

# DRAFT 2022 Budget and Rates & Charges



# 2022 DYT R&C

- No substantial changes at this time
- Tiered pricing of parking/tie downs is being evaluated
- Fueling discounts are also being evaluated
- Updated contacts

# 2022 DRAFT Rates & Charges



## DULUTH INTERNATIONAL AIRPORT

**DRAFT 2022 Rates and Charges Addendum**  
Effective January 1st, 2022 - To Be Adopted October 19, 2021

Changes for 2022

Notes on Recommended  
Changes

<b>Passenger Terminal Fees</b>						
(Per Square Foot)	Airline Leased Premises	\$21.97		\$23.07		5% Increase as recommended by consultant
	Non-Airline Terminal Tenant Rate (Reference Per Agreement)	\$39.88		\$41.08		3% Increase - no increase since 2018
<b>Aircraft Landing Fee</b>						
(Per 1,000 lbs MGLW)	Signatory Carrier	\$1.98		\$2.08		5% Increase as recommended by consultant
	Non-Signatory Carriers (125% more)	\$2.48		\$2.60		125% of Signatory
	Transient	\$0.89		\$0.96		8.33% Increase, 3 years CPI per Monaco
	FBO Tenant	\$0.00				
<b>Per Use Fee</b>	Non-Signatory Carriers (125% more)	\$449.68		\$600.86		As recommended by R&C
<b>International Arrivals Facility Per Use Fee</b>						
	Less than 50,000 lbs. MGLW	\$50.00		\$75.00		Increased by \$25 each tier per consultant, not currently utilized, discussed there would need to be significant investment in space.
	50,001-175,000 lbs. MGLW	\$150.00		\$175.00		
	175,001 lbs. MGLW and above	\$250.00		\$275.00		
<b>Commercial Aeronautical Application Fee</b>	Per application fee for commercial aeronautical operations	\$100.00				
<b>Terminal Ramp Aircraft Parking Fees</b>						
	Signatory Carrier	\$0.00				
		-		-		
<b>Non-Terminal FBO Charged Aircraft Parking Fees</b>						
(Per 1,000 lbs MGLW)	Category by MGLW (lbs.)	<u>Per Night (24 hour period)</u>	<u>Per Month (Calendar)</u>	<u>Per Night (24 hour period)</u>	<u>Per Month (Calendar)</u>	
	12,499 & Under	\$14.00	\$112.00	\$15.00	\$120.00	8.33% Increase, 3 years CPI per Monaco
	12,500 - 49,999	\$58.00	\$464.00	\$63.00	\$504.00	8.33% Increase, 3 years CPI per Monaco
	50,000 - 99,999	\$115.00	\$920.00	\$125.00	\$1,000.00	8.33% Increase, 3 years CPI per Monaco
	100,000 & Over	\$236.00	\$1,888.00	\$256.00	\$2,048.00	8.33% Increase, 3 years CPI per Monaco
<b>Exclusive Use Cargo Ramp Fee</b>						
	Per calendar month exclusive use cargo ramp fee		<u>Per Month (Calendar)</u>		-	
			\$1,549.68			
<b>Passenger Facility Charge (PFC)</b>						
	\$4.50 Per enplaned commercial passenger, Per FAA Approved PFC Application					

