	\$0.00	\$4,875.90
Goritchan Boris			-			\$0.00	\$0.00	\$0.00	\$0.00	\$879.00	\$879.00
Grimsbo, Gerald	Invoice	2/10/2020	6437	3/11/2020	366	\$0.00	\$0.00	\$0.00	\$0.00	\$412.00	\$412.00
Hagberg, Rick	Invoice	2/1/2021	7839	3/3/2021	Ş	9 \$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Hall John	Invoice	2/1/2021	7803	3/3/2021	9	9 \$0.00	\$272.96	\$0.00	\$0.00	\$0.00	\$272.96
Halvor Lines	Invoice	12/15/2020	7632	1/14/2021	57	7 \$0.00	\$0.00	\$2,000.00	\$0.00	\$0.00	\$2,000.00
Harris, Melissa	Invoice	12/2/2020	7595	1/1/2021	70	0 \$0.00	\$0.00	\$0.00	\$102.00	\$0.00	\$102.00
Hartwick, Adele	Invoice	12/15/2020	7631	1/14/2021	5	7 \$0.00	\$0.00	\$2,000.00	\$0.00	\$0.00	\$2,000.00
Hatfield, Dan	Invoice	2/1/2021	7836	3/3/2021	,	9 \$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Hermantown Hydraulics	Invoice	2/1/2021	7826	3/3/2021	9	9 \$0.00	\$639.58	\$0.00	\$0.00	\$0.00	\$639.58
Hertz-Overland West						\$0.00	\$1,472.37	\$0.00	\$0.00	(\$5.44)	\$1,466.93

