



**DULUTH AIRPORT AUTHORITY
MEETING AGENDA
NOVEMBER 16, 2021**

**AMATUZIO CONFERENCE ROOM
DULUTH INTERNATIONAL AIRPORT**

Click below to access meeting by Microsoft Teams:

<https://duluthairport.com/wp-content/uploads/2021/11/DAA-November-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 October 19, 2021 Meeting Minutes.

III *DAA CASH DISBURSEMENTS

A. Operating Cash Disbursement Sheets #38, #39 and #40, 2021. Construction Fund Disbursement Sheet #10 and #11, 2021

IV *CORRESPONDENCE

- A. Airport News: October 6, 2021 thepointsguy.com “United CEO Talks Travel: Boeing 767s Will Return to JFK, Future of 50-Seat Regional Jets Uncertain”, October 20, 2021 DLH Press Release “A Reminder of the Full Details Regarding DLH’s New Sun Country Service”, October 21, 2021 Reuters Business News “U.S. Airlines, White House Say Vaccine Mandate Will Not Impact Holiday Travel”, October 22, 2021 USA Today “SkyWest Cancels Hundreds of Flights: American, Delta, United, Alaska Airlines Impacted”, and November 9, 2021 DLH Press Release “Duluth International Airport Air Service Update”.
- B. October 31, 2021, E-Mail from Monaco Air Foundation with Summary of October 2021 Activities.
- C. November 9, 2021 Letter from DAA to FAA Regarding Duluth International Airport Air Traffic Control Tower Siting Study Reimbursable Agreement.
- D. Link for Part 150 Noise Study – Duluth International Airport -- [Part 150 Noise Study - Duluth International Airport \(duluthairport.com\)](#)
- 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 Recommendation of the Duluth International Airport's Part 150 Noise Study -- <https://duluthairport.com/wp-content/uploads/2021/11/DLH-Part-150-DAA-Pre-meeting-Information-Packet-NCP-Recommendations.pdf>
- B. Resolution to Approve Work Order 2021-7 Between the Duluth Airport Authority and SEH, Inc. for Taxiway A Phase 2 Preliminary Design.
- C. Resolution to Approve Work Order 2021-8 Between the Duluth Airport Authority and SEH, Inc. for Runway 3-21 Lighting and Signage Replacement Final Design.
- D. Resolution to Approve Standard Internet Access Agreement and Authorize Executive Director to Execute All Future Agreements.
- E. Resolution to Approve the DYT 2022 Rates and Charges Addendum.
- F. Resolution to Accept and Approve Duluth International Airport Maintenance and Operations Grant Contract 1047446 and to Authorize the Duluth Airport Authority's President and Secretary to Execute the Contract and Any Amendments.
- G. Resolution to Accept and Approve Sky Harbor Airport Maintenance and Operations Grant Contract 1047447 and to Authorize the Duluth Airport Authority's President and Secretary to Execute the Contract and Any Amendments.
- H. Resolution to Approve the Terminal Office Space Lease Agreement Between the Duluth Airport Authority and SEH.
- I. Discussion on Policy for Minimum Attendance for Board Members.
- J. *August 2021 Financial Reports.
- K. *September 2021 Accounts Receivables.
- L. *September 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

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DATE: November 16, 2021

TO: Duluth Airport Authority Board of Directors

FROM: Executive Director

SUBJECT: Executive Director's Review

The following items will be briefed during the Executive Director's Review. If action is required of the DAA on any of these items, they will also appear on the agenda. If you have questions or desire additional information, please contact me and I will provide it at the DAA meeting.

AIR SERVICE

- Passenger statistics will be presented at the meeting

OPERATIONS/CONSTRUCTION/PLANNING

- Planning
 - ATFIL Reimbursable Agreement
 - Master Plan Update
 - Final MPAC Meeting
 - Part 150 Noise Study
 - Public Workshop Recap
- Construction
- Operations and Maintenance
 - Terminal Holiday Décor
 - Snow Removal Stakeholder Meeting(s)
 - Public safety Manager Position Update
- Sky Harbor
 - Building Area Master Plan Update

BUSINESS/PROPERTY DEVELOPMENT

- Sun Country Update
- Hertz Car Rental Financial Update

FINANCIAL UPDATE

- CRRSA & ARPA Concessionaire Relief Update
- Updated Bond Payment Schedule
- CFC Reconciliation
- 3rd Quarter Financial Update



DULUTH INTERNATIONAL AIRPORT

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MARKETING/COMMUNICATIONS

- Holiday Party

LEGISLATIVE UPDATE

- Airport Property Tax Modification
- Federal Infrastructure Program
 - Sponsor-owned ATC provision

PRESENTATIONS/TOURS/TRAVEL RECAP

- NSR

OTHER

- Joint Zoning Board Update
- Paper published in the Research in Transportation Economics Journal: The Duluth International Airport Aviation Business Cluster: The Impact of COVID-19 and the CARES Act
- DAA Board Retreat, Dec 2, 8AM-4PM

Submitted by,

Tom Werner, C.M.
Executive Director

Execution Copy

AMENDED AND RESTATED LOAN AGREEMENT

between

CITY OF DULUTH, MINNESOTA

and

DULUTH AIRPORT AUTHORITY

Dated as of November 3, 2021

Relating to:

**City of Duluth
\$2,845,000 Taxable General Obligation Airport Refunding Bonds
Series 2021D**

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THIS AMENDED AND RESTATED LOAN AGREEMENT (the “Agreement”) made as of November 3, 2021, by and between the CITY OF DULUTH, MINNESOTA, a home rule charter city and political subdivision of the State of Minnesota (the “City”) and the DULUTH AIRPORT AUTHORITY, an authority created and existing under the Laws of Minnesota 1969, Chapter 577, as amended (the “Authority”).

W I T N E S S E T H:

WHEREAS, the Authority was created pursuant to Minnesota Laws 1969, Chapter 577, as amended (the “Act”), to administer, promote, control, direct, manage and operate all airports of the City. The Authority constructed a new terminal facility at the Duluth International Airport, including a new parking ramp, access road and aprons in 2012 and 2013 (the “Project”); and

WHEREAS, the City has received grants from the State of Minnesota in the amount of \$16,600,000 for the Project, and the Authority has received grants for the Project from the Federal Aviation Administration and TSA in the amount of \$48,088,363 and from the State of Minnesota in the amount of \$4,500,000; and

WHEREAS, the Authority was in need of additional matching funds in the amount of \$7,650,000 for the Project, costs of issuance and capitalized interest; and

WHEREAS, at the request of the Authority, the City issued its Taxable General Obligation Airport Bonds, Series 2012B, in the amount of \$7,650,000 (the “2012 Bonds”) and loaned the proceeds thereof to the Authority to provide the additional funds for the Project and provide for the costs of issuance of the Bonds and capitalized interest; and

WHEREAS, the City loaned the proceeds of the 2012 Bonds to the Authority pursuant to a Loan Agreement dated as of May 24, 2012 (the “2012 Loan Agreement”); and

WHEREAS, the Authority needed additional matching funds in the amount of \$3,400,000 for completion of the parking ramp facilities portion of the Project, costs of issuance and capitalized interest; and

WHEREAS, at the request of the Authority, the City issued its Taxable General Obligation Airport Improvement Bonds, Series 2013B (the “2013 Bonds”), in the amount of \$3,400,000 and loaned the proceeds thereof to provide additional funds to complete the Project and provide for the costs of issuance and capitalized interest; and

WHEREAS, the City loaned the proceeds of the 2013 Bonds to the Authority pursuant to a Loan Agreement dated December 18, 2013 (the “2013 Loan Agreement”); and

WHEREAS, pursuant to Section 5, Subd. 2(f) and Section 9 of the Act, the Authority has the power and authority to obtain loans of money and enter into any agreement required in connection therewith and to issue revenue bonds for the financing of a project and to pledge revenues of the Authority for the payment thereof; and

WHEREAS, the Authority has requested that the City refinance the 2012 Bonds for debt service savings and a reduction in the loan repayments under the 2012 Loan Agreement; and

WHEREAS, it is necessary and desirable for the City and the Authority to enter into this Agreement to amend and restate the 2012 Loan Agreement to set forth the terms and conditions of the Loan (as hereinafter defined).

NOW, THEREFORE, in the joint and mutual exercise of their powers and in consideration of mutual covenants herein contained, the parties hereto recite and agree as follows:

ARTICLE I – Definitions and Rules of Construction

Section 1.1 Definitions. Unless the context otherwise requires, the terms in this Agreement shall, for all purposes of this Agreement, have the meaning hereinafter specified, unless the context clearly otherwise requires:

2012 Bonds: means the City of Duluth \$7,650,000 Taxable General Obligation Airport Improvement Bonds, Series 2012B, dated May 24, 2012, as the date of original issue.

2012 Loan: means the loan from the City to the Authority of the proceeds of the 2012 Bonds.

2013 Bonds: means the City of Duluth \$3,400,000 Taxable General Obligation Airport Improvement Bonds, Series 2013B, dated December 18, 2013, as the date of original issue, and City bonds issued to refund such Series 2013B Bonds.

2013 Loan: means the loan from the City to the Authority of the proceeds of the 2013 Bonds.

Bond Year: means the 12 months closing on February 1 of each year commencing with the Bond Year closing on February 1, 2022.

Bonds: means the City of Duluth \$2,845,000 Taxable General Obligation Airport Refunding Bonds, Series 2021D, dated November 3, 2021, as the date of original issue, and City bonds issued to refund such Series 2021D Bonds.

CFC: means the Customer Facilities Charge imposed by the Authority on car rentals initiated at the Authority's facilities.

Debt Service Account: means the 2021D Refunding Bonds Debt Service Account established for the Bonds within the City's debt service fund for general obligation bonds which shall be used to pay the principal of and interest on the Bonds.

General Revenues: means revenues of the Authority generated from Authority operations pursuant to the Act.

Loan Repayments: means the payments from the Authority to the City described in Section 3.2 hereof.

PFC: means the Passenger Facility Charge imposed by the Authority on airline tickets for passengers utilizing the Project.

Tax Levy: means the ad valorem tax levy to pay the principal of and interest on the Bonds as set forth in the Bond Resolution.

Section 1.2 Severability. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect, and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation, payment and performance of the Loan.

Section 1.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

ARTICLE II – Issuance of the Bonds

Section 2.1 Agreement to Issue Bonds. The City agrees to issue the Bonds and lend the proceeds to the Authority for refunding the 2012 Bonds and for the cost of issuance of the Bonds.

Section 2.2 Refunding of 2012 Bonds. The City's and the Authority's plan of finance for the payment and prepayment of the 2012 Bonds and the prepayment of the 2012 Loan is as follows: (i) pursuant to the 2012 Loan Agreement, the Authority has deposited with the City \$570,415.63 for payment of the principal and interest due on the 2012 Bonds on February 1, 2022; (ii) the Authority has deposited with the City \$590,000 from General Revenues of the Authority, as a prepayment of a portion of the 2012 Loan and for deposit in the 2012 Bonds Debt Service Account; and (iii) proceeds of the Bonds in the amount equal to \$2,800,000 which together with the \$1,160,415.63 will be sufficient to pay, prepay and redeem the outstanding 2012 Bonds and the 2012 Loan on February 1, 2022, and pay the cost of issuance of the Bonds.

Section 2.3 Status of 2012 Loan and 2013 Loan. As of the date hereof and after the deposit of the amounts set forth in Section 2.2 hereof (i) the 2012 Loan shall be repaid and shall no longer be outstanding, and the 2012 Loan Agreement shall be as amended and restated pursuant to this Agreement; and (ii) the 2013 Loan shall remain outstanding, and the 2013 Loan Agreement shall be in full force and effect.

ARTICLE III – Loan Terms and Conditions

Section 3.1 The Loan. The City agrees, upon the terms and conditions in this Agreement, to lend to the Authority from the sale of the Bonds (the "Loan") \$2,845,000, for the uses of such proceeds as follows: (i) \$2,800,000.00 for deposit into the 2012 Bonds Debt Service Account shall be used for the refunding of the 2012 Bonds, as set forth in Section 2.2; (ii) \$360.41 shall be used for deposit in the Debt Service Account for the Bonds; (iii) \$9,639.59 shall be used for underwriter's discount; and (iv) \$35,000.00 shall be used by the City for payment of costs of issuance of the Bonds.

Section 3.2 Repayment of Loan. The Authority covenants and agrees to repay the Loan, together with interest thereon, in Loan Repayments which in the aggregate shall be in an

amount sufficient to pay in full and when due, all of the principal of and interest on the Bonds. To provide for the repayment of the Loan hereunder, until the principal of and interest on the Bonds have been finally paid or provision for payment thereof shall have been made in accordance with the Bond Resolution, the Authority covenants and agrees to pay to the City the following amounts from PFC, CFC and to the extent needed, the General Revenues of the Authority:

(a) On each December 1, commencing with December 1, 2021, the Authority shall deposit in the Debt Service Account for the Bonds maintained by the City the amount due on the Bonds during the next Bond Year; and

(b) On demand of the City, any additional costs incurred by the City in connection with the Bonds, including, but not limited to bond registrar fees and expenses.

The amount of the Loan Repayment due on each December 1 is set forth on Exhibit A hereto, and the anticipated payments from PFC and CFC are set forth on Exhibits A-1 and A-2, respectively. If the funds generated by the PFC and CFC are ever insufficient to make such scheduled payments, the Authority shall nevertheless make the full Loan Repayment from General Revenues.

The Authority understands that the City has provided for the Tax Levy in the Bond Resolution and it can only cancel the Tax Levy if and to the extent funds are on deposit in the Debt Service Account prior to the date the City establishes its annual tax levy, which occurs on or about December 15 of each year.

Section 3.3 Prepayment of Loan. The Authority may prepay the Loan with the written consent of the City's chief administrative officer and in connection with the defeasance or prepayment and redemption of the Bonds as permitted by the Bond Resolution.

ARTICLE IV – Representations, Covenants and Warranties

Section 4.1 Representations, Covenants and Warranties of the City. The City represents, covenants and warrants as follows:

(a) The City is a duly formed and validly existing municipal corporation and political subdivision of the State, governed by the Constitution and laws of the State and its home rule charter.

(b) The officers of the City executing this Agreement have been duly authorized to execute and deliver this Agreement and perform its obligations hereunder pursuant to the terms and provisions of a resolution of the Council.

Section 4.2 Representations, Covenants and Warranties of the Authority. The Authority represents, covenants and warrants as follows:

(a) The Authority is a duly formed and validly existing authority of the City, governed by the Constitution and laws of the State, including the Act.

(b) The laws of the State authorize the Authority to enter into this Agreement and the transactions contemplated hereby, and to carry out its obligations hereunder, and that the Loan is a revenue obligation within the meaning of Section 5, Subd. 2(f) and Section 9 of the Act.

(c) The officers of the Authority executing this Agreement have been duly authorized to execute and deliver this Agreement and perform its obligations hereunder, pursuant to the terms and provisions of a resolution of the Board of Directors of the Authority adopted on September 21, 2021.

(d) The Authority will to the fullest possible extent join with the City in fulfilling the City's pledges set forth in the Bond Resolution.

(e) The Authority shall (i) keep the Project in good condition and repair, normal depreciation excepted; (ii) from time to time replace any worn, broken or defective portion thereof; (iii) promptly notify the City of any material loss of or material damage to the Project or of any material adverse change in the prospect of payment of any account, instrument and other right to payment constituting PFC, CFC or General Revenues; and (iv) at the Finance Director's office and Authority's chief executive office, keep accurate and complete records pertaining to the Authority's financial condition, business and property.

(f) The Authority shall exercise due care in the use, operation and maintenance of the Project, and shall not install, use, operate or maintain the Project improperly, carelessly, in violation of any state and federal law or for a purpose or in a manner contrary to that contemplated by this Agreement or the Bond Resolution. The Authority shall comply with all state and federal laws applicable to the use, possession, management and operation of the Project, and if compliance with any such state and federal law requires changes or additions to be made to the Project, such changes or additions shall be made by the Authority at the Authority's expense.

(g) The Authority confirms its obligations under the 2013 Loan Agreement.

ARTICLE V – Events of Default

Section 5.1 Enforcement of Covenants. Upon an Event of Default hereunder, the non-defaulting party may perform or observe such agreement and take any action which the non-defaulting party may deem necessary or desirable to cure or correct such failure.

Section 5.2 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default": any default in the payment or performance of any term of this Agreement by either party which continues after 30-days' written notice by the other party.

Section 5.3 Remedies. Upon the occurrence of any Event of Default and at any time thereafter, the non-defaulting party may exercise and enforce any and all rights and remedies available upon default under this Agreement and any other applicable agreements and laws.

Section 5.4 Notices on Default. If notice to the City or the Authority is required, such notice shall be deemed reasonably and properly given if mailed by regular or certified mail, postage prepaid, to the City or the Authority at the addresses stated in Section 6.2 of this Agreement at least 10 days prior to the action described in such notice.

ARTICLE VI – Miscellaneous

Section 6.1 Miscellaneous. A carbon, photographic or other reproduction of this Agreement is sufficient as a financing statement. This Agreement cannot be waived, modified, amended, abridged, supplemented, terminated or discharged except by a writing duly executed by the parties. A waiver shall be effective only when in writing and in the specific instance and for the specific purpose given. No delay or failure to act shall preclude the exercise or enforcement of any of the rights or remedies. All rights and remedies of the parties shall be cumulative and may be exercised singularly, concurrently or successively at the respective party's option, and the exercise or enforcement of any one such right or remedy shall not be a condition to or bar the exercise or enforcement of any other. This Agreement shall be binding upon and inure to the benefit of the City and the Authority and their respective successors and assigns and shall take effect when executed by the City and the Authority.

Section 6.2 Notices, etc. to City and Authority. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted by this Agreement to be communicated to or among the parties hereto shall be sufficient for every purpose hereunder if made, given or furnished in writing, and served upon such party or mailed with postage prepaid and addressed as follows:

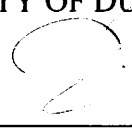
If to the City:	City of Duluth Attention: Chief Administrative Officer City Hall, Room 418 411 West First Street Duluth, MN 55802
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If to the Authority:	Duluth Airport Authority Attention: Executive Director 4701 Grinden Drive Duluth, MN 55811
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(remainder of page left intentionally blank)

IN WITNESS WHEREOF, the duly authorized officers of the parties hereto affix their signatures, all as of the date first written above.

CITY OF DULUTH, MINNESOTA



Mayor

Attest:



Clerk

Countersigned:



City Auditor

Approved as to form:



City Attorney

DULUTH AIRPORT AUTHORITY

By



Its President

By



Its Secretary

Approved as to form:



Assistant City Attorney

EXHIBIT A

Authority Loan Repayment Schedule

Payment Date	Bond Year	Payment Amount from Authority to City
12/01/2021	02/02/2022 through 02/01/2023	\$497,996.44*
12/01/2022	02/02/2023 through 02/01/2024	495,352.50
12/01/2023	02/02/2024 through 02/01/2025	487,767.50
12/01/2024	02/02/2025 through 02/01/2026	493,815.00
12/01/2025	02/02/2026 through 02/01/2027	493,590.00
12/01/2026	02/02/2027 through 02/01/2028	497,350.00

*\$360.41, the rounding amount as set forth in the Bond Resolution, is available to reduce the 12/01/2021 Payment Amount.

EXHIBIT A-1

Anticipated Payments from Passenger Facility Charge

Payment Date	Bond Year	Payment Amount – Passenger Facility Charge
12/01/2021	02/02/2022 through 02/01/2023	\$310,695.11
12/01/2022	02/02/2023 through 02/01/2024	310,905.00
12/01/2023	02/02/2024 through 02/01/2025	309,282.50
12/01/2024	02/02/2025 through 02/01/2026	311,775.00
12/01/2025	02/02/2026 through 02/01/2027	308,475.00
12/01/2026	02/02/2027 through 02/01/2028	309,575.00

EXHIBIT A-2

Anticipated Payments from Customer Facilities Charge

Payment Date	Bond Year	Payment Amount – Customer Facility Charge
12/01/2021	02/02/2022 through 02/01/2023	\$187,301.33
12/01/2022	02/02/2023 through 02/01/2024	184,447.50
12/01/2023	02/02/2024 through 02/01/2025	178,485.00
12/01/2024	02/02/2025 through 02/01/2026	182,040.00
12/01/2025	02/02/2026 through 02/01/2027	185,115.00
12/01/2026	02/02/2027 through 02/01/2028	187,775.00



DULUTH INTERNATIONAL AIRPORT

Travel Globally. Fly Locally.

DRAFT

MINUTES OF THE MEETING

DATE: October 19, 2021

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

DIRECTORS PRESENT: Kim Maki
Jeff Anderson
Don McIsaac
Kevin O'Brien

DIRECTORS PARTICIPATING VIA ELECTRONICS
MEANS:

DIRECTORS ABSENT: Craig Fellman
Todd Fedora
Elissa Hansen

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, Finance & Administration Director
Matt Stewart, SEH
Bill King, Cirrus Design
Jamie Riddle, Cirrus Design
Scott Sannes, SEH

OTHERS PARTICIPATING VIA ELECTRONICS

MEANS: Kathy Leon, Confidential Bookkeeper
Don Monaco, Monaco Air
Mike Magni, Monaco Air
Steve Cauchon, Avis
Randine Lepage, Avis
Eric Monson, Lake Superior Helicopters

Vice President Maki welcomed everyone to the DAA October Board meeting and called it to order at 8:00 a.m. She performed roll call noting President Fellman, Dir. Fedora and Dir. Hansen as absent. Due to timing issues, she recommended a motion to change the agenda and move New Business to first on the agenda. Dir. O'Brien moved to have New Business items be first on the agenda. Dir. McIsaac seconded. Roll call – all ayes. Motion carried.

NEW BUSINESS

Vice President Maki explained the first three resolutions would be summarized together and then voted on separately. Ms. Joelle Boden, Finance & Administration Director, overviewed the COVID relief grants for Duluth International and Sky Harbor airports. Dir. McIsaac moved to accept and approve the resolution for the COVID Relief Airport Rescue Grant (ARPA) in the amount of \$2,355,321 and to authorize the Duluth Airport Authority's President and Secretary to execute the grant agreement, assurances, related documents, and any amendments. Dir. Anderson seconded. Roll call – all ayes. Motion carried.

Dir. Anderson moved to accept and approve the resolution for the COVID Relief Airport Rescue Grant (ARPA) concessionaire relief grant in the amount of \$133,243 and to authorize the Duluth Airport Authority's President and Secretary to execute the grant agreement, assurances, related documents, and any amendments. Dir. O'Brien seconded. Roll call – all ayes. Motion carried.

Dir. McIsaac moved to accept and approve the resolution for the COVID Relief Sky Harbor Airport Rescue Grant (ARPA) in the amount of \$32,000 and to authorize the Duluth Airport Authority's President and Secretary to execute the grant agreement, assurances, related documents, and any amendments. Dir. Anderson seconded. Roll call – all ayes. Motion carried.

Ms. Bodin spoke on the rates and charges and recommended approval. Dir. O'Brien moved to approve the resolution to approve the 2022 rates and charges addendum for DLH. Dir. McIsaac seconded. Roll call – all ayes. Motion carried.

Ms. Bodin reviewed the draft budget, highlighting the key points, she recommended approval. Questions and discussion followed. Dir. McIsaac moved to approve the resolution for the Duluth Airport Authority 2022 annual budget. Dir. Anderson seconded. Roll call – all ayes. Motion carried.

Ms. Bodin summarized on the Republic Parking write off due to the results of the COVID pandemic effect on the parking lot revenues. She recommended approval. Questions followed. Dir. McIsaac moved to approve the resolution for the write-off of an accounts receivable balance of \$271,330.82 for Republic Parking per Operating Policy #23 due to the COVID-19 pandemic effect on parking lot revenues. Dir. O'Brien seconded. Roll call – all ayes. Motion carried.

Ms. Jana Kayser, Business Development Manager, explained this amendment ties in with the above resolution and briefed on the agreement. Questions followed. Dir. O'Brien moved to approve the resolution for the first amendment to the airport parking facilities management agreement with Republic Parking. Dir. Anderson seconded. Roll call – all ayes. Motion carried.

Mr. Mark Papko, Director of Operations, spoke on the new skid steer, which is an asset for the terminal facilities, and detailed on the purchase and trade in for the old. Questions followed.

Dir. Anderson moved to approve the resolution to purchase a skid steer (and attachments) from Ziegler CAT in the amount of \$94,220. Dir. McIsaac seconded. Roll call – all ayes. Motion carried.

Mr. Papko gave background information on the work order and overviewed on the replacement of lighting and signage project, RFQ timeline and process. Dir. Anderson abstained. A short break from 8:26 a.m. to 8:32 a.m. for conversation and research regarding quorum present and an abstention. Vice President Maki called the meeting back to order -- based on Robert's Rule a quorum is needed to hold a meeting and then a majority affirmative vote at the meeting for passage. Abstentions do not count as a vote for or against; three affirmative votes are enough for passage -- they moved forward with the vote. Dir. McIsaac moved to approve the resolution to select Short Elliott Hendrickson (SEH) for Professional Airport Consulting Services for the replacement of Runway 3-21 lighting and signage project at the Duluth International Airport. Dir. O'Brien seconded. Roll call – Dir. Anderson abstained; Vice President Maki, Dir. McIsaac and Dir. O'Brien ayes. Motion carried.

Vice President Maki moved the agenda back to the Executive Review. Mr. Tom Werner, Executive Director, thanked the Board of Directors for their flexibility and updated on the review:

EXECUTIVE DIRECTOR'S REVIEW:

- Air Service: Spoke on the airport air service presentation highlighting September total passengers year to date, total load factors by route, seats, national and local air services news; spoke on key metrics statistics – air cargo, fuel sales, rental cars, parking lot and restaurant.
- Operations/Construction/Planning: Planning: Master Plan (MP) and Part 150 Noise Study -- Mr. Matt Stewart, SEH, introduced himself and updated on the Part 150 noise study reviewing the public outreach, next steps and timeline for the public workshop and public hearing, Public Advisory Committee (PAC) meeting, final DAA Board adoption and submittal of final documents. He spoke on the MP recent activities, meetings, next steps, major milestones to completion and timeline -- all materials and summaries are posted to the project website; Mr. Werner reminded everyone of the upcoming key engagements and detailed further. Mr. John DeCoster, Landrum & Brown, introduced himself, presented background information and a high-level overview of the financial chapter of the MP – summarizing on the financial chapter deliverables, primary sources of funding, feasibility, recommendations, and CPE projections. Mr. Werner overviewed and detailed further; questions followed.

Dir. Anderson left the meeting 8:55 a.m. and returned at 9:12 a.m.

- Operations/Construction: Mr. Papko reviewed the Tower mill and overlay project and reported the terminal roof replacement project is complete.