# 2022 DRAFT Rates & Charges Continued

<b>DAA Owned Hangar Rental Rates (Per Each)</b> <i>*\$50 Discount if paid in full by January 31 of lease year.</i>	<u>Hangar Type</u>		<u>Per Month (Calendar)</u>			
	West T-Hangars*		\$180.00	\$186.00		3% Increase - \$50 Pay in full discount 3% Increase - \$50 Pay in full discount
	East T-Hangars*		\$180.00	\$186.00		3% Increase - \$50 Pay in full discount
	East Ranch Hangars*		\$230.00	\$237.00		3% Increase - \$50 Pay in full discount
	Other	Set by Lease Agreement				
<b>Fuel Flowage Fee</b>  (Fee Per Gallon)	FBO Charged In-to Plane Fee (Per Operator Agreement)		\$0.03	\$0.07		Pending discussions with FBO
	FBO Charged Aviation, Heating & Auto Fuel Fee (Per Operator Agreement)		\$0.09			
	Fee Per Gallon - Other Airport Operator	Set by Operator Agreement				
<b>Parking Fees &amp; Permits</b> (Includes Tax)	0-1 Hour		\$3.00			
	1-2 Hours		\$5.00			
	2-6 Hours		\$9.00			
	6-24 Hours (Daily)		\$13.00			
	Weekly		\$78.00			
	Corporate Surface Permit (Annual)		\$1,200.00	\$1,300.00		Recommended by Consultant
	Corporate Garage Permit (Annual)		\$2,000.00	\$2,150.00		Recommended by Consultant
	Airport Employee Tenant Permit (Annual)		\$96.00			
	Airline Crew Overnight Permit (Monthly or Annual)	\$51.00	\$612.00			
	Tenant Commercial Parking Agreement (Monthly or Annual)			\$250.00	\$3,000.00	Added for due to tenant request
<b>Commercial Vehicle Fees &amp; Permits</b> (Includes Tax)	Taxi/Limo/Hotel Shuttle Permit (Annual)	\$200.00	Per Each Vehicle			
	Passenger Shuttle	\$200.00	Per Each Vehicle	\$500.00	Per Each Vehicle	Increased cost due to passenger diversion
	Transportation Network Company Permit (Annual)	\$1,500.00	Per Company			
	Transportation Network Company Per Trip Fee	\$1.50	Per Pick- Up & Drop Off			
<b>Ground &amp; Commercial Vehicle Violations</b>	Airport Employee Parking Violation		TBD			
	Commercial Vehicle Violation		\$100.00			

# 2022 DRAFT Rates & Charges Continued 2

<b>Business Services Club Pass</b>					
(Sponsorship Agreement Passes not included)					
<b>Per Pass Fee to Access Business Services Club Room</b>			<b>Not currently on schedule</b>	\$150 per pass	Fee is not currently included on schedule and should be added.
<b>Conference Room/Space Rates &amp; Fees</b>	<b>Room/Space</b>	<b>0-2 Hours</b>	<b>2-4 Hours</b>	<b>4-8 Hours</b>	
	2nd Floor Mezzanine	\$200.00	\$250.00	\$350.00	
(20% Discount for Airport Terminal Tenants)	2nd Floor Conference Room - Room 250	\$50.00	\$75.00	\$100.00	
	3rd Floor Conference Room - Amatuzio A	\$100.00	\$150.00	\$200.00	
	3rd Floor Conference Room - Amatuzio B	\$75.00	\$150.00	\$200.00	
	3rd Floor Conference Room - Amatuzio C	\$75.00	\$150.00	\$200.00	
	3rd Floor Conference Room - Amatuzio A&B	\$125.00	\$175.00	\$250.00	
	3rd Floor Conference Room - Amatuzio B&C	\$125.00	\$175.00	\$250.00	
	3rd Floor Conference Room - Amatuzio A,B,C	\$150.00	\$200.00	\$300.00	
	<b>Technology Capability</b>	\$25.00	\$50.00	\$75.00	Changed language - currently being evaluated
<b>Badging Fees</b>	SIDA & Sterile Badge			\$200.00	
(All fees to be paid regardless of whether badge is issued)	AOA Badge			\$125.00	
	Landside Badge			\$65.00	
	AOA Renewal			\$65.00	
	SIDA & Sterile Renewal			\$115.00	
	AOA Renewal (Past Expiration)			\$125.00	
	SIDA Renewal (Past Expiration)			\$175.00	
	Incomplete			\$100.00	
	Lost or Non-Returned Badge			\$125.00	
	Construction Badge Additional Handling Fee			\$50.00	
<b>SIDA Violations</b>	1) First Offense - \$50.00 and retraining				
	2) Second Offense - \$100.00, 10-day SIDA badge suspension and retraining				
	3) Third Offense - SIDA badge revocation (for a minimum of twelve months)				
	DAA reserves the right to revoke SIDA badge and not reissue based on violation investigation				
<b>Airport Car Rental Customer Facility Charge (CFC)</b>	Rental Car Transaction Per Day Charge for up to Maximum of 4 Days			\$4.00	

