



# DULUTH AIRPORT AUTHORITY

## DULUTH AIRPORT AUTHORITY MEETING AGENDA JUNE 21, 2022

AMATUZIO CONFERENCE ROOM  
DULUTH INTERNATIONAL AIRPORT

Click below to access meeting by Microsoft Teams:

<https://duluthairport.com/wp-content/uploads/2022/06/6-DAA-June-Notice.pdf>

### **I \*EXECUTIVE DIRECTORS REVIEW**

Information Letter to DAA Directors.

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

A. Approval of May 17, 2022 Meeting Minutes.

### **III \*DAA CASH DISBURSEMENTS**

A. Operating Cash Disbursement Sheets #16, #17, #18 and #19, 2022; Operating ACH Payment Registers #16, #17, #18 and #19, 2022 ; Construction Fund Disbursement Sheet #6, 2022.

### **IV \*CORRESPONDENCE**

- A. May, 25, 2022 Official Notification Letter from DAA to Airport Tenants and Businesses Regarding Restriction of Access to Stebner Road During the July 16, 17 Air Show.
- B. Aviation News: May 25, 2022 Hermantown Star Article “Council Approves Airport Zoning”; DAA News Release “Duluth International Airport to Hold Triennial Full-Scale Airport Emergency Exercise”, June 2<sup>nd</sup>, 2022 WDIO “DLH Simulates Full-Scale Emergency Exercise”, FOX 21 “Duluth International Airport Conducts Large-Scale Disaster Exercise”, KBJR 6 “Duluth International Airport Hold Emergency Preparedness Drill”, Military.com “Exercise Makes Top 25 Military Photos of the Week”; June 3, 2022 WDIO News “Flights from Duluth to Ft. Meyers and Phoenix to Return in December”; June 8, 2022 Wall Street Journal “Want to Fly This Summer? Good Luck Traveling to a Small City”.
- C. May 31, 2022 and June 8, 2022 Tenant & Airfield User Notice; June 10, 2022 Duluth International Airport Summer Construction Newsletter.
- D. June 1, 2022, E-Mail from Monaco Air Foundation with Summary of May 2022 Activities.
- E. Link for Metropolitan Airports Commission (MAC) Minutes --  
<https://metroairports.org/Airport-Authority/Metropolitan-Airports-Commission/Public-Meetings/Board-Meetings.aspx>.

### **V OPPORTUNITY FOR PERSONS TO BE HEARD**



## **VI OLD BUSINESS**

None

## **VII NEW BUSINESS**

- A. Resolution to Approve the License Agreement for the Display of Advertising Between the Duluth Airport Authority and Twin Ports Dermatology.
- B. Resolution to Approve the Professional Services Master Services Agreement Between the Duluth Airport Authority and Landrum & Brown.
- C. Resolution to Approve the Third Amendment to the Lease Agreement for Building #305 Between the Duluth Airport Authority and Hydrosolutions of Duluth, Inc.
- D. Resolution to Approve the First Amendment to Operator Agreement and Office Space Lease Agreement By and Between the Duluth Airport Authority and Lake Superior Helicopters.
- E. Resolution to Authorize an Early Termination of the Sky Harbor Airport Hangar #5 Land Lease Agreement Between the Duluth Airport Authority and Lake Country Air, LLC.
- F. Resolution to Approve the Sky Harbor Airport Hangar #5 Land Lease Agreement Between the Duluth Airport Authority and Kris Karsell.
- G. Resolution to Authorize an Early Termination of the Sky Harbor Airport Hangar #8 Land Lease Agreement Between the Duluth Airport Authority and Salter 11X LLC.
- H. Resolution to Approve the Retailer Concession Contract and Addendum Between the Duluth Airport Authority and Minnesota State Lottery.
- I. Resolution to Approve Work Order 2022 – 6 between Short Elliot Hendrickson, Inc. and the Duluth Airport Authority for Design of a Snow Removal Equipment Building and Sky Harbor Airport.
- J. Resolution to Approve Work Order 2022 – 9 between Short Elliot Hendrickson, Inc. and the Duluth Airport Authority for Construction Administration of Taxiway A Phase 2 and Phase 4.
- K. Resolution to Approve the Selection of Duluth Airport Authority officers.
- L. \*April 2022 Financial Reports.
- M. \*May 2022 Accounts Receivables.
- N. \*May 2022 Airline, TSA, Cargo and 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: June 21, 2022**

**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
  - Hangar 101 Demolition Update
- Construction
  - A Taxiway Phase 1 Construction Update
- Operations and Maintenance
  - DLH Triennial Emergency Exercise
  - FAA Part 139 Inspection Parking
  - Technology System Upgrade RFP
- Sky Harbor
  - Building Area Master Plan Update

**BUSINESS/PROPERTY DEVELOPMENT**

- Construction Management RFQ

**FINANCIAL UPDATE**

- NSR

**MARKETING/COMMUNICATIONS**

- Consumer Survey



**DULUTH INTERNATIONAL AIRPORT**

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**LEGISLATIVE UPDATE**

- Senator Smith Infrastructure Forum

**PRESENTATIONS/TOURS/TRAVEL RECAP**

- NSR

**OTHER**

- NSR

Submitted by,

Tom Werner, C.M.  
Executive Director





# DULUTH INTERNATIONAL AIRPORT

**Travel Globally. Fly Locally.**

**DRAFT**

## MINUTES OF THE MEETING

DATE: May 17, 2022

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

DIRECTORS PRESENT: Craig Fellman  
Kim Maki  
Todd Fedora  
Elissa Hansen  
Kevin O'Brien  
Dan Markham

### DIRECTORS PARTICIPATING ELECTRONICS

MEANS: Jeff Anderson

OTHERS PRESENT: Tom Werner, Executive Director  
Mary Ann Wittkop, Recording Secretary  
Jana Kayser, Business Development Manager  
Joelle Bodin, Finance & Administration Director  
Kathy Leon, Confidential Bookkeeper  
Kaci Nowicki, SEH  
Shawn McMahon, SEH  
Scott Sannes, SEH  
Mike Magni, Monaco Air

### OTHERS PARTICIPATING VIA ELECTRONICS

MEANS: Mark Papko, Director of Operations  
Steve Hanke, Assistant City Attorney  
Don Monaco, Monaco Air  
Alison Andrashko, SEH

President Fellman welcomed everyone to the DAA May board meeting and called it to order at 8:00 a.m. He performed roll call -- Dir. Fedora, Dir. Markham, Dir. Maki, Dir. Hansen and Dir. O'Brien present; Dir. Anderson will be participating virtually. He introduced and expressed his appreciation to the newest Board member Dir. Dan Markham, Kraus-Anderson, his expertise and leadership will be a great addition. He invited Mr. Tom Werner to update on the Executive Director's review:

- Air Service: Mr. Werner presented the airport air service update – continuing positive trend, reviewed April total passengers, airline load factors, seats and fare comparisons; spoke on the pilot shortage, Essential Air service (EAS) communities, national and local air service news. Will be attending the JumpStart air service development conference the second week in June, great opportunity to meet with different airlines.
- Planning, Operations, and Maintenance:
  - Ms. Kaci Nowicki, SEH, briefed on the Part 150 noise study and Master plan update; she spoke on the Sky Harbor building area master plan, reviewing recommendations, alternatives,

and timeline. Questions followed; Mr. Mark Papko, Director of Operations, detailed further. He overviewed the terminal study, Alpha Taxiway phase 1 preconstruction meeting, air show dates July 16<sup>th</sup> and 17<sup>th</sup> with the Air Force Thunderbirds as the main act. He updated on the Hangar 101 emergency authorization; EA process will be completed after the demolition, Mr. Werner detailed further. Mr. Papko explained the organizational restructuring plans for a new airport facilities and landside position.

- Sky Harbor -- Mr. Papko spoke on the competitive grants for airport terminal development projects, submitted a grant application to potentially replace the first hangar terminal building.

Dir. Anderson joined the meeting virtually 8:44 a.m.

- Business/Property Development: Ms. Jana Kayser, Business Development Manager, announced Landrum and Brown has been selected for the airline use and lease agreement consulting RFQ, currently negotiating contract. Spoke on the construction management RFQ, explained process and timeline. Questions followed.
- Financial: Ms. Joelle Bodin, Finance & Administration Director, reviewed her transition plan for maternity leave, June through September. Audit is complete and have received draft, no findings; explained process and timeline. Presented the first quarter financial review, highlighting revenues, expenses, non-operating income, COVID relief grant summary and minimum cash balance policy. Questions followed.
- Marketing/Communications: Mr. Werner briefed on the consumer survey for airline passengers, should have a report to update next month.
- Legislative: Mr. Werner spoke on the airport property tax legislation; it is in the omnibus tax bills for both chambers. 148<sup>th</sup> Fighter Wing aircraft shelter legislation, letters for support have been sent to the House Capital Investment Committee. Spoke on Customs and Border Protection (CBP) proposed changes to our Title 19,122 status as an International Airport, could restrict hours of their service; DAA and Monaco Air have met with CBP and congressional delegation about concerns. Mr. Mike Magni, Monaco Air Duluth detailed further on the general aviation side, questions followed.
- Presentations/Tours/Travel: Mr. Werner and Ms. Kayser attended the AAAE Economic Development Conference, very well attended and informative conference.
- Other: Mr. Werner updated on last month's resolution for the exception to the board residency policy, Mayor Larson reviewed and recommended two at large; Assistant City Attorney Steve Hanke informed the Board that the City Council has approved this. Mr. Werner urged Board members to make sure qualified candidates are aware as there will be two open board positions at the end of June. Questions followed.

Dir. Anderson left the meeting 9:05 a.m.

Pres. Fellman thanked everyone for their reviews; questions and discussion followed on several executive review items. Dir. Hansen moved to approve the April 19, 2022 meeting minutes and consent items. Dir. Maki seconded. Roll call, all ayes, motion carried.

### CONSENT ITEMS

Operating cash disbursement sheets #13, #14, and #15, 2022; operating ACH payment registers #13, #14, and #15, 2022; construction fund disbursement sheets #5, 2022.

Letters from DAA and Monaco Air Duluth to Senator Amy Klobuchar, Senator Tina Smith and Congressman Pete Stauber regarding the Customs and Border Protection proposed restrictions to the Duluth International Airport's Title 19, Part 122 status.

Support letter from DAA to MN Department of Military Affairs regarding the 148th Fight Wing's Appendix 31 request at the Duluth International Airport (DLH).

Aviation news: April 2022 Minnesota Flyer article "Airport of the Month – Duluth International "Runway Project Features Three-Phase Construction Plan".

E-Mail from Monaco Air Foundation with summary of April 2022 activities.

Letters from DAA and Duluth Seaway Port Authority to Congressman Pete Stauber, Senator Tina Smith and Senator Amy Klobuchar regarding joint multimodal port of Duluth Customs staffing.

DAA handout for construction badging.

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

March 2022 financial report, April 2022 accounts receivables, and airport statistics.

### OPPORTUNITY FOR PERSONS TO BE HEARD

None.

### OLD BUSINESS

None.

### NEW BUSINESS

Mr. Papko overviewed and detailed the Capital Improvement Plan (CIP) for DLH and Sky Harbor Airport (DYT) projects. Questions followed. Pres. Fellman introduced the following resolution:

WHEREAS, Duluth Airport Authority (DAA) staff coordinated a Capital Improvement Plan (CIP) for Federal Fiscal Year 2022 (October 1, 2021 – September 30, 2022), and State Fiscal Year 2023 (July 1, 2022 – June 30, 2023) with Federal Aviation Administration (FAA) and Minnesota Department of Transportation Aeronautics Division (MnDOT) staff;

RESOLVED, that DAA approves the 2022-2023 Capital Improvement Plan for Duluth International Airport and Sky Harbor Airport as described and calculated in the Excel document attached hereto and incorporated by reference as Exhibit A; and

FURTHER RESOLVED, that DAA staff are authorized to execute agreements and make payments consistent with the 2022-2023 Capital Improvement Plan for Duluth International Airport and Sky Harbor Airport as described and calculated in the Excel document attached hereto and incorporated by reference as Exhibit A.

Dir. Fedora moved to approve the resolution for the 2022 Capital Improvement Plan for the Duluth International Airport (DLH) and the Sky Harbor Airport (DYT). Dir. O'Brien seconded. Roll call – all ayes. Motion carried.

Mr. Papko reviewed the construction administration for the Taxiway A Phase 4 design. Dir. O'Brien moved to approve the resolution for the Work Order 2022–5 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for Taxiway A – Phase 4 design. Dir. Maki seconded. Roll call – all ayes. Motion carried.

Mr. Papko spoke on the work order for the construction administration for the Hangar 101 demolition. Dir. Maki moved to approve the resolution for Work Order 2022 - 7 between Duluth Airport Authority and Short Elliot Hendrickson, Inc. for Hangar 101 demolition construction administration. Dir. Markham seconded. Roll call – all ayes. Motion carried.

Mr. Papko explained the bids were opened yesterday afternoon and reviewed the updated resolution to award the contract for the Hangar 101 demolition. Questions followed. Dir. Fedora moved to award the construction contract for the Hangar 101 demolition project to Rachel Contracting for \$388, 236.00. Dir. O'Brien seconded. Roll call – all ayes. Motion carried.

Mr. Werner reviewed the air service marketing grant and recommended approval. Dir. O'Brien moved to accept and approve the MnDOT Grant for Air Service Marketing and to authorize the Duluth Airport Authority's President and Secretary to execute the grant. Dir. Hansen seconded. Roll call – all ayes. Motion carried.

Ms. Kayser explained the annual float storage lease. Dir. Maki moved to approve the resolution for the Sky Harbor Airport Float Storage Land Lease Agreement Between the Duluth Airport Authority and Jonathon Aero. Questions followed. Dir. Hansen seconded. Roll call -- all ayes. Motion carried.

Dir. Maki moved to adjourn the meeting; Pres. Fellman seconded and adjourned the May 17th DAA board meeting at 9:31 a.m.

Respectfully submitted,

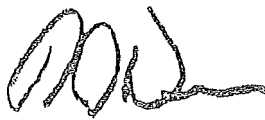
Mary Ann Wittkop  
Recording Secretary

APPROVED:  DATE: 6-15-22

**Duluth Airport Authority**  
**DAA Operating Check Register #16-2022**  
**May 13, 2022**

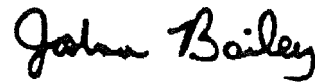
**Document Number From 11241 To 11255**

Document Number	Date	Transaction Type	Payee	Amount
11241	5/13/2022	BILLPMT	Brock White Company LLC	\$1,552.00
11242	5/13/2022	BILLPMT	Cartier Agency	\$14,563.00
11243	5/13/2022	BILLPMT	Century Link	\$72.00
11244	5/13/2022	BILLPMT	City Of Duluth Comfort Systems	\$10.69
11245	5/13/2022	BILLPMT	Dalco	\$869.68
11246	5/13/2022	BILLPMT	Essentia Health	\$293.00
11247	5/13/2022	BILLPMT	Innovative Office Solutions, LLC	\$64.29
11248	5/13/2022	BILLPMT	Landrum and Brown, Incorporated	\$2,000.00
11249	5/13/2022	BILLPMT	Linde Gas & Equipment Inc.	\$385.64
11250	5/13/2022	BILLPMT	Northland Fire & Safety, Inc.	\$241.75
11251	5/13/2022	BILLPMT	Scott's Cheap Flights Premium	\$39.00
11252	5/13/2022	RFND	Security Jewelers	\$250.00
11253	5/13/2022	BILLPMT	Taylor, Dan	\$60.00
11254	5/13/2022	BILLPMT	The Retrofit Companies INC	\$1,206.26
11255	5/13/2022	BILLPMT	Waste Management of WI-MN	\$2,411.81
			Void Check #10040	-\$39.00
			Void Check #10470	-\$513.56
			Miscellaneous Test ACH	-\$0.01
<b>Total</b>				<b><u>\$23,466.55</u></b>



Airport Director

Airport Authority

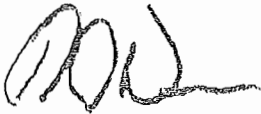


City Treasury

**Duluth Airport Authority**  
**DAA Operating Check Register #17-2022**  
**May 20, 2022**

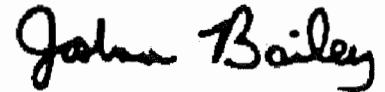
**Document Number From 11256 To 11262**

#1	Date	Transaction Type	Payee	Amount
11256	5/20/2022	CHK	WF Bus Payment Processing - Tom	\$1,008.19
11257	5/20/2022	BILLPMT	City Of Duluth Comfort Systems	\$8,080.39
11258	5/20/2022	BILLPMT	Curtis Oil & Propane	\$60.00
11259	5/20/2022	BILLPMT	Dalco	\$725.27
11260	5/20/2022	BILLPMT	Kaplan Kirsch & Rockwell LLP	\$1,675.00
11261	5/20/2022	BILLPMT	Spectrum Business	\$165.36
11262	5/20/2022	BILLPMT	Syntech	\$84.00
<b>Total</b>				<b><u>\$11,798.21</u></b>



Airport Director

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City Treasury

Duluth Airport Authority  
DAA Operating Check Register #18-2022  
May 27, 2022

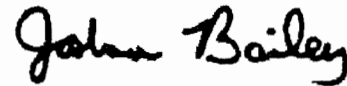
Document Number From 11267 To 11274

Document Number	Date	Transaction Type	Payee	Amount
11267	5/27/2022	BILLPMT	Crysteel Truck Equipment	\$7,709.00
11268	5/27/2022	BILLPMT	Federal Express Corporation	\$162.40
11269	5/27/2022	BILLPMT	Lumacurve Airfield Signs	\$662.70
11270	5/27/2022	BILLPMT	NAPA Auto Parts	\$1,643.96
11271	5/27/2022	BILLPMT	Northern Tool & Equipment	\$958.67
11272	5/27/2022	BILLPMT	St. Joseph Equipment Inc.	\$1,354.06
11273	5/27/2022	BILLPMT	VFW Post 3979	\$513.56
11274	5/27/2022	BILLPMT	Ziegler, Inc.	\$725.00
Total				\$13,729.35