- Sky Harbor – Mr. Stewart, SEH, spoke on the Sky Harbor master plan project progress, ongoing conversation regarding Customs Border Protection (CBP) service, facility needs, and feedback; working and finalizing a cost estimate on what a facility would look like. Mr. Werner added further information.
- Business/Proper Development: Ms. Kayser reviewed the third quarter car rental meeting – very good and collaborative meeting. She updated on the Hangar 104 appraisal, meetings, and timeline – should be complete within six to eight weeks.
- Financial Update: Ms. Boden overviewed and detailed on the ARPA and CRRSA concessionaire relief, bond refunding, Sky Harbor rates and charges, and timeline for the budget before the Duluth City Council.
- Marketing/Communications: Ms. Natalie Peterson, Director of Communications & Marketing, summarized and detailed on the 2021 marketing community campaign highlighting the goals, strategy, ads, and media schedules. She presented the Sun Country campaign as well. Questions and discussion followed; Mr. Werner detailed further.
- Legislative: Mr. Werner spoke on the FAA reauthorization bill due to expire in another 16 to 18 months, locally working with the delegation regarding the traffic control, tower replacement and funding. He updated on several other items that came out of the recent local Air Service Action Committee meeting.
- Other: Mr. Werner reviewed the very long process for the new DLH zoning ordinance. At the last Joint Airport Zoning Board (JAZB) meeting they accepted and approved this ordinance; he thanked all past and current JAZB members involved through the years, with a special thanks to Mr. Don Monaco, for all the hard work and commitment toward this endeavor. Mr. Werner mentioned he is anticipating Board vacancies next year and encouraged all if they are aware of anyone interested in this Board, to please forward that information to him.

Dir. O'Brien moved to approve the September 21, 2021 meeting minutes and consent items. Dir. McIsaac seconded. Roll call, all ayes, motion carried.

CONSENT ITEMS

Cash Disbursement Sheets #35, #36, #33 and #37, 2021. Construction fund disbursement sheet #9 2021.

Letter from Cirrus Aircraft to DAA regarding Hangar 101 site.

Airport news: Post Bulletin "United to End Rochester Flights to Denver After a Year" and DLH press release "Airport Noise Compatibility Study Public Workshop & Hearing".

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

State of Minnesota Department of Transportation findings, conclusions and order in the matter of the approval of zoning regulations for the Duluth International Airport.

Press release for airport noise compatibility study public workshop to be held November 2, 2021.

Letter from Reef Parking / Republic Parking System to DAA summarizing request regarding the minimum annual guarantee and payment and response letter from DAA to Reef/Republic

Parking.

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

August 2021 financial report, September 2021 accounts receivables, and airport statistics.

OPPORTUNITY FOR PERSONS TO BE HEARD

None.

OLD BUSINESS

None.

Dir. McIsaac moved to adjourn the meeting. Dir. O'Brien seconded. Roll call – all ayes, motion carried. Vice President Maki adjourned the October 19th DAA board meeting at 10:08 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: 

DATE: 8 NOV 21



Duluth Airport Authority
DAA Operating Check Register #38-2021
October 15, 2021

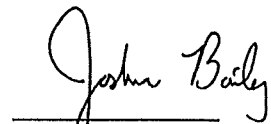
Document Number From 10721 To 10754

Document Number	Date	Transaction Type	Payee	Amount
10721	10/15/2021	BILLPMT	Acme Tools	\$356.45
10722	10/15/2021	BILLPMT	APSCRANES	\$600.00
10723	10/15/2021	BILLPMT	Arrowhead Tap House	\$212.20
10724	10/15/2021	BILLPMT	Best Oil Company	\$6,879.30
10725	10/15/2021	BILLPMT	Blueglobes LLC	\$1,568.15
10726	10/15/2021	BILLPMT	Bodin, Joelle	\$60.00
10727	10/15/2021	BILLPMT	City Of Duluth Comfort Systems	\$23.15
10728	10/15/2021	BILLPMT	Essentia Health	\$293.00
10729	10/15/2021	BILLPMT	Federal Express Corporation	\$26.96
10730	10/15/2021	BILLPMT	Graves, John	\$60.00
10731	10/15/2021	BILLPMT	Inter City Oil (ICO)	\$46.25
10732	10/15/2021	BILLPMT	Jamar Company	\$7,675.00
10733	10/15/2021	BILLPMT	Joelle N Bodin	\$119.52
10734	10/15/2021	BILLPMT	Kayser, Jana	\$60.00
10735	10/15/2021	BILLPMT	Landrum and Brown, Incorporated	\$2,000.00
10736	10/15/2021	BILLPMT	Leon, Kathy	\$60.00
10737	10/15/2021	BILLPMT	MacQueen Equipment, Inc.	\$484.82
10738	10/15/2021	BILLPMT	Margo Supplies USA	\$1,012.00
10739	10/15/2021	BILLPMT	Menards - Hermantown	\$168.26
10740	10/15/2021	BILLPMT	Menards - West Duluth	\$96.69
10741	10/15/2021	BILLPMT	NAPA Auto Parts	\$67.98
10742	10/15/2021	BILLPMT	O'Day Equipment	\$1,076.02
10743	10/15/2021	BILLPMT	Papko, Mark	\$60.00
10744	10/15/2021	BILLPMT	Peterson, Natalie	\$60.00
10745	10/15/2021	BILLPMT	Republic Parking System, LLC	\$1,100.00
10746	10/15/2021	BILLPMT	Sinnott, Paul	\$60.00
10747	10/15/2021	BILLPMT	Taylor, Dan	\$60.00
10748	10/15/2021	BILLPMT	Timm, Kenneth	\$60.00
10749	10/15/2021	BILLPMT	Timm, Kenneth	\$85.29
10750	10/15/2021	BILLPMT	Waste Management of WI-MN	\$1,113.69
10751	10/15/2021	BILLPMT	Welch, Ryan	\$60.00
10752	10/15/2021	BILLPMT	Werner, Thomas	\$60.00
10753	10/15/2021	BILLPMT	Wittkop, Mary Ann	\$60.00
10754	10/15/2021	BILLPMT	Ziegler, Inc.	\$530.00
Total				\$26,254.73



Airport Director

Airport Authority



City Treasurer

Duluth Airport Authority
DAA Operating Check Register #39-2021
October 26, 2021

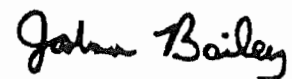
Document Number From 10764 To 10792

Document Number	Date	Transaction Type	Payee	Amount
10764	10/26/2021	BILLPMT	AAAE Great Lakes Chapter	\$70.00
10765	10/26/2021	BILLPMT	AMCG Aviation Management Consulting Group	\$2,900.00
10766	10/26/2021	BILLPMT	Arrowhead Tap House	\$68.00
10767	10/26/2021	BILLPMT	Batteries Plus	\$117.82
10768	10/26/2021	BILLPMT	Century Link	\$334.88
10769	10/26/2021	BILLPMT	City Of Duluth Comfort Systems	\$5,858.68
10770	10/26/2021	BILLPMT	City Of Duluth, Minnesota	\$61.20
10771	10/26/2021	BILLPMT	Como Lube & Supplies	\$165.00
10772	10/26/2021	BILLPMT	Daleo	\$616.28
10773	10/26/2021	BILLPMT	Grainger	\$325.83
10774	10/26/2021	BILLPMT	Guardian Pest Solutions	\$175.25
10775	10/26/2021	BILLPMT	iFIDS.com Inc.	\$125.00
10776	10/26/2021	BILLPMT	Joelle N Bodin	\$295.00
10777	10/26/2021	BILLPMT	Kaman Industrial Technologies	\$17.95
10778	10/26/2021	BILLPMT	McDonald, Amanda	\$40.80
10779	10/26/2021	BILLPMT	Menards - Hermantown	\$634.36
10780	10/26/2021	BILLPMT	Menards - West Duluth	\$308.81
10781	10/26/2021	BILLPMT	Metro Sales, Inc.	\$763.59
10782	10/26/2021	BILLPMT	NAPA Auto Parts	\$93.24
10783	10/26/2021	BILLPMT	Northern Business Products, Inc.	\$92.43
10784	10/26/2021	BILLPMT	Peterson, Natalie	\$49.43
10785	10/26/2021	BILLPMT	Sam's Club	\$23.30
10786	10/26/2021	BILLPMT	SFM	\$2,114.00
10787	10/26/2021	BILLPMT	Spectrum Business	\$150.48
10788	10/26/2021	BILLPMT	Swim Creative	\$1,582.35
10789	10/26/2021	BILLPMT	Taylor, Dan	\$23.75
10790	10/26/2021	BILLPMT	University of Minnesota	\$6,750.00
10791	10/26/2021	CHK	WF Bus Payment Processing -Tom	\$1,347.93
10792	10/26/2021	CHK	WF Bus Payment Processing - Joelle	\$6,428.28
Total				<u>\$31,533.64</u>



Airport Director

Airport Authority



City Treasury

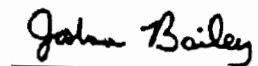
Duluth Airport Authority
DAA Operating Check Register #40-2021
November 5, 2021

Document Number From 10794 To 10819

Document Number	Date	Transaction Type	Payee	Amount
10794	11/5/2021	BILLPMT	Acme Tools	\$719.93
10795	11/5/2021	BILLPMT	Aramark	\$645.71
10796	11/5/2021	BILLPMT	Benson Electric Company	\$835.90
10797	11/5/2021	BILLPMT	Bobcat Of Duluth, Inc.	\$245.45
10798	11/5/2021	BILLPMT	Citon	\$14,860.49
10799	11/5/2021	BILLPMT	Daleo	\$1,217.84
10800	11/5/2021	BILLPMT	Federal Express Corporation	\$156.29
10801	11/5/2021	BILLPMT	General Security Services Corporation	\$20,074.93
10802	11/5/2021	BILLPMT	Ideal Manufacturing Inc.	\$1,024.15
10803	11/5/2021	BILLPMT	Inter City Oil (ICO)	\$5,006.75
10804	11/5/2021	BILLPMT	Jamar Company	\$3,937.08
10805	11/5/2021	BILLPMT	Kayser, Jana M	\$307.70
10806	11/5/2021	BILLPMT	Landrum and Brown, Incorporated	\$2,000.00
10807	11/5/2021	BILLPMT	Lift Pro	\$86.80
10808	11/5/2021	BILLPMT	Linders Specialty Co.	\$413.00
10809	11/5/2021	BILLPMT	MacQueen Equipment, Inc.	\$170.03
10810	11/5/2021	BILLPMT	Marsden Building Maintenance	\$14,764.36
10811	11/5/2021	BILLPMT	Menards - Hermantown	\$460.15
10812	11/5/2021	BILLPMT	Minnesota Power	\$24,161.89
10813	11/5/2021	BILLPMT	NAPA Auto Parts	\$1,850.99
10814	11/5/2021	BILLPMT	Nextera Communications	\$1,259.67
10815	11/5/2021	BILLPMT	Northern States Supply, Inc.	\$13.11
10816	11/5/2021	BILLPMT	Papko, Mark	\$1,197.75
10817	11/5/2021	BILLPMT	Schindler Elevator Corp	\$1,307.46
10818	11/5/2021	BILLPMT	SFM	\$1,200.00
10819	11/5/2021	BILLPMT	UNITED RENTALS	\$561.20
Total				\$98,478.63


 Airport Director

 Airport Authority


 City Treasury


Duluth Airport Authority
DAA Construction Check Register #10-2021
October 20, 2021

Document Number 10760 To 10763

Document Number	Date	Transaction Type	Payee	Amount
10760	10/20/2021	BILLPMT	1 Hermantown Arena	\$900.00
10761	10/20/2021	BILLPMT	1 MediaUSA Advertising Inc	\$1,000.00
10762	10/20/2021	BILLPMT	1 Northland Constructors of Duluth, LLC	\$152,627.77
10763	10/20/2021	BILLPMT	1 Short Elliott Hendrickson	\$63,262.31
Void Check #10755-10759 Print Error				\$0.00
Total				\$217,790.08



Airport Director



City Treasury

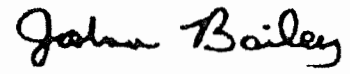
Duluth Airport Authority
DAA Construction Check Register #11-2021
October 27, 2021

Document Number 10793

Document N	Date	Transaction Type	Payee	Amount
10793	10/27/2021	BILLPMT	1 Federal Aviation Administration	\$15,343.02
Total				<u>\$15,343.02</u>



Airport Director



City Treasury

NEWS

United CEO talks travel: Boeing 767s will return to JFK, future of 50-seat regional jets uncertain

David Slotnick

Oct 6, 2021

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VOTE IN THE 2021 TPG AWARDS



We know you have strong opinions— we want to hear them! Which nominees should take home trophies this year?

CAST MY VOTE

United Airlines just saw its strongest bookings week since the start of the pandemic — suggesting that the setback airlines saw from the [rise of the delta variant](#) is beginning to recede (other airlines saw similar improvement).

It came as the airline was receiving media coverage and praise from around the globe for its vaccine mandate, [which saw more than 97% of employees vaccinated](#), and just a few hundred of its 67,000 U.S. employees unwilling to meet requirements.

Meanwhile, United rivals American Airlines and JetBlue, which have partnered together to try and present a United front against United and Delta in the Northeast, were [hit by an antitrust lawsuit by the Department of Justice](#).

All in all, it's been an interesting couple of weeks for United Airlines CEO Scott Kirby.

Want more airline-specific news? [Sign up for TPG's free new biweekly Aviation newsletter!](#)

"It's kind of entertaining," he told TPG in an interview at the annual meeting of the International Air Transport Association, referring to the American/JetBlue situation. "I like our hand."

With United seemingly on a roll, with wins in the media, good news on the business front, and a United States that's preparing to lift restrictions on international travelers, it's a pretty good time for Scott Kirby. A good time that he has barely had a chance to enjoy as CEO of the airline.

Kirby took the helm in May, 2020, barely three months into the pandemic — his succession of Oscar Munoz was first announced in December, 2019 — as the air travel industry and the world as a whole were still at a virtual standstill.

For Kirby, that's meant navigating the company through the worst crisis to ever hit the airline industry. But now, nearly two years later, the light at the end of the tunnel might be starting to glow on the horizon.

"I think we're back on the road to recovery," Kirby said. "We could always have another setback with COVID, but barring that, I absolutely think we're on the road to recovery"

The data that Kirby has seen coming in is good, but early; the positive turn in direction is only weeks old.

Nevertheless, it's the trend that everyone in the industry wants to see.

More on United: 99.5% of employees have now complied with the vaccine mandate

"Business travel is now back to levels that are [the same] as what they peaked at before the delta variant started at the end of June," Kirby said. "And I think it'll really pick up in January."

There's still a ways to go, of course.

"We still need office towers, people back in office buildings, to really get business travel going."

Navigating A reopening world

A major theme at the IATA conference was figuring out a way to fix the hodge-podge of travel requirements, restrictions and documents required by different countries for travel.

The IATA Travel Pass, naturally, was talked up, and delegates urged countries to work together to reach a consensus on vaccination and testing requirements.

Kirby said that it would be great if that happens. But he isn't waiting for it.

"I'd love if there was an IATA pass or something that was universally accepted," he said. "But I'm not holding my breath that that will happen."

United was the first U.S. airline to build functionality into its app and online tools to upload and store vaccine documentation and test results, although other airlines have been working to add similar functionality. Since airlines are enforcing the bulk of it, Kirby says, that's good enough, and makes things easier for passengers.

"We've tried to focus on making it easy for customers, so that you can upload whatever documentation you need. to get your boarding pass before you leave for the airport," Kirby said. "Just trying to make it easy under the presumption that there will never be a common, endorsed solution."

Related: Your guide to vaccine passports

"It'd be great if there was, but we're prepared for that to never happen."

As for the differing requirements, Kirby thinks that bookings data so far shows that people are willing to put up with the inconvenience for now.

"I think that business travel can come back without a uniform system," Kirby said. "It's a pain in the butt, but if you need to go, if you've spent 18 months and you haven't seen your partners across the Atlantic, we make it relatively easy."

What's Next for United

In June, United launched a campaign titled "United Next," which it described as directing the airline's post-pandemic development.

As part of the program, the airline ordered 270 new narrow-body aircraft, unveiled a new cabin interior for those planes, and said that it would retrofit its entire existing narrow-body fleet by around late-2025.

As part of its strategy, United plans to upgauge numerous markets from older regional jets to newer, larger, but more efficient mainline aircraft.

"We're still going to fly 50-seat jets to small communities throughout the country to make sure they're still connected to our global hub network," airline chief commercial officer Andrew Nocella said in June. "But we're no longer going to use small jets to fly to large communities."

How committed United remains to that 50-seat market remains undecided.

"We're evaluating our 50-seat market, we're going to be much smaller in the 50-seat market, and most of our 50-seat lift is going to be the -550, which has first class, the better product," Kirby said,

referring to the CRJ550, a premium-heavy adaptation of the Bombardier CRJ700.

"We're still debating what the long-term future of 50 seaters really is," he added. "The challenge is, do you want to serve places like Erie, Pennsylvania, at all, or Cody, Wyoming, or do those places just get cut off of the connectivity to the world?"

The debate is particularly acute due to congestion at hub airports, particularly Newark (EWR) in the New York City metro area, where each incoming small plane uses up a scheduled landing slot.

"They're just not big enough to fly big airplanes to," Kirby said.

Even with reduced flight frequencies using bigger aircraft, those cities could be effectively cut-off from the international networks.

"We're struggling with that, we feel some obligation to keep the communities connected, but the economics ultimately aren't going to work, and pilot shortages — you know, they're getting squeezed."

Related: What it's like flying United's new CRJ550, possibly the most comfortable regional jet in the US

"There are some cities that are big enough that we could serve with bigger airplanes, but there are some places that just aren't large enough," he said.

Kirby stressed that vast changes weren't imminent — it's more a consideration of the long-term business model.

"There are some places that can only be served economically with 50-seaters, but as the economics of 50-seaters are changing so radically, it calls into question what the answer is. And we don't have the answer yet."

"But the current system is challenged."

JFK will go back to premium

For those looking forward to flying United trans-continental from JFK, Kirby has good news. The airline plans to return its premium-heavy "high-J" Boeing 767 to the JFK routes as soon as business travel picks back up a little further. United switched the aircraft flying those routes to Boeing 757-200s with nearly the same number of seats, but a lower proportion of premium seats.

"That's a short-term thing, there's not much business travel [compared to normal] and those planes are for business travel."

United also decided to pull the longer-range 767s from the route so that it could slot them into different parts of its network.

Don't miss: [United's big order reveals two major insights about the airline and the aviation industry as airlines look beyond the pandemic](#)

The bolster to its long-haul fleet was particularly helpful given the prolonged grounding of one of United's 777 subfleets, following an engine failure earlier this year. Fifty-two of the 777s — all with Pratt and Whitney 4000-112 engines requiring inspections — are grounded, while 44 of its other 777s, all with GE engines, remain in service.

"Really the issue that drove [the equipment switch on the JFK routes] is that with 52 of our 777s grounded, we're scrambling to put the network together with wide-bodies," Kirby said. "We have to sub-optimize the network until those airplanes get back."

Kirby declined to speculate on a timeline for the subfleet's return.

"We feel good about how the process is going."

Next for Kirby

With the worst of the pandemic hopefully — though not definitely — in the rearview mirror, Kirby said he's excited for the next chapter of his time heading United.

"This has been a phenomenal opportunity for the company to change the culture," he said, referring to a customer-first and practicality-driven mindset he has spoken of during his tenure — for example, doing away with delay codes to help different teams work together better before departures.

"If our employees are proud, they're going to want our customers to be proud, and they're going to want to do the right thing for the customer," Kirby said.

"We're going to be getting back to growing," he added, "and the investment in United Next, and the great product, and all of that, but it's really about changing the customer experience at United."

Featured photo by David Slotnick/The Points Guy



FOR IMMEDIATE RELEASE

CONTACT:

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

**A REMINDER OF THE FULL DETAILS REGARDING
DULUTH INTERNATIONAL AIRPORT'S NEW SUN COUNTRY SERVICE**

(Duluth, MN) The Duluth International Airport is reminding passengers of the full details regarding Sun Country Airlines' new seasonal air service:

- Sun Country will offer seasonal air service direct from Duluth to Phoenix, Arizona and Fort Myers, Florida.
- Tickets for this new, seasonal air service are on-sale now.
- Flights begin on December 17, 2021 and continue through April 25th, 2022.
- Flights operate twice weekly, on Mondays and Fridays.
- Travelers can fly to additional Sun Country destinations by taking the Landline shuttle service to MSP.

This new air service will give more sun-seeking local travelers the chance to fly south this winter and next spring. With competitive, low rates to this pair of warm-weather destinations full of incredible attractions and experiences, there's so many great reasons to start planning your winter getaway.

The Duluth International Airport will be kicking off this new service with their Sun Country launch celebration on Friday, December 17th at 5pm. The event will feature appetizers, a cash bar, live music from Townsquare Media DJs, as well as a chance to win one of two travel packages to either Fort Myers or Phoenix, including airfare and accommodations. The drawing will be held that evening, and the winners will depart **that night** for a warm-weather weekend getaway!

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 flight to Chicago and Delta offers five daily nonstop flights to Minneapolis/St. Paul. We are committed to providing our customers with superior services in a safe, secure and professional environment incorporating mitigation strategies and best practices as recommended by the CDC. Be sure to visit our Club DLH Business Suite, designed with the working traveler in mind. Visit duluthairport.com, like us at facebook.com/duluthairport or follow us on Twitter [@DuluthAirport](https://twitter.com/DuluthAirport)

U.S. airlines, White House say vaccine mandate will not impact holiday travel

By David Shepardson, Rajesh Kumar Singh

WASHINGTON/CHICAGO (Reuters) - Two major U.S. airlines and the White House said they do not think the Biden administration's executive order mandating federal contractors require employee vaccinations by Dec. 8 will impact holiday travel or result in employees leaving.

American Airlines and Southwest Airlines announced earlier this month they would comply with the mandate that employees be vaccinated by Dec. 8 unless they receive a religious or medical exemption.

Some airlines and industry-watchers had initially feared an exodus of unvaccinated airline or government employees involved in travel just before the Christmas season but airlines later said that would not happen and cited comments from the White House this week.

Southwest Airlines Chief Executive Gary Kelly said on Thursday: "We are not on a campaign here to force everybody to get vaccinated ... We want our employees to know that nobody is going to lose their job on December 9 if we're not perfectly in compliance."

He added: "We're not going to fire anybody who doesn't get vaccinated." He said the vaccination issue will not disrupt travel.

White House COVID-19 coordinator Jeff Zients on Wednesday told reporters the vaccine requirements for federal employees and federal contractors would not impact holiday travel.

"Vaccination requirements will not impact holiday travel," Zients said.

Some lawmakers including Senate Majority Leader Chuck Schumer have raised concerns about the impact on the Transportation Security Administration and travel.

"The requirements for federal workers and contractors will not cause disruptions to government services that people depend on. Agencies have the flexibility necessary to enforce the mandate without impacting critical operations," Zients said.

Zients added, "the point here is to get people vaccinated, not to punish them. So agencies will not be removing employees from federal service until after they've gone through a process of education and counseling."

American Airlines Chief Executive Doug Parker said on an earnings call on Thursday he does not expect any employees to leave as a result of the vaccine mandate.

"We think we're not going to see anyone leaving American. I don't think anyone's going to want to leave American because either they choose not to get vaccinated or they don't have a religious or medical (exemption)," Parker said.

Parker said the airline is "highly confident" it will have everyone needed to fly its holiday schedule even if some unvaccinated employees with approved exemptions face new testing requirements.

"We don't anticipate any operational impact," Parker said.

The Cargo Airline Association, a group representing FedEx Corp, United Parcel Service Inc and other cargo carriers, said in letter to the White House on Monday that "it will be virtually impossible to have 100% of our respective work forces vaccinated by Dec. 8 ... Sliding this date into the first half of 2022 will allow association members to meet the demands of the e-commerce revolution during the holiday season."

The letter, seen by Reuters, was previously unreported.

FedEx told Reuters on Thursday it is "engaged with the relevant government agencies" on the guidelines.



AIRLINE NEWS

SkyWest cancels hundreds of flights: American, Delta, United, Alaska airlines impacted

Eve Chen USA TODAY

Published 8:47 a.m. ET Oct. 22, 2021 | Updated 2:06 p.m. ET Oct. 22, 2021

One of America's largest regional carriers, SkyWest Airlines, has canceled hundreds of flights two days in a row, and it's not the only airline impacted.

The Utah-based carrier operates flights for American, Delta, United and Alaska airlines.

"SkyWest experienced an internal technical issue, resulting in approximately 700 flight cancellations before the issue was resolved Thursday evening," SkyWest told USA TODAY in a statement. "We apologize to customers for the inconvenience; we are working to minimize the impact on Friday's schedule and to return to normal operations as quickly as possible."

More than 450 SkyWest flights were canceled Friday, according to FlightAware, which tracks flight cancellations and delays in real time.

► **Airline cancel or delay your flight?:** Here's what you're owed (and how to get it)

► **What travel insurance actually covers:** How it may or may not protect your next trip

United Airlines' website had said the issue was a server outage at SkyWest.

Delta Air Lines told USA TODAY, "Our technical teams engaged with SkyWest IT to resolve the issue and minimize the impact on our customers. We are working with customers directly to accommodate them to their destination as soon as possible and apologize for the inconvenience."

Roughly 170 of American Airlines' flights were impacted Thursday and about 50 more were affected Friday, the airline told USA TODAY, adding that it's been working to re-accommodate passengers and provide hotel vouchers as needed.

Alaska Airlines told USA TODAY that 80 of its flights were canceled Thursday and 26 were canceled Friday, though more were possible. "We apologize for the inconvenience this has caused for our guests," the airline said. "We're providing services to them as we work to get impacted travelers to their destinations as quickly as possible."

According to its website, SkyWest serves 236 destinations across North America, and it carried 43 million passengers in 2019.

Travelers are advised to check their flight status before leaving for the airport and to reach out to their airline if their flights have been canceled or delayed.



FOR IMMEDIATE RELEASE:
November 9th, 2021

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

DULUTH INTERNATIONAL AIRPORT AIR SERVICE UPDATE

Duluth, MN — Duluth International Airport (DLH) has seen a comeback in passenger numbers in 2021 after facing a hard year with COVID-19 in 2020. To date, passenger numbers are at 69% compared to 2019 which had the highest passenger numbers in the last decade. Along with passenger traffic returning, we have seen some frequencies return to what is considered normal. We have also made exciting new air service announcements with the new Sun Country service offering twice weekly direct flights to Phoenix, AZ and Ft. Myers, FL. These are positive steps forward, but this doesn't paint the entire picture of the struggles that commercial air service and DLH are facing with the existing pilot shortage.

Communities around the country have seen a slow return of routes and frequencies to their airports. Delta has consistently serviced DLH with four to five frequencies per day since the beginning of 2021. United Airlines has fluctuated daily flights ranging from three to one flight. For the month of November, United will operate with one daily flight to Chicago. However, starting in December, this will go to two flights daily. The reason for the change isn't due to passenger demand, it is due to a pilot shortage.