## DRAFT 2022 BUDGET SUMMARY

Financial Row	2019 Actuals (Jan 2019 - Adjust 2019 )	Previous Year Actuals (Jan 2020 ) - Adjust 2020 )	Proposed Annual Budget 2022
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Total - Non-Aeronautical Revenue	\$3,418,645	\$1,925,842	\$2,907,180
Total - Non-Passenger Aeronautical Revenue	\$1,606,641	\$1,454,040	\$1,485,468
Total - Passenger Airline Aeronautical Revenue	\$1,467,133	\$1,321,809	\$1,236,318
<b>Total - Income</b>	<b>\$6,492,418</b>	<b>\$4,701,691</b>	<b>\$5,628,966</b>
<b>Gross Profit</b>	<b>\$6,492,418</b>	<b>\$4,701,691</b>	<b>\$5,628,966</b>
<b>Expense</b>			
Miscellaneous Expenses	\$40,263	\$43,238	\$36,670
Total - Personnel Compensation & Benefits	\$2,219,961	\$2,238,775	\$2,639,812
Total - Services and Charges	\$1,684,506	\$1,682,643	\$2,127,207
Total - Supplies	\$562,182	\$503,695	\$674,195
<b>Total - Expense</b>	<b>\$4,506,912</b>	<b>\$4,468,351</b>	<b>\$5,477,884</b>
<b>Net Ordinary Income</b>	<b>\$1,985,506</b>	<b>\$233,341</b>	<b>\$151,083</b>
<b>Other Income and Expenses</b>			
<b>Other Income</b>			
Total - Non-Operating Revenue	\$685,466	\$325,183	\$593,006
<b>Total - Other Income</b>	<b>\$685,466</b>	<b>\$325,183</b>	<b>\$593,006</b>
<b>Other Expense</b>			
Total - Non-Operating Expense	\$303,978	\$274,455	\$285,512
<b>Total - Other Expense</b>	<b>\$303,978</b>	<b>\$274,455</b>	<b>\$285,512</b>
<b>Net Other Income</b>	<b>\$381,488</b>	<b>\$50,728</b>	<b>\$307,494</b>
<b>Net Income Exclusive of Project Expenses, Depreciation &amp; Amortization</b>	<b>\$2,366,994</b>	<b>\$284,068</b>	<b>\$458,576</b>
<b>Projects/Grants</b>			
<b>Capital Contributions</b>			
Total - Contributed Capital	\$478,577	\$815,977	\$907,964
Total - Grants	\$13,092,314	\$11,739,619	\$11,948,420
<b>Total - Capital Contributions</b>	<b>\$13,570,891</b>	<b>\$12,555,596</b>	<b>\$12,856,383</b>
<b>Total - Projects/Grants</b>	<b>\$13,570,891</b>	<b>\$12,555,596</b>	<b>\$12,856,383</b>
<b>Capital Improvement Costs</b>			<b>\$12,755,311</b>
Loan Principal			\$890,000
CFC's Reserved for Approved Projects			\$79,663
Coverage for Hangar 103 Amortization			\$75,000
PFCs To be Collected In the Future			(\$485,016)
<b>Positive (Negative) Budget Variance</b>			<b>\$0</b>

### MAJOR TAKE AWAYS:

- Nearly \$1.1M in COVID relief funds is planned to be used to keep budget at a 0 base.
- Our expected annual debt service in 2022 for all long-term debt is \$1.1M.
- 5% rate increase to Signatory Airline rates has been proposed and many other rates are being updated as well.
- Passenger related concession revenue was estimated to be 85% of 2019. Other revenues were determined based on current activity and contracted rates.
- Expenses were evaluated and updated using priority-based budgeting.
- Strategy to utilize relief funds during 2022 has been identified to allow the DAA staff to tackle deferred maintenance and outstanding projects.

