

December 2021 Finance Updates & Resolutions



Finance Updates

- Concessionaire Relief:
 - CRSSA Relief has been processed and was reimbursed to the DAA as of yesterday.
 - ARPA Relief to be approved today and submitted to the FAA this afternoon for approval.
- City Council Budget Presentation: Dec. 6th
- Concessionaire Audit:
 - Annual audit cycle to be conducted annually in the months of April – June.
 - Tenants will be notified in February to provide information by 4/1/2021.
 - Memo explaining process to be sent to concessionaires by year-end.
- M&O Amendments: There were errors in our agreements approved in November (Amendments included in board packet for review)
 - DLH Grant: To be increased by \$10,892 or \$5,446 per year
 - DYT Grant: To be decreased by \$6,134 or \$3,067 per year

Resolution A: St. Louis County Amendment

- St. Louis County agreement is for \$75,000 to support SCASD initiative to Denver.
- Amendment is to:
 - Extend the term December 31, 2023
 - To provide payment of the remaining \$50,000 when an air service agreement is in place for service

Resolution B: CFC Reconciliation

- Previous board approval for CFC use on terminal/parking structure debt service was \$2,360,000.
- Final reconciled CFC eligible costs as well as associated debt service is \$3,706,197.39
- Approval is requested to use CFCs to reimburse all eligible terminal and parking structure construction and financing costs in the amount of \$3,706,197.39

Exhibit A		
FINAL CFC TERMINAL/BONDING		
Total of Version 65 CFC Eligible Costs	\$	3,155,709.92
CFC Bond/Loan Issuance Costs	\$	88,080.00
CFC Bond/Loan Interest Costs	\$	462,407.47
	\$	3,706,197.39

Resolution C: ARPA Concessionaire Relief

- DAA Received \$133,243 in ARPA Concessionaire Relief.
- Small Concessionaire Amount: \$106,594
- Large Concessionaire Amount: \$26,649
- Plan approved by the FAA – awaiting their FINAL approval

EXHIBIT A

Airport	Duluth International Airport (DLH)			
Date(s) of Consultation with Eligible Concessionaires	7/19/2021 - Meeting with Rental Cars	8/2/2021 & 8/3/2021 Meeting with food and beverage and parking	9/2/2021: Meeting with Shelter Dog/Safe Harbor Payment	9/3/2021: Meeting with OnSite
Base-line Time Period	FY 2019			
Rent Relief Previously Provided	Yes	Rent Relief was provided for month of January in the amount of concessionaire's proportional share of CRISA relief, ARPA rent relief will be provided after board approval for rent due after 3/11/2021.		
Rent Relief Applied as Credit for Rent Due After 3/11/2021.	Yes			
Notes on Special Circumstances	DAA staff evaluated all in-terminal concessionaires only. Parking Concession was excluded from relief due to no terminal presence. Hertz is excluded due to no longer being operational at DLH. Landline chose not to participate in the program to receive relief. The below reflects those that are eligible per the requirements of ARPA. The DAA waited to provide relief until all information for ARPA was available.			