For perspective United Airlines regional jet flying is down 27.37% in November compared to November 2019. United Airlines has recently announced the elimination of service at 13 airports: Quincy, IL (UIN), Rochester, MN (RST), Mammoth Lakes, CA (MMH), Monroe, LA (MLU), Lansing, MI (LAN), Killeen-Fort Hood, TX (GRK), Fayetteville, NC (FAY), Evansville, IN (EVV), Wausau, WI (CWA), Columbia, MO (COU), College Station, TX (CLL) and Kalamazoo, MI (AZO). There are two factors driving these decisions - pilot shortages and business travel is not bouncing back as quickly as expected. While nationwide carriers are still expecting overall traffic to get back to 2019 levels by year-end 2022, this could vary greatly by market.

Throughout the industry, there were strong predictions of a significant pilot shortage that would impact commercial air service even prior to the pandemic. 2020 was a challenging year for this industry with airlines struggling to control costs due to the financial impact of COVID-19 related shutdowns. Airlines offered early retirements and buy-outs to employees. Based on public reports, it has been estimated that as many as 10% of US pilots took early retirement during the crisis. With the recent return of demand, this creates a gap that makes it difficult for airlines to meet steadily increasing demand. According to Boeing's 2021 Pilot outlook 130,000 new pilots will be needed to fly and maintain the US commercial aviation fleet over the next 20 years. Overall employment of airline and commercial pilots is estimated to grow 6% from 2018 to 2028, according to the U.S. Bureau of Labor Statistics.

DLH is seeing business travel start to return and continued growth in our leisure market. We have maintained service to two major hubs with both Delta and United and are excited to offer the new Sun Country direct service for our leisure market. DLH also recently announced the successful award of a Small Community Air Service Development Grant (SCASD) to secure direct service to Denver. With that said, it is more important than ever that the region continue to choose to fly local for their travels. It is critical that we continue to demonstrate demand to our airline partners to retain our existing service and continue commercial air service's recovery in our region.

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 daily nonstop flights to Chicago and Delta offers daily nonstop flights to Minneapolis/St. Paul. Sun Country will begin direct service to Ft. Myers and Phoenix beginning December 17th, 2021 with flights operating on Fridays and Mondays. 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).

Mary Ann Wittkop

From: Don Monaco <donm@monacoairduluth.com>
Sent: Sunday, October 31, 2021 9:51 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)'; todd.fedora; 'Steve Overom (soverom@overomlaw.com)'; Mary Ann Wittkop
Subject: October, 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 October, 2021 Activities

DAA Grant: The Foundation paid the DAA \$6,965.50 to reimburse the DAA for the local community share of fees paid to RS&H for services provided to the Joint Airport Zoning Board related to drafting a revised zoning ordinance and obtaining MnDOT approval of the ordinance.

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



DULUTH INTERNATIONAL AIRPORT

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9 November 2021

Rebecca McPherson
Great Lakes Region
2300 East Devon Avenue
Des Plaines, IL 60018

RE: Duluth International Airport Air Traffic Control Tower Siting Study Reimbursable Agreement

Ms. McPherson,

I am writing today to request your assistance. The Duluth International Airport (DLH) is completing a 2-year master planning process. A critical component of our 20-year capital plan is the relocation and replacement of our locally owned, 70-year-old air traffic control tower (ATC) facility. In preparation for finishing the master plan, we engaged the FAA's NAS Planning and Integration North Team to initiate a reimbursable agreement for a ATFIL siting study of our ATC replacement project. I made my initial request on June 2, 2021. This was followed by a virtual meeting with many FAA representatives who would be involved in the ATFIL siting study process on July 16, 2021, led by Mr. LaMar Allison. The outcome of that meeting was the promise of a draft reimbursable agreement for our review. To date, I have not received a reimbursable agreement to review and/or sign. I have asked Mr. Allison of NAS Planning and Integration North Team, for updates on a couple of occasions. The last update I received was September 15th stating, "finishing touches were being applied to the reimbursable agreement". 6 weeks later, I inquired again regarding the status of the draft reimbursable agreement. I have not received a response.

The Duluth Airport Authority wants to fully cooperate with the ATFIL process and complete an ATC siting study. The completion of the study will allow us to determine a reasonable project cost estimate and pursue a variety of funding options. I'm very concerned that our locally owned ATC facility is falling further behind as we are not even in the queue for ATFIL services yet.

Our ATC facility is home to FAA Air Traffic Controllers and Tech Ops staff. Both lines of business provide critical services, not only our local flying community but the region. The ATC facility is past its useful life and in need of replacement. Any assistance you can provide in expediting our reimbursable agreement would be greatly appreciated.

The infrastructure program's passage in Congress recently has increased the sense of urgency around



DULUTH INTERNATIONAL AIRPORT

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this issue. There is a funding source now available for construction of this locally owned piece of critical infrastructure. However, we won't compete for funds if the siting study is not well on its way.

I request you timely assistance. It would be extremely helpful if we could have the reimbursable agreement in the next 30 days or less. Should you have any questions about this situation please do not hesitate to reach out to me. Thank you in advance for your consideration.

Sincerely,

**Tom
Werner**

Digitally signed
by Tom Werner
Date: 2021.11.09
09:39:12 -06'00'

Tom Werner, C.M.

Executive Director

Duluth airport Authority

Enclosure

Duluth International Airport (DLH)

AIR TRAFFIC CONTROL TOWER REPLACEMENT

THE CONTROL TOWER



Constructed in the mid 1950's



Owned and maintained by the Duluth Airport



Does not meet FAA standards for line of sight requirements and is in deteriorating condition



\$500 thousand in life, health and safety improvements made by the DAA since 2015



Serves a unique mix of military, general aviation and commercial service traffic

Estimated Project Cost:
\$15 Million

The Airport

The Duluth International Airport (DLH) sees a unique mix of general aviation aircraft, commercial airline service, high-speed military aircraft and research and development flights. Additionally, DLH often sees international flights clearing Customs from aircraft traveling along the Great Circle Routes from Europe to the Western United States. Providing sufficient line-of-sight through a state of the art air traffic control will ensure the safe operations of aircraft operating at and around DLH. Between 2015 and 2019 over \$35 million in infrastructure investment was spent to make needed upgrades and modernize the Airport. Future infrastructure investment between 2020 and 2030 is estimated to include an additional \$70 million. As the airport continues to modernize its airfield and develop the southwest business area for non-aeronautical and aeronautical use, a new control tower would be a catalyst for enhanced safety and efficiency that will influence ultimate development opportunities.

Airport Annual Economic Impact

Duluth International Airport

\$760.6 Million
6,230 Jobs

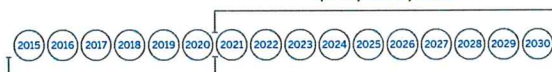
(direct, indirect, induced)

Major Airport Operators

MRO Facility
Cirrus
Monaco Air
Lake Superior College
148th Fighter Wing
Delta Airlines
United Airlines
Lake Superior Helicopters



\$70,000,000



\$35,741,960

Historical and Projected Infrastructure Investment

Capital Financing of a New ATC Facility

Historically, funding the replacement of the control tower has been a challenge for the Duluth Airport Authority. A control tower is not eligible under the FAA's Airport Improvement Program (AIP). Also, the facility is not owned by the Federal government; therefore, the FAA has limited mechanisms to invest in the existing control tower. Additionally, no federal funds are available to build a new FAA-owned facility.

The most expeditious path to building a new control tower is through DAA replacement and continued ownership. The Airport continues to pursue funding opportunities to ensure a new facility is constructed and operational before the existing control tower becomes unusable. A preliminary control tower siting analysis has occurred as part of the ongoing Vision 2040 Master Plan. An estimated height of 85' to 100' would be needed to meet requirements as outlined by the FAA. The FAA has indicated that funding needs to be secured before the agency initiates its siting analysis. The control tower is estimated to cost around \$15 million.

The Airport is interested in pursuing partial funding through an infrastructure package, the Transportation Appropriations bill, a State Bonding request and local funds from the Duluth Airport.



www.duluthairport.com



<https://www.facebook.com/duluthairport>



Mailing list (electronic distribution): email DAA@DuluthAirport.com



DULUTH INTERNATIONAL AIRPORT

Travel Globally. Fly Locally.

1 Executive Summary

The culmination of the 14 Code of Federal Regulations (14 CFR) Part 150 Study planning process is the development of a set of measures designed to enhance the compatibility between an airport and its surrounding environs. This document presents new measures that are being recommended for inclusion in the Duluth International Airport (DLH) Noise Compatibility Program (NCP) and eventual implementation. Recommended measures for the DLH 2021 NCP may also include previous measures, from the DLH 1997 NCP, being continued with modification. Collectively, these measures are referred to as the DLH 2021 NCP. These measures include land use mitigation and program management measures designed to reduce or mitigate the impact of aircraft noise upon the surrounding community and enhance the administration of the overall NCP.

Each recommended measure was reviewed with the membership of the Planning Advisory Committee (PAC), the PAC membership is presented in **Section 3** of this document. Local planning professionals and elected officials from the surrounding communities were invited to meet with the project team to discuss the types of alternatives that were evaluated. Information regarding the screening of potential alternatives and the selection of recommended measures was presented to the public at the 3rd Public Workshop which occurred in February 2021.

Table 1-1, DLH 2021 NCP Measures provides a summary of all alternative measures that were recommended for inclusion in the DLH 2021 NCP. **Table 1-2, DLH 2021 NCP Cost** presents the final associated costs for each recommended measure and the program collectively. Detailed information on the alternative screening process and selection of recommended measures can be found in the remaining sections of this document. The Duluth Airport Authority (DAA) board members were presented this information at the June 2021 board meeting. To date the study team has not received any requests for modifications to the recommended measures included in the DLH 2021 NCP.

The study team requests the PAC members review the recommended DLH 2021 NCP measures and provide feedback on the NCP measures to be included in the DLH 2021 NCP. The next steps following the Public hearing to be held on November 2nd, will be to accept public comments on the draft document and adoption of the DLH 2021 NCP by the DAA board. Once adopted by the DAA board the Final DLH 2021 Part 150 documentation will be submitted to the Federal Aviation Administration (FAA) for approval.

Once the NCP is approved by the FAA, DAA can implement recommended measures as necessary. Having an approved NCP with the FAA will allow DAA to apply for federal assistance to aid in the implementation of the NCP measures.

VII B

Duluth Airport Authority Short Elliott Hendrickson Inc. (SEH) Work Order 2020-7 for Preliminary Design for the Taxiway A Reconstruction – Phase 2 Project at the Duluth International Airport

Terms:

- Estimated start date of November 16, 2021
- Estimated end date of December 31, 2021

Agreement Overview:

This work order includes preliminary design for the Taxiway A Reconstruction – Phase 2 project at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 1-21-2020) between the DAA and SEH remain in effect for this work order.

Background:

Taxiway A is the parallel taxiway for the main runway (Runway 9/27) serving the Duluth International Airport. The existing Taxiway A is approximately 10,700 feet in length, and the width of Taxiway A varies along its alignment. The reconstruction of Taxiway A could potentially be completed in nine phases, based on the result of the 2021 DLH Airport Master Plan and discussions with the Duluth Airport Authority (DAA) and FAA. Phase 2 of the Taxiway A Reconstruction Program will include a 1,300 feet reconstruction of Taxiway A to the north of the Monaco Apron and the Tower Apron. The Phase 2 project will also include the reconstruction and realignment of Taxiway A4 which joins Runway 9/27 with Taxiway A. Taxiway A4 will be reconstructed and realigned to meet current FAA design standards which includes having a right-angle intersection on to the runway. Additionally, the new location of Taxiway A4 will remove direct access to the runway from a parking apron, as it is currently configured. This scope of engineering services includes preliminary design, including geotechnical investigation and borings, topographic survey, airspace determinations, environmental review documentation, as well as public outreach and project management. Final design will occur in the winter of 2021, with project bidding in May of 2021. Construction is anticipated to take place in the summer of 2022.

Preliminary design is anticipated to be funded at 90 percent by the Federal Aviation Administration (FAA) and 5 percent funded by the Minnesota Department of Transportation (MnDOT), with a component of the ineligible items funded by the 148th Fighter Wing.

**WORK ORDER
No. 2021- 7
Between**

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

Dated: November 16, 2021

**TAXIWAY A RECONSTRUCTION – PHASE 2 (PRELIMINARY DESIGN)
DULUTH INTERNATIONAL AIRPORT (DLH)**

This work order includes Preliminary Design of the Taxiway A Reconstruction – Phase 2 project at the Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 5-19-2020) between the DAA and SEH remain in effect for this work order.

Estimated start date is November 16, 2021; estimated end date is June 30, 2022.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$87,100.00.

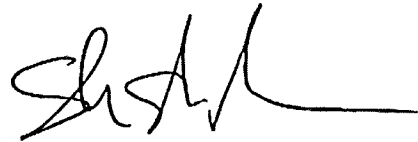
A description of the services to be provided is included in Attachments A. A detailed estimate of labor cost and expenses is included in Attachment B.

Point of Contact: Shawn McMahon, PE

APPROVED:

Duluth Airport Authority (DAA)

Short Elliott Hendrickson Inc.



Title: _____

Title: Principal

Date: _____

Date: November 9, 2021

Title: _____

Date: _____

ATTACHMENT A
Duluth International Airport (DLH)
Taxiway A Reconstruction – Phase 2
Scope of Work
Preliminary Design

General – Taxiway A is the parallel taxiway for the main runway (Runway 9/27) serving the Duluth International Airport. The existing Taxiway A is approximately 10,700 feet in length, and the width of Taxiway A varies along its alignment. The reconstruction of Taxiway A could potentially be completed in nine phases, based on the result of the 2021 DLH Airport Master Plan and discussions with the Duluth Airport Authority (DAA) and FAA. Phase 2 of the Taxiway A Reconstruction Program will include a 1,300 foot reconstruction of Taxiway A to the north of the Monaco Apron and the Tower Apron. The Phase 2 project will also include the reconstruction and realignment of Taxiway A4 which joins Runway 9/27 with Taxiway A. See **Figure 1. Project Exhibit**. Taxiway A4 will be reconstructed and realigned to meet current FAA design standards which includes having a right-angle intersection on to the runway. Additionally, the new location of Taxiway A4 will remove direct access to the runway from a parking apron, as it is currently configured.

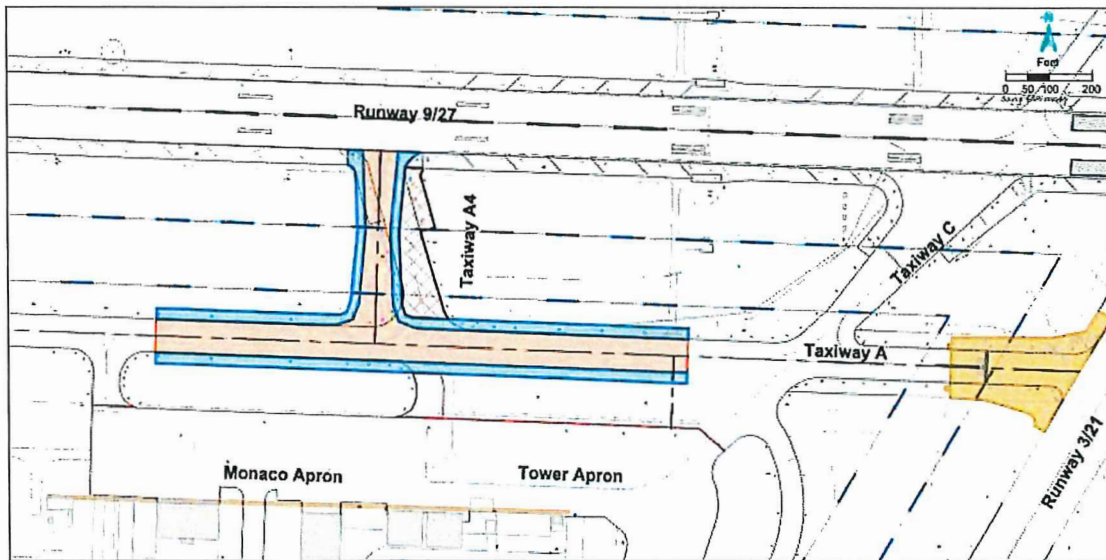


Figure 1. Project Exhibit

The majority of existing Taxiway A is 75 foot-wide bituminous pavement with no taxiway shoulders. A portion of existing Taxiway A4 connecting to Runway 9/27 is 75 foot-wide concrete pavement with bituminous shoulders and the other portion of Taxiway A4 to the south is 75 foot-wide bituminous pavement with no shoulders. Phase 2 will include approximately 1,300 feet of Taxiway A, 75 foot-wide, with 25 foot-wide bituminous shoulders to be meet the criteria for TDG V based on the aircraft fleet mix that are anticipated to use Taxiway A. Taxiway A4 will be reconstructed to be 50 foot-wide, with 20 foot-wide shoulders to satisfy the TDG III design criteria based upon the fleet mix that are anticipated to use this taxiway.

The most recent Minnesota Department of Transportation (MNDOT) pavement condition assessment was completed in 2018 and recorded the following results. The areas included in Phase 2 using the MnDOT naming convention include CTA3-003 and CTA3-002 (Taxiway A4) and PTA-002 (Taxiway A). Pavement distresses exhibited in the Phase 2 areas include alligator cracking, block cracking, depression, longitudinal and transverse cracking, patching, raveling, swelling, and weathering. Most of the pavement in the Phase 2 area requires major rehabilitation due to poor pavement condition and or previously mentioned geometry/safety issues. The 1,300 foot portion of Taxiway A to the north of the Tower Ramp and Monaco Ramp, named PTA-002, was constructed in 1985 and has a PCI of 34. The portion of Taxiway A4 to the south connecting to Taxiway A, named CTA3-002 and CTA3-003, was constructed in 1963 and has a PCI of 37. See Figure 2. DLH 2018 PCI Summary.

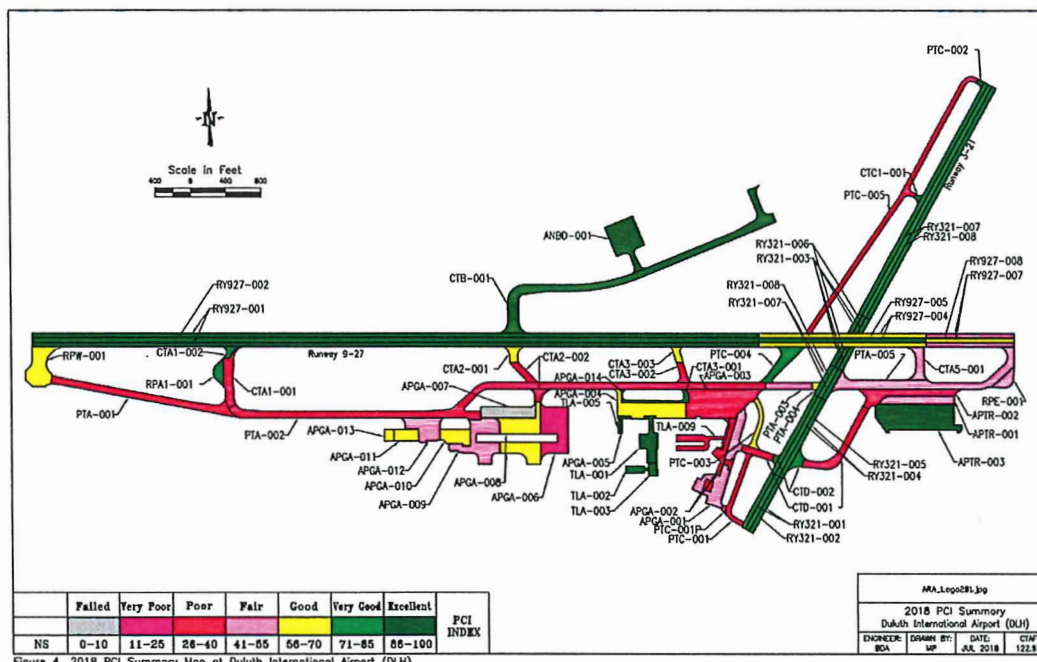


Figure 2. DLH 2018 PCI Summary

The work will include drainage improvements and including potential storm structure repair or replacement, as required. Until additional aircraft parking is created in future phases of the Taxiway A Reconstruction Program, the tower ramp apron area adjacent to Taxiway A will not be removed as part of this project. However, blank taxiway edge lighting base cans and conduit will be installed to facilitate the future edge light installation once this portion of the tower ramp is removed in the future. At other locations of Taxiway A Phase 2, new taxiway lighting will be installed and the associated airfield lighting control system modified to match the installed lighting configuration.

(Engineer's Design Report, draft drawings, final design, plans and specifications development, bidding services, construction administration services, as well as completion of the grant closeout report, will be included subsequent work orders, and will be based upon the investigation and information that is obtained during the preliminary design development.)

Proposed project schedule:

October 19, 2021 – DAA Board consider Preliminary Design contract

December 21, 2021 – DAA Board consider Final Design contract

January 6, 2022 – Submit Engineer's Design Report

April 18, 2022 – Final plans and specifications posted for bidding

May 6, 2022 – Bid opening

May 18, 2022 – DAA Board consider Construction Administration contract

May 31, 2022 – Grant application submittal

June 2023 – Construction

Phase 2 – Preliminary Design - Project Deliverables – The project deliverables of this scope include the following:

1. Project Formulation
2. Geotechnical Investigation Report (Braun Intertec)
3. Topographic survey
4. Environmental determination (Categorical Exclusion)
5. Preliminary Construction Safety and Phasing Plan and Safety Plan Narrative
6. Project Management and meetings

This work scope includes:

Work Element 1: Project Formulation

Task 1.1 – Scoping, Review, and Coordination – Short Elliott Hendrickson (SEH and/or Consultant) will coordinate with the Duluth Airport Authority (DAA) (sponsor) to develop the appropriate scope of work. Additional coordination will include task definition and establishment of project goals and objectives. The scope of work will be presented to FAA and MnDOT Office of Aeronautics for review and will be updated based on input received.

Task 1.2 – FAA Grant Initiation Documentation – SEH will complete the project and grant pre-application documentation, associated preliminary cost breakdowns and preliminary eligibility determinations. The environmental CATEX (completed under another task) will be included in the project initiation documentation.

Work Element 2: Geotechnical Analysis/Borings and Survey

Task 2.1 – Geotechnical Analysis/Borings – Ten (10) geotechnical borings, with pavement cores where applicable, will be drilled in the new taxiway alignment per FAA pavement design criteria. Additionally, three (3) pavement cores will be taken to verify the thickness of the adjacent existing pavement thicknesses on the tower ramp and the access roadway to Runway 9/27. SEH will provide escorting and oversight during the drilling. The boring logs and narrative report will be used to develop the pavement design and the typical section for the taxiway. The scope of work includes development and submittal of the FAA Form 7460 for completion of the boring scope of work. (See geotechnical scope of work from Braun Intertec, attached.)

Task 2.2 – Topographic Survey – A topographic survey will be completed in the area of the proposed Phase 2 reconstruction. Survey will include all pavement grades,

pavement edges, drainage structures, utility information, airfield lighting, and other necessary features. SEH will complete the survey work and provide escorting and oversight during the survey.

Work Element 3: Preliminary Design

- Task 3.1 – Environmental Determination/CATEX** – SEH will complete a request for environmental Categorical Exclusion (CATEX) for the Taxiway A Phase 2 project. The wetland delineations have been obtained through previous work. This scope of work will include reviewing historical and previously completed data, preparing the CATEX form, coordinating with FAA, and responding to FAA comments as necessary.
- Task 3.2 – Preliminary Construction Safety and Phasing Plan** – SEH will develop a preliminary Construction Safety and Phasing Plan (CSPP) to evaluate proposed phasing and sequencing for Phase 2 of Taxiway A in accordance with *FAA Advisory Circular 150/5370-2G, Operational Safety on Airports during Construction*. The CSPP will include construction limits, haul routes, contractor staging areas, and anticipated impacts to airport users, specifically commercial service aircraft using the terminal facility. All airport facilities, including approach procedures and navigational aids, will be evaluated for potential impacts due to construction. This task will include submittal to FAA ADO and FAA Certification Inspector. Responses to this submittal will be addressed in final design.
- Task 3.3 – Preliminary Airspace Determination** – SEH will develop a draft airspace determination submittal for coordination with FAA. The submittal drawing will include evaluation points for the limits of the work area and include the CSPP as an attachment. The final submittal with any comments from FAA will be submitted as part of the Final Design contract scope of work.
- Task 3.4 – Preliminary Cost Estimate and Budget** – SEH will provide an itemized summary of the engineer's estimate of probable construction costs related to Taxiway A Phase 2 work scope. Any ineligible work components will be called out separately for coordination with other funding agencies. SEH will develop a preliminary project budget that will include anticipated engineering costs, construction costs, and administrative costs for the 2022 FAA grant request. Potential funding sources and pro-rations will also be included.

Work Element 4: Project Management and Meetings – This task includes the overall project management of the development of the preliminary design for Taxiway A Phase 2, including administration of the project, design team meetings, agency and Sponsor meetings, and related project administration tasks.

- Task 4.1 – Engineering Design Team Meetings** – This task includes weekly meetings by the design team to discuss project elements, schedule, issues, and provide coordination between team members. Five (5) meetings anticipated from October 19, 2021 to January 6, 2022. These are anticipated to be on-line virtual meetings.
- Task 4.2 – Duluth Airport Authority (DAA) Staff Meetings** – This task includes bi-weekly meetings by the project team leads and DAA staff to discuss project elements, schedule, issues, and provide coordination between team members. Five (5) meetings anticipated, with two (2) meetings attended by an Airport Planner from October 19, 2021 to January 6, 2022. These are anticipated to be on-line meetings.
- Task 4.3 – Agency Meetings** – This task includes monthly meetings by the project design team, MnDOT Office of Aeronautics, FAA ADO, DAA staff, and other individuals and agencies as needed, to discuss the preliminary design, schedule, and any other related items. Two (2) meetings are anticipated from October 21, 2021 to December 14, 2021. These are anticipated to be on-line meetings.

Task 4.4 – Duluth Airport Authority (DAA) Board Meetings –This task includes attendance at DAA Board meetings to provide a project update to the DAA Board of Directors. Two (2) meetings are anticipated from October 19, 2021 to January 6, 2022. These are anticipated to be attended by the project manager in person.

Task 4.5 – DLH Tenant Meetings –This task includes attendance at DLH tenant meetings to keep airport users apprised of the project and schedule. Four (4) meetings are anticipated from October 19, 2021 to January 6, 2022. These are anticipated to be on-line meetings and attended virtually.

Task 4.6 – Subconsultant Coordination / Expense Management – This task includes management of the subcontractors selected to perform work included in this proposal. This task includes scoping, contracting, invoicing and quality control.

Task 4.7 – Overall Project Management –This task includes internal and external project coordination and administration, including Sponsor and agency communication, progress reports, miscellaneous meetings, budget updates and monthly invoices.

