



**DULUTH AIRPORT AUTHORITY
MEETING AGENDA
JUNE 15, 2021
DAA MAY BOARD MEETING**

**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 April 20, 2021 Meeting Minutes and April 29, 2021 Special Meeting Minutes.

III *DAA CASH DISBURSEMENTS

- A. Operating Cash Disbursement Sheets #18 #19, #20, and #21, 2021. Construction Fund Disbursement Sheet #5, 2021

IV *CORRESPONDENCE

- A. May 23, 2021, Response Letter from Citizens Committee Environmental Concerns (CCEC) Regarding Follow-Up FAA Letter, June 15th Deadline, FAA Noise Study Review and Review Clarification.
- B. Airport News -- May 28, 2021, AAAE Airport Legislative Alliance Airport Alert Article "Biden Administration Releases FY22 Budget Request.
- C. June 1, 2021, E-Mail from Monaco Air Foundation with Summary of May 2021 Activities.
- D. June 1, 2021, Notification Letter of Upcoming Name Change by Delta Global Services to DAL Global Services dba Unifi.
- E. Link for Metropolitan Airports Commission (MAC) Minutes -- <https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx>.

V OPPORTUNITY FOR PERSONS TO BE HEARD

VI OLD BUSINESS

None



VII NEW BUSINESS

- A. Resolution to Approve Work Order 2021-4 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. (SEH, Inc) for Taxiway A Phase 1
- B. Resolution to Award Taxiway A Phase 1 contract between Shafer Contracting and the Duluth Airport Authority
- C. Resolution to Approve Work Order 2021-5 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. (SEH, Inc) for MnDOT Airfield Pavement Maintenance Project
- D. Resolution to Award MnDOT Airfield Pavement Maintenance Project contract between xxxx and the Duluth Airport Authority. (Will be updated on Monday, June 14th, 2021).
- E. Resolution to Approve the First Amendment for the Duluth Air & Aviation Expo Air Show and Exhibition Agreement Between the Duluth Airport Authority and Kernz & Kompany, Inc.
- F. Resolution to Approve the First Amendment Lease Agreement Between the Duluth Airport Authority and Hydro Solutions of Duluth Inc.
- G. Resolution to Approve the Operating Agreement Between the Duluth Airport Authority and Duluth Flying Club, LLC.
- H. Resolution to Approve the Sky Harbor Airport Float Storage Land Lease Agreement Between the Duluth Airport Authority and Jonathon Aero.
- I. Resolution to Approve the Sky Harbor Lot 8 Land Lease Agreement Operating Agreement Between the Duluth Airport Authority and Salter 11X LLC.
- J. Resolution to Approve the Selection of Duluth Airport Authority Officers.
- K. *April 2021 Financial Reports.
- L. *May 2021 Accounts Receivables.
- M. *May 2021 Airline, Cargo & Landline Statistics.

VIII DIRECTORS REPORTS

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



DULUTH INTERNATIONAL AIRPORT

Closer to everywhere.

DATE: June 15, 2021

TO: Duluth Airport Authority Board of Directors

FROM: Executive Director

SUBJECT: Executive Director's 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

- Passenger statistics will be presented at the meeting

OPERATIONS/CONSTRUCTION/PLANNING

- Planning
 - Master Plan Update
 - Part 150 Noise Study Final Program Recommendations
- Construction
- Operations and Maintenance
 - Operations Managers Transition Plan Update
 - FAA Part 139 Annual Inspection
 - Airshow Update
 - Terminal Roof Update
- Sky Harbor
 - Building Area Master Plan Update

BUSINESS/PROPERTY DEVELOPMENT

- NSR

FINANCIAL UPDATE

- Departmental Transition
- Annual Budget Cycle

MARKETING/COMMUNICATIONS

- Consumer Survey



DULUTH INTERNATIONAL AIRPORT

Closer to everywhere.

LEGISLATIVE UPDATE

- Sky Harbor LCCMR Amendment

PRESENTATIONS/TOURS/TRAVEL RECAP

- NSR

OTHER

- Joint Zoning Board Update

Submitted by,

Tom Werner, C.M.
Executive Director



DULUTH INTERNATIONAL AIRPORT

Travel Globally. Fly Locally.

DRAFT

MINUTES OF THE MEETING

DATE: May 18, 2021

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

DIRECTORS PRESENT: Anna Tanski
Craig Fellman
Jeff Anderson

DIRECTORS PARTICIPATING VIA ELECTRONICS

MEANS: Todd Fedora
Don McIsaac

DIRECTORS ABSENT: Kim Maki
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: Kathy Leon, Confidential Bookkeeper
Kaci Nowicki, SEH
Shawn McMahon, SEH
Matt Stewart, SEH
Scott Sannes, SEH
Allison Andrashko, SEH
Jesse Baker, SEH
Don Monaco, Monaco Air
Scott Wright, Landline
Paul Huston

President Tanski welcomed everyone to the DAA May Board meeting and called it to order at 8:00 a.m. She noted Dir. Fellman, Dir. Anderson and herself as present and Dir. Fedora and Dir. McIsaac participating virtually. Mr. Tom Werner, Executive Director, updated on the Executive Director's review:

EXECUTIVE DIRECTOR'S REVIEW:

- Air Service: Due to the passenger percentage numbers being very off compared to last year, Mr. Werner presented a slide show that included the 2019 comparison for a better sense on where air service is really at -- highlighted total passengers, seats, air service national and local notes; also presented key airport metrics -- freight, fuel sales, parking, rental cars, and restaurant sales. Questions followed.
- Operations:

- Planning: Master Plan (MP) and Part 150 Noise Study -- Ms. Kaci Nowicki, SEH, reviewed the MP recent activities, upcoming stakeholder meetings and next steps – all materials and summaries are posted to the project website. Part 150 noise study update – updated on the project progress, next steps including timeline for finalizing review, public workshop, public hearing, DAA board adoption and FAA review; Mr. Werner detailed further.
- Operations: Mr. Mark Papko, Director of Operations, briefed on the design construction phase, bid and grant process, construction slated for spring of 2022; annual FAA Part 139 inspection – in person June 14th and the E-documentation will be in August. Operations Manager transition plan – several internal changes the interim Airport Facilities Manager, Ken Timm, is now the Sky Harbor Manager and DAA is recruiting for the Facilities Manager position; Airside Manager, Steve Wabrowetz, is retiring end of August with current Facilities Manager, Ryan Welch, taking that position September 1st. Updated on Hangar 101, summer air show and Terminal roof.
- Sky Harbor -- Mr. Matt Stewart, SEH, updated on the Sky Harbor master plan project – spoke on the progress, next steps, and upcoming meetings; meeting materials and summaries are posted to the project website.
- Business/Property Development: Ms. Jana Kayser, Business Development Manager, briefed on the termination notice received from Hertz rental car, timeline, and vacancy options – more to come. Mr. Werner spoke on the rental car issues due to the pandemic.
- Financials: Ms. Joelle Bodin, Finance and Administration Director, audit went very well, with no issues, will be receiving final published version soon. She presented the 2020 wrap up and first quarter 2021 financial update, Mr. Werner detailed further. Questions followed.
- Marketing/Communications: Ms. Natalie Peterson, Director of Communications & Marketing, briefed on the customer survey -- putting information together to present and build the marketing strategy.
- Legislative: Mr. Werner explained DAA will not be submitting a bonding request this year, working with FAA to get a sighting study done, will resubmit down the road. Hoping the LCCMR amendment passes with the Environmental Omnibus bill; thanked Dir. Anderson for being an advocate for the airport.
- Presentations: Mr. Werner presented in person to Leadership Duluth, great group and interaction.
- Other: Mr. Werner reviewed the President's Executive Order on wearing masks, the airport is a federally regulated facility which mandates wearing masks inside and outside of the terminal. Mr. Papko briefed on the Joint Airport Zoning Board (JAZB) – meeting with MnDOT Friday with language and definitions for the vulnerable populations zoning, moving forward. Mr. Werner announced Mr. Kayser and Ms. Bodin have completed their certified member certification with AAAE, congratulated them both for their tremendous accomplishments. Mr. Werner introduced Mr. Scott Wright, General Manager of Operations, to present on The Landline Company. He highlighted on the products, offerings, operations, routes and new enroute entertainment. Mr. Wright was thanked for his presentation.

Questions and discussion followed on several of the Executive Director's review items. Dir. McIsaac moved to approve the April 20, 2021 meeting minutes and consent items. Dir. Fellman seconded. Roll call, -- all ayes, motion carried.

CONSENT ITEMS

Cash Disbursement Sheets #14 #15, #16, and #17, 2021. Construction fund disbursement sheet #4, 2021.

Notice of termination letter from Hertz Overland West, Inc.

Letter from Citizens Committee Environmental Concerns (CCEC) regarding Good – Future Mitigation \$\$, Bad – Abatement of Sources, Ugly – Lack of Citizen Involvement and April 30, response letter from DAA to CCEC.

Community Project Funding Application, Duluth International Airport.

Airport news -- DAA media advisory “Duluth International Airport Press Conference to Announce New Air Service”; press release “Sun Country Announces New Nonstop Service from Duluth” and Fox 21 article “Groome Transportation to Resume Shuttles from Duluth to MSP Airport”.

E-Mail from Monaco Air Foundation with summary of April 2021 activities.

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

March 2021 financial report, April 2021 accounts receivables, and airport statistics.

OPPORTUNITY FOR PERSONS TO BE HEARD

None.

OLD BUSINESS

None.

NEW BUSINESS

Mr. Werner recommended combining the next three resolutions under one approval – he overviewed the provisions to terminate the emergency adjustments in response to Covid-19. If approved the June board meeting will go back to regular board meetings with public attendance. Dir. Anderson moved to approve the resolution terminating the resolution declaring a special emergency in response to COVID-19 dated April 21, 2020; resolution terminating the resolution regarding determination under Minnesota Statutes, Section 13D.01 as to in-person meetings dated April 14, 2020, and resolution terminating resolution authorizing modification of leases in response to the COVID-19 emergency dated April 21, 2020. Dir. Fedora seconded. Roll call – all ayes. Motion carried. Mr. Werner thanked the Board for all their support and trust last year with these three provisions.

Ms. Kayser reviewed the annual agreement for the lottery machines. Dir. Fedora moved to approve the resolution for the retailer concession contract and addendum between the Duluth Airport Authority and Minnesota State Lottery. Dir. McIsaac seconded. Roll call – all ayes – motion carried.

Dir. McIsaac and Dir. Fellman stated they would abstain from this conversation and resolution. Discussion followed on quorum and voting electronically. Legal counsel advised to proceed with vote and possibly could conduct electronically to reach a quorum. Dir. Anderson moved to approve the resolution for Building 311 mechanical heating systems upgrade between the Duluth Airport Authority and the Jamar Company. Dir. Fedora seconded. Roll call – Dir. McIsaac and Dir. Fellman abstained. Pres. Tanski, Dir. Fedora, Dir. Anderson ayes. Legal counsel reviewed the DAA Board Bylaws, Minnesota Act establishing DAA, and the Minnesota Statutes regarding board voting. A quorum is needed to hold a meeting and then a majority affirmative vote at the meeting for passage. Abstentions do

not count as a vote for or against; three affirmative votes are enough for passage. Three ayes – motion carried.

Ms. Bodin summarized on the write off for accounts receivable and the Trump rally. Dir. Fellman moved to approve the resolution to write-off of an accounts receivable balance of \$15,000 for Donald J. Trump for President, Inc. per Operating Policy #23. Dir. McIsaac seconded to move forward. Questions and discussion followed. Roll call – Dir. Anderson nay; Dir. Fellman aye; Dir. Fedora aye; Dir. McIsaac nay; Pres. Tanski aye. Three affirmative, motion carried. Conversation followed; Dir. Anderson recommended to consider adopting a policy for future public events that certain fees should be paid in advance.

Ms. Bodin overviewed on the grant agreement. Dir. Fellman moved to accept and approve the resolution for the Airport Coronavirus Response Grant Program (ACRGP) grant addendum 3-27-0024-068-2021 in the amount of \$33,311 and to authorize the Duluth Airport Authority's President and Secretary to execute the grant and any amendments. Dir. McIsaac seconded. Roll call – all ayes – motion carried.

Ms. Peterson briefed on the sponsorship agreement and recommended approval. Dir. Anderson moved to approve the resolution for the sponsorship agreement between the Duluth Airport Authority and MN State Lottery. Dir. Fedora seconded. Roll call – all ayes – motion carried.

Pres. Tanski mentioned the new slate of officers will be considered at next month's meeting and to please let her know if there is interest in the opportunity to be Secretary. Dir. Anderson noted that the LCCMR funds benefit from the interest generated from the sales of the MN lottery and Sky Harbor Airport has benefited from those funds.

President Tanski adjourned the May 18th DAA board meeting at 9:26 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED:  DATE: 4JUN21

~~III~~

**Duluth Airport Authority
DAA Operating Check Register #18-2021
May 14, 2021**

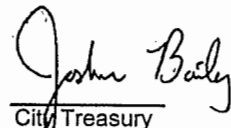
Document Number From 10173 To 10210

Document Number	Date	Transaction Type	Payee	Amount
10173	5/14/2021	BILLPMT	Arrowhead Tap House	\$145.35
10174	5/14/2021	BILLPMT	Benson Electric Company	\$204.00
10175	5/14/2021	BILLPMT	Best Oil Company	\$7,075.80
10176	5/14/2021	BILLPMT	Bodin, Joelle	\$1.00
10177	5/14/2021	BILLPMT	Bodin, Joelle	\$60.00
10178	5/14/2021	BILLPMT	CDW Government	\$216.14
10179	5/14/2021	BILLPMT	Century Link	\$334.88
10180	5/14/2021	BILLPMT	City Of Duluth Comfort Systems	\$18.93
10181	5/14/2021	BILLPMT	City of Duluth-Life Safety Division-Fire Departm	\$75.00
10182	5/14/2021	BILLPMT	Curtis Oil & Propane	\$750.02
10183	5/14/2021	BILLPMT	Duluth Area Chamber Of Commerce	\$245.58
10184	5/14/2021	BILLPMT	Essentia Health	\$293.00
10185	5/14/2021	BILLPMT	iFIDS.com Inc.	\$125.00
10186	5/14/2021	BILLPMT	Kayser, Jana	\$60.00
10187	5/14/2021	BILLPMT	Landrum and Brown, Incorporated	\$2,000.00
10188	5/14/2021	BILLPMT	Leon, Kathy	\$60.00
10189	5/14/2021	BILLPMT	Lyons, Kevin	\$204.53
10190	5/14/2021	BILLPMT	Marsden Building Maintenance	\$30.00
10191	5/14/2021	BILLPMT	Menards - Hermantown	\$443.40
10192	5/14/2021	BILLPMT	Menards - West Duluth	\$79.98
10193	5/14/2021	BILLPMT	Minnesota Pollution Control Agency	\$668.89
10194	5/14/2021	BILLPMT	Northern States Supply, Inc.	\$393.04
10195	5/14/2021	BILLPMT	Northern Tool & Equipment	\$34.95
10196	5/14/2021	BILLPMT	Papko, Mark	\$252.32
10197	5/14/2021	BILLPMT	Papko, Mark	\$60.00
10198	5/14/2021	BILLPMT	Peterson, Natalie	\$60.00
10199	5/14/2021	BILLPMT	Republic Parking System, LLC	\$1,100.00
10200	5/14/2021	BILLPMT	Sinnott, Paul	\$60.00
10201	5/14/2021	BILLPMT	Skyline	\$500.00
10202	5/14/2021	BILLPMT	Smith, Troy R	\$60.00
10203	5/14/2021	BILLPMT	Taylor, Dan	\$60.00
10204	5/14/2021	BILLPMT	Timm, Kenneth	\$60.00
10205	5/14/2021	BILLPMT	Twin Ports Pest and Lawn Management	\$329.00
10206	5/14/2021	BILLPMT	Wabrowetz, Steve	\$60.00
10207	5/14/2021	BILLPMT	Waste Management of WI-MN	\$3,520.92
10208	5/14/2021	BILLPMT	Welch, Ryan	\$60.00
10209	5/14/2021	BILLPMT	Werner, Thomas	\$60.00
10210	5/14/2021	BILLPMT	Wittkop, Mary Ann	\$60.00
Total				\$19,821.73



Airport Director

Airport Authority



City Treasury

Duluth Airport Authority
DAA Operating Check Register #19-2021
May 19, 2021

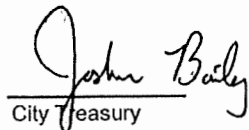
Document Number From 10216 To 10229

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10216	5/19/2021	BILLPMT	American Association Of Airport Executives	\$275.00
10217	5/19/2021	BILLPMT	Aramark	\$56.66
10218	5/19/2021	BILLPMT	Batteries Plus	\$53.98
10219	5/19/2021	BILLPMT	Benson Electric Company	\$255.00
10220	5/19/2021	BILLPMT	Citon	\$7,737.70
10221	5/19/2021	BILLPMT	City Of Duluth Comfort Systems	\$7,876.02
10222	5/19/2021	BILLPMT	Elite Tinting & Graphics	\$1,635.00
10223	5/19/2021	BILLPMT	Jamar Company	\$7,675.00
10224	5/19/2021	BILLPMT	Kraemer Construction, Inc.	\$150.00
10225	5/19/2021	BILLPMT	Menards - Hermantown	\$483.92
10226	5/19/2021	BILLPMT	NAPA Auto Parts	\$1,014.75
10227	5/19/2021	BILLPMT	Pomp's Tire Service, Inc.	\$958.08
10228	5/19/2021	BILLPMT	Spectrum Business	\$150.48
10229	5/19/2021	BILLPMT	Swim Creative	\$3,200.00
				<u>\$31,521.59</u>
			Void check #10176 dated 5/14/2021	\$ (1.00)
			Total	<u>\$31,520.59</u>



Airport Director

 Airport Authority



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Duluth Airport Authority
DAA Operating Check Register #20-2021
May 27, 2021

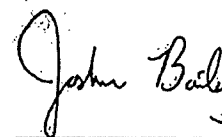
Document Number 10230 To 10256

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10230	5/28/2021	BILLPMT	ADB SAFEGATE	\$1,656.35
10231	5/28/2021	BILLPMT	Aramark	\$210.22
10232	5/28/2021	BILLPMT	Batteries Plus	\$1,949.18
10233	5/28/2021	BILLPMT	Benson Electric Company	\$102.00
10234	5/28/2021	BILLPMT	Citon	\$17,121.76
10235	5/28/2021	BILLPMT	Como Lube & Supplies	\$987.25
10236	5/28/2021	BILLPMT	Cummins NPower	\$1,412.69
10237	5/28/2021	BILLPMT	Dalco	\$651.40
10238	5/28/2021	BILLPMT	Denny's Lawn And Garden	\$175.50
10239	5/28/2021	BILLPMT	iFIDS.com Inc.	\$125.00
10240	5/28/2021	BILLPMT	Jamar Company	\$1,552.00
10241	5/28/2021	BILLPMT	Johnson Controls	\$2,652.40
10242	5/28/2021	BILLPMT	Marsh & McLennan Agency LLC	\$1,048.00
10243	5/28/2021	BILLPMT	Menards - Hermantown	\$46.87
10244	5/28/2021	BILLPMT	Menards - West Duluth	\$45.98
10245	5/28/2021	BILLPMT	Metro Sales, Inc.	\$346.65
10246	5/28/2021	BILLPMT	NAPA Auto Parts	\$1,892.98
10247	5/28/2021	BILLPMT	Northern States Supply, Inc.	\$46.51
10248	5/28/2021	BILLPMT	Northland	\$5,300.00
10249	5/28/2021	BILLPMT	Peterson, Natalie	\$39.35
10250	5/28/2021	BILLPMT	Schindler Elevator Corp	\$1,307.46
10251	5/28/2021	BILLPMT	Shel/Don Group Inc.	\$65.76
10252	5/28/2021	BILLPMT	St. Joseph Equipment Inc.	\$136.95
10253	5/28/2021	BILLPMT	Transportation Security Clearinghouse	\$1,200.00
10254	5/28/2021	BILLPMT	VFW Post 3979	\$254.83
10255	5/27/2021	CHK	WF Bus Payment Processing - Joelle	\$2,822.32
10256	5/28/2021	CHK	WF Bus Payment Processing - Tom	\$253.68
Total				\$43,403.09



Airport Director

 Airport Authority



City Treasury

**Duluth Airport Authority
DAA Operating Check Register #21-2021
June 4, 2021**

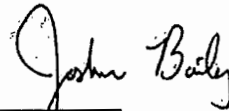
Document Number From 10257 To 10271

Document Number	Date	Transaction Type	Payee	Amount
10257	6/4/2021	BILLPMT	Aramark	\$104.40
10258	6/4/2021	BILLPMT	Auto Value Duluth Paint and Body	\$90.80
10259	6/4/2021	BILLPMT	Chandler, Daniel	\$39.00
10260	6/4/2021	BILLPMT	Citon	\$1,216.70
10261	6/4/2021	BILLPMT	Dalco	\$944.98
10262	6/4/2021	BILLPMT	Grainger	\$1,034.12
10263	6/4/2021	BILLPMT	Guardian Pest Solutions	\$175.25
10264	6/4/2021	BILLPMT	Inter City Oil (ICO)	\$53.02
10265	6/4/2021	BILLPMT	Marsden Building Maintenance	\$16,389.36
10266	6/4/2021	BILLPMT	Menards - Hermantown	\$42.61
10267	6/4/2021	BILLPMT	NAPA Auto Parts	\$426.66
10268	6/4/2021	BILLPMT	Nextera Communications	\$1,260.26
10269	6/4/2021	BILLPMT	Pomp's Tire Service, Inc.	\$20,565.68
10270	6/4/2021	BILLPMT	PurCo Fleet Services, Inc	\$1,454.76
10271	6/4/2021	BILLPMT	Sam's Club	\$437.88
Total				<u>\$44,235.48</u>



Airport Director

Airport Authority



City Treasury

Duluth Airport Authority
DAA Construction Check Register #5-2021
May 19, 2021

Document Number From 10211 To 10215

Document #	Date	Transaction Type	Payee	Amount
10211	5/19/2021	BILLPMT	1 A.W. Kuettel & Son's, Inc.	\$18,980.05
10212	5/19/2021	BILLPMT	1 MediaUSA Advertising Inc	\$500.00
10213	5/19/2021	BILLPMT	1 Neo Electrical Solutions	\$27,816.00
10214	5/19/2021	BILLPMT	1 Short Elliott Hendrickson	\$42,477.62
10215	5/19/2021	BILLPMT	1 Swim Creative	\$14,608.72
Total				<u>\$104,382.39</u>

Airport Director



City Treasury

~~IV~~A

Mary Ann Wittkop

From: Dwight Morrison <dmorrisn2@yahoo.com>
Sent: Sunday, May 23, 2021 1:39 PM
To: DAA
Subject: Fw: Follow-up of 3 Page FAA letter - June 15th deadline
Attachments: DAAclear2021.pdf; StudyRev2021 CCEC.pdf

----- Forwarded Message -----

From: Dwight Morrison <dmorrisn2@yahoo.com>
To: Tom Werner <twerner@duluthairport.com>
Cc: Faye Topliff <rdtopliff@msn.com>
Sent: Sunday, May 23, 2021, 1:37:15 PM CDT
Subject: Follow-up of 3 Page FAA letter - June 15th deadline

Dear Tom:

Thank you for the 3 page letter describing your fine ability in completing the FAA 150 Noise Study at the Duluth Airport. We at the C.C.E.C. did hope that the FAA study process would result in a plan to reduce airport noise in Duluth. As the FAA Noise Study contractor's report indicated, 'no abatement' of airport noise was the result of the study! The FAA 150 Noise Study did give the DAA the information needed to unlock future 'insulation' and 'purchase' funding from the FAA. The FAA 150 Noise Study did not reduce aircraft noise at the Duluth Airport, which is the actual mandate from the law that supports the FAA study and its actions. It appears that the FAA is again throwing money at the problem in the form of 'insulation' and 'purchase' dollars, in place of working to study how to reduce the noise (abatement) at the source - the Duluth Airport!

We requested the original public information on the Noise Study Contract in Duluth, because of our lack of involvement in that process. We question the competency of the FAA 150 Noise Study Contractor that was selected by the FAA! It does seem that a competent contractor would be able to at least analyze and show data to find some answers to the noise issues. We also request the public information on the list of who the participants of the first PAC Meeting were, and their affiliation. We have described the 1st Meeting of the study as inadequate, in that it did not fairly represent the citizens affected by noise around the Duluth Airport. Documentation of the list of participants and their affiliation should clearly show any bias that may exist!

Please find a 'Review Clarification' of our CCEC 150 Study Review (DAAclear2021.pdf) that has been attached, and the complete original 'Study Review' (StudyRev2021CCEC.pdf). We have tried to add appropriate descriptions of the 8 areas of potential airport 'noise' reductions that the contractor should have provided. The other CCEC 'Abatement Suggestion' was related to the homes impacted by the 65 dBA contour that are to the North of the main runway. These homes may be avoided by elimination of any northern 'close in' turn of the 'flight track' and 'departure profile'. This should be included in any competent study of departures and touch-and-go flights.

Thanks for this opportunity to provide our C.C.E.C. thoughts on the 2021 FAA 150 Noise Study.

Dwight Morrison, CCEC (Attached - 'DAAclear2021.pdf' & 'StudyReview2021CCEC.pdf')



FAA 150 NOISE STUDY REVIEW

By: Dwight Morrison, C.C.E.C. Cochair

PART 1: STUDY and LITERATURE REVIEW

Study Goal is Mitigation: The completion of the FAA 150 Duluth Noise Study is something that the Citizens Committee for Environmental Concerns (C.C.E.C.), has viewed as leading to noise reduction at the Duluth Airport. The Noise Study stated goal in the FAA literature was to deliver Abatement to Duluth Airport noise. But, the DAA and its director did make it clear a number of times that the Duluth study was to “reduce the impacts of noise (i.e. Mitigation) from existing aircraft operations on incompatible land uses within the 65+ DNL contour” (Feb. 17, 2021 DAA letter). Citizens looked for reduction of the noise from the Duluth Airport, while the DAA looked to insulate citizens homes or to have citizens move because of their “incompatible land use”.

Our FAA 150 noise study Review calls attention to this DAA goal difference by the published results (Noise Compatibility Program Recommendations, Feb. 17, 2021) that dedicate six lines of content to ‘no Abatement’, and rest of the NCP (17+ pages of the Noise Compatibility Program) to ‘incompatible land use’ and associated costs. In Duluth we are provided via the FAA Noise Compatibility Program with no ‘Abatement’ options, and no noise reduction at the source.

FAA Noise Study Review: The FAA Noise Study Results were reviewed using a 15 year university research background (Dwight Morrison, U.M.D./U.M. 1980-1995) in Statistics and meta-research. Results were reviewed for relevant data on the independent variables - 1) Helicopter Flights, 2) Commercial Flights, 3) Military Flights, 4) C130 touch-and-go Flights, 5) Civilian flights, and 6) Engine Run-ups. The variables were aggregated by the FAA statistic modeling procedure that produced a graphic of noise contours on the Duluth Airport Plan.

Literature Review: The first step in any research on airport noise is to undertake a review of the published literature to determine the nature, complexity, and prior results of noise studies. While the FAA has published multiple studies on the noise issue, these are usually negated by understanding that these are biased by the funding agency - the Federal Aeronautics Administration (FAA). There is an ongoing study requirement the the FAA Bias be listed in those studies.

There are a number of less 'aircraft bias' studies completed by airports and other groups that call attention to the value of using noise Abatement procedures. While most of these studies are highly technical in nature involving 'landing and take-off profiles and flight tracks, most describe the need to reduce noise at the source (Abatement). Even many of the FAA studies completed over many years make regular use of noise Abatement procedures to help reduce airport noise at the source.

