



**DULUTH AIRPORT AUTHORITY
MEETING AGENDA
AUGUST 17, 2021**

**AMATUZIO CONFERENCE ROOM
DULUTH INTERNATIONAL AIRPORT**

Click below to access meeting by Microsoft Teams:

<https://duluthairport.com/wp-content/uploads/2021/08/8-DAA-August-Board-Notice.pdf>

I *EXECUTIVE DIRECTORS REVIEW

Information Letter to DAA Directors.

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

A. Approval of July 20, 2021 Meeting Minutes.

III *DAA CASH DISBURSEMENTS

A. Operating Cash Disbursement Sheets #27 #28, #29, and #30, 2021. Construction Fund Disbursement Sheet #7, 2021

IV *CORRESPONDENCE

- A. July 26, 2021, E-mail from DAA to Small Community Air Service Development (SCASD) Supporter's Announcing Success in the Award Request for Direct Service to Denver.
- B. July 27, 2021 Small Community Air Service Development (SCASD) Program Order Awarding Grants.
- C. July 28, 2021, DAA News Release "Duluth International Airport to Host Precheck Pop-Up Event".
- D. August 1, 2021, E-Mail from Monaco Air Foundation with Summary of July 2021 Activities.
- 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 the UMD Bulldog Sponsorship Agreement Between the Duluth Airport Authority and University of MN Duluth Athletics.
- B. Resolution to Approve the License Agreement to Display Advertising Between the Duluth Airport Authority and University of MN Duluth Athletics.
- C. Resolution to Approve the Ground Lease Agreement Between the Duluth Airport Authority and PGKK Company.
- D. *June 2021 Financial Reports.
- E. *July 2021 Accounts Receivables.
- F. *July 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: August 17, 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
- SCASD Grant Update
- Sun Country Launch Update

OPERATIONS/CONSTRUCTION/PLANNING

- Planning
 - Master Plan Update
 - Timeline of Remaining Key Milestones
 - Part 150 Noise Study Final Program Recommendations
- Construction
 - Hangar 101 Demolition
 - Taxiway A Phasing
- Operations and Maintenance
 - Public Safety and Facility Manager Position Updates
 - Terminal Roof Update
- Sky Harbor
 - Building Area Master Plan Update
 - Runway 14/32 Realignment selected as MCOA's Intermediate General Aviation Airport Project of the Year 2020

BUSINESS/PROPERTY DEVELOPMENT

- Hangar 104 Market Appraisal
- Tenant Owned Hangar Removal



DULUTH INTERNATIONAL AIRPORT

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FINANCIAL UPDATE

- Q2 Financial Review
- Concessionaire Relief Plan
- Relief Funding Plan

MARKETING/COMMUNICATIONS

- TSA Pre-Check Pop Up Event
- Marketing Strategy Brief

LEGISLATIVE UPDATE

- NSR

PRESENTATIONS/TOURS/TRAVEL RECAP

- NSR

OTHER

- Joint Zoning Board Update
- Board Orientation and Reference Handbook

Submitted by,

Tom Werner, C.M.
Executive Director



DULUTH INTERNATIONAL AIRPORT

Travel Globally. Fly Locally.

DRAFT

MINUTES OF THE MEETING

DATE: July 20, 2021

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

DIRECTORS PRESENT: Craig Fellman
Kim Maki
Todd Fedora
Don McIsaac
Elissa Hansen
Kevin O'Brien

DIRECTORS ABSENT: Jeff Anderson

OTHERS PRESENT: Tom Werner, Executive Director
Mary Ann Wittkop, Recording Secretary
Steve Hanke, Assistant City Attorney
Mark Papko, Director of Operations
Natalie Peterson, Director of Communications & Marketing
Jana Kayser, Business Development Manager
Joelle Bodin, Director of Finance & Administration
Amanda McDonald, DAA Intern
Steve Wabrowetz, Airside Manager
Dan Taylor, Maintenance Supervisor
Kaci Nowicki, SEH
Shawn McMahon, SEH
Clint Sciacca, SEH
Carter Nelson, Citon
Troy Hieb, Citon

OTHERS PARTICIPATING VIA ELECTRONICS

MEANS: Kathy Leon, Confidential Bookkeeper
Scott Sannes, SEH
Matt Stewart, SEH
Allison Andrashko, SEH
Eric Monson, Lake Superior Helicopters
Mike Magni, Monaco Air
Paul Huston

President Fellman welcomed everyone to the DAA July Board meeting and called it to order at 8:00 a.m. He introduced the newest Board member, Dir. O'Brien and performed roll call noting Dir. Anderson as absent.

Mr. Tom Werner, Executive Director, reminded everyone that this meeting is using the Microsoft Teams platform and to please mute your speakers and microphones. Mr. Werner recognized and expressed his sincere appreciation to two long time employees, -- Mr. Dan Taylor, Maintenance Supervisor, 20 years and Ms. Mary Ann Wittkop, Airport Executive Secretary, 25 years. Mr. Werner updated on the Executive Director's review:

EXECUTIVE DIRECTOR'S REVIEW:

- Air Service: Mr. Werner explained the June airline numbers came in late and need to be validated, accurate numbers will be available next month.
- Operations:
 - Planning: Master Plan (MP) and Part 150 Noise Study -- Ms. Kaci Nowicki, SEH, overviewed the MP recent activities, meetings, feedback, and next steps – all materials and summaries are posted to the project website. Part 150 noise study – updated on the project progress, next steps, and timeline from public hearing to FAA review – all materials and summaries are posted to the project website.
 - Operations: Mr. Mark Papko, Director of Operations, introduced Mr. Carter Nelson, Citon, to present on the state of the IT system from January to date. Mr. Nelson gave background information on the initial IT infrastructure – aging, out of support hardware, lack of backups and vulnerabilities. He detailed on the improvements made, what the comprehensive manager service and cybersecurity looks like today and moving forward. Questions and discussion followed. Mr. Troy Hieb, Citon, detailed further. Mr. Werner thanked Mr. Papko for his leadership on the IT issues. Mr. Papko expressed his appreciation to the Citon team for all their work. Air Show recap -- a great success, record attendance and community event; next year's air show is scheduled for July 16th and 17th featuring the Air Force Thunderbirds; questions followed. Terminal roof update – project slated for September 1st, but supply materials could be back logged; monitoring and developing contingency plan in case the roof will need to wait one more winter.
 - Sky Harbor – Mr. Matt Stewart, SEH, updated on the Sky Harbor master plan project progress – finalizing facility recommendations, alternatives, upcoming meetings, financial implementation feasibility plan and next steps; meeting materials and summaries are posted to the project website. Mr. Werner detailed further and mentioned that the MN Council of Airports (MCOA) announced the Sky Harbor runway reconstruction and realignment project was selected for the intermediate general aviation project of the year for 2020.
- Business/Proper Development: Ms. Jana Kayser, Business Development Manager, overviewed on the 2020 minimum annual guarantee (MAG) reconciliation for concessionaires and administration process for the federal funding grant. Anticipate amendments to concessionaires' contracts in August or September. Questions followed.
- Marketing/Communications: Ms. Natalie Peterson, Director of Communications & Marketing, spoke on the TSA pre-check pop up event being hosted by DAA on August 17th – 20th, appointments are filling up fast. Updated on the upcoming Sun Country Airline flights -- pre bookings are very positive. Questions followed; Mr. Werner detailed further.
- Legislative: Mr. Werner reviewed -- watching the DOT appropriations bill, nothing to report at this time.
- Presentations/Tours/Travel Recap: Mr. Werner and Mr. Papko attended the AAAE National Airport symposium, a chance to connect with leaders to see where the industry is heading in terms of COVID recovery; great opportunity and conference.
- Other: Mr. Papko briefed on the Joint Airport Zoning Board (JAZB) – the second public hearing will be held Wednesday, July 21st; reviewed the additional clarification language and process for formal submission to MnDOT for comments and feedback. Mr. Steve Hanke, Assistant City Attorney, detailed further on the process.

Questions and discussion followed on several of the Executive Director's review items. Pres. Fellman thanked everyone for their work and reports. Dir. Hansen moved to approve the June 15, 2021 meeting minutes and consent items. Dir. Fedora seconded. Roll call, all ayes, motion carried.

CONSENT ITEMS

Cash Disbursement Sheets #22, #23, #24, #25 and #26, 2021. Construction fund disbursement sheet #6 2021.

E-Mail from Monaco Air Foundation with summary of June 2021 Activities.

Letter from Minnesota Council of Airports (MCOA) regarding the Duluth Sky Harbor Airport: Runway 14/32 realignment as being selected as the MCOA's Intermediate General Aviation Airport Project of the Year 2020.

Proposed Custom Airport Zoning Ordinance for properties surrounding Duluth International Airport. Link for Metropolitan Airports Commission (MAC) Commission minutes--
<https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx>.

May 2021 financial report, June 2021 accounts receivables, and airport statistics.

OPPORTUNITY FOR PERSONS TO BE HEARD

None.

OLD BUSINESS

None.

NEW BUSINESS

Mr. Papko spoke on the opportunity in securing additional funding and reviewed the design work for midfield ramp repair. Dir. McIsaac moved to accept and approve the resolution for the Minnesota agreement No. 1047712 for State Project No. A6901-203, midfield ramp repair, design at the Duluth International Airport and to authorize the Duluth Airport Authority's President and Secretary to execute the grant agreement and any amendments. Dir. Hansen seconded. Roll call – all ayes. Motion carried.

Mr. Papko explained this work order goes along with the grant design. Dir. Fedora moved to approve the resolution for Work Order 2021-6 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. (SEH, Inc) for midfield ramp repair design. Dir. Hansen seconded. Roll call – all ayes. Motion carried.

Ms. Joelle Bodin, Director of Finance and Administration summarized on the operating policy. A question followed on amending language; discussion continued. Dir. McIsaac moved to approve the resolution with amendment language to approve Operating Policy #27 agreements with political parties or affiliations. Dir. Maki seconded. Roll call – all ayes. Motion carried.

Ms. Kayser overviewed the land lease agreement and recommended approval. Dir. McIsaac moved to approve the resolution for the Sky Harbor Airport land lease agreement between the Duluth Airport

DAA Minutes
July 20, 2021
Page 4

Authority and Jon Messerer / William Bellamy. Dir. Hansen seconded. Roll call – all ayes. Motion carried.

Dir. Maki moved to adjourn the meeting. Dir. McIsaac seconded. Roll call – all ayes, motion carried. President Fellman adjourned the July 20th DAA board meeting at 9:21 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: _____



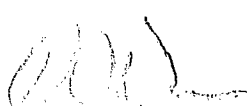
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8-10-21

**Duluth Airport Authority
DAA Operating Check Register #27-2021
July 15, 2021**

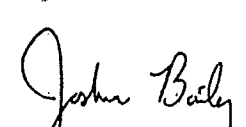
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10395	7/15/2021	BILLPMT	Barnum Companies, Inc.	\$705.00
10396	7/15/2021	BILLPMT	Bodin, Joelle	\$60.00
10397	7/15/2021	BILLPMT	Brad's Tree Service	\$200.00
10398	7/15/2021	BILLPMT	Century Link	\$144.00
10399	7/15/2021	BILLPMT	City Of Duluth Comfort Systems	\$796.04
10400	7/15/2021	BILLPMT	City Of Duluth, Minnesota	\$61.20
10401	7/15/2021	BILLPMT	Essentia Health	\$586.00
10402	7/15/2021	BILLPMT	Inter City Oil (ICO)	\$12.00
10403	7/15/2021	BILLPMT	Jamar Company	\$7,675.00
10404	7/15/2021	BILLPMT	JobsHQ	\$355.00
10405	7/15/2021	BILLPMT	Kayser, Jana	\$60.00
10406	7/15/2021	BILLPMT	Leon, Kathy	\$60.00
10407	7/15/2021	BILLPMT	Lumacurve Airfield Signs	\$801.09
10408	7/15/2021	BILLPMT	Menards - Hermantown	\$35.92
10409	7/15/2021	BILLPMT	Menards - West Duluth	\$93.12
10410	7/15/2021	BILLPMT	NAPA Auto Parts	\$92.01
10411	7/15/2021	BILLPMT	Nextera Communications	\$310.48
10412	7/15/2021	BILLPMT	Northern Business Products, Inc.	\$217.51
10413	7/15/2021	BILLPMT	Northland Fire & Safety, Inc.	\$21.00
10414	7/15/2021	BILLPMT	Papko, Mark	\$60.00
10415	7/15/2021	BILLPMT	Peterson, Natalie	\$60.00
10416	7/15/2021	BILLPMT	Sam's Club	\$486.15
10417	7/15/2021	BILLPMT	SFM	\$36,381.00
10418	7/15/2021	BILLPMT	Sinnott, Paul	\$60.00
10419	7/15/2021	BILLPMT	Smith, Troy R	\$60.00
10420	7/15/2021	BILLPMT	Swim Creative	\$9,785.01
10421	7/15/2021	BILLPMT	Syntech	\$48.00
10422	7/15/2021	BILLPMT	Tars and Stripes	\$3,850.00
10423	7/15/2021	BILLPMT	Taylor, Dan	\$60.00
10424	7/15/2021	BILLPMT	Thanks Again, LLC	\$82.77
10425	7/15/2021	BILLPMT	Timm, Kenneth	\$60.00
10426	7/15/2021	BILLPMT	Wabrowetz, Steve	\$60.00
10427	7/15/2021	BILLPMT	Welch, Ryan	\$60.00
10428	7/15/2021	BILLPMT	Werner, Thomas	\$60.00
10429	7/15/2021	BILLPMT	Wittkop, Mary Ann	\$60.00
10430	7/15/2021	BILLPMT	Ziegler, Inc.	\$1,807.38
Total				\$65,325.68