Subconsultants performing work under this proposal include the following:

1. **Braun Intertec.** All geotechnical engineering associated with the project will be performed by Braun Intertec out of Duluth, Minnesota.
2. **Burns and McDonnell.** Electrical design and coordination associated with the project will be performed by Burns and McDonnell of Bloomington, Minnesota.

ATTACHMENT B
ESTIMATED FEES AND EXPENSES
TAXIWAY A - PHASE 2 (PRELIMINARY DESIGN)
DULUTH INTERNATIONAL AIRPORT (DLH)
DULUTH AIRPORT AUTHORITY (DAA)
DULUTH, MN

Task No.	Task Description	Principal	Project Manager	Professional Engineer	Project Engineer	Aviation Planner	Senior Biologist	Survey Crew Chief	Instrument Operator	Senior Technician	Admin Technician
Project Formulation											
1.1	Scoping, Review, and Coordination	2	16	2		8					
1.2	FAA Grant Initiation Documentation		4	8	8	2					
Geotechnical Analysis/Borings and Survey											
2.1	Geotechnical Analysis/Borings		2		20					2	
2.2	Topographic Survey		2		2			16	16	8	
Preliminary Design											
3.1	Environmental Determination/CATEX		2			8	16				
3.2	Preliminary Construction Safety and Phasing		2	2	24						
3.3	Prelim Airspace Determination/7460 Submittal				8					4	
3.4	7460 Submittal for Geotech Investigation				8					4	
3.5	Preliminary Cost Estimate and Budget		2	8	4						
Project Management and Meetings											
4.1	Engineering Design Team Meetings		5	5	5					5	
4.2	DAA Staff Meetings		5			2					
4.3	Agency Meetings		4	4		4					
4.4	Duluth Airport Authority (DAA) Board Meetings	4	8								
4.5	DLH Tenant Meetings				4						
4.6	Subconsultant Coordination / Expense		8		2						2
4.7	Overall Project Management	2	16								
Total hours per labor category		8	76	29	85	24	16	16	16	23	2

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Principal	8	\$81.08	\$648.64
Project Manager	76	\$76.60	\$5,821.60
Professional Engineer	29	\$49.29	\$1,429.41
Project Engineer	85	\$33.69	\$2,863.65
Aviation Planner	24	\$76.52	\$1,836.48
Senior Biologist	16	\$39.58	\$633.28
Senior Technician	23	\$42.39	\$974.97
Survey Crew Chief	16	\$34.00	\$544.00
Instrument Operator	16	\$30.00	\$480.00
Admin Technician	2	\$31.06	\$62.12
Total Direct Labor Costs:	295		\$15,294.15
Direct Salary Costs plus Overhead (66.03%)			\$25,392.88
Total Labor Costs			\$40,687.03
Fee (15%) on Total Labor Costs			\$6,103.05

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Electrical Engineering (Airfield Lighting) - Subconsultant	1	\$20,726.00	\$20,726.00
Geotechnical Engineering (Soil Borings and Geotechnical Report) - Subconsultant	1	\$13,575.00	\$13,575.00
Computer Charges	295	\$5.81	\$1,713.95
Survey Equipment - Total Station	16	\$30.00	\$480.00
Survey Equipment - GPS	16	\$30.00	\$480.00
Employee Mileage	1500	\$0.56	\$840.00
Employee Auto Allowance	5	\$16.00	\$80.00
Employee Per Diem	5	\$175.00	\$875.00
Reproductions / Miscellaneous	1	\$1,500.00	\$1,500.00
Total Expenses			\$40,269.95

SUMMARY:

Total Labor Costs + Expenses + Fee	\$87,060.03
Estimated Total	\$87,100.00

Duluth International Airport

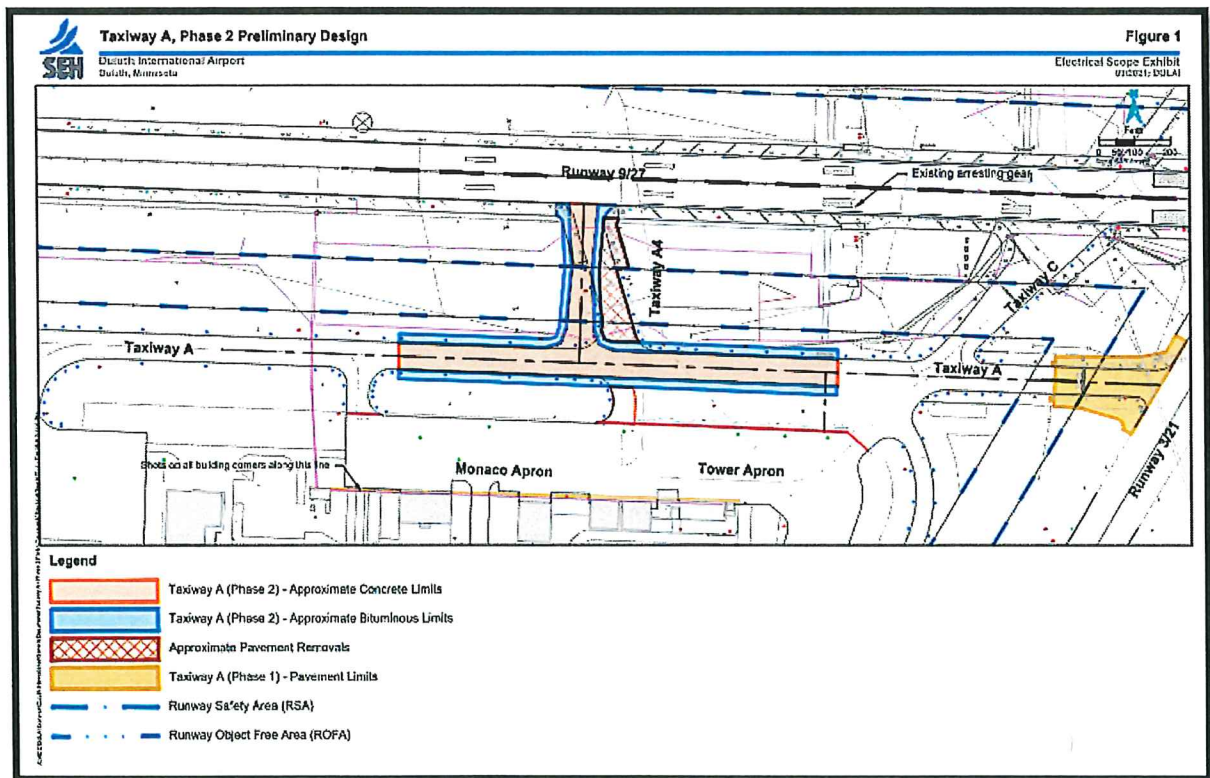
Taxiway A Reconstruction Phase 2 - Electrical Design Services

Scope of Work

Overall Project Scope. The ultimate project scope of work will involve the production of the Engineers Design Report and the preliminary 30% design for reconstruction of the Phase Two portion of existing parallel Taxiway Alpha at the Duluth International Airport.

Electrical Design Scope, Taxiway Alpha

Preliminary design for the L-861T(L) elevated taxiway edge Light Emitting Diode (LED) type lighting fixtures and corresponding infrastructure (i.e. lighting can, drainage, conduit, wire, etc.) will be provided. See the attached graphic for the work along Taxiway Alpha and connector Taxiway Alpha 4.



Anticipated Elements of Work for the Electrical Design Scope.

PRELIMINARY DESIGN PRODUCTION:

- Review of existing airport documents
- 30% Plans
 - Electrical notes
 - Legend and abbreviations

- Demolition plans
- Lighting and Signage Plans
- Electrical Details Plans
- 30% Specifications
- 30% Cost Estimating
- Electrical components for the Engineer's Design Report
- Respond to comments from DAA EDR Review

COST OF SERVICES:

- The attached fee estimate details the hours and fee proposal for the various elements of work to be undertaken as part of the project. Burns & McDonnell will bill SEH monthly for services provided.
- The fee includes review and responses for the 30% review of the documents by SEH, FAA, and the DAA.
- Project Management and Administration services are provided in this proposal.
- No construction Administration services are included in this proposal.

2021 TWA PH2 - Preliminary Design

September 2021

	Sr. Elec. Engr (Associate)	Project Manager	Electrical Engineer	CADD Designer	Admin. Assist. (General Office)	Task Hours	Task Cost
Task No.	Task Description						
I	Preliminary Design						
1	Review of Existing Airport Documents			2		2	\$ 494.00
2	30% Engineers Design Report	1	1	6			\$ 1,983.00
3	30% Plans	1		4	50	55	\$ 10,292.00
4	30% Cost Estimate	1		4		5	\$ 1,242.00
6	Project Site Visit			8			\$ 1,976.00
7	30% Specifications	1		4	8	13	\$ 1,762.00
9	Project Meetings	1	1				\$ 501.00
10	Project Management		8			8	\$ 1,976.00
Total		5	8	28	50	83	\$ 19,732.00
V	Other Direct Costs						
1	Reproduction Costs						\$ 100.00
2	Travel						\$ 400.00
	Grand Total						\$ 20,726.00

September 23, 2021

Proposal QTB146237

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

Re: Proposal for a Geotechnical Evaluation
Proposed DLH Taxiway A, Phase 2
Duluth International Airport
4701 Grinden Drive
Duluth, Minnesota

Dear Mr. McMahan:

Braun Intertec Corporation respectfully submits this proposal to complete a geotechnical evaluation for the proposed reconstruction of Phase 2 of Taxiway A at the referenced site.

Project Information

Per our correspondence with you and the provided preliminary design plan, the project will include the reconstruction of approximately 1,200 feet of Taxiway A and the adjacent Connector Taxiway A4. The locations of the pavement cores and soil borings have been selected by and will be surveyed by SEH.

Purpose

The purpose of our geotechnical evaluation will be to characterize existing pavement and subsurface geologic conditions at selected exploration locations and evaluate their impact on the design and reconstruction of the taxiway and adjacent connector taxiway.

Scope of Services

We propose the following tasks to help achieve the stated purpose. If we encounter unfavorable or unforeseen conditions during the completion of our tasks that lead us to recommend an expanded scope of services, we will contact you to discuss the conditions before resuming our services.

Site Access

Based on aerial photographs and previous site visits, it appears that the site is accessible to a truck drill rig. We understand our field work will be completed during daylight hours with potential of Connector Taxiway A4 needing to be completed during a night closure. Use of a light plant will be required during night closure. We assume there will be no cause for delays in accessing the exploration locations.

AA/EOE

Depending on access requirements, ground conditions or potential utility conflicts, our field crew may alter the exploration locations from those proposed to facilitate accessibility.

Our drilling activities may also impact the vegetation and may rut the surface to access boring locations. Restoration of vegetation and turf is not part of our scope of services.

Utility Clearance

Prior to drilling or excavating, we will contact Gopher State One Call and arrange for notification of the appropriate utility vendors to mark and clear the exploration locations of public underground utilities. You, or your authorized representative, are responsible to notify us before we begin our work of the presence and location of any underground objects or private utilities that are not the responsibility of public agencies.

Penetration Test Borings

As requested, we will drill 10 standard penetration test (SPT) borings for the project. (8 borings within Taxiway A and 2 borings within Connector Taxiway A4), extending them to 10 feet. Standard penetration tests will be performed continuously in the upper 5 feet and at 2 1/2-foot vertical intervals at greater depths. We will collect bag samples from the auger cuttings of the subgrade for laboratory testing.

If the borings encounter groundwater during or immediately after drilling of each boring, we will record the observed depth on the boring logs.

If the intended boring depths do not extend through unsuitable material, we will extend the borings at least 5 feet into suitable material at greater depths. If we identify a need for deeper (or additional) borings, we will contact you prior to increasing our total estimated drilled footage and submit a Change Order summarizing the anticipated additional effort and the associated cost, for your review and authorization.

Pavement Coring

We will core pavements at the 10 soil boring locations and 3 additional locations where pavement removals are planned. We understand this work will take place in non-freezing temperatures and that the Connector Taxiway A4 area will potentially require work during a night closure.

MDH Notification and Sealing Record

Since our planned exploration will be less than 15 feet in depth, the Minnesota Statutes will not require that we complete any notifications or sealing records. If we extend any of the borings to a depth of 15 feet or greater, the Statutes requires that we seal the boreholes and complete a Sealing Record. If 25 feet or greater, the Statutes also require us to complete a Sealing Notification Form. If the Record or Form are required, we will contact you to discuss the additional fees and sealing requirements.

Borehole Abandonment

After completing the soil borings, the borings will be backfilled with cuttings and patched. Over time, subsidence of borehole backfill may occur, requiring surface grades to be re-leveled or patches to be replaced. Braun Intertec is not assuming responsibility for re-leveling or re-patching subsequent to initial backfilling and patching long term.

Sample Review and Laboratory Testing

We will return recovered samples to our laboratory, where a geotechnical engineer will visually classify and log them. To help classify the materials encountered and estimate the engineering properties necessary to our analyses, we anticipate performing 10 moisture content tests, 2 Atterberg limits tests, 2 sieve hydrometer analyses, 2 mechanical analyses (through a #200 sieve only), 3 modified Proctor tests, and 3 California Bearing Ratio tests. We will adjust the actual number and type of tests based on the results of our borings.

Report

We will prepare a report including:

- A sketch showing the boring locations.
- Logs of the borings describing the materials encountered and presenting the results of our groundwater measurements and laboratory tests.
- A summary of the subsurface profile and groundwater conditions.
- Discussion identifying the subsurface conditions that will impact pavement design and construction.
- Discussion regarding the reuse of on-site materials during construction.
- Recommendations for preparing pavement subgrades, and the selection, placement and compaction of fill.
- Recommended CBR value to aid in pavement design.

We will only submit an electronic copy of our report to you unless you request otherwise. At your request, we can also send the report to additional project team members.

Schedule

We anticipate performing our work according to the following schedule.

- Drill rig mobilization – could occur mid-November following receipt of written authorization
- Field exploration – 2 days on site to complete the work, including potential high closure
- Classification and laboratory testing – within 2 weeks after completion of field exploration
- Preliminary results – within 3 weeks after completion of field exploration
- Final report submittal – within 4 weeks after completion of field exploration

If we cannot complete our proposed scope of services according to this schedule due to circumstances beyond our control, we may need to revise this proposal prior to completing the remaining tasks.

Fees

We will furnish the services described in this proposal for a lump sum fee of \$13,575. Please note that our drilling/field services were budgeted to occur within our normal work hours of 7:00 a.m. to 5:00 p.m., Monday through Friday. We have budgeted for nighttime work for a portion of the field work. If conditions occur that require us to work outside of these hours discussed, we will request additional fees to cover our additional costs. Our work may extend over several invoicing periods. As such, we will submit partial progress invoices for work we perform during each invoicing period.

General Remarks

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

We appreciate the opportunity to present this proposal to you. Please sign and return a copy to us in its entirety.

We based the proposed fee on the scope of services described and the assumptions that you will authorize our services within 30 days and that others will not delay us beyond our proposed schedule.

We will provide our services under the terms of the Agreement for Professional Services dated July 2, 2008.

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

Sincerely,

BRAUN INTERTEC CORPORATION



Colin L. Anderson, EIT
Staff Engineer



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

The proposal is accepted, and you are authorized to proceed.

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date

VII C

Duluth Airport Authority Short Elliott Hendrickson Inc. (SEH) Work Order 2020-8 for Final Design for the Runway 3/21 Lighting and Signage Project at the Duluth International Airport

Terms:

- Estimated start date of November 16, 2021
- Estimated end date of April 1, 2022

Agreement Overview:

This work order includes final design for the replacement of the Runway 3/21's lighting and signage project at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 1-21-2020) between the DAA and SEH remain in effect for this work order.

Background:

This project consists of removal and replacement of airfield lighting and signage on Runway 3/21 at Duluth International Airport (DLH). New Light Emitting Diode (LED) runway edge lights will be installed replacing existing incandescent runway edge lights. SEH and the DAA will determine whether high intensity runway lighting or medium intensity runway lighting (HIRL or MIRL) will replace the existing HIRL system. This project also includes the removal and replacement of existing runway guidance signage with LED signage including runway distance remaining (RDR) signs and hold short signs at runway entrances. The Threshold Lights on each end of the Runway 3/21 will be replaced and the DAA owned Runway End Identified Lights (REILs) on the Runway 21 end will be replaced. Other miscellaneous work items include associated concrete sign bases, airfield light and sign cable, airfield light cans, counterpoise, conduit, handholes, removals, regulators, vault work, airport safety control, erosion control and turf restoration. All FAA-owned lighting and NAVAIDs will be protected-in-place during the project.

The existing lighting system is at the end of its useful life and has been requiring excessive maintenance. Also, it has been hard for DAA maintenance to find replacement parts for the aged equipment and when found, the equipment is very expensive. This project will be constructed concurrently with the DLH Taxiway A Phase 1 Reconstruction project starting June 2022. The new system will be the state-of-the-art LED system which will be very dependable and energy efficient, reducing operation and maintenance costs as well as reducing environmental impacts.

Final design is anticipated to be funded at 90 percent by the Federal Aviation Administration (FAA) and 5 percent funded by the Minnesota Department of Transportation (MnDOT).

**WORK ORDER
No. 2021- 8
Between**

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

Dated: November 16, 2021

**RUNWAY 3/21 LIGHTING AND SIGNAGE REPLACEMENT (FINAL DESIGN)
DULUTH INTERNATIONAL AIRPORT (DLH)**

This work order includes Final Design and Bidding of the Runway 3/21 Lighting and Signage Replacement project at the Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 5-19-2020) between the DAA and SEH remain in effect for this work order.

Estimated start date is November 16, 2021; estimated end date is June 30, 2022.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$169,100.00.

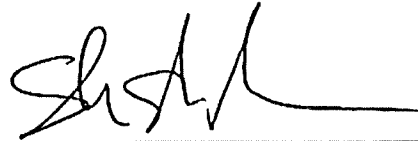
A description of the services to be provided is included in Attachments A. A detailed estimate of labor cost and expenses is included in Attachment B.

Point of Contact: Shawn McMahon, PE

APPROVED:

Duluth Airport Authority (DAA)

Short Elliott Hendrickson Inc.



Title: _____

Title: Principal

Date: _____

Date: November 9, 2021

Title: _____

Date: _____

ATTACHMENT A

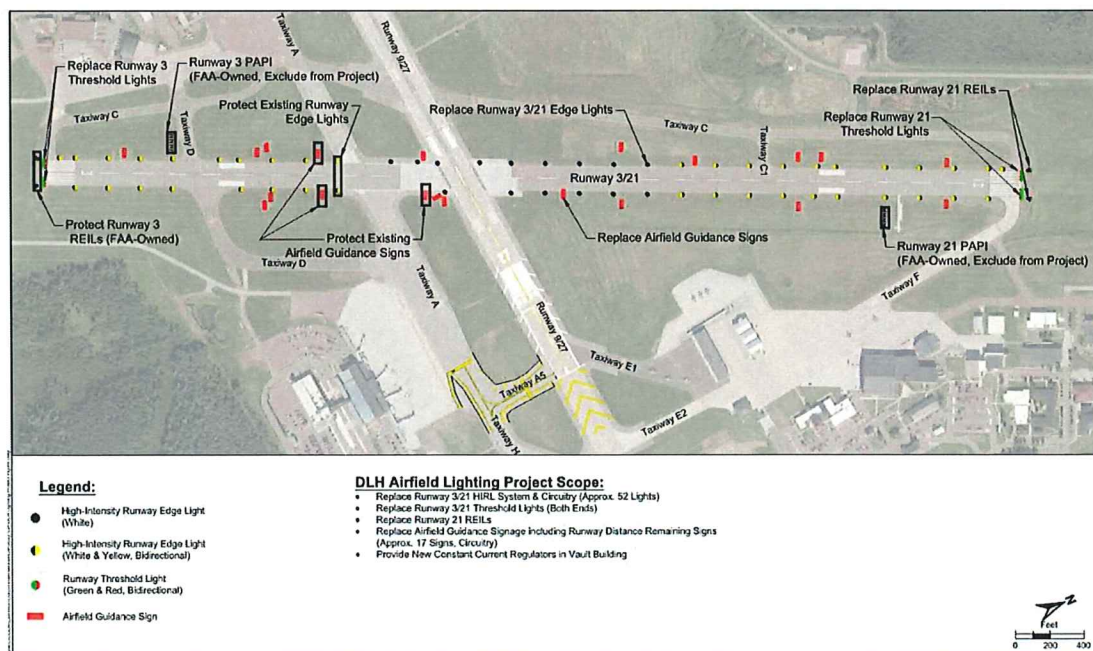
Duluth International Airport (DLH)

Runway 3/21 Lighting & Signage Replacement

Scope of Work

Preliminary & Final Design, Plans and Specifications, Bidding Services

General – This project consists of removal and replacement of airfield lighting and signage on Runway 3/21 at Duluth International Airport (DLH). New Light Emitting Diode (LED) runway edge lights will be installed replacing existing incandescent runway edge lights. SEH and the DAA will determine whether high intensity runway lighting or medium intensity runway lighting (HIRL or MIRL) will replace the existing HIRL system. This project also includes the removal and replacement of existing runway guidance signage with LED signage including runway distance remaining (RDR) signs and hold short signs at runway entrances. The Threshold Lights on each end of the Runway 3/21 will be replaced and the DAA owned Runway End Identified Lights (REILs) on the Runway 21 end will be replaced. Other miscellaneous work items include associated concrete sign bases, airfield light and sign cable, airfield light cans, counterpoise, conduit, handholes, removals, regulators, vault work, airport safety control, erosion control and turf restoration. All FAA-owned lighting and NAVAIDs will be protected-in-place during the project. See **Figure 1. Runway 3/21 Lighting and Signage Replacement Overview** below for a graphic depiction of proposed work items.



The existing lighting system is at the end of its useful life and has been requiring excessive maintenance. Also, it has been hard for DAA maintenance to find replacement parts for the aged equipment and when found, the equipment is very expensive. This project will be constructed concurrently with the DLH Taxiway A Phase 1 Reconstruction project starting June 2022.

The new system will be the state-of-the-art LED system which will be very dependable and energy efficient, reducing operation and maintenance costs as well as reducing environmental impacts.

The threshold light replacement on the Runway 3 end is next to an FAA-owned REILs. Therefore, this project will require coordination with the FAA for a reimbursable agreement. The reimbursable agreement will be a phased approach, with the first phase consisting of FAA design review during this final design phase.

(The Construction Administration scope items will be included in a subsequent work order.)

Proposed project schedule:

November 16, 2021	DAA/SEH Contract Approval
December 2021	Submit 60% Design to DAA
January 2022	Submit 90% Design to DAA & FAA
Late-February 2022	Final IFB Submittal and Advertisement for Bids
March 2022	Bid opening
April 2022	Airport Board consider bids, award contract
June 1, 2022	Grant application submitted to MnDOT and FAA
June 2022	Construction start
September 1, 2022	FAA Grant offer

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

1. Project formulation
2. Runway 3/21 Lighting and Signage Replacement Design
 - a. Plans
 - b. Specifications
 - c. Cost Estimate
 - d. Engineer's Design Report
 - e. Construction Safety and Phasing Plan
3. Construction bidding documents for Runway 3/21 Lighting and Signage Replacement
4. FAA Construction plans and specifications review
5. Quality Control reviews
6. Project management

This work scope includes:

Work Element 1: Project Formulation

Task 1.1 – Scoping, Review, and Coordination – Short Elliott Hendrickson (SEH and/or Consultant) will coordinate with the Duluth Airport Authority (DAA) (sponsor) to develop the appropriate scope of work. Additional coordination will include task definition and establishment of project goals and objectives. The scope of work will

be presented to FAA and MnDOT Office of Aeronautics for review and will be updated based on input received.

Task 1.2 – FAA Grant Initiation Documentation – SEH complete the project and grant pre-application documentation, associated preliminary cost breakdowns and preliminary eligibility determinations. The environmental CATEX (completed under another task) will be included in the project initiation documentation. This task will be used to coordinate a specific entitlement grant that can be received early to coordinate construction during the Taxiway Phase 1 project.

Work Element 2: Runway 3/21 Lighting and Signage Replacement Design

Final design and plan drawings for Runway 3/21 Lighting and Signage Replacement, will be prepared in accordance with federal and state guidelines. FAA Advisory Circular (AC) 150/5300-13A, *Airport Design*, will be utilized in the development of the plan set. Other applicable ACs, FAA Orders, Regulations and Policy Memorandums will be used as needed. Specific tasks included with this work element include:

Task 2.1 – Site Survey – SEH will conduct a survey during preliminary design to collect existing lighting and signage elements. SEH will gather additional survey information – specifically existing underground utilities that are within the project area. A One Call ticket will be submitted to have utilities marked, and then a surveyor will survey the marked utility locations. The survey area is on the active airfield, and will require trained escort provided by a project engineer for movement in the airfield operations area.

Task 2.2 – Airspace Determination/7460 Submittal – SEH will develop an airspace determination submittal for coordination with FAA. The submittal drawing will include evaluation points for the limits of the work area and include the CSPP as an attachment.

Task 2.3 – Environmental Coordination and Permits – If required, SEH will develop a Stormwater Pollution Prevention Plan (SWPPP) and an erosion control plan to be completed as part of the Engineer's Design Report. Additionally, the scope of work includes completion and/or coordination of the following permits:

- MPCA NPDES permit application
- Stormwater Pollution Prevention Plan (SWPPP)
- CATEX Determination

Task 2.4 – Construction Safety and Phasing Plan Development – SEH will create a Construction Safety and Phasing Plan (CSPP) as part of the Engineer's Design Report. SEH will meet with DAA staff, airfield tenants and users to evaluate potential risks and determine appropriate mitigation tactics. The preliminary CSPP will be enhanced to determine final phasing and sequencing, construction limits, haul routes, contractor staging areas, and anticipated impacts to airport users and airfield facilities. The CSPP development will also include a virtual meeting with the airport's Part 139 inspector to coordinate temporary closures for work inside the runway safety area. A final CSPP will be uploaded for FAA airspace review.

Task 2.5 – Coordination with DLH Taxiway A Phase 1 Project – This item includes coordination with the Taxiway A Phase 1 Project team for project closures, construction schedules, and boundaries. This item also includes

attendance to Taxiway A Phase 1 project meetings as necessary to ensure the projects will be constructed together concurrently.

Task 2.6 – Construction Plan Sheets – Specific plan sheets to be developed and included in the plan set are as follows:

- Title Sheet
- Construction Phasing Plans
- Construction Safety Plan
- Statement of Estimated Quantities
- Details and Construction Notes
- Removal Plan
- Grading Plan
- Erosion Control Plan and Details
- Electrical Layout and Details (from Burns and McDonnell)
- Signage Layout and Details (from Burns and McDonnell)

Task 2.7 – Engineer's Design Report – SEH will prepare an Engineer's Design Report discussing the calculations and justification for the engineering design at the 60% and 90% design stages which will be a deliverable in project submittals. SEH will coordinate with Burns and McDonnell for discussion of electrical engineering scope items in the Engineer's Design Report.