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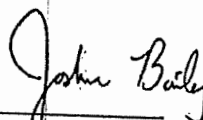
**Duluth Airport Authority**  
**DAA Operating Check Register #19-2022**  
**June 10, 2022**

**Document Number From 11275 To 11299**

Document Number	Date	Transaction Type	Payee	Amount
11284	6/3/2022	RFND	Lake Country Air, LLC	\$1,167.47
11279	6/9/2022	CHK	Citi Cards	\$6,860.17
11275	6/10/2022	BILLPMT	Apex	\$1,250.00
11276	6/10/2022	BILLPMT	ARFF Specialists	\$2,765.00
11277	6/10/2022	BILLPMT	AT&T Mobility	\$322.81
11278	6/10/2022	BILLPMT	Benson Electric Company	\$157.50
11280	6/10/2022	BILLPMT	City Of Duluth Comfort Systems	\$25,838.51
11281	6/10/2022	BILLPMT	City Of Duluth, Minnesota	\$45,200.00
11282	6/10/2022	BILLPMT	Dalco	\$803.20
11283	6/10/2022	BILLPMT	iFIDS.com Inc.	\$125.00
11285	6/10/2022	BILLPMT	Landrum and Brown, Incorporated	\$2,000.00
11286	6/10/2022	BILLPMT	Linde Gas & Equipment Inc.	\$680.85
11287	6/10/2022	BILLPMT	LVC Companies	\$625.90
11288	6/10/2022	BILLPMT	Minnesota Power	\$28,829.54
11289	6/10/2022	BILLPMT	Monaco Air Duluth, LLC	\$953.75
11290	6/10/2022	BILLPMT	Pro Print	\$87.42
11291	6/10/2022	BILLPMT	Quadient Leasing USA, Inc.	\$265.86
11292	6/10/2022	BILLPMT	Schindler Elevator Corp	\$603.07
11293	6/10/2022	BILLPMT	SCS Interiors	\$4,504.50
11294	6/10/2022	BILLPMT	Stalberger, Karen	\$950.00
11295	6/10/2022	BILLPMT	Stewart-Taylor Company	\$57.10
11296	6/10/2022	BILLPMT	Taylor, Dan	\$60.00
11297	6/10/2022	BILLPMT	Techniques Inc	\$1,450.36
11298	6/10/2022	BILLPMT	Twin Ports Pest and Lawn Management	\$359.00
11299	6/10/2022	BILLPMT	Waste Management of WI-MN	\$2,108.75
<b>Total</b>				<b>\$128,025.76</b>

  
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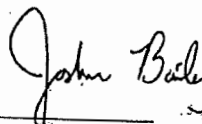
**Duluth Airport Authority**  
**DAA Operating ACH Payment Register #16-2022**  
**May 13, 2022**

**Confirmation #1320315**

Document Number	Date	Transaction Type	Payee	Amount
00000031/1	5/13/2022	BILLPMT	Bodin, Joelle	\$60.00
00000031/10	5/13/2022	BILLPMT	Menards - Hermantown	\$72.81
00000031/11	5/13/2022	BILLPMT	Menards - Hermantown	\$37.75
00000031/12	5/13/2022	BILLPMT	Northern States Supply, Inc.	\$223.32
00000031/13	5/13/2022	BILLPMT	Oracle America, Inc.	\$990.00
00000031/14	5/13/2022	BILLPMT	Papko, Mark	\$60.00
00000031/15	5/13/2022	BILLPMT	Peterson, Natalie	\$60.00
00000031/16	5/13/2022	BILLPMT	Sinnott, Paul	\$60.00
00000031/17	5/13/2022	BILLPMT	Snell, Matthew J	\$60.00
00000031/18	5/13/2022	BILLPMT	Timm, Kenneth	\$60.00
00000031/19	5/13/2022	BILLPMT	Welch, Ryan	\$60.00
00000031/2	5/13/2022	BILLPMT	General Security Services Corporation	\$19,602.96
00000031/20	5/13/2022	BILLPMT	Werner, Thomas	\$60.00
00000031/21	5/13/2022	BILLPMT	Wittkop, Mary Ann	\$60.00
00000031/3	5/13/2022	BILLPMT	General Security Services Corporation	\$1,260.00
00000031/4	5/13/2022	BILLPMT	Graves, John	\$60.00
00000031/5	5/13/2022	BILLPMT	Innovational Water Solutions, Inc.	\$148.00
00000031/6	5/13/2022	BILLPMT	Jamar Company	\$7,675.00
00000031/7	5/13/2022	BILLPMT	Jamar Company	\$1,920.00
00000031/8	5/13/2022	BILLPMT	Kayser, Jana	\$60.00
00000031/9	5/13/2022	BILLPMT	Leon, Kathy	\$60.00
<b>Total</b>				<b>\$32,649.84</b>

  
 Airport Director

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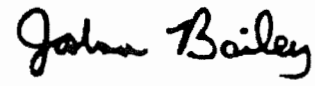
**Duluth Airport Authority**  
**DAA Operating ACH Payment Register #17-2022**  
**May 23, 2022**

**Confirmation #1400189**

Document Number	Date	Transaction Type	Payee	Amount
00000032/1	5/23/2022	BILLPMT	Guardian Pest Solutions	\$51.51
00000032/2	5/23/2022	BILLPMT	Guardian Pest Solutions	\$74.50
00000032/3	5/23/2022	BILLPMT	Guardian Pest Solutions	\$75.77
00000032/4	5/23/2022	BILLPMT	Kleen-Tech	\$20,909.00
00000032/5	5/23/2022	BILLPMT	Mid-Hudson Photo ID	\$450.00
00000032/6	5/23/2022	BILLPMT	Minnesota State Auditor	\$18,711.00
00000032/7	5/23/2022	BILLPMT	Pomp's Tire Service, Inc.	\$4,145.30
<b>Total</b>				<b>\$44,417.08</b>

  
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**Duluth Airport Authority**  
**DAA Operating ACH Payment Register #18-2022**  
**May 27, 2022**

**Confirmation #1460278**

Document Number	Date	Transaction Type	Payee	Amount
00000033/1	5/27/2022	BILLPMT	Aramark	\$365.28
00000033/2	5/27/2022	BILLPMT	Barnum Companies, Inc.	\$613.19
00000033/3	5/27/2022	BILLPMT	Batteries Plus	\$50.38
00000033/4	5/27/2022	BILLPMT	Como Lube & Supplies	\$200.00
00000033/5	5/27/2022	BILLPMT	Grainger, Inc.	\$2,550.48
00000033/6	5/27/2022	BILLPMT	Menards - Hermantown	\$109.93
00000033/7	5/27/2022	BILLPMT	Pomp's Tire Service, Inc.	\$21.00
00000033/8	5/27/2022	BILLPMT	Terminal Supply Co.	\$320.71
00000033/9	5/27/2022	BILLPMT	Viking Industrial Center	\$218.41
<b>Total</b>				<b><u>\$4,449.38</u></b>



Airport Director

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City Treasury

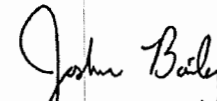
**Duluth Airport Authority**  
**DAA Operating ACH Payment Register #19-2022**  
**June 10, 2022**

**Confirmation #1600338**

Document Number	Date	Transaction Type	Payee	Amount
00000034/1	6/10/2022	BILLPMT	Arrowhead Tap House	\$68.00
00000034/10	6/10/2022	BILLPMT	Menards - Hermantown	\$504.70
00000034/11	6/10/2022	BILLPMT	Metro Sales, Inc.	\$417.46
00000034/12	6/10/2022	BILLPMT	Snell, Matthew J	\$750.86
00000034/13	6/10/2022	BILLPMT	St. Germain's Glass	\$2,030.00
00000034/2	6/10/2022	BILLPMT	Best Oil Company	\$8,141.42
00000034/3	6/10/2022	BILLPMT	Citon	\$11,758.13
00000034/4	6/10/2022	BILLPMT	Clear Cut Woodworking	\$363.80
00000034/5	6/10/2022	BILLPMT	General Security Services Corporation	\$21,734.68
00000034/6	6/10/2022	BILLPMT	Innovational Water Solutions, Inc.	\$148.00
00000034/7	6/10/2022	BILLPMT	Jamar Company	\$7,348.74
00000034/8	6/10/2022	BILLPMT	Johnson Controls	\$653.84
00000034/9	6/10/2022	BILLPMT	Marsh & McLennan Agency LLC	\$1,103.00
<b>Total</b>				<b><u>\$55,022.63</u></b>

  
\_\_\_\_\_  
Airport Director

\_\_\_\_\_  
Airport Authority

  
\_\_\_\_\_  
City Treasury

**Duluth Airport Authority**  
**DAA Construction Check Register #6-2022**  
**May 23, 2022**

**Document Number From 11263 To 11266**

Document #	Date	Transaction Type	Payee	Amount
11263	5/23/2022	BILLPMT	1 MediaUSA Adverising Inc	\$500.00
11264	5/23/2022	BILLPMT	1 Short Elliott Hendrickson	\$160,195.00
11265	5/23/2022	BILLPMT	1 Short Elliott Hendrickson	\$4,833.60
11266	5/23/2022	BILLPMT	1 Swim Creative	\$7,518.59
<b>Total</b>				<b><u>\$173,047.19</u></b>

  
\_\_\_\_\_  
Airport Director

  
\_\_\_\_\_  
City Treasury



IV

## DULUTH INTERNATIONAL AIRPORT

Closer to everywhere.

May 25<sup>th</sup>, 2022

Dear Duluth Airport Tenants & Businesses:

On July 16<sup>th</sup> and 17<sup>th</sup> the Duluth Airshow will once again take place at the Duluth International Airport.

Due to the nature of the event, an upgraded security policy will be put in place for July 16-17 during the Duluth Airshow. Please use this letter as "official notification" that the Duluth Airport Authority, in conjunction with the Duluth Airshow, TSA, and local law enforcement agencies will be restricting access to Stebner Road during the Airshow between the hours of 6:00 a.m. – 6:00 p.m. on both Saturday, July 16<sup>th</sup> and Sunday, July 17<sup>th</sup>. All tenants who have normal working hours on July 16-17, must enter via Cirrus Drive to the Air Show Security Check Point. Tenants will also be required to depart via Cirrus Drive as Stebner Road will have been converted to a one-way street for airshow traffic.

To expedite employees to their places of employment we require each tenant who has normal working hours during the air show weekend to submit a list of actual employees who are working only on July 16-17 to the Duluth Airshow office. Under no circumstances will any vehicle be allowed past the security checkpoints established on Stebner Road and Cirrus Drive unless the Duluth Airshow has received their name from you in accordance with the TSA and Duluth Airport approved security policy. Please also be aware that any employee with other passengers in the vehicle will not be allowed past the checkpoint unless they have Duluth Airshow tickets in their possession.

Additionally, we ask for your assistance to remind employees **not to cross any fence** or attempt to gain access to the airshow without Airshow tickets. Crossing **any fence**, even orange temporary air show fence, is a TSA 1540.105 violation and will be handled in accordance with DAA TSA violation policy which includes forfeiture of DAA issued SIDA/AOA/Sterile Area badges.

**If your entity does regular business on Saturday and Sunday please submit in writing to the Duluth Airshow Office the names of your employees who will be physically working at your location on July 16-17. Failure to do so will not allow them access past the checkpoint.**

Upon approval the Airshow will then add your business and employee names to the master security list allowing only the listed individual(s) to pass through the security checkpoint (no family, friends or others will be allowed).

Please email [lindsay@duluthairshow.com](mailto:lindsay@duluthairshow.com), no later than Friday, June 24<sup>th</sup>. Lists submitted after this date may not be processed and therefore individuals may not be allowed past the Security Checkpoints.

Thank you for your assistance,

Mark Papko

Digitally signed by Mark Papko  
Date: 2022.05.25 14:47:39  
-05'00'

Mark Papko  
Director of Operations



HERMANTOWN



Proudly serving the Hermantown community since 1977

SPECIAL ISSUE

May 19 - May 25, 2022

Vol.

The Hermantown CyberHawks pause for a photo with the Championship in Houston, Texas. /Submitted photo.

## Council approves airport zoning

By Jason Wilcox  
news@hermantownstar.com

The Hermantown City Council approved an ordinance establishing airport zoning during its Monday, May 16 meeting.

The council gave a second reading and approved an ordinance establishing Airport Zoning Overlay Safety Zones and adopting regulations. The Joint Airport Zoning Board (JAZB) for the Duluth airport created an airport overlay in 1988, which relates to properties adjacent to runways 3 and 9 within the city with the purpose to protect public health, safety and for promotion of the most appropriate use of land to prevent the creation or establishment of airport hazards. JAZB has been discussing, for many years, its desire to change the law to allow each airport to create its own custom zoning. The state law was amended in 2019 for



this outcome. In 2021, JAZB approved an airport zoning ordinance reflecting custom zoning in August 2021 and the Minnesota Department of Transportation approved the ordinance in October 2021.

The Council also passed a resolution for a cooperation agreement regarding the Duluth International Airport Joint Airport Zoning Board and the Duluth International Airport Zoning ordinance. During custom zoning negotiation, the Cities of Hermantown and Rice Lake advised the City of Duluth that Hermantown and Rice Lake would need to be indemnified against takings claims related

See Council on page

### Council

From p

to airport zoning if they adopted zoning regulations for their cities. Duluth agreed to this indemnification agreement.

The Council also passed resolution to approve publishing the summary of the ordinance establishing Airport Zoning Overlay Safety Zones and adopting regulations of the Hermantown Zoning Code.

In other business, the Council:

— Gave second reading and approved ordinance amending Section 350.04, acceptance and opening of additional roads and streets of the Hermantown City Code by modifying the name of Evee Drive to read as Stevie Drive. The road intersects Richard Avenue and Haines Road in the Hermantown Marketplace. A public hearing on this matter was held April 12 and

Advertising & Subscriptions: 218-727-0419 • email: n



FOR IMMEDIATE RELEASE:

**May 31, 2022**

CONTACT:

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

## **DULUTH INTERNATIONAL AIRPORT TO HOLD TRIENNIAL FULL-SCALE AIRPORT EMERGENCY EXERCISE**

**Duluth, MN** — Duluth International Airport will hold its Triennial full-scale airport emergency exercise on Thursday, June 2, 2022 from 8:00 am to 1:00 pm. The exercise is required once every three years by the Federal Aviation Administration (FAA) for commercial airports.

The exercise is an emergency response to test the Airport Emergency Plan in accordance with the FAA requirements and to improve emergency preparedness in the event of an actual aircraft incident. Mutual aid agencies responsible for first response and treatment of patients will participate. This will allow the airport to complete a comprehensive test of the system and coordination with our first responder partners.

The exercise will not affect commercial flights and will take place in an area separate from flight operations. The public may see increased activity with emergency vehicles coming to and from the airport during the drill.

### **About Duluth International Airport**

The 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. 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](http://duluthairport.com), follow us on Twitter @DuluthAirport, and like us on [facebook.com/duluthairport](https://www.facebook.com/duluthairport).



## **DLH simulates full-scale emergency exercise**

**WDIO**

*Updated: June 02, 2022 08:40 PM*

The Duluth international Airport conducted its full-scale airport emergency exercise Thursday.

The simulation is held every three years by the Federal Aviation Administration (FAA) for commercial airports, in an effort to become more prepared for emergencies.

It was an extensive display of skills and people, taking over six months to plan. There were 150 participants and volunteers, with over 25 agencies responding. They simulated the crash of an aircraft and an unknown criminal act. Medical helicopters were even on scene to fly out victims!

Cade Berg, an EMT and student at Lake Superior College, volunteered at the event. He said the perspective shift was very helpful. "Having the option of playing the role of the victim is super nice because we don't get to do it all that often," Berg shared. "It's easy to forget when you get a clinical mindset of what they go through. And even just having expansive drills like this where the adrenaline gets pumping you can see the firefighters hands were shaking even though none of us were injured so having the pressure on and still following your training. I think it's really good."

# Duluth International Airport Conducts Large-Scale Disaster Exercise

June 2, 2022

FOX21 LOCAL NEWS  
[Rusty Mehlberg](#)

DULUTH, Minn. – How would emergency responders react if an airplane struck a piece of construction equipment at Duluth International Airport, injuring dozens of people? That was an exercise held Thursday found out.

The Duluth International Airport has never experienced a large-scale disaster like the one they simulated Thursday, but it's necessary to simulate one to meet an FAA requirement. The scenario had multiple stages for responders to react to, from helping to treat people who were acting injured, as well as putting out a live fire set to represent a crashed airplane.

"So there's a number of different things that we're able to accomplish in a full-scale exercise like this," says Tom Werner, Executive Director of the Duluth Airport Authority, "but it is a requirement. We do it every three years." The exercise took months to plan, and brings together airport staff, airline and federal agency representatives, as well as medical, emergency management, and law enforcement members from Duluth and surrounding communities.

Werner says it's likely a disaster won't play out like this exercise did, but going through it helps them if one does occur. "It's about making sure that we can think on our feet. We can talk to each other across agency lines, and be effective responders, not only to the incident, but saving lives as well." Exercises like this would not be possible without several dozen volunteers playing the part of the victims.

"I'm a student at Lake Superior College for the Fire Technology program," says Cade Berg, a volunteer for the exercise. "So I have experience doing very minor versions of this drill for EMT classes."

Berg says the college's Fire Tech Club wanted to help out those who they hope to work with in the future, as well as experience what people go through when they suffer a serious injury. "You know, I got handed off to 12 different people. I had no idea what was going on. It's just sort of helps you get into the mindset of the victims, knowing that they are confused, having a rough time. Learning to be a bit more empathetic."

In the years when a full-scale exercise isn't held, scenarios still take place but are acted out like a computer simulation or tabletop game. Organizations that would take part would gather together communicate between their offices to ensure everyone is ready in case something unthinkable would happen.

# Duluth International Airport hold emergency preparedness drill

KBJR6

By [Molly Wasche](#)

*Published: Jun. 2, 2022 at 5:17 PM CDT*

DULUTH, MN-- Duluth International Airport held its required triennial full-scale emergency exercise Thursday.

Several first responder agencies were on scene along with dozens of volunteer actors.

The scenario featured a fictionalized crash scene fire and active crime situation.

While responders haven't seen a real scenario like this in Duluth, airport leaders say practice is critical for coordination and communication.