An exceptionally valuable meta-analysis (multiple study analysis) of Airport Noise was found in the literature - "Aviation Noise Impacts: State of the Science" by Basner, Clark, and Sparrow (2017):

- * Human responses were "largest effects of age, fear, and noise sensitivity"
- * noise "annoyance response has increased over the years"
- * **In noise studies the "priority is given to noise produced at the source"**
- * Noise exposure at home and school - "is associated with poor reading and memory skill"
- * Significant airport noise effect is "noise induced sleep disturbance"
- * Studies Found - "association between aircraft noise and hypertension"
- * Statistics show - "10 db increase in noise is associated with 28% increase in anxiety"
- * Concluded that - "the protection of population (from noise) is necessary"
- * Studies found that "the best mitigation is noise reduction at the source"

Duluth FAA Study Background: The recent Duluth FAA 150 Noise Study review looked at the effects of independent variables (i.e. , that are grouped statistically for the AEDT Statistic Modeling. The FAA AEDT modeling procedure used measures of the six variables - 1) Runways - length 2) Number of flights, 3) Aircraft - type / info. 4) Time - of flight, 5) Runway Frequency Use, 6) Routes - arrival / departure , and 7) Actual Departure Profile - length / etc.. The modeling produced a line graphic showing the 65 db contours on the Airport plan, which is use in determining 'incompatible land use'. Then, Noise effected properties (homes, businesses, etc.) could be targeted for insulation, purchase, or removal because they reside inside this FAA 150 modeled 65 db contour.

Noise Compatibility Program Recommendations: FAA 150 Noise Study Recommendations were presented to the PAC (Planning Advisory Meeting) and documented in the Feb. 17 report titled - Noise Compatibility Program Recommendations. The study made recommendations for no Abatement of noise at its source in Duluth on one page, and then presented many options (rest of the report) on way to reduce (Mitigate) the noise effects by dealing with 'incompatible land use' around the airport. This finding of 'no Abatement' is inconsistent with multiple airports use of Abatement procedures (i.e. - Departure and landing Profile changes, and flight track modification) to reduce the noise levels at the source. They also include Mitigation procedures as part of an overall way to deal with airport noise.

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PART 2: DOCUMENTED ABATEMENT PROCEDURES NEEDED

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Study Published Results (Feb. 17, 2021) : FAA 150 noise study 'Published Results' do not support the conclusion of 'no Abatement' is possible at the Duluth Airport. The Actual lack of supporting data in the 'Published Results of Feb. 17, 2021' provides no support to the 'no abatement' conclusion ! The study researchers stated publicly that they have studied the result of change in Independent variables, but they claim that no significant result (s) were seen. Because the study is done as an official FAA 150 Study, citizens are expected to accept the unsupported statements of the study researchers.

Below we have documented this lack of specific testing by the FAA 150 Noise Study:

- 1) Flight Track Modifications: The C.C.E.C. looked for some analysis of changes in the 'flight tracks' to deal directly with noise like most American Airports. We can only conclude that that 'Flight Track Changes' need to be analyzed to provide for noise 'Abatement' in Duluth.
- 2) Runway Use Modifications: The C.C.E.C. does not have expertise to make recommendations.
- 3) Decent Profile (Change): 'Decent Profile data needs to be considered for study and change!
- 4) Departure Profile (Close In): The departure noise is likely the most significant concern at airports across the country, and is a major input to the FAA modeling process! Change of the 'departure profile' can move noise higher elevation - sooner. This Close-In profile change needs be studied as it is commonly used as an Abatement alternative at most airports (i.e. Minneapolis, Boston,etc.) .

5) Departure Profile (Far out): The far-out departure profile can project noise on areas not normally considered initially. This 'far out' noise needs to be considered in any noise study!

6) Runway 3/21 Extension: The extension of North/South runway (3/21) as a possible way to move noise away from the sides/ends of the existing heavily used East/West runway. The noise study needs to show the data on what change in noise that the runway 3/21 extension can make.

7) Noise Barriers: This run-up noise can be easily dealt with by local burms. We need to put numbers to run-up concerns!

8) Airport Flight Restrictions: By the negative comments during study discussions, we assume nothing has been considered! Some C130 Flight Restrictrions need study, on this important 'abatement' issue.

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PART 3: C.C.E.C. ABATEMENT SUGGESTIONS (Requested)

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The C.C.E.C. was requested in a DAA letter of February 17th to generate some untested Abatement ideas that might be considered for study. Based on our over 50 years of noise study experience, we would like the 2020 FAA 150 Noise study to consider the following:

1) Study Data Needed to justify 'no abatement' Recommendation

The lack of any 'abatement' data suggests that this approach to noise reduction was given little credibility (and time) by the FAA 150 Study. The FAA 150 noise study did give a verbal report on the 'no abatement' recommendation, where they claim without supporting proof - that resulted in no value to the change. This is questionable because all airports utilize changes in flight routes and landing / take-off profiles regularly to help with noise reduction. When the final report gives so much of the content to 'Mediation' with attached dollar values, we can only assume that the DAA is getting exactly with they wanted from the 150 study. **The C.C.E.C. requests that study data be provided to show the lack of significant results from 'abatement' of noise at the source!**

2) Percent (%) Attribution of Each of 6 Variables

The lack of any 'abatement' data provided by the study actually leads to the question of if all the variables were actually and accurately included in the FAA 150 Noise Study. Real research studies usually determine what percent each of the variables (i.e. - Helicopters, Commercial, Military Jets, C130, Civilian, and Engine Run-ups) contribute to the study results. We have found extensive

efforts by the military to deal with jet noise by their own noise study and noise control Workbook. They obviously realize they are a major contributor to airport noise in Duluth, but have taken the citizens concerns seriously and tried to deal with the problem! Their flight data (Military Jets) is included in the FAA 150 noise study, but the same can not be said for the inclusion all the variables.

The C.C.E.C. recommends that each of the six variables be reviewed as to the percent (%) attribution to the total noise at Duluth Airport, and determine if they have been included and documented by the study data.

3) Noise Contour(s) do not appear normal:

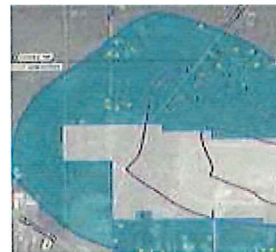
The lack of any 'abatement' data has severely limited our review of the FAA 150 Noise Study. We did compare the 2020 Study noise contours to the ANG past contours, and find the latest contours appear to represent a reduction in the noise. As the military noise is well documented and the same jets (F 16s) are used, we question how the smaller noise contours resulted.

We also have observed that the noise contours are distorted to the north in place of directly off the end of the runway. As the military jets go "straight out" and do not turn until they are at height, we are concerned as to what variable (flight track) is causing this northern contour distortion.



Minneapolis Contour (Straight Out)

North ^



Duluth (Skewed to the North)

Change of this variable will surely move the noise contour off the end of the runway, and reduce the number of effected homes to the north of the runway. **C.C.E.C. recommends that each of the variables other than the military, be reviewed as to their turn north close-in at Duluth.**

4) Covid 19 Accommodation Statement Required:

The lack of any actual 2020 data about the reality of decreased air travel makes the future of air travel in Duluth into an unknown. What does the future hold for air travel in Minnesota and Duluth, when the CDC is recommending no travel as long as the Covid 19 Epidemic is killing thousands of Americans every day. **The C.C.E.C. recommends that the D.A.A. consider some reasonable noise Abatement that can represent the air travel growth in Duluth due to Covid 19 limits.**

5) Overall C.C.E.C. Maximum Noise Levels Measured

We have not found an American Airport that has skipped the Abatement process in our review. Many of the airports we reviewed have looked at the 'maximum levels' (i.e. peak noise measure) that cause physical and mental harm to the citizens. As the Meta studies have indicated, High noise levels cause physical harm. This is quite different from the FAA 150 Study that finds the average level represented by the 65 dBA level contours (and other contours) that point to citizens in a danger zone. 'Peak noise measurement' is used in the U.S. to measure noise levels that cause permanent harm (i.e. OSHA. and MPCA). As the maximum levels do appear on the actual 'noise monitoring', we would like to set in place actual noise monitoring at the end of runways similar to other concerned airports. **C.C.E.C. recommends maximum noise levels be below the OSHA (80 db) or the MPCA (90 db) thresholds by monitoring noise levels at the ends of runways !**

=====

Dwight Morrison, C.C.E.C. Co-chair

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REVIEW CLARIFICATION

D. Morrison, C.C.E.C, 5/21/2012

1) Flight Track Modifications: The C.C.E.C. looked for some analysis of changes in the 'flight tracks' of the Aircraft using the Duluth Airport, in place of the catch-all phrase -"no recommended noise abatement measures". Each 'flight Track' Change can be analyzed to provide both 'before' and 'after' conditions for contours at the Duluth Airport. Instead, we found graphics showing all possible flight tracks into and out of the airport. It was colorful, but did little to analyze the issue. FAA data is available to show the detailed 'flight tracks' for the actual time of the study (2018 / 2019), to make actual 'flight track' changes to study.

2) Runway Use Modifications: The C.C.E.C. does not have the expertise to make recommendations in this area. The local tower people might provide some insight to be considered on this issue.

3) Descent Profile (Change): The C.C.E.C. looked hard for the 'Descent Profile' data to show the 150 Study actually looked at this change. Nothing supporting the 'no Abatement' statement is provided for the Duluth Airport. Once the 'descent profile' is determined for each Aircraft type, then the profile can be modified to reduce the noise at the Duluth Airport.

4) Departure Profile (Close In): Departure jet noise is the most significant concern at airports across the country. This is also a major input to the FAA modeling process, so that any change can show noise reduction (and contour change). The real Change of the 'departure profile' can move noise higher - sooner. The focus on reduced thrust departures has been well documented as a noise abatement alternative in most airports.

5) Departure Profile (Far out): Evidence shows that most noise complaints come from outside of the 65 dBA contour line. This is also true for the Duluth Airport, though the Duluth DAA does not have a complaint line to verify this. A complaint line like the one at MSP (Minneapolis) can easily provide this information. The far-out 'departure profile' can project noise on areas not

normally exposed to airplane noise and studied. 'Far out' noise needs to be considered in any noise study! It appears that there are a number of far-out noise complaints of military flights that may shed some light on the 'far-out' departure noise at the Duluth. Airport. Looking at this 'far out' complaint information may provide some answers.

6) Runway 3/21 Extension: The extension of North /South runway (3/21) is a way to move noise away from the sides and ends of the existing heavily used East / West runway. This noise study can show the data on what change in noise that the runway 3/21 extension can make. The extension of 3/21 to the north could move the south end of 3/21 away from Highway 53. This move to the north would take the noise away from Hermantown residences, and does needs to be included in the FAA 150 Noise Study!

7) Noise Barriers: The run-up noise from jets can be severe, yet the FAA 150 Noise Study does not appear to consider this at all. A local earth berm to deflect loud jet noise away from buildings and people is important. We have had DAA meetings that we attended that were shut down by jet noise! We have measured run-up noise at the Miller Mall at over 100 dBA (iPhone) for over five minutes, so it can be a significant cause of Duluth Airport noise. The FAA 150 Study needs to put numbers to run-up noise concerns.

8) Airport Flight Restrictions: Citizens impacted by Duluth Airport noise have have bad experience with night landings by large jet flights in the past. The airport has proposed efforts to be a maintenance stop for these trans-continental flights. The issue of elimination of noisy night landings appears as an important 'flight restriction' issue in Duluth. Other airports have monitored the maximum noise levels at the ends of runways, in order to respond to high noise levels and possible restrictions. This study has presently succeeded in avoiding possible flight restrictions by the threat of a further 160 study - which the FAA claims has not been done. 'Flight Restrictions' may be required to control future noise abatement issues in Duluth.



Biden Administration Releases FY22 Budget Request

May 28, 2021

The Biden Administration today released a \$6 trillion budget request for Fiscal Year 2022 that proposes funding for a long list of airport-related initiatives in the Departments of Transportation and Homeland Security. While the adage that the President proposes and the Congress disposes will undoubtedly prove true with regard to the upcoming budget process, today's action will help guide Democratic lawmakers as they put together their annual appropriations bills and prepare to move on a massive infrastructure package.

As expected, the DOT portion of the administration's budget request proposes \$3.35 billion for the traditional Airport Improvement Program and no supplemental funding for airport infrastructure projects outside of its infrastructure plan. However, the lack of supplemental funds is more of an inside baseball budget move rather than a reflection of the administration's commitment to airports.

To the contrary, the budget request highlights the White House proposal to dramatically increase funding for airports in its infrastructure plan, which currently stands at \$1.7 trillion. The American Jobs Plan proposes an additional \$25 billion for aviation including \$10 billion for AIP and \$10 billion for terminal projects. The White House indicates that its plan will "make our airports the best in the world."

On the DHS front, the White House keeps overall homeland security funding flat. However, on a positive note, the Biden Administration does not propose shifting federal responsibilities for law enforcement officer reimbursements or staffing exit lanes on to airport operators as previous budget proposals did.

Department of Transportation

Federal Aviation Administration

Overall Funding: The administration's FY22 budget request includes approximately \$18.5 billion for the FAA in FY22 – a \$488 million increase before factoring in the proposed funding levels contained in the American Jobs Plan.

Airport Improvement Program

Traditional AIP Funding: The administration is proposing \$3.35 billion for the traditional Airport Improvement Program in FY22 – the same as the current funding level. Of that amount, \$127.2 million would go toward personnel costs, \$15 million for the Airport Cooperative Research Program, and almost \$41 million for Airport Technology Research.

Supplemental AIP Funding: As we indicated [last month](#) when the administration released its “skinny” [discretionary request](#) for FY22, the White House is proposing to zero out \$2.9 billion in general fund transfers for transportation that Congress approved as part of the FY21 budget. Lawmakers relied on those transfers to “plus-up” AIP by \$400 million and to increase funding for highways and transit by \$2.5 billion in FY21.

Infrastructure Funding

The administration's budget request highlights and elaborates on the American Jobs Plan. The White House infrastructure plan “proposes to boost investment in our airports and National Airspace System (NAS) by \$25 billion, including a \$10 billion increase in funding for the Airport Improvement Program, \$5 billion in additional upgrades to NAS assets that ensure safe and efficient air travel, and a new \$10 billion program to support terminal renovations and multimodal connections for affordable, convenient, car-free access to air travel.”

Budget documents indicate that the \$25 billion proposed in the American Jobs Plan would be spread out over five years: \$5.5 billion in FY22, \$5.5 billion in FY23, \$4.5 billion in FY24, \$4.5 billion in FY25 and \$5 billion in FY26.

Additional AIP Funding: The administration indicates that its plan to increase AIP funding by \$10 billion “will boost funding to the Airport Improvement program to fund projects that electrify equipment, reduce airport emissions, mitigate noise pollution, and provide other benefits to surrounding communities.”

Airport Terminal Renovation Grants Program: The American Jobs Plan includes another \$10 billion for a new airport terminal renovation grants program. A summary of the FY22 budget request indicates that the proposal would “establish a new competitive grant program for airport terminal redevelopment, including multimodal transportation connections.”

FAA National Airspace System Facilities: This administration's infrastructure proposal also calls for \$5 billion to upgrade National Airspace Facilities. Budget documents say the plan “would replace and modernize aging Federal Aviation Administration facilities and equipment that directly support National Airspace System operations.”

Funding for Other FAA Programs

Operations: The White House proposal includes more than \$11.4 billion for FAA operations -- almost \$372 million above the current level. Under the administration's plan, \$8.434 billion of that amount would come from the Airport and Airway Trust Fund.

Facilities and Equipment: The administration is proposing to increase funding for FAA Facilities and Equipment to slightly more than \$3.4 billion in FY22 -- \$395 million more than the current level.

Of that amount, \$1 billion would go toward improving "the condition of FAA facilities and ensure that the systems and the staff housed within them remain safe and operational." Another \$321 million would be used to replace "10 air traffic control facilities serving terminal airspace."

Research, Engineering, and Development: The White House is proposing to increase funding for the FAA's Research, Engineering, and Development account by \$60.5 million to \$258.5 million in FY22.

Small Community Programs

Contract Towers: The administration's budget does not include a specific requested funding amount for the Contract Tower Program. The final FY21 spending bill included \$172.8 million in dedicated funding for the Contract Tower and Contract Tower Cost-Share programs, and we're proposing to increase that amount to \$178 million in FY22.

Essential Air Service: The administration's budget request includes \$247.7 million in appropriated funds for the EAS program -- up from the current level of \$141.7 million. Coupled with an estimated \$116 million from overflight fees, the overall funding level for EAS would be approximately \$364 million in FY22. If enacted into law, the White House plan would increase overall EAS funding by approximately \$68 million.

Small Community Air Service Development: The administration is not requesting funds for the Small Community Air Service Development Program in FY22. Funding for the program has come from the AIP account in previous years.

Unmanned Aircraft Systems

UAS Integration: The budget request includes \$23.1 million to "safely integrate UAS into our Nation's busy airspace system."

UAS Traffic Management System: The administration is requesting \$59.3 million to "continue the development and deployment of the automated UAS Traffic Management system."

UAS Research: The administration is also proposing \$22 million from FAA's research account for UAS. According to budget documents that funding will be used, in part, to continue research "aimed at developing detect-and-avoid performance standards to enable beyond visual line of sight operations."

Miscellaneous

NextGen: The administration's budget request includes \$1 trillion for NextGen.

Commercial Space: The FY22 budget request includes \$3.7 million for “more staffing in the Office of Commercial Space Transportation to support the anticipated growth within the commercial space transportation industry.”

Community Noise Engagement: The administration is requesting \$7.6 million “to increase the FAA’s engagement with communities expressing concern over aircraft noise.”

Alternative Fuels: The administration’s budget request includes \$5 million “to support continuing research, analyses and tests leading to the replacement of leaded aviation gasoline with a high-octane safe unleaded alternative that reduces the impact of general aviation operations.”

Sustainable Aviation Fuel/Research: The White House is proposing \$50 million to accelerate research “in the areas of sustainable fuels for jet engines, unleaded fuel alternatives for piston-engine aircraft, and low-noise/low-emissions aircraft technologies, including electric propulsion.”

Sustainable Aviation Fuel/Tax Credit: The administration calls for “a production tax credit of \$1.50 per gallon for sustainable aviation fuel that achieves at least a 50 percent reduction in emissions relative to conventional jet fuel. The credit would be offered for fuel produced after December 31, 2021 and before January 1, 2028. A supplementary credit of up to \$0.25 per gallon would be available on a sliding scale depending on the emissions reduction relative to conventional jet fuel. The emissions reduction certification amount would be \$0.01 for every two percentage points above the 50 percent reduction baseline. Sustainable aviation fuel with a 50 percent emissions reduction relative to conventional fuel would receive a \$1.50 per gallon credit, while fuel with a 100 percent emissions reduction would receive a \$1.75 per gallon credit.”

Related Information

- DOT [Press Release](#).
- DOT [Budget in Brief Highlights](#).
- DOT [Budget Appendix](#).

Department of Homeland Security

The administration is proposing a discretionary budget of \$54.2 billion for the Department of Homeland Security in FY22, including funding for the Transportation Security Administration and U.S. Customs and Border Protection. The request is essentially the same level that was provided in the final FY21 spending bill before accounting for the cancellation of \$2 billion in prior-year border wall funding that remains unspent. After factoring in those rescissions, proposed total funding for DHS is 4.1 percent below FY21.

Transportation Security Administration

The administration is proposing a total discretionary appropriation of \$8.26 billion (excluding fees) to support TSA, which is \$307 million above the FY21 enacted level. This funding level does not assume any increase in the aviation passenger user fee as the previous administration repeatedly recommended. After factoring out fees, TSA’s net discretionary appropriations request is \$5.9 billion.

Law Enforcement Officer (LEO) Reimbursement Grants: The budget recommends \$46.4 million for LEO reimbursement grants instead of proposing to shift these costs on to airports, like the previous administration had suggested.

TSA Staffing of Exit Lanes: The budget does not shift the responsibility of monitoring exit lanes on to airports. Instead, the budget retains statutory language that prohibits TSA from abrogating its responsibility to monitor airport exit lanes from the sterile area of the airport at those locations where TSA monitored them on December 1, 2013.

Transportation Security Officers (TSOs): In total, the budget recommends \$3.68 billion for TSO staffing but reduces the overall number of TSOs by 1,505 in FY22. According to budget documents, TSA hiring was limited in 2020 as a result of the pandemic, and TSO staffing levels were subsequently reduced through natural attrition. While TSA has been increasing staffing levels in FY21, the agency predicts that passenger volume levels will be similar to what was experienced in 2018, which will necessitate a realignment of the number of full and part-time TSOs needed to handle this projected level.

In addition, the budget recommends \$47.6 million to provide TSOs with predictable, annual pay increases as well as other efforts to attract, build and inspire the workforce and \$14 million to partially subsidize full-time health insurance benefit premiums for part-time TSOs, a practice that was discontinued in 2019.

Insider Threat Program: The budget includes \$27.1 million and 334 new positions to deter, detect, and mitigate insider threats from individuals that have access and/or insider knowledge that allows them to exploit vulnerabilities of the nation's transportation system with the intent to cause harm. With this funding, select TSO staff will focus specifically on mitigating the threat at airports nationwide. Previously this had been a collateral duty. The funding will also assist with developing "a more formalized and consolidated enterprise-wide approach to consistently address insider threat and risk matters."

Aviation Passenger Security Fee: As a result of the COVID-19 pandemic and the significant decrease in passenger enplanements, TSA collected significant less in fee revenue in 2020 and 2021 to date than in previous years. The agency currently projects that passenger volume will return to 2.2 million passengers daily — or to FY18 levels — in FY22. Fee projections reflect collections at that level, and the budget does not propose to increase the aviation passenger security fee as the previous administration recommended.

Checkpoint Property Screening System (CPSS): The budget proposes \$104.5 million to procure and deploy 126 computed tomography (CT) systems to enhance the effectiveness of equipment used to screen carry-on baggage and to meet current and emerging threats. Half of Checkpoint Property Screening System (CPSS) CT systems will be mid-sized, and half will be full-sized, although the quantity and configuration may change based on airport needs and final contract award pricing.

Checked Baggage Reimbursements: The budget requests \$30 million to reimburse airports for prior baggage system upgrades.

Credential Authentication Technology (CAT): The budget requests \$4 million to accelerate the purchase and deployment of 100 additional CAT-2 units (also known as CAT with camera) or to

purchase 200 upgrade kits that will convert baseline CAT units already in the field to CAT-2s. The CAT-2 systems utilize a matching algorithm that scans the traveler's photo on their identity document and takes a real-time photo of the traveler to verify their identity and to better detect fraudulent documents.

Threats from Unmanned Aircraft Systems: In total, the budget requests \$7.8 million to support TSA's counter unmanned aircraft systems (C-UAS) program, including the test bed at Miami International airport and 28 positions to lead the Federal response to a persistent disruption of airport operations from a UAS.

Mobile Driver's License: The budget requests \$4.25 million for a new mobile driver's license initiative. Because TSA is not currently able to ingest data from or authenticate a digital identity, these funds will be used to conduct research, to develop ways to build out the agency's digital identity capability, and to pilot test CAT with a digital ID reader capability at multiple locations.

Screening Partnership Program (SPP): The budget proposes \$231 million for the 22 SPP airports, which is \$4.5 million above than the amount provided in the final FY21 spending bill.

Customs and Border Protection

In total, the administration is proposing \$14.6 billion in net discretionary funding for CBP to strengthen border security, combat illicit drugs, and impede illegal border crossings, a decrease of \$281 million from the FY21 enacted level. Notable items include:

CBP Officers: The budget fully funds all CBP officers in both FY21 and FY22 even though the agency has seen a significant decline in user fee revenues from international air and sea travel due to the COVID-19 pandemic. Typically, these fees fund about 40-percent of CBP's officer cadre. The budget does not request funding for additional CBP officers to screen people and goods entering the United States.

Overtime: The per person overtime cap is \$45,000 in FY22, consistent with prior years' limitations.

Biometric Exit: The administration assumes remittance of \$30 million in new fees for biometric exit. Actual fee collections are 44 percent below original, pre-pandemic projections. The FY22 level reflects the dramatic decline in collections from various visas that support this program.

User Fees: Due to the impact of COVID-19, CBP user fee collections were "severely impacted." These fees typically account for about one-third of CBP's annual funding and collection estimates have been greatly reduced for FY22. In the final FY21 spending bill, Congress provided \$840 million to offset the decline in two CBP user fees — the Immigration Inspection User Fee (IUF) and Consolidated Omnibus Budget Reconciliation Act (COBRA) fee. In this budget request, CBP states it "will continue to monitor fee projections as real-world impacts of COVID-19 continue to evolve" but does not ask Congress for additional appropriations to offset this potential shortfall.

Related Information

- DHS [Press Release](#).
- DHS [Budget in Brief Highlights](#).

- DHS [Budget Appendix](#).

Environmental Protection Agency

PFAS: As we indicated previously, the administration's FY22 budget request addresses pollution caused by Per- and Polyfluoroalkyl Substances (PFAS). Its discretionary request includes approximately \$75 million "to accelerate toxicity studies and research to inform the regulatory development of designating PFAS as hazardous substances and setting enforceable limits for PFAS under the Safe Drinking Water Act." The proposed funding would also go towards "grants for technical assistance as State and local governments deal with PFAS contamination."

Related Information

- EPA [Press Release](#).
- EPA [Budget in Brief Highlights](#).
- EPA [Budget Appendix](#).



[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
[Jeremy Valcich](#), Director
[Andrew Pantino](#), Director

Mary Ann Wittkop

IV C

From: Don Monaco <donm@monacoairduluth.com>
Sent: Tuesday, June 1, 2021 6:03 AM
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: May, 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 May, 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 consider.

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

Respectfully submitted,

Don Monaco

President

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VI D

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Atlanta, GA 30354

Duluth International Airport
4701 Grinden Dr
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June 3, 2021

To whom it may concern,

This letter is meant to notify Duluth International Airport of the upcoming name change by Delta Global Services (DGS, DALGS) to **DAL Global Services (DGS, DALGS) dba Unifi**.

The impending name change is **NOT** a result of any changes in management or ownership and represents only a change in the name of the company. We do not expect any additional changes to your direct points of contacts or representatives at Unifi.

The changes at your station are expected to occur in June/July 2021 as we file our business licenses and work with our uniform manufacturer to complete this process.

We very much look forward to working with your station to reduce the impact this transition has on normal day-to-day activities.

Please feel free to forward this notification to other parties as necessary. If you, or any other parties, foresee any additional needs in order to complete this transition, please contact Eric Downey (ericdowney@unifiservice.com) at your earliest convenience.

Thank you,

Eric Downey

Vice President of Integration and Transformation

Unifi

DGS is becoming

UNIFI

DGS was contributed to a joint venture in December of 2018 and is now becoming an independent aviation services operator, DBA Unifi. The anticipated full rebrand will be complete by the end of 2021.

What is the legal name?

DAL Global Service, DBA Unifi

Who are the equity holders?

Delta Air Lines and AirCo Aviation

What does that mean for you?

We will only change the uniforms, badges, and GSE. Your current DGS leadership team and agents will remain the same and continue delivering exceptional service.

We would like to work closely with you to ensure a smooth transition, and we ask that you reach out to us directly with any questions or concerns. Please advise your station manager of COI, CBP bonds, real estate agreements, permits, etc. that need to be addressed during the rebranding process.

What do the uniforms look like?



Who do you contact for more info?

Eric Downey

VP of Transformation
ericdowney@unifiservice.com
(770) 815.5767

Joe Buschini

Project Manager - Integration
(772) 214.0413



VII A

Duluth Airport Authority Short Elliott Hendrickson Inc. (SEH) Work Order 2021-4 for Construction Administration, Observation, and Closeout for the Taxiway A Reconstruction – Phase 1 Project at the Duluth International Airport

Terms:

- Estimated start date of May 31, 2022
- Estimated end date of June 30, 2023

Agreement Overview:

This work order includes construction administration, observation, and closeout for the Taxiway A Reconstruction – Phase 1 project at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 1-20-2020) between the DAA and SEH remain in effect for this work order.