Task 2.8 – Quality Control Site Visit – SEH will conduct one quality control site visit during final design to verify base maps, utility locations, light locations, grades, and other relevant site features to ensure conformance to bidding documents. This task includes travel time for the project manager, the professional engineer, and the project engineer.

Work Element 3: Construction Bidding Documents for Runway 3/21 Lighting and Signage Replacement

Elements of the Construction Bidding Documents will be prepared in accordance with FAA Advisory Circulars (AC) 150/5300-13A, *Airport Design* and other applicable AC's, Orders, Regulations and Policy Memorandums. Specific tasks included with this work element include:

Task 3.1 – Construction Bidding Documents – A bid proposal project manual will be prepared that will consist of a table of contents, advertisement for bids, proposal documents, schedule of prices, State and Federal requirements, wage rates, technical specifications, and special provisions.

Task 3.2 – Bidding Services – Engineer will take questions from contractors throughout the bidding process and if needed, will clarify questions with an addendum. This will also include an on-line virtual pre-bid meeting.

Task 3.3 – Bid Opening – SEH will coordinate with the City of Duluth for advertisement and opening of the contractor bids virtually.

Task 3.4 – Bid Review and Recommendation – After bids are opened, the engineer will review for completed bids, develop a bid tab for bid comparison, and make a contractor recommendation to the owner for the award of the bid.

Work Element 4: FAA Construction Plans and Specifications Full Review

Task 4.1 – Completion of Appendix 3, “Full Review Guide” – SEH will complete Appendix 3 “Construction Plans and Specifications “Full Review Guide” and submit the document with the 90% plans and specifications.

Task 4.2 – Review and Address FAA Comments – SEH will review and address all FAA comments on the plans and specifications and develop documentation to track any comments received and how those comments were addressed.

Task 4.3 – Reimbursable Agreement Coordination – SEH will coordinate with the FAA on the design review reimbursable agreement and project impacts relating to the nearby FAA-owned equipment. This includes three (3) project meetings with the FAA for discussion. The 1-hour meetings include 1 hour of preparation time.

Work Element 5: Quality Control Reviews

Quality Control includes the following tasks:

Task 5.1 – Quantity Calculations and Final Engineer’s Estimate –This task includes finalization of quantities associated with the project for use in the bid package. A final engineer’s estimate using these quantities is also included.

Task 5.2 – Quality Control Reviews –This task includes quality control reviews of the project plans and specifications, quantity determinations, and construction cost estimates. An on-site plan review with DAA staff is included (included in Task 6.3).

Work Element 6: Project Management and Meetings – This task includes the overall project management of Work Elements 1 through 5 noted above. Project Management includes administration of the project, design team meetings, agency and Sponsor meetings, airfield user and tenant outreach meetings, and related project administration tasks.

Task 6.1 – Engineering Design Team Meetings –This task includes internal engineering design project meetings to discuss project elements, schedule, issues, and provide coordination between team members. It is anticipated that there will be 8 design meetings.

Task 6.2 – DAA Staff Meetings –This task includes attendance at weekly DAA Staff meetings to provide project updates to the DAA Staff members. Ten, one-hour meetings are included requiring Principal or PM, in attendance. Travel is covered under separate scopes of work, and includes only meeting time,

Task 6.3 – Agency Meetings –This task includes monthly meetings by the design team, MnDOT Office of Aeronautics, FAA ADO, DAA staff, and other individuals and agencies as needed, to discuss the project design development, schedule, and any other related items. It is anticipated there will be two agency meetings

Task 6.4 – Airport Authority Meetings –This task includes attendance at monthly DAA Board meetings to provide project updates to the DAA Board members. Four, one-hour meetings are included requiring Principal and PM attendance. Travel is covered under separate scopes of work, and includes only meeting time.

Task 6.5 – DLH Tenant Meetings and Stakeholder Coordination – This task includes attending monthly DLH Tenant meetings with airlines, airfield businesses, airfield tenants, terminal tenants, and other critical stakeholders to provide updates on the status of the project and address any issues or concerns. This task also includes coordination with local FAA tech ops regarding the project schedule, any impacts to FAA equipment, and other coordination items.

Task 6.6 – Subconsultant Coordination –This task includes subcontractor coordination and administration, including contract and fee development, escorting of field work, deliverable review, and final payment and closeout.

Task 6.7 – Overall Project Management –This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, progress reports, budget updates and monthly invoices and contract negotiation.

Subconsultants performing work under this proposal include the following:

1. Burns and McDonnell. Electrical design and coordination associated with the project will be performed by Burns and McDonnell of Bloomington, Minnesota.

Duluth International Airport

Runway 3-21 Lighting and Signage Replacement – Electrical Design Services

Scope of Work

Overall Project Scope. The ultimate project scope of work will involve the production of the documents for the full design services for the Runway 3-21 lighting and signage replacement project. The following exhibit outlines the overall scope of the project.

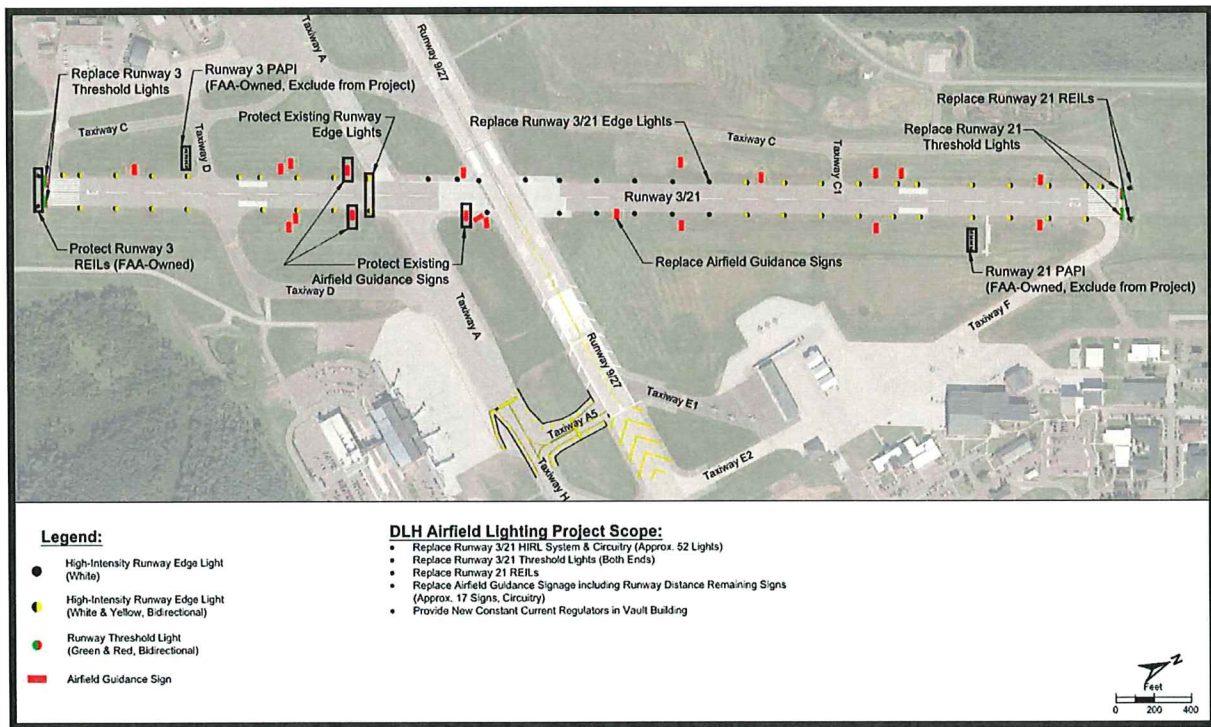


EXHIBIT 1: PROJECT SCOPE OF WORK

Electrical Design Runway 3-21.

1. The Consultant will review all existing airport documents. Plans, as-builts, etc.
2. The Consultant will produce the electrical components for the 60%, and 90% Engineer's Design Report (EDR).
 - EDR to include discussion and Recommendations for edge light determination of Medium Intensity Runway Lights versus High Intensity Runway Lights.

3. The Consultant will produce 60%, 90%, and IFB Plan Drawings (IFB). The drawings include but are not limited to the following:
 - Electrical Legend, Notes, Light Fixture Schedule, and Abbreviations.
 - Summary of Quantities
 - Electrical Overall Plan
 - Electrical Signage Plan
 - Electrical Site Plan 1 of 6
 - Electrical Site Plan 2 of 6
 - Electrical Site Plan 3 of 6
 - Electrical Site Plan 4 of 6
 - Electrical Site Plan 5 of 6
 - Electrical Site Plan 6 of 6
 - Electrical Fixture Locations
 - CCR and Vault Plan 1 of 3
 - CCR and Vault Plan 2 of 3
 - CCR and Vault Plan 3 of 3
 - Electrical Details 1 of 5
 - Electrical Details 2 of 5
 - Electrical Details 3 of 5
 - Electrical Details 4 of 5
 - Electrical Details 5 of 5
4. The Consultant will produce 60%, 90%, and Issued for Bid Specifications. The specifications include but are not limited to the following:
 - L-108 Underground Power Cable for Airports
 - L-109 Airport Transformer Vault and Vault Equipment
 - L-110 Airport Underground Electrical Duct Banks and Conduits
 - L-115 Electrical Manholes and Junction Structures
 - L-125 Installation of Airport Lighting Systems
5. The Consultant will produce 60%, 90%, and Issued for Bid Cost estimates.
6. The Consultant will respond to SEH, FAA, and DAA comments from the 60%, and 90% submittal reviews.
7. The Consultant will attend an in-person site visit to DLH for inspection of electrical improvements.
 - Field verify survey and as-built information.
 - Review sign locations.
 - Review existing REILs and PAPIs that will remain.
 - Review threshold lights.
8. The Consultant will attend 8 virtual project meetings to discuss design coordination and deliverables.
9. The Consultant will attend 2 virtual project review meetings with the DAA.
10. Schedule: The timing of these services will be coordinated with SEH with an anticipated bidding date in February 2022.

11. Project management is included in this proposal.

Cost of Services:

1. The attached fee estimate details the hours and fee proposal for the various elements of work to be undertaken as part of the project. Burns & McDonnell will bill SEH monthly for services provided.
2. Project Management and Administration services are provided in this proposal.
3. No construction Administration or bidding services are included in this proposal.

ATTACHMENT B
ESTIMATED FEES AND EXPENSES
RUNWAY 3/21, LIGHTING & SIGNAGE REPLACEMENT
PRELIMINARY & FINAL DESIGN, PLANS, SPECIFICATIONS, AND BIDDING
DULUTH INTERNATIONAL AIRPORT (DLH)
DULUTH AIRPORT AUTHORITY (DAA)
DULUTH, MN

Task No.	Task Description	Principal	Project Manager	Professional Engineer	Project Engineer	Sr. Aviation Planner	Senior Technician	Survey Crew Chief	Admin Technician
Project Formulation									
1.1	Scoping, Review, and Coordination	2	16	2		8			
1.2	FAA Grant Initiation Documentation		2	4	8				
Runway 3/21 Lighting and Signage Replacement Design									
2.1	Site Survey		2		12			12	
2.2	Airspace Determination/ 7460 Submittal				4		8		
2.3	Environmental Coordination and Permits								
	Environmental Determination/CATEX		2	2	4	8			
	MPCA NPDES Permit				2		4		
	SWPPP			4	12		4		
2.4	Construction Safety and Phasing Plan Development		2	2	2				
2.5	Coordination with DLH Taxiway A Phase 1 Project		4	8	8				
2.6	Construction Plan Sheets								
	Title Sheet						4		
	Construction Phasing Plans		4	4	8		16		
	Construction Safety Plan				4		8		
	Statement of Estimated Quantities				4		8		
	Details and Construction Notes				4		8		
	Removal Plan				4				
	Grading Plan				8		16		
	Erosion Control Plan and Details				4		8		
	Electrical Layout and Details			4	2				
	Signage Layout and Details			4	8				
2.7	Engineer's Design Report		8	10	16				
2.8	Quality Control Site Visit		8	8	8				
Construction Bidding Documents for Runway 3/21 Lighting and Signage Replacement									
3.1	Construction Bidding Documents		2	8	20				8
3.2	Bidding Services				16				
3.3	Bid Opening		4						
3.4	Bid Review and Recommendation		4		8				
FAA Construction Plans and Specifications Full Review									
4.1	Completion of Appendix 3, "Full Review Guide"		2		4				
4.2	Review and Address FAA Comments		2	4	8				
4.3	Reimbursable Agreement Coordination		8	16			8		
Quality Control Reviews									
5.1	Quantity Calculations and Final Engineer's Estimate		2	2	2				
5.2	Quality Control Reviews		8	8	8		8		
Project Management and Meetings									
6.1	Engineering Design Team Meetings		4	4	4				
6.2	DAA Staff Meetings		8						
6.3	Agency Meetings		2	2	2				
6.4	Duluth Airport Authority (DAA) Board Meetings	4	4						
6.5	DLH Tenant Meetings & Stakeholder Coordination		4	8		4			
6.6	Subconsultant Coordination / Expense		4		6				
6.7	Overall Project Management		16						
	Total hours per labor category	6	124	100	192	20	100	12	8

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Principal	6	\$81.08	\$486.48
Project Manager	124	\$76.60	\$9,498.40
Professional Engineer	100	\$49.29	\$4,929.00
Project Engineer	192	\$33.69	\$6,468.48
Sr. Aviation Planner	20	\$76.52	\$1,530.40
Senior Technician	100	\$42.39	\$4,239.00
Survey Crew Chief	12	\$34.00	\$408.00
Admin Technician	8	\$31.06	\$248.48
Total Direct Labor Costs:	562		\$27,808.24
Direct Salary Costs plus Overhead (66.03%)			\$46,170.02
Total Labor Costs			\$73,978.26
Fixed Fee on Labor Costs (15%)			\$11,096.74

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Electrical Engineering and Design Subconsultant (Bums & McDonnell)	1	\$77,414.06	\$77,414.06
Computer Charges	562	\$5.81	\$3,265.22
Survey Equipment - Total Station	18	\$30.00	\$540.00
Survey Equipment - GPS	18	\$30.00	\$540.00
Employee Mileage	1500	\$0.56	\$840.00
Employee Auto Allowance	5	\$16.00	\$80.00
Employee Per Diem	5	\$175.00	\$875.00
Reproductions / Miscellaneous	1	\$500.00	\$500.00
Total Expenses			\$84,054.28

SUMMARY:

Total Labor Costs + Expenses + Fixed Fee	\$169,129.28
Estimated Total	\$169,100.00

SEH
2021 Runway 3-21

BURNS & MCDONELL ENGINEERING FEE PROPOSAL
OCTOBER 2021

		Project Manager	Civil Engineer	Electrical Engineer	CADD Staff	Admin	Task Hours	Task Cost
Task No.	Task Description							
I	Design Tasks							
1	Attend Desing Production Meetings	1	4	4			9	\$ 1,394.91
2	Attend Design Review Meetings	1	2	2			5	\$ 794.07
3	Produce Engineers Design Report	1	8	24	4	2	39	\$ 5,439.36
4	Produce Drawings	1	20	172	196	2	391	\$ 46,275.16
5	Produce Specifications	1	8	20		2	31	\$ 4,497.68
6	Produce Cost Estimates	1	20	30		2	53	\$ 7,818.08
7	Project Management	36	8		8	16	68	\$ 10,511.80
Total		42	70	252	208	24	596	\$ 76,731.06
II	Other Direct Costs							
1	Reproduction Costs							\$ 400.00
2	Travel							\$ 283.00
	Grand Total							\$ 77,414.06

VII D

Resolution to Approve Standard Internet Access Agreement and Authorize Executive Director to Execute All Future Agreements.

Agreement Overview:

This agreement will act as our Standard Internet Access Agreement with all our airport tenants who wish to purchase fiber internet through the DAA.

Background:

In the Fall of 2021, the Duluth Airport Authority contracted with Paul Bunyan to bring Fiber Internet into the Airport Terminal and Airport Snow Removal Equipment (SRE) Building. The main intent was to increase speed and reliability of the airport's internet offering. One of the ancillary benefits is that we would be able to re-sell this internet to our tenants to not only recapture initial install costs but also bring the same benefits to our tenants at a fraction of the price.

This agreement will be modified to fit the customer's needs in regard to speed, price, and term length. The DAA has had expressed interest from multiple tenants that are on airport property.

Internet Access Agreement



This Internet Access Agreement ("Agreement") is made by and between the Duluth Airport Authority ("DAA") and _____, ("Customer") as of the ____ day of _____, 2021, and describes the Services, the term of the Agreement, the prices for the Services, service level commitments, and any other Customer or Services specific terms and conditions. For purposes of this Agreement, the "Effective Date" is defined as the date upon which "DAA" first delivers Service.

1. Services Description. Internet Access provided via Fiber Connectivity to Airport Terminal located at 4701 Grinden Drive, Duluth, MN 55811. Internet Access of _____ with a single IP address. Additional IP addresses can be purchased at a rate of \$24.95 per additional IP address per month.

Charges for other services are not included. This includes, but is not limited to cross-connection to other customers or carriers, colocation charges, etc. Access to the global internet at Quality of Service ("QoS") support are not included. Service is provided not for resale for the use of the Customer and no other parties.

Service will be provided in the DAA Airport Terminal building Demarc. Wiring between Customer provided equipment and the building Demarc is available outside the scope of this Agreement.

Customer is solely responsible for protection of Customer owned devices by providing a firewall with suitable threat management, filtering tools and manufacturer support. In no event shall DAA, underlying carrier, or DAA's IT provider be responsible for security or protection of Customer owned equipment.

2. Services Term. The Services Term shall commence upon the Effective Date and shall continue for a term of _____. Once the Effective Date has passed, Customer must pay for the Services through the end of the Services Term regardless of whether Customer is actually using the Services throughout the duration of such Term.

Following the expiration of the Services Term and failure of the parties to enter into any agreement for extension thereof, this Agreement and Customer's license to use the Services, shall continue in effect on a month-to month basis upon the same terms and conditions specified herein, unless terminated by either Customer or "DAA" upon thirty (30) days' prior written notice to the other party. Notwithstanding the foregoing, Customer's license to use Services shall, at all times, be contingent upon the election by "DAA" to continue to own or lease or operate the Airport Terminal, and such election to be at the sole discretion of "DAA".

3. Termination:

- a) Termination for Cause. Either Party may terminate this Agreement for cause, provided written notice specifying the cause for termination and requesting correction within thirty (30) days is given to the other Party and such cause is not corrected within such thirty (30) day period. Cause is any material breach of any term of this Agreement, provided that in no event shall DAA be liable for the acts, omission or delays caused by third party vendors to DAA (specifically including incumbent carriers) as long as DAA has made commercially reasonable efforts to obtain necessary services on a timely basis. Cause shall include but not be limited to failure of Customer to pay charges when due, improper use of Services resulting in degradation or blockage of the network, fraudulent use of the Services provided, or refusal of the Customer to abide by the term of the Agreement. Unless otherwise stated in this Agreement, if DAA terminates for cause, Customer shall pay as liquidated damages and not as a penalty, the following:
- if such termination is prior to installation of Services, damages shall be those actual and reasonable expenses incurred by DAA through the date of termination;
 - If after activation of Services, Customer shall pay in addition to any charges for Services used, damages equaling 80% of the last three months average billing multiplied by the number of months remaining under the term of the Agreement, actual expenses incurred by DAA to initiate or terminate the Services, any installation charges waived, and any discounts or credits granted.
- If Customer terminates this Agreement for cause, Customer's sole remedy, in addition to any service credits that Customer may be entitled to, shall be to terminate this Agreement. All reasonable costs and expenses, including but not limited to attorneys fees, court costs and service charges, incurred by the Party terminating for cause in accordance with this section, will be an expense of and charged to the

Internet Access Agreement



defaulting Party. Remedies under this Agreement are exclusive and limited to those expressly stated in this Agreement.

- b) **Termination without Cause.** Customer may also terminate the Agreement without cause, upon thirty (30) days written notice; however, the Customer shall pay in addition to any charges for Services used, damages equaling 80% of the last three months average billing multiplied by the number of months remaining under the term of the Agreement, actual expenses incurred by DAA to initiate or terminate the Services, any installation charges waived, and any discounts or credits granted.

4. **Services Pricing.** For the Services rendered pursuant to this Agreement, Customer shall pay "DAA" [REDACTED] per month due on the 1st of each month for service that month commencing on the Effective Date of the Services Term and on the first day of each calendar month thereafter during the Services Term. Recurring charges for partial months shall be prorated.

(a) **Payment Terms.** If payment for Services under this agreement is not received within fifteen (15) calendar days of the due date DAA may suspend services provided under this agreement and a \$50 reconnection fee shall be charged upon restoration of services.

(b) **Installation Fees.** The Installation Fees are those one-time charges applicable to the initial installation of Services (including, without limitation, installation of fiber, installation of equipment, configuration of equipment and any third-party service fees).

(c) **Build-Out Fees.** Build-Out Fees are those one-time charges applicable to individual Services that are outside the standard Service offering. Build-Out Fees are payable in full by Customer to "DAA", and no work will be performed by "DAA", its authorized representatives or Customer to build out the Services prior to the completion and execution of all necessary paperwork and receipt by "DAA" of all applicable Build-Out Fees. Build-Out Fees are not refundable in the event Customer changes or cancels the Services.

5. **Content of User Communications.** User communications, including any information stored on any devices provided by DAA or its underlying carrier (Paul Bunyan Telephone Cooperative, "PBC"), are the sole responsibility of Customer. Customer agrees to use Service in compliance with all applicable federal, state, and local laws, regulations, court orders and governmental agency orders. Any change in rates, charges or regulations mandated by the legally constituted authorities will act as a modification of any contract to that extent. Customer agrees to use the Service in compliance with any acceptable use policies, rules, or regulations that DAA or PBC may establish to protect the security, integrity, or reliability of its systems.

6. **Service Level Commitments.** Customer acknowledges that the Services are provided on an "AS IS" basis without warranties of any kind, either expressed or implied, including but not limited to warranties of title or implied warranties of merchantability or fitness for a particular purpose. Under no circumstances, including negligence by DAA or any other person or entity involved in providing the Services, shall DAA or its employees, agents, affiliates or subcontractors, be liable to Customer, to any customer of Customer or to any user of the Services, or to any other person for any direct, indirect, incidental, special or consequential damages, including but not limited to loss of profits, that may result from the inability to use, omission, deletion, interruption or any other failure of performances or malfunction of the Services from any cause whatsoever or from any breach of this Agreement. Customer's sole remedy shall be a service credit for the period of time, if any, that the Services were not in operation as required hereunder.

(a) **Indemnity.** Customer agrees to indemnify and hold harmless DAA and its employees, agents, affiliates and subcontractors of and from any and all obligations, liabilities, claims, damages and costs, including without limitation reasonable attorneys' fees, arising out of or relating to the content of user communications.

(b) **Force Majeure.** Notwithstanding anything herein to the contrary, any Service level commitments described in this section shall not apply in any situations where delays or outages are caused or exacerbated by conditions beyond the reasonable control of "DAA", including, without limitation, power surges or outages; severe weather and storms; natural disasters; strikes or other labor unrest; power failures; nuclear or other civil or military emergencies; acts of legislative, judicial, executive or administrative authorities; Customer or third-party acts or omissions; denied access; failure of Customer's Equipment, facilities or applications; or force majeure. In addition,

Internet Access Agreement

all maintenance related outages or delays performed during the Maintenance Window (as defined herein) and any other scheduled maintenance performed outside the Maintenance Window will be excluded from any measurement period hereunder. Scheduled maintenance is defined as any maintenance activity performed outside the Maintenance Window of which Customer has received notice not less than twenty-four (24) hours in advance. Customer's account must be current and have no outstanding balance due in order for Customer to be eligible for any credits. Customer's total credit in any contract year shall not exceed 30 days fees for the covered service type and credits may not be carried over to subsequent years. Customer must request outage credits in writing within 30 calendar days of the outage. Under no circumstances will any tests (for example PING tests) performed by Customer or any other party be recognized by DAA as a valid measurable criterion for outage determination for the purposes of establishing a service credit hereunder.

(c) **Internet Service.** Internet Access will be available not less than 99.99% of the time within any given calendar month. The scope of this SLC does not include, under any circumstances, any server on the Internet, Customer premise equipment ("CPE") or access service not provided by DAA. DAA will use commercially reasonable and good faith efforts to ensure that eligible outages isolated to DAA's Core Network affecting a Customer's specific resource will be resolved as soon as reasonably possible. Failure to meet this objective may make Customer eligible for a service credit to be applied to Customer's next monthly invoice for Services.

Outage credits will be Customer's sole remedy with respect to such an event. No outage credit will be issued and DAA will not be liable for any service outage caused by any planned maintenance or force majeure event described in section b above. No outage credit will be issued and DAA shall not be liable for any service interruption caused by Customer's equipment or failure of Customer to comply with any requirement of this Agreement. Outage credits are only issued for outages of the fiber provided to the DAA terminal, no outage credits are available for a failure of Internet access provided by PBC. Customer must request outage credit in writing within 30 days of an outage. Outage credits shall not exceed 100% of the monthly Services Pricing in any given month.

Access Type	Length of Outage	Amount of Credit
Internet Access	>1 hour and <= 4 hours	10%
Internet Access	>4 hours and <= 8 hours	25%
Internet Access	>8 hours and <= 24 hours	50%
Internet Access	>24 hours	100%

7. **Technical Support.** Free technical support is provided by the DAA's underlying carrier, Paul Bunyan Telephone Cooperative, "PBC". DAA's IT provider will provide maintenance and support of DAA owned equipment. Maintenance and support of Customer owned equipment is the sole responsibility of Customer.

8. **Other Services/Customer Specific Terms and Conditions.**

(a) **Default.** In addition to the remedies available to "DAA" under this Agreement and all other remedies available at law or in equity, if Customer fails to perform, or otherwise breaches, its obligations hereunder (including, without limitation, failing to pay for the Services) and Customer fails to remedy such breach within five (5) days after receipt of written notice thereof, "DAA" shall have the right, immediately and without further notice, to discontinue performance hereunder and terminate this Agreement. Any failure of "DAA" to exercise its rights shall not constitute, or be construed by Customer as being, a waiver of any past, present or future right or remedy.

If Customer commits an act of default with respect to the purchase of telecommunications services from "DAA", which would entitle "DAA" to terminate its services to Customer, then "DAA" shall be entitled to terminate this Agreement.

(b) **No Conflicts.** In the event of a conflict between the terms and conditions contained in this Agreement or any schedules thereto and those contained in any other Agreement, the terms and conditions of this Agreement shall control.

Internet Access Agreement



Notwithstanding the foregoing, all existing terms and conditions and any schedules thereto, not expressly amended by the provisions of this Agreement shall remain in full force and effect and apply to the parties hereto.