CUSTOMER	TRANSACTION	TRANSACTION	TRANSACTION	DUE	AGE	CURRENT	1/11/2021 - 2/9/2021 (30)	12/12/2020 - 1/10/2021 (60)	11/12/2020 - 12/11/2020 (90)	BEFORE 11/12/2020 (>90)	TOTAL
	TYPE	DATE	NUMBER	DATE		Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Hillman Colin	Invoice	2/1/2021	7849	3/3/2021	9	\$0.00	\$240.00	\$0.00	\$0.00	\$0.00	\$240.00
Hughes, Timothy	Payment	12/22/2020	6820	12/22/2020	50	\$0.00	\$0.00	(\$663.00)	\$0.00	\$0.00	(\$663.00)
Hydro Solutions, Inc.	Invoice	2/1/2021	7805	3/3/2021	9	\$0.00	\$3,466.75	\$0.00	\$0.00	\$0.00	\$3,466.75
Informa	Invoice	12/15/2020	7633	1/14/2021	57	\$0.00	\$0.00	\$2,000.00	\$0.00	\$0.00	\$2,000.00
Ingebrigtson, Kyle	Payment	1/25/2021	6995	1/25/2021	16	\$0.00	(\$612.00)	\$0.00	\$0.00	\$0.00	(\$612.00)
Jay Anne	Payment	2/3/2021	6976	2/3/2021	7	\$0.00	(\$357.00)	\$0.00	\$0.00	\$0.00	(\$357.00)
Johnson, Richard	Invoice	2/1/2021	7832	3/3/2021	9	\$0.00	\$443.70	\$0.00	\$0.00	\$0.00	\$443.70
Johnston, Paul	Invoice	2/1/2021	7844	3/3/2021	9	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Kern & Kompany	Invoice	9/21/2020	7319	10/21/2020	142	\$0.00	\$0.00	\$0.00	\$0.00	\$65.00	\$65.00
Krom, Justin	Payment	1/25/2021	6994	1/25/2021	16	\$0.00	(\$612.00)	\$0.00	\$0.00	\$0.00	(\$612.00)
Lake Country Air, LLC	Invoice	2/1/2021	7848	3/3/2021	9	\$0.00	\$455.00	\$0.00	\$0.00	\$0.00	\$455.00
Lake Superior College	Invoice	2/1/2021	7820	3/3/2021	9	\$0.00	\$34,468.27	\$0.00	\$0.00	\$0.00	\$34,468.27
Lake Superior Helicopters						\$0.00	\$1,537.82	\$0.00	\$0.00	\$4,591.38	\$6,129.20
Lehto, Randy	Payment	12/29/2020	6806	12/29/2020	43	\$0.00	\$0.00	(\$612.00)	\$0.00	\$0.00	(\$612.00)
Love Creamery	Payment	9/28/2020	6501	9/28/2020	135	\$0.00	\$0.00	\$0.00	\$0.00	(\$60.00)	(\$60.00)
M & M Light Transport	Payment	2/3/2021	6982	2/3/2021	7	\$0.00	(\$580.05)	\$0.00	\$0.00	\$0.00	(\$580.05)
Magaard, Diana	Invoice	1/15/2021	7785	2/14/2021	26	\$0.00	\$50.00	\$0.00	\$0.00	\$0.00	\$50.00
Mark Marino						\$0.00	\$1,825.12	\$0.00	\$0.00	\$0.00	\$1,825.12
Mika, Paul	Payment	1/12/2021	6993	1/12/2021	29	\$0.00	(\$612.00)	\$0.00	\$0.00	\$0.00	(\$612.00)
Miner's Outdoor Adventures, LLC	Payment	1/19/2021	6925	1/19/2021	22	\$0.00	(\$15.70)	\$0.00	\$0.00	\$0.00	(\$15.70)
Minnesota Air National Guard	Invoice	1/13/2021	7767	2/12/2021	28	\$0.00	\$5,314.75	\$0.00	\$0.00	\$0.00	\$5,314.75
Minnesota Power					•	\$0.00	\$446.18	\$446.18	\$0.00	\$0.00	\$892.36
Monaco Air Duluth						\$0.00	\$5,798.35	\$1,967.61	\$0.00	\$0.00	\$7,765.96
Mountain Air Cargo						\$0.00	\$1,549.68	\$1,549.68	\$1,549.68	\$1,549.68	\$6,198.72
Northland Constructors, Inc.	Invoice	2/1/2021	7813	3/3/2021	9	\$0.00	\$181.50	\$0.00	\$0.00	\$0.00	\$181.50
Oakwells CR, LLC						\$0.00	(\$188.21)	\$882.17	\$0.00	\$0.00	\$693.96
Olsen, Dr. Peter	Invoice	12/15/2020	7641	1/14/2021	57	\$0.00	\$0.00	\$1,500.00	\$0.00	\$0.00	\$1,500.00
Oltman Robert	Payment	12/17/2020	6793	12/17/2020	55	\$0.00	\$0.00	(\$612.00)	\$0.00	\$0.00	(\$612.00)
Opack Matthew Jr.	Invoice	2/1/2021	7846	3/3/2021	9	\$0.00	\$196.81	\$0.00		\$0.00	\$196.81
Padden Geary	Payment	2/9/2021	7006	2/9/2021	1	\$0.00	(\$612.00)	\$0.00	\$0.00	\$0.00	(\$612.00)
Palmer, John	Invoice	2/1/2021	7847	3/3/2021	9	\$0.00	\$196.81	\$0.00	\$0.00	\$0.00	\$196.81
Parthe, Lance	Invoice	2/1/2021	7834	3/3/2021	9	\$0.00		\$0.00			\$250.35
Payne, Robert	Invoice	2/1/2021	7830	3/3/2021	9	\$0.00	\$250.35	\$0.00	\$0.00	\$0.00	\$250.35
Peterson, Kevin	Payment	1/11/2021	6902	1/11/2021	30			\$0.00			(\$612.00)
QMS, INC.	•					\$0.00		\$27.60			\$318.11
Rasier, LLC	Payment	2/9/2021	7000	2/9/2021	· 1			\$0.00			(\$154.50)
Rathbun, David	Invoice	2/1/2021	7838	3/3/2021	9			\$0.00			\$193.35
Reabe, Troy	Invoice	2/1/2021	7841	3/3/2021	9			\$0.00			\$193.35