# Finance Dept. Board Action Items

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**Airport**

Duluth International Airport (DLH)

**Date(s) of Consultation with Eligible Concessions**      7/19/2021 - Meeting with Rental Cars      8/2/2021 & 8/3/2021 Meeting with food and beverage and parking      9/2/2021: Meeting with Shelter Dog/Safe      9/3/2021: Meeting with OnSite

**Base-line Time Period**      FY 2019

**Notes on Special Circumstances**      DLH Evaluated all in-terminal concessionaires, rental car operators and parking. The below reflects those that are eligible per the requirements of CRRSA. The DAA waited to provide relief until all information for CRRSA was available.

**CRRSA Concessionaire Relief Amount**      **\$33,311**

Concession Name (DBA or Tradename) <sup>1</sup>	Business Legal Name	Rent Income to airport in base-line time period <sup>2</sup>	Percent share of total base-line rent income <sup>3</sup>	Rent relief provided for occupancy after December 27, 2020 <sup>4</sup>	ACDBE	Date of ACDBE 1-on-1 consultation <sup>5</sup>	Certification Date <sup>7</sup>	PPP First Draw Loan Number	Taking PPP Second Draw Loan <sup>6</sup>	PPP Second Draw Loan Number	Comments or special circumstances, provisions, etc.
Avis Rent-a-Car	Sonju Enterprises, Inc.	\$142,185	7%	\$2,355	X	8/2/2021	7/14/2021	6211877005	Yes	2617488810	Second PPP Draw was for Payroll, utilities, covered worker protection expenditures, covered worker protection expenditures
Budget Rent a Car	Krenzen Corp.	\$91,625	5%	\$1,518	X	8/2/2021	7/16/2021	N/A	No	N/A	
Enterprise Rent a Car	Enterprise Leasing Company of Minn	\$345,341	17%	\$5,720	No	N/A	7/18/2021	N/A	No	NA	
Arrowhead Tap House #144	Oakwells Commuter Rail LLC	\$89,608	4%	\$1,484	No	N/A	7/13/2021	2893677209	Yes	9706658403	Second PPP Draw was for Payroll, Utilities, Covered Operations Expenditures, Covered Worker Protection Expenditures, Covered Supplier Costs
Reef Parking	Republic Parking System, LLC	\$1,333,859	66%	\$22,093	No	N/A	7/14/2021	N/A	No	N/A	
On Site Enterprises	On Site Enterprises	\$7,808	0%	\$129	No	N/A	9/3/2021	4475007203	Yes	2673858405	Second PPP Draw was for Payroll
Safe Harbor Payment Systems	Shelter Dog, Inc.	\$719	0%	\$12	No	N/A	9/2/2021	9944107107	Yes	6675658504	Second PPP Draw was for Payroll
Hertz Rent A Car	Overland West		0%								Has not continued operations. Ceased operations on June 10, 2021
ADMIN											
<b>Total</b>		<b>\$2,011,144</b>	<b>100%</b>	<b>\$33,311</b>							

1. Eligible Concession subject to rent for occupancy or commercial operations after Dec. 27, 2020.
2. Share of rent income and total airport income from eligible concessions from base-line time period of FY2019.
3. Resulting proportional share for each eligible concession.
4. Resulting dollar-amount of actual rent relief provided for occupancy after Dec. 27, 2020.
5. Identifies ACDBEs and date of one-on-one consultation.
6. Information provided on Concession Certification. If a concession is taking a second draw, the purpose(s) of that loan is noted in the Comments column. All concessionaires listed certified that they were not applying any PPP toward rent or MAG.
7. Certification Date has been added.
8. Ineligible Concessions: Hertz Rent A Car/Overland West - No longer providing services. Ceased operations on June 10, 2021.