- (c) **No Assignment.** This contract may not be assigned to any third party without the written consent of DAA.
- (d) **Services Delivery.** Title to, and ownership of, all equipment and facilities DAA uses in supplying Services is and remains with DAA. DAA will supply Services described in this Agreement in any manner and by means of any equipment, software, and facilities DAA chooses. The method of providing of Services is a matter within DAA's sole discretion.
- (e) **Miscellaneous.** This Agreement shall be governed by the laws of the state of Minnesota. In the event that a court, government agency, or regulatory agency with proper jurisdiction determines that this Agreement or a provision of this Agreement is unlawful, this Agreement, or that provision of the Agreement to the extent it is unlawful, shall terminate. If a provision of this Agreement is terminated but the parties can legally, commercially and practicably continue without the terminated provision, the remainder of the Agreement shall continue in effect.

IN WITNESS WHEREOF, the Parties have signed this Addendum in duplicate on the Effective Date.

Duluth Airport Authority

Customer

By _____

By _____

Name _____

Name _____

Title _____

Title _____

By _____

Name _____

Title _____]
|

VII E

RESOLUTION TO APPROVE THE 2022 RATES AND CHARGES ADDENDUM FOR DYT.

Summary of changes:

- Fuel Discounts:
 - Provided these for tenants with lease agreements/operator agreements only – not for the general public.
 - Removed the pre-paid option, as this essentially leaves the DAA acting as a bank causing some additional accounting measures and adjustments.
- Tie Downs:
 - Tried to remove some of the administrative burden to Sky Harbor Manager
 - A payment option on an ipad will be set up
 - Removed one tier of pricing
 - At each tier you get a day/week/month discount once you hit the top end of that tier for duration of stay
- Hangar 1 Aircraft Storage Fee:
 - Added a price instead of referencing the agreement for pricing.
Agreements will be updated to reference approved rates similar to DLH.
- Updated contact information

Prepared by: Joelle Bodin



2022 Rates & Charges
Effective January 1st, 2022 - To Be Adopted November 16th, 2021

Fuel Price	To be determined by airport manager based on per load cost and published on the airport website, airnav website, and 100LL.com		
Fuel Discounts	Sky Harbor Tenant with lease agreement	5%	
Discounts may not be stacked	Tenant with Commercial Operator Agreement (350 + gallons per month)	2%	Additional
Tenant Discount requires fuel card			
Tie-down	Per Night (1-6 nights)	\$5.00	per night
	Per Week (1-3 weeks)	\$30.00	per week
	Per Month	\$90.00	per month
	For a six month season	\$450.00	per six month season
	If tie downs fees are not paid, no longer allowed to park at Sky Harbor.		
Hangar 1 Aircraft Storage Fee	Per hangar space	\$275.00	per month
Float Storage	Contact Jonathan Aero for float storage pricing		
Overnight Vehicle Parking	See airport manager for parking costs and details		
Space Limited			
Land Lease	Price per agreement with Airport		

Additional Information

Payment Instructions	- Payments can be made online at: https://duluthairport.com/online-payment/ - Make checks payable to Duluth Airport Authority - Place payment in bin on airport manager's office door (envelopes provided in bin) - Payments may also be sent to: 4701 Grinden Drive, Duluth, MN 55811		
Contacts for Questions	Airport Manager - Ken Timm	218-733-0078	ktimm@duluthairport.com
	Maintenance Parking/Float Storage - Jonathan Aero	218-269-2433	jonathanaero4@gmail.com

VII F

Rev. 1/2016

RESOLUTION

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION AIRPORT MAINTENANCE AND OPERATION GRANT CONTRACT

It is resolved by the **Duluth Airport Authority** as follows:

1. That the state of Minnesota Contract Number **1047446**,

"Airport Maintenance and Operation Grant Contract," at the

Duluth International Airport is accepted.

2. That the _____ and _____ are
(Mayor, Chairperson, President, etc.) (Clerk, Auditor, Secretary, etc.)

authorized to execute this Contract and any amendments on behalf of the

Duluth Airport Authority.

CERTIFICATION

STATE OF MINNESOTA

COUNTY OF _____

I certify that the above Resolution is a true and correct copy of the Resolution adopted by the

(Name of the Recipient)

at an authorized meeting held on the _____ day of _____, 20____

as shown by the minutes of the meeting in my possession.

Signature: _____
(Clerk or Equivalent)

CORPORATE SEAL

/OR/

NOTARY PUBLIC

My Commission Expires: _____

**STATE OF MINNESOTA
AIRPORT MAINTENANCE AND OPERATION GRANT CONTRACT**

State Project Number (S.P.): A6901-MO22

State Project Number (S.P.): A6901-MO23

This contract is between the State of Minnesota, acting through its Commissioner of Transportation (“State”) and Duluth Airport Authority acting through its Airport Authority (“Recipient”).

RECITALS

1. Minnesota Statutes §§360.015 and 360.305 authorize State to provide financial assistance to airports for maintenance and operation activities.
2. Recipient owns, operates, or controls an airport (“Airport”) in the state system, and Recipient desires financial assistance from the State for maintenance and operation activities for State Fiscal Year 2022 and State Fiscal Year 2023.
3. Recipient represents that it is duly qualified and agrees to perform all services described in this contract to the satisfaction of the State.

CONTRACT TERMS

1. Term of Contract and Survival of Terms

- 1.1. **Effective Date:** This contract will be effective on July 1, 2021, or the date State obtains all required signatures under Minnesota Statutes §16B.98, subdivision 5, whichever is later. As required by Minnesota Statutes §16B.98 Subd. 7, no payments will be made to Recipient until this contract is fully executed.
- 1.2. **Expiration Date:** This contract will expire on June 30, 2023.
- 1.3. **Survival of Terms:** All clauses which impose obligations continuing in their nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this contract, including, but not limited to, the following clauses: 9. Indemnification; 10. State Audits; 11. Government Data Practices; 13. Governing Law, Jurisdiction and Venue; and 14. Data Disclosure.

2. Recipient’s Duties

- 2.1. Recipient will operate and maintain the Airport in a safe, serviceable manner for aeronautical purposes only for the use and benefit of the public.
- 2.2. The Recipient will keep the runway and the area around the lights mowed at the Airport. The grass must be mowed at least 7 feet beyond the lights, and the grass must not exceed 6 inches in height on the landing area. The areas around any navigational aids will be mowed and plowed to keep the area clear for access by a vehicle.
- 2.3. If the Airport remains operational during the winter months, the Recipient will keep at least one runway, associated taxiway, and apron area cleared of snow and ice to the same priority as arterial roads. Snow banks must be limited in height so that aircraft wings, engines, and propellers will clear them. Landing strip markers and/or lights must remain visible.

- 2.4. If the State contracts for the periodic paint striping of the Airport's runways and taxiways during the term of this Contract, the Recipient will cooperate with the marking operation. The Recipient must coordinate seal coat pavement maintenance projects with the State to maximize the pavement marking life.
- 2.5. The Recipient will allow a representative of the State's Office of Aeronautics access to any area of the Airport necessary for the purpose of periodic inspections.
- 2.6. The Recipient will promptly pay all utility bills, including those required for navigational aids.

3. Recipient's Assurances

- 3.1. In accordance with Minnesota Statutes § 360.305, subdivision 4, Recipient assures the State that Recipient will operate and maintain the Airport in a safe, serviceable manner for public aeronautical purposes only for a period of one year from the date the Recipient receives final reimbursement under this contract.
- 3.2. Recipient represents and warrants that Recipient has established a zoning authority for the Airport, and such authority has completed, or is in the process of and will complete, with due diligence, an airport zoning ordinance in accordance with Minnesota Statutes §§ 360.061 to 360.074.
- 3.3. Recipient will comply with all required grants management policies and procedures set forth through Minnesota Statutes §16B.97, Subd. 4 (a) (1).

4. Third-Party Contracting

- 4.1. Recipient will comply with all applicable local, state, or federal laws, regulations, policies and procedures in the procurement of goods and services funded in whole or in part under this Contract.

5. Consideration and Payment

- 5.1. **Consideration.** State will pay for all eligible telecommunication, maintenance, and operation costs incurred by Recipient under this Contract as follows:
 - 5.1.1. **Basis.** Recipient will be reimbursed for 100% of telecommunication costs associated with the operation of state-owned navigational aids. Recipient will be paid for 75% of all other eligible maintenance and operation costs not reimbursed by any other source. Eligible maintenance and operations costs will be determined at the sole discretion of State's Authorized Representative.
 - 5.1.2. **Telecommunication Amount.** State has currently obligated \$0.00 in each State fiscal year to reimburse eligible telecommunication costs at 100%.
 - 5.1.3. **Maintenance and Operation Amount.** State has currently obligated \$201,621.00 in each State fiscal year to reimburse other eligible costs at 75%.
 - 5.1.4. **Total Obligation.** The total obligation of State for all compensation and reimbursements to Recipient under this contract will not exceed \$403,242.00 (State fiscal years 2022 and 2023).
- 5.2. **Payment.**
 - 5.2.1. **Invoices.** The Recipient must submit a reimbursement request of its eligible costs to the Director of the Office of Aeronautics on a quarterly basis or as directed by State's Authorized Representative. The State's Office of Aeronautics will supply the reimbursement request forms which Recipient must submit. Reimbursement requests must be submitted according to the following schedule:
 - On or after October 1, **and no later than November 15**, for the period July 1 through September 30.
 - On or after January 1, **and no later than February 15**, for the period October 1 through December 31.
 - On or after April 1, **and no later than May 15**, for the period January 1 through March 31.
 - On or after July 1, **and no later than August 15**, for the period April 1 through June 30.

The State may reject costs that the State determines are not eligible maintenance and operations expenses.
 - 5.2.2. **All Invoices Subject to Audit.** All invoices are subject to audit, at State's discretion.

- 5.2.3. **State's Payment Requirements.** State will promptly pay all valid obligations under this contract as required by Minnesota Statutes §16A.124. State will make undisputed payments no later than 30 days after receiving Recipient's invoices and progress reports for services performed. If an invoice is incorrect, defective or otherwise improper, State will notify Recipient within ten days of discovering the error. After State receives the corrected invoice, State will pay Recipient within 30 days of receipt of such invoice.
- 5.2.4. **Grant Monitoring Visit and Financial Reconciliation.** If State's total obligation is greater than \$50,000 in section 5.1.4, above, during the period of performance the State will make at least one monitoring visit and conduct annual financial reconciliations of Recipient's expenditures. The State's Authorized Representative will notify Recipient's Authorized Representative where and when any monitoring visit and financial reconciliation will take place, which State employees and/or contractors will participate, and which Recipient staff members should be present. Recipient will be provided notice prior to any monitoring visit or financial reconciliation. Following a monitoring visit or financial reconciliation, Recipient will take timely and appropriate action on all deficiencies identified by State. At least one monitoring visit and one financial reconciliation must be completed prior to final payment being made to Recipient.
- 5.2.5. **Closeout.** The State will determine, at its sole discretion, whether a closeout audit is required prior to final payment approval. If a closeout audit is required, final payment will be held until the audit has been completed. Monitoring of any capital assets acquired with grant funds will continue following grant closeout.

6. Conditions of Payment

- 6.1. All services provided by Recipient under this contract must be performed to State's satisfaction, as determined at the sole discretion of State's Authorized Representative and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations, including business registration requirements of the Office of the Secretary of State. Recipient will not receive payment for work found by State to be unsatisfactory or performed in violation of federal, state or local law. In addition to the foregoing, Recipient will not receive payment for Airport's failure to pass periodic inspections by a representative of the State's Office of Aeronautics.

7. Authorized Representatives

- 7.1. **State's Authorized Representative.** State's Authorized Representative will be:

Name/Title: Jenny Bahneman, Grants Specialist Coordinator
 Address: Office of Aeronautics,
 395 John Ireland Boulevard, Mail Stop 410
 Saint Paul, Minnesota 55155
 E-Mail: jenny.bahneman@state.mn.us

State's Authorized Representative or his /her successor, will monitor Recipient's performance and has the authority to accept or reject the services provided under this contract. If the Recipient's duties are performed in a satisfactory manner, the State's Authorized Representative will accept each reimbursement request submitted for payment.

- 7.2. **Recipient's Authorized Representative.** Recipient's Authorized Representative will be:

Name/Title: Joelle Bodin, Finance Director
 Address: Duluth International Airport, 4701 Grinden Drive, Duluth, MN 55811
 Telephone:
 E-Mail: jbodin@duluthairport.com

If Recipient's Authorized Representative changes at any time during this contract, Recipient must immediately notify State.

8. Assignment, Amendments, Waiver and Contract Complete

- 8.1. **Assignment.** Recipient may neither assign nor transfer any rights or obligations under this contract without the prior consent of State and a fully executed Assignment Contract, executed and approved by the same parties who executed and approved this contract, or their successors in office.
- 8.2. **Amendments.** An amendment to this contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original contract, or their successors in office.
- 8.3. **Waiver.** If State fails to enforce any provision of this contract that failure does not waive the provision or State's right to subsequently enforce it.
- 8.4. **Contract Complete.** This contract contains all prior negotiations and agreements between State and Recipient. No other prior understanding regarding this contract, whether written or oral, may be used to bind either party.
- 8.5. **Electronic Records and Signatures.** The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.

9. Indemnification

- 9.1. In the performance of this contract by Recipient, or Recipient's agents or employees, and to the extent permitted by law, Recipient must indemnify, save and hold State, its agents, and employees harmless from any and all claims or causes of action, including reasonable attorney's fees incurred by State, to the extent caused by Recipient's: 1) intentional, willful or negligent acts or omissions; 2) breach of contract or warranty; or 3) breach of the applicable standard of care. The indemnification obligations of this section do not apply if the claim or cause of action is the result of State's sole negligence. This clause will not be construed to bar any legal remedies Recipient may have for State's failure to fulfill its obligation pursuant to this contract.

10. State Audits

- 10.1. Under Minnesota Statutes § 16B.98, Subd.8, the Recipient's books, records, documents, and accounting procedures and practices of Recipient, or other party relevant to this grant contract or transaction, are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this contract or receipt and approval of all final reports, whichever is later. Recipient will take timely and appropriate action on all deficiencies identified by an audit.

11. Government Data Practices

- 11.1. Recipient and State must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by State under this contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by Recipient under this contract. The civil remedies of Minnesota Statutes §13.08 apply to the release of the data referred to in this clause by either Recipient or State. If Recipient receives a request to release the data referred to in this Clause, Recipient must immediately notify State and consult with State as to how Recipient should respond to the request. Recipient's response to the request must comply with applicable law.

12. Workers' Compensation

- 12.1. Recipient certifies that it is in compliance with Minnesota Statutes §176.181, subdivision 2, pertaining to workers' compensation insurance coverage. Recipient's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

13. Governing Law, Jurisdiction and Venue

- 13.1. Minnesota law, without regard to its choice-of-law provisions, governs this contract. Venue for all legal proceedings arising out of this contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14. Data Disclosure

- 14.1. Under Minnesota Statutes §270C.65, and other applicable law, Recipient consents to disclosure of its social security number, federal employer tax identification number and Minnesota tax identification number, already provided to State, to federal and state agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring Recipient to file state tax returns and pay delinquent state tax liabilities, if any, or pay other state liabilities.

15. Termination and Suspension

- 15.1. **Termination by the State.** The State may terminate this contract with or without cause, upon 30 days written notice to the Recipient. Upon termination, the Recipient will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
- 15.2. **Termination for Cause.** The State may immediately terminate this grant contract if the State finds that there has been a failure to comply with the provisions of this contract, that reasonable progress has not been made, that fraudulent or wasteful activity has occurred, that Recipient has been convicted of a criminal offense relating to a state grant agreement, or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.
- 15.3. **Termination for Insufficient Funding.** The State may immediately terminate this contract if: It does not obtain funding from the Minnesota Legislature; or If funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Recipient. The State is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Recipient will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. The State will not be assessed any penalty if the contract is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State will provide the Recipient notice of the lack of funding within a reasonable time of the State's receiving that notice.
- 15.4. **Suspension.** The State may immediately suspend this contract in the event of a total or partial government shutdown due to the failure to have an approved budget by the legal deadline. Work performed by the Recipient during a period of suspension will be deemed unauthorized and undertaken at risk of non-payment.

16. Discrimination Prohibited by Minnesota Statutes §181.59

- 16.1. Recipient will comply with the provisions of Minnesota Statutes §181.59 which requires that every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Contractor agrees: 1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Contractor, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; 2) That no Contractor, material supplier, or vendor, will, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause 1 of this section, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color; 3) That a violation of this section is a misdemeanor; and 4) That this contract may be canceled or terminated by the state of Minnesota, or any county, city, town, township, school, school district or any other person authorized to grant contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

17. Limitation.

- 17.1. Under this contract, the State is only responsible for disbursing funds. Nothing in this contract will be construed to make the State a principal, co-principal, partner, or joint venturer with respect to the Project(s) covered herein. The State may provide technical advice and assistance as requested by the Recipient, however, the Recipient will remain responsible for providing direction to its contractors and consultants and for administering its contracts with such entities. The Recipient's consultants and contractors are not intended to be third party beneficiaries of this contract.

STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minnesota Statutes §16A.15 and §16C.05.*

Signed: _____

Date: _____

SWIFT Contract (SC) ID No. _____

Purchase Order (PO) ID No. _____

*PO staged and to be encumbered with future State fiscal year funds.

RECIPIENT

Recipient certifies that the appropriate person(s) have executed Contracts on behalf of Recipient as required by applicable articles, bylaws or resolutions.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

DEPARTMENT OF TRANSPORTATION

By: _____
(with delegated authority)

Title: _____

Date: _____

**MnDOT OFFICE OF FINANCIAL MANAGEMENT –
GRANT UNIT**

By: _____

Date: _____

MnDOT CONTRACT MANAGEMENT

By: _____

Date: _____

VII G

Rev. 1/2016

RESOLUTION

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION AIRPORT MAINTENANCE AND OPERATION GRANT CONTRACT

It is resolved by the Duluth Airport Authority as follows:

1. That the state of Minnesota Contract Number 1047447,
"Airport Maintenance and Operation Grant Contract," at the
Duluth Sky Harbor Airport is accepted.
2. That the _____ and _____ are
(Mayor, Chairperson, President, etc.) (Clerk, Auditor, Secretary, etc.)
authorized to execute this Contract and any amendments on behalf of the
Duluth Airport Authority.

CERTIFICATION

STATE OF MINNESOTA

COUNTY OF _____

I certify that the above Resolution is a true and correct copy of the Resolution adopted by the

(Name of the Recipient)

at an authorized meeting held on the _____ day of _____, 20____

as shown by the minutes of the meeting in my possession.

Signature: _____
(Clerk or Equivalent)

CORPORATE SEAL

/OR/

NOTARY PUBLIC

My Commission Expires: _____

STATE OF MINNESOTA**AIRPORT MAINTENANCE AND OPERATION GRANT CONTRACT**

State Project Number (S.P.): A6901A-MO22

State Project Number (S.P.): A6901A-MO23

This contract is between the State of Minnesota, acting through its Commissioner of Transportation (“State”) and Duluth Airport Authority acting through its Airport Authority (“Recipient”).

RECITALS

1. Minnesota Statutes §§360.015 and 360.305 authorize State to provide financial assistance to airports for maintenance and operation activities.
2. Recipient owns, operates, or controls an airport (“Airport”) in the state system, and Recipient desires financial assistance from the State for maintenance and operation activities for State Fiscal Year 2022 and State Fiscal Year 2023.
3. Recipient represents that it is duly qualified and agrees to perform all services described in this contract to the satisfaction of the State.

CONTRACT TERMS

1. Term of Contract and Survival of Terms

- 1.1. **Effective Date:** This contract will be effective on July 1, 2021, or the date State obtains all required signatures under Minnesota Statutes §16B.98, subdivision 5, whichever is later. As required by Minnesota Statutes §16B.98 Subd. 7, no payments will be made to Recipient until this contract is fully executed.
- 1.2. **Expiration Date:** This contract will expire on June 30, 2023.
- 1.3. **Survival of Terms:** All clauses which impose obligations continuing in their nature and which must survive in order to give effect to their meaning will survive the expiration or termination of this contract, including, but not limited to, the following clauses: 9. Indemnification; 10. State Audits; 11. Government Data Practices; 13. Governing Law, Jurisdiction and Venue; and 14. Data Disclosure.

2. Recipient’s Duties

- 2.1. Recipient will operate and maintain the Airport in a safe, serviceable manner for aeronautical purposes only for the use and benefit of the public.
- 2.2. The Recipient will keep the runway and the area around the lights mowed at the Airport. The grass must be mowed at least 7 feet beyond the lights, and the grass must not exceed 6 inches in height on the landing area. The areas around any navigational aids will be mowed and plowed to keep the area clear for access by a vehicle.
- 2.3. If the Airport remains operational during the winter months, the Recipient will keep at least one runway, associated taxiway, and apron area cleared of snow and ice to the same priority as arterial roads. Snow banks must be limited in height so that aircraft wings, engines, and propellers will clear them. Landing strip markers and/or lights must remain visible.

- 2.4. If the State contracts for the periodic paint striping of the Airport's runways and taxiways during the term of this Contract, the Recipient will cooperate with the marking operation. The Recipient must coordinate seal coat pavement maintenance projects with the State to maximize the pavement marking life.
- 2.5. The Recipient will allow a representative of the State's Office of Aeronautics access to any area of the Airport necessary for the purpose of periodic inspections.
- 2.6. The Recipient will promptly pay all utility bills, including those required for navigational aids.

3. Recipient's Assurances

- 3.1. In accordance with Minnesota Statutes § 360.305, subdivision 4, Recipient assures the State that Recipient will operate and maintain the Airport in a safe, serviceable manner for public aeronautical purposes only for a period of one year from the date the Recipient receives final reimbursement under this contract.
- 3.2. Recipient represents and warrants that Recipient has established a zoning authority for the Airport, and such authority has completed, or is in the process of and will complete, with due diligence, an airport zoning ordinance in accordance with Minnesota Statutes §§ 360.061 to 360.074.
- 3.3. Recipient will comply with all required grants management policies and procedures set forth through Minnesota Statutes §16B.97, Subd. 4 (a) (1).

4. Third-Party Contracting

- 4.1. Recipient will comply with all applicable local, state, or federal laws, regulations, policies and procedures in the procurement of goods and services funded in whole or in part under this Contract.

5. Consideration and Payment

- 5.1. **Consideration.** State will pay for all eligible telecommunication, maintenance, and operation costs incurred by Recipient under this Contract as follows:

- 5.1.1. **Basis.** Recipient will be reimbursed for 100% of telecommunication costs associated with the operation of state-owned navigational aids. Recipient will be paid for 75% of all other eligible maintenance and operation costs not reimbursed by any other source. Eligible maintenance and operations costs will be determined at the sole discretion of State's Authorized Representative.
- 5.1.2. **Telecommunication Amount.** State has currently obligated \$0.00 in each State fiscal year to reimburse eligible telecommunication costs at 100%.
- 5.1.3. **Maintenance and Operation Amount.** State has currently obligated \$20,920.00 in each State fiscal year to reimburse other eligible costs at 75%.
- 5.1.4. **Total Obligation.** The total obligation of State for all compensation and reimbursements to Recipient under this contract will not exceed \$41,840.00 (State fiscal years 2022 and 2023).

5.2. Payment.

- 5.2.1. **Invoices.** The Recipient must submit a reimbursement request of its eligible costs to the Director of the Office of Aeronautics on a quarterly basis or as directed by State's Authorized Representative. The State's Office of Aeronautics will supply the reimbursement request forms which Recipient must submit. Reimbursement requests must be submitted according to the following schedule:

- On or after October 1, **and no later than November 15**, for the period July 1 through September 30.
- On or after January 1, **and no later than February 15**, for the period October 1 through December 31.
- On or after April 1, **and no later than May 15**, for the period January 1 through March 31.
- On or after July 1, **and no later than August 15**, for the period April 1 through June 30.

The State may reject costs that the State determines are not eligible maintenance and operations expenses.

- 5.2.2. **All Invoices Subject to Audit.** All invoices are subject to audit, at State's discretion.

- 5.2.3. **State's Payment Requirements.** State will promptly pay all valid obligations under this contract as required by Minnesota Statutes §16A.124. State will make undisputed payments no later than 30 days after receiving Recipient's invoices and progress reports for services performed. If an invoice is incorrect, defective or otherwise improper, State will notify Recipient within ten days of discovering the error. After State receives the corrected invoice, State will pay Recipient within 30 days of receipt of such invoice.
- 5.2.4. **Grant Monitoring Visit and Financial Reconciliation.** If State's total obligation is greater than \$50,000 in section 5.1.4, above, during the period of performance the State will make at least one monitoring visit and conduct annual financial reconciliations of Recipient's expenditures. The State's Authorized Representative will notify Recipient's Authorized Representative where and when any monitoring visit and financial reconciliation will take place, which State employees and/or contractors will participate, and which Recipient staff members should be present. Recipient will be provided notice prior to any monitoring visit or financial reconciliation. Following a monitoring visit or financial reconciliation, Recipient will take timely and appropriate action on all deficiencies identified by State. At least one monitoring visit and one financial reconciliation must be completed prior to final payment being made to Recipient.
- 5.2.5. **Closeout.** The State will determine, at its sole discretion, whether a closeout audit is required prior to final payment approval. If a closeout audit is required, final payment will be held until the audit has been completed. Monitoring of any capital assets acquired with grant funds will continue following grant closeout.

6. Conditions of Payment

- 6.1. All services provided by Recipient under this contract must be performed to State's satisfaction, as determined at the sole discretion of State's Authorized Representative and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations, including business registration requirements of the Office of the Secretary of State. Recipient will not receive payment for work found by State to be unsatisfactory or performed in violation of federal, state or local law. In addition to the foregoing, Recipient will not receive payment for Airport's failure to pass periodic inspections by a representative of the State's Office of Aeronautics.

7. Authorized Representatives

- 7.1. **State's Authorized Representative.** State's Authorized Representative will be:

Name/Title: Jenny Bahneman, Grants Specialist Coordinator

Address: Office of Aeronautics,
395 John Ireland Boulevard, Mail Stop 410
Saint Paul, Minnesota 55155

E-Mail: jenny.bahneman@state.mn.us

State's Authorized Representative or his /her successor, will monitor Recipient's performance and has the authority to accept or reject the services provided under this contract. If the Recipient's duties are performed in a satisfactory manner, the State's Authorized Representative will accept each reimbursement request submitted for payment.

- 7.2. **Recipient's Authorized Representative.** Recipient's Authorized Representative will be:

Name/Title: Joelle Bodin, Finance Director

Address: Duluth International Airport, 4701 Grinden Drive, Duluth, MN 55811

Telephone: (218) 625-7767

E-Mail: jbodin@duluthairport.com

If Recipient's Authorized Representative changes at any time during this contract, Recipient must immediately notify State.