"They know where to respond to, we want to make sure that response is coordinated in a way that we're efficiently using all of those resources to save lives and protect the traveling public. Thankfully we haven't had an event like this, hopefully we never will, but we're ready if it happens," said Executive Director, Tom Werner.

Flights were not impacted.

The training takes place every three years.

## Mary Ann Wittkop

---

**From:** Matt Snell  
**Sent:** Monday, June 6, 2022 1:24 PM  
**To:** Tom Werner; Mark Papko; Natalie Peterson; Joelle Bodin; Jana Kayser; Kathy Leon; Mary Ann Wittkop; Ryan Welch; John Graves; Amanda McDonald; Brandon Conklin  
**Subject:** Triennial Photo

Our exercise made the top 25 military photos of the week on Military.com!



148th Fighter Wing first responders and 25 partnering agencies participated in an exercise at the Duluth International Airport, Duluth, Minnesota on June 2, 2022. The exercise simulated an aircraft striking a piece of large construction equipment upon touching down on the runway. (Audra Flanagan/Air National Guard photo)

Best,

**Matt Snell**  
Public Safety Manager  
Duluth Airport Authority  
4701 Grinden Drive  
Duluth, MN 55811

## **Flights from Duluth to Ft. Myers and Phoenix to return in December**

**WDIO**

*Created: June 03, 2022 03:52 PM*

The Duluth International Airport says seasonal flights will return later this year, thanks to their partnership with Sun Country.

Here are the complete details regarding Sun Country Airlines' seasonal air service:

- Sun Country will offer seasonal air service direct from Duluth to Phoenix, Arizona and Fort Myers, Florida.
- Tickets for this seasonal air service are on-sale now.
- Flights begin on December 16, 2022 and continue through April 17th, 2023.
- 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 air service allows sun-seeking local travelers to fly south this winter and next spring.



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<https://www.wsj.com/articles/airlines-fewer-flights-small-cities-pilot-shortage-11654611718>

# Want to Fly This Summer? Good Luck Traveling to a Small City

Thirty airports in continental U.S. have lost at least half the departures they had in 2019; pilot shortage stings regional airlines

By Alison Sider [Follow](#) and Allison Pohle [Follow](#) /  
Photographs by Kim Raff for The Wall Street Journal

June 7, 2022 10:25 am ET

With travelers buying plane tickets in droves, airlines are preparing for a surge and planning to provide seating for 11% more passengers this summer than last. You wouldn't know that, though, if you had to travel through some small cities.

A growing number of small airports have fewer flights, and some are at risk of losing service altogether. The regional airlines that serve them can't hold on to pilots, who are getting snapped up by bigger carriers.

Thirty airports in the continental U.S. have lost at least half the departures they had in 2019, according to an analysis of schedule data by Airline Data Inc.

In March, SkyWest Airlines Inc. notified airport officials in 29 cities that it intended to end service, citing the pilot staffing imbalance. In nearly all of those cities, SkyWest **SKYW -1.63% ▼** is the only commercial airline flying. For travelers near the Sioux City, Iowa, and Jamestown, N.D., airports, both of which SkyWest is attempting to leave, the next closest commercial airports are at least 80 miles away.

Regional airlines play a major role in U.S. air travel. They operate more than 40% of U.S. passenger flights, often flying on behalf of major airlines and helping to feed traffic into big hubs in Chicago, Atlanta and Dallas.

For many small communities, flights operated by regional carriers are their only link to the broader aviation network. According to the Regional Airline Association, about two-thirds of U.S. airports with scheduled passenger service rely exclusively on regional carriers, including 235 in the continental U.S.

Early in the pandemic, fearing a yearslong travel downturn, airlines encouraged pilots to retire early, offering packages that included partial pay and benefits. Thousands of pilots retired, many earlier than planned.

Travel demand, however, rebounded more swiftly than many executives anticipated, and the pilot shortage that had been looming in the industry arrived sooner than expected.

The share of U.S. pilots approaching the mandatory retirement age of 65 has grown in recent years, according to data from the Federal Aviation Administration. Finding the next generation of pilots has gotten more challenging. A 2013 federal rule requires that aspiring pilots fly 1,500 hours before being hired at a carrier, adding years and tens of thousands of dollars of costs to the training process.



Major airlines are planning to hire more than 10,000 pilots this year, nearly double the next busiest year for pilot hiring, which was last year, according to estimates from FAPA.aero, which advises professional pilots. Some big carriers are adding them at a rate of about 200 a

month. The Bureau of Labor Statistics estimates there will be openings for 14,500 pilots a year for the next decade.

To find new pilots, carriers such as American Airlines Group Inc. United Airlines Holdings Inc. and Delta Air Lines Inc. **DAL -2.42% ▼** have been pulling from the ranks of their regional affiliates, which are having trouble replacing them quickly enough. SkyWest and Mesa Air Group Inc. **MESA -1.47% ▼** have said they are seeing significantly higher rates of turnover than normal, especially among the most experienced pilots, the captains.

“I wish that I could say it’s already getting ready to improve, but it’s not,” said Matt Koscal, executive vice president of Republic Airways Inc., an Indianapolis-based regional airline. “It’s going to get worse before it gets better.”

Some lawmakers are considering introducing legislation to raise the mandatory retirement age for pilots. Republic has asked the Federal Aviation Administration to allow pilots who go through a special program at the airline’s training academy to begin flying on a restricted license with 750 hours of flight time. Breeze Airways, which started last year, is looking to bring pilots to the U.S. from Australia on special visas.

Capt. Joseph DePete, president of the Air Line Pilots Association, a union, has disputed companies’ claims of a shortage, saying airlines are cutting service because they are losing money in those cities.

The squeeze is likely to continue until late next year or early 2024, SkyWest executives said late in late April.

Meanwhile, some smaller airlines don’t have enough employees to operate all the flights they had planned.

United has pulled out of about 18 small markets, including Columbia, Mo., and Evansville, Ind.

“We’re flying dramatically fewer regional jets today than we were in 2019,” said United Chief Commercial Officer Andrew Nocella during a recent earnings call. “And we don’t expect that to improve at all in the next few years.” United has said it has 150 regional jets grounded due to lack of pilots.





Mesa lost almost 5% of its pilots in April because they were hired away. Chief Executive Jonathan Ornstein said the airline can't continue losing pilots at the current pace, and that the cities losing service now are just the beginning. "It's not sustainable," he said.

Soaring fuel prices have made it more difficult for airlines to make money on niche routes. Also, the 50-seat jets that airlines have relied on to serve small cities are being phased out as they get older, replaced by jets with 70 or more seats, which are more cost efficient but exceed passenger demand in some markets, airline and airport executives said.

Some small airports that used to have two or three flights a day are down to just one. That can make it harder to make connections, which can mean tacking on an overnight stay or driving three or four hours to a busier airport.

Wilf Costello, chief commercial and marketing officer at Glanbia Nutritionals, a cheese manufacturer in Twin Falls, Idaho, said flight reductions have been a headache for business travelers in the area. Twin Falls had as many as four daily flights last fall, but now has only one.

Earlier this year, he and two colleagues needed to fly to California, but there were only two seats left on the day's only flight. "I had to go out a day early," he said.

The next best options are Boise, two hours away, or Salt Lake City, a three-hour drive, trips that can be treacherous in bad weather.

Williamsport, Penn., a city of close to 30,000 that hosts the Little League World Series each summer, saw its last commercial flight in September, when American Airlines pulled out, saying it wasn't financially viable. "It's not completely crickets in there, but it's pretty close," said airport director Richard Howell.



The pilot shortage and surging fuel prices have made it nearly impossible to find a replacement carrier, Mr. Howell said. “It’s a double whammy for a market like ours,” he said. “If there’s a worst-case scenario, this is probably it.”

The airport is in discussions with Southern Airways Express to start service, but even if that is successful, it won’t be the same. Southern currently flies nine-seat aircraft, not 50-seat jets.

To avoid that outcome, airports are cutting deals with the airlines to guarantee a certain amount of revenue for flying in and out of their cities, pursuing new deals with discount airlines and startups, and urging local residents to use the remaining flights as often as possible to prevent further cuts.

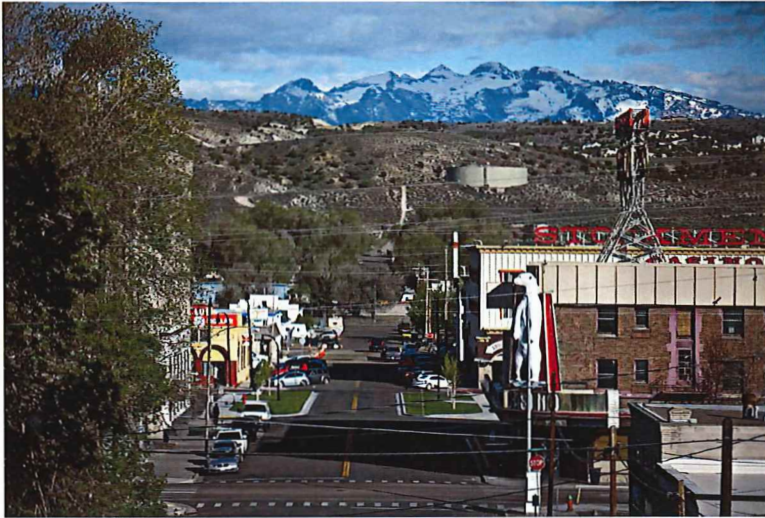
Elko, Nev., is down to a single daily flight. “This is a little bit more than an inconvenience for our community,” said Curtis Calder, Elko’s city manager.

Late last year, when Mr. Calder first learned that the city’s airport could lose one of the two daily flights it had at the time, he and other city officials and business leaders flew to St. George, Utah, where SkyWest is based. “We’re not one of those communities that’s 80 miles from the nearest airport,” Mr. Calder said in an interview, noting that the next closest airports are hundreds of miles away.

In April, Elko’s city council approved an agreement with SkyWest guaranteeing the airline a minimum of \$950,000 a year in revenue in exchange for preserving the remaining daily flight. The deal is retroactive, so for the first three months of this year, Elko is on the hook for nearly \$185,000. Twin Falls struck a \$400,000 revenue guarantee in March to keep SkyWest from pulling out.



“Communities are having to dig deep and do a lot to hang on to remaining service,” said Bill Tomcich, a consultant who works with small airports, including Elko, on attracting and maintaining airline service. Once airlines leave and the Transportation Security Administration pulls out, he said, it can be hard to restart flights.



Sheldon Mudd, executive director of the Northeastern Nevada Regional Development Authority, said air service ranks with utilities like electricity and natural gas as infrastructure that businesses expect to have when considering where to locate a facility or office. “You just have to have it,” he said. “Executives have to be able to fly in and out of an area quickly.”

Not everyone is convinced it’s worth the cost. Claudia Ortega, city councilor for Pocatello, in southeastern Idaho, opposes an \$800,000 subsidy to SkyWest to help keep its last remaining flight. Ms. Ortega said a large percentage of the town’s population lives paycheck to paycheck, so she isn’t sure the city can sustain a commercial flight. The city approved the guarantee last week, and Ms. Ortega the lone city councilor to vote against it.

Some airports facing flight losses are talking with discount carriers that fly to fewer places than larger airlines. Such carriers might offer a flight to Las Vegas or Florida, rather than a one-stop connection to business centers like Chicago or New York. To some airport officials, that is better than nothing.

After American flew its last flight from Connecticut's Tweed-New Haven Airport on Sept. 30, the airport had no carrier for a month. Now it is a hub for Avelo Airlines, an airline that launched last year and will fly to 14 destinations this summer, including Wilmington, N.C., and West Palm Beach, Fla.

"We were on our own and kind of left for dead, and if we wanted to survive this, we were going to have to do something very different," said Sean Scanlon, the airport's executive director.

The federal government tries to ensure that the most vulnerable cities still have some way to connect into the aviation network. It subsidizes service to some small communities through its Essential Air Service program, established after the deregulation of the airline industry in 1978 to ensure commercial carriers wouldn't abandon small communities.

When SkyWest announced it intended to end service to 29 airports, including those in Sioux City, Iowa, and Jamestown, N.D., the Transportation Department intervened and said SkyWest can't leave until a replacement is found.

While officials at some airports had worried no new airlines would seek to replace those pulling out, the Transportation Department said it received proposals from potential replacement carriers for 28 of the cities, and has already selected a new carrier for one more. Many of the proposals are for flights on much smaller nine-seat planes.

Cities such as Lincoln, Neb., are taking notice, said David Haring, the Lincoln airport's executive director. Delta pulled out of that city's airport this year. United still serves it and just added another flight. It hasn't said it will end service, but Mr. Haring said he continues to be concerned about the future.

With airlines phasing out the 50-seat jets that have serviced cities like Lincoln, he said, such cities might have trouble persuading airlines that they can fill larger aircraft, and flights could become less frequent.

"If we are under the impression that just because we've always had air service that we are immune from the full removal of services like we're seeing in other communities, then we're

fooling ourselves,” he said.



Write to Alison Sider at [alison.sider@wsj.com](mailto:alison.sider@wsj.com) and Allison Pohle at [Allison.Pohle@wsj.com](mailto:Allison.Pohle@wsj.com)

*Appeared in the June 8, 2022, print edition as 'Small Cities Lose Flights Despite Airline Travel Boom'.*



# TENANT AND AIRFIELD USER NOTICE

## DULUTH INTERNATIONAL AIRPORT

### TAXIWAY A RECONSTRUCTION (PHASE 1) AND RUNWAY 3/21 LIGHTING AND SIGNAGE REPLACEMENT PROJECTS

## PROJECT BACKGROUND

The airport will be completing the first of many phases for the Reconstruction of Taxiway A. Since a portion of this project will require the closure of Runway 3/21 while work is performed in the runway safety area, the airport will utilize this closure to update the signage on Runway 3/21 to FAA standards and replace and update the runway lighting.



## PROJECT SCHEDULE

### PHASE 1B

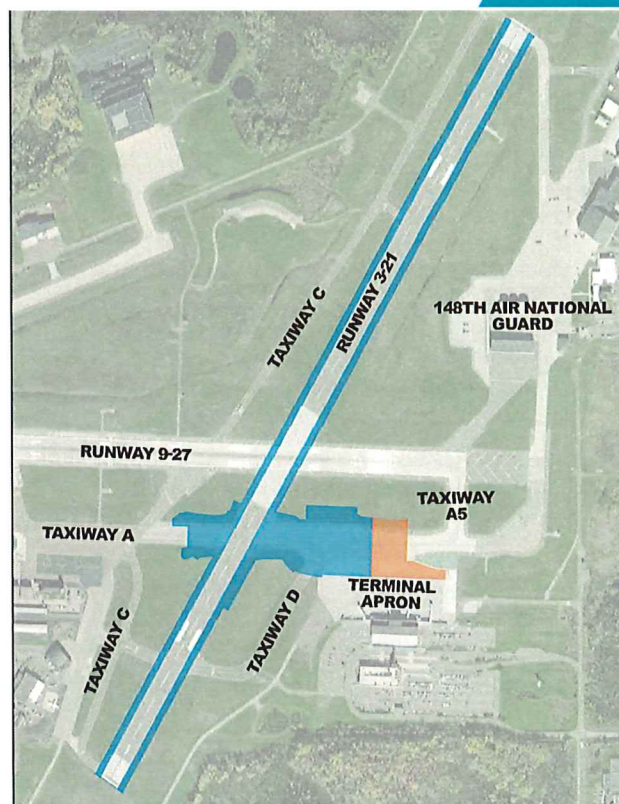
Start Date: May 31, 2022  
End Date: July 9, 2022

### AIR SHOW

July 16th and 17th  
*No construction is planned during this time.*

### PHASE 1A AND RUNWAY 3/21 LIGHTING PROJECT

Start Date: July 18, 2022  
End Date: September 20, 2022



*Always review NOTAMs for the latest airfield conditions.*

*Refer to [weekly newsletters](#) for project updates, operational impacts and construction progress.  
Contact Mark Papko, [mpapko@duluthairport.com](mailto:mpapko@duluthairport.com), to subscribe to the newsletter.*



## CONSTRUCTION IMPACT

Portions of Taxiway A and the Commercial Service Ramp will be closed during **Phase 1B**.

Runway 3/21, portions of Taxiway A and the Commercial Service Ramp and Taxiway D will be closed during **Phase 1A**. Runway 9/27 night closures (approx. 7 nights) for work in the intersection of Runways 9/27 and 3/21 are anticipated.



## FUNDING

This project is funded primarily by the Federal Aviation Administration (FAA) in partnership with Minnesota Department of Transportation (MnDOT), the 148th Fighter Wing (Air National Guard) and the Duluth Airport Authority (DAA).



## CONTACT

Duluth Airport Authority: **Mark Papko**  
218.625.7767  
SEH (Engineer): **Adinda Van Espen**  
320.428.3654

Shafer Contracting (Contractor):  
**Brad Mattson**  
651.257.5019



**DULUTH INTERNATIONAL AIRPORT**  
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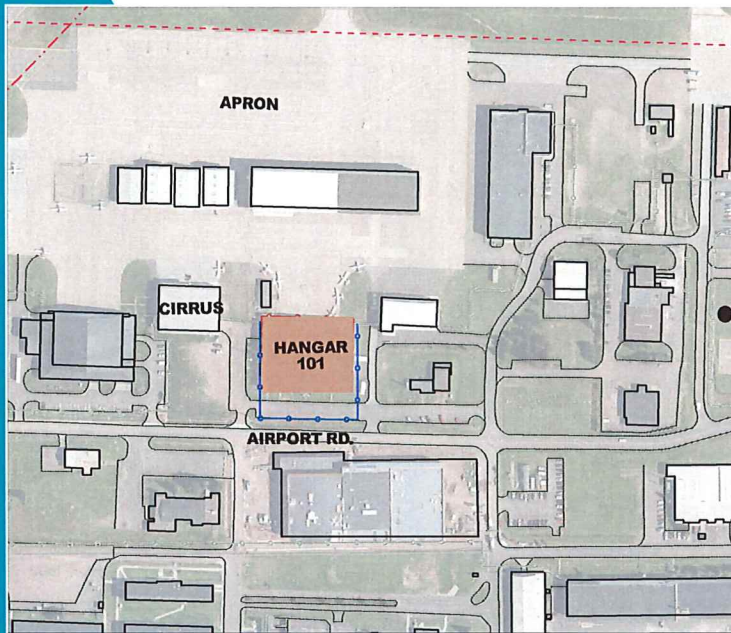




# TENANT AND AIRFIELD USER NOTICE

## DULUTH INTERNATIONAL AIRPORT

### HANGAR 101 DEMOLITION PROJECT



## PROJECT BACKGROUND

The airport will be completing the demolition of Hangar 101 beginning June 8, 2022. Following recent wind storm damage, Hangar 101 was deemed unsafe by the Duluth Fire Department and cleared by the FAA for immediate demolition through a Notification of Emergency Situation. The demolition includes only removal of the structure with the concrete hangar pad remaining in place. Further site development will occur in future years as outlined in the Airport Master Plan.