Airport Director

Airport Authority



City Treasurer

Duluth Airport Authority
DAA Operating Check Register #28-2021
July 22, 2021

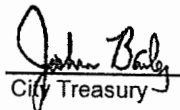
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10443	7/22/2021	BILLPMT	Acme Tools	\$116.84
10444	7/22/2021	BILLPMT	American Association Of Airport Executives	\$275.00
10445	7/22/2021	BILLPMT	Batteries Plus	\$83.67
10446	7/22/2021	BILLPMT	Best Oil Company	\$8,376.40
10447	7/22/2021	BILLPMT	Blueglobes LLC	\$1,976.79
10448	7/22/2021	BILLPMT	Century Link	\$190.88
10449	7/22/2021	BILLPMT	City Of Duluth Comfort Systems	\$4,101.93
10450	7/22/2021	BILLPMT	Como Lube & Supplies	\$1,205.15
10451	7/22/2021	BILLPMT	Dalco	\$744.48
10452	7/22/2021	BILLPMT	Grainger	\$57.39
10453	7/22/2021	BILLPMT	Guardian Pest Solutions	\$44.10
10454	7/22/2021	BILLPMT	Guardian Pest Solutions	\$66.15
10455	7/22/2021	BILLPMT	iFIDS.com Inc.	\$125.00
10456	7/22/2021	BILLPMT	Kraemer Construction, Inc.	\$60.00
10457	7/22/2021	BILLPMT	Kraemer Construction, Inc.	\$25.00
10458	7/22/2021	BILLPMT	Marsden Building Maintenance	\$16,389.36
10459	7/22/2021	BILLPMT	Menards - Hermantown	\$108.40
10460	7/22/2021	BILLPMT	Menards - Hermantown	\$217.08
10461	7/22/2021	BILLPMT	Menards - West Duluth	\$34.99
10462	7/22/2021	BILLPMT	NAPA Auto Parts	\$46.88
10463	7/22/2021	BILLPMT	Papko, Mark	\$1,985.82
10464	7/22/2021	BILLPMT	Peterson, Natalie	\$15.12
10465	7/22/2021	BILLPMT	Quadient Leasing USA, Inc.	\$266.82
10466	7/22/2021	BILLPMT	Security Jewelers	\$52.00
10467	7/22/2021	BILLPMT	Spectrum Business	\$142.43
10468	7/22/2021	BILLPMT	Stewart-Taylor Company	\$471.66
10469	7/22/2021	BILLPMT	Transportation Security Clearinghouse	\$2,400.00
10470	7/22/2021	BILLPMT	VFW Post 3979	\$513.56
10471	7/22/2021	BILLPMT	Welch, Ryan	\$350.00
10472	7/22/2021	BILLPMT	Ziegler, Inc.	\$345.47
			VOID Check #10372	-\$2,400.00
			VOID Check #10366	-\$1,048.00
Total				\$37,340.37



Airport Director

Airport Authority



John Bailey
City Treasury

Duluth Airport Authority
DAA Operating Check Register #29-2021
July 29, 2021 - July 30, 2021

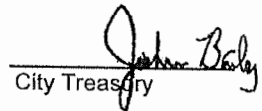
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10473	7/30/2021	BILLPMT	Advantage Emblem & Screen Printing	\$90.00
10474	7/30/2021	BILLPMT	Aramark	\$113.32
10475	7/30/2021	BILLPMT	ASDCO Construction Supply	\$240.00
10476	7/30/2021	BILLPMT	Bodin, Joelle N	\$0.01
10477	7/30/2021	BILLPMT	Citon	\$23,667.00
10478	7/30/2021	BILLPMT	Compudyne, Inc.	\$309.95
10479	7/30/2021	BILLPMT	Duluth Lawn & Sport	\$211.59
10480	7/30/2021	BILLPMT	Future Forest Inc	\$2,884.60
10481	7/30/2021	BILLPMT	IdentiSys Incorporated	\$2,940.00
10482	7/30/2021	BILLPMT	Joelle N Bodin	\$136.03
10483	7/30/2021	BILLPMT	Kraemer Construction, Inc.	\$70.00
10484	7/30/2021	BILLPMT	Lift Pro	\$31.25
10485	7/30/2021	BILLPMT	Metro Sales, Inc.	\$323.40
10486	7/30/2021	BILLPMT	NAPA Auto Parts	\$24.58
10487	7/30/2021	BILLPMT	Northern Business Products, Inc.	\$120.49
10488	7/30/2021	BILLPMT	Northern States Supply, Inc.	\$19.20
10489	7/30/2021	BILLPMT	Papko, Mark	\$170.00
10490	7/30/2021	BILLPMT	Peterson, Natalie	\$24.48
10491	7/30/2021	BILLPMT	Republic Parking System, LLC	\$1,100.00
10492	7/30/2021	BILLPMT	Siemens Industry Inc.	\$13,000.00
10493	7/30/2021	BILLPMT	Transportation Security Clearinghouse	\$2,400.00
10494	7/30/2021	BILLPMT	Volaire Aviation Inc.	\$2,000.00
10495	7/29/2021	CHK	WF Bus Payment Processing - Joelle	\$949.58
10496	7/30/2021	CHK	WF Bus Payment Processing - Tom	\$228.16
Sub-Total				\$51,053.64
VOID Check #10469				\$ (2,400.00)
VOID Check #10476				\$ (0.01)
Total				\$48,653.63



Airport Director

Airport Authority



City Treasurer

**Duluth Airport Authority
DAA Operating Check Register #30-2021
August 4, 2021**

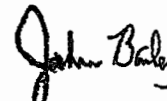
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10497	8/4/2021	BILLPMT	Alcola Solutions Group	\$68.00
10498	8/4/2021	BILLPMT	Aramark	\$56.61
10499	8/4/2021	BILLPMT	Best Oil Company	\$6,190.80
10500	8/4/2021	BILLPMT	Curtis Oil & Propane	\$64.00
10501	8/4/2021	BILLPMT	Dalco	\$622.04
10502	8/4/2021	BILLPMT	Guardian Pest Solutions	\$65.00
10503	8/4/2021	BILLPMT	Hermantown Hydraulics, LLC	\$587.90
10504	8/4/2021	BILLPMT	Inter City Oil (ICO)	\$3,280.07
10505	8/4/2021	BILLPMT	Jamar Company	\$1,543.73
10506	8/4/2021	BILLPMT	LVC Companies	\$1,236.20
10507	8/4/2021	BILLPMT	MacQueen Equipment, Inc.	\$54.21
10508	8/4/2021	BILLPMT	Menards - Hermantown	\$342.95
10509	8/4/2021	BILLPMT	Menards - West Duluth	\$13.17
10510	8/4/2021	BILLPMT	Nextera Communications	\$2,244.29
10511	8/4/2021	BILLPMT	St. Germain's Glass	\$954.00
Total				<u>\$17,322.97</u>



Airport Director

Airport Authority



City Treasury

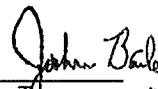
Duluth Airport Authority
DAA Construction Check Register 7-2021
July 20, 2021 - July 22, 2021

Document Number From 10431 to 10442

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10431	7/20/2021	BILLPMT	1 A.W. Kuettel & Son's, Inc.	\$11,845.00
10432	7/20/2021	BILLPMT	1 Benson Electric Company	\$503.55
10433	7/20/2021	BILLPMT	1 KTM Paving, Inc.	\$22,870.92
10434	7/20/2021	BILLPMT	1 Macqueen Equipment	\$701,376.00
10435	7/20/2021	BILLPMT	1 Melin Promotional Advertising	\$555.00
10436	7/20/2021	BILLPMT	1 Prairie Restorations, Inc.	\$4,620.00
10437	7/20/2021	BILLPMT	1 Reynold Smith & Hills, Inc.	\$2,763.42
10438	7/20/2021	BILLPMT	1 Short Elliott Hendrickson	\$39,645.00
10439	7/20/2021	BILLPMT	1 Swim Creative	\$3,721.50
10440	7/20/2021	BILLPMT	1 The Jamar Company	\$121,712.00
10441	7/21/2021	BILLPMT	1 Swim Creative	\$303.93
10442	7/22/2021	BILLPMT	1 Benson Electric Company	\$3,260.00
Total				<u>\$913,176.32</u>



Airport Director


City Treasury

Mary Ann Wittkop

From: Natalie Peterson
Sent: Monday, July 26, 2021 2:32 PM
To: Mary Ann Wittkop
Cc: Tom Werner
Subject: SCASD Denver grant update

Follow Up Flag: Follow up
Flag Status: Flagged

Good Afternoon and Happy Monday!

We wanted to reach out to you directly to thank you for the support for our Small Community Air Service Development (SCASD) grant application for direct service to Denver. I am happy to let you know that we have recently been advised that we were successful in the award request. This couldn't have been done without your support! From the bottom of our DLH heart....thank you!

Once we receive the official grant award from the Department of Transportation, our team will begin the hard work to make this direct service to the west a reality. We will be working to identify and confirm a carrier along with a launch date for the service. There will be more details headed your way as soon as we have them.

We appreciate all of your support. After coming off of a very difficult year in 2020, so far 2021 is showing to be successful with the return of strong passenger numbers, the Sun Country announcement and now the positive news for the upcoming direct service to Denver.

We continue to move upward and onward! We wish you safe travels! #FlyDLH

Natalie Peterson
Director of Communications & Marketing
Duluth Airport Authority
4701 Grinden Drive
Duluth, MN 55811
(218) 722-2968 - Main
(218) 625-7768 - Direct



IV B

Order 2021-7-13
Served: July 27, 2021



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 27th day of July, 2021

In the Matter of the

**SMALL COMMUNITY AIR SERVICE
DEVELOPMENT PROGRAM**

DOCKET DOT-OST-2020-0231

under 49 U.S.C. § 41743 *et seq.*

ORDER AWARDING GRANTS

Summary

By this Order, the U.S. Department of Transportation (the Department) awards 22 grants under the Small Community Air Service Development Program ("Small Community Program" or "SCASDP") benefitting communities in 22 states to assist with the implementation of the air service initiatives proposed in their grant applications. The communities, the amount of funding awarded to the communities, and brief descriptions of the projects are listed in the Appendix to this Order. Award recipients must affirm their grant awards by entering into grant agreements, obligating the funds, with the Department. Award recipients may not seek to be reimbursed funds under the Small Community Program until they affirm their grant awards.

Background

The Small Community Program was established by the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (Pub. L. No. 106-181), reauthorized by the Vision 100-Century of Aviation Reauthorization Act (Pub. L. No. 108-176), and subsequently reauthorized by the FAA Modernization and Reform Act of 2012 (Pub. L. No. 112-95), as amended, the Disaster Tax Relief and Airport and Airway Extension Act of 2017 (Pub. L. No. 115-63), and the FAA Reauthorization Act of 2018 (Pub. L. No. 115-254) (FAA 2018).¹ Authorization for this program is codified at 49 U.S.C. § 41743.

¹ FAA 2018 made a number of structural and technical changes to the program that apply to grants beginning in FY 2018 and that are reflected in this Order.

The Small Community Program is authorized to receive appropriations under 49 U.S.C. § 41743(e)(2). Appropriations are provided for this program for award selection in FY 2019 pursuant to the Consolidated Appropriations Act, 2019 (Pub. L. No. 116-6). See footnote 9 below for a breakdown of the sourcing of monies for this FY 2019 selection.

When selecting applicants to participate in the Small Community Program, the Department is statutorily required to apply the following criteria for participation:

1. The airport serving the community or consortium is not larger than a small hub airport, as determined using the FAA's most recently published classification effective on the date that the community or consortium files an application;
2. The airport has insufficient air carrier service or unreasonably high air fares;
3. The airport presents characteristics, such as geographic diversity or unique circumstances, that demonstrate the need for, and feasibility of, the Small Community Program;
4. An applicant may not receive an additional grant to support the same project more than once in a 10-year period, except in certain circumstances;² and
5. An applicant may not receive an additional grant prior to the completion of its previous grant.³

The statute further provides that no more than four communities or consortia of communities, or a combination thereof, from the same state may be selected to participate in the program in any fiscal year, and no more than 40 communities or consortia of communities, or a combination thereof, may be selected to participate in the program in each year for which the funds are appropriated.

In addition, the statute directs the Department to give priority to those communities or consortia of communities⁴ where: (a) air fares are higher than the average air fares for all communities; (b) a portion of the cost of the activity contemplated by the community is provided from local, non-airport revenue sources; (c) a public-private partnership has been or will be established to facilitate air carrier service to the public; (d) improved service will bring the material benefits of scheduled air transportation to a broad section of the traveling public, including businesses, educational institutions, and other enterprises whose access to the national air transportation system is limited; (e) the assistance will be used to help restore scheduled passenger air service that has been terminated;⁵ (f) the funds will be used in a timely manner;⁶ and (g) multiple communities cooperate to submit a regional or multistate application to consolidate air service into one regional airport.

² As provided under 49 U.S.C. § 41743(c)(4)(C), the Department may waive the same project limitation.

³ 49 U.S.C. § 41743(c)(1)-(4).

⁴ A consortium of communities is defined as a single entity. 49 U.S.C. § 41743.

⁵ 49 U.S.C. § 41743(c)(5)(E).

⁶ 49 U.S.C. § 41743(c)(5)(F).

The Department is authorized to award grants to communities that seek to provide assistance to:

- An air carrier to subsidize service to and from an underserved airport for a period not to exceed three years;
- An underserved airport to obtain service to and from the underserved airport; and/or
- An underserved airport to implement such other measures to improve air service both in terms of the cost of such service to consumers and the availability of such service, including improving air service through marketing and promotion of air service and enhanced utilization of airport facilities.⁷

On November 24, 2020, the Department issued Order 2020-11-5 in this Docket, soliciting grant proposals from communities interested in receiving grant funding for FY 2019.