8. Assignment, Amendments, Waiver and Contract Complete

- 8.1. **Assignment.** Recipient may neither assign nor transfer any rights or obligations under this contract without the prior consent of State and a fully executed Assignment Contract, executed and approved by the same parties who executed and approved this contract, or their successors in office.
- 8.2. **Amendments.** An amendment to this contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original contract, or their successors in office.
- 8.3. **Waiver.** If State fails to enforce any provision of this contract that failure does not waive the provision or State's right to subsequently enforce it.
- 8.4. **Contract Complete.** This contract contains all prior negotiations and agreements between State and Recipient. No other prior understanding regarding this contract, whether written or oral, may be used to bind either party.
- 8.5. **Electronic Records and Signatures.** The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.

9. Indemnification

- 9.1. In the performance of this contract by Recipient, or Recipient's agents or employees, and to the extent permitted by law, Recipient must indemnify, save and hold State, its agents, and employees harmless from any and all claims or causes of action, including reasonable attorney's fees incurred by State, to the extent caused by Recipient's: 1) intentional, willful or negligent acts or omissions; 2) breach of contract or warranty; or 3) breach of the applicable standard of care. The indemnification obligations of this section do not apply if the claim or cause of action is the result of State's sole negligence. This clause will not be construed to bar any legal remedies Recipient may have for State's failure to fulfill its obligation pursuant to this contract.

10. State Audits

- 10.1. Under Minnesota Statutes § 16B.98, Subd.8, the Recipient's books, records, documents, and accounting procedures and practices of Recipient, or other party relevant to this grant contract or transaction, are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this contract or receipt and approval of all final reports, whichever is later. Recipient will take timely and appropriate action on all deficiencies identified by an audit.

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- 11.1. Recipient and State must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by State under this contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by Recipient under this contract. The civil remedies of Minnesota Statutes §13.08 apply to the release of the data referred to in this clause by either Recipient or State. If Recipient receives a request to release the data referred to in this Clause, Recipient must immediately notify State and consult with State as to how Recipient should respond to the request. Recipient's response to the request must comply with applicable law.

12. Workers' Compensation

- 12.1. Recipient certifies that it is in compliance with Minnesota Statutes §176.181, subdivision 2, pertaining to workers' compensation insurance coverage. Recipient's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

13. Governing Law, Jurisdiction and Venue

- 13.1. Minnesota law, without regard to its choice-of-law provisions, governs this contract. Venue for all legal proceedings arising out of this contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14. Data Disclosure

- 14.1. Under Minnesota Statutes §270C.65, and other applicable law, Recipient consents to disclosure of its social security number, federal employer tax identification number and Minnesota tax identification number, already provided to State, to federal and state agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state laws which could result in action requiring Recipient to file state tax returns and pay delinquent state tax liabilities, if any, or pay other state liabilities.

15. Termination and Suspension

- 15.1. **Termination by the State.** The State may terminate this contract with or without cause, upon 30 days written notice to the Recipient. Upon termination, the Recipient will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
- 15.2. **Termination for Cause.** The State may immediately terminate this grant contract if the State finds that there has been a failure to comply with the provisions of this contract, that reasonable progress has not been made, that fraudulent or wasteful activity has occurred, that Recipient has been convicted of a criminal offense relating to a state grant agreement, or that the purposes for which the funds were granted have not been or will not be fulfilled. The State may take action to protect the interests of the State of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.
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- 15.4. **Suspension.** The State may immediately suspend this contract in the event of a total or partial government shutdown due to the failure to have an approved budget by the legal deadline. Work performed by the Recipient during a period of suspension will be deemed unauthorized and undertaken at risk of non-payment.

16. Discrimination Prohibited by Minnesota Statutes §181.59

- 16.1. Recipient will comply with the provisions of Minnesota Statutes §181.59 which requires that every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Contractor agrees: 1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Contractor, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; 2) That no Contractor, material supplier, or vendor, will, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause 1 of this section, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color; 3) That a violation of this section is a misdemeanor; and 4) That this contract may be canceled or terminated by the state of Minnesota, or any county, city, town, township, school, school district or any other person authorized to grant contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this contract.

17. Limitation.

- 17.1. Under this contract, the State is only responsible for disbursing funds. Nothing in this contract will be construed to make the State a principal, co-principal, partner, or joint venturer with respect to the Project(s) covered herein. The State may provide technical advice and assistance as requested by the Recipient, however, the Recipient will remain responsible for providing direction to its contractors and consultants and for administering its contracts with such entities. The Recipient's consultants and contractors are not intended to be third party beneficiaries of this contract.

STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minnesota Statutes §16A.15 and §16C.05.*

Signed: _____

Date: _____

SWIFT Contract (SC) ID No. _____

Purchase Order (PO) ID No. _____

*PO staged and to be encumbered with future State fiscal year funds.

RECIPIENT

Recipient certifies that the appropriate person(s) have executed Contracts on behalf of Recipient as required by applicable articles, bylaws or resolutions.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

DEPARTMENT OF TRANSPORTATION

By: _____
(with delegated authority)

Title: _____

Date: _____

**MnDOT OFFICE OF FINANCIAL MANAGEMENT –
GRANT UNIT**

By: _____

Date: _____

MnDOT CONTRACT MANAGEMENT

By: _____

Date: _____

VII H

SEH Terminal Office Lease Duluth International Airport

Terms:

- 1 year

Agreement Overview:

- 166 square foot office lease on second floor of Terminal
- Rate is based on our annually adopted Rates & Charges, the 2021 rate is \$39.88 per square foot per year; monthly rate \$551.67.

Why were the changes in key terms needed/wanted?

- Lease renewal

SEH TERMINAL OFFICE SPACE LEASE AGREEMENT DULUTH INTERNATIONAL AIRPORT

The parties to this Agreement are the DULUTH AIRPORT AUTHORITY, a governmental body organized and existing under Chapter 577 of the Laws of Minnesota, 1969, hereinafter known as "Authority", and Short Elliott Hendrickson Inc. doing business as "SEH", an employee owned company organized and incorporated in the State of Minnesota, hereinafter referred to as "Lessee".

WHEREAS, The Authority is a public body created pursuant to Minnesota Laws 1969, Chapter 577 and responsible for the operation of the Duluth International Airport located in and adjacent to the City of Duluth, Minnesota; and

WHEREAS, The Lessee desires to lease space in the terminal at the Airport and the Authority agrees to allow the Lessee to lease space under the terms and conditions set forth herein

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

SECTION 1 DEFINITIONS

The following terms, as used in this Lease 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, and 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 the consent or approval of the Executive Director is required, the same shall be evidenced by a written document signed by the Executive Director or authorized designee.
- D. Executive Director: shall mean the Executive Director of the Authority, or designee.
- E. Leased Premises: shall refer to that portion of the Terminal leased by Lessee as further described in Section 3A and as shown on Exhibit A.
- F. Leasehold Improvements: shall mean all items located on and within the Leased Premises provided or purchased by Lessee, including items such as decorations, partitions, wiring, lighting and plumbing fixtures, piping, finished ceilings, ventilation duct work, grills, floor and wall coverings, heaters, cabinets, lockers, sinks, counters, chairs, other furniture, signs and other related improvements.
- G. Terminal: shall mean the main passenger terminal building at the Airport located at 4701 Grinden Drive, Duluth MN, 55811.

SECTION 2 TERM

The Term of this Agreement shall commence on September 15, 2021 and shall remain in effect until midnight October 31, 2022. During the Term, either party may terminate this Agreement without cause upon forty-five (45) days' written notice to the other party. In the event that the Term expires and a new agreement has not been executed, at the sole discretion and upon written consent of the Executive Director, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of fees. The Lessee will be allowed to hold over at the sole discretion and upon the written consent of the Executive Director, which consent may be withdrawn upon thirty (30) days' written notice to Lessee.

SECTION 3 LEASED PREMISES, EMPLOYEE PARKING AND PUBLIC SPACE

- A. Leased Premises: Lessee is hereby granted use of approximately 166 square feet of space on the second floor of the Terminal, also referred to room number 251 as identified on Exhibit A. The Leased Premises shall be used solely for providing an office for its employees.
- B. Employee Parking: Lessee and its employees, contractors, or agents working at the Airport, in common with others, shall have vehicular parking space, at a location to be designated by the Executive Director. Authority reserves the right to charge a fee for the use of such space which fee may be adjusted from time to time.
- C. Public Space: Lessee is hereby granted the use by Lessee and its employees, contractors, and guests of all public space in the Terminal including but not limited to circulation space, restrooms, stairways, elevators, and public seating in common with other users. This provision shall not be construed to grant any special license to Lessee or its employees, contractors, or guests with respect to public space over and above that of the general public.
- D. The Right of Ingress and Egress: Lessee is hereby granted the full and free right of ingress to and egress from the Leased Premises for all purposes contemplated by this Agreement; however, this right shall be consistent with present and future security regulations of the Federal Aviation Administration.

SECTION 4 PAYMENTS AND OTHER FEES

Lessee hereby agrees to pay Authority for the rights and privileges granted hereunder as follows:

- A. Leased Premises: For the rent of the Leased Premises, a rental fee shall be paid to the Authority in the sum of \$39.88 per square foot per year or \$551.67 per month for the Leased Premises. The first payment of rent in the amount of \$551.67 shall be due and payable September 30, 2021. Subsequent monthly payments in the amount of \$551.67 shall be due and payable beginning on October 31, 2021 and monthly thereafter during the term of this Agreement and any extensions thereof.

Beginning January 1, 2022, the rental rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Lessee will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority. If Lessee finds the new

rates unacceptable, Lessee may terminate this agreement upon forty-five (45) days written notice to the Authority.

- B. Refuse and Garbage: Lessee assumes all responsibility for the disposal of refuse and garbage generated by its operations in the Leased Premises during the term of possession of the Lease and agrees to deposit such refuse and garbage in containers provided by the Authority.
- C. Maintenance and Fee for Failure to Maintain. Lessee shall keep the space clean and orderly and not permit damage to the space, normal wear and tear excepted. Maintenance shall include regular carpet vacuuming, annual shampooing, extraction prior to surrender at the termination of this Agreement, replacement of bulbs, and wall cleaning. In the event that Lessee fails to keep the Leased Premises in a neat, clean, orderly and sanitary condition and the Executive Director has issued a written notice of such deficiency and provided a reasonable cure period as determined solely by the Executive Director, Authority may itself clean or cause to be cleaned those portions of the Leased Premises not so kept, and Lessee agrees to reimburse Authority for the direct and indirect costs incurred by Authority for the performance of said work plus a fifteen percent (15%) administrative fee, due and payable upon receipt.
- D. Fee for Repair and Replacement. Lessee shall promptly repair or replace any property of the Authority lost, destroyed or damaged by its operations hereunder. If Lessee fails to promptly repair or replace such property following written notice by the Executive Director of such deficiency and a reasonable cure period as determined solely by the Executive Director, Authority may repair or replace it and Lessee agrees to reimburse for the direct and indirect costs incurred by Authority for such repair or replacement plus a fifteen (15%) percent administrative fee, due and payable upon receipt.
- E. Fee for Unpaid Licenses, Fees, Taxes, and Assessments. Lessee hereby agrees to pay all licenses, fees, taxes and assessments of any kind whatsoever which arise because of, or in the course of any operations covered by this Agreement during the term hereof. Should Lessee fail to pay such amounts following written notice of such deficiency and a reasonable cure period as determined solely by the Executive Director, it is expressly agreed that Authority may pay the same on behalf of Lessee, and Lessee agrees to reimburse Authority for said amounts paid plus a fifteen percent (15%) administrative fee due and payable upon receipt.
- F. Late Payment:
If Lessee is delinquent for thirty (30) days or longer in paying any amounts owed to the Authority under this Agreement, Lessee shall pay to the Authority a late payment charge assessed on the delinquent amount at the Authority's then-prevailing rate on delinquent accounts (the rate at the date of execution of the Agreement is one and one-half percent (1½%) per month). The late payment charge shall accrue from the date the delinquent amount was due until paid.

The remedies provided by this Section are in addition to all other remedies the Authority may have for a breach of this Agreement by Lessee, and nothing in this Section shall be deemed to be a waiver by the Authority or prevent the Authority from asserting any other remedy.

G. Payment Obligations Unconditional

The obligations of Lessee to pay any amounts due to Authority under this Lease Agreement in accordance with the terms hereof shall be absolute and unconditional, irrespective of any defense or rights of set off, recoupment or counterclaim which may at any time be available against Authority. Such payments shall be due without notice or demand therefore except as specifically provided for herein.

**SECTION 5
UTILITIES**

The Authority agrees to provide such heat, electricity, internet infrastructure, telephone infrastructure, water and sewage as are reasonable necessary for Lessee's operations at no additional cost to Lessee. Lessee shall be responsible for providing and installing all telephone systems and computer systems for their operation at its sole expense.

**SECTION 6
SECURITY DEPOSIT**

As of the commencement date of the Lease, a security deposit is not required; however, if Lessee subsequently is determined to be in default as called for in this Agreement or has delinquent payments due the Authority, Authority reserves the right to require a security deposit, and Lessee agrees to provide a security deposit in the amount of \$500.00 issued to the Authority. Lessee agrees that the Authority may hold the security deposit without liability for interest and in an account co-mingled with other funds. The Authority may use the security deposit to the extent necessary to make good any arrearages of rent or to satisfy any other covenant or obligation of the Lessee under this Agreement. Following any such application of the security deposit, Lessee shall pay to the Authority on demand the amount so applied in order to restore the security deposit to its original amount. If Lessee is not in default at the termination of this Agreement, the balance of the security deposit remaining after any such application shall be returned to Lessee.

**SECTION 7
ACCESS BY AUTHORITY**

Upon forty eight (48) hours' notice, the Authority shall have the right to enter and inspect the Leased Premises for the purpose of ascertaining the condition thereof or in order to make such repairs as may be required to be made by the Authority under the terms of this Agreement or as the Authority may deem necessary. The right of entry shall not be deemed to impose any greater obligation on the Authority to clean, maintain, repair or change the Leased Premises than is specifically provided in this Agreement. The Authority may at any time in case of emergency enter the Leased Premises and do such acts as the Authority may deem proper in order to protect the Leased Premises, the Terminal, or any occupants of the Terminal.

**SECTION 8
CONSTRUCTION AND LEASEHOLD IMPROVEMENTS**

- A. Approval of Executive Director. In the event that Lessee wishes to make any Leasehold Improvements, Lessee shall submit a written request to the Executive Director together with design development or construction drawings showing all details of said Leasehold Improvement. No Leasehold Improvement shall be made in the Leased Premises without the prior written approval of the Executive Director, which decision shall not be

unreasonably delayed, and then only in conformance with the approved plans and this Article.

B. Regulations and Standards. All work performed on behalf of Lessee shall conform to all applicable regulations, building design standards, 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 for and receive approval of the Executive Director. Lessee will be responsible for delivering to the Authority at no cost "as built" drawings and an electronic version of same, or any reasonable substitute as agreed to in writing by the Executive Director, within sixty (60) days of completion of any Leasehold Improvement.
3. All work must be done by qualified and licensed contractors authorized to do business at the Airport in the time and manner approved by and coordinated with the Executive Director. Lessee shall comply with the indemnity and insurance and bond requirements of this Agreement. Work must be performed such that it may 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.
4. An authorized representative of Lessee shall be available at all reasonable times at the site to coordinate the work of the Leasehold Improvements.

C. Construction Bonds and Insurance.

1. Bonds. During the term of this Agreement when any Leasehold Improvements are constructed, installed or renovated, Lessee shall require the contractor and any subcontractor to furnish a payment bond, approved as to form and substance by the City Attorney, written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Executive Director. The amount of such bond(s) shall be not less than the cost of such construction, installation or renovation including 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 Leasehold 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. In the alternative, if the value of labor and materials to be furnished for any such improvement shall not exceed Fifteen Thousand Dollars (\$15,000), Lessee may furnish to Authority written proof thereof and may, at its option, deposit a sum equal to the value of the labor and materials with an escrow agent approved by the Executive Director or may deposit said sum directly with Authority. Authority shall have the right, but not the obligation, to draw upon said sum to pay all bills unpaid by Lessee for said labor and materials supplied for said Leasehold Improvements. Upon completion of the project and the furnishing by Lessee to Authority of lien waivers by all contractors, laborers and materialman involved in said Leasehold Improvements,

Authority shall agree to the release of any funds remaining in escrow or held by it to Lessee.

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

- a. Workers' Compensation Insurance.
- b. Contractor's Comprehensive Liability and Property Damage Insurance with limits no less than \$1,500,000 combined single limit per occurrence, including but not limited to, bodily injury and property damage, airport premises and products/completed operations liability, contractual liability, and independent contractors liability.
- c. Contractor's Automobile Liability and Property Damage Insurance, including automobile and non-ownership and hired cars with limits no less than \$1,500,000 each occurrence including owned and/or leased automobile liability and non-owned and hired automobile liability.
- d. Owner's Protective Public Liability and Protective Property Damage Insurance.

3. Insurance Requirements.

- a. Authority and City shall be named as additional insureds on each of the policies above except the Workers' Compensation policy.
- b. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- c. 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 City Attorney and copies furnished to the Authority 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 written approval of the Executive Director, and the Executive Director may impose such conditions as it shall deem necessary to protect the Authority, the City, and the integrity of all operations at the Terminal and the Airport, including, but not limited to, bonding and insurance requirements.

SECTION 9 INDEMNIFICATION

- A. Defense and Indemnity. Operator 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 Operator, its officials, agents or employees, successors or assigns, Operator's performance of obligations under this Agreement, or the use and/or occupancy of the Licensed Premises or of the Airport by Operator, its officials, agents or employees, or successors or assigns, and on ten (10) days' written notice from the Authority, the Operator shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage. The provisions of this paragraph shall survive the expiration, termination or early cancellation of this Agreement.

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

SECTION 10 INSURANCE

- A. Insurance. 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. To the extent that the "Accord" form of certificate is used, the words "endeavor to" shall be stricken from the notification provisions. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this Agreement. The Authority reserves the right and 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. 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 11 FIRE INSURANCE

- A. 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 Airports 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.

SECTION 12 AUTHORITY'S RIGHTS UPON DEFAULT

- A. Rights Upon Default. 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:
1. Immediately, or at any time thereafter without further notice to Lessee, re-enter into or upon the Leased Premises under this Agreement or any part thereof and take possession of the same fully and absolutely without such re-entry representing a forfeiture of the rentals, fees, and charges to be paid and of the covenants, terms and conditions to be performed by Lessee for the full term of this Agreement, and in the event of such re-entry, the Authority may proceed with the

collection of rentals, fees, and charges to be paid under this Agreement or to recover properly measured damages.

2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided and re-enter upon said Leased Premises as of its former estate therein, and the Lessee covenants in case of such termination to indemnify the Authority against all loss of rentals, fees, and charges which the Authority has suffered or paid by reason of such termination, during the remainder of the term of this Agreement.
3. The Authority shall further have all other rights and remedies at law or in equity including injunctive relief, or summary proceedings for unlawful detainer, and any or all legal remedies, actions and proceedings shall be deemed cumulative.

B. Default Defined. "Default" shall be defined when any of the following circumstances exist:

1. If the Lessee has failed to pay rentals, fees, charges, or taxes when due hereunder and such failure to pay shall continue for fifteen (15) days.
2. Failure to provide and/or maintain the insurance coverages required herein.
3. Lessee shall permit any liens on the Leased Premises with the exception of assignments approved pursuant to the terms of this Agreement or liens contested in accordance with this Agreement.
4. 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 fifteen (15) days after Authority has given Lessee written notice, or the Lessee shall have failed to commence the corrective action of such failure within fifteen (15) days after such notice and to diligently prosecute the same where the same cannot be completed within fifteen (15) days.
5. If a petition to reorganize the Lessee or for its arrangement of its unsecured debts shall be filed.
6. If the Lessee shall be adjudicated bankrupt.
7. If a receiver or trustee of the Lessee's property shall be appointed by any court.
8. If the Lessee shall make a general assignment for the benefit of creditors.
9. If all of the interest of the Lessee in its property shall be taken by garnishment, attachment, execution or other process of law.
10. If the Leased Premises shall be deserted or vacated.

SECTION 13 LESSEE'S TERMINATION RIGHTS

Lessee shall have the right upon written notice to the Authority to terminate this Agreement upon the happening of one or more of the following events, if said event or events are then continuing:

- A. The issuance by any court of competent jurisdiction of an injunction, order or decree: (1) preventing or restraining the use by Lessee of all or any substantial part of the Leased Premises used and occupied by Lessee hereunder, or (2) preventing or restraining the use of all or a part of the Airport for normal airport purposes which may be used by Lessee and which is necessary for its operations on the Airport.
- B. If Authority defaults in any of the terms, covenants or conditions under this Agreement and fails to cure the default or make substantial progress with regard thereto within ninety (90) days following receipt of written demand from Lessee to do so.
- C. If all or a material part of the Leased Premises used and occupied by Lessee hereunder is damaged or destroyed or all or a part of the Airport or Airport facilities which are necessary to the operation of Lessee's business are damaged or destroyed or the use thereof disrupted for causes beyond Lessee's control.
- D. If, by reason of any action of any governmental authority, Lessee is unable to conduct its business for a period of in excess of ninety (90) consecutive days in substantially the same manner or substantially to the same extent as prior to such action.
- E. Permanent abandonment of Airport for scheduled airline service.

SECTION 14 SURRENDER OF POSSESSION

Upon the termination of this Agreement, Lessee's authority to use the Leased Premises, rights, facilities and equipment herein granted shall cease and Lessee shall, upon expiration or termination, promptly and in good condition, normal wear and tear excepted, surrender the same to the Authority. In the event that Lessee has in any way changed, altered or modified the Leased Premises demised herein, Lessee covenants to return the same to the condition they were in at the time of the occupancy under this Agreement, normal wear and tear excepted, or, in the alternative, to pay the Authority for the cost of returning them to said condition. Upon termination, any improvements which have become part of the realty shall become the property of the Authority, and the same shall be immediately returned to the ownership and control of the Authority. Any improvements not part of the realty shall be removed therefrom within ten (10) days after the termination of this Agreement or the same shall be deemed to have been abandoned to the Authority and the right of the Lessee to possession thereof shall cease.

SECTION 15 LIENS AND ASSIGNMENTS

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

B. Assignment:

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 Authority shall first be obtained in each and every case of subletting, assignment or transfer. 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 Authority 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 other payments due hereunder and the performance of all covenants and conditions for the full term of this Agreement.

**SECTION 16
SUBORDINATION**

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

**SECTION 17
ERECTION OF SIGNS**

The Lessee shall be allowed to erect suitable signs on the Leased Premises to advertise its location or occupancy, but the form, type, size and method of installation of any such signs shall be subject to the approval of the Executive Director.

**SECTION 18
MODIFICATION**

Any of the terms of this Agreement may be changed upon the mutual consent of the Authority and the Lessee, but to be valid any such changes must be in writing, dated, and must be executed with the same formalities as this Agreement. In the event that any provision of this Agreement is determined to violate any local, state, or federal rule or regulation or is deemed to cause a violation of any rate covenants, the Agreement shall be modified upon consultation with Lessee to cause such violation to be compliant with such provision and an amendment will be executed on a timely basis to incorporate the required changes.

**SECTION 19
NOTICES**

Any notice provided for in this Agreement or otherwise to the Authority shall be sent to:

Duluth Airport Authority
Executive Director
Duluth International Airport
4701 Grinden Drive

Duluth, Minnesota 55811

Any notice to the Lessee hereunder shall be sent to:

SEH
3535 Vadnais Center Drive
St. Paul, MN 55110

SECTION 20 APPLICABLE LAW

This Agreement, together with all of its articles, terms and provision, 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. The parties to this Agreement waive any objections to the jurisdiction of these courts, whether based on convenience or otherwise.

SECTION 21 WAIVER OF BREACH

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

SECTION 22 SEVERABILITY

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

SECTION 23 NONWAIVER OF LIABILITY

Nothing in this Agreement constitutes a waiver by the Authority or the City of any statutory or common law defenses, immunities, or limits on liability. The liability of the Authority and the City shall be governed by the provisions of the Minnesota Municipal Liability Tort Act, Minn. Stat. 466.04.

SECTION 24 ATTORNEYS' FEES AND COSTS

In the event Authority shall prevail in any action or suit or proceeding brought by Authority to collect rents due or to become due hereunder or any portion thereof or to take possession of the demised Leased Premises, or to enforce compliance with this Agreement or for the failure to observe any of the covenants of this Agreement, Lessee agrees to pay Authority such sums as the court may adjudge reasonable as attorneys' fees and costs to be allowed in such action, suit or proceedings.

SECTION 25
LAWS, RULES AND REGULATIONS

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 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.

SECTION 26
NON-DISCRIMINATION

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

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

SECTION 27
COUNTERPARTS

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

SECTION 28
ENTIRE AGREEMENT

This Agreement, including Exhibit A constitutes the entire agreement between the parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto. There are no representations, warranties, or stipulations either oral or written not herein contained.

Dated: _____

DULUTH AIRPORT AUTHORITY

SHORT ELLIOTT HENDRICKSON Inc.