Eligible Small Airport Concessions \$106,594

Concession Name (DBA or Tradename) ²	Business Legal Name	Contractual Relationship with Airport Sponsor (e.g., direct contract, concession developer, prime contract, sub-contract)	Rent Income to airport in base-line time period ³	Percent share of total base-line rent income ⁴	Rent relief provided for occupancy after March 11, 2021 ⁵	Rent relief adjusted to not exceed lease term or four year period of performance of grant agreement (Y/N)	ACDBE/ Joint Venture	Taking PPP Second Draw Loan ⁶	Purpose of PPP Second Draw	Dates of Concession Certification	Is Concession Eligible for Relief (Y/N)?	Comments or special circumstances, provisions, etc.
Avis Rent-a-Car	Senju Enterprises, Inc.	direct contract	\$15,812	12.74%	\$13,575	N	No	Yes	Payroll, Utilities, Covered Operations Expenditures, Covered Worker Protection Expenditures	7/14/2021	Yes	Eligible as office space, booth, etc. are in-terminal. Only rent for physical in-terminal space was included in the rent-income calculation for the base-line time period.
Budget Rent a Car	Krenzen Corp.	direct contract	\$10,209	8.22%	\$8,765	N	No	No	N/A	7/16/2021	Yes	Eligible as office space, booth, etc. are in-terminal. Only rent for physical in-terminal space was included in the rent-income calculation for the base-line time period.
Arrowhead Tap House #144	Oakwells Commuter Rail LLC	direct contract	\$89,608	72.17%	\$76,933	N	No	Yes	Payroll, Utilities, Covered Operations Expenditures, Covered Worker Protection Expenditures, Covered Supplier Costs	7/13/2021	Yes	Eligible as whole operation is in terminal. Concessionaire pays a minimum annual guarantee and concession fee, all of which is included in the proportional share. When applying for PPP Second Draw they checked rent box, but certification statement states that PPP has & will not be used for Rent/MAG.
On Site Enterprises	On Site Enterprises	direct contract	\$7,808	6.29%	\$6,704	N	No	Yes	Second PPP Draw was for Payroll	9/3/2021	Yes	Eligible as in terminal. On Site only pays a percentage of sales, all of which is included in the rent included in the baseline time period.
Safe Harbor Payment Systems	Shelter Dog, Inc.	direct contract	\$719	0.58%	\$617	N	No	Yes	Second PPP Draw was for Payroll	9/2/2021	Yes	Eligible as in terminal. Shelter Dog only pays per transaction at ATM, all of which is included in the rent included in the baseline time period.
Landline	Landline	direct contract	\$0	0.00%	\$0							Landline chose not to apply for relief or to opt out of receiving relief from this program.
Hertz Rent A Car	Overland West		\$0	0.00%	\$0							Has not continued operations. Ceased operations on June 10, 2021
Total			\$124,155	100%	\$106,594							

Eligible Large Airport Concessions \$26,649

Concession Name (DBA or Tradename) ²	Business Legal Name	Contractual Relationship with Airport Sponsor (e.g., direct contract, concession developer, prime contract, sub-contract)	Rent Income to airport in base-line time period ³	Percent share of total base-line rent income ⁴	Rent relief provided for occupancy after March 11, 2021 ⁵	Rent relief adjusted to not exceed lease term or four year period of performance of grant agreement Y/N	ACDBE/ Joint Venture	Taking PPP Second Draw Loan ⁶	Purpose of PPP Second Draw	Dates of Concession Certification	Is concession eligible for relief (Y/N)?	Comments or special circumstances, provisions, etc.
Enterprise Rent a Car	Enterprise Leasing Company of Minnesota	Direct Contract	\$26,321	100.00%	\$26,649	N	N	No	N/A	7/18/2021	Yes	Eligible as office space, booth, etc. are in-terminal. Only rent for physical in-terminal space was included in the rent-income calculation for the base-line time period.
Total			\$26,321	100%	\$26,649							

Concessions Relief Plan Explanatory Notes

1. Eligible Concession subject to rent for occupancy or commercial operations after March 11, 2021.
2. Share of rent income and total airport income from eligible concessions from base-line time period of FY2019.
3. Resulting proportional share for each eligible concession.
4. Resulting dollar-amount of actual rent relief provided for occupancy after March 11, 2021.
5. Information provided on Concession Certification, if a concession is taking a second draw, the purpose(s) of that loan should be noted in the Comments column. Furthermore, taking a second draw for rent prohibits the concession from benefiting from relief under an Airport Rescue grant. All concessionaires listed certified that they were not applying any PPP toward rent or MAG.
6. Ineligible Concessions: Hertz Rent A Car/Overland West - No longer providing services. Ceased operations on June 10, 2021.
7. All concessionaires included in the Small Concessionaire category were placed there due to their gross receipts.