Background:

Taxiway A is the parallel taxiway for the main runway (Runway 9/27) serving the Duluth International Airport. The full taxiway is approximately 10,700 feet in length, and the taxiway width varies along its alignment. Most of the taxiway is 75 feet wide with no taxiway shoulders. The existing bituminous and concrete pavement has been in place since 1974 and the pavement condition is in fair to poor condition, requiring major rehabilitation. The reconstruction of Taxiway A will be completed in three or four phases, pending the result of the Airport Master Plan. Phase 1 will be the east end of the parallel taxiway, from the western edge of the runway safety area of Runway 3/21 near the Air Traffic Control Tower to the recently relocated and reconstructed Taxiway A5 in front of the terminal. Phase 1 will include approximately 1,800 feet of taxiway, 75 feet in width, with bituminous shoulders. The work will include drainage improvements and including potential storm structure repair or replacement. The apron area between the parallel taxiway and the newly constructed commercial service apron will also be reconstructed as part of this project. Additionally, new taxiway lighting will be installed, and the associated airfield lighting control system modified to match the installed lighting configuration.

This scope of engineering services includes construction administration services, construction observation, project closeout, as well as public outreach and project management. Construction is anticipated to take place in the summer of 2022.

Final design of FAA eligible areas is anticipated to be funded at 100 percent by the Federal Aviation Administration (FAA). The remaining areas are anticipated to be funded by the Air National Guard at 100 percent. The local contribution to the DAA is anticipated to be zero percent.

**WORK ORDER
No. 2021-4
Between**

The Duluth Airport Authority (DAA) (Owner) and
Short Elliott Hendrickson Inc. (SEH) (Consultant)

Dated: June 15, 2021

**TAXIWAY A RECONSTRUCTION – PHASE 1 (CONSTRUCTION ADMINISTRATION, OBSERVATION,
AND CLOSEOUT)
DULUTH INTERNATIONAL AIRPORT (DLH)**

This work order includes Construction Administration, Observation, and Closeout of the Taxiway A Reconstruction (Phase 1) at the Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 5-19-2020) between the DAA and SEH remain in effect for this work order.

Estimated start date is May 1, 2022; estimated end date is June 30, 2023.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$895,000.00. Schedule A is \$800,000.00 and is considered FAA eligible. Schedule B is \$95,000.00 and is considered FAA ineligible.

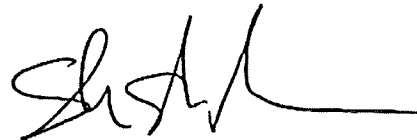
A description of the services to be provided is included in Attachments A. A detailed estimate of labor cost and expenses is included in Attachment B.

Point of Contact: Shawn McMahon, PE

APPROVED:

Duluth Airport Authority (DAA)

Short Elliott Hendrickson Inc.



Title: _____

Title: Principal _____

Date: _____

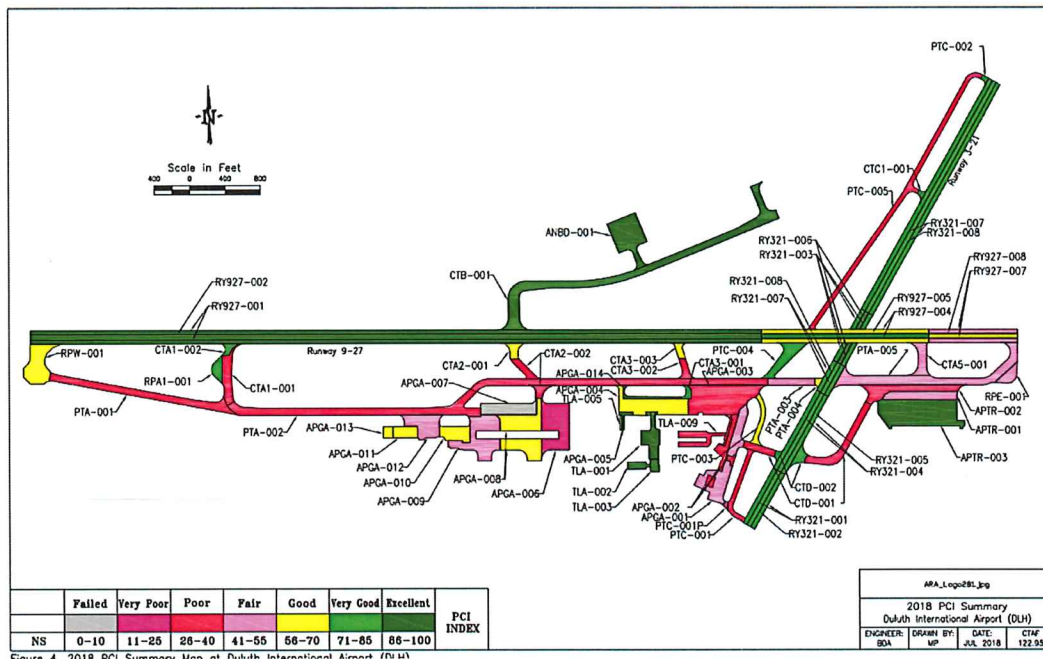
Date: June 15, 2021 _____

Title: _____

Date: _____

ATTACHMENT A-1
Duluth International Airport (DLH)
Duluth Airport Authority (DAA)
Taxiway A Reconstruction - Phase 1
Schedule A (FAA Eligible)
Scope of Work
(Construction Administration, Observation and Closeout)

Project Description –Taxiway A is the parallel taxiway for the main runway serving the Duluth International Airport. The existing bituminous and concrete pavement has been in place since 1974 and the pavement condition is in fair to poor condition, requiring major rehabilitation. The most recent Minnesota Department of Transportation (MNDOT) pavement condition assessment was completed in 2018 and recorded the following results.



The reconstruction of Taxiway will be completed in three or four phases, pending the final result of the Airport Master Plan. Phase 1 will be the east end of the parallel taxiway, from the western edge of the runway safety area to the recently completed relocated and reconstructed Taxiway A5. The areas included in Phase 1 using the MnDOT naming convention will include PTA-005, PTA-004, APTR-001, and APTR-002. Pavement distresses exhibited in the Phase 1 areas include concrete breaking, spalling, joint damage, shattered slab, raveling, longitudinal cracking and weathering.

Phase 1 will include approximately 1,800 feet of taxiway, 75 feet in width, with bituminous shoulders. The work will include drainage improvements, including potential storm structure repair or replacement. The apron area between the parallel taxiway and the newly constructed commercial service apron will be evaluated for reconstruction as part of this project. Additionally, new taxiway lighting will be installed, and the associated airfield lighting control system modified to match the installed lighting configuration.

This scope of engineering services includes construction administration, observation and project closeout services, as well as public outreach and project management. Construction is anticipated to take place in the summer of 2022, with a total working time of approximately 105 calendar days associated with two different phases of work. Preparatory work prior to the project and clean up and restoration work following substantial completion are expected to take one week for each.

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

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

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

This work scope includes:

Work Element 1: Construction Administration Services

Specific tasks included with this work element include:

- Task 1.1 – Scope Development** – SEH will develop the project scope to ensure that necessary aspects of the project are included. Scope development includes coordination with the Sponsor and FAA for scope review, preparation of the final scope, fee proposal development, and contract negotiations. As part of the scope development, SEH will coordinate and obtain scope and fee estimates for subconsultant work including quality assurance testing and electrical engineering services.
- Task 1.2 – Project Administration Services** – Office engineering staff, CAD personnel, and administrative staff will assist the construction project team as necessary during construction in response to requests for information, plan or specification clarifications, change orders and other issues that may arise. Other administrative tasks include project set up and invoicing, internal meetings (bi-weekly), progress reports, subconsultant coordination and contract management.
- Task 1.3 – Construction Management Plan (CMP)** – SEH will obtain the Contractor's Quality Control Plan (QCP) and complete a thorough review of the document for completeness. Any recommended revisions or updates will be submitted to the Contractor. Following review of the QCP, SEH will update the draft CMP by extracting data from the QCP and combining it with Sponsor and Engineer information for project responsibilities. A final CMP will be submitted to the Sponsor and FAA for approval.
- Task 1.4 – Preparation of Project Files** – SEH will develop construction contracts, review Contractor bonding information, and ensure that Sponsor insurance requirements have been met. SEH will coordinate routing and signature of the construction contracts by the DAA and the Contractor. Plans, contract documents, and technical specifications will be updated to include all addenda items issued during bidding. SEH will ensure that the Contractor is supplied with adequate copies of the construction plans and project manual.
- Task 1.5 – Establish Survey Control** – SEH will establish the necessary horizontal and vertical control for construction staking for the project. (The Contractor is required to provide the construction staking.)
- Task 1.6 – Wetland Determination Staking (Batch Plant and Contractor Storage Locations)** – Due to the presence of wetlands identified in the location of the construction areas, SEH will utilize the GPS coordinates gathered as part of the

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

Task 1.7 – Pre-Construction Activities – One (1) preconstruction meeting will be held in the spring of 2022 prior to construction.

- The purpose of the pre-construction meeting is to outline and discuss project requirements, administration procedures, airfield pavement surface closure procedures and requirements, schedules, project responsibilities and communication, Disadvantaged Business Enterprise (DBE) reporting, Contractor submittals, and other related MnDOT and FAA requirements, as necessary.

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

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

Task 1.9 – Permit Coordination – SEH will coordinate and review all applicable permits related to the project construction. These include, at a minimum, MPCA General Stormwater Permit for Construction Activity, City of Duluth Haul Route Permit, City of Duluth Erosion and Sediment Control Permit, City of Duluth Fill, and Excavation and Grading Permits.

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

Task 1.11 – Progress Meetings – Construction Progress Meetings will be held once a week while construction work is being performed on the airfield. The progress meetings will be attended by SEH staff, including the Project Manager, Professional Engineer, Resident Project Representative(s) (RPR) and other staff as needed or required. It is anticipated that 16 progress meetings will occur during construction activities, and will require inclusion of preparatory and meeting documentation work.

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

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

additional testing need to be accomplished, this will be coordinated with the Contractor who will be responsible for completion.

- Task 1.14 – Review of Quality Assurance Testing** – All quality assurance test results performed by the material testing subconsultant will be monitored on a daily basis and summarized by SEH. In the event of a failed test result, the Contractor will be required to take corrective action and a retest will be taken until passing results are achieved. SEH will review final quality assurance testing for compliance with the specifications. This will be conducted prior to submission to the FAA. Should any additional testing need to be accomplished, this will be coordinated with the subconsultant who will be responsible for completion.
- Task 1.15 – Review of Contractor Payroll Forms** – SEH will review weekly payroll reporting by the Contractor to ensure that wage rates comply with the requirements of the federal and state wage rates for the work being performed. The RPR will conduct compliance monitoring of the Contractor's Davis-Bacon Act and DBE contractual obligations, including recording the Contractor/subcontractor employees, type of work being completed, and conducting random interviews.
- Task 1.16 – Calculate Construction Quantities** – SEH will review quantities with the Contractor on a weekly basis. Any discrepancies or disagreements regarding completed quantities will be resolved in advance of any partial pay application process. Periodic cost estimates will be developed by SEH to ensure compliance with the overall project budget.
- Task 1.17 – Pay Applications** – SEH will prepare partial pay applications once each month during construction, a final pay application including final agreed upon quantities for all work components, and a pay application releasing retainage to the Contractor once all closeout requirements have been met. Actual completed quantities will be tabulated for use in preparing all pay applications.
- Task 1.18 – Daily Reports** – SEH will maintain a daily log of the construction activities and maintain construction photos for record keeping purposes.
- Task 1.19 – Weekly Reports** – SEH will prepare a weekly status report using the FAA's standard form. The report will be developed by the RPR, reviewed by the Project Manager, and submitted to the Sponsor, FAA, and MnDOT via electronic submittal (PDF).
- Task 1.20 – Change Orders / Supplemental Agreements** – SEH shall review and provide recommendations to the Sponsor of proposed changes to the contract documents, technical specifications and plans. As necessary, SEH will issue supplemental details, design data, drawings and modifications to Contractor for change order pricing. The Project Manager will prepare change orders/supplemental agreements. All Change Orders and Supplemental Agreements require FAA approval prior to being issued. In the case where new materials may be required in addition to those in the bid documents, new bid items will be added to the project and a Request for Pricing from the Contractor will be proposed.
- Task 1.21 – Final Inspection and Punchlist** – SEH will conduct a final inspection after completion of the project. SEH will issue notifications and prepare a punchlist of any outstanding items requiring correction. A tracking document will be prepared and progress on the punchlist items will be recorded until all issues are resolved.
- Task 1.22 – Record Drawings** – SEH will utilize Contractor and engineering drawings during construction to complete record drawings for the project. The record drawings will incorporate any modifications or additions/subtractions that occurred during construction. Three (3) final plan sets will be plotted and distributed to the Duluth Airport Authority (DAA) for records. Electronic (PDF) copies of the record drawings will be provided to DAA, MnDOT and FAA.
- Task 1.23 – Final Quality Control / Quality Assurance Summary** – SEH will prepare and submit the final QC/QA summary for the project.

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

Task 1.25 – Update Airport Layout Plan (ALP) – SEH will complete an update to the current DLH ALP to reflect any as-built conditions.

Task 1.26 – Warranty Inspection Site Visit – SEH will complete a warranty inspection site visit prior to the expiration of the warranty period to identify and document any issues to be resolved by the Contractor as party of the warranty guarantee.

Work Element 2: Construction Observation

Construction is expected to occur during normal construction hours of 6:00 AM until 6:00 PM, Monday through Saturday. Specific tasks included with this work element include:

Task 2.1 – Construction Observation – SEH will provide daily construction observation for the duration of construction. This project is projected to occur for 105 calendar days during the summer of 2022. RPRs and the project manager will be available to assist in ensuring that construction is performed in accordance with contract documents during this time. The RPRs will document and record construction progress through a daily journal. A collective weekly progress report will be developed at the end of the week and submitted to the Sponsor, FAA, MnDOT, and other individuals/organizations as needed (See Task 1.19). During critical elements of construction, part-time construction observation will be performed by the Professional Engineer.

Construction observation will be required in a limited capacity one week prior to the start of the project for mobilization activities and again following the project for one week. Following substantial completion, additional observation is anticipated to complete the remaining work items, such as restoration and haul road repair. It is anticipated that one RPR will cover pre- and post-construction contractor activities.

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

The following roles and commitments are anticipated for the project:

RPR #1 – RPR #1 will be an experienced field engineer that will provide the majority of the construction observation. It is anticipated that this individual will be on-site one week prior to the project start for five, 12-hour workdays. During the 105-calendar day project, it is anticipated this person/position will complete 90, 12-hour days to complete the required work. Additionally, the RPR #1 will be on-site for one additional week (five, 12-hour workdays) to complete post substantial completion project items. The RPR 1 will focus on project documentation, material and installation observation, testing coordination, and reporting.

RPR 2 – RPR #2 will be an experienced project graduate engineer that will provide the majority of contractor coordination. During the 105-calendar day project, it is anticipated this person/position will complete 60, 12-hour days to complete the required work. The RPR #2 will focus on contractor coordination, request for information coordination, project manager communication, and construction scheduling. The RPR #2 will coordinate and lead phasing coordination, specifically daily meetings to allow construction to allow safe transit of arriving/departing aircraft.

Project Manager – The project manager will be on-site to support both RPRs as professional engineer and provide tenant and client communication. It is anticipated the PM will be on site for approximate 20 calendar days (approximately 8 hours),

including travel time. The PM will focus efforts on RFI resolution, project guidance, overall site inspection and observation, client communication, and overall quality control.

Principal – The Principal will provide one hour per week for approximately 20 weeks of project observation to provide project direction, guidance quality control, and oversight.

Task 2.2 – Construction Coordination – The Project Manager Provide constant communication and availability to both RPRs during the 15 week project duration and the weeks before and after project completion (approximately 12 hours per week for 18 hours). The coordination will include RFI resolution, project acceptance, phone and email communication. The PM will be available as a resource for projected related issues from both the client and the contractor for swift resolution.

Principal – The Principal will provide one hour per week for approximately 20 weeks of client coordination, quality control, stakeholder engagement, and high-level guidance.

Work Element 3: FAA Reporting and Project Closeout

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

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

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

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

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

Task 4.1 – Duluth Airport Authority (DAA) Meetings –This task includes attendance at monthly DAA Board meetings to provide project updates to the DAA Board of Directors. The project will require updates at four (4) meetings. Attendance would include the Principal, Project Manager and Planner (2 meetings).

Task 4.2 – DLH Tenant Meetings –This task includes attendance at weekly DLH tenant meetings to keep airport users apprised of the project and schedule. It is anticipated SEH will attend 8 tenant meetings.

Task 4.3 – Public Outreach Plan – SEH will a detailed public outreach plan which will identify tenants and users, method of outreach (single meetings, regular meetings, email updates or newsletter), personnel in attendance and information to be shared. Efforts would be led by the Project Manager and Airport Planner.

Task 4.4 – DLH Airfield User Meetings – This task includes specific meetings with airlines, airfield businesses, MN Air National Guard, and other airfield users, as identified in the Public Outreach Plan (Task 4.3), prior to and during construction to provide updates on the status of the project and address any issues or concerns. This task also includes coordination with local FAA tech ops regarding the project schedule, any impacts to FAA equipment, and other coordination items.

Task 4.5 – DLH Tenant and User Newsletter – SEH will develop a weekly newsletter to provide updates on construction activities and identify impacts to airport operations. SEH will assist the sponsor with newsletter distribution.

Task 4.6 – FAA and Air Traffic Control Tower (ATCT) Meetings – This task includes meetings with local FAA and Air Traffic Control Tower (ATCT) staff to coordinate work with FAA staff and other FAA-related projects. Meetings with the ATCT will be held on an as-needed basis to coordinate NOTAMs and update ATCT staff on the status of the construction progress and upcoming schedule. SEH is anticipating 3 virtual meetings. Meetings would be attended by project manager, project graduate engineer, and airport planner.

Task 4.7 – Community Outreach Newsletter – SEH will develop a newsletter to distribute prior to communities and neighbors surrounding the airport to provide information on the upcoming construction activities. SEH will assist the sponsor with newsletter distribution.

Task 4.8 – Overall Project Management –This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, subconsultant oversight, progress reports, budget updates and monthly invoices over the expected 24-month project duration.

ATTACHMENT A-2
Duluth International Airport (DLH)
Duluth Airport Authority (DAA)
Taxiway A Reconstruction - Phase 1
Schedule B – FAA Ineligible Areas
Scope of Work
(Construction Administration, Observation and Closeout)

Project Description – Schedule B includes the tasks that are required to complete the additional scope of work that is considered FAA ineligible. These areas are specifically the extra 25 feet of taxiway pavement, and an additional 5 feet of taxiway shoulder pavement.

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

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

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

This work scope includes:

Work Element 1: Construction Administration Services

Specific tasks included with this work element include:

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

Task 1.2 – Construction Management Plan (CMP) – SEH will obtain the Contractor's Quality Control Plan (QCP) and complete a thorough review of the document for completeness. Any recommended revisions or updates will be submitted to the Contractor. Following review of the QCP, SEH will update the draft CMP by extracting data from the QCP and combining it with Sponsor and Engineer information for project responsibilities. A final CMP will be submitted to the Sponsor and FAA for approval.

Task 1.3 – Progress Meetings – Construction Progress Meetings will be held once a week while construction work is being performed on the airfield. The progress meetings will be attended by SEH staff, including the Project Manager, Professional Engineer, Resident Project Representative(s) (RPR) and other staff as needed or required. It is anticipated that 16 progress

meetings will occur during construction activities, and will require inclusion of preparatory and meeting documentation work.

Task 1.4 – Review of Quality Control Testing – All quality control test results performed by the Contractor will be monitored on a daily basis and summarized by SEH. In the event of a failed test result, the Contractor will be required to take corrective action and a retest will be taken until passing results are achieved. SEH will review all quality control testing performed by the Contractor for compliance with the specifications. This will be conducted prior to submission to the FAA. Should any additional testing need to be accomplished, this will be coordinated with the Contractor who will be responsible for completion.

Task 1.5 – Review of Quality Assurance Testing – All quality assurance test results performed by the material testing subconsultant will be monitored on a daily basis and summarized by SEH. In the event of a failed test result, the Contractor will be required to take corrective action and a retest will be taken until passing results are achieved. SEH will review final quality assurance testing for compliance with the specifications. This will be conducted prior to submission to the FAA. Should any additional testing need to be accomplished, this will be coordinated with the subconsultant who will be responsible for completion.

Task 1.6 – Calculate Construction Quantities – SEH will review quantities with the Contractor on a weekly basis. Any discrepancies or disagreements regarding completed quantities will be resolved in advance of any partial pay application process. Periodic cost estimates will be developed by SEH to ensure compliance with the overall project budget.

Task 1.7 – Pay Applications – SEH will prepare partial pay applications once each month during construction, a final pay application including final agreed upon quantities for all work components, and a pay application releasing retainage to the Contractor once all closeout requirements have been met. Actual completed quantities will be tabulated for use in preparing all pay applications.

Task 1.8 – Daily Reports – SEH will maintain a daily log of the construction activities and maintain construction photos for record keeping purposes.

Task 1.9 – Record Drawings – SEH will utilize Contractor and engineering drawings during construction to complete record drawings for the project. The record drawings will incorporate any modifications or additions/subtractions that occurred during construction. Three (3) final plan sets will be plotted and distributed to the Duluth Airport Authority (DAA) for records. Electronic (PDF) copies of the record drawings will be provided to DAA, MnDOT and FAA.

Task 1.10 – Final Quality Control / Quality Assurance Summary – SEH will prepare and submit the final QC/QA summary for the project.

Work Element 2: Construction Observation

Construction is expected to occur during normal construction hours of 6:00 AM until 6:00 PM. To accommodate the scope of the work and the project schedule, construction observation services include providing one (1) RPR on a full-time basis, supplemented by assistance from the Project Engineer (approximately 30 - 12-hour work days), for 105

calendar days of the project. One RPR will provide construction observation for preparatory and closeout work for one week prior and one week following construction. Specific tasks included with this work element include:

Task 2.1 – Construction Observation – SEH will provide daily construction observation for the duration of construction. This project is projected to occur for 105 calendar days during the summer of 2022. RPRs, according to the schedule above, will be available to assist in ensuring that construction is performed in accordance with contract documents during this time. The RPRs will document and record construction progress through a daily journal. A collective weekly progress report will be developed at the end of the week and submitted to the Sponsor, FAA, MnDOT, and other individuals/organizations as needed (See Task 1.19). During critical elements of construction, part-time construction observation will be performed by the Professional Engineer.

Construction observation will be required in a limited capacity one week prior to the start of the project for mobilization activities and again following the project for one week. Following substantial completion, additional observation is anticipated to complete the remaining work items, such as restoration and haul road repair. It is anticipated that one RPR will cover pre- and post-construction contractor activities.

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

Task 2.2 – Construction Coordination – The Project Manager will make up to 12 site visits and the Professional Engineer will make weekly site visits to the project to assist the onsite engineering staff, review construction activities, and coordinate updates with the Sponsor.

Work Element 4: Project Management – This task includes the overall project management of Work Elements 1 through 2 noted above.

Task 4.1 – Overall Project Management – This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, subconsultant oversight, progress reports, budget updates and monthly invoices.

Duluth International Airport

Taxiway A Reconstruction Phase 1 – Electrical Construction Administration Services

Scope of Work

Anticipated Elements of Work for the Electrical Construction Administration Scope.

1. The Consultant will attend and participate in pre-construction meeting.
-1 Engineer, day trip.
2. The Consultant will conduct two site visits during construction.
-1 Engineer, 2 day trips.
Attend and participate in final inspection.
-1 Engineer, one day trip.
3. Review and Evaluate Contractor Submittals and Shop Drawings. The Consultant will log, track, review and respond to the Contractor's shop drawings, samples and submittals. The Consultant's review of all shop drawings, samples and submittals will be for general conformance with the design concept and general compliance with the requirements of the drawings and project manual. Such review will not relieve the Contractor from its responsibility for performance in accordance with the construction documents, nor is such review a guarantee that the work and materials covered by the shop drawings, samples and submittals are free of errors, inconsistencies or omissions.
4. Review and Respond to Contractor RFI's. The Consultant will review the Contractor's requests for information or clarification of the construction contract. The RFI's will be logged, tracked and coordinated with SEH as necessary. A total of 8 RFIs have been assumed for budgeting purposes. An excessive amount of requests by the Contractor may be cause for additional compensation.
5. An Electrical Engineer to Attend/Call-in to construction coordination teleconferences.
Assume 10 1-hour teleconferences with one engineer.
6. Prepare Record Drawings. The Consultant will revise the original design drawings to reflect available record information provided by the Contractor for the final record drawings.
7. Schedule. The timing of these services will be coordinated with the contractor's construction progress schedule and SEH. Construction is not anticipated to begin until Spring of 2022.
8. Cost of Services. The attached fee proposal details the man-hours for the various elements of work to be undertaken as part of the project. Burns & McDonnell will bill SEH monthly for services provided.
9. Project management is included in this proposal.

SEH
2021 TWA PH1 Reconstruction - Electrical CA

BURNS & MCDONELL ENGINEERING FEE PROPOSAL
APRIL 2021

	Sr. Elec. Engr (Associate)	Sr. Civil Engr. / Project Mgr (Associate)	Elec. Engr. (Senior)	Sr. CADD (Staff)	Admin. Assist. (General Office)		
<i>Task No.</i>	<i>Task Description</i>					Task Hours	Task Cost
I	Construction Administration						
1	Attend Pre-construction Meeting			8		8	\$ 1,976.00
2	Virtual Construction Meetings	2	2	10			\$ 3,472.00
3	Construction Site Visit (2)			8		8	\$ 1,976.00
4	Attend Final Inspection			8		8	\$ 1,976.00
5	Shop Drawing Review	2		12		14	\$ 3,472.00
6	RFI Coordination	1	1	12		14	\$ 3,465.00
7	Record Drawings	1		8	8	21	\$ 3,938.00
8	Project Management		10		4	10	\$ 2,470.00
Total		6	13	66	8	4	83 \$ 22,745.00
V	Other Direct Costs						
1	Reproduction Costs						\$ 100.00
2	Travel						\$ 400.00
	Grand Total						\$ 23,245.00

April 28, 2021

Proposal QTB136420

Shawn McMahon, PE
SEH, Inc.
3535 Vadnais Center Drive
Saint Paul, MN 55110

Re: Proposal for Construction Materials Testing Services
2021 Taxiway A Reconstruction – Phase 1
Duluth International Airport
4701 Grinden Drive
Duluth, Minnesota

Dear Mr. McMahon:

Braun Intertec Corporation respectfully submits this proposal to provide quality control observation and testing services during site grading, aggregate base placement, bituminous and concrete paving, and structural concrete for the reconstruction of Phase 1 of the Taxiway A project at the Duluth International Airport.

We have completed the geotechnical evaluation for the Taxiway A Reconstruction project, so we have a unique understanding of the site and construction challenges. We can aid the construction team by applying this experience and transferring our knowledge developed during the design phase which will provide professional continuity to the construction. Our work on the project to date gives us familiarity with the project team and design development which allows us to understand some of the considerations used when developing the project's design.

Our Understanding of Project

This project will include the Phase 1 portion of the Taxiway A and commercial apron reconstruction project at the Duluth International Airport. Taxiway A and the commercial apron will consist of Granular Borrow (P-154), Crushed Aggregate Base Course (P-209), Bituminous Base Course (P-403), and Concrete Pavement (P-501). Taxiway A will also include the reconstruction of the bituminous shoulders and replacement of existing airport lighting with new LED lights supported on Structural Concrete (P-610).

Available Project Information

This proposal is based on our review of the documents described below. We will submit a revised scope of services and cost if the project changes.

- 90% Construction Drawings and Draft Project Specifications prepared by SEH.
- Geotechnical report prepared by Braun Intertec Corporation under project number AA/EOE B2009653 and dated December 18, 2020.

Scope of Services

Services are performed under the direction of a licensed professional engineer. Observation and testing services will be performed on a full-time or an on-call, as-needed basis as requested and scheduled by you or your on-site project representative. After reviewing available information to determine compliance with project plans and/or specifications and other design or construction documents, our scope of services for the project will be limited to the tasks defined below.