On December 27, 2020, the President signed into law the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (Pub. L. No. 116-260). The law included a new appropriation of up to \$5 million for SCASDP, and required the Department “to give priority to communities or consortia of communities that have had air carrier service reduced or suspended as a result of the coronavirus pandemic” for this funding and for funding for FYs 2019, 2020, and 2021. It also required that the Department publish procedures to allocate this funding no later than 60 days after enactment of the law and award the funds to grantees as soon as practicable.⁸

On January 19, 2021, the Department issued Order 2021-1-4 in this Docket, amending Order 2020-11-5 to incorporate the relevant changes set forth in Pub. L. No. 116-260, and to set a new due date for applications filed in this proceeding. Specifically, that Order:

- raised the total funding for FY 2019 grant awards from up to \$13 million to up to \$18 million;⁹
- added a new Priority Selection Criterion to read as follows: “The assistance will be used to help restore scheduled passenger air service that has been reduced or suspended as a result of the 2020 Coronavirus pandemic;¹⁰
- changed the due date for applications for grant awards from January 26, 2021 to March 1, 2021; and

⁷ 49 U.S.C. § 41743(d).

⁸ See Pub. L. No. 116-260, Division M, “Coronavirus Response and Relief Supplemental Appropriation Act, 2021,” Title IV, Section 4.

⁹ These monies are sourced as follows: \$10 million in FY 2019 funding (Pub. L. No. 116-6), up to \$5 million in Coronavirus Response and Relief funding (Pub. L. No. 116-260), and up to \$4 million in FY 2020 funding (Pub. L. No. 116-94). The exact amount available in this proceeding, not to exceed \$18 million, is dependent on the Department’s final allocation of a portion of the Coronavirus Response and Relief funds among various programs.

¹⁰ See Order 2021-1-4 for a further explanation of this new Priority Selection Criterion. The other Priority, and Secondary Selection Criteria applicable to this proceeding are described in Order 2020-11-5, pages 9 – 12.

- increased the maximum number of pages that an application may contain from 20 to 21, to allow applicants extra space to include, where relevant, information related to the new priority selection criterion.

Order 2020-11-5, as amended by Order 2021-1-4, will be referred to as the “Solicitation Order” in the context of this proceeding.

The Solicitation Order required each applicant to submit a completed Standard Form 424 and a Summary Information schedule to www.grants.gov. Communities were requested to provide information that would help in the consideration of their grant requests, including details about their existing air services, historical air services, current air service needs and deficiencies, a full description of the community’s proposal, plans for implementation, funding requirements, and plans for monitoring the success of the project, including modifying or discontinuing funding if the project is not meeting expectations.

Drawing on the Department’s learnings and experience from previous years, the Solicitation Order discussed various issues relating to project types and the grant application process, including the sources of local funding, the consideration of in-kind contribution, the use of grant funds, and the eligibility to participate by past grant recipients. The Solicitation Order further emphasized that communities would be expected to meet the financial-contribution commitments that they include in their proposals.

Grant Applications

In response to the Solicitation Order, the Department received 78 grant applications from communities in 38 states. Collectively, these communities sought more than \$58 million in Federal assistance to support new and ongoing air service development projects. Seven of the 78 applications did not meet the basic eligibility criteria for participation outlined above and were determined ineligible for consideration.

As in previous years, this year’s eligible applications included proposals for feasibility studies, new or expanded service initiatives, marketing, and assorted combinations thereof. These applicants provided information on historical and current air service and air fare issues facing their communities, the economic benefits of air service, proposed initiatives to remedy air service or air fare problems, and arguments in support of their proposals. Nearly all the communities pledged local cash and/or in-kind contributions from local, state, airport, or private sources to complement their requests for Federal assistance.

The large majority of applicants specified the need to attract new and/or additional air services to their communities. Nearly all of the applications discussed the impacts of the COVID-19 pandemic on air services at applicant airports and communities. Similar to previous years, a majority of applicants also proposed to implement their projects using revenue guarantees or subsidies, together with a variety of marketing and promotional initiatives. A critical component of most proposals was funding to support community-based marketing and promotional initiatives to stimulate demand and community awareness of local airport services. These efforts are directed at publicizing not only the availability of air services, but also the convenience of using the local airport compared to more congested air service hubs or other larger airports in the

region. Almost all applicants cited reductions and/or suspensions of service due to the coronavirus pandemic, arguing that this factor, in particular, combined with ongoing industry issues they have been facing, prompted the need for Federal assistance in order to help communities in these unique circumstances.

Grant Awards

The Small Community Program is unique in that it encourages and affords communities the opportunity to develop their own solutions to their air service problems based on their particular needs and circumstances. By providing communities the opportunity to develop and implement air service projects tailored to their individual needs, the program aims to maximize the potential for success in the communities' endeavors. Since the program's inception, the Department has sought to maximize the number of participating communities, promote geographic diversity of the selections, and support a variety of solutions to the problems identified by applicants in order to provide a wide range of approaches for dealing with the challenges faced by similarly-situated communities.

With these considerations in mind, we are selecting 22 grant proposals with the objective of entering into grant agreements with the communities identified in the Appendix to this Order. Award recipients must enter into grant agreements with the Department before the recipients may seek to be reimbursed expenses under their Small Community Program projects. In addition, grant recipients are subject to all grant conditions and assurances required by Federal law, regulations, and executive orders.¹¹ The Department's grant agreements will be transmitted to the selected communities subsequent to the issuance of this Order.¹²

The proposals we selected meet the purpose of the statute and provide opportunities to test a variety of approaches to improving small community air service in many regions of the country. The attached Appendix provides a brief description of each project and the amount of funding each community requested. As an overview, all of the awards are being made to communities proposing revenue guarantees or marketing, or revenue guarantees with marketing, as a means to attract new service, to support existing service, or to restore lost service.

The selected communities are: Mobile, AL; Texarkana, AR; Redding, CA; Gunnison, CO; St. Augustine, FL; Georgia Department of Transportation, GA; Baton Rouge, LA; Kalamazoo, MI; Duluth, MN; Springfield-Branson, MO; Helena, MT; Jacksonville, NC; Manchester, NH; Hobbs, NM; Binghamton, NY; Akron-Canton, OH; Redmond, OR; Williamsport, PA; Killeen, TX, Newport News, VA; Appleton, WI; and Huntington, WV.

All of the selected communities are contributing financial resources to their respective grant projects. The local resources reflect a commitment that is important to the potential success of

¹¹ See <http://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP> for applicable conditions and assurances.

¹² As in previous years, the Department's staff will, at the request of any non-selected applicant community, conduct a debriefing with representatives of that community to review and provide feedback on its application in this proceeding. Any affected community wishing to avail itself of a debriefing should contact the Associate Director, Brooke Chapman, at Brooke.Chapman@dot.gov.

the proposed initiatives. Moreover, nearly all of the communities have (1) established robust public-private partnerships to enhance community participation and facilitate access to air services, (2) provided a specific plan and timetable for using their grant funds in a timely manner, and (3) have provided a letter of support from an interested air carrier.

Air Service Development Zone

The statute directs the Department to designate an airport in one community awarded a grant under this program as an “Air Service Development Zone” (ASDZ), and to work with the community or consortium on means to attract business to the area surrounding the airport, to develop land-use options for the area, and to provide data, working with the Department of Commerce and other Federal agencies.¹³ Only one SCASDP grant recipient may hold an ASDZ designation at any one time. As we noted in Order 2020-11-5, an FY 2018 SCASDP grant recipient, Grand Junction Regional Airport, Grand Junction, CO, is a current ASDZ designee, and the Department therefore did not solicit a new ASDZ designee in this proceeding.

Grant Agreements

As noted above, the Department will execute grant agreements with each recipient. The Department stated in the Solicitation Order that communities must establish milestones to monitor the progress of the proposed projects to determine whether amendments are necessary or whether the grant agreement should be terminated. As done in the past, milestones and progress reporting requirements (modified as discussed below) will be included in the grant agreements. Federal funds under this grant program are disbursed on a reimbursable basis, with the communities expending funds for the grant project and then seeking reimbursement. Expenditures incurred by third parties are not directly reimbursable to such third parties under this grant program.¹⁴ In seeking reimbursements, grant recipients must provide invoices or other evidence of the expenditure, details about the expenditure and how it relates to the grant project, and evidence of payment. In addition, the legal sponsor is required to certify that each invoice is relevant to the authorized grant project and has been paid. Communities will be required to comply fully with the terms of their proposals and the grant agreements.

We will issue Small Community Program grants for three different durations: three years for grants involving studies, four years for those involving marketing, and five years for those including revenue guarantees.¹⁵

¹³ 49 U.S.C. § 41743(h).

¹⁴ The legal sponsor must have paid all costs associated with eligible invoices, including costs incurred by third parties, prior to seeking reimbursement from the Department.

¹⁵ See Order 2018-7-10, p. 6, and Order 2020-2-14, p. 5. Title 49 U.S.C. § 41743(d)(1) states that the Secretary may issue grants “to provide assistance to an air carrier to subsidize service to and from an underserved airport for a period not to exceed 3 years....” The three-year limitation applies only to the duration of the revenue guarantee itself, beginning when the subsidized service actually commences. Our five-year grant duration recognizes that significant time is often spent by communities in arranging for a revenue guarantee with an air carrier before such service can begin, and it gives additional time for communities and air carriers to complete this preliminary process.

As we did for the FY 2017 and FY 2018 grants, we will provide for a community to seek and obtain a first grant extension (if it deems such an extension necessary) by allowing it to obtain a self-initiated one-year extension of its grant if it files with the Department, no later than 60 days prior to the expiration date of its grant agreement, a written request for such extension.¹⁶

Reporting Requirements

Unless otherwise noted, each grantee must submit semi-annual reports on the progress made during the previous period in implementing its grant project. In addition, each community will be required to submit a final report on its project to the Department, and 10 percent of the grant funds will not be reimbursed to the community until such a final report is received. Additional information on award administration for selected communities will be provided in their grant agreements.

ACCORDINGLY,

1. We select the communities listed in the Appendix to receive grant awards under the Small Community Air Service Development Program as described in this Order;
2. Grant recipients shall be subject to all grant conditions and assurances that will be attached to and incorporated in the grant agreements (also available at <http://www.transportation.gov/policy/aviation-policy/small-community-rural-air-service/SCASDP>). In addition, to the extent that the grant agreement permits expenditure of the awarded Small Community Program funds in any manner that would not be permitted for funds received as part of Federal Aviation Administration's Airport Improvement Program (AIP), such permission is strictly limited to the expenditure of the Small Community Program funds awarded under the grant agreement. Nothing in the grant agreement negates the recipient's obligations to fully comply with FAA Order 5100.38D and all applicable federal law;
3. Each award recipient must affirm this award by entering into a grant agreement with the Department. Award recipients may not seek to be reimbursed under the Small Community Program until they affirm their grant awards;
4. Each award recipient whose grant agreement has not yet reached its initial termination date may obtain a self-initiated one-year extension of its grant if it files with the Department (Office of Aviation Analysis, X-55), no later than 60 days prior to the expiration date of its grant agreement, a written request for such extension; and

¹⁶ See Order 2018-7-10, p. 6, and Order 2020-2-13, p. 6.

5. A copy of this Order will be served on the legal sponsor for each applicant in this proceeding.

By:

Carol A. (Annie) Petsonk
Deputy Assistant Secretary
for Aviation and International Affairs

(SEAL)

*An electronic version of this document is available
at <http://www.regulations.gov>*

Appendix

Appendix Order 2021-7-13			
State	Community	Federal Amount Awarded	Project Description
AL	Mobile	\$1,000,000	The funding will be used for a revenue guarantee, marketing program and start-up cost offsets for new nonstop service to Washington-Dulles International Airport (IAD), using United Airlines. The community states that its existing service has been drastically reduced due to the pandemic, making it difficult for passengers to find availability. The community believes that service to IAD will add needed capacity. The community will provide significant local funding for the proposal and the airport has committed support for the new route after the grant ends.
AR	Texarkana	\$884,722	The funding will be used for a revenue guarantee, marketing, and start-up cost offsets for new daily regional jet service between Texarkana and Houston, TX by SkyWest Airlines/United Express. The community states that this service would open a second route to a second hub, with a new airline. It further states that it would help Texarkana retain service, as many potential passengers currently use other airports. SkyWest has filed in support. The community is isolated from hub air services.
CA	Redding	\$760,000	The funding will be used for a revenue guarantee for new nonstop service to Denver, CO, using United Airlines/SkyWest. The community believes that its proposal would provide strong eastbound connecting opportunities. United and SkyWest provided letters of support. The community has arranged for a large amount of local funding, demonstrating strong community support for the proposal.
CO	Gunnison	\$600,000	The funding will be used for a revenue guarantee and marketing to expand American Airlines services from Dallas/Ft. Worth International Airport to include daily summer service. The community states that its proposal would address high airfares, and year-round access to American's Dallas/Ft. Worth hub would provide travelers with one-stop service to many of Gunnison's other high-demand destinations. American supplied a letter in support. The community will provide significant local funding for the proposal and the airport has high air fares.
FL	St. Augustine	\$700,000	The funding will be used for a revenue guarantee and marketing for nonstop service to Charlotte, NC, on American Airlines. The community states that the proposal will re-introduce scheduled service to the community. American Airlines has provided a letter of support for this application. The community will provide significant local funding for the proposal.

Appendix		Order 2021-7-13	
State	Community	Federal Amount Awarded	Project Description
GA	Georgia DOT	\$650,000	The funding will be used for a marketing program to support several small-hub and non-hub airports. The consortium states that it seeks to provide an educational program that describes airport efforts to reduce the potential spread of COVID, and also institute a “Fly Local/Fly Georgia” marketing program to retain local passengers and reduce leakage to airports in surrounding states. The State is providing significant local funding for the project.
LA	Baton Rouge	\$1,000,000	The funding will be used for a revenue guarantee, marketing, start-up cost offsets and ground handling fee waivers to provide new air service to the Washington D.C. area, including all three major D.C.-area airports. The community states that service has been reduced significantly during COVID pandemic. The proposal will provide service to the Northeast portion of the US. American Airlines has provided a letter of support. The community is providing significant local funding and it is somewhat isolated.
MI	Kalamazoo	\$1,000,000	The funding will be used for a revenue guarantee for service to Charlotte, NC. The community seeks to gain service to Charlotte, as a potentially robust connecting point. American Airlines provided a letter of support. Current fares at the community are higher than the national average.
MN	Duluth	\$750,000	The funding will be used for a revenue guarantee for new nonstop service to Denver, CO. The community states that adding Denver service would not only serve the estimated large Denver demand in the region, but would also improve connectivity to other destinations. SkyWest Airlines filed in support. The community has arranged for a large amount of local funding, demonstrating strong community support for the proposal and it is isolated from other airports.