CUSTOMER	TRANSACTION	TRANSACTION	TRANSACTION	DUE	AGE	CURRENT	1/11/2021 - 2/9/2021 (30)	12/12/2020 - 1/10/2021 (60)	11/12/2020 - 12/11/2020 (90)	BEFORE 11/12/2020 (>90)	TOTAL
	TYPE	DATE	NUMBER	DATE		Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Rehabilitation Counselors, Inc.	Payment	8/19/2019	5002	8/19/2019	541	\$0.00	\$0.00	\$0.00	\$0.00	(\$75.00)	(\$75.00)
RS&H ~	Invoice	2/1/2021	7828	3/3/2021	9	\$0.00	\$2,067.56	\$0.00	\$0.00	\$0.00	\$2,067.56
Saran, Rajiv	Payment	12/17/2020	6798	12/17/2020	55	\$0.00	\$0.00	(\$153.00)	\$0.00	\$0.00	(\$153.00)
Sayles Gregory & Karen	Invoice	12/15/2020	7644	1/14/2021	57	\$0.00	\$0.00	\$2,000.00	\$0.00	\$0.00	\$2,000.00
Security Jewelers	Invoice	2/1/2021	7829	3/3/2021	9	\$0.00	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00
Stevens, Mike	Invoice	2/1/2021	7840	3/3/2021	9	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Superior Water, Light & Power	Invoice	5/15/2020	6861	6/14/2020	271	\$0.00	\$0.00	\$0.00	\$0.00	\$276.00	\$276.00
Sydow Dan						\$0.00	\$250.35	\$250.35	\$0.00	\$0.00	\$500.70
The Landline Company	,		•			\$0.00	\$4,554.14	\$3,550.14	\$3,550.14	\$0.00	\$11,654.42
Thorne, Joe	Invoice	12/1/2020	7586	12/31/2020	71	\$0.00	\$0.00	\$0.00	\$147.00	\$0.00	\$147.00
Toivola, Kevin	Payment	12/17/2020	6800	12/17/2020	55	\$0.00	\$0.00	(\$612.00)	\$0.00	\$0.00	(\$612.00)
Torgerson, Matthew	Invoice	7/15/2019	5413 '	8/14/2019	· 576	\$0.00	\$0.00	\$0.00	\$0.00	\$60.00	\$60.00
Transportation Security Administration	Invoice	1/13/2021	7761	2/12/2021	28	\$0.00	\$8,444.00	\$0.00	\$0.00	\$0.00	\$8,444.00
unifi	Invoice	12/30/2020	7691	1/29/2021	42	\$0.00	\$0.00	\$1,995.00	\$0.00	\$0.00	\$1,995.00
United Parcel Service	Invoice	12/30/2020	7688	1/29/2021	42	\$0.00	\$0.00	\$65.00	\$0.00	\$0.00	\$65.00
Weeks, Christopher G	Payment	12/8/2020	6916	12/8/2020	64	\$0.00	\$0.00	\$0.00	(\$663.00)	\$0.00	(\$663.00)
Werpy, Jonas						\$0.00	\$0.00	\$318.35	\$0.00	\$0.00	\$318.35
Wicklein, John	Invoice	12/1/2020	7596	12/31/2020	71	\$0.00	\$0.00	\$0.00	\$153.00	\$0.00	\$153.00
Williams, Ron	Invoice	2/1/2021	7842	3/3/2021	9	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Total						\$0.00	\$119,516.93	\$38,603.78	\$4,802.65	\$22,718.30	\$185,641.66



## DULUTH AIRLINE STATISTICS ALL SCHEDULED AIRLINES

											2020/2	021	
	ENPLANE	MENTS		DEPLANEMENTS			TOTAL	PASSENGE	RS	PASS. INCREASE/DECREASE			
MONTH	2019	2020	2021	2019	2020	2021	2019	2020	2021	ORIG	% DIFF	TOTAL	% DIFF
JAN	9,589	12,946	4,153	8,729	11,437	3,798	18,318	24,383	7,951	(8,793)	(67.92)	(16,432)	(67.39)
FEB	8,663	12,774	-	8,229	12,337	-	16,892	25,111	-				
MAR	12,498	7,703	-	12,124	8,842	-	24,622	16,545	-				
APR	11,429	577		11,631	666	-	23,060	1,243	-	1000	Carlot H		
MAY	12,376	849	-1	12,744	638	-	25,120	1,487	10000		_+: -:		
JUN	14,727	1,494	-	15,576	1,526	-1	30,303	3,020	-		100		
JUL	16,096	3,121	-	16,016	3,327		32,112	6,448	-				B 71
AUG	16,868	5,727	-	16,846	5,754		33,714	11,481	-	12-1			
SEP	15,070	5,664	-	13,676	5,666		28,746	11,330			[ Tal.   1   1		
OCT	15,224	5,652	-	14,568	5,059		29,792	10,711		100	100		
NOV	12,461	4,418	-	12,341	4,349	-	24,802	8,767	-	12000	- V + 11		100
DEC	12,850	4,449	-	13,649	4,533		26,499	8,982		100	r		- '
TOTAL	157,851	65,374	4,153	156,129	64,134	3,798	313,980	129,508	7,951	(8,793)	(67.92)	(16,432)	(67.39)