Soil Related Services

- Observe and evaluate the soils exposed in the bottoms of excavations to determine if the soils are similar to those encountered with the geotechnical evaluation and suitable for support of fill, and pavements. Our engineer can provide consultation for conditions that appear to differ from the geotechnical evaluation.
- Measure the in-place dry density, moisture content and relative compaction of embankment, granular borrow, and crushed aggregate base placed for pavement and utility support for compliance with the project documents. This task includes performing laboratory Proctor tests to provide maximum dry densities from which the relative compaction of fill can be determined, as well as the use of a nuclear density gauge to measure in-place dry densities and moisture contents.
- Sample and test crushed aggregate base materials for compliance with the project documents. This task includes laboratory gradation and hydrometer testing of aggregate base material.

Concrete Related Services

- Sample and test fresh concrete associated with pavement for compliance with the project documents and cast concrete beams for laboratory flexural strength testing. We assume that we will be able to appropriately dispose of excess concrete (and associated wash water) on site at no additional cost to us.
- Measure and report the flexural strength of the concrete beams for compliance with the project documents. A set of two beams will be tested at 28 days for each sublot set cast.
- Sample and test fresh concrete associated with airfield lighting foundations for compliance with the project documents and cast test cylinders for laboratory compressive strength testing.
- Measure and report the compressive strength of the concrete test cylinders for compliance with the project documents. A set of four cylinders will be cast for each set, with three cylinders tested at 28 days and one cylinder to be held unless testing is requested.

Bituminous Related Services

- Sample and test bituminous pavement materials for compliance with the project documents, including Rice specific gravity and gyratory gravity tests of the bituminous FAA P-403.

- Provide a full-time bituminous pavement technician who will provide quality acceptance testing of the bituminous pavement in accordance with FAA P-403 requirements.
- Measure the thickness and density of the compacted bituminous pavement by the core method per FAA P-403 for compliance with the project documents. All labor and equipment for obtaining core samples will be provided by the contractor.

Consulting, Project Communication and Reporting Services

- Project management, including scheduling of our field personnel and project meetings.
- Review observation and test reports and communicating with you and the parties you may designate such as the project contractor(s), and other project team members, as needed.
- Transmit test results to the project team on a weekly basis.

Scheduling Assumptions

The costs associated with the proposed scope of services were estimated using the following assumptions. If the construction schedule is modified or the contractor completes the various phases of the project at different frequencies or durations than shown in this proposal, we may need to adjust the overall cost accordingly. The scope of work and number of trips required to perform these services are as shown in the attached table. Notable assumptions in developing our estimate include:

- We assume 2 trips for excavation observations and removals.
- We assume it will take 20 trips to complete the compaction testing by nuclear density gauge method for the project.
- We have provided an additional 8 trips for sample pick up for proctors and gradations of the embankment and aggregate materials during placement.
- Our assumption is concrete paving will be completed in 20 days for the project.
- We assume 5 trips for concrete testing will be required for airfield lighting foundations.
- Our assumption is bituminous paving will be completed in 8 days for the project.
- We assume the project engineer of record will review and approve contractor's quality control submittals and test results.
- You, or others you may designate, will provide us with current and approved plans and specifications for the project. Modification to these plans must also be sent to us so we can review their incorporation into the work.

- We will require a minimum of 24 hours' notice for scheduling inspections for a specific time. Shorter than 24 hours' notice may impact our ability to perform the requested services, and the associated impacts will be the responsibility of others.

If the work is completed at different rates than described above, this proposal should be revised. If the pace of construction is different than described above, this proposal should be revised.

Cost and Invoicing

We will furnish the services described herein for an estimated fee of **\$89,295**. **Our estimated costs are based on industry averages for construction production. Depending on the contractor's performance, our costs may be significantly reduced or slightly higher than estimated.** A tabulation showing our estimated hourly and/or unit rates associated with our proposed scope of services is also attached. The actual cost of our services will be based on the actual units or hours expended to meet the requirements of the project documents.

This cost estimate was developed with the understanding that the scope of services defined herein will be required and requested during our normal work hours of 6:00 a.m. to 5:00 p.m., Monday through Friday. Services that we are asked to provide to meet the project requirements or the contractor's construction schedule **outside** our normal business hours will be invoiced using an overtime rate factor. The factor for services provided outside our normal work hours or on Saturday will be 1.25 times the listed hourly rate for the service provided. The factor for services provided on Sunday or legal holidays will be 1.5 times the listed hourly rate for the service provided. We have not included premiums for overtime in our cost estimate; however, we recommend that allowances and contingencies be made for overtime charges based on conversations with the contractor. You will be billed only for services provided on a time and materials basis.

Because our services are directly controlled by the schedule and performance of others, the actual cost may vary from our estimate. It is difficult to project all of the services and the quantity of services that may be required for any project. If services are required that are not discussed above, we will provide them at the rates shown in the attached table or, if not shown, at our current Schedule of Charges. We will invoice you on a monthly basis.

General Remarks

We will be happy to meet with you to discuss our proposed scope of services further and clarify the various scope components.

We appreciate the opportunity to present this proposal to you. After reviewing this proposal, **please sign and return one copy to our office as notification of acceptance and authorization to proceed.** If anything in this proposal is not consistent with your requirements, please let us know immediately. Braun Intertec will not release any written reports until we have received a signed agreement.

The proposed fee is based on the scope of services described and the assumptions that our services will be authorized within 30 days and that others will not delay us beyond our proposed schedule.

Our services will be provided under the terms of our Agreement for Professional Services dated July 2, 2008.

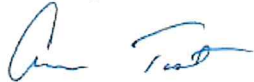
To have questions answered or schedule a time to meet and discuss our approach to this project further, please contact Aaron Tast at 320.980.3504 (atast@braunintertec.com).

Sincerely,

BRAUN INTERTEC CORPORATION



Colin L. Anderson, EIT
Staff Engineer



Aaron M. Tast
Aviation Account Leader, Senior Project Manager



Joseph C. Butler, PE
Business Unit Manager, Senior Engineer

Attachments:
Project Proposal

The proposal is accepted. We will reimburse you in accordance with this agreement, and you are authorized to proceed:

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date

Project Proposal

QTB136420

2021 Taxiway A Reconstruction - Phase 1

Client:

Short Elliott Hendrickson, Inc.
Shawn McMahon
3535 Vadnais Center Dr
Saint Paul, MN 55110

Work Site Address:

Duluth International Airport
4701 Grinden Drive
Duluth, MN 55811

Service Description:

Quality Acceptance Testing

	Description	Quantity	Units	Unit Price	Extension
Phase 1					
Activity 1.1 SOILS					
206	Excavation Observations (as needed)	10.00	Hour	100.00	\$1,000.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Site Grading (P152 Subgrade)	2.00	Trips	5.00	10.00
207	Compaction Testing - Nuclear	80.00	Hour	80.00	\$6,400.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	P152 (Embankment - Utilities)	4.00	Trips	4.00	16.00
	P154 (Granular Subbase)	10.00	Trips	4.00	40.00
	P209 (Aggregate Base)	6.00	Trips	4.00	24.00
1308	Nuclear moisture-density meter charge, per hour	80.00	Each	15.00	\$1,200.00
209	Sample pick-up	32.00	Hour	80.00	\$2,560.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Proctors & Gradations	8.00		4.00	32.00
1318	Moisture Density Relationship (Standard), per sample	6.00	Each	175.00	\$1,050.00
1162	Sieve Analysis with 200 wash, per sample	16.00	Each	140.00	\$2,240.00
1172	Hydrometer - Sieve Analysis, per sample	4.00	Each	140.00	\$560.00
1861	CMT Trip Charge	30.00	Each	25.00	\$750.00
Activity 1.2 HMA					
222	Bituminous Testing	100.00	Hour	110.00	\$11,000.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	P403 QA (HMA)	8.00	Trips	12.50	100.00
110	Travel Time	15.00	Hour	100.00	\$1,500.00
1861	CMT Trip Charge	3.00	Each	250.00	\$750.00
1863	Per diem	9.00	Each	160.00	\$1,440.00
Activity 1.3 CONCRETE					
261	Concrete Testing	225.00	Hour	80.00	\$18,000.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	P501 Paving (PCC)	20.00	Trips	10.25	205.00
	P610 Misc. Concrete	5.00	Trips	4.00	20.00
278	Concrete Cylinder/Beam Pick up	70.00	Hour	80.00	\$5,600.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Cylinder / Beam Pickup	15.00	Trips	4.00	60.00
	Cylinder Pickup	5.00	Trips	2.00	10.00
1367	Flexural strength of beams (ASTM C 78 and ASTM C 293), per specimen	160.00	Each	110.00	\$17,600.00
1364	Compressive strength of concrete cylinders (ASTM C 39),per specimen	20.00	Each	30.00	\$600.00
1861	CMT Trip Charge	40.00	Each	25.00	\$1,000.00
Activity 1.4 PROJECT MANAGEMENT					
238	Project Assistant	16.00	Hour	80.00	\$1,280.00

Project Proposal

QTB136420

2021 Taxiway A Reconstruction - Phase 1

226	Project Manager (Reports)	20.00	Hour	150.00	\$3,000.00
228	Senior Project Manager	45.00	Hour	165.00	\$7,425.00
264	Project Engineer	4.00	Hour	175.00	\$700.00
1862	PM Trip Charge	4.00	Each	250.00	\$1,000.00
1863	Per diem	4.00	Each	160.00	\$640.00
1230	Final Testing Summary	1.00	Each	2,000.00	\$2,000.00
				Phase 1 Total:	\$89,295.00

Proposal Total:	\$89,295.00
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ATTACHMENT B-1
ESTIMATED FEES AND EXPENSES
TAXIWAY A RECONSTRUCTION (PHASE 1)
SCHEDULE A (FAA ELIGIBLE)
CONSTRUCTION ADMINISTRATION, OBSERVATION, AND CLOSEOUT
DULUTH INTERNATIONAL AIRPORT (DLH)
Duluth Airport Authority (DAA)
Duluth, Minnesota

Task No.	Task Description	Principal	Project Manager	Project Engineer (RPR#1)	Graduate Engineer (RPR#2)	Senior CAD Technician	Survey Crew Chief	Instrument Operator	Aviation Planner	Wetland Scientist	Admin Technician
Construction Administration Services											
1.1	Scope Development	8	40	40					40		
1.2	Project Administration Services		16	8							8
1.3	Construction Management Plan (CMP)		8	40	16						
1.4	Preparation of Project Files		4	4							8
1.5	Establish Survey Control			8		8	16	16			
1.6	Wetland Determination Staking			8					8	40	
1.7	Pre-Construction Activities (Preparation and Follow-	4	20	20							4
1.8	Construction Security Coordination		8	16	16						
1.9	Permit Coordination		8	16						40	2
1.10	Submittal and Shop Drawing Review		4	20	20						
1.11	Progress Meetings		120	16	16						
1.12	Pre-Paving Conference		8	8	8						
1.13	Review of Quality Control Testing		8	16	4						
1.14	Review of Quality Assurance Testing		8	16	4						
1.15	Review of Contractor Payroll Forms		4	8	4						
1.16	Calculate Construction Quantities		2	16	16						
1.17	Pay Applications		20	20	4						
1.18	Daily Reports		2	40	40						
1.19	Weekly Reports		2	20	20						
1.20	Change Orders / Supplemental Agreements	4	20	20	20						
1.21	Final Inspection and Punchlist		16	16	16						
1.22	Record Drawings		4	20	8	40					4
1.23	Final Quality Control/Quality Assurance Summary		4	20	20						4
1.24	Final Engineering Report		4								4
1.25	Update Airport Layout Plan (ALP)		4			40			20		
1.26	Warranty Inspection Site Visit		16	16							
Construction Observation											
2.1	Construction Observation	20	180	1144	720						
2.2	Construction Coordination	20	216								
FAA Reporting and Project Closeout											
3.1	FAA Quarterly Reports		2		8						4
3.2	FAA Closeout Report		8	20							20
3.3	Project Closeout		2	16							16
3.4	DBE Requirements		2		8						4
Public Outreach and Project Management											
4.1	Duluth Airport Authority (DAA) Meetings	12	40						24		
4.2	DLH Tenant Meetings		20	20					20		
4.3	Public Outreach Plan	2	20						24		
4.4	DLH Airfield User Meetings		40		40				40		
4.5	DLH Tenant and User Newsletter		2		20				24		
4.6	FAA and ATCT Meetings		16	16					16		
4.7	Community Outreach Newsletter		4		10						
4.8	Overall Project Management	4	40								
Total hours per labor category		74	942	1648	1038	88	16	16	216	80	78

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Principal	74	\$81.08	\$6,000.13
Project Manager	942	\$76.66	\$72,216.73
Project Engineer (RPR#1)	1648	\$45.12	\$74,349.85
Graduate Engineer (RPR#2)	1038	\$33.69	\$34,965.65
Senior CAD Technician	88	\$42.90	\$3,775.29
Survey Crew Chief	16	\$34.00	\$544.00
Instrument Operator	16	\$30.00	\$480.00
Aviation Planner	216	\$75.28	\$16,259.44
Wetland Scientist	80	\$38.00	\$3,040.00
Admin Technician	78	\$31.19	\$2,432.79
Total Direct Labor Costs:	4,196		\$214,063.89
Direct Salary Costs plus Overhead (66.03%)			\$355,410.27
Total Labor Costs			\$569,474.16

Fee (15%) on Total Labor Costs:

\$85,421.12

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Electrical Engineering (Construction Administration) - Subconsultant	1	\$23,245.00	\$23,245.00
Quality Assurance Testing - Subconsultant	1	\$69,295.00	\$69,295.00
Employee Mileage	33750	\$0.56	\$18,900.00
Employee Per Diem	70	\$200.00	\$14,000.00
Employee Auto Allowance	130	\$16.00	\$2,080.00
Computer Charges	4,196	\$3.00	\$12,588.00
Survey Equipment - Total Station	16	\$30.00	\$480.00
Survey Equipment - GPS	16	\$30.00	\$480.00
Soil Analysis (Pace Analytical)	1	\$1,011.00	\$1,011.00
Reproductions / Miscellaneous	1	\$3,000.00	\$3,000.00
Total Expenses			\$145,079.00

SUMMARY:

Total Labor Costs + Expenses + Fee
Estimated Total

\$799,974.28

\$800,000.00

ATTACHMENT B-2
ESTIMATED FEES AND EXPENSES
TAXIWAY A RECONSTRUCTION (PHASE 1)
SCHEDULE B (FAA INELIGIBLE)
CONSTRUCTION ADMINISTRATION, OBSERVATION, AND CLOSEOUT
DULUTH INTERNATIONAL AIRPORT (DLH)
Duluth Airport Authority (DAA)
Duluth, Minnesota

Task No.	Task Description	Principal	Project Manager	Project Engineer (RPR#1)	Graduate Engineer (RPR#2)	Senior CAD Technician	Survey Crew Chief	Instrument Operator	Aviation Planner	Wetland Scientist	Admin Technician
Construction Administration Services											
1.1	Scope Development	2	8	8					8		
1.2	Construction Management Plan (CMP)		4	8	8						
1.3	Progress Meetings		16	4	4						
1.4	Review of Quality Control Testing		4	4	4						
1.5	Review of Quality Assurance Testing		4	4	4						
1.6	Calculate Construction Quantities		4	4	4						
1.7	Pay Applications		4	4	4						
1.8	Daily Reports		2	8	8						
1.9	Record Drawings		2	8	4	8					1
1.10	Final Quality Control/Quality Assurance Summary		2	8	8						1
Construction Observation											
2.1	Construction Observation	2	10	60	40						
2.2	Construction Coordination	2	20								
Public Outreach and Project Management											
4.8	Overall Project Management	4	80								
Total hours per labor category		10	160	120	88	8	0	0	8	0	2

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Principal	10	\$81.08	\$810.83
Project Manager	160	\$76.66	\$12,266.11
Project Engineer (RPR#1)	120	\$45.12	\$5,413.82
Graduate Engineer (RPR#2)	88	\$33.69	\$2,964.33
Senior CAD Technician	8	\$42.80	\$343.21
Survey Crew Chief	0	\$34.00	\$0.00
Instrument Operator	0	\$30.00	\$0.00
Aviation Planner	8	\$75.28	\$602.20
Wetland Scientist	0	\$38.00	\$0.00
Admin Technician	2	\$31.19	\$62.38
Total Direct Labor Costs:	396		\$22,462.89
Direct Salary Costs plus Overhead (66.03%)			\$37,295.13
Total Labor Costs			\$59,758.02

Fee (15%) on Total Labor Costs:

\$8,963.70

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Quality Assurance Testing - Subconsultant	1	\$20,000.00	\$20,000.00
Employee Mileage	5000	\$0.56	\$2,800.00
Employee Per Diem	10	\$200.00	\$2,000.00
Employee Auto Allowance	20	\$16.00	\$320.00
Computer Charges	396	\$3.00	\$1,188.00
Total Expenses			\$26,308.00

SUMMARY:

Total Labor Costs + Expenses + Fee

\$95,029.72

Estimated Total

\$95,000.00

~~III~~ 13

Duluth Airport Authority
Resolution to Award Shafer Contracting Co., Inc. the Contract for the 2021
Taxiway A Reconstruction – Phase 1 Project at the Duluth International
Airport, in the amount of \$7,575,061.31 and Approve Contract Between the
Duluth Airport Authority and Shafer Contracting Co., Inc.

Terms:

- Estimated start date of May 31, 2022
- 105 Calendar Days

Agreement Overview:

The contract is for the Taxiway A Reconstruction – Phase 1 (East) project in the amount of \$7,575,061.31 based on the Shafer Contracting Co., Inc. bid dated June 3, 2021. Attached is a copy of the contract. Execution of the contract will be contingent on verification and compliance of the performance bond, payment bond, and insurance certificate with contract requirements.

Background:

Bids were received using [BidExpress](#) by SEH on behalf of the City of Duluth at 2:00pm on June 3, 2021 for the above referenced project. Four contractors submitted bids. The low bid was nearly the same value as the engineer's estimate.

Engineer's Estimate	\$7,646,004.50
Shafer Contracting Co., Inc.	\$7,575,061.31
KGM Contractors, Inc.	\$7,793,441.35
Ulland Brothers, Inc.	\$7,912,658.00
Northland Constructors of Duluth, Inc.	\$8,697,500.00

Final design of FAA eligible areas is anticipated to be funded at 100 percent by the Federal Aviation Administration (FAA). The remaining areas are anticipated to be funded by the Air National Guard at 100 percent. The local contribution to the DAA is anticipated to be zero percent. The construction is anticipated to begin on May 31, 2022 and will be completed within 105 Calendar Days.

**STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND CONTRACTOR
ON THE BASIS OF A STIPULATED PRICE**

THIS AGREEMENT is by and between the Duluth Airport Authority
(Owner) and Shafer Contracting Co., Inc. (Contractor).

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

- 1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: 2021 Taxiway A Reconstruction – Phase 1 (East).

ARTICLE 2 – THE PROJECT

- 2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: reconstruction of the east portion of Taxiway A including lighting and drainage, and a portion of the commercial service apron.

ARTICLE 3 – ENGINEER

- 3.01 The Project has been designed by Short Elliott Hendrickson Inc. (SEH®).
- 3.02 The Owner has retained SEH (Engineer) to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

4.01 *Time of the Essence*

- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 *Contract Times: Dates*

- A. The Work will be substantially completed on or before September 12, 2022, and completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before October 12, 2022. The Contractor shall complete all work within 105 calendar days.

4.03 *Liquidated Damages*

- A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with the Contract. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):
1. Substantial Completion: Contractor shall pay Owner \$3,000.00 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A above for Substantial Completion until the Work is substantially complete.
 2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay

Owner \$1,000.00 for each day that expires after such time until the Work is completed and ready for final payment.

3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.

4.04 *Special Damages*

- A. In addition to the amount provided for liquidated damages, Contractor shall reimburse Owner (1) for any fines or penalties imposed on Owner as a direct result of the Contractor's failure to attain Substantial Completion according to the Contract Times, and (2) for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract), until the Work is substantially complete.
- B. After Contractor achieves Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Times, Contractor shall reimburse Owner for the actual costs reasonably incurred by Owner for engineering, construction observation, inspection, and administrative services needed after the time specified in Paragraph 4.02 for Work to be completed and ready for final payment (as duly adjusted pursuant to the Contract), until the Work is completed and ready for final payment.
- C. The special damages imposed in this paragraph are supplemental to any liquidated damages for delayed completion established in this Agreement.

ARTICLE 5 – CONTRACT PRICE

- 5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

- A. For all Unit Price Work, an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the actual quantity of that item as indicated in Contractor's Bid.

The Bid Prices for Unit Price Work set forth as of the Effective Date of the Agreement are based on estimated quantities. As provided in Paragraph 13.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer as provided in Paragraph 10.06 of the General Conditions.

The Estimated Total of All Unit Price Work is: \$ 7,575,061.31

ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions, Supplementary Conditions, and Section 90, *Measurement and Payment*. Payments will be due 30 days after approval.

6.02 *Progress Payments; Retainage*

- A. Subject to the provisions of SC-15.01.C, Owner shall make monthly progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications of Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract:
 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made

and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract:

- a. 95 percent of Work completed (with the balance being retainage).
- b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

6.03 *Final Payment*

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 15.06 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 15.06.

6.04 *Interest*

All amounts not paid when due shall bear interest at the rate of four percent (4%) per annum.

ARTICLE 7 – CONTRACT DOCUMENTS

7.01 *Contents*

- A. The Contract Documents consist of the following:
 1. Addenda (numbers 00 00 11 to 00 00 12, inclusive).
 2. This Agreement (pages 00 52 00-1 to 00 52 00-6, inclusive).
 3. Performance Bond (Document 00 61 13).
 4. Payment Bond (Document 00 61 14).
 5. General Conditions (pages 00 72 00-1 to 00 72 00-66, inclusive).
 6. Supplementary Conditions (pages 00 73 00-1 to 00 73 00-10, inclusive).
 7. Specifications as listed in the table of contents of the Project Manual.
 8. The Drawings listed in the index located on Drawing Sheet *G0.01 – Table of Contents*.
 9. Exhibits to this Agreement (enumerated as follows).
 - a. Contractor's Bid (Document 00 41 00).
 - b. Documentation submitted by Contractor prior to Notice of Award (pages ____ to ____, inclusive).
 - c. Certificate of Insurance.
 10. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed.
 - b. Field Order(s).
 - c. Work Change Directive(s).
 - d. Change Order(s).
- B. The documents listed in Paragraph 7.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 7.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the General Conditions.

ARTICLE 8 – REPRESENTATIONS, CERTIFICATIONS, AND STIPULATIONS

8.01 *Contractor's Representations*

- A. In order to induce Owner to enter into this Contract, Contractor makes the following representations:
1. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents.
 2. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 3. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
 4. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings.
 5. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (3) Contractor's safety precautions and programs.
 6. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
 7. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
 8. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
 9. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
 10. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

8.02 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 8.02:
1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;

3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

ARTICLE 9 – MISCELLANEOUS

9.01 *Terms*

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

9.02 *Assignment of Contract*

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.03 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.04 *Severability*

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on _____, _____ (which is the Effective Date of the Contract).

OWNER:

Duluth Airport Authority **Error! Reference source not found.**

By: _____

Title: _____

[CORPORATE SEAL]

Attest: _____

Title: _____

Address for Giving Notices:

(If Owner is a corporation, attach evidence of authority to sign. If Owner is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of Owner-Contractor Agreement).

Designated Representative:

Name: _____

Title: _____

Address: 4701 Grinden Drive

Duluth, Minnesota 55811

Phone: 218.625.7767

Facsimile: _____

CONTRACTOR:

Shafer Contracting Co., Inc. Shafer Contracting Co., Inc.

By: _____

Title: _____

[CORPORATE SEAL]

Attest: _____

Title: _____

Address for Giving Notices:

License No. _____
(Where Applicable)

Agent for service of process: _____

(If Contractor is a corporation or a partnership, attach evidence of authority to sign.)

Designated Representative:

Name: _____

Title: _____

Address _____

Phone: _____

Facsimile: _____

END OF DOCUMENT

~~VII~~ C

Duluth Airport Authority
Short Elliott Hendrickson Inc. (SEH) Work Order 2021-5 for Final Design,
Construction Administration, Observation, and Closeout for the Hangar
Area Pavement Rehabilitation Project at the Duluth International Airport

Terms:

- Estimated start date of June 15, 2021
- Estimated end date of December 1, 2021

Agreement Overview:

This work order includes final design, construction administration, observation, and closeout for the Hangar Area Pavement Rehabilitation project at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 1-21-2020) between the DAA and SEH remain in effect for this work order.

Background:

Various pavement areas are identified as being in need in of repair as noted in the MnDOT Pavement Condition Report, Duluth International Airport (DLH) dated December 2018 and verified by visual inspections by SEH staff in September of 2020. The existing pavement has been in place since 1996 and the pavement condition is fair to poor. The visual inspection identified that the pavement has lost most of its oil, but pending any formal geotechnical investigation, the subgrade conditions appear to be in relatively good condition due to the types of cracking present. Climate and age are causing most of the pavement distresses present for these areas. In this case, mill and pave would give nearly the same benefit in years of service life as full reconstruction if the subgrade is in good condition. A full-depth mill and pave project can extend the pavement service life by 10 to 15 years. The areas identified for rehabilitation include the:

- Hangar Area (Base Bid),
- Monaco T-Hangar Area (Base Bid),
- FedEx Ramp Area (Base Bid),
- Building Foundation Demolition Area (Alternate 1), and the
- Tower Ramp Area (Alternate 2)

The rehabilitation work will include a:

- 3-inch mill and pave for portions of the Hangar Area, and the Monaco T-Hangar Area, a
- 2-inch mill and pave for the remaining potions of the Hangar Area, the FedEx Ramp Area, and the Tower Ramp Area (Alternate 2), and
- Demolition and paving for the Hangar Foundation Area (Alternate 1)

This scope of engineering services includes construction administration services, construction observation, project closeout, as well as public outreach and project management. Construction is anticipated to take place in the late summer or early fall of 2021.

MnDOT Aeronautics has indicated the pavement rehabilitation would be eligible for state grant funding. The state would cover 70 percent of eligible costs, while the DAA would assume the remaining 30 percent.

**WORK ORDER
No. 2021-5
Between**

The Duluth Airport Authority (DAA) (Owner) and
Short Elliott Hendrickson Inc. (SEH) (Consultant)

Dated: June 15, 2021

**HANGAR AREA PAVEMENT REHABILITATION
DULUTH INTERNATIONAL AIRPORT (DLH)**

This work order includes design and construction administration for the rehabilitation of the hangar area pavement throughout the General Aviation area at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 1-21-2020) between the DAA and SEH remain in effect for this work order.

Estimated start date is June 15, 2021; estimated end date is December 1, 2021.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$62,300.00.

A description of the services to be provided is included in Attachments A. A detailed estimate of labor cost and expenses is included in Attachment B.

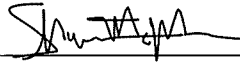
Point of Contact: Shawn McMahon, PE

APPROVED:

Duluth Airport Authority (DAA)

Title: _____

Short Elliott Hendrickson Inc.