## PROJECT SCHEDULE



### HANGAR 101 DEMOLITION

Start Date: June 8, 2022  
End Date: July 13, 2022

*Always review NOTAMS for the latest airfield conditions.  
Refer to [weekly newsletters](#) for project updates, operational impacts and construction progress.  
Contact Mark Papko, [mpapko@duluthairport.com](mailto:mpapko@duluthairport.com), to subscribe to the newsletter.*



### CONSTRUCTION IMPACT

The pavement in front of the hangar will be closed until the building is safely demolished. The project will not impact any airside pavements.



### FUNDING

This project is funded primarily by the Federal Aviation Administration (FAA) in partnership with Minnesota Department of Transportation (MnDOT), and the Duluth Airport Authority (DAA).



### CONTACT

Duluth Airport Authority:	SEH (Engineer):
<b>Mark Papko</b>	<b>Chelsea Kuchta</b>
218.625.7767	651.900.3662
Rachel Contracting (Contractor):	
<b>Mike Friend</b>	
218.355.8487	

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# Summer Construction Newsletter

## Duluth International Airport (DLH)

Weekly Update - June 10, 2022

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We are two weeks into the construction season at DLH and a lot of progress has been made on Phase 1 of Taxiway A, with Phase 1B starting last Tuesday, May 31st. Last week the contractor removed the existing concrete and bituminous pavements in the Phase 1B limits.

This past week the contractor removed the existing storm sewer infrastructure and installed the new storm sewers and catch basins. The contractor also installed the daintile, began preparing the subgrade, and also began placing the first pavement support layer.

### Next week - June 13th

The contractor is planning to begin erecting the batch plant. The batch plant will be located south of the approach end of Runway 3. Aircraft and pilots may see a lot of work in that area - the FAA has completed an airspace safety study and all necessary steps have been taken to ensure the safe operation of aircraft around the airport. Paving of Phase 1B is anticipated to begin as early as next week but is subject to change.

### Anticipated Project Schedule - Subject to change



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- Taxiway A Phase 1A: July 18th - September 20th



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Please note these dates are subject to change and airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.

### Project Contact Information

Mark Papko, Director of Operations - Airport Authority - [mpapko@duluthairport.com](mailto:mpapko@duluthairport.com)

Adinda Van Espen, Project Manager - SEH - [avanesp@sehinc.com](mailto:avanesp@sehinc.com)

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Duluth International Airport

(218) 727-2968  
[daa@duluthairport.com](mailto:daa@duluthairport.com)



## Mary Ann Wittkop

---

**From:** Don Monaco <donm@monacoairduluth.com>  
**Sent:** Wednesday, June 1, 2022 7:05 PM  
**To:** Tom Werner; craig.fellman  
**Cc:** 'Dave Gaddie (dgaddie@bell.bank)'; 'Greg Fox (gregandsheilafox@hotmail.com)'; 'Bill King (skykingpilot@gmail.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:** May, 2022 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 May, 2022 Activities

**Airport Tour Program:** The Foundation offers Duluth International Airport tours to groups of high school students and to other groups upon request. We have received recent requests for tours, but tours will not resume until businesses allow visitors at their facilities.

**Other Initiatives:** The Foundation welcomes additional requests from the Duluth Airport Authority Board for initiatives the Board would like the Foundation to consider.

**DAA Representative:** The DAA Board of Directors must appoint a DAA Director to replace Todd as a non-voting Foundation Director when Todd's term expires at the end of this month. Please identify a DAA Director who is willing to serve and prepare a resolution for consideration at the July or August DAA Board meeting. Thank you.

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](mailto:donm@monacoairduluth.com)  
[www.monacoairduluth.com](http://www.monacoairduluth.com)

## VII A

### Advertisement Agreement Twin Ports Dermatology – Ticketing Area

***Terms:***

- July 1, 2022 to June 30, 2023 with the option to renew one year

***Agreement Overview:***

- New advertisement agreement
- Location – elevator glass wall in ticketing area
- \$10,000 for one year with annual payment
- Advertiser is responsible for printing and installation costs along with removal

## **DULUTH INTERNATIONAL AIRPORT**

### **LICENSE AGREEMENT**

#### **FOR THE DISPLAY OF ADVERTISING**

This License Agreement (the "Agreement") is entered into this 1<sup>st</sup> day of July, 2022, between Duluth Airport Authority ("DAA") and Twin Ports Dermatology ("Advertiser").

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

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

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

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

1. **Term of Agreement.** Notwithstanding the date of this Agreement, this Agreement shall commence on July 1, 2022, and will continue through June 30th, 2023, with the option to renew for one year through May 30th, 2024, unless earlier terminated as set forth herein. At the termination of the Initial Term, this Agreement may be renewed upon agreement of the Executive Director and Twin Ports Dermatology for up to one additional one-year period. Such renewal shall be under the same terms and conditions stated in this Agreement,
2. **License.** DAA hereby grants to the Advertiser a limited, non-transferable license in the area of the Terminal identified on the attached Exhibit A (the "Licensed Space"). The Licensed Space shall be used solely for the purpose of displaying the Advertiser's advertisement. Advertiser takes the Licensed Space in an "as is" condition without representations or warranties of any kind, and DAA shall not be obligated to make any alterations or improvements on or to the Licensed Space.
3. **Advertising specifications.**
  - a. Advertiser shall provide the advertising content at its sole expense on a mutually agreeable form of media.
  - b. Advertiser agrees that the advertising shall solely be used for the purpose of promoting Advertiser's products or services and shall not be used for any other purposes. Advertiser is responsible for all costs related to the design, concept, look and feel of the content used in the advertising. All advertising content is subject to the prior written approval of the DAA's Executive Director or designee (the "Executive Director").
  - c. Advertiser shall be solely responsible for the installation and maintenance of the advertising media as set forth herein.
  - d. Advertiser shall be responsible for the removal of the advertising media in a timely

manner and restoration of the License Space as set forth herein upon a schedule as determined by DAA.

- e. Nothing herein shall restrict DAA in any way from selling advertising, ad space, sponsorships, or any other product or service to any third party on standard commercial terms in other locations, even if such third party is using such advertising, ad space, sponsorships, product or service for the solicitation or sale of products similar to or competitive with Advertiser.
4. **License Fee.** In consideration for the rights and benefits granted to Advertiser pursuant to this Agreement, Advertiser shall pay to DAA an annual fee in the amount of \$10,000.00 (the "Fee") to be paid in advance of the effective date of this agreement at the address set forth in Paragraph 19 below. The initial payment shall be due upon execution of this Agreement.
5. **Advertisement Installation.** Advertiser's advertisement shall be installed in a manner acceptable to and approved in writing by the Executive Director.
- a. The timing of the installation shall be coordinated with the Executive Director and work must be performed such that it does not have a material impact on the operations of the Airport or negatively impact any tenants operating at the Airport as determined in the sole discretion of the Executive Director.
  - b. An authorized representative of the Advertiser shall be available at all reasonable times at the site to coordinate the work of the advertisement installation.
6. **Maintenance.** The Advertiser agrees to keep the Licensed Space including the advertisement in a clean, neat and orderly condition and in compliance with all laws and codes applicable to the Licensed Space. The Advertiser shall keep the advertisement operational, functional and/or stocked, as the case may be, during all Terminal hours other than as may be required for any repair, maintenance and/or restocking. In the event that the Advertiser shall fail to so maintain any portion of the said Licensed Space, the DAA shall have the right, but not the obligation, to itself perform or have performed said maintenance and to charge the Advertiser therefor, which charge the Advertiser shall promptly pay. Any damage occurring as a result of the DAA performing or having performed maintenance due to Advertiser's failure to do so shall be the responsibility of the Advertiser and not that of the DAA.
7. **Restrictions on Assignment.** Except for the contracting or subcontracting of installation, Advertiser shall not sell, assign, transfer, or convey this Agreement or any part thereof, or sell, assign, transfer, convey, share or sublet its use of the Licensed Space or any part thereof. Any attempt to sell, assign, transfer, convey, share or sublet this Agreement or the Licensed Space or any portion thereof in violation of this Paragraph shall constitute a breach of this Agreement.
8. **Representations and Warranties.** Advertiser represents and warrants to DAA that:
- a. Advertiser owns or validly possesses the right to make, use, perform, sell and display any patented products, copyrighted works, trademarks, service marks and trade names, as the case may be, used by Advertiser in its advertisement;
  - b. Advertiser has full power and authority to execute and deliver this Agreement and to perform all of its obligations hereunder;

- c. this Agreement has been duly authorized and approved by all necessary and proper corporate action on the part of Advertiser and is the valid, legally binding and enforceable obligation of Advertiser in accordance with its terms; and
  - d. the execution, delivery and performance of this Agreement by Advertiser does not conflict with, violate or constitute a default under any of the terms, conditions or provisions of any contract or other instrument to which Advertiser is a party or by which Advertiser is or may be bound.
9. **Indemnification.** Advertiser agrees to defend, indemnify and hold harmless DAA and the City of Duluth (the "City") and their respective officers, agents, servants and employees from and against any and all losses, claims, actions, demands, liabilities, judgments, penalties, injunctive relief, injury to person(s) or property or the Licensed Space, costs, damages and expenses, including reasonable attorney's fees, by reason of any actual or alleged act or omission of Advertiser or Advertiser's officers, employees, agents, contractors, subcontractors or invitees in connection with or relating to (a) Advertiser's use or occupancy of the Licensed Space or the Terminal pursuant to this Agreement, (b) the display of Advertiser's advertising including any allegation that the use of any name, visual presentation or other material is illegal, unauthorized or damaging in any way to a person or entity, or (b) Advertiser's infringement of any intellectual property, including without limitation copyright, patent, or the unauthorized use of a registered trademark or service mark or other violations of property or proprietary rights, or the rights of privacy or publicity of any third party arising from, related to or in connection with this Agreement. Upon ten (10) days' written notice Advertiser shall appear and defend all claims and lawsuits against DAA and/or the City growing out of any such injuries or damages. Neither DAA nor the City waives their respective immunities under state or federal law.
10. **Expiration.** Upon the expiration of this Agreement, the Advertiser's rights to use the Licensed Space shall cease and Advertiser shall, promptly and in good condition surrender the same to DAA. In the event that the Advertiser has in any way changed, altered or modified the Licensed Space, Advertiser agrees to return the same to the condition it was in at the time of the signing of this Agreement. In such event, an authorized representative of the Advertiser shall be available at all reasonable times to coordinate the advertisement removal and Licensed Space restoration. Alternatively, if agreed to by the Executive Director, the Advertiser shall pay DAA for the cost of returning the Licensed Space to said condition unless waived by the Executive Director in writing in which event any improvements or property which have become part of the realty shall become the property of DAA. Any improvements or property not part of the realty shall be removed within ten (10) days of expiration. Such improvements or property not removed may be removed by DAA, and Advertiser shall, immediately upon receipt of invoice, pay for the costs incurred therefor. In such event, all property shall be deemed to have been abandoned to the DAA and the Advertiser's right to possession shall cease.
11. **Termination upon breach.** DAA shall have the right to terminate this Agreement upon breach by Advertiser of any of its representations, warranties, covenants or obligations under this Agreement, which breach has not been cured within ten (10) business days after receipt of notice specifying such breach. In the event of a termination by DAA pursuant to this Paragraph, Advertiser shall forfeit all Fees paid and shall further be responsible for payment of the remaining portion of the Fees due under this Agreement. Additionally, DAA shall have the immediate right to take possession of the Licensed Space. Upon five (5) day's written

notice to the Advertiser, DAA may remove all property from the Licensed Space, and Advertiser shall, immediately upon receipt of invoice, pay for the costs incurred therefor. In such event, all property shall be deemed to have been abandoned to the DAA and the Advertiser's right to possession shall cease. In addition, DAA shall have the right to pursue all other rights and remedies at law or in equity.

12. **No Third-Party Rights.** Nothing in this Agreement confers or purports to confer on any third party any benefit or any right to enforce any term of this Agreement.
13. **Compliance with Laws.** The Advertiser agrees to observe, comply and abide with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota, the City and the DAA and their respective agencies now in effect or hereafter promulgated which are applicable to its activities under this Agreement. The Advertiser shall procure at its own expense all licenses, permits or other rights required for the activity contemplated by this Agreement.
14. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota. All proceedings related to this Agreement shall be venued in Duluth, Minnesota.
15. **Severability.** In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, unenforceable, or violate any applicable law, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.
16. **Waiver.** Any waiver by either party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision. In order to be effective, a waiver must be in writing.
17. **Limitation of Liability.** Liability of the DAA and the City shall be governed by the provisions of the Minnesota Municipal Limitation of Liability Statute, Minnesota Statute Section 466 et seq.
18. **Amendments.** Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.
19. **Notices.** All written notices and/or communications hereunder shall be sent by U.S. mail postage prepaid or personal delivery to the addresses indicated below or to such other respective persons or addresses as the parties may designate to each other in writing from time to time.

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

Advertiser  
Twin Ports Dermatology  
Attn: Anthony Smith  
1414 Woodland Avenue  
Duluth, MN 55803

20. **Execution.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but



all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

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


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

**Duluth Airport Authority**

By: \_\_\_\_\_  
Its President

By: \_\_\_\_\_  
Its Secretary

**Twin Ports Dermatology**

By:   
Its: owner

**EXHIBIT A**  
**LICENSED SPACE**



## VII B

### Duluth Airport Authority Landrum & Brown Master Services Agreement

***Terms:***

- 1 year

***Background:***

- Landrum & Brown will provide professional services as the DAA negotiates new Airline Use & Lease Agreements which will commence January 1, 2023.

***Agreement Overview:***

- Task Order includes scope of work (Exhibit A Task Order) from request for qualifications.
- Fee not to exceed \$50,000 with a \$10,000 contingency. The contingency budget will be utilized in coordination with DAA staff for labor overages including but not limited to out-of-scope requests and unforeseen delays.



## **MASTER SERVICES AGREEMENT**

THIS MASTER SERVICES AGREEMENT BETWEEN CONSULTANT AND CLIENT (hereinafter referred to as the "Agreement") is entered into by and between Landrum & Brown ("Consultant") having a place of business at 4445 Lake Forest Drive, Suite 700, Cincinnati, Ohio 45242 and Duluth Airport Authority ("Client") having a place of business at 4701 Grinden Drive, Duluth, Minnesota 55811 and has an Effective Date based upon the full execution of this Agreement. Consultant and Client are each individually referred to as a "Party" and collectively as the "Parties".

**In consideration of the mutual promises or covenants contained in this Agreement, the Parties agree as follows:**

- A. **Services:** This Agreement establishes the terms and conditions under which Consultant agrees to provide services to Client on specific projects related to Duluth (DLH) Development of Airport Airline Use & Lease Agreement (hereinafter referred to as the "Project").

For each project, Client and Consultant will enter into a mutually agreed upon Task Order, executed by both parties, which will be appended hereto (each a "Task Order") in numerical order based on the date of commencement of the services of that Task Order. Each Task Order will describe the services to be performed ("Services"), pricing, commencement date of the project and estimated performance period all of which shall be negotiated independently for each Task Order. The results and proceeds performed under this agreement will be summarized as Deliverables (the "Deliverables"). In the event of a conflict in terms between this Agreement and any Task Order, the Agreement shall control.

- B. **Term, Termination and Survival:** Unless otherwise terminated as herein provided, the term of this Agreement shall commence on the Effective Date and shall continue for a one (1) year period. After the initial one (1) year term, either party may terminate this Agreement without cause upon at least thirty (30) days' written notice to the other party. Notwithstanding the foregoing, the Services shall be performed within the term specified in the relevant Task Order. Any terms of this Agreement which by their nature extend beyond termination of this Agreement shall survive and bind the parties and their successors and assigns.
- C. This Agreement is subject to the Terms and Conditions contained below, and the provisions of the exhibits attached hereto and made a part hereof:

**Exhibit A: Proposal** (if including) [or Task Orders (Sample included); all future executed Task Order shall be appended in sequential numerical order.