Appendix		Order 2021-7-13	
State	Community	Federal Amount Awarded	Project Description
MO	Springfield-Branson	\$750,000	The funding will be used for a revenue guarantee and marketing to initiate new service to Washington Reagan National Airport on American Airlines. The community states that the new service would benefit both the business community and the tourism sector. The community further states that the service would help to attract more leisure traffic to the tourism-centric area. American Airlines has provided a letter of support for the proposal. The community notes that the proposal would introduce service to the northeast and provide numerous connection opportunities to a part of the country that is currently deficient. The community has arranged for a large amount of local funding and it is isolated from larger hub airports.
MT	Helena	\$1,004,743	The funding will be used for a revenue guarantee, marketing, and start-up support for new daily regional jet service to Phoenix Sky Harbor with American Airlines. The community notes that the region has experienced a large increase in tourists and people relocating to the area since the COVID pandemic began. It believes that Phoenix, its second largest hub destination without direct air service, will make for a popular route. American Airlines supports the request. The community is remote.
NC	Jacksonville	\$700,000	The funding will be used for a revenue guarantee, marketing, and fee waivers for new nonstop service to Dallas/Ft. Worth International Airport (DFW). The community states that while air service levels have been resilient throughout the COVID pandemic, service to DFW would complement existing service on the east coast by improving access to western United States and international markets. American Airlines has provided a letter of support. The community will provide significant local funding for the proposal.
NH	Manchester	\$425,000	The funding will be used for a marketing program to support an ultra-low-cost carrier (ULCC). The community believes that the presence of an ULCC would help retain passengers. Spirit Airlines has filed a letter of support. The community has arranged for a large amount of local funding, demonstrating strong community support for the proposal and the airport has higher air fares.

Appendix		Order 2021-7-13	
State	Community	Federal Amount Awarded	Project Description
NM	Hobbs	\$800,000	The funding will be used for a revenue guarantee and marketing to attract United Airlines to re-start service to Denver, CO, which it cancelled during the COVID pandemic. Hobbs is relatively isolated, with the nearest small hub airport roughly 100 miles away. The community states that United began Denver service in October 2019, and that it had good load factors until its cancellation in April 2020. United Airlines provided a support letter. The project satisfies the new COVID air service restoration priority, the community is contributing significant local funding, and the airport has high air fares.
NY	Binghamton	\$1,000,000	The funding will be used for a revenue guarantee for nonstop service to a Washington, DC area airport. The community states that, at present, it only has service to one destination on one air carrier. It states that service to a Washington, DC airport, with strong connecting opportunities, will allow the community to regain a significant portion of the passengers lost, due to service reductions. SkyWest Airlines has provided a letter of support. Fares at the community are higher than the national average.
OH	Akron-Canton	\$850,000	The funding will be used for a revenue guarantee to assist with the restoration of service between Akron and Houston, TX. The community states that service to Houston was suspended in March 2020 due to the COVID pandemic, and that new and/or restored air service would benefit a significant segment of its population. United Airlines has provided a letter of support. The proposal satisfies the COVID air service restoration priority and the community has high air fares.
OR	Redmond	\$800,000	The funding will be used for a revenue guarantee for service to Dallas-Ft. Worth International Airport (DFW). The community believes that fares from Redmond to DFW and top connecting markets are higher than at nearby regional airports, and states that its proposed service will help reduce fares and benefit multiple businesses in the region, from tourism to tech to manufacturing, given DFW's connectivity to additional markets. American Airlines filed a letter in support. The community will provide significant local funding for the proposal.

Appendix Order 2021-7-13			
State	Community	Federal Amount Awarded	Project Description
PA	Williamsport	\$950,000	The funding will be used for a revenue guarantee for new network-branded regional jet service from Williamsport to Washington, DC, and Chicago, IL. The community states that, at present it has service to only one destination on one carrier, and it is concerned about its continued viability given the effects of the COVID pandemic. SkyWest Airlines provided a support letter and would operate under the United Express brand to both airports. The community has arranged for a large amount of local funding, demonstrating strong community support for the project.
TX	Killeen	\$1,000,000	The funding will be used for a revenue guarantee, marketing, and startup cost offset for nonstop service to Denver, CO. The community states that obtaining service to Denver will provide great benefit to the community, including the United States military due to its proximity to Fort Hood. New flights to Denver would create service and connections to the west, which is currently deficient at the community. SkyWest Airlines provided a letter of support and the community has air fares higher than the national average.
VA	Newport News	\$847,646	The funding will be used for a revenue guarantee for service to Washington Dulles International Airport (IAD) on United Airlines. The community states that nonstop access to IAD will, in addition to benefitting the general public, provide connectivity to government and military agencies that have ties to the DC region. United Airlines filed a letter in support. The community will provide significant local funding for the proposal and it has air fares higher than the national average.
WI	Appleton	\$750,000	The funding will be used for a revenue guarantee, marketing, start-up cost offsets, and fee waivers for service to Dallas/Fort Worth International Airport (DFW) on American Airlines. The community states that United's non-stop service to Denver was cancelled and Delta reduced flights to Minneapolis St. Paul in April 2020 due to the COVID pandemic. It further states that the proposed new nonstop service to DFW would replace the directional hub service lost. American Airlines has filed a letter in support. The community will provide significant local funding for the proposal.

Appendix Order 2021-7-13			
State	Community	Federal Amount Awarded	Project Description
WV	Huntington	\$750,000	The funding would be used for a revenue guarantee, marketing, and fee waivers for nonstop service to Washington, DC and Chicago, IL. The community states that it currently has service to only one hub destination, but it is concerned that the service may be permanently reduced or suspended, as service was reduced significantly during the COVID-19 pandemic. SkyWest Airlines provided a letter of support. The community has arranged for a large amount of local funding, demonstrating strong community support for the proposal.

IV C



FOR IMMEDIATE RELEASE:
July 28th, 2021

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

DULUTH INTERNATIONAL AIRPORT TO HOST PRECHECK POP-UP EVENT

Duluth, MN — Duluth International Airport invites passengers to enroll in the popular TSA PreCheck™ expedited screening program from August 16-20, 2021.

Event: Duluth International Airport TSA PreCheck™ Local Enrollment Event
Dates: Monday, August 16th – Friday, August 20th, 9:00 AM – 12:00 PM, 1:00 PM – 5:00 PM.
Location: Duluth International Airport, Second Floor Conference Room #250

TSA PreCheck™ is an expedited screening program that enables identified low-risk air travelers to enjoy a smart and more efficient screening experience. For TSA PreCheck™ travelers, there is no need to remove shoes, 3-1-1 liquids, laptops, light outerwear or belts. Today, TSA PreCheck™ has more than 450 lanes at 200+ U.S. airports.

To participate in this local enrollment event, follow these steps to pre-enroll

1. Go to www.IdentoGo.com/precheck to access the application page
2. Click “Start Application Now”, then click “New Enrollment”
3. Fill out Steps and choose “Next” at the bottom of each screen
4. Type in your location at Zip code/City/Airport Code box – search
5. Choose location “Pop Up: DLH, 8/16-8/20” and click “Next”
6. Select your desired appointment time (Please be sure to make note of your appointment time, no reminders will be sent out)

IMPORTANT! To complete the application process, you will need to bring proof of identity and U.S. citizen documentation (such as a U.S. Passport or a birth certificate and a driver’s license). If you have a valid U.S. passport, that is all you

need for ID! Visit the [Universal Enroll website](#) to determine which documents to bring along based on citizenship status.

The application process is completed on site where we capture fingerprints for a background check and collect the \$85 application for five years of service. The fee can be paid by credit card, money order, company check, or certified/cashier's check. Cash and personal checks are not accepted.

Enroll in TSA PreCheck™ today and begin to enjoy the expedited security-screening program that helps take the stress out of travel. For more information on TSA PreCheck™ - visit <https://www.tsa.gov/precheck>

About Duluth International Airport

The new state-of-the-art passenger terminal at the Duluth International Airport opened for business on January 14, 2013. Currently, United Airlines offers three daily nonstop flights to Chicago and Delta offers five daily nonstop flights to Minneapolis/St. Paul. Sun Country will begin direct service to Ft. Myers and Phoenix beginning December 17th, 2021. We are committed to providing our customers with superior services in a safe, secure and professional environment. Be sure to visit our Club DLH Business Suite, designed with the working traveler in mind. Visit duluthairport.com, follow us on Twitter @DuluthAirport, and like us on [facebook.com/duluthairport](https://www.facebook.com/duluthairport).

IV D

Mary Ann Wittkop

From: Don Monaco <donm@monacoairduluth.com>
Sent: Sunday, August 1, 2021 8:33 AM
To: Tom Werner; 'Craig Fellman'
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: July, 2021 Monaco Air Foundation Report

Tom and Craig,

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

Summary of July, 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

*Monaco Air Foundation, Inc.
4535 Airport Approach Road
Duluth, MN 55811*

Phone: 218-727-2911

Mobile: 630-728-5571

Fax: 218-336-0001

donm@monacoairduluth.com

www.monacoairduluth.com

VII A

DAA Advertisement Agreement at UMD

TERMS:

- Length of Agreement - 1 year
- Rates - \$13,500/year
- Effective date – July 1, 2021
- Termination date – June 30, 2022
- Payment –
 - billed on 10/1/21, \$6,750 (Sun Country budget)
 - billed on 2/1/22, \$6,750 (General, Denver?)
- Termination Summary – If a party defaults, this agreement may be terminated by the non-defaulting party by giving thirty (30) days' written notice to the defaulting party.

AGREEMENT OVERVIEW (CONTEXT):

- Contract Category – Renewal Contract
- Location of advertising
 - UMD Website ad promo banner and social media
 - Dasher Board Pair (with TV viewing – ½ Sun Country, ½ general/Denver)
 - Football games - :15/:30 video board commercial
 - Host a booth at home hockey games to promote air service

Prepared by: Natalie Peterson



University of Minnesota Duluth Athletics Bulldog Sponsorship Agreement

THIS AGREEMENT is effective as of 7/26/2021 by the Regents of the University of Minnesota, a Minnesota constitutional corporation, through the Department of Intercollegiate Athletics on the Duluth campus ("UMD"), with its offices located at 170 Sports and Health Center, 1216 Ordean Court, Duluth, Minnesota 55812, and the Sponsor name below.

I. Sponsor Information

Legal Name:	Duluth Airport Authority
Contact:	Natalie Peterson
Phone:	218-625-7768
Email:	npeterson@duluthairport.com
Address:	4701 Grinden Drive Duluth, MN 55811

Trade Name or Mark(s) to be used: Duluth Airport Authority

Duluth Airport Authority and UMD Athletics agree to review the partnership at the end of the year and mutually agree upon any corrections or changes to the partnership. Both parties may mutually agree upon an early termination date with a set early termination fee to be determined and agreed upon by both parties.

II. Term.

The Term of this Agreement will commence on 7/1/2021 and end on 6/30/2022 .

III. Sponsorship and Amenities. UMD will provide the following to Sponsor:

A. Sponsor's Name or Marks shall appear on the following:

Sponsorship Elements

Dasher Board Pair
UMD Bulldogs Digital Web Ads
Football :15/:30 Video Board Commercial
Opportunity to host a booth at home hockey games (dates TBD)

IV. Sponsor Fee. For the benefits described above:

Cash paid to UMD, in 2021-22	\$13,500	Billed 10/1/21	Same Address as Above
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Subject to the terms and conditions of UMD's lease at the Duluth Entertainment and Convention Center ("DECC") and on-campus during any UMD athletic events, unless specifically stated otherwise in this Agreement, Sponsor will provide to UMD in a timely fashion



camera read or disk copy artwork (if UMD is not providing) and pay the cost of design and production of signs and advertising bearing Sponsor's Name or Marks (if redesign is necessary).

V. Additional Provisions.

A. Assignment. This Agreement may not be assigned by Sponsor.

B. Governing Law. The laws of the state of Minnesota shall govern the validity, construction and enforceability of this Agreement. Any suit to enforce this Agreement shall be brought in St. Louis County, Minnesota.

C. Authority; Entire Agreement. Each party represents that it is duly authorized to enter into this Agreement. This Agreement, which includes the Terms and Conditions stated in Attachment A, is the complete and binding statement of the parties' agreement on the subject matter of this Agreement.

THIS AGREEMENT is executed by the parties on the dates indicated below.
Regents of the University of Minnesota & UMD Athletics

By:

Name: Josh Berlo

Title: UMD Director of Intercollegiate Athletics

Date:

UMD Contact

Brian Nystrom

218-726-6725

bnystrom@d.umn.edu

SPONSOR

By:

By:

Name:

Name:

Title:

Title:



Attachment A

Terms and Conditions: The following terms and conditions are part of the UMD Sponsorship Agreement:

1. Definitions.

1.01 "Event" or "game" means a UMD home game or meet, but excludes NCAA or WCHA or NCHC or NSIC sponsored post-season competitions.

1.02 "Force Majeure Occurrence" means of an act or event beyond a party's reasonable control which prevents or materially impairs a party's ability to perform its material obligations under this Agreement. These include, but are not limited to, the NCAA by rule, regulation, penalty, or any other action prohibiting or otherwise materially restricting UMD's staging of an Event; an act of war (declared or undeclared); an insurrection; a strike; and destruction of or damage to a substantial portion of the Facilities.