Title: Principal

Date: _____

Date: June 15, 2021

Title: _____

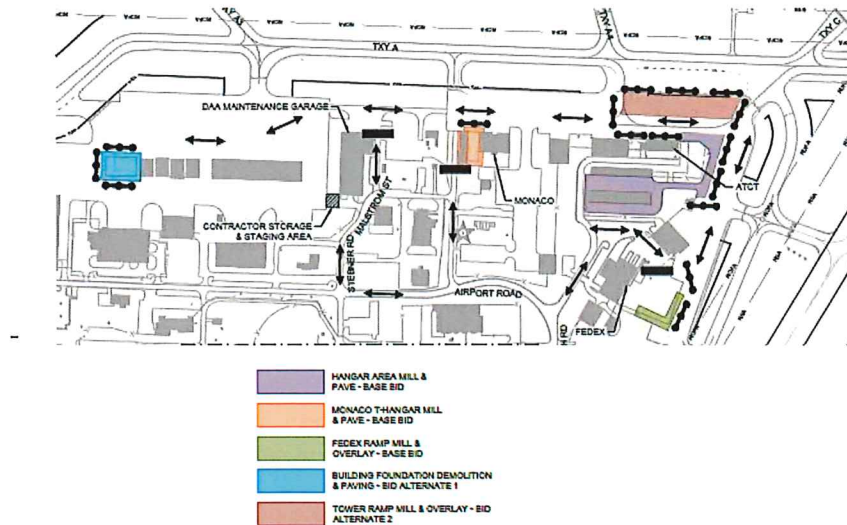
Date: _____

ATTACHMENT A
Duluth International Airport (DLH)
Duluth Airport Authority (DAA)
Hangar Area Pavement Rehabilitation
Scope of Work

(Design, Construction Observation, Administration and Closeout)

Project Description – Pavements across the general aviation ramps and aprons are in poor or failed condition. The DAA, as part of the pavement management plan and the ongoing Master Plan Study, has indicated specified areas to receive pavement maintenance. Specifically, the following areas will receive mill and overlay treatments:

- Hangar Area Pavement Rehabilitation: Approximately 9,600 SY of mill/overlay
- Monaco T-Hangar Area Rehabilitation: Approximately 1,500 SY of mill/overlay
- FedEx Area Pavement Rehabilitation: Approximately 1,450 SY of mill/overlay
- Existing Hangar Foundation Demolition - Alternate 1: Remove foundation and pave bituminous.
- Tower Ramp Pavement Rehabilitation: Mill/overlay rehabilitation per square yard



MnDOT Aeronautics has indicated the project is eligible for 70% funding from the State Airports Fund.

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

1. Project plans and specifications
2. Project bidding and Contract Award
3. Quality control testing
4. Construction administration and closeout

The Consultant will provide the following specific services:

Final Design and Bidding:

1. Scoping, Review and Project Coordination: Detailed project scoping, including review and coordination with MnDOT, FAA, and other regulatory agencies. Update scope, as needed, based on input received.
2. Project Formulation: Completion of the project and grant pre-application, cost breakdowns and eligibility determinations. The required categorical exclusion (CATEX) checklist and letter will also be submitted to the FAA for approval.
3. Construction Safety Plan/Airspace Analysis: A construction safety and phasing plan will be prepared for the Project and submitted to the FAA. A FAA Form 7460 will be submitted by SEH to coordinate construction.
4. Detailed Design: Detailed design includes the pavement maintenance operations in the sites indicated in the scope of work.
5. Construction Plans: Prepare construction drawings consisting of approximately the following plan sheets:
 - Title sheet
 - Construction Safety Plan
 - Statement of Estimated Quantities
 - Hangar Area Mill and Overlay
 - Monaco Hangar Area Mill and Overlay
 - Fed Ex Area Mill and Overlay
 - Hangar Foundation Demolition (Bid Alternate 1)
 - Tower Ramp Mill and Overlay (Bid Alternate 2)
6. Quantity Calculations and Cost Estimates: Quantities will be calculated for use on the bid form and for updating the construction cost estimates.
7. Construction Bidding Documents: Prepare a bid proposal project manual consisting of table of contents, MnDOT requirements, proposal documents, specifications, special provisions, wage rates and schedule of prices.
8. Quality Control Review: Provide quality control review and final review of the plans and specifications. QA/QC includes the time required by the Consultant for the overall administration of the project, including internal meetings; quality control and assurance; reviews; and coordination with the Owner, FAA, MnDOT, and other regulatory agencies and utilities.
9. Bidding and Award: Respond to questions from prospective bidders and issue addenda as needed. Assist the sponsor with obtaining construction bids for project, including coordination with City of Duluth procurement to post plans for competitive bidding, and tabulating bid results. Provide a recommendation of award of contractor to the Sponsor and assist with requesting a State grant for the project.

10. Subcontractor Coordination: Scheduling, coordination, project site escorting, and review of subcontractor deliverables, including subcontracts, reports and design data.
11. Project Management: Overall administration of the project, including internal and external meetings, coordination of plan and specification review with the Owner, MnDOT Office of Aeronautics, FAA, and other regulatory agencies as required.

Construction Observation, Administration, and Project Closeout:

1. Preconstruction Activities: A preconstruction conference will be held prior to beginning construction to outline and discuss project requirements, administration procedures, and other construction related information. SEH will administer the preconstruction conference, issue notifications, and record meeting minutes.
2. Submittal and Shop Drawing Review. Review product and material data, shop drawings, samples, and other items required to be submitted by the Contractor.
3. Construction Observation / Final Inspection: SEH will provide daily construction observation for the project. A Resident Project Representative (RPR) will be on-site to assist in ensuring that construction is performed in accordance with contract documents. The RPR will document and record construction progress through a daily journal and progress reports. A final inspection will be conducted by the RPR with the contractor prior to project acceptance.
4. Pay Estimates: SEH will prepare one pay estimate upon completion of construction. Actual completed quantities will be tabulated for use in preparing pay estimates.
5. Record Drawings. Record drawings will incorporate any modifications or additions that occurred during construction. A final plan set will be plotted and distributed to the Airport for its records.
6. Project Closeout Report: The Consultant will prepare a "Project Closeout Report" as required by MnDOT requirements.

Sub-consultants performing work under this proposal include the following:

1. Braun Intertec. Geotechnical and material testing will be performed by Braun Intertec, of Duluth, Minnesota.

PROJECTED SUBMITTAL DATES:

The anticipated submittal dates are:

June 14, 2021	Bid Opening with City of Duluth
June 15, 2021	Consideration of Design / Admin Proposal

June 16, 2021	Draft Grant Request Submittal to MnDOT
August 2021	Work initiated at DLH
September 2021	Work completed at DLH

Project Proposal

QTB140278

2021 Hangar Area Pavement Rehabilitation

Client:

Short Elliott Hendrickson, Inc.
Allison Andrashko
3535 Vadnais Center Dr
Saint Paul, MN 55110

Work Site Address:

Duluth International Airport
4701 Grinden Drive
Duluth, MN 55811

Service Description:

Construction Materials Testing
Duluth International Airport

	Description	Quantity	Units	Unit Price	Extension
Phase 1					
CMT					
Activity 1.1	Soils (MNDOT)				\$765.00
207	Compaction Testing - Nuclear	4.00	Hour	80.00	\$320.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Aggregate Base	1.00	Trips	4.00	4.00
1308	Nuclear moisture-density meter charge, per hour	4.00	Each	15.00	\$60.00
1861	CMT Trip Charge	2.00	Each	25.00	\$50.00
209	Sample pick-up	2.00	Hour	80.00	\$160.00
1318	Moisture Density Relationship (Proctor)	1.00	Each	175.00	\$175.00
Activity 1.2	Bituminous (MNDOT)				\$10,475.00
222	Bituminous Verification Testing	50.00	Hour	105.00	\$5,250.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Bituminous Plant QA	5.00	Trips	10.00	50.00
2689	MnDOT Bituminous Verification, per sample	5.00	Each	675.00	\$3,375.00
1542	Thickness and Density of Bituminous Core	12.00	Each	50.00	\$600.00
1863	Per diem	5.00	Each	160.00	\$800.00
1862	PAVE Trip Charge	2.00	Each	225.00	\$450.00
Activity 1.3	Project Oversight & Reports				\$2,330.00
238	Project Assistant	2.00	Hour	80.00	\$160.00
226	Project Manager	4.00	Hour	150.00	\$600.00
228	Senior Project Manager	8.00	Hour	165.00	\$1,320.00
1856	PM Mileage	250.00	Each	1.00	\$250.00
Phase 1 Total:					\$13,570.00

Proposal Total: \$13,570.00

ESTIMATED FEES AND EXPENSES
ATTACHMENT B
2021 HANGAR AREA PAVEMENT REHABILITATION
DULUTH INTERNATIONAL AIRPORT
DULUTH, MINNESOTA

Task No.	Task Description	Project Manager	Project Engineer	Senior Technician	Admin Technician
<i>Final Design and Bidding</i>					
1.	Scoping, Review, and Project Coordination	8	8	2	
2.	Project Formulation	4	4	2	
3.	Construction Safety Plan/Airspace Analysis		6	8	
4.	Detailed Design	2	16		
5.	Construction Plans			20	
6.	Quantity Calculations and Estimates	2	4		
7.	Construction Bidding Documents	4	8		2
8.	Quality Control Review	2	2	2	1
9.	Bidding and Award	1	2		
10.	Subcontractor Coordination	1			
11.	Project Management	2			
<i>Construction Observation, Administration, and Project Closeout</i>					
1.	Preconstruction Activities	2	8		
2.	Submittal and Shop Drawing Review		2		
3.	Construction Observation/Final Inspection	16	144	4	
4.	Pay Estimates	2	4		
5.	Record Drawings		2	2	
6.	Project Closeout Report	1	1		1
Total hours per labor category		47	211	40	4

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Project Manager	47	\$76.66	\$3,603.02
Project Engineer	211	\$33.69	\$7,108.59
Senior Technician	40	\$42.90	\$1,716.00
Admin Technician	4	\$31.19	\$124.76

Total Direct Labor Costs:	302		\$12,552.37
Salary Overhead (35%)			\$4,393.33
General and Administrative Overhead (137%)			\$17,196.75
Total Labor Costs			\$34,142.45
Fee (15%)			\$ 5,121.37

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Employee Mileage	600	\$0.57	\$342.00
Employee Per Diem	12	\$121.00	\$1,452.00
Employee Auto Allowance	12	\$16.00	\$192.00
Equipment Usage	302	\$3.00	\$906.00
Braun Intertec	1	\$13,570.00	\$13,570.00
Geotechnical Borings	1	\$5,000.00	\$5,000.00
Soil Testing	1	\$1,500.00	\$1,500.00
Reproductions / Miscellaneous	1	\$100.00	\$100.00
Total Expenses			\$23,062.00

SUMMARY:

Total Labor Costs + Fees + Expenses	\$62,325.82
Total	\$62,325.82
Estimated Total	\$62,300.00

~~1211~~ E

Duluth Airport Authority
Kernz & Kompany
Duluth Air & Aviation Expo
Air Show and Exhibition Amendment 1

Overview: Purpose of this amendment is to include language for compliance with any COVID-19 related event restrictions and or rules.

All other terms of original agreement remain unchanged.

**DULUTH AIR & AVIATION EXPO
AIR SHOW AND EXHIBITION AGREEMENT
FIRST AMENDMENT**

This First Amendment to Duluth Air & Aviation Expo Air Show and Exhibition Agreement, entered into this 15th day of June, 2021, is between the DULUTH AIRPORT AUTHORITY, hereinafter referred to as "Authority", and KERNZ & KOMPANY, INC., a Corporation under the laws of the State of Minnesota and DULUTH AIR & AVIATION EXPO, an unincorporated association, jointly and severally, both and each of which are hereinafter referred to as "Kernz."

WHEREAS, on August 15, 2017, the parties entered into a Duluth Air & Aviation Expo Air Show and Exhibit Agreement pursuant to which the Authority allowed Kernz to hold of Air Shows and Exhibitions at the Duluth International Airport (the "Agreement"); and

WHEREAS, the parties desire to amend the Agreement to add language pertaining to COVID 19 mitigation plans and adherence to all Federal, State, and local restrictions.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

1. Section 4, KERNZ RESPONSIBILITY FOR SHOW AND EXHIBIT, is hereby amended to add the following:

Kernz shall use its best efforts to adhere to, and be compliant with, all Federal, State, and local COVID 19 restrictions, if any, in place at all times while Kernz is putting on the June 2021 Air Show.

2. This First Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Agreement. Facsimile and E-mail signatures shall be binding on the transmitting party and shall have the same force and effect as if the original signature had been delivered.

3. Except as provided for in this First Amendment, the terms and conditions of the Agreement shall remain in force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date first above shown.

DULUTH AIRPORT AUTHORITY

KERNZ & KOMPANY, INC.

By _____
Its President

By _____
Its President

By _____
Its Secretary

Duluth Air and Aviation Expo

By _____

Its _____

~~III~~ F

Duluth Airport Authority
Hydrosolutions of Duluth
Amendment #1 - Building & Land Lease

Terms:

- 1 year extension to current agreement that expires 6/30/2021.

Background:

- Hydrosolutions of Duluth leases Building #305 for its business operations and office staff.
- The agreement had a 5 year term with no option terms.
- This is the second 1-year extension.
- All rent payments are current.
- The area of land near Building #305 is a potential redevelopment zone which the Master Plan process will determine the best use.

Agreement Overview:

- This Amendment is only to extend the term. All other lease language remains unchanged.

Why were the changes in key terms needed/wanted?

- Agreement was set to expire.
- Lessee desires to remain in the space.

LEASE AGREEMENT
Hydrosolutions of Duluth
SECOND AMENDMENT

THE PARTIES TO THIS FIRST AMENDMENT are the Duluth Airport Authority, the governmental authority organized and existing under the Laws of Minnesota, 1969, Chapter 577, hereinafter referred to as "Authority", and HYDROSOLUTIONS OF DULUTH, INC., a corporation under the laws of the State of Minnesota, hereinafter referred to as "Lessee".

WHEREAS, on July 1, 2015, the parties entered into a Lease Agreement pursuant to which Lessee leases approximately 13,867 square feet of space and appurtenant premises at Building #305, located at 4845 Lackland Street; and

WHEREAS, on May 19, 2020, the parties entered into a First Amendment to the Lease Agreement to extend the Term thereof by one year, the Lease Agreement and First Amendment hereinafter referred to as the "Agreement"; and

WHEREAS, the parties desire to further amend the Agreement to extend the Term of the Agreement for an additional one year.

NOW, THEREFORE, in consideration of the foregoing and mutual covenants and agreements contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree for themselves and their successors and assigns as follows:

1. The parties acknowledge and agree that all Rent Credit set forth in Section 5 has been paid in full and that there is no Past Due Rent as set forth in Section 5.
2. The first sentence of SECTION 6, Term, is hereby amended to extend the Lease Agreement for a period of one (1) year, until June 30, 2022.
3. Except as provided in this First Amendment, all other provisions of the Lease Agreement shall remain in force and effect.
4. This Second Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this First Amendment transmitted by facsimile, by electronic mail in "portable document format" ("pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the First Amendment, shall have the same effect as physical delivery of the paper document bearing the original signature.

DATE _____

DULUTH AIRPORT AUTHORITY

By _____
President

By _____
Secretary

HYDROSOLUTIONS OF DULUTH, INC.

By _____
Daniel A. Larson, President



Duluth Flying Club (FlyDuluth)

Operating Agreement

Terms:

- 3 years beginning July 1, 2021 through June 30, 2024.

Agreement Overview:

- FlyDuluth operates as a Specialized Aviation Service Operator ("SASO").
- 2.5% concession on Flight Instruction & Aircraft Rental (no increase from previous agreement).
- 5% concession on Other Sales & Services including Aerial Flight Tours.
- Gross Sales report required to be submitted with payment monthly.
- Students currently enrolled in an aviation education program at an accredited college or university are excluded from the gross sales calculation for concession payments.

Why were the changes in key terms needed/wanted?

- Agreement was set to expire.
- Operator wanted concession language modification.

OPERATOR AGREEMENT DULUTH FLYING CLUB, LLC

PARTIES TO THIS AGREEMENT ARE the DULUTH AIRPORT AUTHORITY, the governmental authority organized and existing under the Laws of Minnesota, 1969, Chapter 577, hereinafter referred to as "Authority", and DULUTH FLYING CLUB, LLC, a Minnesota limited liability company, doing business under the name "Duluth Flying Club" and assumed name "FlyDuluth" hereinafter referred to as "Operator";

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Authority is the operator of the Duluth International Airport, located in the City of Duluth, State of Minnesota and is in the business of promoting and managing aviation activity at the airport; and
2. Operator desires to operate as a Specialized Aviation Service Operator ("SASO") that provides one or a combination of specialized aviation services on said Airport; and
3. Operator wishes to lease space in the Monaco Air Duluth Fixed Base Operator ("FBO") facility for the purpose of providing a flight training program and aircraft rental program; and
4. The Authority desires to allow this service to be provided at Duluth International Airport.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the parties agree as follows:

SECTION 1 DEFINITIONS

The following terms, as used in this Agreement, shall have the meanings as ascribed to them hereunder.

- A. Airport: shall mean the Duluth International Airport located in the City of Duluth, County of St. Louis, State of Minnesota.
- B. Consent or Approval of Authority and of Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document dated and signed by the Executive Director or by a person designated by the Executive Director to sign such document.
- C. Executive Director: shall mean the Executive Director of the Authority or designee.
- D. Leased Premises: shall refer to that portion of the FBO space leased to Operator as further described in Section 2 of this Agreement.
- E. Leasehold Improvements: shall refer collectively to all items located on and within the Leased Premises provided or purchased by Operator, including such items as decorations, partitions, wiring, lighting and plumbing fixtures, piping, finished ceilings, ventilation duct work, grills, floor and walls coverings, heaters, cabinets, lockers, sinks, counters, chairs, other furniture, and signs.

SECTION 2 LEASED PREMISES, EMPLOYEE PARKING AND COMMON PREMISES

Leased Premises:

Operator is hereby allowed to use the space contained within a facilities lease executed with Monaco Air Duluth ("Monaco"), located at 4535 Airport Approach Road, Duluth MN, 55811. Operator shall lease exclusive use space from Monaco. The Leased Premises are leased directly from Monaco and the lease arrangements are directly among the parties.

Common Premises

Authority does grant to Operator and to its employees, students and customers access in common with the access granted to members of the general public to all public portions of the roads and parking facilities.

SECTION 3
OPERATIONS AT THE AIRPORT

Operations

Operator agrees to provide or cause to be provided a flight training program, an aircraft rental program, and aerial flight tour services at the Airport. Hours of operation shall be in accordance with Duluth International Airport Rules and Standards as may be amended from time to time.

In the event that Operator desires to operate a service not specifically heretofore set forth, it shall make timely written request of the Executive Director, which the Director shall promptly consider and give written response. The parties agree to negotiate with respect to such additional activities by Operator and the Executive Director agrees not to unreasonably withhold its permission and consent for such additional uses.

Operator shall keep business hours as approved in writing by the Executive Director.

SECTION 4
LEASE PAYMENT, FEES, TAXES AND OTHER CHARGES

- A. Percent of Gross Payments: Operator agrees to pay the Authority a sum equal to the total of the following percentages of gross sales and services derived from the business operations conducted pursuant to this Agreement:

	<u>Percentages of Gross Receipts</u>
1. Flight Instruction and Aircraft Rental to persons not enrolled in an aviation education program at an accredited college or university	2.5%
2. Other Sales and Services including Aerial Flight Tours	5.0%

- B. "Gross Sales" Defined: The term "Gross Sales", for the purposes of this Agreement, shall include all monies paid or payable to the Operator for sales made and for services rendered at the Airport pursuant to this Agreement; provided, however, that any sales taxes or similar taxes imposed by law which are separately stated and paid by the consumer and which are directly payable to a taxing authority by Operator shall be excluded therefrom.

- C. Payment Dates: All payments of the monthly consideration referred to in Paragraph B above shall be due and payable within ten (10) days of the month following the month in which Gross Sales arose.
- D. Monthly Statements: Within ten (10) days of the month following the month in which Gross Sales arose, Operator shall submit to Authority a detailed monthly statement by transaction, showing the amount of Gross Sales by service type for the preceding month and a calculation of the percent of gross payment due as well as an itemized listing of all claimed exclusions therefrom. This duty shall survive termination of this Agreement.
- E. Taxes, Fees and Assessments: Operator shall be liable for the payment of all taxes, assessments, license fees or other charges that may be levied or assessed during the term of this Agreement arising in any manner out of this Agreement, or on account of the transaction of business thereon by Operator, charged by any governmental agency and to provide evidence of payment of any of such taxes, assessments, license fees or other charges when the same become due upon request. Should Operator fail to pay any such taxes, assessments, fees or charges, the Authority may pay the same, together with any cost or penalty which may be accrued thereon, and collect the entire amount so paid from Operator, and Operator hereby agrees to pay such entire amount due to the Authority upon demand therefor.
- F. Books and Records: Operator shall maintain full and accurate financial books of accounts and records to generally accepted accounting principles from which Gross Sales can be determined. These books of accounts and records shall be kept at the Airport or at a convenient location which Operator shall designate within the City of Duluth. Any and all books and records shall be kept, maintained, and preserved by the Operator throughout the course of this Agreement and for not less than six (6) years after the termination or expiration of this Agreement. The records so required to be kept and maintained shall include all federal, state and local tax returns; records of daily bank deposits of the entire receipts from transactions at the Airport; sales slips; daily dated cash register tapes; sales books; duplicate bank deposit slips, and bank statements. Until the end of the six-year period, the Authority shall have the right to inspect and audit all books and records and all other papers and files of the Operator relating to Gross Sales. Any such inspection or audit shall be conducted during regular business hours and Operator shall produce the appropriate books and records on the request of the Authority. In the event any audit discloses that the amount of Gross Sales on any statement was understated by one percent (1%) or more of Gross Sales for any month, the Operator shall pay to the Authority the cost of its audit and investigation, plus any arrearage in fees due to the Authority under this Agreement.

SECTION 5 TERM

The term of this Agreement shall be for three (3) years. It shall be effective as of July 1, 2021 and shall continue in force until June 30, 2024 unless otherwise terminated in accordance with the provisions of this Agreement.

SECTION 6
OPERATOR'S OBLIGATIONS

- A. Diligent Operation: Operator covenants and agrees that it shall be diligent in the prosecution of its business, including the activities listed in Section 3, on the Airport and do all things reasonably necessary and advisable to serve the public adequately and fairly in all fields of aviation activities engaged in by Operator, and to conduct its business in such a manner as will not reflect discredit upon the Authority or cause Authority loss or damages and will furnish prompt and efficient service as shall be adequate to meet the demands for aviation activities at the Airport.
- B. Airfield Operation Service: Operator shall provide overall airfield supervision of its students, agents, customers, employees, and contractors.
- C. Maintenance of Structures and Facilities: Operator agrees to keep the Leased Premises in a clean, neat, and orderly condition.
- D. Fair and Nondiscriminatory Services: Operator, in the conduct of its authorized aeronautical activities on the Airport, shall furnish good, prompt and efficient service adequate to meet the demands for its services at the Airport, and shall furnish such service on a fair, equal and not unlawfully discriminatory basis to all users thereof, and shall charge fair, reasonable, and not discriminatory prices for each such unit of sale or service; provided, however, that Operator shall be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types or price reductions to volume purchasers.
- E. Operator to Furnish All Services: Operator agrees that it will itself either provide or furnish all services which this Agreement gives it the right to provide or will cause these services to be furnished by independent contractors. In the event said services, or any of them, are supplied by independent contractors, Operator shall not be relieved of its responsibilities hereunder for the prosecution of its business, as herein provided, and Operator's obligation to prosecute said business and provide said services shall continue for the term of this Agreement, or any extension hereof, and it shall not be relieved of any liability therefor because it may provide any of said services through arrangements with independent contractors.
- F. Failure to Provide All Services: In the event Operator fails to provide any of the services or to otherwise fulfill its obligations pursuant to this Agreement, Operator shall be obligated to give the Executive Director notice of said failure within three (3) days thereof. At any time, Authority may give Operator written notice of demand for performance of any obligation of Operator under this Agreement not then being fulfilled. Thereafter, Operator shall have thirty (30) days within which to arrange for the providing of such services or the performance of said business activities, and failure of the Operator to cure any of said default in its performance may be grounds for termination of this Agreement by the Authority; provided, however, that if within said thirty (30) day period Operator can demonstrate and establish to the Authority's satisfaction that said service or business activity does not have a significant need or that it has become outmoded or cannot be economically carried on, the parties agree to modify this Agreement by removing the requirement on Operator's part to provide such service or to carry on such business activity.

- G. Authority's Fire Insurance: Operator covenants that it will not do or permit to be done any act which:
1. will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereof; or
 2. will increase the rate of any fire insurance on the Airport or any part thereof or upon the contents of any building thereof; or
 3. in the opinion of the Authority, will constitute a hazardous condition so as to increase the risks normally attendant upon the operations contemplated by this Agreement.
- If, by reason of Operator's failure to comply with the provisions of this section, any fire insurance rate on the Airport or any part thereof or upon the contents of any building thereof, at any time, be higher than it otherwise would be, then the Operator shall, upon demand, reimburse the Authority for that part of all fire insurance premiums paid or payable by the Authority which shall have been charged because of such violation by the Operator.
- H. Airport Promotion: Operator agrees to use its best efforts to actively promote the Airport and its utilization by members of the flying public.

SECTION 7 CONSTRUCTION AND IMPROVEMENTS

In the event that Operator wishes to make any Leasehold Improvements, it shall comply with all of the construction and improvement requirements contained within Monaco Air Duluth's Operating Agreement with the Authority. These requirements shall be referenced in the facilities lease agreement between Operator and Monaco Air Duluth.

SECTION 8 AUTHORITY'S OBLIGATIONS

Except as provided herein, Authority shall, in accordance with acceptable FAA standards, other applicable statutes, rules and regulations, and in a safe manner consistent with the generally accepted good practices in the State of Minnesota for airports of similar size and character, properly maintain, operate and manage the Airport. If for any reason beyond the reasonable control of the Authority including, without in any manner limiting the generality of the foregoing, war, strikes, riots, terrorist events, civil commotion and other similar events, the Authority shall fail to properly maintain, operate and manage said Airport, such failure shall not operate as a breach of this Agreement nor render the Authority liable in damages.

SECTION 9 INDEMNITY

- A. Defense and Indemnity: Operator shall indemnify, save, hold harmless, and defend Authority and the City, their officials, agents and employees, successors and assigns, individually or collectively, (1) from and against any and all claims including a claim for contribution or indemnity, demands, causes of action, loss, injury, liability, costs and expenses of whatsoever kind or nature (including but not limited to reasonable attorneys' fees, disbursements, court costs, and expert fees) and damages for or related to injury to or death of persons or damage to property, and (2) from and against any fines in any way arising from or based upon the violation by Operator, its agents, employees, successors and assigns of any federal, state, or municipal laws, statutes, resolutions, or regulations,

including rules or regulations of the Authority now in effect or hereafter promulgated; all arising out of, resulting from, in conjunction with or incident to any act or omission of Operator, its officials, agents or employees, successors or assigns, Operator's performance of obligations under this Agreement, or the use and/or occupancy of Common Premises on the Airport by Operator, its officials, agents or employees, or successors or assigns, and on ten (10) days' written notice from the Authority, Operator shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage. The provisions of this paragraph shall survive the expiration, termination or early cancellation of this Agreement.

- B. Environmental Liability: In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that Operator shall be responsible in all respects for the use of or generation of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or a "hazardous waste" by either the Environmental Protection Agency of the Government of the United States or the Minnesota Pollution Control Agency by Operator, its officials, agents or employees, successors or assigns. Operator shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and costs, monitoring, or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises directly or indirectly out of the use of or generation of such substances by Operator, its officials, agents or employee, successors or assigns in its operations at the Airport; and Operator specifically agrees that the obligations of Paragraph A above shall apply specifically to any costs or obligations of Authority arising out of any such disposition, cleanup, or environmental response.
- C. Survival: The provision of this Section shall survive the expiration, termination and early cancellation of this agreement.

SECTION 10 INSURANCE

- A. Insurance: Operator shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Operator shall carry workers' compensation insurance on all of its employees employed on the Airport. Operator may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this agreement. The Authority reserves the right and Operator agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. All insurance policies required below shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.