**Exhibit B: Task Order (sample)** [all future executed Task Order shall be appended in sequential numerical order.]





## TERMS AND CONDITIONS

Client and Consultant agree that the following provisions shall be part of this Agreement:

1. **Assignment.** This Agreement shall not be assigned by either Client or Consultant without the prior written consent of the other. Neither Client nor Consultant shall assign claims arising from the Agreement without the prior written consent of the other.
2. **Non-Waiver.** Consultant's or Client's waiver of any term, condition or covenant shall not constitute the waiver of any other term, condition or covenant. Consultant's or Client's waiver of any breach of this Agreement shall not constitute the waiver of any other breach of the Agreement.
3. **Unenforceable Terms; Effect.** If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding on both the Client and Consultant.
4. **Confidentiality.** Both parties shall adhere to the obligations and requirements of the state's open records as may be applicable and the confidentiality provisions set forth hereafter are subject to those requirements. Consultant agrees to regard and preserve as confidential all information related to the business and activities of Client that may be obtained by Consultant as a result of performing Services under this Agreement. Client agrees to regard and preserve as confidential all information related to the business and activities of Consultant that may be obtained by Client as a result of this Agreement and the performance of Services contemplated hereby, including, without limitation, all information regarding pricing of Services. Both parties agree to hold such information in trust and confidence for the other party and not to disclose such information to any person, firm, or enterprise, or use any such information to its own benefit, or to the benefit of any third party, unless authorized in writing by the party in interest. Information shall not be considered confidential to the extent that such information is: (i) already known free of any restriction at the time it is obtained; (ii) subsequently learned from an independent third party free of any restriction; (iii) generally available to the public., or (iv) deemed public pursuant to applicable law or court order.
5. **Intellectual Property.** In the course of performance under this Agreement, Consultant may use products, materials, tools, and methodologies that are proprietary to Consultant or to third parties (collectively, "Proprietary Items"). Client will not have or obtain any rights in such Proprietary Items other than (i) to use them as authorized by Consultant in writing from time to time solely for purposes of performing its responsibilities under this Agreement. If Proprietary Items are made available to the Client, they will be made available "AS IS" and without express or implied warranties of any kind. Nothing in this Agreement will preclude Consultant from marketing, developing, or using for itself or others, services or products that are the same as or similar to those provided to Client by Consultant pursuant to this Agreement. Furthermore, Consultant will continue to be free to use its general knowledge, skills, and experience and any ideas, concepts, know-how, and techniques related to the scope of this Agreement and used in the course of performing its obligations hereunder.
6. **Limited License.** Client agrees not to use or permit any other person to use plans, specifications, drawings, cost estimates, reports or other documents (hereafter "work product") prepared by Consultant which are not final and/or not signed by Consultant. Client further agrees that final plans, specifications, drawings, cost estimates, reports or other documents are for the exclusive use of Client and may be used by Client only for the Project described on page 1 of this Agreement and/or project specified in appended Task Order and such use is subject to the terms and conditions of this Agreement. Such final plans, specifications, drawings, cost estimates, reports or other documents may not be changed or used on a different project without written authorization or approval by Consultant.
7. **Scope of Services:** Client acknowledges that Consultant will be providing services specified in individual Task Orders. The Parties acknowledge and agree that work items not expressly listed in a Task Order are excluded from Consultant's Services. These "Excluded Services" include, without intent to limit, construction, engineering, design related skill or service, legal advice, as well as any other item not expressly listed in an executed Task Order
8. **Not a Municipal Advisor.** Consultant is not registered with the U.S. Securities & Exchange Commission as a municipal advisor, is not acting as a municipal advisor, and does not assume any fiduciary duties or provide advisory services as described in Section 15B of the Securities Exchange Act of 1934 or otherwise. Consultant does not make recommendations or advice regarding any action to be taken by our clients with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities





including with respect to the structure, timing, terms or other similar matters concerning municipal financial products or the issuance of municipal securities.

9. **Payment Terms.** Client agrees to pay Consultant for Services rendered under any Task Order pursuant to the pricing information contained in such Task Order. In addition to Consultant's fees for Services, Client agrees to reimburse Consultant for all actual expenses incurred in the course of providing Services to Client including, but not limited to, travel and ordinary business expenses. Travel expenses will be reimbursed separately at cost and without markup. On hourly assignments, fees for travel time will be billed at one-half of the hourly rate. On hourly assignments, fees charged during travel assignments will have a minimum fee of one-half day at the hourly rate.
- Consultant will bill Client on a monthly basis unless agreed otherwise in a Task Order. Client shall make payment to Consultant within thirty (30) days of the date of Consultant's invoice. It is agreed that late payments will be subject to an interest charge of one (1) percent per month. Payment shall be made to the address set forth in such invoice.
10. **Revisions Required by Authority Having Jurisdiction.** If Consultant, pursuant to this Agreement, produces plans, specifications, or other documents and/or performs field services, and such plans, specifications, or other documents and/or field services are required by any governmental agency, and such governmental agency changes its ordinances, codes, policies, procedures or requirements after the date of this Agreement, any additional services thereby required shall be paid for by Client as Additional Services.
11. **Additional Services (Variations).** Client agrees that if Client requests services not specified in the scope of services for a Task Order, Client will authorize and execute an amended or new Task Order for all such additional services requested. Amended Task Orders shall specify all changes or additions. Any new or Amended Task Order must be executed by both parties prior to commencement of the additional services. The Consultant is not obligated to perform additional services without an executed Task Order specific to the change.
12. **Delays.** Consultant is not responsible for delay caused by activities or factors beyond Consultant's reasonable control, including but not limited to, force majeure, accidents or equipment malfunctions, acts of God, failure of Client to furnish timely information or approve/disapprove of Consultant's services or instruments of service promptly, faulty performance by Client or other third parties.
13. **Contractors.** Client acknowledges that Consultant is not responsible for the performance of work by third parties including, but not limited to, a construction contractor and its subcontractors.
14. **No Warranty.** Consultant makes no warranty, either express or implied, as to its findings, recommendations, plans, specifications, or professional advice except that the services were performed pursuant to generally accepted standards of professional practice in effect at the time of performance.
15. **Notice.** All notices which are required or may be given pursuant to this Agreement must be in writing and sent to the individual listed below or his successor at the address above first written. Notices shall be delivered by a recognized courier service such as Federal Express, USPS or UPS, with package tracing capability.
16. **Integration and Merger.** This Agreement contains the entire and integrated agreement between Client and Consultant relating to the Project and the provision of services for the project. Any prior agreements, promises, proposals, negotiations or representations not expressly set forth in this Agreement are of no force or effect. Subsequent modifications to this Agreement shall be in writing and signed by the Parties.

**WHEREAS, the parties hereto entered into this Agreement as of the Effective Date.**

DATE: \_\_\_\_\_  
DULUTH AIRPORT AUTHORITY

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Secretary

LANDRUM & BROWN, INC.

By \_\_\_\_\_

Its \_\_\_\_\_

## **Exhibit A Proposal/Task Order 1**

### ***Provide Information on Current Airport Industry Practices for Airline Use & Lease Agreements and Provide Analysis to Support Recommended Business Agreement Strategies to Align with the Authority's Recently Approved Airport Master Plan and Airport Strategic Plan.***

The major initiatives according to the Strategic Plan include:

- a. Infrastructure Renewal
- b. Support Economic Development
- c. Strengthen the Duluth Airport Authority's Cash Position
- d. Strengthen/Grow Air Service

These initiatives have been ongoing challenges for the Authority; however, there has been significant progress made to date in each area and there has been significant progress made to date in each area, and this must continue to ensure the ability to meet future demands. The new air traffic control tower and the taxiway replacement programs represent significant projects that will need to be factored into the future financial plan, yet not place a burdensome demand on airlines rates and charges. This strategy was addressed as part of the Master Plan finance chapter completed by L&B as part of that process.

L&B is an industry leader in developing business strategies, airline use and lease agreements, and rate making methodologies at all sizes of airports across the country, with a particular emphasis on small hub and non-hub airports with an airline base similar to DLH. The focus of developing alternatives is to ensure the strategies, models, and agreements developed have supporting logic and financial terms that can gain acceptance from the airlines.

Innovative approaches need to be considered to ensure that the most aggressive practical approach is developed. L&B has introduced innovative alternatives in the areas of using non-airline sources of revenues (i.e. pandemic grants, third party funding, CFCs, user fees), and designating the majority of space as joint use to shift the vacancy risk away from the airport.

With the extensive expansion of less than daily airlines over the last few years that have a different facility requirement than legacy airlines, airports have had to adapt models and leasing policies to respond to the two differing market focuses. While legacies have promoted the traditional approach of leases that required large blocks of space to be leased to support multiple daily operations, that overhead is a barrier to entry to less than daily airlines because of the fixed cost it represents. ULCC carriers prefer a more ad hoc approach where there is not an overhead burden when the facility is not being used. The challenge for an airport like DLH is to balance those competing positions. The approach has included how space is categorized as well as how it is paid for so there is a "pay for what you use" approach that has been universally supported. This is accomplished most successfully by the consultant and the airport spending time on the front end discussing the different issues that will be expected to be encountered and analyze what has been successfully implemented at other airports.

Although L&B (Trillion) developed the current model and document, it is imperative that the strategic process be followed to ensure the chosen path provides the highest probability of success. DLH is also impacted by the successful Landline program that exists and must be factored into the strategy.

The issues that need to be discussed as part of this strategic analysis include, but are not limited to:

- a. The airline mix and profitability at DLH. This would include current airlines and likely targeted airlines.
- b. The potential for new service and from what airline.
- c. How Landline fits into the equation.
- d. The potential airline and non-airline revenue associated with current and potential new service. This will be key in determining the rate making methodology (i.e. compensatory,



- residual, or a hybrid of both).
- e. Debt service coverage and cash investment reimbursement.
- f. Update allocation of revenue and expenses versus discretionary revenue allocations.
- g. Definition of airline space and any potential changes as well as how unused airline space is factored into the model.
- h. End of year reconciliations.
- i. How/if discretionary revenue gets used (i.e. write down rates and charges, fund local share of CIP, fund other development, etc.).
- j. Fuel flowage fees and their application to commercial airlines.
- k. Fully understanding what lease provisions could pose a "barrier to entry" for potential new airlines.
- l.

L&B proposes that all these issues and any other identified by the Authority be researched and a kickoff strategic workshop session be conducted on site to discuss and debate the various issues and options. Following direction from the Authority, L&B would begin developing two variations of the model that would quantify the sensitivity of the various options and the potential impact on both the Authority and airlines. Once developed, the model alternative will be shared and discussed with management to refine for the development of the draft lease terms and conditions.

The draft lease would be developed in Word and distributed to the airlines in Word to have them respond through redlines and comment boxes. The model would be developed in Excel and only shared with the airlines in PDF to protect the formulas.

### *Review and Refine the Current Revenue, Expense, and Square Footage Models Included in the Rates and Charges Model to Ensure Accuracy*

L&B has firsthand knowledge of the revenues, expenses, and square footage that make-up the airport's financials and the current rate and charges model from having developed the model in preparation for the opening of the new terminal. At the time, certain assumptions were made on square footage and utilization based on the expectations at that point. Since then, things have changed (ex. use of the IAF, use of the facilities during diversions, requests by Monaco to lease terminal space baggage claim for international service, etc.). With assistance in the form of updates from DAA staff, the square footage and uses will need to be reviewed, especially when there is some consideration being given to converting some of the FIS space to domestic passenger processing space. It would also be recommended to revalidate the original allocation of spaces (i.e., ticket counter queue area, locker areas, storage areas, TSA checkpoint, holdrooms, baggage tug and support areas, TSA space, etc.) to ensure the airlines are being charged for the space they are using. This project would build on the work already started under the Airport Master Plan to update the current model thereby validating accuracy and creating a baseline model which will be used to compare alternative models to.

For expenses, a similar analysis to the historical expenses benchmarked against enplanements at other comparable airports should be conducted. This internal and external comparison will short circuit the discussion with the airlines on their likely position that the airport needs to reduce costs.

The final piece of the preparatory work would be to outline in detail how CARES/CRSSA/ARPA funds are/were used. L&B will utilize the analysis that was conducted during the drafting of the Master Plan Finance Chapter along with DAA staff updates

### *Recommend a Rates & Charges Methodology Which Best Supports the Airport's Interest While Remaining Competitive and Supportive to the Airlines*

The L&B work plan for evaluating rates and charges methodologies begins with preparing financial projections for two rate making scenarios. This should include the alternatives for charging joint use space and determining the impact on each airline and the corresponding impact on the CPE by airline as well different means to charge for space. These projections quantify the sensitivity of certain events occurring different than projected to provide the Authority a path to a backstop position, if necessary, during the proposed length of the lease term if there are unexpected changes in airline



service, carriers serving the market, expenses, or non-airline revenue sources.

This will be particularly important since the airlines will want to maximize the “committed” amount of discretionary revenue to write down rates and charges during negotiations versus having the application of surplus non-airline revenue applied at the discretion of the Authority. Since any “committed” allocation of non-airline revenue represents a finite commitment, the Authority needs to understand the risk associated if non-airline revenue is not collected as projected.

Once the inputs are validated and financial projections are updated, allocation of revenues and expenses by cost center and various rate methodologies will be analyzed and presented to airport senior management for review and discussion. L&B will make a recommendation which best supports the airport’s interests based on industry experience, specifically their knowledge of how the airlines will most likely respond. Only alternatives that have been agreed to by the airlines serving, or likely to serve DLH, will be considered to ensure that negotiations will not reach an impasse point based on policies. This decision will involve balancing the low-cost airline model versus the legacy model. Ultimately, the adopted model needs to ensure that there are not barriers to entry being created through the model and the lease that will prohibit the Authority from pursuing new airlines or put the Authority at risk of losing existing airlines because of the lease and rates and charges. For DLH, this will also need to factor in the current Landline program and potential variations of that.

### *Develop with the Support of DAA Staff an Updated Rates and Charges Model Aligned with the Recommended Methodology Chosen*

Once a rates and changes methodology is chosen by management, the model will be developed and will include:

- The forecasted airport activity, including enplanements, operations, and airline landed weight that was provided in the Airport Master Plan along with DAA staff updates.
- Validate terminal space square footages and allocations by category (i.e., airline, concession, public, airport administration, mechanical/electrical, joint use, preferential use, etc.). DAA staff will assist with this.
- Detail operating expense allocation by cost center and benchmark against current and projected enplanements. This is additional information that will be useful in determining the discretionary versus committed non-airline revenue and the risk the Authority will take on from an expense standpoint.
- Detail nonairline revenue allocation by cost center and benchmark against current and projected enplanements. This is additional information that will be useful in determining the discretionary versus committed non-airline revenue and the risk the Authority will take on if the revenue is not realized.
- Impacts from anticipated non-grant funded future capital expenditures and funding sources (i.e., passenger facility charges, customer facility charges for capital and operating expenses associated with the rental cars, FAA AIP grants, State grants, airport cash, debt service, etc.) during the proposed lease term.
- Existing and projected future debt service.
- Projected amortization, major maintenance, and other future annual capital costs and a determination if they will be funded through rates and charges.
- Airport cash balances minimums as defined by the new operating policy in place.
- Joint use charges allocations based on the agreed to methodology.

### *Conduct a Strategic Discussion with Senior Management to Outline the Various Options That Have Been Considered in Trying to Arrive at a Balance Between Legacy and Ultra Low-Cost Airlines as Well as Passenger Ground Shuttle Operations*

The L&B professionals designated for this assignment have the most extensive experience in the industry trying to find a middle ground for this challenge and have been at the forefront of this issue since we serve a large number of small airports where there is a mix of legacy and ULCC service. L&B has explored numerous options and has first-hand knowledge of the probable reaction by both types of airlines to the different options. Part of the strategic analysis in this process needs to be a



candid discussion of the issues associated with each element of the model, how either type of airline will be impacted financially, and outline a thorough understanding of the individual airline financial implications to prepare for the dialogue with the airlines.

L&B can bring “lessons learned” experiences to the discussion on the strategic approach from having dealt with these issues first-hand since the expansion of ULCC service. There is no “one size fits all” approach. One of the key challenges in presenting the strategy is to ensure that there is sufficient supporting information and talking points to steer the discussion away from confrontation. Creating a competitive airline business environment is the goal with a focus on eliminating disruptors to achieving that balance.

### *Discuss the Impacts on Each Type of Carrier to Arrive at a Model That Can Be Executed with an Analysis by Airline for Each Alternative to be Considered*

The professionals proposed for this engagement have extensive airline lease negotiations from both an airline and airport perspective. With the information outlined above that will be developed as part of the strategic analysis portion of the task, the detailed analysis by airline will be available for the discussion. It is also recommended that this strategic discussion also be extended to analyze potential new airlines that could enter the market to ensure that barriers to entry do not exist that could eliminate a potential airline. All of this should also be validated against the Air Service Development Incentive Program to ensure compatibility and compliance.

By completing this macro assessment, the Authority will have a true assessment of its risk. Coupled with the potential market assessment, the Authority will be able to clearly assess airline risk and the impact on the Strategic Plan.

### *Develop a Rate Schedule and CPE Analysis for Each*

As part of the strategic phase of the process, the models will be developed and available for further analysis based on the final package as defined. All modeling will be done in an Excel format and will become property of the Authority as part of the process. L&B develops models that can be managed by the client and do not require input from the consultant to update annually. Of course, L&B is available to provide assistance if desired by the Authority.

### *Participate in Airline Negotiation Meetings in Order to Create the Final Airline Use and Lease Agreement*

Historically, L&B will take primary responsibility for the drafting of the initial Agreement. The most effective method has been to use the existing Agreement as the baseline and redline accordingly. This eliminates unnecessary discussion with airlines on less critical boilerplate elements because the airlines are less likely to probe if they had been contained in the previous Agreement. This is not to suggest that any items be bypassed; rather it is intended to keep the focus of the negotiation on the substantive items that are key to the business deal. Part of the process will be to coordinate in the drafting with City legal, particularly in the areas of insurance and indemnification, to ensure that Authority positions are being incorporated into the document.

After the initial redline is prepared, there should be a work session with airport management to go through each section and validate against the rates and charges model. This will serve as the last vetting of the draft with appropriate changes made to comply with the strategic approach. In the interest of time and budget, there will be one turn of the draft agreement after review by the Airport. Typically, airlines will challenge insurance and indemnification provisions. L&B has found it most effective to have those discussions occur directly between City legal and the airline's lawyers since City legal will be the ultimate decision maker on proposed changes.

The draft should be distributed to the airlines approximately 30-45 days before the initial airline meeting on-site. It is not recommended that the model be distributed so that the initial airline review is focused on the business terms and not the numbers. The model should be presented at the initial on-site session and explained so that there is a context.

*Revise Lease Agreement Resulting from Negotiations with the Airlines with an Update to the Model and Analysis Done in the Selection Phase. Conduct Follow Up Negotiations and Prepare Final Documents for Review and Execution.*

Following review prior to the on-site kick-off meeting, the airlines should be encouraged to distribute the draft internally and provide comments back. Typically, this will take approximately four weeks. Once the comments are received, L&B will review the suggested changes and conduct a meeting with airport management to review and discuss. The resulting changes will be incorporated into a second iteration which will be distributed prior to a second teleconference meeting with the airlines. The second meeting would also include a review of the model and any potential changes.

Following the revisions resulting from the second meeting, a final execution copy should be prepared to include all exhibits and distributed. Typically, three reviews for an airport the size of DLH is sufficient.

The L&B team will complete this assignment on an hourly basis with travel invoiced separately and at cost. The not to exceed time, travel, and material budget for this assignment is \$50,000 plus a \$10,000 contingency. The contingency budget will be utilized in coordination with Airport Management for labor overages including but not limited to out-of-scope requests and unforeseen delays.