1.03 "Facility" or "Facilities" means a facility or facilities identified in this Agreement.

1.04 "NCAA" means the National Collegiate Athletic Association and any successor organization, governing UMD's right to participate in men's or women's intercollegiate athletics.

1.05 "Signs" means those signs, including dasher boards, and in-ice displays of Sponsor's Name or Marks located in the Facilities and permitted under this Agreement.

1.06 "Sponsor's Marks" means the name, trade name, trademark, service mark or logo identifying Sponsor or its products. The Agreement does not permit references to the services or products of Sponsor's subsidiaries or affiliates.

1.07 "University Mark" means any trade names, trademarks, service marks, logos, trade dress (including but not limited to the maroon and white color combination) or any other slogan or musical scores owned by or associated with UMD or the University

2. Sponsorship Rights.

2.01 Sponsor's rights under the Agreement are non-exclusive. UMD also to include Sponsor in first initial discussion on extending the partnership upon the execution dates at a mutually agreed upon rate in line with reasonable inflationary and asset profile increases.

2.02 This Agreement permits the use of only those Sponsor's Marks that comply with the requirements for "qualified sponsorships" under Internal Revenue Code Section 513(i) and Treasury Regulation

1.513-4. The following are permitted: use of logos and slogans that do not contain qualitative or comparative descriptions of the Sponsor's products, services, facilities or name; display of a list of Sponsor's locations, telephone numbers, or internet address; and use of logos or slogans that include qualitative or comparative language if such language is an established part of the Sponsor's identity. Use of other qualitative or comparative language, calls to action, or endorsements of the Sponsor's products are not permitted. If under this Agreement Sponsor uses Marks, slogans or logos containing qualitative or comparative language, the Sponsor warrants that they are an established part of the Sponsor's identity and agrees to indemnify UMD against any unrelated business income taxes imposed if the Internal Revenue Service determines otherwise. This indemnification obligation will remain in force for six (6) years following the last date on which the Mark, slogan or logo creating the tax liability was used under this Agreement.



2.03 The design, layout, color, and content of all of Sponsor's Signs or ads must be approved in advance by UMD. Sponsor will provide "camera-ready" graphics for Signs and ads in a form reasonably acceptable to UMD.

2.04 Sponsor represents and warrants to UMD that it owns all right, title, and interest in the Sponsor's Marks and that it will comply with all federal, state, and local laws applicable to its activities under this Agreement.

2.05 UMD may withhold any benefit or privilege granted to Sponsor under this Agreement if Sponsor or its representatives, employees, agents, or assigns engages in conduct that violates NCAA rules.

2.06 Sponsor does have the right to use University Marks but must have preapproved in writing by UMD. Sponsor will not use University Marks, alone or in combination with Sponsor's Marks, on products, advertising, promotional materials or otherwise without UMD's prior written approval, which UMD may withhold in its sole discretion.

3. Maintenance.

3.01. UMD will notify Sponsor if Sponsor's Signs need repair or replacement. Sponsor shall pay the cost of the repair or replacement.

4. Termination.

4.01. If a party defaults, this Agreement may be terminated by the non-defaulting party by giving thirty (30) days' written notice to the defaulting party. If UMD is following a directive of the NCAA or WCHA or NSIC it will not be deemed to be in default under this Agreement.

4.02. If a game or Event is cancelled because of a Force Majeure Occurrence, UMD will at its option refund a pro rata portion of the sponsorship fee or provide "make up" benefits.

5. Indemnification and Liability.

5.01. Sponsor agrees to indemnify and hold harmless UMD, its Regents, officers, employees, and agents from and against any claim, liability, demand, suit, action, or expense (including reasonable attorneys' fees) arising out of a breach of this Agreement or Sponsor's willful or negligent acts or omissions in performing this Agreement.

5.02. If UMD fails to perform its duties under this Agreement, the sole remedy of Sponsor will be the termination rights set forth in section 4 above and a refund of any unearned portion of the fee. UMD will not, in any event, be liable to Sponsor for any other damages, including consequential damages or lost profits.

6. Insurance. Sponsor agrees to obtain and keep in force comprehensive general liability insurance, including coverage for bodily or personal injury, property damage, and product liability, with limits of not less than one million U.S. dollars (\$1,000,000) each claim and three million U.S. dollars (\$3,000,000) each occurrence. Upon the request of UMD, Sponsor agrees to provide a certificate evidencing that it maintains this insurance coverage and naming UMD as an additional insured.

VII B

UMD Sponsorship Agreement

TERMS:

- Length of Agreement - 1 years
- Rates - \$3,000/year
- Effective date – September 1 2021
- Termination date – August 31, 2022
- Payment – Payments will be received on or before September 1st
- Termination Summary – Both parties shall have the right to terminate this Agreement upon breach of any of its representations, warranties, covenants or obligations under this Agreement. In the event of a termination by DAA pursuant to this Paragraph, UMD shall forfeit all Fees paid and shall further be responsible for payment of the remaining portion of the Fees due under this Agreement. In addition, DAA shall have the right to pursue all other rights and remedies at law or in equity.

ARGUEEMENT OVERVIEW (CONTEXT):

- Contract Category – contract renewal
- Location of advertising – Doorway and surrounding glass in exit hallway to non-secure area. They make some graphic changes to the existing but it will have a similar look and color scheme.
- Benefit for DAA – This is a revenue opportunity for the DAA and a continued relationship connection to the local University that plays a critical role in our community.

Prepared by: Natalie Peterson

DULUTH INTERNATIONAL AIRPORT
LICENSE AGREEMENT
FOR THE DISPLAY OF ADVERTISING

This License Agreement (the "Agreement") is entered into this 1st day of September, 2021, between Duluth Airport Authority ("DAA") and UMD Athletics ("Advertiser").

WHEREAS, DAA operates the Duluth International Airport including the passenger terminal facility located at 4701 Grinden Drive (the "Terminal"); and

WHEREAS, Advertiser desires to advertise its products or services within the Terminal; and

WHEREAS, DAA desires to allow Advertiser to advertise its products or services in the Terminal as described in more detail herein.

NOW, THEREFORE, based on the foregoing, and in consideration of the mutual covenants and conditions set forth herein, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Term of Agreement.** Notwithstanding the date of this Agreement, this Agreement shall commence on September 1st, 2021, and will continue through August 31st, 2022, unless earlier terminated as set forth herein.
2. **License.** DAA hereby grants to the Advertiser a limited, non-transferable license in the area of the Terminal identified on the attached Exhibit A (the "Licensed Space"). The Licensed Space shall be used solely for the purpose of displaying the Advertiser's advertisement. Advertiser takes the Licensed Space in an "as is" condition without representations or warranties of any kind, and DAA shall not be obligated to make any alterations or improvements on or to the Licensed Space.
3. **Advertising specifications.**
 - a. Advertiser shall provide the advertising content at its sole expense on a mutually agreeable form of media.
 - b. Advertiser agrees that the advertising shall solely be used for the purpose of promoting Advertiser's products or services and shall not be used for any other purposes. Advertiser is responsible for all costs related to the design, concept, look and feel of the content used in the advertising. All advertising content is subject to the prior written approval of the DAA's Executive Director or designee (the "Executive Director").
 - c. Advertiser shall be solely responsible for the installation and maintenance of the advertising media as set forth herein.
 - d. Advertiser shall be responsible for the removal of the advertising media in a timely manner and restoration of the License Space as set forth herein upon a schedule as determined by DAA.

- e. Nothing herein shall restrict DAA in any way from selling advertising, ad space, sponsorships, or any other product or service to any third party on standard commercial terms in other locations, even if such third party is using such advertising, ad space, sponsorships, product or service for the solicitation or sale of products similar to or competitive with Advertiser.
4. **License Fee.** In consideration for the rights and benefits granted to Advertiser pursuant to this Agreement, Advertiser shall pay to DAA an annual fee in the amount of \$3000.00 (the "Fee") to be paid in advance by September 1st of the year at the address set forth in Paragraph 21 below.
5. **Advertisement Installation.** Advertiser's advertisement shall be installed in a manner acceptable to and approved in writing by the Executive Director.
- a. The timing of the installation shall be coordinated with the Executive Director and work must be performed such that it does not have a material impact on the operations of the Airport or negatively impact any tenants operating at the Airport as determined in the sole discretion of the Executive Director.
 - b. An authorized representative of the Advertiser shall be available at all reasonable times at the site to coordinate the work of the advertisement installation.
6. **Maintenance.** The Advertiser agrees to keep the Licensed Space including the advertisement in a clean, neat and orderly condition and in compliance with all laws and codes applicable to the Licensed Space. The Advertiser shall keep the advertisement operational, functional and/or stocked, as the case may be, during all Terminal hours other than as may be required for any repair, maintenance and/or restocking. In the event that the Advertiser shall fail to so maintain any portion of the said Licensed Space, the DAA shall have the right, but not the obligation, to itself perform or have performed said maintenance and to charge the Advertiser therefor, which charge the Advertiser shall promptly pay. Any damage occurring as a result of the DAA performing or having performed maintenance due to Advertiser's failure to do so shall be the responsibility of the Advertiser and not that of the DAA.
7. **Restrictions on Assignment.** Except for the contracting or subcontracting of installation, Advertiser shall not sell, assign, transfer, or convey this Agreement or any part thereof, or sell, assign, transfer, convey, share or sublet its use of the Licensed Space or any part thereof. Any attempt to sell, assign, transfer, convey, share or sublet this Agreement or the Licensed Space or any portion thereof in violation of this Paragraph shall constitute a breach of this Agreement.
8. **Representations and Warranties.** Advertiser represents and warrants to DAA that:
- a. Advertiser owns or validly possesses the right to make, use, perform, sell and display any patented products, copyrighted works, trademarks, service marks and trade names, as the case may be, used by Advertiser in its advertisement;
 - b. Advertiser has full power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder;
 - c. this Agreement has been duly authorized and approved by all necessary and proper corporate action on the part of Advertiser and is the valid, legally binding

- and enforceable obligation of Advertiser in accordance with its terms; and
- d. the execution, delivery and performance of this Agreement by Advertiser does not conflict with, violate or constitute a default under any of the terms, conditions or provisions of any contract or other instrument to which Advertiser is a party or by which Advertiser is or may be bound.

9. **Indemnification.** Advertiser agrees to defend, indemnify and hold harmless DAA and the City of Duluth (the "City") and their respective officers, agents, servants and employees from and against any and all losses, claims, actions, demands, liabilities, judgments, penalties, injunctive relief, injury to person(s) or property or the Licensed Space, costs, damages and expenses, including reasonable attorney's fees, by reason of any actual or alleged act or omission of Advertiser or Advertiser's officers, employees, agents, contractors, subcontractors or invitees in connection with or relating to (a) Advertiser's use or occupancy of the Licensed Space or the Terminal pursuant to this Agreement, (b) the display of Advertiser's advertising including any allegation that the use of any name, visual presentation or other material is illegal, unauthorized or damaging in any way to a person or entity, or (b) Advertiser's infringement of any intellectual property, including without limitation copyright, patent, or the unauthorized use of a registered trademark or service mark or other violations of property or proprietary rights, or the rights of privacy or publicity of any third party arising from, related to or in connection with this Agreement. Upon ten (10) days' written notice Advertiser shall appear and defend all claims and lawsuits against DAA and/or the City growing out of any such injuries or damages. Neither DAA nor the City waives their respective immunities under state or federal law.

10. **Insurance.** Advertiser shall provide public liability insurance with limits not less than \$1,500,000 single limit, and shall provide for the following: liability for premises, operations and completed operations.

DAA and City shall be named as additional insureds on each liability policy. Advertiser shall provide a certificate of insurance evidencing such coverage and Advertiser shall notify DAA of a 30-day notice of cancellation, non-renewal or material change. DAA does not represent or guarantee that these types or limits of coverage are adequate to protect the Advertiser's interests and liabilities.

The 2004 edition of ISA Additional Insured Endorsement CG 20 10 is not acceptable. If the CG 20 10 is used, it must be a pre-2004.

11. **Expiration.** Upon the expiration of this Agreement, the Advertiser's rights to use the Licensed Space shall cease and Advertiser shall, promptly and in good condition surrender the same to DAA. In the event that the Advertiser has in any way changed, altered or modified the Licensed Space, Advertiser agrees to return the same to the condition it was in at the time of the signing of this Agreement. In such event, an authorized representative of the Advertiser shall be available at all reasonable times to coordinate the advertisement removal and Licensed Space restoration. Alternatively, if agreed to by the Executive Director, the Advertiser shall pay DAA for the cost of returning the Licensed Space to said condition unless waived by the Executive Director in writing in which event any improvements or property which have become part of the realty shall become the property of DAA. Any improvements or property not part of the realty shall be removed within ten (10) days of expiration. Such improvements or property not removed may be removed by DAA, and Advertiser shall, immediately upon receipt of invoice, pay for the costs incurred therefor. In such event, all

property shall be deemed to have been abandoned to the DAA and the Advertiser's right to possession shall cease.

12. **Termination upon breach.** DAA shall have the right to terminate this Agreement upon breach by Advertiser of any of its representations, warranties, covenants or obligations under this Agreement, which breach has not been cured within ten (10) business days after receipt of notice specifying such breach. In the event of a termination by DAA pursuant to this Paragraph, Advertiser shall forfeit all Fees paid and shall further be responsible for payment of the remaining portion of the Fees due under this Agreement. Additionally, DAA shall have the immediate right to take possession of the Licensed Space. Upon five (5) day's written notice to the Advertiser, DAA may remove all property from the Licensed Space, and Advertiser shall, immediately upon receipt of invoice, pay for the costs incurred therefor. In such event, all property shall be deemed to have been abandoned to the DAA and the Advertiser's right to possession shall cease. In addition, DAA shall have the right to pursue all other rights and remedies at law or in equity.
13. **No Third Party Rights.** Nothing in this Agreement confers or purports to confer on any third party any benefit or any right to enforce any term of this Agreement.
14. **Compliance with Laws.** The Advertiser agrees to observe, comply and abide with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota, the City and the DAA and their respective agencies now in effect or hereafter promulgated which are applicable to its activities under this Agreement. The Advertiser shall procure at its own expense all licenses, permits or other rights required for the activity contemplated by this Agreement.
15. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota. All proceedings related to this Agreement shall be venued in Duluth, Minnesota.
16. **Severability.** In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, unenforceable, or violate any applicable law, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.
17. **Waiver.** Any waiver by either party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision. In order to be effective, a waiver must be in writing.
18. **Limitation of Liability.** Liability of the DAA and the City shall be governed by the provisions of the Minnesota Municipal Limitation of Liability Statute, Minnesota Statute Section 466 et seq.
19. **Amendments.** Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.
20. **Notices.** All written notices and/or communications hereunder shall be sent by U.S. mail postage prepaid or personal delivery to the addresses indicated below or to such other respective persons or addresses as the parties may designate to each other in writing from time to time.