1. Commercial general liability insurance, including contractual, completed operations, premises and operations and products liability coverage in an amount of not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 property damage per occurrence and \$1,500,000 in aggregate.
 2. Owned, non-owned and hired vehicles in an amount not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 per occurrence if Operator uses any vehicles.
 3. Aircraft Liability insurance from an admitted aviation insurance carrier in limits per each occurrence of not less than \$1,000,000 and Aircraft Passenger Liability insurance in limits of not less than \$100,000 for each passenger seat.
 4. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.
- B. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- C. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Operator under this Section.
- D. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Operator's interests and liabilities. It shall be the obligation and responsibility of Operator to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Operator's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Operator.

SECTION 11

LAWS, ORDINANCES, RULES AND NON-DISCRIMINATION

- A. Laws, Ordinances and Rules: Operator shall observe and comply with all the laws, ordinances, rules and regulations, policies and orders of the United States of America, State of Minnesota, St. Louis County, and the City of Duluth, and their respective agencies now in effect or hereinafter promulgated which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Operator agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.
- B. Non-discrimination: Operator for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:
1. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
 2. In the construction of any improvement 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 Operator shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

SECTION 12 INDEPENDENT CONTRACTOR

Operator is an independent contractor and not an employee of the Authority or the City of Duluth. No statement contained in this Agreement shall be construed so as to find Operator to be an employee or agent of the Authority or the City of Duluth, and Operator shall not be entitled to any of the rights, privileges, or benefits of Authority or City of Duluth employees. Nothing contained herein is intended nor shall be construed as in any manner creating or establishing a partnership relationship or as constituting Operator to be the agent representative or employee of the Authority or the City of Duluth for any purpose.

SECTION 13 AUTHORITY'S RIGHTS UPON DEFAULT

- A. Authority's Rights: If at any time Operator shall be in default, as defined in this Section, with regard to the requirements of this Agreement, it shall be lawful for the Authority, and the Authority may at any time thereafter:
 1. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided; or
 2. The Authority shall further have all other rights and remedies including injunctive relief, ejectment or summary proceedings for unlawful detainer, and any or all legal remedies, actions and proceedings and all such remedies shall be cumulative.
- B. Default Defined: For the purposes of this Section only, "default" shall be defined when any of the following circumstances exist:
 1. If the Operator has failed to pay rent, fees, taxes or other charges when due hereunder and such failure to pay shall continue for ten (10) days after notice in writing in the manner provided for herein.
 2. If the Operator fails in the observance or performance of any of the other terms, covenants and conditions of this Agreement and such failure shall continue for thirty (30) days after Authority has given Operator written notice, or the Operator shall have failed to commence the rectification of such failure within thirty (30) days after such notice and to diligently prosecute the same where the same cannot be completed within thirty (30) days.
 3. If the Operator shall be in default of any other agreement between Operator and the Authority.
 4. If a petition to reorganize the Operator or for its arrangement of its unsecured debts shall be filed.
 5. If the Operator shall be adjudicated bankrupt.
 6. If a receiver or trustee of the Operator's property shall be appointed by any court.
 7. If the Operator shall make a general assignment for the benefit of creditors.
 8. If all of the interest of the Operator in its property shall be taken by garnishment, attachment, execution or other process of law.
 9. If the Leased Premises shall be deserted or vacated.

SECTION 14 TERMINATION BY OPERATOR

- A. Operator may terminate this Operator's Agreement prior to the end of its term, or any extension thereof, for the following reasons:
1. Failure of Authority to substantially perform its obligations hereunder, if such failure shall continue for thirty (30) days after Operator has given Authority written notice or the Authority shall fail to commence the rectification of such failure within thirty (30) days after such notice and to diligently prosecute the same where the same cannot be completed within thirty (30) days.
 2. If the Authority shall commit any act or engage in any activity that prevents the Operator from conducting its business as provided under the terms of this Agreement for a period of thirty (30) days without the consent of Operator and after Operator has given notice to the Authority as provided for herein.
- B. This Agreement shall terminate if Authority or City of Duluth ceases Airport operations, or if any act of the government of the United States, State of Minnesota, or City of Duluth, war, natural disaster, civil unrest, or like cause of a third party makes continued operations impossible.

SECTION 15 WAIVER OF BREACH

The waiver by the Authority or the Operator of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

SECTION 16 REAL PROPERTY UPON TERMINATION

Upon the expiration or termination of this Agreement, Operator's authority to use the Leased Premises, facilities, and equipment herein granted for purposes of its operation shall cease.

SECTION 17 ASSIGNMENTS AND SUBLETTING

The Operator shall not assign or transfer this Agreement, nor sublet the Leased Premises, in whole or in part, in any manner, nor any interest therein, nor permit the Agreement to become transferred by operation of law or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part, unless the written consent of Authority shall first be obtained in each and every case of assignment or transfer as shall from time to time occur or be desired. It is expressly agreed by the parties that a change in ownership of the controlling interest in Operator, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Operator that in the event permission be granted by the Authority as herein provided, the assignee or transferee shall be required to assume and agree to perform the covenants of this Agreement and that notwithstanding any such subletting or assignment, the Operator shall be and remain liable for the payments of all rents and the performance of all covenants and conditions for the full term of this Agreement.

SECTION 18 ERECTION OF SIGNS – DECORATIONS

The Operator shall be allowed to erect suitable advertising signs on the Airport to advertise its business, but the form, type, size and method of installation of any such signs shall be subject to the prior written approval of the Executive Director. Decorations, graphics outdoor advertising, paint schemes, promotional structures, must comply with all regulations and City ordinances, be safe for aeronautic operations, and be approved in writing by the Executive Director.

SECTION 19 WAIVER OF CLAIMS

Operator waives all claims or causes of action against the Authority, its officers, agents or employees for any failure of the Authority to properly maintain, operate and manage the Airport at all times in a safe manner resulting from any reason or cause beyond the control of the Authority, including, but without the generality of the foregoing: war, strikes, riots, civil commotion and similar causes.

SECTION 20 NON-EXCLUSIVE RIGHTS

Operator shall have the right and privilege of engaging in and conducting the operations listed in Section 3 of this Agreement on the Leased Premises at the Airport under the terms and conditions as set forth herein; provided, however, that this Agreement shall not be construed in any manner to grant Operator or those claiming under it the exclusive right to the use of the Leased Premises and facilities of said Airport other than those Leased Premises leased exclusively to Operator hereunder. The parties to this Agreement do not intend to create any rights in any third-party beneficiary.

SECTION 21 GOVERNMENTAL COMMITMENTS

Nothing herein shall be construed to prevent the Authority from making such commitments as it desires to the Government of the United States or to the State of Minnesota in order to qualify for the expenditure of Federal or State funds at the Airport or related in any manner to the operation thereof, and this Agreement shall be subordinate to the provisions of any existing or future agreement between the Authority and the Government of the United States or of the State of Minnesota relative to the operation or maintenance of the Airport. In the event that any governmental regulation is modified following the execution of this Agreement that causes the terms and conditions of this Agreement to be in conflict with governmental requirements, the terms and conditions of this Agreement will be modified so as to allow the Authority to achieve compliance.

SECTION 22 CONFIDENTIALITY

The Authority and its agents shall use due care to treat confidentially all matters pertaining to Operator's business, subject to application of law.

SECTION 23
SEVERABILITY

It is the intent of both parties hereto that the provisions of this Agreement shall be severable with respect to the effect of a declaration of invalidity by any court of competent jurisdiction of any provision of the Agreement or the application thereof. It is the intent of the parties that this Agreement does not create any third-party beneficiary.

SECTION 24
MODIFICATION OF THE AGREEMENT

Any of the terms of this Agreement may be changed upon the mutual consent of the Authority and the Operator, but to be valid any such changes must be in writing, dated and duly executed by the parties.

SECTION 25
NOTICES

All notices to be given by Operator to the Authority shall be deemed to have been given by depositing written notice in the United States Mail addressed to Authority at the Duluth International Airport, 4701 Grinden Drive, Duluth, Minnesota, 55811. All notices to be given by Authority to Operator shall be deemed to have been delivered by depositing the same in writing in the United States Mail addressed to Operator at Duluth Flying Club, LLC, 4535 Airport Approach Road, Duluth, Minnesota, 55811.

SECTION 26
COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

SECTION 27
APPLICABLE LAW

Agreement, together with all of its sections, terms and provisions, is made in the State of Minnesota and shall be construed and interpreted according to the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties have hereunto set their hands this ____ day of _____, 2021.

Signature page to follow

DULUTH AIRPORT AUTHORITY

Signature: _____

Title: _____

Signature: _____

Title: _____

DULUTH FLYING CLUB, LLC

Signature: _____

Title: _____

~~III~~ H

Sky Harbor Airport
Jon Messerer Land Lease – Float Storage

Terms:

- July 1, 2021 to June 30, 2022

Background:

- Lessee uses grass area to store airplane floats for his customers

Agreement Overview:

- Renewal of previous lease
- Rate increase from \$.21 per square foot to \$.22 per square foot.

Why were the changes in key terms needed/wanted?

- Renewal of annual agreement- lessee did not want more than 1 year term

**SKY HARBOR AIRPORT
FLOAT STORAGE LAND LEASE AGREEMENT
JONATHON AERO**

THIS FLOAT STORAGE LAND LEASE AGREEMENT ("Agreement") entered into this first day of July, 2021, by and between the DULUTH AIRPORT AUTHORITY ("Authority"), and Jonathon Aero ("Renter").

WHEREAS, in consideration of the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Leased Premises

Subject to the terms and conditions set forth herein, the Authority grants to Renter use of five thousand five hundred (5,500) square feet of unimproved land for the storage of floats and related equipment at the Sky Harbor Airport (the "Airport") as shown on the attached Exhibit A, (the "Leased Premises") for the use and term set forth below.

2. Use of the Leased Premises

The Authority agrees to allow Renter the use of the Leased Premises for the sole purpose of storage of floats and related equipment. No other use of the Leased Premises shall be made other than as set forth above.

3. Term

The term of this Agreement shall commence on July 1, 2021 and shall continue until June 30, 2022. In the event that Renter shall fail to surrender the Leased Premises at the termination of this Agreement, Renter hereby agrees to pay Authority one hundred fifty percent (150%) of the rate stated in this Agreement until Renter surrenders the Leased Premises.

4. Rent

As consideration to the Authority under this Agreement, beginning on the commencement date and in advance on the first day of each month thereafter during the term of this Agreement, Renter agrees to pay to the Authority rent in the amount of twenty two cents (\$0.22) per square foot which equals one thousand two hundred ten dollars (\$1,210.00) per year due and payable annually on or before July 1st, 2021.

5. No Warranty

The Authority makes no representation that the Leased Premises is suitable for specific uses, and Renter accepts the Leased Premises in an "as is" condition without representations or warranties of any kind.

6. Facility Supervision

Authority agrees that at all times during the term of this Agreement; the Leased Premises will be properly supervised and overseen by an employee or agent of the Authority with sufficient empowerment and decision making authority to act on behalf of Authority. The name and cell phone number of such employee or agent shall be provided to Renter. Renter shall provide Authority with a contact telephone number and/or e-mail address that will be answered at all times during the term of this Agreement.

7. Smoking and Alcohol

Renter shall not permit smoking or alcohol on the Leased Premises.

8. Improvements

Renter shall not make any alterations or improvements to the Leased Premises without the prior written consent of Authority's Executive Director (the "Executive Director").

9. Maintenance

The Authority shall be responsible for performing general maintenance around the Leased Premises.

10. Authority Access

The Authority expressly reserves the right to the unlimited access to the Leased Premises for authorized personnel during the time that this Agreement is in force for the purpose of inspection, display or showing, and ensuring that the provisions of this Agreement are complied with by Renter.

11. Independent Contractor

It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing a relationship of co-partners between the parties hereto or of constituting Renter or any of its officers, agents, servants, volunteers, contractors and employees as an officer, agent, servant, volunteer, contractor, representative or employee of the Authority for any purpose or in any manner whatsoever. Renter's officers, agents, servants, volunteers, contractors and employees shall not be considered employees of the Authority, and any and all claims which may or might arise under the Workers' Compensation Act of the State of Minnesota on behalf of said officers, agents, servants, volunteers, contractors and employees while engaged in performing any work under this Agreement, and any and all claims whatsoever on behalf of said officers, agents, servants, volunteers, contractors and employees arising out of employment, including, without limitation, claims of discrimination, shall in no way be the responsibility of the Authority. Renter's officers, agents, servants, volunteers, contractors and employees shall not be entitled to any compensation or right or benefits of any kind whatsoever for leave or vacation pay, Workers' Compensation, Unemployment Insurance, disability pay or severance pay.

12. Defense and Indemnity

Renter shall indemnify, save, hold harmless, and defend Authority and the City of Duluth (the "City"), their officials, agents and employees, successors and assigns, individually or collectively, (1) from and against any and all claims including a claim for contribution or indemnity, demands, causes of action, loss, injury, liability, costs and expenses of whatsoever kind or nature (including but not limited to reasonable attorneys' fees, disbursements, court costs, and expert fees) and damages for or related to injury to or death of persons or damage to property, and (2) from and against any fines in any way arising from or based upon the violation by Lessee, its agents, employees, successors and assigns of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated; all arising out of, resulting from, in conjunction with or incident to any act or omission of Renter, its officials, agents or employees, successors or assigns, Renter's performance of obligations under this Agreement, or the use and/or occupancy of the Leased Premises or of the Airport by Renter, its officials, agents or employees, or successors or assigns, and on ten (10) days' written notice from the Authority, the Renter shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage. The provisions of this paragraph shall survive the expiration, termination or early cancellation of this Agreement.

13. Environmental Liability

In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that Renter shall be responsible in all respects for the use of or generation

of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or a "hazardous waste" by either the Environmental Protection Agency of the Government of the United States or the Minnesota Pollution Control Agency by Renter, its officials, agents or employees, successors or assigns. Renter shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and costs, monitoring, or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises directly or indirectly out of the use of or generation of such substances by Renter, its officials, agents or employee, successors or assigns in its operations at the Airport; and Renter specifically agrees that the obligations of Paragraph 12 above shall apply specifically to any costs or obligations of Authority arising out of any such disposition, cleanup, or environmental response.

14. Survival

The provisions of paragraphs 12 and 13 shall survive the expiration, termination and early cancellation of this agreement.

15. Insurance:

Renter shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Renter shall carry workers' compensation insurance on all of its employees employed on the Airport. Renter may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. To the extent that the "Accord" form of certificate is used, the words "endeavor to" shall be stricken from the notification provisions. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this agreement. The Authority reserves the right and Renter agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. All insurance policies required below shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.

1. Commercial general liability insurance, including contractual, completed operations, premises and operations and products liability coverage in an amount of not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 property damage per occurrence and \$1,500,000 in aggregate.
2. Owned, non-owned and hired vehicles in an amount not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 per occurrence.
3. Aircraft Liability insurance from an admitted aviation insurance carrier in limits per each occurrence of not less than \$1,000,000 and Aircraft Passenger Liability insurance in limits of not less than \$100,000 for each passenger seat.
4. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.

- B. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- C. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Renter under this Section.
- D. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Renter's interests and liabilities. It shall be the obligation and responsibility of Renter to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Renter's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Renter.

16. Laws, Ordinances and Rules

The Renter agrees to observe and comply with all the laws, ordinances, rules and regulations of the United States of America, State of Minnesota, the City of Duluth, and their respective agencies now in effect or hereinafter promulgated which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Renter agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.

17. Non-discrimination

The Renter for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:

- a. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
- b. In the construction of any improvement 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
- c. That the Renter shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

18. Assignment

Renter shall not assign its interest under this Agreement or any part hereof without the prior written consent of the Executive Director.

19. Notices

Any notice to be given by either party shall be deemed to be properly served if deposited with the United States Postal Service, or other acceptable mailing service, postage prepaid, addressed to the other party as follows:

To Authority: Duluth Airport Authority
 Duluth International Airport
 4701 Grinden Drive
 Duluth, MN 55811

Attn: Executive Director

To Renter: Jonathan Aero
5000 Minnesota Avenue
Hangar 4
Duluth, MN 55802

20. Choice of Law

All questions concerning the interpretation or application of provisions of this Agreement shall be decided according to the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota.

21. No Third Party Claims

This Agreement is to be construed and understood solely as an Agreement between the Authority and Renter and shall not be deemed to create any rights in any other person. No person shall have the right to make claim that she or he is a third party beneficiary of this Agreement or of any of the terms and conditions hereof, which, as between the Authority and Renter, may be waived at any time by mutual agreement between the Authority and Renter.

22. Waiver

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

23. Provision Against Liens

Renter shall not create or permit any mortgage, encumbrance or lien or allow any mechanics' or materials liens to be filed or established or to remain against the Leased Premises, or any part thereof, provided that if Renter shall first notify the Authority of its intention to do so and post such security as the Authority reasonably deems necessary, Renter may, in good faith, contest any such mechanics' or other liens filed or established as long as the Authority does not deem its interest or rights in this License Agreement to be subject to foreclosure by reason of such contest.

24. Limitation of Liability

The liability of the Authority and the City shall be governed by the provisions of the Minnesota Municipal Limitation of Liability Statute, Minnesota Statutes, Section 466 et. seq.

25. Subordination

This License Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States, the State of Minnesota or the City of Duluth relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal, State or local funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.

26. Amendments

Any amendments to this Lease Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

27. Entire Agreement

This Agreement constitutes the entire agreement between parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter.

28. Counterparts

This Lease Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the parties have set their hands this _____ day of _____ 2021.

DULUTH AIRPORT AUTHORITY

JONATHON AERO

Signature: _____

Signature: _____

Title: _____

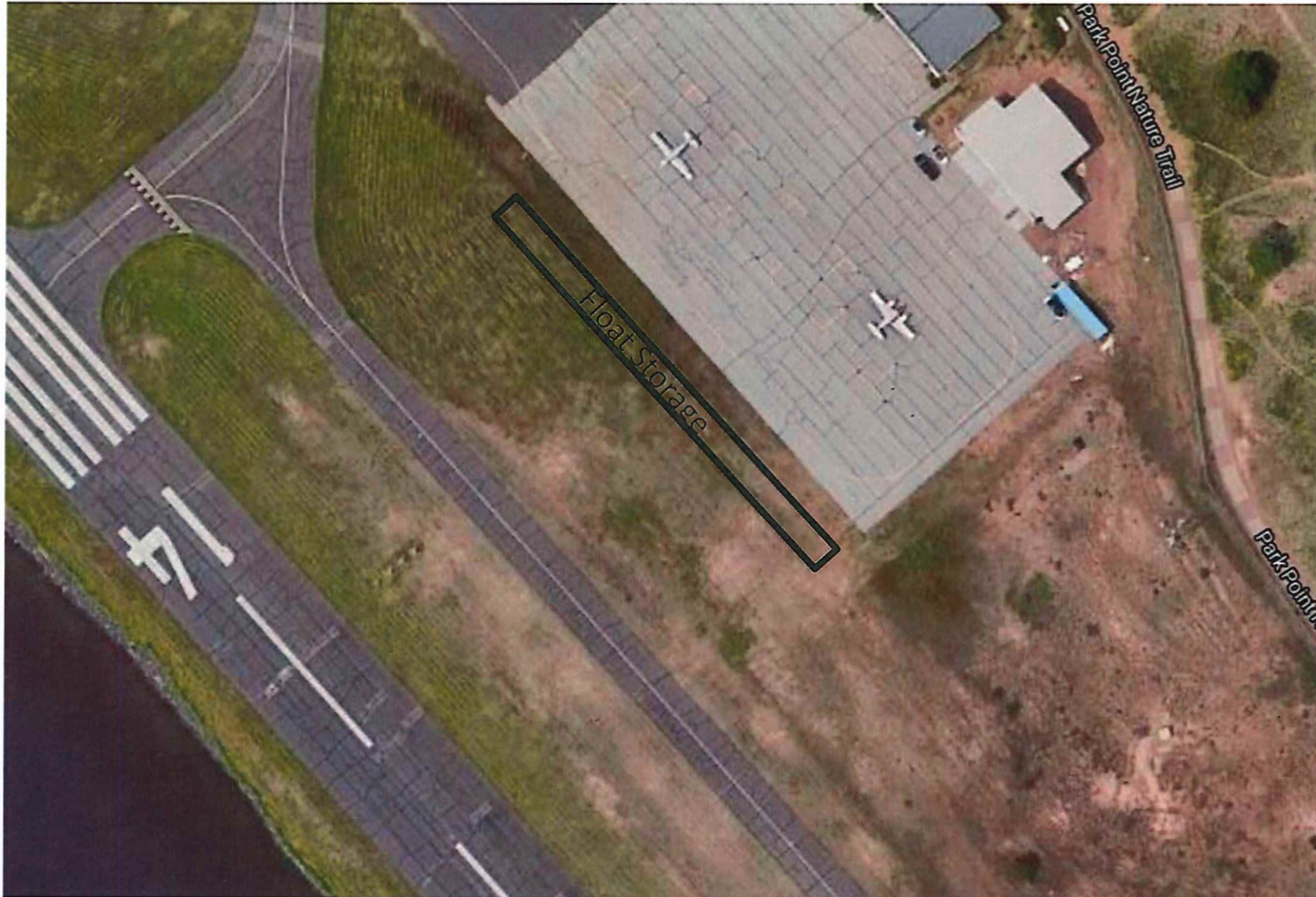
Title: _____

Signature: _____

Title: _____

EXHIBIT A

SKY HARBOR AIRPORT FLOAT STORAGE



~~III~~

Duluth Airport Authority
Salter 11x
Sky Harbor Lot 8 Land Lease & Future Hangar Development

Terms:

- 20 year base term with two (2) additional five (5) year option terms.

Background:

- Lot 8 is a vacant lot at Sky Harbor ready to be developed.
- DAA has twice published RFPs for the lot and received zero proposals. Two other parties have been interested and both have been terminated.
- Salter 11x is a 14 person flying club that has flown at Sky Harbor for many years as stores planes at Sky Harbor tie downs.

Agreement Overview:

- Lessee has until December 1, 2021 to submit construction plans to the DAA Executive Director for approval.
- Upon approval of construction plans Lessee must complete construction by October 1, 2022.
- Lessee is responsible for all preconstruction due diligence, construction and hangar maintenance once constructed.

HANGAR #8 LAND LEASE
SKY HARBOR AIRPORT
Salter 11X LLC

Parties to this Agreement are the DULUTH AIRPORT AUTHORITY, hereinafter called "Authority" and Salter 11X LLC, a Minnesota limited liability company, hereinafter referred to as "Lessee".

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. Pursuant to Laws 1969, Chapter 577, the Authority is the operator of Duluth Sky Harbor Airport, located in the City of Duluth, State of Minnesota; and
2. Lessee is engaged in the non-commercial pursuit of aviation and desires to construct and maintain a hangar building for its use on said Airport;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the parties agree as follows:

SECTION 1
Definitions

The following terms, as used in this Agreement, shall have the meanings as ascribed to them hereunder.

- A. Airport: shall mean Sky Harbor Airport located in the City of Duluth, County of St. Louis, State of Minnesota.
- B. Consent or Approval of Authority and/or of Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document signed by him/her.
- C. Executive Director: shall refer to the Executive Director of the Authority or his/her designee.
- D. Leased Premises: shall refer to that portion of the Airport leased to Lessee for its exclusive use as further described in SECTION 3, Subparagraph A of this Agreement and **Exhibit A and Exhibit B** attached hereto and incorporated herein.
- E. Leasehold Improvements: shall refer collectively to all items located on, within, and attached to the Leased Premises provided or purchased by Lessee or a previous lessee, including such items as buildings, structures, insulation, utilities, systems, ramps and taxiways.

SECTION 2
Operations & Performance

Lessee is hereby authorized to utilize the Leased Premises only for the following purposes:

- A. To securely store and maintain aircraft in Lessee's hangar which aircraft is owned or controlled by Lessee for private and non-commercial aviation purposes.
- B. To provide pilots' lounge facilities, preflight briefing area, and related improvements.
- C. To safely store other personal property in Lessee's hangar as approved in writing by the Executive Director which approval will not be unreasonably withheld or delayed

SECTION 3
Leased Premises & Use of Facilities

- A. Leased Premises: During the term of this Agreement and any extensions thereof, Authority does hereby lease to Lessee for its exclusive use that tract of land lying in Parcel 6 of the REFEREE'S PLAT OF MINNESOTA POINT as recorded in the Office of the Register of Deeds in Book "G" of Plats, Page 38, labeled as Hangar 8 on Exhibit A and Exhibit B, more particularly described as follows:

Beginning at the southeasterly corner of the Duluth Airport Authority Hangar Concrete Ramp at Sky Harbor Airport; thence southeasterly along the northeast edge of the bituminous aircraft parking ramp 485' 11" feet to the point of beginning of the line described. Then deflect 90° to the left and go 105' 0" to a point, then deflect 90° to the right and go 80' 0" to a point, then deflect 90° to the right and go 105' 0" to a point, then deflect 90° to the right and to 80' 0" to the point of beginning, consisting of 8,400 square feet, more or less.

- B. Use of Airport Facilities: Authority does additionally hereby grant to Lessee a license for the use of all public facilities at the Airport to the same extent as other tenants, including, but not limited to, runways, ramps and taxiways.

SECTION 4
Rent, Taxes, Assessments, License Fees, and Utilities

- A. Rent: For the Term of this Agreement, Lessee agrees to pay rent on the Leased Premises consisting of 8,400 square feet, more or less in the amount of \$.22 cents per square foot per year for a total yearly rent of \$1,848.00, payable on or before June 1 each year.

On June 1st of each subsequent year during the term of this Agreement, or any extension, renewal or holding over thereof, the annual rent shall increase to the amount calculated by multiplying the previous year's rent by the rate of increase, if any, of the most recent Consumer Price Index, U.S. City Average, published by the U.S. Bureau of Labor Statistics for the preceding twelve-month period.

- B. Taxes, Assessments and License Fees: Lessee shall be liable for the payment of all real property and personal taxes, assessments, license fees or other charges that may be levied or assessed during the term of this Agreement arising in any manner out of this Agreement, charged by any governmental agency and shall provide evidence of payment of any such taxes to Authority as such taxes shall become due. If Lessee shall fail or neglect to pay any of said taxes, assessments, license fees or other charges when the same become due, the Authority may pay the same, together with any cost or penalty which may be accrued thereon, and collect the entire amount so paid from Lessee, and Lessee hereby agrees to pay such entire amount due to the Authority upon demand therefor.
- C. Utilities: Lessee shall be responsible for providing and connecting any utilities to the Leased Premises covered by this Agreement at no cost to the Authority, including, but not limited to, electricity, gas, water, sewer, heat, telephone and garbage disposal. Lessee shall be responsible for paying the applicable monthly utility service charges and any other fees for use of the Leased Premises.

SECTION 5
Term

- A. Base Term: The term of this Agreement shall commence on June 1, 2021, and terminate on May 31, 2041, unless sooner or later terminated as herein provided.

- B. Option Term: The parties reserve the right to exercise two (2) additional five (5) year option terms beyond the base term provided that the parties mutually agree to exercise the option term sixty (60) days prior to the end of the base term or any executed option term.

After the expiration of the base term and any exercised option terms, should Lessee have the Executive Director's written permission to remain in possession of the Leased Premises, then the tenancy shall be month to month under the same terms and conditions set forth in this Agreement subject to the right of either party to terminate said continuance of this Agreement upon twenty-eight (28) days' written notice to the other party. Lessee shall have the right, within 28 days prior to the end of the term of this Agreement, to meet and negotiate with Authority for a new lease; the terms and conditions of which are subject to negotiation. Authority shall not lease the Leased Premises to another party during this 28-day period without first offering to negotiate a new lease agreement with Lessee.

SECTION 6

Premises Maintenance

Lessee agrees to keep the Leased Premises in a clean, neat and orderly condition and in compliance with all laws and codes applicable to the Leased Premises. In the event that Lessee shall fail to so maintain any portion of the said Leased Premises, Authority shall have the right, but not the obligation, to itself perform or have performed said maintenance and to charge Lessee for said work plus a fifteen percent (15%) administrative fee, due and payable upon the date of the invoice. Lessee is responsible to perform all maintenance on its own personal property including the hangar bay doors and door operating equipment.