## VII C

### Duluth Airport Authority Hydro Solutions of Duluth Amendment # 3 - Building & Land Lease

#### ***Terms:***

- 6 month extension to current agreement that expires 6/30/2022 and to proceed on a month to month basis thereafter.

#### ***Background:***

- Hydro Solutions of Duluth leases Building #305 for its business operations and office staff.
- The current agreement had a 5 year term with no option terms.
- This is the 3<sup>rd</sup> amendment extending the term.
- On 6/30/2020 Hydro Solutions paid off a past due balance that was then recognized as rent credits in the amount of \$125,841.34.
- The area of land near Building #305 is a potential redevelopment zone which the Master Plan process has determined to be use for General Aviation hangar expansion.

#### ***Agreement Overview:***

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

#### ***Why were the changes in key terms needed/wanted?***

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

**THIRD AMENDMENT TO THE LEASE AGREEMENT**  
**Between Duluth Airport Authority**  
**and**  
***Hydrosolutions of Duluth***

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

WHEREAS, on July 1, 2015, the parties entered into a Lease Agreement pursuant to which Lessee leases approximately 13,867 square feet of space and appurtenant premises at Building #305, located at 4845 Lackland Street; said Lease Agreement is attached hereto and incorporated by reference as Exhibit A; and

WHEREAS, on May 19, 2020, the parties entered into a First Amendment to the Lease Agreement to extend the Term thereof by one year, said First Amendment to the Lease Agreement is attached hereto and incorporated by reference as Exhibit B; and

WHEREAS, on June 18, 2021, the parties entered into a Second Amendment to the Lease Agreement to extend the Term thereof by an additional year, said Second Amendment to the Lease Agreement is attached hereto and incorporated by reference as Exhibit C; the Lease Agreement, First Amendment, and Second Amendment hereinafter collectively referred to as the "Agreement"; and

WHEREAS, the parties desire to further amend the Agreement to extend the Term of the Agreement for an additional six (6) months.

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

1. The parties acknowledge and agree that all Rent Credit set forth in Section 5 of the Agreement has been paid in full and that there is no Past Due Rent as set forth in Section 5.

2. The first paragraph of the Agreement SECTION 6, Term, is hereby amended as follows:

The term of this Agreement shall be for a period of six (6) months beginning July 1, 2022, and ending December 31, 2022, unless terminated earlier as provided for herein.

Upon expiration of the Term on December 31, 2022, the DAA Executive Director and Lessee may agree in writing to extend the Term. If the Term is extended, either party may terminate this Agreement without cause upon at least 30 days' written notice to the other party.

3. Except as provided in this Third Amendment, all other provisions of the Agreement shall remain in force and effect.

4. This Third Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all



of which together shall constitute but one and the same instrument. Signatures to this Third Amendment transmitted by facsimile, by electronic mail in "portable document format" ("pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Third Amendment, shall have the same effect as physical delivery of the paper document bearing the original signature.

DATE \_\_\_\_\_

**DULUTH AIRPORT AUTHORITY**

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

**HYDROSOLUTIONS OF DULUTH, INC.**

By \_\_\_\_\_  
Daniel A. Larson, President

## EXHIBIT A

### LEASE AGREEMENT

#### HYDROSOLUTIONS OF DULUTH, INC.

4845 Lackland Street, Building # 305

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

#### THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Authority is the operator of Duluth International Airport; and
2. Lessee is desirous of leasing space from the Authority in support of Lessee's business; and
3. The Authority is desirous of leasing this space to Lessee;

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

#### 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 Duluth International Airport located in the City of Duluth, County of St. Louis, State of Minnesota.
- B. Consent or Approval of Authority and of Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidence by a written document signed by the Executive Director.
- C. Executive Director: shall mean the Executive Director of the Authority or designee.
- D. Leased Premises: shall mean to that portion of the Airport leased to Lessee for its exclusive use as further described in Section 2 of this Agreement and shown on Exhibit A attached hereto.
- E. Leasehold Improvements: shall mean collectively to all items located on and within the Leased Premises provided or purchased by Lessee, including such items

as decorations, partitions, wiring, lighting and plumbing fixtures, piping, finished ceilings, ventilation duct work, grills, floor and walls coverings, heaters, cabinets, lockers, sinks, counters, furniture, signs, buildings, structures, roadways, ramps and taxiways.

## SECTION 2 LEASED PREMISES AND EMPLOYEE PARKING

### A. Leased Premises

Lessee is hereby granted exclusive use of approximately 13,867 square feet of space and appurtenant premises at Building #305, 4845 Lackland Street, Duluth, Minnesota, 55811, shown on Exhibit A attached hereto and made a part hereof, such space to be used for support of its business operation and for facilities reasonably necessary thereto. **This Agreement is a "triple net" agreement with Lessee assuming all responsibility for operating costs, maintenance including major maintenance, and improvements including capital improvements at its sole cost. The Leased Premises are leased by the Lessee on an "as is/where is" basis and the Authority has no responsibility for the condition of the Leased Premises during the Term of this Agreement. The Authority disclaims any warranty as to condition, usefulness, fitness, or suitability of the Leased Premises. All capital improvements will be the sole responsibility of the Lessee at its sole cost.**

### B. Common Premises

In addition to the foregoing, Authority grants to Lessee and to its employees and customers access in common with the access granted to members of the general public to all public portions of the roads and parking facilities at the Airport.

## SECTION 3 ACTIVITIES PERMITTED ON AIRPORT

Lessee shall have the right to operate on the Leased Premises offices and machining equipment for the purposes of its business operation.

## SECTION 4 LEASE PAYMENTS

### A. Space Rental and Security Deposit

In consideration of Lessee's performance of all of its obligations herein provided for, it is agreed between the parties that during the term of the lease Lessee shall pay to the Authority for following:

1. Land Rent- Twenty cents (\$0.20) per square foot per year for the land for an annual amount of two thousand seven hundred seventy three dollars and

forty cents (\$2,773.40) payable in the amount of two hundred thirty one dollars and twelve cents (\$231.12) per month.

2. Facility Rent- Two dollars and eighty cents (\$2.80) per square foot per year for the building for an annual amount of thirty eight thousand eight hundred twenty seven dollars and sixty cents (\$38,827.60) payable in the amount of three thousand two hundred thirty five dollars and sixty three cents (\$3,235.63) per month.
3. Security Deposit- Lessee shall deposit the Security Deposit with the Authority upon execution of this Agreement. The Authority is authorized to use or draw against the Security Deposit in the event of a default by Lessee of the obligations under this Agreement, including but not limited to (a) the payment of any rent, (b) the payment of Past Due Rent defined below, (c) the payment of any other amount that Authority may spend or become obligated to spend by reason of a default by Lessee, and (d) for any other loss or damages that the Authority may suffer by reason of such default by Lessee. If any portion of the Security Deposit is so used or drawn against, Lessee shall replenish the Security Deposit in an amount sufficient to fully restore the Security Deposit within five (5) calendar days of receipt of written notice that the Security Deposit is drawn down. At the termination of this Agreement, if no event of default exists, the Authority will return to Lessee the remaining portion of the Security Deposit within sixty (60) days after the Authority receives possession of the Leased Premises in accordance with the provisions of this Agreement. The Security Deposit may be commingled with the Authority's other funds and no interest shall be paid to Lessee on the Security Deposit.

B. Other Payments and Services

1. Janitorial Services  
Lessee shall be responsible for providing janitorial services at its sole expense that will maintain the building in a clean and safe mode.
2. Refuse and Garbage  
Lessee assumes all responsibility for the disposal of refuse and garbage generated by its operations at the Airport and agrees to absorb all costs related thereto.
3. Utilities  
Lessee agrees to provide such heat, electricity, sewer and water, gas, telephone and cable as are reasonably necessary for Lessee's operations at its sole expense. Lessee is responsible for utility service hook-up in its name.



4. Grounds Maintenance  
Lessee shall have full responsibility at its sole cost for the maintenance of all exterior portions of the Leased Premises.
  5. Major Maintenance and Improvements  
Lessee shall have responsibility at its sole cost to provide all major maintenance and improvements including capital improvements to the Leased Premises. No rent credits shall be allowed for any major maintenance or capital improvement completed during the term of this Agreement.
- C. Licenses, Fees and Taxes  
Lessee hereby agrees to pay all license, fees, personal and real property taxes and assessments of any kind whatsoever which arise because of, out of, or in the course of any operations covered by this Agreement during the term hereof.
- D. Time for Rental Payment and Manner of Payment  
All monthly payments for rental, as provided for in Paragraph A above, shall be due and payable on the first day of each month of Lessee's occupancy of the Leased Premises at the Authority's office set forth in Section 17.

#### SECTION 5 TERMINATION OF PREVIOUS LEASE AND ACKNOWLEDGEMENT OF PAST DUE AMOUNTS

All previous leases between Lessee and the Authority for the Leased Premises or any portion thereof ("Previous Leases") are hereby terminated, except that Lessee shall remain responsible to perform any obligations under the Previous Leases which remain unsatisfied. Specifically, Lessee acknowledges and agrees that rent in the amount of One Hundred Twenty-five Thousand Eight Hundred Forty-one and 34/100ths Dollars (\$125,841.34) is past due and owing under the Previous Leases ("Past Due Rent"). On August 19, 2014, the Authority approved rent credit in the amount of One Hundred Twenty-five Thousand Eight Hundred Forty-one and 34/100ths Dollars (\$125,841.34) for work completed on the Leased Premises by Lessee under the Previous Leases, which rent credit will be amortized on a monthly basis over the term of this Agreement and applied in arrears to the payment of Past Due Rent as follows:

Beginning the first day of the second month during the term of this Agreement and monthly thereafter, a monthly rent credit in the amount of \$2,097.25 will be applied to reduce Past Due Rent. Such rent credit shall be applied if and only if Lessee is not in default of any provision of this Agreement. If the Rent Credit is suspended due to default, the application of the Rent Credit shall not resume until such time as all defaults under this Agreement have been cured. If there is an outstanding balance of rent credit at the

termination of this Agreement, the rent credit expires and is null and void and shall not be refunded to Lessee or applied to Past Due Rent or to any future agreements between the Authority and Lessee. Any amount of Past Due Rent remaining at the termination of this Agreement shall be due and payable by Lessee to the Authority immediately upon written notice by the Authority to Lessee of the Past Due Rent amount remaining.

## SECTION 6 TERM

The term of this Agreement shall be for a period of five (5) years beginning July 1, 2015, and ending June 30, 2020, unless otherwise terminated as provided for herein. Upon one hundred-eighty (180) days' prior written notice, the Authority may terminate this Agreement without cause for the purpose of redevelopment, for the expansion of aeronautical needs, or for compliance with regulatory provisions. Upon one hundred-eight (180) days' prior written notice, Lessee may terminate this Agreement without cause if the Lessee needs additional space in order to grow its business, or is sold or merged with another entity. In such event, Lessee shall pay to the Authority the outstanding balance of Past Due Rent then remaining as provided for in Section 5.

## SECTION 7 CONSTRUCTION AND LEASEHOLD IMPROVEMENTS

### A. Construction Standards and Approvals

Any construction or leasehold improvements done by Lessee, or under its direction, shall conform to all applicable regulations, building codes and health standards, as well as the following requirements:

1. All construction shall meet the requirement of Type I (fire resistant) construction as set forth in the Minnesota State Building Code (current edition) and the building standards for the Airport.
2. Complete contract drawings and specifications on all work, including alterations, additions or replacements, must be submitted for and receive approval of the Executive Director.
3. All work must be done by competent, licensed contractors in the time and manner approved by the Executive Director and coordinated with the Executive Director. Lessee shall comply with the indemnity and insurance and bond requirements of this Agreement.
4. An authorized representative of Lessee shall be available at all reasonable times at the site to coordinate the work of the Leasehold Improvements.

### B. Construction Bonds and Insurance

#### 1. Bonds

During the term of this Agreement, when any Leasehold Improvements are constructed, installed or renovated, Lessee shall procure and furnish to

Authority a contractors' bond or bonds from the contractor covering the contractor's work written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Authority, in an amount not less than the cost of such construction, installation or renovation, for the benefit of Lessee and the Authority and all persons doing work or furnishing skills, tools, machinery, materials, insurance premiums, equipment or supplies incident to such construction, installation or renovation, such bond or bonds to be conditioned for payment of claims as required and in full compliance with Minnesota Statutes Section 574.26. Further, during the term of this Agreement, for any construction, installation or renovation of leasehold improvements, and before the commencement of work thereon, Lessee shall furnish to Authority similar performance bonds, written by similarly qualified companies, covering all work to be performed thereunder guaranteeing the performance of all such work. The Executive Director may waive bonds in the case of minor improvements or accept other security or evidence of assurance to complete.

2. Contractor's Public Liability and Property Insurance

Before commencing any Leasehold 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 both the Authority and the Lessee as follows:

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

Amounts shall be not less than One Million Five Hundred Thousand Dollars (\$1,500,000) for injuries, including accidental death to any one person, and subject to same limit for each person, and in an amount not less than One Million Five Hundred Thousand Dollars (\$1,500,000) on account of any one accident, with a Two Million Dollar (\$2,000,000) aggregate for the policy.

Insurance, as above provided, shall be kept intact and in force throughout the term of construction work and equipment installation on the lease premises. Such insurance shall be subject to the approval of the Executive Director and copies furnished to the Executive Director prior to the commencement of construction.

SECTION 8  
PREMISES, FIXTURES, EQUIPMENT AND MAINTENANCE

A. Premises

1. Lessee agrees to maintain the Leased Premises in a clean, neat and orderly condition and in compliance with all codes for such facilities. Lessee further agrees to make no attachment to, change of, redecoration or modification in the Leased Premises without the prior written consent of the Executive Director. The size, construction type, location and lighting of signs shall be subject to the discretion and approval of the Executive Director. The color and outside decoration of the premises shall be subject to the control and approval of the Executive Director.
2. The Lessee shall at its sole expense maintain to standards determined by the Executive Director the building including all mechanical systems, heating systems and utility services, (water, electricity, service, heat, etc.) at no cost to the Authority.

B. Authority's Fire Insurance

Lessee covenants that it will not do or permit to be done any act which:

1. Will invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereof; or
2. Will increase the rate of any fire insurance on the Airport or any part thereof or upon the contents of any building thereon; 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 thereon, 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 9  
SURRENDER OF POSSESSION

Upon the expiration or other 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 surrender the same



to the Authority. In the event that Lessee has in any way changed, altered or modified the Leased Premises demised herein, other than as allowed by the Executive Director, Lessee covenants to return the same to the condition they were in at the time of the signing of this Lease Agreement or, in the alternative, to pay the Authority for the cost of returning them to said condition. Upon termination, any Leasehold Improvements which have become part of the realty, including but not limited to heating and lighting modifications, shall become the property of the Authority, and the same, together with the Leased Premises, shall be immediately returned to the control of the Authority. Any Leasehold Improvements not part of the realty shall be removed therefrom within fifteen (15) calendar 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. Provided, however, it is agreed between the parties that Lessee shall leave in place and in first-class working condition, subject to reasonable wear and tear, any heating plant or insulation installed in the Leased Premises by Lessee.

#### SECTION 10 INDEMNITY AND INSURANCE

A. Indemnity

Lessee agrees to defend, indemnify and hold harmless the Authority and the City of Duluth and their officers, agents, servants and employees from and against any and all claims including claims for contribution or indemnity, demands, suits, judgments, damages, costs and expense, including subrogation claims and any claims asserted by an insurer or indemnitor, asserted by any person or person, including agents or employees of the Authority or of the Lessee, arising from Lessee's use of, or occupancy of, or operations at the Airport, and on twenty (20) days' written notice from the Authority, Lessee shall appear and defend all lawsuits against the Authority and/or the City growing out of such injuries or damages.

B. 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. 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 City of Duluth and the Authority of any cancellation or modification thereof. To the extent that the "ACORD" 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. The use of an "ACORD" form as a certificate of insurance shall be accompanied by two forms -- 1) ISO Additional Insured Endorsement (CG-2010 pre-2004) and 2) Notice of Cancellation Endorsement (IL 7002); or equivalent as approved by the City Attorney. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota.

1. Commercial general liability insurance, including contractual, completed operations, premises and operations and products liability coverage in an amount of not less than \$1,500,000 per occurrence and \$2,000,000 aggregate.
2. Owned, non-owned and hired vehicles in an amount not less than \$1,500,000 per occurrence and \$2,000,000 aggregate.
3. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.

C. Lessee's Liability

It is understood that the specified amounts of insurance stated herein shall in no way limit the liability of Lessee.

D. Environmental Liability

In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that Lessee shall be responsible in all respects for Lessee's use of or Lessee's 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. Lessee shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and costs, monitoring or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises out of Lessee's use of or Lessee's generation of such substances in its operations at the Airport, and Lessee specifically agrees that the obligations of Paragraph A above shall apply specifically to any costs or obligations of the Authority or City of Duluth arising out of any such disposition or cleanup.

## SECTION 11 DEFAULT AND TERMINATION

A. General

In the event that any one or more of the following events shall occur, then in its discretion, Authority shall have the right to terminate this Lease or to enter upon

the Leased Premises and take exclusive possession of the same, with or without cancellation of this Lease, and re-let the Leased Premises, or any part thereof, for an equivalent or greater, or lesser rental and for any part of the balance of the term for the account of Lessee, and the Authority shall have the right to bring action against Lessee thereafter for damages as the same may from time to time accrue. The remedies provided herein shall not be exclusive but shall be cumulative upon all other remedies, legal or equitable in nature.