#### TOTALS WITH CHARTER INCLUDED

	Enplane	ements		Deplane	ements		
Month	2019	2020	2021	2019	2020	2021	Total
JAN	9,876	13,252	4,153	9,016	11,743	3,798	7,951
FEB	8,663	12,950	_	8,229	12,513		1 1 2
MAR	12,818	7,703	-	12,444	8,842		E 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
APR	11,666	577		11,631	666	T	
MAY	12,687	849	-	13,234	638	-	-
JUN	14,895	1,494		15,744	1,526	-	-
JUL	16,390	3,121	-	16,310	3,327	-	-
AUG	16,982	5,727	-	17,161	5,754	-	
SEP	15,400	5,664	-	14,006	5,666	-	-
OCT	15,224	5,823	-	14,568	5,230	-	-
NOV	12,761	4,508	-	12,641	4,439	-	-
DEC	12,850	4,449		13,649	4,533	-	2
Total	160,212	66,117	4,153	158,633	64,877	3,798	7,951

## DULUTH AIRLINE STATISTICS DELTA AIRLINES

											2020/20	21	
	ENPLANEM	IENTS		DEP	LANEMENT	S	TOTAL PASSENGERS			PASS. INCREASE/DECREASE			
MONTH	2019	2020	2021	2019	2020	2021	2019	2020	2021	ORIG	%DIFF	TOTAL	%DIFF
JAN	5,402	6,698	3,832	5,053	6,026	3,629	10,455	12,724	7,461	(2,866)	(42.79)	(5,263)	(41.36)
FEB	4,281	6,401		4,082	6,244		8,363	12,645	-				1.212
MAR	7,153	3,973		7,108	4,777		14,261	8,750					12.00
APR	6,867	331		6,882	438		13,749	769	-				1.53
MAY	7,035	374		7,187	377		14,222	751	-		E -2.49	30 X 10	
JUN	7,542	685		7,706	680	March 18	15,248	1,365		- S. J.		100	100
JUL	8,748	2,122		8,648	2,277		17,396	4,399	-	337.73		373	
AUG	8,673	3,487	40.00	8,437	3,595	T 11 (17)	17,110	7,082	-	3-11		4.7	
SEP	8,092	3,941		7,389	3,908		15,481	7,849	-		1962.	100	
OCT	8,041	3,576		7,727	3,411		15,768	6,987	2000-	150 MILES			
NOV	7,409	3,000		7,427	2,985		14,836	5,985				ar being	
DEC	6,911	3,029		7,131	3,131	Carlotte State	14,042	6,160		12 Page 1			
TOTAL	86,154	37,617	3,832	84,777	37,849	3,629	170,931	75,466	7,461	(2,866)	(42.79)	(5,263)	(41.36)

2021			2021		
Month	Non Rev	Revenue	Non Rev	Revenue	Total
JAN	151	3,681	163	3,466	7,461
FEB					
MAR					1,000
APR					
MAY		2			
JUN					STELLAR.
JUL					au-raeig
AUG					JT 11 33
SEP				-	A WILE I
OCT					2000
NOV					
DEC					
Total	151	3,681	163	3,466	7,461

## DULUTH AIRLINE STATISTICS UNITED AIRLINES

										٠.	2020/20	021	
1 1	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			PASS. INCREASE/DECREASE			
MONTH	2019	2020	2021	2019	2020	2021	2019	2020	2021	ORIG	%DIFF	TOTAL	%DIFF
JAN	4,187	4,031	321	3,676	3,300	169	7,863	7,331	490	(3,710)	(92.04)	(6,841)	(93.32)
FEB	4,382	3,850		4,147	3,678	100	8,529	7,528	-				
MAR	5,345	2,168		5,016	2,351		10,361	4,519	THE RESERVE	1000			
APR	4,562	122		4,749	128		9,311	250	-	100			
MAY	4,851	475		4,891	261	100000	9,742	736	- 1				
JUN	5,271	809		5,653	846	10	10,924	1,655	6 T F F		G 27		
JUL	5,109	999		5,093	1,050		10,202	2,049	Transfer -	100 THE			
AUG	6,041	2,240		6,209	2,159		12,250	4,399	-	100			
SEP	5,215	1,723		4,798	1,758		10,013	3,481	11111	1.7	100		
OCT	5,304	2,076		4,906	1,648	N-4-3-77	10,210	3,724		10			5 5 2 3
NOV	3,345	1,418		3,159	1,364	COST	6,504	2,782	5. T	1, 500	100		
DEC	4,095	1,420		4,469	1,402	ALL LAND	8,564	2,822	-			10	
TOTAL	57,707	21,331	321	56,766	19,945	169	114,473	41,276	490	(3,710)	(92.04)	(6,841)	(93.32)