SECTION 7

Construction

On or before December 1, 2021 Lessee shall submit to the Executive Director in writing construction plans and specifications showing all details of proposed airplane hangar construction. **No improvement shall be made on the Leased Premises without the prior written approval of the Executive Director which approval will not be unreasonably delayed and then only in conformance with the approved plans and this Section.**

- A. Design and Construction: Design of proposed hangar must be compatible with structures currently at the Airport. The Airport is zoned AP for airport. All design and construction must meet local, State, and/or Federal building codes.
- a. A paved apron connector to the proposed hangar is required and the sole responsibility of the Lessee.
 - b. The Lessee must provide a construction schedule.
 - c. The Lessee must complete and submit for approval by the FAA, the Notification of Proposed Construction or Alteration, FAA form 7460-1, prior to plans submittal. Form 7460-1 is attached as Exhibit E.
 - d. Proposed construction must be of an aviation hangar. Uses and design of the hangar will solely be for aviation uses in compliance with FAA regulations and minimum standards as maybe amended from time to time.
- B. Construction Standards and Approvals: All work done by Lessee, or under its direction, shall conform to all applicable regulations, building codes and health standards, as well as the following requirements:

- a. All construction shall meet the requirement of Type I (fire resistant) construction as set forth in the Minnesota State Building Code (current edition) and the building standards for the Airport, where relevant.
- b. Complete contract drawings and specifications on all work, including alterations, additions or replacements, must be submitted for and receive prior written approval of the Executive Director which will not be unreasonably withheld or delayed.
- c. All work must be done by competent contractors in the time and manner approved by the Executive Director which will not be unreasonably withheld or delayed and coordinated with Executive Director. Lessee shall comply with the indemnity and insurance and bond requirements of this Agreement.
- d. An authorized representative of Lessee shall be available at all reasonable times at the site to coordinate the work of the leasehold improvements.

C. Construction Bonds and Insurance:

- a. Bonds: During the term of this Agreement, when any modifications or improvements are constructed, installed or renovated, Lessee shall procure and furnish to Authority a contractors' bond or bonds written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Executive Director, in an amount not less than the cost of such construction, installation or renovation, for the use obligee, Lessee and the Authority and all persons doing work or furnishing skills, tools, machinery, materials, insurance premiums, equipment or supplies incident to such construction, installation or renovation, such bond or bonds to be conditioned for payment of claims as required and in full compliance with Minnesota Statutes Section 574.26. Further, during the term of this Agreement, for any construction, installation or renovation, and before the commencement of work thereon, Lessee shall furnish to Authority performance bonds, written by similarly qualified companies, covering all work to be performed thereunder guaranteeing the performance of all such work.
Notwithstanding the foregoing, Lessee may furnish Executive Director with a personal indemnity or other evidences, at the sole option of and satisfactory to the Executive Director, of its ability to complete construction without liens.

D. Contractor's Public Liability and Property Insurance: Before commencing any improvement, work or equipment installation on the Airport, Lessee shall require all contractors and subcontractors to procure and maintain insurance during the life of such contracts, protecting both the Authority and the Lessee as follows:

- a. Workers' Compensation Insurance.
- b. Contractors Comprehensive Public Liability and Property Damage Insurance.
- c. Contractors Automobile Liability and Property Damage Insurance, including automobile and non-ownership and hired cars.
- d. Owners Protective Public Liability and Protective Property Damage Insurance.
- e. Builders Risk Insurance (fire, extended coverage, vandalism and malicious mischief, including sprinkler leakage).

Amounts shall be not less than One Million Five Hundred Thousand Dollars (\$1,500,000) for injuries, including accidental death to any one person, and subject to same limit for each person, and in an amount not less than One Million Five Hundred Thousand Dollars (\$1,500,000) on account of any one accident, and property damage in an amount not less than One Million Five Hundred Thousand Dollars (\$1,500,000) aggregate for the policy. Insurance, as above provided, shall be kept intact and in force throughout the term of construction work and equipment installation on the Leased Premises. Such insurance shall be subject to the approval of the Executive Director and copies furnished to the Executive Director prior to the commencement of construction.

- E. Construction Completion: On or before October 1, 2022, Lessee shall have completed construction of the airplane hangar as evidenced by Lessee's submittal to the Executive Director of a Certificate of Occupancy issued by the City of Duluth's Construction Services and Inspections Division.
- F. Subsequent Leasehold Improvements: Any changes in, additions to or deletions from existing or later constructed leasehold improvements shall be at Lessee's sole expense and subject to the prior written approval of the Executive Director which will not be unreasonably delayed, and the Executive Director may impose such conditions as he/she shall deem necessary to protect and promote the Authority and the integrity of all operations at the Airport, including, but not limited to, bonding and insurance requirements. Exterior signs, color of building or roof, exterior construction materials and decorations are subject to the discretion, approval and regulation of the Executive Director which will not be unreasonably withheld or delayed.

SECTION 8

Authority's Obligations

The Authority shall properly maintain, operate, and manage the Airport at all times in a safe manner consistent with the generally accepted good practices in the State of Minnesota for airports of similar size and character. If for any reason beyond the control of the Authority (including, without in any manner limiting the generality of the foregoing, war, strikes, riots, civil commotion's and similar causes), the Authority shall fail to properly maintain, operate and manage said Airport, such failure shall not operate as a breach of this Agreement or render the Authority liable in damages.

SECTION 9

Indemnity, Insurance and Waiver of Claims

- A. Defense and Indemnity: Lessee shall indemnify, save, hold harmless, and defend Authority and the City of Duluth (the "City"), their officials, agents and employees, successors and assigns, individually or collectively, (1) from and against any and all claims including a claim for contribution or indemnity, demands, causes of action, loss, injury, liability, costs and expenses of whatsoever kind or nature (including but not limited to reasonable attorneys' fees, disbursements, court costs, and expert fees) and damages for or related to injury to or death of persons or damage to property, and (2) from and against any fines in any way arising from or based upon the violation by Lessee, its agents, employees, successors and assigns of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated; all arising out of, resulting from, in conjunction with or incident to any act or omission of Lessee, its officials, agents or employees, successors or assigns, Lessee's performance of obligations under this Agreement, or the use and/or occupancy of the Leased Premises or of the Airport by Lessee, its officials, agents or employees, or successors or assigns, and on ten (10) days' written notice from the Authority, the Lessee shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage.
- B. Environmental Liability: In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that Lessee shall be responsible in all respects for the use of or generation of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or a "hazardous waste" by either the Environmental Protection Agency of the Government of the United States or the Minnesota Pollution Control Agency by Lessee, its officials, agents or employees, successors or assigns. Lessee shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and costs, monitoring, or cleanup of any environmental

condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises directly or indirectly out of the use of or generation of such substances by Lessee, its officials, agents or employee, successors or assigns in its operations at the Airport; and Lessee specifically agrees that the obligations of Paragraph A above shall apply specifically to any costs or obligations of Authority arising out of any such disposition, cleanup, or environmental response.

- C. Survival: The provision of this Section shall survive the expiration, termination and early cancellation of this agreement.
- D. Insurance: Lessee shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Lessee shall carry workers' compensation insurance on all of its employees employed on the Airport. Lessee may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this agreement. The Authority reserves the right and Lessee agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota.
1. Commercial general liability insurance, including contractual, completed operations, premises and operations and products liability coverage in an amount of not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 property damage per occurrence and \$1,500,000 in aggregate.
 2. Owned, non-owned and hired vehicles in an amount not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 per occurrence if Operator uses any vehicles.
 3. Aircraft Liability insurance from an admitted aviation insurance carrier in limits per each occurrence of not less than \$1,000,000 and Aircraft Passenger Liability insurance in limits of not less than \$100,000 for each passenger seat.
 4. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.
- E. Insurance Primary: All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- F. Insurance Not Limitation: It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Lessee under this Section.
- G. Disclaimer: Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Lessee's interests and liabilities. It shall be the obligation and responsibility of Lessee to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Lessee's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Lessee.
- H. Authority's Fire Insurance: Lessee covenants that it will not do or permit to be done any act which:
- a. will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereof; or

- b. will increase the rate of fire insurance on the Airport or any part thereof or upon the contents of any building thereof; or
- c. in the opinion of the Authority, will constitute a hazardous condition so as to increase the risks normally attendant upon the operations contemplated by this Agreement.

If, by reason of Lessee's failure to comply with the provisions of this section, any fire insurance rate on the Airport or any part thereof or upon the contents of any building thereof, at any time, be higher than it otherwise would be, then the Lessee shall, upon demand, reimburse the Authority for that part of all fire insurance premiums paid or payable by the Authority which shall have been charged because of Lessee's failure to comply with this section.

- I. Waiver of Claims: Lessee waives all claims or causes of action against the Authority, its officers, agents or employees for any failure of the Authority to properly maintain, operate and manage the Airport at all times in a safe manner resulting from any reason or cause beyond the control of the Authority, including, but without the generality of the foregoing, war, strikes, riots, civil commotion and similar causes.

SECTION 10

Laws, Ordinances, Rules, And Non-Discrimination

- A. Laws, Ordinances and Rules: The Lessee agrees to observe and comply with all the laws, ordinances, rules and regulations of the United States of America, State of Minnesota, the City of Duluth, and their respective agencies now in effect or hereinafter promulgated which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this Agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Lessee agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.
- B. Non-discrimination: The Lessee for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant with the land that:
 - a. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
 - b. In the construction of any improvement 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
 - c. That the Lessee shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

SECTION 11

Authority's Rights Upon Default

- A. Rights: If at any time Lessee shall be in default, as defined in this Section, with regard to the requirements of this Agreement, it shall be lawful for the Authority, and the Authority may at any time thereafter:

1. Immediately or at any time thereafter without further notice to Lessee, re-enter onto or upon the Leased Premises or any part thereof and take possession of the same fully and absolutely without such re-entry working a forfeiture of the charges to be paid and of the covenants, terms and conditions to be performed by Lessee for the full term of this Agreement, and in the event of such re-entry, the Authority may proceed with the collection of charges to be paid under this Agreement or to recover properly measured damages; or
 2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided and re-enter upon said Leased Premises as of its former estate therein, and the Lessee covenants in case of such termination to indemnify the Authority against all loss of rents and expense which the Authority has suffered or paid by reason of such termination, during the residue of the term; or
 3. The Authority shall further have all other rights and remedies including injunctive relief, ejectment or summary proceedings for unlawful detainer, and any and all legal remedies, actions and proceedings and all such remedies shall be cumulative.
- B. Default Defined: For the purposes of this Section only "default" shall be defined when any of the following circumstances exists:
1. If the Lessee fails to pay rent, fees, taxes or other charges when due hereunder and such failure to pay shall continue for thirty (30) days after notice in writing in the manner hereinafter provided for.
 2. If Lessee fails to provide construction plans and specifications on or before April 1, 2021 or fails to complete construction of the airplane hangar on or before October 1, 2021, or
 3. If the Lessee fails in the observance or performance of any of the other terms, covenants and conditions of this Agreement and such failure shall continue for thirty (30) days after Authority has given Lessee written notice, or the Lessee shall have failed to commence the rectification of such failure within ten (10) days after such notice and to diligently prosecute the same where the same cannot be completed within thirty (30) days, or
 4. If a petition to reorganize the Lessee or for its arrangement of its unsecured debts shall be filed, or
 5. If the Lessee shall be adjudicated bankrupt, or
 6. If a receiver or trustee of the Lessee's property shall be appointed by any court, or
 7. If the Lessee shall make a general assignment for the benefit of creditors, or
 8. If all of the interest of the Lessee in its property shall be taken by garnishment, attachment, execution or other process of law, or
 9. If the Leased Premises shall be deserted or vacated.

SECTION 12

Termination by Lessee

- A. Termination: Lessee may terminate this Agreement prior to the end of its term, or any extension thereof, for the following reasons:
1. Failure of the Authority to substantially perform its obligations hereunder, if such failure shall continue for sixty (60) days after Lessee has given Authority written notice or the Authority shall fail to commence the rectification of such failure within sixty (60) days after such notice and to diligently prosecute the same where the same cannot be completed within sixty (60) days.
 2. If the Authority shall commit any act or engage in any activity that prevents the Lessee from conducting its uses and activities as provided under the terms of this Agreement for a period of sixty (60) days without the consent of Lessee and after Lessee has given notice to the Authority as provided for herein.

3. If by any act or cause, whether by the Authority or not, Lessee is unable, by reason of change in regulation, termination of operation, or damage to the Leased Premises, to utilize the Leased Premises herein rented by Lessee for a period of six (6) months.

- B. Abatement in Lieu of Termination: In lieu of termination of this Agreement by the Lessee under the provisions of Paragraph A above, the Lessee may, at its option, declare a moratorium on rent payments, or any other payments provided hereunder to the Authority during the interruptions of Lessee's use of the Leased Premises and in such event, the term of this Agreement shall be extended for a period of such interruption, or interruptions, and the moratorium on any payments hereunder by Lessee shall continue until Lessee's use of the Leased Premises can be uninterruptedly continued.

SECTION 13

Force Majeure

If war, civil insurrection, natural disaster, change in law, action of the federal, state or city government, or other force beyond the control of the parties render the continuance of this Agreement impossible, then it shall terminate on thirty (30) days' notice to the other party.

SECTION 14

Waiver of Breach

The waiver by the Authority or the Lessee of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained.

SECTION 15

Real Property Upon Termination

- A. Authority's Option to Buy: At the termination of this Agreement, Authority shall have the option to purchase from Lessee any Leasehold Improvements on the Leased Premises that are then owned by Lessee. The purchase price for said Leasehold Improvements shall be determined by an appraisal of the fair market value thereof made by a board of three (3) appraisers, one of whom shall be named by the Authority, one of whom shall be named by the Lessee, and the third of whom shall be named by the two appraisers appointed respectively by the Lessee and the Authority. Upon approval of the Authority, said purchase price, as so determined, shall be paid by Authority to Lessee after completion of said appraisal upon Lessee's tendering to Authority good and marketable title to said Leasehold Improvements, free and clear of all encumbrances.
- B. Removal If Option Not Exercised: In the event that Authority does not exercise its option to purchase said Leasehold Improvements as provided for herein, and if Lessee shall have paid all taxes, assessments, rent or other charges by it payable under the terms of this Agreement, and shall have kept and performed all of the terms and conditions of this Agreement, then Lessee shall have the right to remove from Leased Premises all Leasehold Improvements thereon belonging to the Lessee, and shall restore Leased Premises to as good condition as they were in when they were entered upon by Lessee, provided that Lessee shall do so within sixty (60) days after the termination of this Agreement. If said Leasehold Improvements are not so removed, the Lessee hereby conveys the same absolutely to the Authority and title thereto, upon the expiration of said sixty (60) day period shall vest with the Authority without further act or conveyance; provided, however, that if Lessee demonstrates to Authority that for reasons beyond the control of Lessee such removal cannot be completed within said sixty (60) day period, then Executive Director may allow Lessee, in writing, a reasonable extension of time for such removal. In the event the Leasehold Improvements are not removed within said 60 day time period or such

extension thereof as may be allowed by the Executive Director, the Authority, at its sole option, may remove or demolish or cause the removal or demolition of the Leasehold Improvements or any portion thereof, at Lessee's sole cost and expense, and payment for said removal or demolition shall be made immediately upon receipt by Lessee of invoice therefor.

- C. Restore Premises: In all events upon the termination of this Agreement, Lessee agrees to repair or restore any damage to the Leased Premises or diminution in the value thereof resulting from Lessee's operation on the Airport except normal wear and tear which are the natural and normal consequences of Lessee's operations at the Airport.

SECTION 16

Subleases and Assignments

The Lessee shall not assign, pledge, or transfer, in whole or in part, in any manner, this Agreement, nor any interest therein, nor permit the Agreement to become transferred by operation of law, including inheritance, or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part, unless the prior written consent of the Executive Director shall be obtained in each and every case of such underletting, assignment or transfer as shall from time to time occur or be desired. The parties expressly agree that a majority change in ownership of the controlling interest in Lessee, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Lessee that in the event permission be granted by the Executive Director as herein provided, the sub-lessee or assignee shall be required to assume and agree to perform the covenants of this Agreement and that notwithstanding any such subletting or assignment, the Lessee shall be and remain liable for the payments of all rents and the performance of all covenants and conditions for the full term of this Agreement. The parties agree that Executive Director shall meet and confer in good faith with any party Lessee proposes as a sub-lessee or assignee of this Agreement for the purpose of reaching an accord on occupation of the Leased Premises.

SECTION 17

Erection of Signs

The Lessee shall be allowed to erect suitable signs on the Leased Premises to indicate its location or occupancy, but the form, type, size and method of installation of any such signs shall be subject to the prior written approval of the Executive Director which will not be unreasonably withheld or delayed.

SECTION 18

Governmental Commitments

Nothing herein shall be construed to prevent the Authority from making such commitments, as it determines is in its best interest, to the Government of the United States or to the State of Minnesota in order to qualify for the expenditure of Federal or State funds at the Airport or related in any manner to the operation thereof, and this Agreement shall be subordinate to the provisions of any existing or future agreement between the Authority and the Government of the United States or of the State of Minnesota relative to the operation or maintenance of the Airport.

SECTION 19

Severability

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

SECTION 20
Modification of the Agreement

Any of the terms of this Agreement may be changed upon the mutual consent of the Authority and the Lessee, but to be valid any such changes must be in writing, dated and must be executed with the same formalities as this Agreement.

SECTION 21
Notices

All notices to be given by Lessee to the Authority shall be deemed to have been given by depositing written notice in the United States Mail addressed to Authority at the Duluth International Airport, 4701 Grinden Drive, Duluth, Minnesota, 55811, Attn: Executive Director. All notices to be given by Authority to Lessee shall be deemed to have been delivered by depositing the same in writing in the United States Mail addressed to Lessee at 724 Mellwood Ave Duluth, MN 55804.

SECTION 22
Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

SECTION 23
Applicable Law

This Agreement, together with all of its articles, terms and provisions, is made in the State of Minnesota and shall be construed and interpreted according to the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota.

IN WITNESS WHEREOF, the parties have hereunto set their hands this _____ day of _____, 2021

DULUTH AIRPORT AUTHORITY

SALTER 11X, LLC.

By _____
Its President

By _____

Its _____

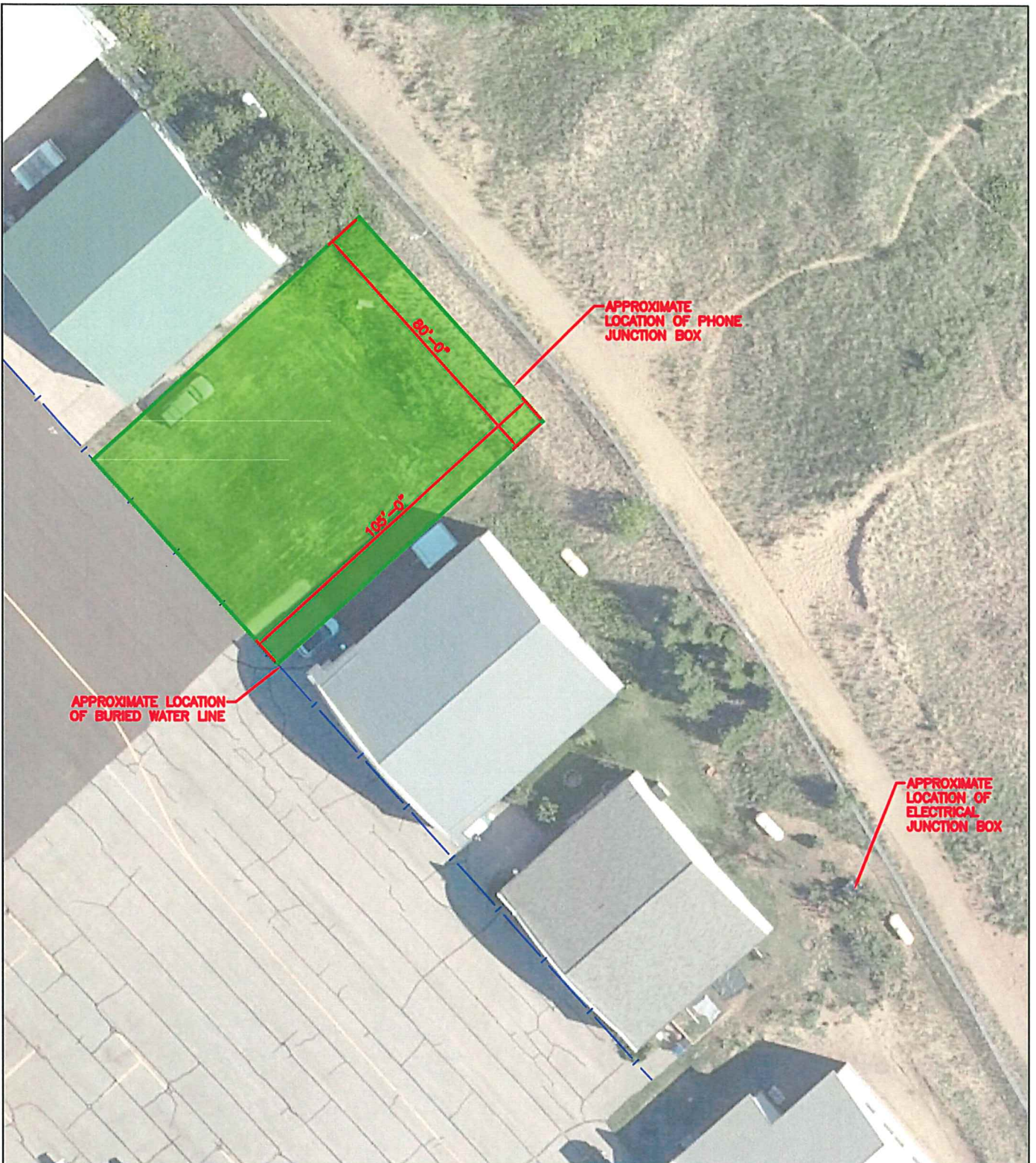
By _____
Its Secretary

EXHIBIT A

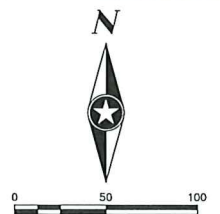
That property in St. Louis County, Minnesota, lying in Parcel 6 of the REFEREE'S PLAT OF MINNESOTA POINT as recorded in the St. Louis County Office of the Register of Deeds in Book "G" of Plats, Page 38, more particularly described as follows:

Beginning at the southeasterly corner of the Duluth Airport Authority Hangar Concrete Ramp at Sky Harbor Airport; thence southeasterly along the northeast edge of the bituminous aircraft parking ramp 485' 11" feet to the point of beginning of the line described. Then deflect 90° to the left and go 105' 0" to a point, then deflect 90° to the right and go 80' 0" to a point, then deflect 90° to the right and go 105' 0" to a point, then deflect 90° to the right and to 80' 0" to the point of beginning, consisting of 8,400 square feet, more or less.

S:\AE\D\A\A\Common\Sky Harbor\General Engineering Tasks\2018 Hangar Layout\2018 Hangar Location.dwg 1/11/2018 9:47 AM slutterman



Beginning at the southeasterly corner of the Duluth Airport Authority Hangar Concrete Ramp at the Sky Harbor Airport: Thence southeasterly along the northeast edge of the bituminous aircraft parking ramp 485' 11" to the point of beginning of the line described. Then deflect 90 degrees to the left and go 105' 0" to a point, then deflect 90 degrees to the right and go 80' 0" to a point, then deflect 90 degrees to the right and go 105' 0" to a point, then deflect 90 degrees to the right and go 80' 0" to the point of beginning, consisting of 8,400 square feet, more or less.



SKY HARBOR AIRPORT
PROPOSED HANGAR LOCATION
DULUTH, MINNESOTA

EXHIBIT B

III K

**Duluth Airport Authority
DAA Board Packet Budget vs. Actual Summary
From Jan 2021 to Apr 2021**

	Prior Year Actual (Jan 2020 - Apr 2020)	Current Year Actual (Jan 2021 - Apr 2021)	Budget Amount (Jan 2021 - Apr 2021)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2021 - Adjust 2021)
Financial Row							
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	794,510	922,426	617,085	149.48%	127,916	305,341	1,865,240
Non-Passenger Aeronautical Revenue	468,890	458,588	452,579	101.33%	(10,302)	6,009	1,455,426
Passenger Airline Aeronautical Revenue	455,591	445,759	420,841	105.92%	(9,832)	24,917	1,281,878
Total - Income	1,718,991	1,826,773	1,490,505	122.56%	107,782	336,268	4,602,544
Gross Profit	1,718,991	1,826,773	1,490,505	122.56%	107,782	336,268	4,602,544
Expense							
Miscellaneous Expenses	18,413	11,254	10,340	108.84%	(7,158)	914	32,660
Personnel Compensation & Benefits	678,871	737,803	765,265	96.41%	58,932	(27,463)	2,460,392
Services and Charges	606,674	619,285	665,065	93.12%	12,611	(45,779)	1,877,099
Supplies	194,753	310,649	197,593	157.22%	115,896	113,055	574,230
Total - Expense	1,498,711	1,678,991	1,638,263	102.49%	180,280	40,728	4,944,381
Net Ordinary Income	220,280	147,782	(147,758)	-100.02%	(72,498)	295,540	(341,838)
Other Income and Expenses							
Other Income							
Non-Operating Revenue	175,522	140,476	117,792	119.26%	(35,046)	22,685	365,939
Total - Other Income	175,522	140,476	117,792	119.26%	(35,046)	22,685	365,939
Other Expense							
Non-Operating Expense	91,485	82,881	109,548	75.66%	(8,604)	(26,667)	328,644
Total - Other Expense	91,485	82,881	109,548	75.66%	(8,604)	(26,667)	328,644
Net Other Income	84,037	57,595	8,244	698.65%	(26,442)	49,351	37,295
Net Income Exclusive of Project Expenses, Depreciation & Amortization	304,318	205,377	(139,514)	-147.21%	(98,940)	344,892	(304,543)
Projects/Grants	(1,800,881)	(2,222,332)	2,962,667	-75.01%	(421,451)	(5,184,999)	8,888,000
Depreciation & Amortization	(3,718,778)	0	(3,351,790)	0.00%	3,718,778	3,351,790	(10,055,370)
Net Income	(5,215,341)	(2,016,955)	(528,638)	381.54%	3,198,386	(1,488,317)	(1,471,913)

- This report is based on an allocated budget, which is seasonally adjusted. At this time the DAA is at a positive variance bud get vs actual of over 344k.
- The positive variance is inflated due to the MAG reconciliation for the parking lot of \$330,923.82. Taking this out we would have a positive variance of nearly \$14k.
- No CARES or CRSSA expense reimbursements have been requested in 2021.
- The results of this report are expected to change slightly with audit adjustments as well as delayed revenue and expense post ings.
- The largest variance from budget in revenues comes the parking concession MAG adjustment, while other concessions are very c lose to budget. Non-passenger aeronautical revenue is only \$6k off from budget and passenger airline aeronautical revenue is over budget due to increased landing fees of nearly \$25k.
- The largest variance from budget in expenses come from the boiler replacement project of \$110k, this will be rectified when capitalized to be removed from operating expenses in future financial updates. Expenses are over \$40k over budget, removing the boiler costs expenses would be 69k under budget.
- Non-operating income is close to budget with PFCs coming in higher than expected, while expenses are down due budgeted line of credit interest which hasn't been utilized for a total positive variance vs budget of over \$49k.