1. Insolvency

Lessee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors or file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement for its reorganization or the adjustment of its indebtedness upon the Federal bankruptcy laws, or any other law or statute of the United States or of any other state thereof, or shall consent to the appointment of a receiver, trustee or liquidator of all or substantially all of its property; or

2. Involuntary Bankruptcy

A petition under any part of the Federal bankruptcy laws or any action under any present or future insolvency law or statute, shall be filed against Lessee and shall not be dismissed within thirty (30) days after the filing date thereof; or

3. Transfer of Interest

If any interest of Lessee under this Agreement shall, without the approval of Authority, be transferred or passed to or devolve upon any other person, firm, company, corporation or other entity, by operation of law, stock transfer (transfer or series of transfers of an amount or amounts totaling fifty percent (50%) or more of Lessee's outstanding floating stock to any one party or groups of parties acting in consort shall be deemed to be a transfer of Lessee's interest hereunder), assignment, sublease or otherwise, except as set forth in Section 14; or

4. Trustee in Possession

By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee or liquidator shall take possession of all or substantially all of the property of Lessee, and such possession or control shall continue in effect for a period of fifteen (15) days; or

5. Voluntary Abandonment

Lessee shall voluntarily abandon, desert or vacate the demised premises, or after exhausting or abandoning any right of further appeal, Lessee shall be

prevented for a period of ninety (90) calendar days by action of any governmental agency from using the Leased Premises regardless of the fault of Lessee, or Lessee shall cease to provide substantially the services referred to in Section 3 hereof; or

6. Filing of Lien

Any lien shall be filed against the Leased Premises because of an action or omission of Lessee and shall not be discharged or contested by Lessee in good faith by proper legal proceedings within twenty (20) days after receipt of notice thereof by Lessee; or

7. Failure to Make Rent Payments

Lessee shall fail to make a monthly rent payment and such failure continues for fifteen (15) days or more after the payment is due.

8. Failure to replenish the Security Deposit

Lessee shall fail to replenish the Security Deposit in an amount sufficient to fully restore the Security Deposit within five (5) calendar days of receipt of written notice that the Security Deposit is drawn down.

9. Failure to Observe Lease Terms

Lessee shall fail to keep, perform and observe each and every promise, covenant and agreement set forth in this Lease or on its part to be kept, performed or observed, and such failure shall continue for a period of more than thirty (30) calendar days after transmission to Lessee by Authority of a written notice of such failure, breach or default.

B. Non-waiver

Any waiver of any breach of covenants herein contained to be kept and performed by Lessee, shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the Authority from declaring a forfeiture for any succeeding breach either of the same condition or covenant or otherwise.

## SECTION 12 ATTORNEYS' FEES AND COSTS

In the event Authority shall prevail in any action or suit or proceeding brought by Authority to collect the rent due or to become due hereunder or any portion thereof, or to take possession of the Leased Premises, or to enforce compliance with this Agreement or for 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 13  
LAWS, RULES AND REGULATIONS

Lessee agrees to observe and comply with all 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, but not limited to, all environmental laws and regulations, and further agrees to observe and comply with all reasonable Airport rules and regulations, including but not limited to the Duluth International Airport Rules and Standards, in existence at the execution of this Agreement and which may, from time to time, be promulgated or amended by the Authority governing conduct on and operation 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 14  
CIVIL RIGHTS ASSURANCES

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

1. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of or be otherwise subjected to discrimination in the use of said facilities.
2. That in the construction of any improvements on, over or under such land in 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.
3. That Lessee shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49 Code of Federal Regulation, Department of Transportation Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation - Effectuation Title VI of the Civil Rights Act of 1964 and as said regulation may be amended.
4. The Leased Premises shall not be used for storage, sale, or use of alcoholic beverages or illegal controlled substances.

SECTION 15  
ASSIGNMENT, SUBLETTING AND SUBCONTRACTING

Lessee shall not assign, transfer, sublet or subcontract this Agreement or any rights, privileges or duties conferred thereby unless the prior written approval of the Executive Director has been secured. . It is expressly agreed by the parties that a change in ownership of the controlling share of stock in Lessee, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Lessee that in the event permission be granted by the Executive Director as herein provided, the assignee or transferee shall be required to assume and agree to perform the covenants of this Agreement and that notwithstanding any such subletting or assignment, the Lessee shall be and remain liable for the payments of all rents and the performance of all covenants and conditions for the full term of this Agreement.

#### SECTION 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, execution of which has been or may be required as a written precedent to the expenditure of Federal or State funds for the development or maintenance of the Airport and to orders of the State or Local Government concerning Airport Operations or Government response to safety or military needs.

#### SECTION 17 AMENDMENT OR MODIFICATION

This Agreement may be amended or modified only in writing, dated and signed by the duly authorized representatives of the respective parties. This Agreement constitutes the entire agreement of the Authority and the Lessee on the subject matter thereof.

#### SECTION 18 NOTICES

Notices to the Authority provided for herein shall be sufficient if sent by registered mail, postage prepaid, addressed to the Duluth Airport Authority, Executive Director, 4701 Grinden Drive, Duluth, Minnesota, 55811; and notices to Lessee if sent by registered mail, postage prepaid, addressed to Lessee at 4845 Lackland St. Duluth MN, 55811 or to such other respective persons or addresses as the parties may designate to each other in writing from time to time.

#### SECTION 19 APPLICABLE LAW

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

SECTION 20  
NO THIRD PARTY RIGHTS

Nothing in this Agreement confers or purports to confer on any third party any benefit or any right to enforce any term of this Agreement.

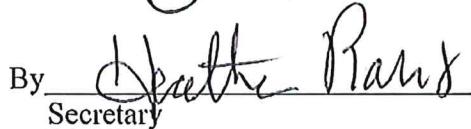
SECTION 21  
SEVERABILITY

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

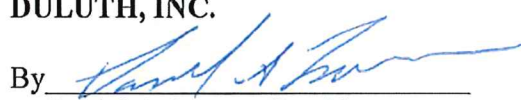
DATE 7-1-15

**DULUTH AIRPORT AUTHORITY**

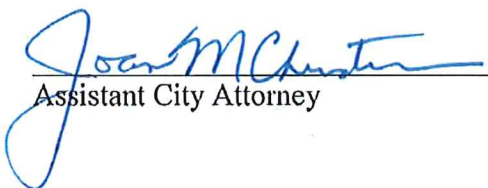
By   
President

By   
Secretary

**HYDROSOLUTIONS OF  
DULUTH, INC.**

By   
Daniel A. Larson, President

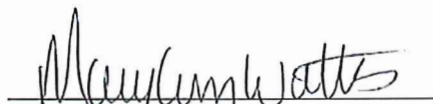
Approved as to form:

  
Assistant City Attorney

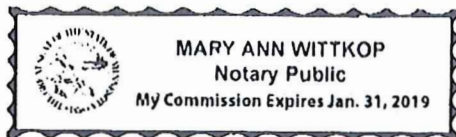
**DULUTH AIRPORT AUTHORITY**

Acknowledgement:

On 7-1-15 appeared before  
me Kenneth J. Stromquist and  
Heather Rand the  
President and secretary of  
**Duluth Airport Authority** and  
duly executed this agreement.

  
Notary Public


My commission expires 1-31-19



**HYDROSOLUTIONS OF DULUTH, INC.**

Acknowledgement:

On June 25, 2015 appeared before  
me Daniel A. Larson, the President  
of the lessee and executed this  
agreement.

  
Notary Public

My commission expires 1-31-2020

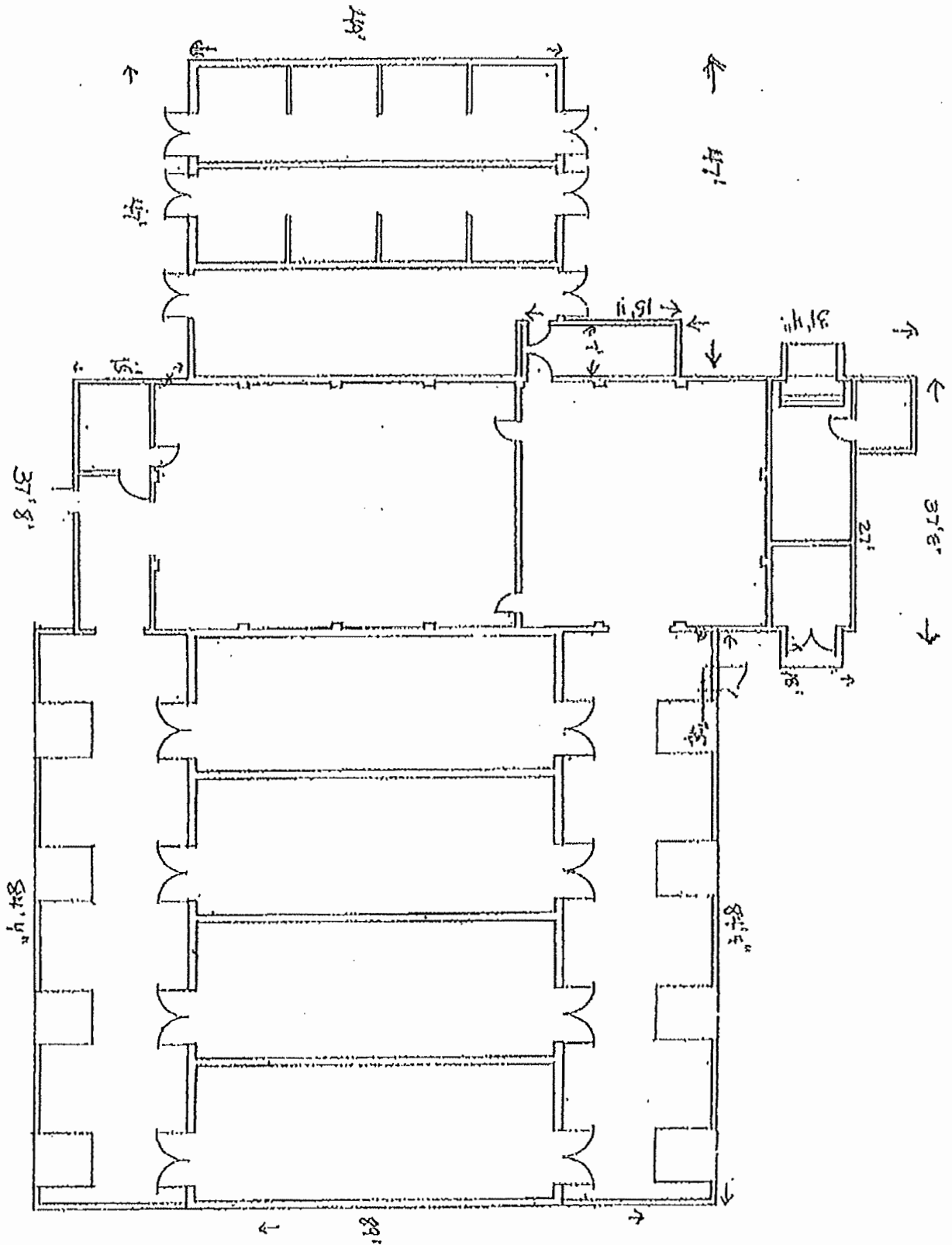


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# EXHIBIT A

Building 305  
4845 Lackland Street, Duluth, MN  
13,867 Square Feet



## EXHIBIT B

### LEASE AGREEMENT *Hydro Solutions of Duluth*

#### FIRST AMENDMENT

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

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

WHEREAS, the parties desire to amend the Lease Agreement to extend its term.

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

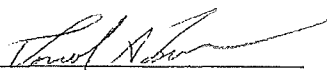
1. The parties acknowledge and agree that all Rent Credit set forth in Section 5 has been paid in full and that there is no Past Due Rent as set forth in Section 5.
2. The first sentence of SECTION 6, Term, is hereby amended to extend the Lease Agreement for a period of one (1) year, until June 30, 2021.
3. Except as provided in this First Amendment, all other provisions of the Lease Agreement shall remain in force and effect.
4. This First Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this First Amendment transmitted by facsimile, by electronic mail in "portable document format" ("pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the First Amendment, shall have the same effect as physical delivery of the paper document bearing the original signature.

DATE 5-19-20

DULUTH AIRPORT AUTHORITY

HYDROSOLUTIONS OF DULUTH, INC.

By   
President

By   
Daniel A. Larson, President

By   
Secretary

**LEASE AGREEMENT**  
***Hydrosolutions of Duluth***  
**SECOND AMENDMENT**

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

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

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

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

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

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

DATE Jun 18, 2021

**DULUTH AIRPORT AUTHORITY**

By   
By Anna Tanski (Jun 18, 2021 10:43 CDT)  
President

By   
By \_\_\_\_\_  
Secretary

**HYDROSOLUTIONS OF DULUTH, INC.**

By   
By Dan Larson (Jun 21, 2021 09:31 CDT)  
Daniel A. Larson, President











# Hydro Solutions Second Amendment 6-2021 Final

Final Audit Report

2021-06-21

Created:	2021-06-18
By:	Jana Kayser (jkayser@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAfM08xN4fKtYsLxQ6TVPr--yLhDOWB8p

## "Hydro Solutions Second Amendment 6-2021 Final" History

-  Document created by Jana Kayser (jkayser@duluthairport.com)  
2021-06-18 - 1:08:54 PM GMT- IP address: 199.21.242.203
-  Document emailed to Anna Tanski (anna@visitduluth.com) for signature  
2021-06-18 - 1:09:34 PM GMT
-  Email viewed by Anna Tanski (anna@visitduluth.com)  
2021-06-18 - 1:46:38 PM GMT- IP address: 174.219.7.14
-  Document e-signed by Anna Tanski (anna@visitduluth.com)  
Signature Date: 2021-06-18 - 3:43:46 PM GMT - Time Source: server- IP address: 192.208.54.93
-  Document emailed to Kimberly J. Maki (makik@stlouiscountymn.gov) for signature  
2021-06-18 - 3:43:48 PM GMT
-  Email viewed by Kimberly J. Maki (makik@stlouiscountymn.gov)  
2021-06-21 - 2:23:49 PM GMT- IP address: 207.171.103.126
-  Document e-signed by Kimberly J. Maki (makik@stlouiscountymn.gov)  
Signature Date: 2021-06-21 - 2:24:20 PM GMT - Time Source: server- IP address: 207.171.103.126
-  Document emailed to Dan Larson (dan@hydrosolutionsofduluth.com) for signature  
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2021-06-21 - 2:30:07 PM GMT- IP address: 71.32.191.82
-  Document e-signed by Dan Larson (dan@hydrosolutionsofduluth.com)  
Signature Date: 2021-06-21 - 2:31:27 PM GMT - Time Source: server- IP address: 71.32.191.82



✓ Agreement completed.  
2021-06-21 - 2:31:27 PM GMT

## VII D

Duluth Airport Authority  
Lake Superior Helicopters, LLC  
Amendment #1 – Operator Agreement and Office Space Lease

***Terms:***

- Remains unchanged

***Background:***

- Lake Superior Helicopters (LSH) operates a helicopter instruction, tour and maintenance operation at DLH.
- LSH used the vacated MRO space to grow their operation over the last year and due to Cirrus taking over the MRO building, LSH needs to vacate the MRO.

***Amendment Overview:***

- This Amendment is to change the leased premises, monthly utility charge and exhibit.
- Rate remains consistent with previously leased space and is increased annually by CPI.
- All other items remain unchanged.

***Why were the changes in key terms needed/wanted?***

- LSH needed more office space than their current agreement included.

**FIRST AMENDMENT TO OPERATOR AGREEMENT AND OFFICE SPACE LEASE  
AGREEMENT BY AND BETWEEN  
DULUTH AIRPORT AUTHORITY AND LAKE SUPERIOR HELICOPTERS**

THIS AMENDMENT is entered into by and between the DULUTH AIRPORT AUTHORITY hereinafter called "Authority," and Lake Superior Helicopters, LLC, (a Minnesota limited liability company) hereinafter referred to as "Operator".

WHEREAS, on November 20, 2018 Lake Superior Helicopters, LLC and the Authority entered into an Operator Agreement and Office Space Lease pursuant to which Operator is authorized to conduct business in the State of Minnesota and operates as a Specialized Aviation Service Operator (SASO) and leases space on the first floor of the Tower Building.

WHEREAS, both parties desire to amend the LEASE in order to expand the Leased Premises as set forth below.

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

Definitions. Each of the terms defined in the Agreement, unless otherwise defined in this First Amendment, shall have the same meaning when used herein.

1. The first paragraph of SECTION 2, Leased Premises, is hereby replaced as follows:
  - a. DLH: Operator is hereby granted use of two thousand one hundred and sixty three (2,163) square feet, more or less, of space on the first floor of the Tower Building at 4525 Airport Approach Road, Duluth MN, 55811 at DLH. The Leased Premises to be occupied by Operator are shown on Attachment A-2, such space to be used for an office in support of its helicopter flight training program. The Leased Premises are leased as is, with no warranty of fitness.
2. The first paragraph of SECTION 4, Office Rental, is hereby replaced as follows:
  - a. Office Rental: For the rent of the Leased Premises in the Tower Building, a rental fee shall be paid to the Authority in the sum of Fifteen and 71/100ths Dollars (\$17.18) per square foot per year for a monthly total of three thousand ninety six 70/100<sup>th</sup> Dollars (\$3,096.70) per month. The first payment of rent in the prorated amount of \$929.01 shall be due and payable June 30, 2022. Subsequent monthly payments shall be due and payable beginning on July 31, 2022 and monthly thereafter during the term of this Agreement and any extensions thereof.
3. Beginning on June 21, 2022, all references to Exhibit A are hereby replaced with Exhibit A-2 attached hereto and incorporated herein.
4. Beginning on June 21, 2022 Section 4, Subsection D, Item 3 is hereby increased to \$175.00 per month for a prorated amount due of \$52.50 on June 30, 2022 and monthly thereafter during the term of this Agreement and any extensions thereof.
5. Except as provided for in this First Amendment, the terms and conditions of the Agreement shall remain in force and effect.
6. This First Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Third Amendment transmitted by facsimile, by electronic mail in "portable document format" ("pdf"), or by any other electronic means which preserves the original graphic

and pictorial appearance of the Third Amendment, shall have the same effect as physical delivery of the paper document bearing the original signature.