Duluth Airport Authority
Attn: Director of Marketing and
Communications
4701 Grinden Drive
Duluth, MN 55811

Advertiser
UMD Athletics
Attn: Brian Nystrom
170 SpHC ,1216 Ordean Court
Duluth, MN 55812

21. **Execution.** 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.

22. **Entire Agreement.** This Agreement, including Exhibit A, constitutes the entire agreement between the parties and supersedes all prior written or oral agreements and negotiations between the parties relating to the subject matter hereto.

IN WITNESS WHEREOF, the parties have duly signed this Agreement as of the dates set forth above.

DULUTH AIRPORT AUTHORITY

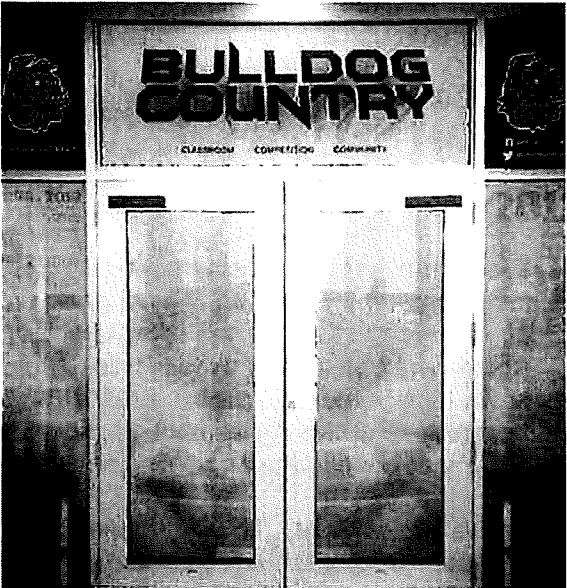
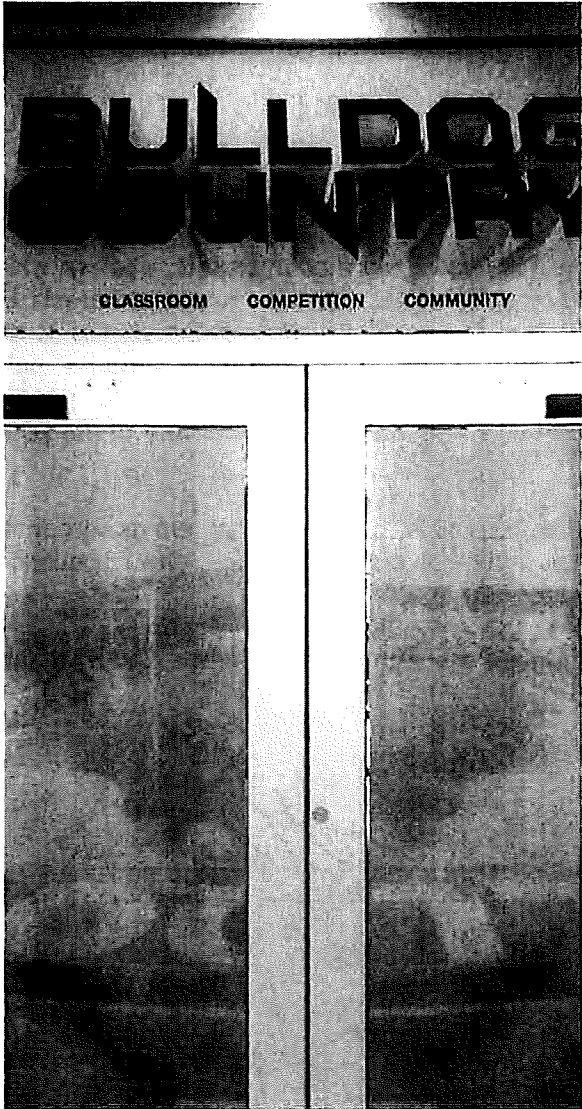
By: _____
Its President

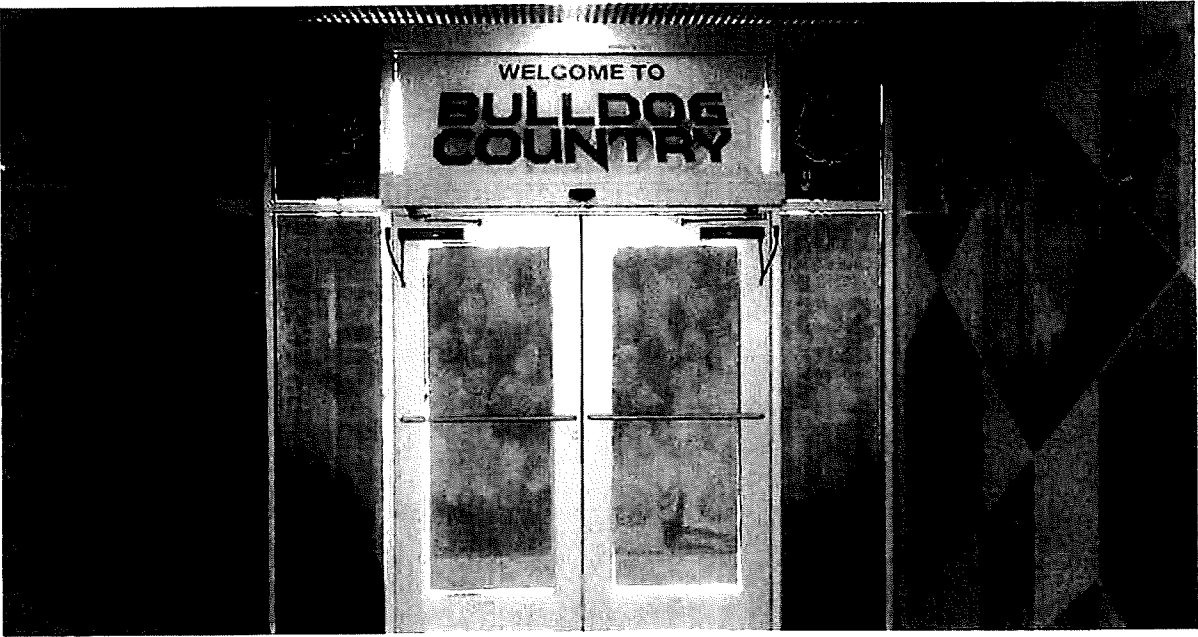
By: _____
Its Secretary

UMD Athletics

By: 
Its: Resident Ad

EXHIBIT A LICENSED SPACE





VII C

Duluth Airport Authority PGKK Partnership DLH Ground Lease

Terms:

- 10 years

Background:

- Current lease that started in 2001 set to expire on August 31, 2021.
- Tenant owned hangar located west of Hangar 104.

Agreement Overview:

- Rate is consistent with other DLH Land Leases at \$.23 per square foot.
- Rate increases annually by CPI.
- All language is current and consistent with other DLH Land Leases.

DULUTH AIRPORT AUTHORITY GROUND LEASE AGREEMENT
PGKK Company

This Agreement is made in the City of Duluth, State of Minnesota, as of the ____ day of _____, 2021, between the DULUTH AIRPORT AUTHORITY, hereinafter called "Authority", and PGKK Company, a Minnesota Partnership, hereinafter referred to as "Lessee".

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Authority, created by Minnesota Laws 1969 Chapter 577, operates the Duluth International Airport, located in the City of Duluth, State of Minnesota and hereinafter referred to as "Airport".
2. Lessee is desirous of leasing the property described in Exhibit A attached hereto for purposes allowed herein.
3. The Authority is desirous of leasing property to Lessee.
4. 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 and adjacent to the City of Duluth, County of St. Louis, State of Minnesota.
- B. City: shall mean the City of Duluth, Minnesota.
- C. 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 consent or approval of the Executive Director is required, the same shall be evidenced by a written document dated and signed by him/her, or by a person designated by him/her to sign such document.
- D. Leased Premises: shall refer to that portion of the Airport leased to Lessee for their exclusive use as further described in SECTION 2 and referred to as Hangar 108, Subparagraph A of this Agreement and Attachment Exhibit A hereto.
- E. Leasehold Improvements: shall refer collectively to all items attached to or located on and within the Leased Premises provided or purchased by Lessee, including such items as decorations, partitions, wiring, lighting and plumbing fixtures, piping, finished ceilings, ventilation duct work, grills, floor and wall coverings, heaters, cabinets, lockers, sinks, counters and signs.

SECTION 2
GROUND LEASE AND USE OF PUBLIC FACILITIES

- A. Leased Premises: During the term of this Agreement and any extensions thereof, Authority does hereby lease to Lessee for their exclusive use: See Exhibit A attached hereto and incorporated herein by reference.
- B. Use of Public Facilities: In addition to the above specified Leased Premises, it is agreed that Lessee will have free access to and use of all public facilities at the Airport in common with the general public, such facilities including but not limited to: landing areas, runways; taxiways; ramps; navigational aids and parking areas; provided however, that such access

and use shall be upon such terms and under such rules and regulations as they now exist or be hereinafter enacted by the Authority and subject to any charges to various classes of users for such use as may be established from time to time by the Authority. Said terms, regulations and charges shall be made upon the same basis as they are applied to or assessed against other users of the facilities involved unless otherwise set forth herein. Authority shall inform Lessee of any such charges.

SECTION 3

ACTIVITIES PERMITTED ON AIRPORT

Lessee is hereby authorized to utilize the leased premises only for the following purposes:

- A. To store and maintain aircraft owned or controlled by Lessee, for private, non-commercial aviation purposes.
- B. To safely store other personal property as approved by the Executive Director.

In the event that Lessee desires to operate a service not specifically heretofore set forth, it shall make timely request of the Authority, through the Executive Director, which the Authority shall promptly consider.

SECTION 4

RENT

Lessee agrees to pay the Authority, together with the payments of fees and charges required by this Agreement, an annual rent of \$.237 per square foot of Leased Premises (approximately 5,100 square feet) or a total of one thousand two hundred eight dollars and seventy cents (\$1,208.70). Payment shall be made in advance, payable on or before September 1st of each year with the initial year payment on execution and other payments on the first day of each year commencing September 1, 2021.

Beginning on September 1, 2022, and on September 1 of each subsequent year during the term of this Agreement or any extension or holding over thereof, the rent shall increase annually by the greater of 2% or 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.

SECTION 5

FEES, TAXES & OTHER CHARGES

In addition to rent due under Section 4, as additional rent Lessee shall pay the following: Lessee shall be liable for the payment of all taxes, assessments, utility charges, license fees or other charges that may be levied or assessed during the term of this Agreement arising in any manner out of Lessee's use or occupation of the Leased Premises, this Agreement, or on account of the transaction of business thereon by Lessee, charged by any governmental agency, and to provide evidence of payment of any such taxes to Authority as such taxes or charges shall become due. If Lessee shall fail or neglect to pay any of said taxes, assessments, utility charges, 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 plus a fifteen percent (15%) administrative fee immediately upon demand therefor.

SECTION 6

TERM

The term of this Agreement shall be for a period of ten (10) years commencing September 1, 2021 and ending on August 31, 2031.

On or after the expiration of the term of this Agreement, or extensions thereof, and upon the prior written approval of the Executive Director, this Agreement shall continue on a month-to-month basis subject to the right of either party to terminate without cause upon thirty (30) days' written notice to the other party.

SECTION 7

CONSTRUCTION AND LEASEHOLD IMPROVEMENTS

- A. In the event that Lessee wishes to make any Leasehold Improvements on or in the Leased Premises, it shall present its request to the Executive Director in writing together with design development or construction drawings showing all details of said Leasehold Improvements. No Leasehold Improvement shall be made in the Leased Premises without the prior written approval of the Executive Director and then only in conformance with the approved plans and this Section.
- B. 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:
 - 1. 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.
 - 2. Complete contract drawings and specifications on all work, including alterations, additions or replacements, must be submitted to and receive prior written approval of the Executive Director.
 - 3. All work must be done in the time and manner approved by the Executive Director and coordinated with the Executive Director. Lessee shall comply with the indemnity and insurance and bond requirements of this Agreement.
 - 4. An authorized representative of Lessee shall be available at all reasonable times at the site to coordinate the work of the improvements.
- C. Construction Bonds and Insurance
 - 1. Bonds: During the term of this Agreement, when any improvements are constructed, installed or renovated, Lessee shall procure and furnish to Authority a 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 Authority, in an amount not less than the cost of such construction, installation or renovation, for the use of 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 of improvements, 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.
 - 2. Public Liability and Property Insurance: Before commencing any improvement, work or equipment installation on the Leased Premises, Lessee shall itself or shall

require all contractors and subcontractors to procure and maintain insurance during the life of such contracts, protecting both the Authority, the City 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 not be 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) for any one accident with a One Million Five Hundred Thousand Dollar (\$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.

- D. **Subsequent Improvements:** Any changes in, additions to or deletions from existing or later constructed improvements shall be subject to the prior approval of the Executive Director, and Executive Director may impose such conditions as it shall deem necessary to protect the Authority and the integrity of all operations at the Airport, including, but not limited to, bonding and insurance requirements.