	2021		2021		
Month	Non Rev	Revenue	Non Rev	Revenue	Total
JAN	7	314	9	160	490
FEB					100
MAR					
APR					
MAY					
JUN					C1112000
JUL					
AUG		*			Part Part
SEP					
OCT					
NOV					
DEC					
Total	7	314	9	160	490

## DULUTH AIRLINE STATISTICS AMERICAN AIRLINES

	ENPLANEMENTS				DEPLANEMENTS			TOTAL PASSENGERS			2020/2021 PASS. INCREASE/DECREASE			
монтн	_	2020	2021	2019	2020	2021	2019	2020	2021	ORIG	%DIFF	TOTAL	%DIFF	
JAN		2,217			2,111		-	4,328						
FEB		2,523		12	2,415		-	4,938						
MAR		1,562			1,714		. =	3,276						
APR		124			100		-	224	1	PM 100				
MAY	490			666			1,156	-	2000		9-31	31.33		
JUN	1,914			2,217		F H H BW	4,131	-		542 X		C. CET		
JUL	2,239			2,275		of the sale	4,514	-		- 1 D. P. L.			P43	
AUG	2,154			2,200	1	1.00	4,354	- ,	302 T		100	9997		
SEP	1,763		P. Cabi	1,489		17,1120	3,252	-	经基础下的	0.00				
OCT	1,879			1,935			3,814	-				3 3 7 7 7		
NOV	1,707			1,755		FARTEN	3,462	-				455		
DEC	1,844			2,049			3,893	-						
TOTAL	13,990	6,426		14,586	6,340	-	28,576	12,766	-	-		-		

	2021		2021		
Month	Non Rev	Revenue	Non Rev	Revenue	Total
JAN	71				
FEB					
MAR					
APR				14.	
MAY					
JUN					-
JUL					-
AUG	1				10 THE 2
SEP		,			-
OCT					-
NOV					-
DEC					_
Total	-	-	-	-	1-1-1- (1 <del>-</del> 2-4-

### DULUTH AIRLINE STATISTICS CHARTERS

	ENPLA	NEMENTS		DEPLA	NEMENTS	TOTAL PASSENGERS			2020/2021 PASS. INCREASE/DECREASE				
MONTH	2019	2020	2021	2019	2020	2021	2019	2020	2021	ORIG	% DIFF	TOTAL	% DIFF
JAN	287	306	# - T	287	306		574	612		(306)	(100.00)	(612)	(100.00)
FEB		176		-	176		-	352	100	15	-		Heat Heat
MAR	320			320	-		640		4 -			The second	100
APR	237	-	1000	-	-		237	-	-				
MAY	311	- 1		490	<u> </u>		801		-	100			
JUN	168			168	-	11.0	336	-	-	. 411			
JUL	294			294		ET .	588	-			rr till		
AUG	114			315		FELDER!	429	-	* <u>-</u> -				
SEP	330	-		330	-		660	-					
OCT	=	171		_	171		-	342			grandelii.	200	
NOV	300	90		300	90	HE HE	600	180		77 L 32		NIE SEE	
DEC	?=:	-		= 1	-		-	-				1 1 1 1	
TOTAL	2,361	743	-	2,504	743		4,865	1,486	-	(306)	(100.00)	(612)	(100.00)

Month	ATLAS	SUN CO.	JET BLUE	VISION	Swift Air	Allegiant	Total
JAN	1						-
FEB							N. Carl
MAR		_ 1					B-15
APR							
MAY							
JUN							
JUL							
AUG							4
SEP			, =				
OCT			=	9			
NOV							
DEC							
Total	-	-		-	-	-	-

### **2021 Landline Passengers**

	Arrivals Departures								
	Revenue	Non-Rev	<u>Total</u>	Revenue	Non-Rev	<u>Total</u>	<b>Grand Total</b>	<u>2020 Total</u>	Inc /Dec
January	206	7	213	265	23	288	501	1979	-1478
February	-								
March									
April									
May									
June				i.					
July									
August									
September					•			**	
October									
November	э								
December						1			-
	206	7	213	265	23	288	501	1979	-1478