Duluth Airport Authority
Balance Sheet
End of Apr 2021

Financial Row	Amount
ASSETS	
Current Assets	
Bank	\$5,543,830.89
Accounts Receivable	\$1,224,603.47
Other Current Asset	\$227,897.50
Total Current Assets	\$6,996,331.86
Fixed Assets	
Accumulated Depreciation	(\$131,246,853.74)
Capital Assets	\$251,814,679.12
Work in Progress	\$669,066.02
Total Fixed Assets	\$121,236,891.40
Other Assets	
Accumulated Amortization	(\$1,984,854.42)
Airport Planning Projects - Contributed	\$3,733,532.07
Airport Planning Projects - Invested	\$526,847.41
Deferred Outflows - OPEB	\$22,744.00
Deferred Outflows - Pension	\$121,939.00
Total Other Assets	\$2,420,208.06
Total ASSETS	\$130,653,431.32
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	\$75,756.91
Contracts Payable	\$35,966.00
Lottery Payable	(\$362.91)
Total Accounts Payable	\$111,360.00
Credit Card	\$2,237.60
Other Current Liability	
Accrued Expense	\$11,299.98
Accrued Interest	\$82,881.28
Accrued Vacation	\$123,329.30
Deferred Inflows - OPEB Liabilities	\$155,208.00
Deferred Inflows - Pension	\$72,479.00
Loans Payable to City of Duluth	\$965,000.00
Unearned Revenue - Current	\$429,500.00
Unearned Revenue - Non Current	\$195,415.72
Total Other Current Liability	\$2,035,113.28
Total Current Liabilities	\$2,148,710.88
Long Term Liabilities	
LT Loans Payable to City of Duluth	\$6,495,000.00
Net Pension Liability	\$1,175,111.00
Total Other Post Employment Benefit Liability	\$2,907,972.87
Total Long Term Liabilities	\$10,578,083.87
Equity	
Contributed Equity	\$16,621,668.70
Retained Earnings	\$103,321,922.76
Net Income	(\$2,016,954.89)
Total Equity	\$117,926,636.57
Total Liabilities & Equity	\$130,653,431.32

Duluth Airport Authority
Income Statement
From Jan 2021 to Apr 2021

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$2,800.00
Concession Revenue	
ATM	\$40.50
Car Rental Concession	\$91,702.89
Food & Beverage Concession	\$8,963.50
Lottery Concessions	\$434.61
Parking	\$502,672.09
Per Passenger Fee	\$1,919.00
Services/Other	\$200.00
TNC Per Trip Fee	\$1,137.00
Vending	\$1,826.68
Total - Concession Revenue	\$608,896.27
Customer Facility Charges	\$42,852.00
Miscellaneous Revenues	\$16,271.51
Parking	\$80,494.66
Permits	\$6,704.95
Plowing Services	\$4,725.00
Reimbursed Expenses	\$28,955.07
Rent	\$76,416.43
Sponsorship Income	\$50,000.00
State Aid	\$4,310.49
Total - Non-Aeronautical Revenue	\$922,426.38
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$4,231.08
Concession Revenue	\$31,863.53
Landing Fees	\$11,257.91
Ramp Fees	\$6,198.72
Rent	\$372,320.52
Security Reimbursement	\$32,716.34
Total - Non-Passenger Aeronautical Revenue	\$458,588.10
Passenger Airline Aeronautical Revenue	
Landing Fees	\$80,609.96
Terminal Office/Space Rental	\$365,148.79
Total - Passenger Airline Aeronautical Revenue	\$445,758.75
Total - Income	\$1,826,773.23
Gross Profit	\$1,826,773.23
Expense	
Miscellaneous Expenses	\$11,254.39
Personnel Compensation & Benefits	
Benefit Administration Fees	\$61.20
Employer Contributions for Retirement	\$66,183.28
Employer Paid Insurance	\$122,425.30
Retiree Benefits	\$36,906.00
Wages & Salaries	\$512,226.73
Total - Personnel Compensation & Benefits	\$737,802.51
Services and Charges	
Advertising	\$500.00
Central Services Fee	\$11,299.98
Communications & Technology	\$102,251.18
Employee Development Services	\$16,851.83
Employee Physicals	\$293.00
Finance Charge	\$49.78
Marketing	\$22,450.55

Financial Row	Amount
Professional Services	\$109,937.24
Rentals	\$1,556.94
Repairs and Maintenance - Contractual/Services	
Repairs and Maintenance - Contractual/Services	\$4,888.03
Building	\$81,095.71
Elevator & Escalator Services	\$5,063.24
Equipment	\$3,257.92
Inspections	\$2,032.49
Janitorial & Cleaning - Main	\$63,153.30
Jet Bridge Repairs	\$5,464.00
Laundry Service	\$1,076.67
Pest Control	\$701.00
Safety & Environmental	\$1,380.00
Total - Repairs and Maintenance - Contractual/Services	\$168,112.36
Sponsorship Expenses	\$817.00
Transportation	\$30.68
Utility Services	\$185,134.71
Total - Services and Charges	\$619,285.25
Supplies	
Office Supplies	\$20,672.46
Operating Supplies	\$51,580.50
Repairs & Maintenance Supplies	
Airfield	\$47,688.87
Building	\$123,654.73
Fencing & Gates	\$6,582.93
Fuel System	\$95.13
Heavy Equipment	\$34,112.92
Heavy Equipment Accessories	\$9,057.84
Light Equipment	\$12,087.94
Sand/Deicer	\$596.33
Sea Base	\$1,343.62
Shop Supplies	\$2,171.78
Small Tools	\$1,003.56
Total - Repairs & Maintenance Supplies	\$238,395.65
Total - Supplies	\$310,648.61
Total - Expense	\$1,678,990.76
Net Ordinary Income	\$147,782.47
Other Income and Expenses	
Other Income	
Capital Contributions	
Contributed Capital	\$1,121,018.67
Grants	(\$3,343,350.93)
Total - Capital Contributions	(\$2,222,332.26)
Non-Operating Revenue	
Interest Income	\$12,576.08
Passenger Facility Charges	\$127,900.10
Total - Non-Operating Revenue	\$140,476.18
Total - Other Income	(\$2,081,856.08)
Other Expense	
Non-Operating Expense	
Interest Expense	\$82,881.28
Total - Non-Operating Expense	\$82,881.28
Total - Other Expense	\$82,881.28
Net Other Income	(\$2,164,737.36)
Net Income	(\$2,016,954.89)

Duluth Airport Authority ~~ITL~~ L
Duluth A/R Aging Report
As of June 8, 2021

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

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT Open Balance	5/9/2021 - 6/7/2021 (30) Open Balance	4/9/2021 - 5/8/2021 (60) Open Balance	3/10/2021 - 4/8/2021 (90) Open Balance	BEFORE 3/10/2021 (>90) Open Balance	TOTAL Open Balance
Avis Rent A Car						\$0.00	\$2,209.27	\$0.00	\$0.00	\$26,477.63	\$28,686.90
Beier Properties, LLC	Invoice	5/27/2021	8253	6/26/2021	12	\$0.00	\$2,496.00	\$0.00	\$0.00	\$0.00	\$2,496.00
Bemidji Aviation	Invoice	5/31/2021	8331	6/30/2021	8	\$0.00	\$884.12	\$0.00	\$0.00	\$0.00	\$884.12
BKR Investments DBA Duluth Pack						\$0.00	\$225.00	\$225.00	\$0.00	\$0.00	\$450.00
Briden, Tom	Invoice	6/1/2021	8318	7/1/2021	7	\$0.00	\$196.81	\$0.00	\$0.00	\$0.00	\$196.81
Brown, James	Invoice	6/1/2021	8304	7/1/2021	7	\$0.00	\$250.35	\$0.00	\$0.00	\$0.00	\$250.35
Budget Rent A Car						\$0.00	\$1,867.63	\$0.00	\$0.00	\$22,923.95	\$24,791.58
Case, Ronald Jr.						\$0.00	\$0.00	\$0.00	\$0.00	(\$102.00)	(\$102.00)
Chad's Pad, LLC	Invoice	5/3/2021	8160	6/2/2021	36	\$0.00	\$0.00	\$1,800.00	\$0.00	\$0.00	\$1,800.00
Chandler, Daniel	Invoice	3/31/2021	8110	5/8/2021	69	\$0.00	\$0.00	\$0.00	\$102.00	\$0.00	\$102.00
Childs, Matthew	Invoice	4/5/2021	8159	5/5/2021	64	\$0.00	\$0.00	\$0.00	\$153.00	\$0.00	\$153.00
Churchill, Sean						\$0.00	\$193.35	\$193.35	\$193.35	\$0.00	\$580.05
Cirrus Design Corporation						\$0.00	\$22,680.60	(\$13,160.09)	\$1,029.00	(\$2,976.19)	\$7,573.32
City of Duluth						\$0.00	\$1,645.57	\$1,645.57	\$1,645.57	(\$625.00)	\$4,311.71
Civil Air Patrol						\$0.00	\$0.00	\$156.26	\$0.00	\$0.00	\$156.26
Compudyne						\$0.00	\$80.18	\$0.00	\$0.00	\$0.00	\$80.18
Delta Airlines						\$0.00	\$58,320.93	\$69,000.13	(\$270.00)	\$62,112.44	\$189,163.50
Divine Carriers						\$0.00	\$126.33	\$126.33	\$126.33	\$0.00	\$378.99
Donald J. Trump for President, Inc.	Invoice	9/30/2020	7431	9/30/2020	251	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000.00	\$15,000.00
Duluth Economic Development Authority	Invoice	3/2/2021	7966	4/1/2021	98	\$0.00	\$0.00	\$0.00	\$0.00	\$2,025.00	\$2,025.00
Duluth Hangar, LLC	Invoice	6/1/2021	8300	7/1/2021	7	\$0.00	\$765.35	\$0.00	\$0.00	\$0.00	\$765.35
Enterprise Leasing Company						\$0.00	\$480.00	\$0.00	\$0.00	\$97,215.42	\$97,695.42
Ferrari, Matt	Payment	5/4/2021	7307	5/4/2021	35	\$0.00	\$0.00	(\$153.00)	\$0.00	\$0.00	(\$153.00)
General Services Administration						\$0.00	\$5,102.40	(\$61.20)	(\$61.20)	\$0.00	\$4,980.00
Goritchan Boris						\$0.00	\$0.00	\$0.00	\$0.00	\$879.00	\$879.00
Grimsbo, Gerald	Invoice	2/10/2020	6437	3/11/2020	484	\$0.00	\$0.00	\$0.00	\$0.00	\$412.00	\$412.00
GSSC						\$0.00	\$384.00	\$0.00	\$65.00	\$0.00	\$449.00
Hagberg, Rick	Invoice	6/1/2021	8312	7/1/2021	7	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Hall John	Invoice	6/1/2021	8277	7/1/2021	7	\$0.00	\$277.39	\$0.00	\$0.00	\$0.00	\$277.39
Hatfield, Dan	Invoice	6/1/2021	8308	7/1/2021	7	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Hermantown Hydraulics	Invoice	6/1/2021	8299	7/1/2021	7	\$0.00	\$672.84	\$0.00	\$0.00	\$0.00	\$672.84
Hertz-Overland West	Invoice	12/31/2020	8043	1/30/2021	159	\$0.00	\$0.00	\$0.00	\$0.00	\$56,383.56	\$56,383.56

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT Open Balance	5/9/2021 - 6/7/2021 (30) Open Balance	4/9/2021 - 5/8/2021 (60) Open Balance	3/10/2021 - 4/8/2021 (90) Open Balance	BEFORE 3/10/2021 (>90) Open Balance	TOTAL Open Balance
Hillman Colin	Invoice	6/1/2021	8321	7/1/2021	7	\$0.00	\$215.00	\$0.00	\$0.00	\$0.00	\$215.00
Hydro Solutions, Inc.	Invoice	6/1/2021	8278	7/1/2021	7	\$0.00	\$3,466.75	\$0.00	\$0.00	\$0.00	\$3,466.75
Informa	Invoice	12/15/2020	7633	1/14/2021	175	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00
Johnson, Richard	Invoice	6/1/2021	8305	7/1/2021	7	\$0.00	\$443.70	\$0.00	\$0.00	\$0.00	\$443.70
Johnston, Paul	Invoice	6/1/2021	8317	7/1/2021	7	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Kern & Kompany	Invoice	9/21/2020	7319	10/21/2020	260	\$0.00	\$0.00	\$0.00	\$0.00	\$65.00	\$65.00
Kraus-Anderson Construction Company	Invoice	4/29/2021	8260	5/29/2021	40	\$0.00	\$0.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00
Lake Country Air, LLC	Invoice	2/1/2021	7848	3/3/2021	127	\$0.00	\$0.00	\$0.00	\$0.00	\$455.00	\$455.00
Lake Superior Helicopters						\$0.00	\$1,537.82	\$0.00	\$0.00	\$0.00	\$1,537.82
Love Creamery						\$0.00	\$30.00	\$30.00	\$0.00	\$0.00	\$60.00
Lyft, Inc.	Payment	5/11/2021	7328	5/11/2021	28	\$0.00	(\$183.00)	\$0.00	\$0.00	\$0.00	(\$183.00)
M & M Light Transport	Invoice	6/1/2021	8310	7/1/2021	7	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Magaard, Diana	Invoice	1/15/2021	7785	2/14/2021	144	\$0.00	\$0.00	\$0.00	\$0.00	\$50.00	\$50.00
Marsden BLD Maint. DBA Crystal Clean of the North	Invoice	5/28/2021	8263	6/27/2021	11	\$0.00	\$288.00	\$0.00	\$0.00	\$0.00	\$288.00
Miner's Outdoor Adventures, LLC	Payment	1/19/2021	6925	1/19/2021	140	\$0.00	\$0.00	\$0.00	\$0.00	(\$15.70)	(\$15.70)
Minnesota Power	Invoice	6/1/2021	8283	7/1/2021	7	\$0.00	\$446.18	\$0.00	\$0.00	\$0.00	\$446.18
MN State Lottery	Invoice	6/1/2021	8270	7/1/2021	7	\$0.00	\$12,000.00	\$0.00	\$0.00	\$0.00	\$12,000.00
Monaco Air Duluth						\$0.00	\$5,798.35	\$5,798.35	\$0.00	\$0.00	\$11,596.70
Mountain Air Cargo						\$0.00	\$1,549.68	\$1,549.68	\$0.00	\$0.00	\$3,099.36
Northland Constructors, Inc.	Invoice	6/1/2021	8287	7/1/2021	7	\$0.00	\$181.50	\$0.00	\$0.00	\$0.00	\$181.50
Oakwells CR, LLC						\$0.00	(\$786.44)	\$0.00	\$0.00	\$55,375.86	\$54,589.42
Opack Matthew Jr.	Invoice	6/1/2021	8319	7/1/2021	7	\$0.00	\$196.81	\$0.00	\$0.00	\$0.00	\$196.81
Palmer, John	Invoice	6/1/2021	8320	7/1/2021	7	\$0.00	\$196.81	\$0.00	\$0.00	\$0.00	\$196.81
Parsons Electric	Invoice	3/18/2021	8026	4/17/2021	82	\$0.00	\$0.00	\$0.00	\$65.00	\$0.00	\$65.00
Parthe, Lance						\$0.00	\$250.35	\$250.35	\$250.35	\$500.70	\$1,251.75
Payne, Robert	Invoice	6/1/2021	8303	7/1/2021	7	\$0.00	\$250.35	\$0.00	\$0.00	\$0.00	\$250.35
QMS, INC.						\$0.00	\$250.00	\$0.60	\$0.00	\$0.00	\$250.60
Rathbun, David	Invoice	6/1/2021	8311	7/1/2021	7	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Reabe, Troy	Invoice	6/1/2021	8314	7/1/2021	7	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Rehabilitation Counselors, Inc.	Payment	8/19/2019	5002	8/19/2019	659	\$0.00	\$0.00	\$0.00	\$0.00	(\$75.00)	(\$75.00)
Republic Parking System	Invoice	1/31/2021	8046	3/2/2021	128	\$0.00	\$0.00	\$0.00	\$0.00	\$330,923.82	\$330,923.82
RS&H	Invoice	6/1/2021	8301	7/1/2021	7	\$0.00	\$2,067.56	\$0.00	\$0.00	\$0.00	\$2,067.56
Safstrom Jon	Payment	3/3/2021	7092	3/3/2021	97	\$0.00	\$0.00	\$0.00	\$0.00	(\$167.00)	(\$167.00)
Saran, Rajiv	Payment	4/8/2021	7220	4/8/2021	61	\$0.00	\$0.00	\$0.00	(\$153.00)	\$0.00	(\$153.00)
Security Jewelers	Invoice	6/1/2021	8302	7/1/2021	7	\$0.00	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00
Simplex Grinnell	Invoice	3/25/2021	8044	4/24/2021	75	\$0.00	\$0.00	\$0.00	\$115.00	\$0.00	\$115.00
Stevens, Mike	Invoice	6/1/2021	8313	7/1/2021	7	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Sydow Dan						\$0.00	\$250.35	\$0.00	\$250.35	\$0.00	\$500.70
The Jamar Company	Invoice	3/18/2021	8020	4/17/2021	82	\$0.00	\$0.00	\$0.00	\$115.00	\$0.00	\$115.00
The Landline Company						\$0.00	\$4,830.14	\$0.00	\$0.00	\$471.00	\$5,301.14

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT Open Balance	5/9/2021 - 6/7/2021 (30) Open Balance	4/9/2021 - 5/8/2021 (60) Open Balance	3/10/2021 - 4/8/2021 (90) Open Balance	BEFORE 3/10/2021 (>90) Open Balance	TOTAL Open Balance
Transportation Security Administration	Invoice	5/26/2021	8252	6/25/2021	13	\$0.00	\$8,184.00	\$0.00	\$0.00	\$0.00	\$8,184.00
unifi						\$0.00	\$4,224.00	\$40.00	\$115.00	\$0.00	\$4,379.00
United Airlines						\$0.00	\$41,668.69	\$0.00	\$0.00	\$0.00	\$41,668.69
United Parcel Service	Invoice	3/18/2021	8027	4/17/2021	82	\$0.00	\$0.00	\$0.00	\$190.00	\$0.00	\$190.00
Werpy, Jonas	Invoice	6/1/2021	8309	7/1/2021	7	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Wicklein, John	Invoice	3/31/2021	8139	5/14/2021	69	\$0.00	\$0.00	\$0.00	\$153.00	\$0.00	\$153.00
Williams, Ron	Invoice	6/1/2021	8315	7/1/2021	7	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Total						\$0.00	\$188,204.87	\$77,441.33	\$4,083.75	\$669,309.49	\$939,039.44

DULUTH AIRLINE STATISTICS ALL SCHEDULED AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2020/2021 PASS. INCREASE/DECREASE			
	2019	2020	2021	2019	2020	2021	2019	2020	2021	ORIG	% DIFF	TOTAL	% DIFF
JAN	9,589	12,946	5,183	8,729	11,437	4,677	18,318	24,383	9,860	(7,763)	(59.96)	(14,523)	(59.56)
FEB	8,663	12,774	5,182	8,229	12,337	5,041	16,892	25,111	10,223	(7,592)	(59.43)	(14,888)	(59.29)
MAR	12,498	7,703	7,169	12,124	8,842	6,544	24,622	16,545	13,713	(534)	(6.93)	(2,832)	(17.12)
APR	11,429	577	6,758	11,631	666	7,055	23,060	1,243	13,813	6,181	1,071.23	12,570	1,011.26
MAY	12,376	849	9,519	12,744	638	10,262	25,120	1,487	19,781	8,670	1,021.20	18,294	1,230.26
JUN	14,727	1,494	-	15,576	1,526	-	30,303	3,020	-				
JUL	16,096	3,121	-	16,016	3,327	-	32,112	6,448	-				
AUG	16,868	5,727	-	16,846	5,754	-	33,714	11,481	-				
SEP	15,070	5,664	-	13,676	5,666	-	28,746	11,330	-				
OCT	15,224	5,652	-	14,568	5,059	-	29,792	10,711	-				
NOV	12,461	4,418	-	12,341	4,349	-	24,802	8,767	-				
DEC	12,850	4,449	-	13,649	4,533	-	26,499	8,982	-				
TOTAL	157,851	65,374	33,811	156,129	64,134	33,579	313,980	129,508	67,390	(1,038)	393.22	(1,379)	421.11

TOTALS WITH CHARTER INCLUDED

Month	Enplanements			Deplanements			Total
	2019	2020	2021	2019	2020	2021	
JAN	9,876	13,252	5,183	9,016	11,743	4,677	9,860
FEB	8,663	12,950	5,214	8,229	12,513	5,073	10,287
MAR	12,818	7,703	7,204	12,444	8,842	6,579	13,783
APR	11,666	577	6,758	11,631	666	7,055	13,813
MAY	12,687	849	9,519	13,234	638	10,262	19,781
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	-	-
Total	160,212	66,117	33,878	158,633	64,877	33,646	67,524

DULUTH AIRLINE STATISTICS DELTA AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2020/2021 PASS. INCREASE/DECREASE			
	2019	2020	2021	2019	2020	2021	2019	2020	2021	ORIG	%DIFF	TOTAL	%DIFF
JAN	5,402	6,698	3,814	5,053	6,026	3,629	10,455	12,724	7,443	(2,884)	(43.06)	(5,281)	(41.50)
FEB	4,281	6,401	3,916	4,082	6,244	3,890	8,363	12,645	7,806	(2,485)	(38.82)	(4,839)	(38.27)
MAR	7,153	3,973	4,668	7,108	4,777	4,379	14,261	8,750	9,047	695	17.49	297	3.39
APR	6,867	331	4,045	6,882	438	4,396	13,749	769	8,441	3,714	1,122.05	7,672	997.66
MAY	7,035	374	7,106	7,187	377	7,573	14,222	751	14,679	6,732	1,800.00	13,928	1,854.59
JUN	7,542	685		7,706	680		15,248	1,365	-				
JUL	8,748	2,122		8,648	2,277		17,396	4,399	-				
AUG	8,673	3,487		8,437	3,595		17,110	7,082	-				
SEP	8,092	3,941		7,389	3,908		15,481	7,849	-				
OCT	8,041	3,576		7,727	3,411		15,768	6,987	-				
NOV	7,409	3,000		7,427	2,985		14,836	5,985	-				
DEC	6,911	3,029		7,131	3,131		14,042	6,160	-				
TOTAL	86,154	37,617	23,549	84,777	37,849	23,867	170,931	75,466	47,416	5,772	571.53	11,777	555.18

2021 Month	Non Rev	Revenue	2021 Non Rev	Revenue	Total
JAN	150	3,664	163	3,466	7,443
FEB	150	3,766	157	3,733	7,806
MAR	148	4,320	162	4,217	8,847
APR	125	3,920	110	4,286	8,441
MAY	244	6,862	268	7,305	14,679
JUN					
JUL					
AUG					
SEP					
OCT					
NOV					
DEC					
Total	817	22,532	860	23,007	47,216

DULUTH AIRLINE STATISTICS

UNITED AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2020/2021 PASS. INCREASE/DECREASE			
	2019	2020	2021	2019	2020	2021	2019	2020	2021	ORIG	%DIFF	TOTAL	%DIFF
JAN	4,187	4,031	1,369	3,676	3,300	1,048	7,863	7,331	2,417	(2,662)	(66.04)	(4,914)	(67.03)
FEB	4,382	3,850	1,266	4,147	3,678	1,151	8,529	7,528	2,417	(2,584)	(67.12)	(5,111)	(67.89)
MAR	5,345	2,168	2,501	5,016	2,351	2,165	10,361	4,519	4,666	333	15.36	147	3.25
APR	4,562	122	2,713	4,749	128	2,659	9,311	250	5,372	2,591	2,123.77	5,122	2,048.80
MAY	4,851	475	2,413	4,891	261	2,689	9,742	736	5,102	1,938	408.00	4,366	593.21
JUN	5,271	809		5,653	846		10,924	1,655	-				
JUL	5,109	999		5,093	1,050		10,202	2,049	-				
AUG	6,041	2,240		6,209	2,159		12,250	4,399	-				
SEP	5,215	1,723		4,798	1,758		10,013	3,481	-				
OCT	5,304	2,076		4,906	1,648		10,210	3,724	-				
NOV	3,345	1,418		3,159	1,364		6,504	2,782	-				
DEC	4,095	1,420		4,469	1,402		8,564	2,822	-				
TOTAL	57,707	21,331	10,262	56,766	19,945	9,712	114,473	41,276	19,974	(384)	482.80	(390)	502.07

Month	2021		2021		Total
	Non Rev	Revenue	Non Rev	Revenue	
JAN	55	1,314	46	1,002	2,417
FEB	71	1,195	64	1,087	2,417
MAR	78	2,423	68	2,097	4,666
APR	104	2,609	95	2,564	5,372
MAY	161	2,252	146	2,543	5,102
JUN					
JUL					
AUG					
SEP					
OCT					
NOV					
DEC					
Total	469	9,793	419	9,293	19,974

DULUTH AIRLINE STATISTICS

AMERICAN AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2020/2021 PASS. INCREASE/DECREASE			
	2019	2020	2021	2019	2020	2021	2019	2020	2021	ORIG	%DIFF	TOTAL	%DIFF
JAN		2,217			2,111		-	4,328	-				
FEB		2,523			2,415		-	4,938	-				
MAR		1,562			1,714		-	3,276	-				
APR		124			100		-	224	-				
MAY	490			666			1,156	-					
JUN	1,914			2,217			4,131	-					
JUL	2,239			2,275			4,514	-					
AUG	2,154			2,200			4,354	-					
SEP	1,763			1,489			3,252	-					
OCT	1,879			1,935			3,814	-					
NOV	1,707			1,755			3,462	-					
DEC	1,844			2,049			3,893	-					
TOTAL	13,990	6,426	-	14,586	6,340	-	28,576	12,766	-	-		-	

Month	2021		2021		Total
	Non Rev	Revenue	Non Rev	Revenue	
JAN					
FEB					
MAR					
APR					
MAY					-
JUN					-
JUL					-
AUG					-
SEP					-
OCT					-
NOV					-
DEC					-
Total	-	-	-	-	-

DULUTH AIRLINE STATISTICS CHARTERS

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2020/2021 PASS. INCREASE/DECREASE			
	2019	2020	2021	2019	2020	2021	2019	2020	2021	ORIG	% DIFF	TOTAL	% DIFF
JAN	287	306	-	287	306	-	574	612	-	(306)	(100.00)	(612)	(100.00)
FEB	-	176	32	-	176	32	-	352	64	(144)	(81.82)	(288)	(81.82)
MAR	320	-	35	320	-	35	640	-	70	35	100.00	70	100.00
APR	237	-	-	-	-	-	237	-	-	-	-	-	-
MAY	311	-	-	490	-	-	801	-	-	-	-	-	-
JUN	168	-	-	168	-	-	336	-	-	-	-	-	-
JUL	294	-	-	294	-	-	588	-	-	-	-	-	-
AUG	114	-	-	315	-	-	429	-	-	-	-	-	-
SEP	330	-	-	330	-	-	660	-	-	-	-	-	-
OCT	-	171	-	-	171	-	-	342	-	-	-	-	-
NOV	300	90	-	300	90	-	600	180	-	-	-	-	-
DEC	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	2,361	743	67	2,504	743	67	4,865	1,486	134	(415)	(16.36)	(830)	(16.36)

Month	Endeavor	SUN CO.	JET BLUE	VISION	Swift Air	Allegiant	Total
JAN							-
FEB						64	64
MAR	70						70
APR							-
MAY							-
JUN							
JUL							
AUG							
SEP							
OCT							
NOV							
DEC							
Total	70	-		-	-	64	134

Mountain Air Cargo / Fed Ex

2021		
Month	Freight In	Freight Out
January	82150	46860
February	67634	39061
March	100376	46569
April	119036	64834
May	131126	52951
June		
July		
August		
September		
October		
November		
December		

500322	250275
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Bemidji Air UPS

2021		
Month	Freight In	Freight Out
January	35536	16593
February	36473	20965
March	50449	24852
April	45976	19685
May	39518	19722
June		
July		
August		
September		
October		
November		
December		

207952	101817
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**Combined
Total****Combined
Total**

Freight In	Freight Out
117686	63453
104107	60026
150825	71421
165012	84519
170644	72673
0	0
0	0
0	0
0	0
0	0
0	0
0	0

708274	352092
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2020**2020**

Freight In	Freight Out
135483	58290
135967	58836
142951	59937
174509	85534
177242	79989
157841	63263
177782	73689
149093	70256
149564	75292
148434	74170
120236	70343
149217	91579

1818319	861178
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