SECTION 8

LESSEE'S OBLIGATIONS

- A. **Snow Removal:** Lessee agrees to remove snow from those portions of the Leased Premises used or intended for pedestrian, vehicular, or aircraft passage at its sole expense. Lessee is responsible for snowfall clean up including hauling of snow. Authority shall not remove snow from the Leased Premises, nor shall Lessee allow it to remain there.
- B. **Utilities:** The Authority shall have no responsibility to provide any utility or service to the Leased Premises. Lessee shall construct (with the prior written approval of the Executive Director), maintain and pay any costs or user fees as may be necessary to service the Leased Premises.
- C. **Maintenance:** Lessee agrees to keep the Leased Premises in a clean, neat, safe and orderly condition, and in compliance with all laws and codes applicable to the Leased Premises, and to provide at its cost all heat and utilities necessary for the operation of the Leased Premises. Lessee agrees to perform all janitorial services and maintenance of any kind, including structural maintenance, on any structure or portion thereof owned by it. Lessee further agrees to make no attachment to, change of, or exterior redecoration or modification in the Leased Premises without prior written consent of the Executive Director.

The Authority makes no representation that the Leased Premises is suitable for specific uses, and Lessee accepts the Leased Premises in an "as is" condition without representations or warranties of any kind. The Authority shall not be obligated to make any alterations or

improvements on or to the Leased Premises. Lessee agrees to keep the Leased Premises 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 therefor, which charge Lessee shall be obliged to promptly pay. Lessee is responsible to perform all maintenance on its own personal property including the hangar bay doors and door operating equipment.

D. Authority's Fire Insurance: Lessee 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 any reason of the Lessee's failing 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 such violation by the Lessee.

E. Drugs and Alcohol: Lessee's operation and use of the Leased Premises shall be in conformance with all federal, state, and local laws, regulations or valid orders controlling drug or alcohol use or possession, including Authority's Drug and Alcohol Policy.

F. Signs: Signs shall be of safe, legal construction, and shall not detract from the business-like appearance of the Airport, nor lower the value of any Airport property. Location and design of exterior signs must be approved by the Executive Director, in writing.

SECTION 9

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 10

INDEMNITY

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.

SECTION 11

INSURANCE

- A. 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. 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 Lessee under this Section.

D. 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.

SECTION 12

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:
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

That the Lessee shall use the Leased 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 13 **AUTHORITY'S RIGHTS UPON DEFAULT**

- A. Authority's 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 into 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 rents or other charges to be paid 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 rents and other charges to be paid under this Agreement or to recover damages; or
 2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided and re-enter upon the Leased Premises and take possession and use thereof as authorized by law, including the Duluth Airport Authority enabling act (Laws of Minnesota, 1969, Chapter 577), 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 or all such 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 Lessee 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 hereinafter provided for.
 2. 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 twenty (20) days after Authority has given Lessee written notice, or the Lessee shall have failed to commence the rectification of such failure within twenty (20) days after such notice and to diligently prosecute the same cannot be completed within twenty (20) days, or
 3. If a petition to reorganize the Lessee or for its arrangement of its unsecured debts shall be filed, or
 4. If the Lessee shall be adjudicated bankrupt, or

5. If a receiver or trustee of the Lessee's property shall be appointed by any court, or
 6. If the Lessee shall make a general assignment for the benefit of creditors, or
 7. If all of the interest of the Lessee in its property shall be taken by garnishment, attachment, execution or other process of law, or
 8. If the Leased Premises shall be deserted or vacated.
- C. Notice to Lender: Lessee agrees that it will give to Authority notice of any commercial lending institution to which rights under this Agreement have been assigned pursuant to Section 17 below. In the event of default under this Agreement, Authority agrees to give notice to any such institution in the same manner as notice is provided for in paragraph B.2. above.

SECTION 14 **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 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 business 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.
- B. 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 activities and in such event, the term of this Agreement shall be extended for the period of such interruption, or interruptions, and the moratorium on any payments hereunder by Lessee shall continue until Lessee operations can be uninterruptedly continued. Lessee shall not be in default of its payment obligations under this Agreement by virtue of the moratorium authorized herein.

SECTION 15 **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. To be effective, waivers must be in writing.

SECTION 16

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 17

SUBLEASES & ASSIGNMENTS

Lessee shall not assign or transfer this Agreement, in whole or in part, in any manner, nor any interest therein, nor permit the foregoing 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 Executive Director shall first be obtained in each and every case of subletting, 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 share of stock 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.

SECTION 18

ERECTION OF SIGNS

The Lessee shall be allowed to erect suitable signs on the Leased Premises, but the form, type, size, materials, and method of installation of any such signs shall be subject to the approval of the Executive Director of the Authority. Signs shall also be in conformance with Section 8.F. of this Agreement.

SECTION 19

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 the State of Minnesota relative to the operation or maintenance of the Airports.

SECTION 20

CONFIDENTIALITY

The Authority and its agents shall use due care to treat confidentially all matters pertaining to Lessee's activities, except those things, which by law must become part of public information.

SECTION 21

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.

SECTION 22

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 duly executed by the Parties.

SECTION 23

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:

Duluth Airport Authority: **4701 Grinden Drive** **Duluth, MN 55811**

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:

PGKK:	2404 Water Street	Duluth, MN 55816
	3221 Ewing Ave	Duluth, MN 55803

SECTION 24
COUNERPARTS

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 25
APPLICABLE LAW

This 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. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota. However, litigation in the federal courts involving the parties shall be in the appropriate federal court within the State of Minnesota.

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

DULUTH AIRPORT AUTHORITY

PGKK

By _____
Its President

By _____
Its _____

By _____
Its Secretary

By _____
Its _____

Exhibit A



VII D

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

Unaudited

Financial Row	Prior Year Actual (Jan 2020 - Jun 2020)	Current Year Actual (Jan 2021 - Jun 2021)	Budget Amount (Jan 2021 - Jun 2021)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2021 - Jun 2021)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	904,567	1,299,957	913,025	142.38%	395,390	386,933	1,865,240
Non-Passenger Aeronautical Revenue	684,947	689,500	705,176	97.78%	4,553	(15,676)	1,455,426
Passenger Airline Aeronautical Revenue	649,656	676,571	637,060	106.20%	26,914	39,511	1,281,878
Total - Income	2,239,170	2,666,028	2,255,260	118.21%	426,858	410,768	4,602,544
Gross Profit	2,239,170	2,666,028	2,255,260	118.21%	426,858	410,768	4,602,544
Expense							
Miscellaneous Expenses	23,123	31,962	15,911	200.88%	8,839	16,051	32,660
Personnel Compensation & Benefits	1,055,574	1,083,070	1,196,684	90.51%	27,496	(113,614)	2,460,392
Services and Charges	830,868	904,683	994,270	90.99%	73,815	(89,586)	1,877,099
Supplies	260,245	416,600	288,565	144.37%	156,355	128,036	574,230
Total - Expense	2,169,811	2,436,315	2,495,430	97.63%	266,504	(59,114)	4,944,381
Net Ordinary Income	69,359	229,713	(240,169)	-95.65%	160,354	469,882	(341,838)
Other Income and Expenses							
Other Income							
Non-Operating Revenue	204,390	228,676	183,357	124.72%	24,285	45,318	365,939
Total - Other Income	204,390	228,676	183,357	124.72%	24,285	45,318	365,939
Other Expense							
Non-Operating Expense	137,228	124,322	164,322	75.66%	(12,906)	(40,000)	328,644
Total - Other Expense	137,228	124,322	164,322	75.66%	(12,906)	(40,000)	328,644
Net Other Income	67,163	104,354	19,035	548.22%	37,191	85,318	37,295
Net Income Exclusive of Project Expenses, Depreciation & Amortization	136,522	334,066	(221,134)	-151.07%	197,544	555,200	(304,543)
Projects/Grants	(322,700)	(2,041,515)	4,444,000	-45.94%	(1,718,815)	(6,485,515)	8,888,000
Depreciation & Amortization	(5,578,034)	0	(5,027,685)	0.00%	5,578,034	5,027,685	(10,055,370)
Net Income	(5,764,212)	(1,707,449)	(804,819)	212.15%	4,056,763	(902,630)	(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 budget vs actual of over 555k. The positive variance is inflated due to increased revenues from the MAG reconciliation for the parking lot of \$330,923.82. Expenses are also overstated by the \$110k boiler replacement. After removing these anomalies, the DAA is at a positive variance of \$334k.
- 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 postings.
- The largest variance from budget in revenues comes the parking concession MAG adjustment of \$330k and car rental concession which is up \$63k, while other concessions are very close to budget. Non-passenger aeronautical revenue is only \$15k off from budget and passenger airline aeronautical revenue is over budget due to increased landing fees of \$39k.
- 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. Removing the boiler costs expenses we would be 169k 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 \$85k.

Duluth Airport Authority
Balance Sheet
End of Jun 2021

Financial Row	Amount
ASSETS	
Current Assets	
Bank	\$5,267,728.12
Accounts Receivable	
Accounts Receivable - Restricted PFC	\$81,308.80
Accounts Receivable Billed	\$1,184,393.33
Lottery Sales Receivable	(\$9,140.00)
Total Accounts Receivable	\$1,256,562.13
Other Current Asset	\$194,540.94
Total Current Assets	\$6,718,831.19
Fixed Assets	
Accumulated Depreciation	(\$131,246,853.74)
Capital Assets	\$251,814,679.12
Work in Progress	\$2,149,417.56
Total Fixed Assets	\$122,717,242.94
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	\$131,856,282.19
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	\$98,215.69
Contracts Payable	\$909,126.19
Lottery Payable	(\$3,460.91)
Total Accounts Payable	\$1,003,880.97
Credit Card	\$835.18
Other Current Liability	
Accrued Expense	\$11,299.98
Accrued Interest	\$90,803.17
Accrued Sales Taxes Payable - All	\$67.30
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	\$189,280.50
Total Other Current Liability	\$2,036,967.25
Total Current Liabilities	\$3,041,683.40
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	(\$1,707,076.54)
Total Equity	\$118,236,514.92
Total Liabilities & Equity	\$131,856,282.19

Duluth Airport Authority
Income Statement
From Jan 2021 to Jun 2021

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$3,750.00
Concession Revenue	
ATM	\$149.50
Car Rental Concession	\$189,330.56
Food & Beverage Concession	\$18,440.66
Lottery Concessions	\$677.64
Parking	\$640,609.29
Per Passenger Fee	\$5,031.00
Services/Other	\$250.00
TNC Per Trip Fee	\$2,655.00
Vending	\$3,063.46
Total - Concession Revenue	\$860,207.11
Customer Facility Charges	\$79,656.00
Miscellaneous Revenues	\$25,915.83
Parking	\$95,939.15
Permits	\$8,358.22
Plowing Services	\$4,725.00
Reimbursed Expenses	\$33,809.81
Rent	\$121,285.67
Sponsorship Income	\$62,000.00
State Aid	\$4,310.49
Total - Non-Aeronautical Revenue	\$1,299,957.28
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$21,173.39
Concession Revenue	\$55,241.41
Landing Fees	\$16,724.87
Ramp Fees	\$9,298.08
Rent	\$537,793.08
Security Reimbursement	\$49,269.34
Total - Non-Passenger Aeronautical Revenue	\$689,500.17
Passenger Airline Aeronautical Revenue	
Landing Fees	\$128,847.54
Terminal Office/Space Rental	\$547,723.02
Total - Passenger Airline Aeronautical Revenue	\$676,570.56
Total - Income	\$2,666,028.01
Gross Profit	\$2,666,028.01
Expense	
Miscellaneous Expenses	\$31,961.94
Personnel Compensation & Benefits	
Benefit Administration Fees	\$122.40
Employer Contributions for Retirement	\$96,803.32
Employer Paid Insurance	\$184,968.63
Retiree Benefits	\$54,954.00
Wages & Salaries	\$746,221.29
Total - Personnel Compensation & Benefits	\$1,083,069.64
Services and Charges	
Advertising	\$1,364.50
Central Services Fee	\$11,299.98
Communications & Technology	\$153,597.86
Employee Development Services	\$21,932.93
Employee Physicals	\$586.00
Finance Charge	\$86.46
Marketing	\$55,126.52

Financial Row	Amount
Professional Services	\$175,088.23
Rentals	\$2,200.77
Repairs and Maintenance - Contractual/Services	\$230,436.87
Sponsorship Expenses	\$817.00
Transportation	\$49.72
Utility Services	\$252,096.48
Total - Services and Charges	\$904,683.32
Supplies	
Merchandise for Resale	\$19,364.20
Office Supplies	\$50,412.97
Operating Supplies	
Cleaning & Janitorial	\$7,388.16
Customer Service	\$3,900.39
Lubricants & Additives	\$4,132.39
Meeting Supplies	\$1,898.38
Motor Fuels	\$36,136.96
PPE Reimbursement	\$740.97
Safety & Environmental	\$2,081.23
Signs	\$5,691.36
Wildlife Control	\$736.44
Total - Operating Supplies	\$62,706.28
Repairs & Maintenance Supplies	
Airfield	\$50,452.25
Building	\$132,349.60
Fencing & Gates	\$7,383.90
Fuel System	\$95.13
Grounds & Landscaping	\$480.58
Heavy Equipment	\$52,460.09
Heavy Equipment Accessories	\$9,057.84
Jet Bridge	\$130.65
Light Equipment	\$24,321.81
Sand/Deicer	\$596.33
Sea Base	\$1,343.62
Shop Supplies	\$3,405.38
Small Tools	\$1,634.26
Total - Repairs & Maintenance Supplies	\$283,711.44
Total - Supplies	\$416,194.89
Total - Expense	\$2,435,909.79
Net Ordinary Income	\$230,118.22
Other Income and Expenses	
Other Income	
Capital Contributions	
Contributed Capital	\$1,165,681.04
Grants	(\$3,207,196.28)
Total - Capital Contributions	(\$2,041,515.24)
Non-Operating Revenue	
Interest Income	\$19,436.11
Passenger Facility Charges	\$209,239.41
Total - Non-Operating Revenue	\$228,675.52
Total - Other Income	(\$1,812,839.72)
Other Expense	
Non-Operating Expense	
Interest Expense	\$124,321.92
Total - Non-Operating Expense	\$124,321.92
Total - Other Expense	\$124,321.92
Net Other Income	(\$1,937,161.64)
Net Income	(\$1,707,043.42)