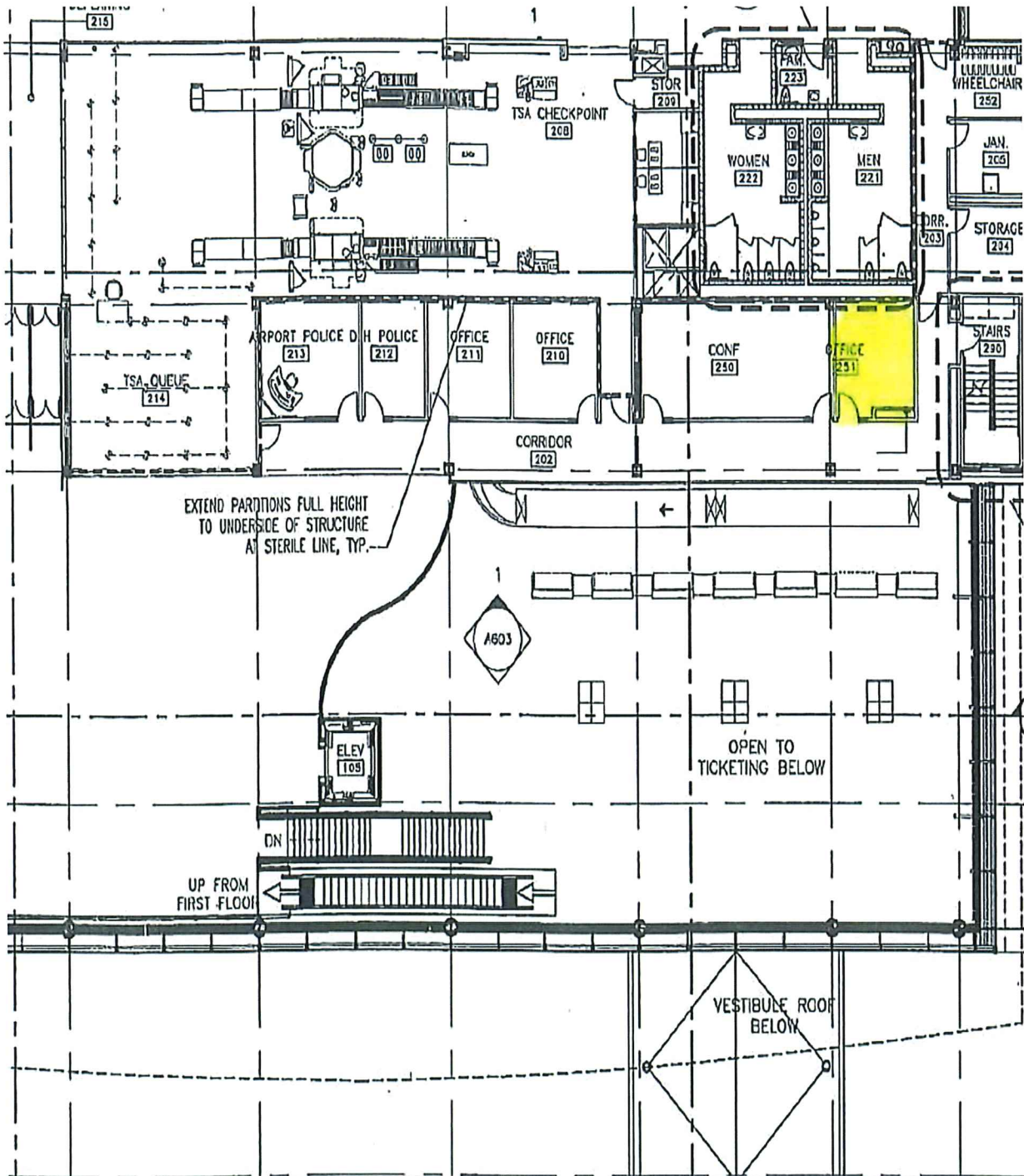
By _____
Its President

By _____

Its _____

By _____
Its Secretary

EXHIBIT A LEASED PREMISES



VII J

Duluth Airport Authority Balance Sheet End of Sep 2021

Financial Row	Amount
ASSETS	
Current Assets	
Bank	\$6,321,687.01
Accounts Receivable	
Accounts Receivable - Restricted PFC	\$63,255.02
Accounts Receivable Billed	\$1,074,677.82
Grants Receivable	\$33,311.00
Lottery Sales Receivable	(\$14,026.00)
Total Accounts Receivable	\$1,157,217.84
Other Current Asset	\$318,110.30
Total Current Assets	\$7,797,015.15
Fixed Assets	
Accumulated Depreciation	(\$131,202,099.74)
Capital Assets	\$251,764,953.12
Work in Progress	\$2,429,578.57
Total Fixed Assets	\$122,992,431.95
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	\$133,209,655.16
Liabilities & Equity	
Current Liabilities	
Accounts Payable	\$238,437.69
Credit Card	\$4,701.26
Other Current Liability	
Accrued Expense	(\$18,833.30)
Accrued Interest	\$152,964.13
Accrued Sales Taxes Payable - All	\$12.47
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	\$180,077.67
Total Other Current Liability	\$2,059,737.27
Total Current Liabilities	\$2,302,876.22
Long Term Liabilities	
LT Loans Payable to City of Duluth	
LT Hangar 103 Renovations	\$1,875,000.00
LT Parking Structure	\$1,760,000.00
LT Terminal Loan	\$2,860,000.00
Total - 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	\$385,103.61
Total Equity	\$120,328,695.07
Total Liabilities & Equity	\$133,209,655.16

Duluth Airport Authority
Income Statement
From Jan 2021 to Sep 2021

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$9,075.00
Concession Revenue	
ATM	\$248.50
Car Rental Concession	\$419,739.05
Food & Beverage Concession	\$37,880.07
Lottery Concessions	\$962.17
Parking	\$855,982.54
Per Passenger Fee	\$11,178.00
Services/Other	\$450.00
TNC Per Trip Fee	\$5,385.00
Vending	\$4,522.98
Total - Concession Revenue	\$1,336,348.31
Customer Facility Charges	\$147,068.00
Miscellaneous Revenues	\$55,551.98
Parking	\$107,329.35
Permits	\$8,541.92
Plowing Services	\$5,325.00
Reimbursed Expenses	\$39,804.24
Rent	\$181,894.41
Sponsorship Income	\$62,000.00
State Aid	\$33,871.30
Total - Non-Aeronautical Revenue	\$1,986,809.51
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$60,050.61
Concession Revenue	\$96,661.71
Event Income	\$34,600.00
Landing Fees	\$25,502.38
Ramp Fees	\$13,947.12
Rent	\$795,784.85
Security Reimbursement	\$74,255.00
Total - Non-Passenger Aeronautical Revenue	\$1,100,801.67
Passenger Airline Aeronautical Revenue	
Landing Fees	\$192,639.38
Terminal Office/Space Rental	\$821,584.62
Total - Passenger Airline Aeronautical Revenue	\$1,014,224.00
Total - Income	\$4,101,835.18
Gross Profit	\$4,101,835.18
Expense	
Miscellaneous Expenses	\$40,084.67
Personnel Compensation & Benefits	
Benefit Administration Fees	\$183.60
Employer Contributions for Retirement	\$142,126.94
Employer Paid Insurance	\$275,433.92
Retiree Benefits	\$83,594.00
Wages & Salaries	\$1,103,010.66
Worker's Compensation	\$30,439.17
Total - Personnel Compensation & Benefits	\$1,634,788.29
Services and Charges	
Advertising	\$2,552.50
Badging	\$1,500.00
Central Services Fee	\$15,066.64
Communications & Technology	\$197,560.73
Employee Development Services	\$28,483.23

Financial Row	Amount
Employee Physicals	\$1,452.00
Finance Charge	\$86.46
Insurance	\$80,759.97
Marketing	\$101,092.80
Professional Services	\$247,190.87
Rentals	\$3,632.20
Repairs and Maintenance - Contractual/Services	\$369,071.90
Sponsorship Expenses	\$817.00
Transportation	\$310.81
Utility Services	\$359,507.65
Total - Services and Charges	\$1,409,084.76
Supplies	
Merchandise for Resale	\$57,908.02
Office Supplies	\$62,863.91
Operating Supplies	\$80,762.29
Repairs & Maintenance Supplies	\$345,652.75
Total - Supplies	\$547,186.97
Total - Expense	\$3,631,144.69
Net Ordinary Income	\$470,690.49
Other Income and Expenses	
Other Income	
Capital Contributions	
Contributed Capital	\$1,309,421.77
Grants	(\$1,541,125.55)
Total - Capital Contributions	(\$231,703.78)
Non-Operating Revenue	\$332,599.78
Total - Other Income	\$100,896.00
Other Expense	
Non-Operating Expense	
Interest Expense	\$186,482.88
Total - Non-Operating Expense	\$186,482.88
Total - Other Expense	\$186,482.88
Net Other Income	(\$85,586.88)
Net Income	\$385,103.61

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

Unaudited

Financial Row	Prior Year Actual (Jan 2020 - Sep 2020)	Current Year Actual (Jan 2021 - Sep 2021)	Budget Amount (Jan 2021 - Sep 2021)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2021 - Adjust 2021)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	1,248,975	1,986,810	1,411,748	140.73%	737,835	575,061	1,865,240
Non-Passenger Aeronautical Revenue	1,076,611	1,100,802	1,095,105	100.52%	24,190	5,697	1,455,426
Passenger Airline Aeronautical Revenue	979,232	1,014,224	962,606	105.36%	34,992	51,618	1,281,878
Total - Income	3,304,818	4,101,835	3,469,459	118.23%	797,017	632,376	4,602,544
Gross Profit	3,304,818	4,101,835	3,469,459	118.23%	797,017	632,376	4,602,544
Expense							
Miscellaneous Expenses	35,342	40,085	23,563	170.12%	4,743	16,522	32,660
Personnel Compensation & Benefits	1,579,820	1,634,788	1,739,756	93.97%	54,968	(104,968)	2,460,392
Services and Charges	1,292,182	1,409,085	1,423,330	99.00%	116,903	(14,246)	1,877,099
Supplies	361,933	547,187	443,277	123.44%	185,254	103,910	574,230
Total - Expense	3,269,278	3,631,145	3,629,926	100.03%	361,867	1,218	4,944,381
Net Ordinary Income	35,540	470,690	(160,467)	-293.33%	435,150	631,158	(341,838)
Other Income and Expenses							
Other Income							
Capital Contributions	0	33,311	0	0.00%	33,311	33,311	0
Non-Operating Revenue	264,960	332,600	279,539	118.98%	67,640	53,061	365,939
Total - Other Income	264,960	365,911	279,539	130.90%	100,951	86,372	365,939
Other Expense							
Non-Operating Expense	205,841	186,483	246,483	75.66%	(19,358)	(60,000)	328,644
Total - Other Expense	205,841	186,483	246,483	75.66%	(19,358)	(60,000)	328,644
Net Other Income	59,119	179,428	33,056	542.80%	120,309	146,372	37,295
Net Income Exclusive of Project Expenses, Depreciation & Amortization	94,659	650,118	(127,411)	-510.25%	555,459	777,530	(304,543)
Projects/Grants	3,680,505	(265,015)	6,666,000	-3.98%	(3,945,520)	(6,931,015)	8,888,000
Depreciation & Amortization	(8,362,115)	0	(7,541,528)	0.00%	8,362,115	7,541,528	(10,055,370)
Net Income	(4,586,951)	385,104	(1,002,939)	-38.40%	4,972,054	1,388,043	(1,471,913)

- This report is based on an allocated budget, which is seasonally adjusted.
- At this time the DAA is at a favorable variance budget vs actual of over 777k. The favorable variance is inflated due to increased revenues from the MAG reconciliation for the parking lot of \$308,830.82. Expenses are also overstated by the \$110k boiler replacement. After removing these anomalies, the DAA is at a favorable variance of \$578k.
- CRRSA Concessionaire relief was applied to September financials and the parking relief approved in October will be reflected next month's financials.
- 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 \$308k and car rental concession which is up \$172k, while other concessions are very close to budget. Non-passenger aeronautical revenue is only \$5.6k off from budget and passenger airline aeronautical revenue is over budget due to increased landing fees of \$51k.
- 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 108k under budget.
- Non-operating income is close to budget with PFCs coming in higher than expected and the recording of the CRRSA concessionaire relief, while expenses are down due budgeted line of credit interest which hasn't been utilized for a total favorable variance vs budget of over \$146k.

Duluth Airport Authority
Duluth A/R Aging Report
As of November 8, 2021

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

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	10/10/2021 - 11/8/2021 (30)	9/10/2021 - 10/9/2021 (60)	8/11/2021 - 9/9/2021 (90)	BEFORE 8/11/2021 (>90)	TOTAL
						Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Avis Rent A Car						\$0.00	\$2,346.10	\$0.00	\$0.00	\$24,122.63	\$26,468.73
Bellamy Bill	Invoice	11/8/2021	8887	12/8/2021	1	\$0.00	\$591.90	\$0.00	\$0.00	\$0.00	\$591.90
Bemidji Aviation	Invoice	10/31/2021	8853	11/30/2021	9	\$0.00	\$868.50	\$0.00	\$0.00	\$0.00	\$868.50
BKR Investments DBA Duluth Pack	Invoice	11/1/2021	8799	12/1/2021	8	\$0.00	\$225.00	\$0.00	\$0.00	\$0.00	\$225.00
Brown, James	Invoice	11/1/2021	8827	12/1/2021	8	\$0.00	\$250.35	\$0.00	\$0.00	\$0.00	\$250.35
Budget Rent A Car						\$0.00	\$1,637.57	\$0.00	\$0.00	\$21,405.95	\$23,043.52
Case, Ronald Jr.						\$0.00	\$0.00	\$0.00	\$0.00	(\$102.00)	(\$102.00)
Chandler, Daniel	Invoice	11/8/2021	8874	12/8/2021	1	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
Childs, Matthew						\$0.00	\$153.00	\$229.50	\$0.00	\$0.00	\$382.50
Cirrus Design Corporation						\$0.00	\$23,684.10	(\$793.84)	(\$805.64)	\$0.00	\$22,084.62
City of Duluth						\$0.00	\$1,668.72	\$1,668.72	\$0.00	\$0.00	\$3,337.44
Clobes, Nathan	Invoice	11/8/2021	8876	12/8/2021	1	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
Compudyne						\$0.00	\$80.18	\$0.00	\$0.00	\$0.00	\$80.18
Delta Airlines						\$0.00	\$66,141.75	\$0.00	\$0.00	(\$270.00)	\$65,871.75
Divine Carriers						\$0.00	\$126.33	\$126.33	\$126.33	\$126.33	\$505.32
Duluth Hangar, LLC						\$0.00	\$765.35	\$765.35	\$0.00	\$0.00	\$1,530.70
Enterprise Leasing Company						\$0.00	\$0.00	\$0.00	\$0.00	\$91,975.42	\$91,975.42
FEMA	Invoice	10/19/2021	8788	11/18/2021	21	\$0.00	\$9,775.33	\$0.00	\$0.00	\$0.00	\$9,775.33
General Services Administration						\$0.00	\$5,298.61	(\$61.20)	\$0.00	\$0.00	\$5,237.41
Goritchan Boris						\$0.00	\$0.00	\$0.00	\$0.00	\$879.00	\$879.00
Grimsbo, Gerald	Invoice	9/14/2021	8684	10/14/2021	56	\$0.00	\$0.00	\$367.00	\$0.00	\$0.00	\$367.00
GSSC	Invoice	7/28/2021	8485	8/27/2021	104	\$0.00	\$0.00	\$0.00	\$0.00	\$115.00	\$115.00
Hagberg, Rick	Invoice	11/1/2021	8835	12/1/2021	8	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Hall John	Invoice	11/1/2021	8801	12/1/2021	8	\$0.00	\$277.39	\$0.00	\$0.00	\$0.00	\$277.39
Hatfield, Dan	Invoice	11/1/2021	8831	12/1/2021	8	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Hermantown Hydraulics						\$0.00	\$656.21	\$656.21	\$656.21	\$0.00	\$1,968.63
Hertz-Overland West						\$0.00	\$0.00	\$0.00	\$0.00	\$4,417.11	\$4,417.11
Hillman Colin	Invoice	11/1/2021	8844	12/1/2021	8	\$0.00	\$240.00	\$0.00	\$0.00	\$0.00	\$240.00
Hydro Solutions, Inc.	Invoice	11/1/2021	8802	12/1/2021	8	\$0.00	\$3,466.75	\$0.00	\$0.00	\$0.00	\$3,466.75
Johnson, Richard	Invoice	11/1/2021	8828	12/1/2021	8	\$0.00	\$443.70	\$0.00	\$0.00	\$0.00	\$443.70
Johnston, Paul	Invoice	11/1/2021	8839	12/1/2021	8	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Lake Country Air, LLC						\$0.00	\$6,606.16	\$0.00	\$0.00	\$946.59	\$7,552.75
Lake Superior Helicopters						\$0.00	\$1,537.82	\$0.00	\$0.00	\$0.00	\$1,537.82
Larsen, Shane	Invoice	9/29/2021	8705	10/29/2021	41	\$0.00	\$0.00	\$434.86	\$0.00	\$0.00	\$434.86
Love Creamery						\$0.00	\$30.00	\$30.00	\$0.00	\$0.00	\$60.00
Luck, Rick						\$0.00	\$175.94	\$0.00	\$269.26	\$0.00	\$445.20
Lyft, Inc.	Invoice	9/30/2021	8848	10/30/2021	40	\$0.00	\$0.00	\$333.00	\$0.00	\$0.00	\$333.00
Magaard, Diana	Invoice	1/15/2021	7785	2/14/2021	298	\$0.00	\$0.00	\$0.00	\$0.00	\$50.00	\$50.00
Malachi Israel						\$0.00	\$590.43	\$0.00	\$0.00	\$0.00	\$590.43
Manney, Sarah	Invoice	11/8/2021	8894	12/8/2021	1	\$0.00	\$50.00	\$0.00	\$0.00	\$0.00	\$50.00
Mark Marino						\$0.00	(\$850.00)	\$0.00	\$0.00	\$0.00	(\$850.00)
Messerer Jon						\$0.00	\$104.42	\$0.00	\$0.00	\$0.48	\$104.90
Miner's Outdoor Adventures, LLC	Payment	1/19/2021	6925	1/19/2021	294	\$0.00	\$0.00	\$0.00	\$0.00	(\$15.70)	(\$15.70)
Minnesota Air National Guard	Invoice	11/8/2021	8867	12/8/2021	1	\$0.00	\$655.74	\$0.00	\$0.00	\$0.00	\$655.74
Minnesota Department of Transportation	Invoice	9/21/2021	8772	10/21/2021	49	\$0.00	\$0.00	\$33,311.00	\$0.00	\$0.00	\$33,311.00
Minnesota Power	Invoice	11/1/2021	8806	12/1/2021	8	\$0.00	\$446.18	\$0.00	\$0.00	\$0.00	\$446.18
Monaco Air Duluth						\$0.00	\$6,108.22	\$0.00	\$0.00	\$0.00	\$6,108.22

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	10/10/2021 - 11/8/2021	9/10/2021 - 10/9/2021	8/11/2021 - 9/9/2021	BEFORE 8/11/2021 (>90)	TOTAL
						Open Balance	Open Balance (30)	Open Balance (60)	Open Balance (90)	Open Balance (>90)	Open Balance
Mountain Air Cargo						\$0.00	\$1,549.68	\$1,549.68	\$1,549.68	\$0.00	\$4,649.04
Oakwells CR, LLC						\$0.00	\$0.00	\$0.00	\$0.00	\$52,274.94	\$52,274.94
On Site Enterprises, Inc	Credit Memo	9/21/2021	258	9/21/2021	49	\$0.00	\$0.00	(\$129.00)	\$0.00	\$0.00	(\$129.00)
Opack Matthew Jr.	Invoice	11/1/2021	8842	12/1/2021	8	\$0.00	\$196.81	\$0.00	\$0.00	\$0.00	\$196.81
Outward Bound	Invoice	11/8/2021	8893	12/8/2021	1	\$0.00	\$1,750.00	\$0.00	\$0.00	\$0.00	\$1,750.00
Palmer, John	Invoice	11/1/2021	8843	12/1/2021	8	\$0.00	\$196.81	\$0.00	\$0.00	\$0.00	\$196.81
Parthe, Lance	Invoice	11/1/2021	8830	12/1/2021	8	\$0.00	\$250.35	\$0.00	\$0.00	\$0.00	\$250.35
Payne, Robert	Invoice	11/1/2021	8826	12/1/2021	8	\$0.00	\$250.35	\$0.00	\$0.00	\$0.00	\$250.35
QMS, INC.	Invoice	11/1/2021	8811	12/1/2021	8	\$0.00	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00
Rathbun, David	Invoice	11/1/2021	8834	12/1/2021	8	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Rehabilitation Counselors, Inc.	Payment	8/19/2019	5002	8/19/2019	813	\$0.00	\$0.00	\$0.00	\$0.00	(\$75.00)	(\$75.00)
Republic Parking System	Invoice	1/31/2021	8046	3/2/2021	282	\$0.00	\$0.00	\$0.00	\$0.00	\$271,330.82	\$271,330.82
RS&H	Invoice	11/1/2021	8824	12/1/2021	8	\$0.00	\$2,177.05	\$0.00	\$0.00	\$0.00	\$2,177.05
Safstrom Jon	Invoice	11/8/2021	8878	12/8/2021	1	\$0.00	\$139.00	\$0.00	\$0.00	\$0.00	\$139.00
Security Jewelers	Invoice	11/1/2021	8825	12/1/2021	8	\$0.00	\$250.00	\$0.00	\$0.00	\$0.00	\$250.00
Shelter Dog Inc.	Credit Memo	9/21/2021	259	9/21/2021	49	\$0.00	\$0.00	(\$12.00)	\$0.00	\$0.00	(\$12.00)
Simplex Grinnell	Invoice	3/25/2021	8044	4/24/2021	229	\$0.00	\$0.00	\$0.00	\$0.00	\$115.00	\$115.00
Stevens, Mike	Invoice	11/1/2021	8836	12/1/2021	8	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Sundquist, Margie	Invoice	11/8/2021	8879	12/8/2021	1	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
Sydow Dan						\$0.00	\$250.35	\$250.17	\$0.00	\$0.00	\$500.52
The Landline Company						\$0.00	\$4,954.14	\$0.00	\$0.00	\$0.00	\$4,954.14
unifi	Invoice	11/8/2021	8895	12/8/2021	1	\$0.00	\$160.00	\$0.00	\$0.00	\$0.00	\$160.00
United Airlines						\$0.00	\$40,548.39	\$0.00	\$0.00	\$0.00	\$40,548.39
United Parcel Service						\$0.00	\$0.00	\$0.00	\$0.00	\$320.00	\$320.00
University of Minnesota Duluth	Invoice	8/2/2021	8551	9/1/2021	99	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00
Werpy, Jonas	Invoice	11/1/2021	8832	12/1/2021	8	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Wicklein, John						\$0.00	\$153.00	\$0.00	\$0.00	\$153.00	\$306.00
Williams, Ron	Invoice	11/1/2021	8837	12/1/2021	8	\$0.00	\$193.35	\$0.00	\$0.00	\$0.00	\$193.35
Total						\$0.00	\$189,040.13	\$38,725.78	\$1,795.84	\$470,769.57	\$700,331.32

VII L

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	12,727	16,846	5,754	12,128	33,714	11,481	24,855	7,000	122.23	13,374	116.49
SEP	15,070	5,664	11,820	13,676	5,666	11,207	28,746	11,330	23,027	6,156	108.69	11,697	103.24
OCT	15,224	5,652	11,285	14,568	5,059	10,305	29,792	10,711	21,590	5,633	99.66	10,879	101.57
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	90,824	156,129	64,134	88,608	313,980	129,508	179,432	34,317	310.34	67,673	322.15

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	12,727	17,161	5,754	12,128	24,855
SEP	15,400	5,664	11,820	14,006	5,666	11,207	23,027
OCT	15,224	5,823	11,498	14,568	5,230	10,478	21,976
NOV	12,761	4,508	-	12,641	4,439	-	-
DEC	12,850	4,449	-	13,649	4,533	-	-
Total	160,212	66,117	91,104	158,633	64,877	88,848	179,952

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	7,484	8,437	3,595	7,281	17,110	7,082	14,765	3,997	114.63	7,683	108.49
SEP	8,092	3,941	7,608	7,389	3,908	7,159	15,481	7,849	14,767	3,667	93.05	6,918	88.14
OCT	8,041	3,576	7,483	7,727	3,411	6,721	15,768	6,987	14,204	3,907	109.26	7,217	103.29
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	59,501	84,777	37,849	58,679	170,931	75,466	118,180	27,913	425.64	54,859	416.81

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	165	7,319	172	7,109	14,765
SEP	191	7,417	177	6,982	14,767
OCT	278	7,205	275	6,446	14,204
NOV					
DEC					
Total	1,815	57,486	1,811	56,868	117,980

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	5,243	6,209	2,159	4,847	12,250	4,399	10,090	3,003	134.06	5,691	129.37
SEP	5,215	1,723	4,212	4,798	1,758	4,048	10,013	3,481	8,260	2,489	144.46	4,779	137.29
OCT	5,304	2,076	3,802	4,906	1,648	3,584	10,210	3,724	7,386	1,726	83.14	3,662	98.34
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	31,323	56,766	19,945	29,929	114,473	41,276	61,252	12,830	342.30	25,580	349.87

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	117	5,126	123	4,724	10,090
SEP	103	4,109	110	3,938	8,260
OCT	91	3,711	86	3,498	7,386
NOV					
DEC					
Total	1,043	30,280	942	28,987	61,252

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	213	-	171	173	-	342	386	42	24.56	44	12.87
NOV	300	90	-	300	90	-	600	180	-	-	-	-	-
DEC	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	2,361	743	280	2,504	743	240	4,865	1,486	520	(373)	(5.73)	(786)	(6.90)

Month	Endeavor	SUN CO.	JET BLUE	VISION	Hillwood	Allegiant	Total
JAN							-
FEB						64	64
MAR	70						70
APR							-
MAY							-
JUN							-
JUL							-
AUG							-
SEP							-
OCT		346			40		386
NOV							-
DEC							-
Total	70	346		-	40	64	520

DLH Cargo Stats

Mountain Air Cargo / Fed Ex			Bemidji Air UPS			Combined Total		Combined Total		Difference	
2021			2021			2021		2020		Increase/(Decrease)	
Month	Freight In	Freight Out	Month	Freight In	Freight Out	Freight In	Freight Out	Freight In	Freight Out	Freight In	Freight Out
January	82,150	46,860	January	35,536	16,593	117,686	63,453	135,483	58,290	(17,797)	5,163
February	67,634	39,061	February	36,473	20,965	104,107	60,026	135,967	58,836	(31,860)	1,190
March	100,376	46,569	March	50,449	24,852	150,825	71,421	142,951	59,937	7,874	11,484
April	119,036	64,834	April	45,976	19,685	165,012	84,519	174,509	85,534	(9,497)	(1,015)
May	131,126	52,951	May	39,518	19,722	170,644	72,673	177,242	79,989	(6,598)	(7,316)
June	121,993	56,469	June	45,261	25,821	167,254	82,290	157,841	63,263	9,413	19,027
July	122,009	60,624	July	50,311	23,070	172,320	83,694	177,782	73,689	(5,462)	10,005
August	113,059	57,265	August	46,171	25,362	159,230	82,627	149,093	70,256	10,137	12,371
September	136,712	62,557	September	36,009	25,692	172,721	88,249	149,564	75,292	23,157	12,957
October	108,688	71,349	October	45,868	22,794	154,556	94,143	148,434	74,170	6,122	19,973
November			November			-	-	120,236	70,343		
December			December			-	-	149,217	91,579		
<u>1,102,783 558,539</u>			<u>431,572 224,556</u>			<u>1,534,355 783,095</u>		<u>1,818,319 861,178</u>		<u>(14,511) 83,839</u>	

2021 Landline Passengers

	Arrivals			Departures			2020 Grand		
	Revenue	Non-Rev	Total	Revenue	Non-Rev	Total	Grand Total	Total	Inc /Dec
January	206	7	213	265	23	288	501	1979	-1478
February	154	10	164	219	8	227	391	2053	-1662
March	194	3	197	249	1	250	447	1341	-894
April	292	2	294	340	2	342	636	121	515
May	592	12	604	578	11	589	1193	288	905
June	970	12	982	972	27	999	1981	615	1366
July	1208	26	1234	1291	25	1316	2550	889	1661
August	1055	32	1087	1189	41	1230	2317	871	1446
September	664	20	684	740	24	764	1448	713	735
October	878	39	917	935	33	968	1885	805	1080
November									
December									
	6213	163	6376	6778	195	6973	13349	9675	3674