VII E

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

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

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	7/12/2021 - 8/10/2021 (30)	6/12/2021 - 7/11/2021 (60)	5/13/2021 - 6/11/2021 (90)	BEFORE 5/13/2021 (>90)	TOTAL
						Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Avis Rent A Car						\$0.00	\$2,209.27	\$0.00	\$0.00	\$26,477.63	\$28,686.90
Bellamy Bill						\$0.00	\$0.00	\$157.40	\$87.97	\$0.00	\$245.37
BKR Investments DBA Duluth Pack	Invoice	8/2/2021	8500	9/1/2021	9	\$0.00	\$225.00	\$0.00	\$0.00	\$0.00	\$225.00
Budget Rent A Car						\$0.00	\$1,483.63	\$0.00	\$0.00	\$22,923.95	\$24,407.58
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	100	\$0.00	\$0.00	\$0.00	\$0.00	\$1,800.00	\$1,800.00
Childs, Matthew	Invoice	4/5/2021	8159	5/5/2021	128	\$0.00	\$0.00	\$0.00	\$0.00	\$153.00	\$153.00
Churchill, Sean	Payment	6/9/2021	7403	6/9/2021	63	\$0.00	\$0.00	\$0.00	(\$580.05)	\$0.00	(\$580.05)
Cirrus Design Corporation						\$0.00	\$14,342.46	\$16,371.08	(\$5,741.27)	(\$21,416.80)	\$3,555.47
City of Duluth						\$0.00	\$1,645.57	\$1,645.57	\$0.00	\$1,020.57	\$4,311.71
Clobes, Nathan	Invoice	7/28/2021	8475	8/27/2021	14	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
Compudyne	Invoice	8/2/2021	8525	9/1/2021	9	\$0.00	\$30.18	\$0.00	\$0.00	\$0.00	\$30.18
Delta Airlines						\$0.00	(\$10,750.68)	\$0.00	(\$5,375.34)	\$68,730.13	\$52,604.11
Divine Carriers	Invoice	8/2/2021	8516	9/1/2021	9	\$0.00	\$126.33	\$0.00	\$0.00	\$0.00	\$126.33
Duluth Economic Development Authority	Invoice	7/28/2021	8472	8/27/2021	14	\$0.00	\$300.00	\$0.00	\$0.00	\$0.00	\$300.00
Duluth Hangar, LLC	Invoice	8/2/2021	8527	9/1/2021	9	\$0.00	\$765.35	\$0.00	\$0.00	\$0.00	\$765.35
Enterprise Leasing Company						\$0.00	\$0.00	\$7,468.00	\$480.00	\$97,215.42	\$105,163.42
Federal Express Corporation						\$0.00	\$5,445.00	\$0.00	\$0.00	\$0.00	\$5,445.00
General Services Administration						\$0.00	\$5,237.41	(\$61.20)	\$0.00	\$0.00	\$5,176.21
Goritchan Boris						\$0.00	\$0.00	\$0.00	\$0.00	\$879.00	\$879.00
Grimsbo, Gerald	Invoice	2/10/2020	6437	3/11/2020	548	\$0.00	\$0.00	\$0.00	\$0.00	\$412.00	\$412.00
GSSC						\$0.00	\$575.00	\$0.00	\$384.00	\$65.00	\$1,024.00
Hagberg, Rick						\$0.00	\$193.35	\$193.35	\$0.00	\$0.00	\$386.70
Hall John	Invoice	8/2/2021	8502	9/1/2021	9	\$0.00	\$277.39	\$0.00	\$0.00	\$0.00	\$277.39
Hatfield, Dan	Invoice	8/2/2021	8537	9/1/2021	9	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Hermantown Hydraulics	Invoice	8/2/2021	8526	9/1/2021	9	\$0.00	\$656.21	\$0.00	\$0.00	\$0.00	\$656.21
Hertz-Overland West						\$0.00	\$37,805.25	\$7,282.45	\$0.00	\$56,383.56	\$101,471.26
Hillman Colin	Invoice	8/2/2021	8550	9/1/2021	9	\$0.00	\$215.00	\$0.00	\$0.00	\$0.00	\$215.00
Hydro Solutions, Inc.	Invoice	8/2/2021	8505	9/1/2021	9	\$0.00	\$3,466.75	\$0.00	\$0.00	\$0.00	\$3,466.75
Johnson, Richard	Invoice	8/2/2021	8533	9/1/2021	9	\$0.00	\$443.70	\$0.00	\$0.00	\$0.00	\$443.70
Johnston, Paul	Invoice	8/2/2021	8545	9/1/2021	9	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Kern & Kompany	Invoice	9/21/2020	7319	10/21/2020	324	\$0.00	\$0.00	\$0.00	\$0.00	\$65.00	\$65.00
Lake Country Air, LLC						\$0.00	\$0.00	\$946.59	\$0.00	\$0.00	\$946.59
Lake Superior College	Invoice	7/28/2021	8489	8/27/2021	14	\$0.00	\$255.00	\$0.00	\$0.00	\$0.00	\$255.00
Lake Superior Helicopters						\$0.00	\$2,167.82	\$0.00	\$0.00	\$0.00	\$2,167.82

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	7/12/2021 - 8/10/2021 (30)	6/12/2021 - 7/11/2021 (60)	5/13/2021 - 6/11/2021 (90)	BEFORE 5/13/2021 (>90)	TOTAL
						Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Love Creamery	Invoice	8/2/2021	8549	9/1/2021	9	\$0.00	\$30.00	\$0.00	\$0.00	\$0.00	\$30.00
Lyft, Inc.	Invoice	7/31/2021	8567	8/30/2021	11	\$0.00	\$324.00	\$0.00	\$0.00	\$0.00	\$324.00
M & M Light Transport	Invoice	8/2/2021	8539	9/1/2021	9	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Magaard, Diana	Invoice	1/15/2021	7785	2/14/2021	208	\$0.00	\$0.00	\$0.00	\$0.00	\$50.00	\$50.00
Messerer Jon						\$0.00	\$1,848.00	\$1,210.00	\$53.48	\$0.00	\$3,111.48
Miner's Outdoor Adventures, LLC	Payment	1/19/2021	6925	1/19/2021	204	\$0.00	\$0.00	\$0.00	\$0.00	(\$15.70)	(\$15.70)
Minnesota Air National Guard						\$0.00	\$6,349.75	\$0.00	\$0.00	\$0.00	\$6,349.75
Minnesota Power						\$0.00	\$641.18	\$0.00	\$0.00	\$0.00	\$641.18
Monaco Air Duluth						\$0.00	\$6,688.35	\$0.00	\$0.00	\$0.00	\$6,688.35
Mountain Air Cargo						\$0.00	\$1,549.68	\$1,549.68	\$0.00	\$0.00	\$3,099.36
Northland Constructors, Inc.	Invoice	8/2/2021	8514	9/1/2021	9	\$0.00	\$181.50	\$0.00	\$0.00	\$0.00	\$181.50
Oakwells CR, LLC						\$0.00	\$0.00	\$0.00	(\$1,616.92)	\$55,375.86	\$53,758.94
Opack Matthew Jr.	Invoice	8/2/2021	8546	9/1/2021	9	\$0.00	\$196.81	\$0.00	\$0.00	\$0.00	\$196.81
Palmer, John	Invoice	8/2/2021	8547	9/1/2021	9	\$0.00	\$196.81	\$0.00	\$0.00	\$0.00	\$196.81
Parthe, Lance	Invoice	8/2/2021	8535	9/1/2021	9	\$0.00	\$250.35	\$0.00	\$0.00	\$0.00	\$250.35
Payne, Robert	Invoice	8/3/2021	8531	9/2/2021	8	\$0.00	\$250.35	\$0.00	\$0.00	\$0.00	\$250.35
QMS, INC.						\$0.00	\$250.00	\$12.00	\$34.56	\$37.26	\$333.82
Rathbun, David	Invoice	8/2/2021	8540	9/1/2021	9	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Rehabilitation Counselors, Inc.	Payment	8/19/2019	5002	8/19/2019	723	\$0.00	\$0.00	\$0.00	\$0.00	(\$75.00)	(\$75.00)
Republic Parking System	Invoice	1/31/2021	8046	3/2/2021	192	\$0.00	\$0.00	\$0.00	\$0.00	\$330,923.82	\$330,923.82
RS&H	Invoice	8/2/2021	8528	9/1/2021	9	\$0.00	\$2,177.05	\$0.00	\$0.00	\$0.00	\$2,177.05
Safstrom Jon	Payment	3/3/2021	7092	3/3/2021	161	\$0.00	\$0.00	\$0.00	\$0.00	(\$14.00)	(\$14.00)
Saran, Rajiv	Payment	7/21/2021	7532	7/21/2021	21	\$0.00	(\$153.00)	\$0.00	\$0.00	\$0.00	(\$153.00)
Security Jewelers	Invoice	8/2/2021	8529	9/1/2021	9	\$0.00	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00
SEH	Invoice	7/28/2021	8493	8/27/2021	14	\$0.00	\$310.00	\$0.00	\$0.00	\$0.00	\$310.00
Simplex Grinnell	Invoice	3/25/2021	8044	4/24/2021	139	\$0.00	\$0.00	\$0.00	\$0.00	\$115.00	\$115.00
Stevens, Mike	Invoice	8/2/2021	8542	9/1/2021	9	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Sydow Dan						\$0.00	\$250.35	\$250.17	\$0.00	\$0.00	\$500.52
The Jamar Company	Invoice	7/28/2021	8486	8/27/2021	14	\$0.00	\$65.00	\$0.00	\$0.00	\$0.00	\$65.00
The Landline Company						\$0.00	\$5,492.14	\$3,550.14	\$6,000.14	\$0.00	\$15,042.42
Transportation Security Administration						\$0.00	\$9,157.67	\$0.00	\$0.00	\$0.00	\$9,157.67
unifi						\$0.00	\$2,760.00	\$0.00	\$4,224.00	\$0.00	\$6,984.00
United Parcel Service						\$0.00	\$130.00	\$0.00	\$0.00	\$190.00	\$320.00
University of Minnesota Duluth	Invoice	8/2/2021	8551	9/1/2021	9	\$0.00	\$3,000.00	\$0.00	\$0.00	\$0.00	\$3,000.00
Werpy, Jonas						\$0.00	\$193.35	\$193.35	\$193.35	\$0.00	\$580.05
Wicklein, John						\$0.00	\$153.00	\$0.00	\$0.00	\$153.00	\$306.00
Williams, Ron	Invoice	8/2/2021	8543	9/1/2021	9	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Total						\$0.00	\$110,970.43	\$40,768.58	(\$1,856.08)	\$641,346.70	\$791,229.63

VII F

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	9,403	15,576	1,526	9,598	30,303	3,020	19,001	7,909	529.38	15,981	529.17
JUL	16,096	3,121	11,778	16,016	3,327	11,791	32,112	6,448	23,569	8,657	277.38	17,121	265.52
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	54,992	156,129	64,134	54,968	313,980	129,508	109,960	15,528	396.12	31,723	414.32

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	9,403	15,744	1,526	9,598	19,001
JUL	16,390	3,121	11,778	16,310	3,327	11,791	23,569
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	55,059	158,633	64,877	55,035	110,094

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	6,589	7,706	680	6,828	15,248	1,365	13,417	5,904	861.90	12,052	882.93
JUL	8,748	2,122	6,788	8,648	2,277	6,823	17,396	4,399	13,611	4,666	219.89	9,212	209.41
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	36,926	84,777	37,849	37,518	170,931	75,466	74,444	16,342	562.78	33,041	552.60

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	199	6,390	157	6,671	13,417
JUL	165	6,623	170	6,653	13,611
AUG					
SEP					
OCT					
NOV					
DEC					
Total	1,181	35,545	1,187	36,331	74,244

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	2,814	5,653	846	2,770	10,924	1,655	5,584	2,005	247.84	3,929	237.40
JUL	5,109	999	4,990	5,093	1,050	4,968	10,202	2,049	9,958	3,991	399.50	7,909	385.99
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	18,066	56,766	19,945	17,450	114,473	41,276	35,516	5,612	437.33	11,448	447.68

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	99	2,715	81	2,689	5,584
JUL	164	4,826	123	4,845	9,958
AUG					
SEP					
OCT					
NOV					
DEC					
Total	732	17,334	623	16,827	35,516

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)	(11.69)	(830)	(11.69)

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

2021 Landline Passengers

	Arrivals			Departures			Grand Total	2020 Total	Inc /Dec
	Revenue	Non-Rev	Total	Revenue	Non-Rev	Total			
January	206	7	213	265	23	288	501	1979	-1478
February	154	10	164	219	8	227	391	1161	-770
March	194	3	197	249	1	250	447	1341	-894
April	292	2	294	340	2	342	636	65	571
May	592	12	604	578	11	589	1193	151	1042
June	970	12	982	972	27	999	1981	318	1663
July	1208	26	1234	1291	25	1316	2550	502	2048
August									
September									
October									
November									
December									
	3616	72	3688	3914	97	4011	7699	5517	2182

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	121993	56469
July	122009	60624
August		
September		
October		
November		
December		

744324	367368
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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	45261	25821
July	50311	23070
August		
September		
October		
November		
December		

303524	150708
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Combined Total	Combined Total
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Freight In	Freight Out
117686	63453
104107	60026
150825	71421
165012	84519
170644	72673
167254	82290
172320	83694
0	0
0	0
0	0
0	0
0	0

1047848	518076
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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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