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

DATED: \_\_\_\_\_

DULUTH AIRPORT AUTHORITY

LAKE SUPERIOR HELICOPTERS, LLC

By: \_\_\_\_\_  
President

By: \_\_\_\_\_

By: \_\_\_\_\_  
Secretary

Printed Name: \_\_\_\_\_

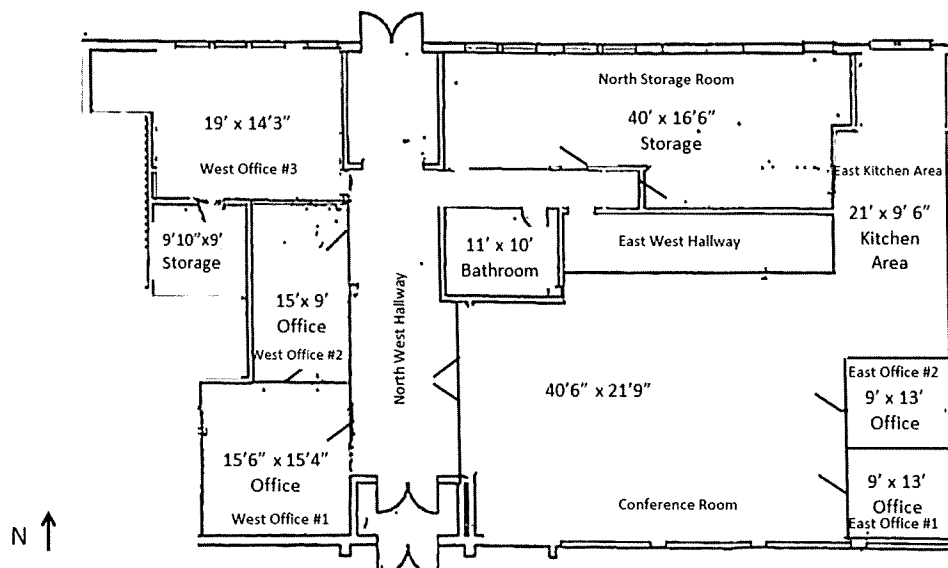
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**Exhibit A-2  
Tower First Floor Space**

<u>Room Name</u>	<u>Amendment Option 4</u>
West Office 1	240
West Office 2	135
West Office 3	271
West Storage	82
East Conference Room	889
East Office 1	117
East Office 2	117
East Kitchen Area	202
Bathroom	110
Total Square Feet	2163
Rent Per Month	<u>\$ 3,096.70</u>
Utility Charge	<u>\$ 175.00</u>
Total Square Feet	<u>\$ 3,271.70</u>

**EXHIBIT A-2  
Ramp Access**



Street Access

## VII E

### Duluth Airport Authority Lake Country Air, LLC Early Termination

***Background:***

- Lake Country Air, LLC (LCA) operated Beaver Air Tours and owned Hangar 5 at Sky Harbor.
- LCA has sold their aircraft and hangar building at Sky Harbor.
- Kris Karsell will be the new leaseholder for Lot 5 pending board approval.

***Resolution Overview:***

- Resolution is to approve the early termination of their lease effective May 31, 2022.

**Duluth Airport Authority**

**Resolution to authorize an early termination of the Sky Harbor Hangar #5 Land Lease Agreement between the Duluth Airport Authority and Lake Country Air, LLC.**

RESOLVED, by the Duluth Airport Authority Board ("DAA") that the DAA hereby authorizes an early termination of the Sky Harbor Hangar #5 Land Lease Agreement between the Duluth Airport Authority and Lake Country Air, LLC effective May 31, 2022.

Approved by the Duluth Airport Authority this 21st day of June 2022.

ATTEST:

---

Executive Director

STATEMENT OF PURPOSE: This resolution authorizes the DAA staff to terminate the Lake Country Air, LLC Hangar #5 Land Lease Agreement 5/31/2022.

## VII F

Duluth Airport Authority  
Kris Karsell  
Sky Harbor Lot 5 Land Lease Agreement

***Terms:***

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

***Background:***

- Kris purchased hangar from previous tenant Lake Country Air

***Agreement Overview:***

- Agreement language and rate is consistent with all Sky Harbor land lease agreements.

**HANGAR #5 LAND LEASE  
SKY HARBOR AIRPORT**

*Kris Karsell*

Parties to this Agreement are the DULUTH AIRPORT AUTHORITY, hereinafter called "Authority" and Kris Karsell hereinafter referred to as "Lessee".

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

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

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

**SECTION 1**

Definitions

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

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

**SECTION 2**

Operations & Performance

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

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



**SECTION 3**  
Leased Premises & Use of Facilities

- A. Leased Premises: During the term of this Agreement and any extensions thereof, Authority does hereby lease to Lessee for its exclusive use that tract of land lying in Parcel 6 of the REFEREE'S PLAT OF MINNESOTA POINT as recorded in the Office of the Register of Deeds in Book "G" of Plats, Page 38, labeled as Hangar 5 on Exhibit A, more particularly described as follows:
- Beginning at the southeasterly corner of the Duluth Airport Authority Hangar Concrete Ramp at Sky Harbor Airport; thence southeasterly along the northeast edge of the bituminous aircraft parking ramp 245' 10" to the point of beginning of the line described. Then deflect 90° to the left and go 106' 6" to a point, then deflect 90° to the right and go 80' 0" to a point, then deflect 90° to the right and go 80' 1" to a point, then deflect 90° to the right and to 80' 1" to the point of beginning, consisting of 8,520 square feet, more or less.
- B. Use of Airport Facilities: Authority does additionally hereby grant to Lessee a license for the use of all public facilities at the Airport to the same extent as other tenants, including, but not limited to, runways, ramps and taxiways.

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

- A. Rent: For the Term of this Agreement, Lessee agree to pay rent on the Leased Premises consisting of 8,520 square feet, more or less in the amount of \$.235 cents per square foot per year for a total yearly rent of \$2,001.37, payable on or before June 30 each year. The prorated amount for the period of June 21, 2022, to May 31, 2023, of \$1,890.18 is due able payable on or before June 30, 2022.

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

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

**SECTION 5**  
Term

- A. Base Term: The term of this Agreement shall commence on June 21, 2022, and terminate on May 31, 2037, unless sooner or later terminated as herein provided.

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

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

## **SECTION 6**

### **Premises Maintenance**

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

## **SECTION 7**

### **Construction**

In the event that Lessee wishes to make any modifications or improvements on the Airport, they shall present its request to the Executive Director in writing together with design development or construction drawings showing all details of said improvement. No improvement shall be made on the Leased Premises without the prior written approval of the Executive Director which approval will not be unreasonably delayed and then only in conformance with the approved plans and this Section.

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

- b. Complete contract drawings and specifications on all work, including alterations, additions or replacements, must be submitted for and receive prior written approval of the Executive Director which will not be unreasonably withheld or delayed.
- c. All work must be done by competent contractors in the time and manner approved by the Executive Director which will not be unreasonably withheld or delayed and coordinated with Executive Director. Lessee shall comply with the indemnity and insurance and bond requirements of this Agreement.
- d. An authorized representative of Lessee shall be available at all reasonable times at the site to coordinate the work of the leasehold improvements.

C. Construction Bonds and Insurance:

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

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

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

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

E. Subsequent Leasehold Improvements: Any changes in, additions to or deletions from existing or later constructed leasehold improvements shall be at Lessee's sole expense and subject to the prior written approval of the Executive Director which will not be unreasonably delayed, and the Executive Director may impose such conditions as he/she shall deem necessary to protect and

promote the Authority and the integrity of all operations at the Airport, including, but not limited to, bonding and insurance requirements. Exterior signs, color of building or roof, exterior construction materials and decorations are subject to the discretion, approval and regulation of the Executive Director which will not be unreasonably withheld or delayed.

## **SECTION 8**

### Authority's Obligations

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

## **SECTION 9**

### Indemnity, Insurance and Waiver of Claims

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

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

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



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

## **SECTION 10**

### Laws, Ordinances, Rules, And Non-Discrimination

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

## **SECTION 11**

### Authority's Rights Upon Default

- A. Rights: If at any time Lessee shall be in default, as defined in this Section, with regard to the requirements of this Agreement, it shall be lawful for the Authority, and the Authority may at any time thereafter:
1. Immediately or at any time thereafter without further notice to Lessee, re-enter onto or upon the Leased Premises or any part thereof and take possession of the same fully and absolutely without such re-entry working a forfeiture of the charges to be paid and of the covenants, terms and conditions to be performed by Lessee for the full term of this Agreement, and in the event of such re-entry, the Authority may proceed with the collection of charges to be paid under this Agreement or to recover properly measured damages; or
  2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided and re-enter upon said Leased Premises as of its former estate therein, and the Lessee covenants in case of such termination to indemnify the Authority against all loss of rents and expense which the Authority has suffered or paid by reason of such termination, during the residue of the term; or

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

## **SECTION 12**

### Termination by Lessee

- A. Termination: Lessee may terminate this Agreement prior to the end of its term, or any extension thereof, for the following reasons:
1. Failure of the Authority to substantially perform its obligations hereunder, if such failure shall continue for sixty (60) days after Lessee has given Authority written notice or the Authority shall fail to commence the rectification of such failure within sixty (60) days after such notice and to diligently prosecute the same where the same cannot be completed within sixty (60) days.
  2. If the Authority shall commit any act or engage in any activity that prevents the Lessee from conducting its uses and activities as provided under the terms of this Agreement for a period of sixty (60) days without the consent of Lessee and after Lessee have given notice to the Authority as provided for herein.
  3. If by any act or cause, whether by the Authority or not, Lessee are unable, by reason of change in regulation, termination of operation, or damage to the Leased Premises, to utilize the Leased Premises herein rented by Lessee for a period of six (6) months.
- B. Abatement in Lieu of Termination: In lieu of termination of this Agreement by the Lessee under the provisions of Paragraph A above, the Lessee may, at its option, declare a moratorium on rent payments, or any other payments provided hereunder to the Authority during the interruptions of Lessee's use of the Leased Premises and in such event, the term of this Agreement shall be extended for a period of such interruption, or interruptions, and the moratorium on any payments hereunder by Lessee shall continue until Lessee's use of the Leased Premises can be uninterruptedly continued.

**SECTION 13**  
Force Majeure

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

**SECTION 14**  
Waiver of Breach

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

**SECTION 15**  
Real Property Upon Termination

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

**SECTION 16**  
Subleases and Assignments

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

**SECTION 17**  
Erection of Signs

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

**SECTION 18**  
Governmental Commitments

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

**SECTION 19**  
Severability

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

**SECTION 20**  
Modification of the Agreement

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

**SECTION 21**  
Notices

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

Authority to Lessee shall be deemed to have been delivered by depositing the same in writing in the United States Mail addressed to Kris Karsell 2716 S. Lake Ave Duluth, MN 55802

## **SECTION 22**

### Counterparts

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

## **SECTION 23**

### Applicable Law

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

IN WITNESS WHEREOF, the parties have hereunto set their hands this \_\_\_\_\_ day of \_\_\_\_\_, 2022

**DULUTH AIRPORT AUTHORITY**

**LESSEE**

By \_\_\_\_\_  
Its President

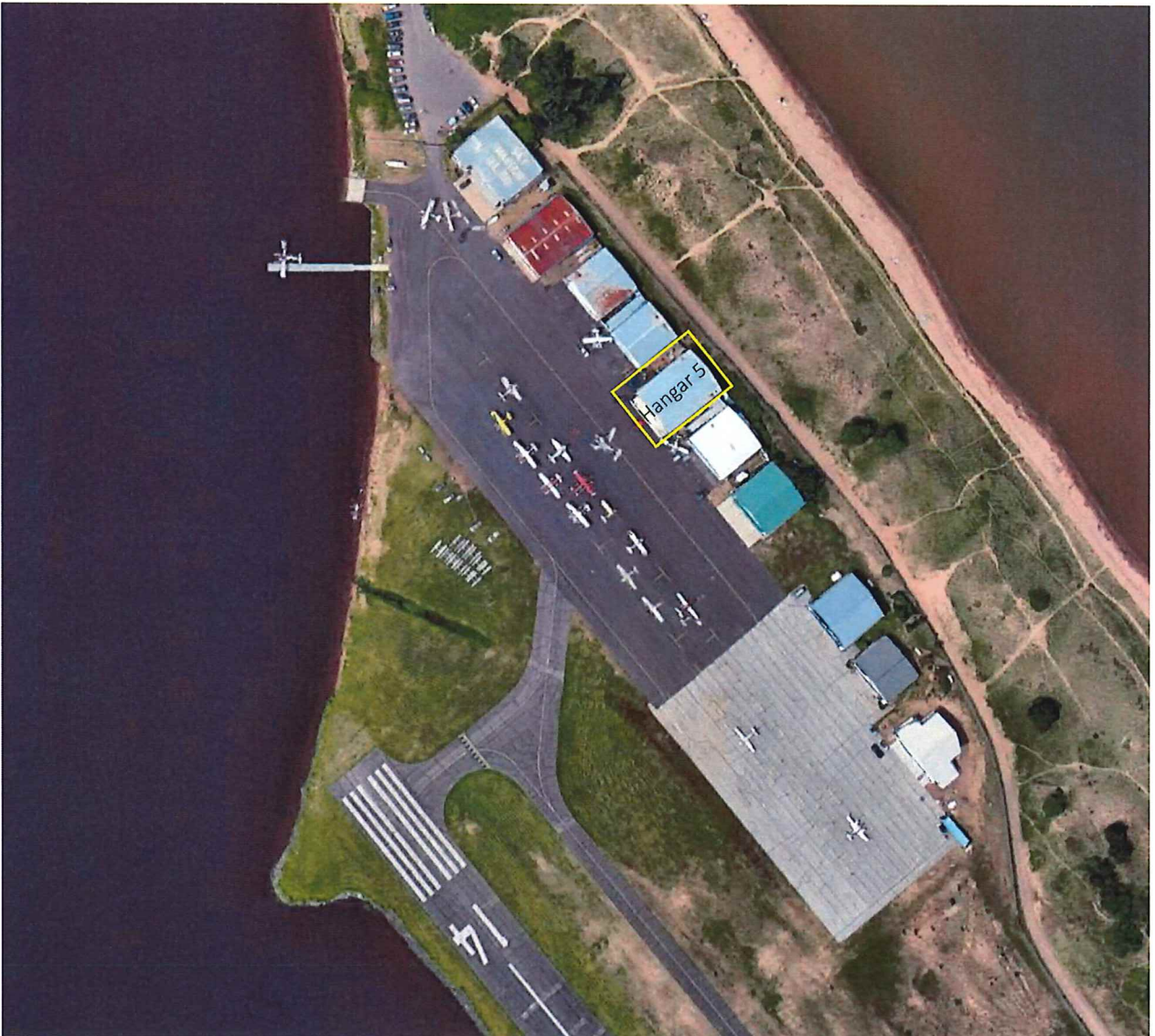
By \_\_\_\_\_

By \_\_\_\_\_  
Its Secretary

Its \_\_\_\_\_



# Exhibit A



## VII G

### Duluth Airport Authority Salter 11x Sky Harbor Lot 8 Land Lease Early Termination

***Background:***

- Salter 11X which is a Sky Harbor flying club had planned to build a hangar on Lot 8 at Sky Harbor. Due to rising costs of construction, Salter 11X has decided not to build a hangar.

***Resolution Overview:***

- Resolution is to approve the early termination of their lease effective May 31, 2022.

**Duluth Airport Authority**

**Resolution to authorize an early termination of the Sky Harbor Hangar #8 Land Lease Agreement between the Duluth Airport Authority and Salter 11X LLC.**

RESOLVED, by the Duluth Airport Authority Board ("DAA") that the DAA hereby authorizes an early termination of the Sky Harbor Hangar #8 Land Lease Agreement between the Duluth Airport Authority and Salter 11X LLC effective May 31, 2022.

Approved by the Duluth Airport Authority this 21st day of June 2022.

ATTEST:

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Executive Director

STATEMENT OF PURPOSE: This resolution authorizes the DAA staff to terminate the Salter 11X Hangar #8 Land Lease Agreement 5/31/2022.

## VII H

### Duluth Airport Authority MN Lottery Retailer Concession Contract & Addendum

#### Terms:

- 1 year

#### Agreement Overview:

- Retailer Contract for MN Lottery vending machines (2) located in the terminal
- MN Lottery installs the machines and is responsible for their maintenance
- DAA staff handles day to day operation of machines
- Machines do not pay out cash; tickets must be brought to local retailer such as gas station or mailed in
- Concession rates to be paid to the DAA are:
  - 5.5% of sales on Lotto
  - 6% for each pack of scratch tickets sold
  - 1.5% of the value of Lottery tickets redeemed and validated at machines

#### Addendum Overview:

- Liability and Indemnification language suggested to be replaced in contract with addendum by City of Duluth Legal Department

**Duluth Airport Authority  
Addendum to the Minnesota State Lottery  
Retailer Contract**

This Addendum ("Addendum") is made and entered into with respect to the Minnesota State Lottery Retailer Contract ("Contract") dated [ ] by and between Duluth Airport Authority, a government body organized and existing under Chapter 577 of the Laws of Minnesota, 1969, ("DAA") ("Retailer") and the Minnesota State Lottery ("MSL").

The following provision applies to the Contract between Retailer and MSL regarding the sale of lottery tickets within the state of Minnesota. The capitalized terms used in this Addendum shall have the same meaning as in the Contract. **To the extent that anything in this Addendum conflicts with the Contract, this Addendum shall control.**

**12. Liability and Indemnification:**

Each party will be responsible for its own acts and the results thereof. Neither Retailer nor MSL waives their respective immunities under state or federal law.

The provisions in this Addendum are agreed to by:

**The Minnesota State Lottery**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Duluth Airport Authority**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





Retailer Number  
131185

## MINNESOTA STATE LOTTERY RETAILER CONTRACT

THIS AGREEMENT is entered into this 15<sup>th</sup> day of May, 2022, by and between the MINNESOTA STATE LOTTERY (hereinafter referred to as the "MSL" or the "Lottery") and, DULUTH AIRPORT AUTHORITY, a Corporation, whose business address is 4701 GRINDEN DRIVE, DULUTH, MN 55811 (hereinafter referred to as the "Retailer").

In signing this agreement, the parties acknowledge that they have read and understood the terms of this Contract and agree to be bound thereby.

THE MINNESOTA STATE LOTTERY      DULUTH AIRPORT AUTHORITY

By: \_\_\_\_\_  
Lottery Signature

By: \_\_\_\_\_  
Retailer Signature

Title: Lottery Director

Title: \_\_\_\_\_

Date: May 15, 2022

Date: \_\_\_\_\_

### 1. Definitions

- a. "Accounting Week" - The start of business on Tuesday through the end of business on the subsequent Monday.
- b. "Business Location" - The site, as described by the address stated in this Contract, where the Retailer is authorized to sell Lottery Tickets.
- c. "Contract" - This agreement between the Retailer and the MSL authorizing the Retailer to sell Lottery Tickets.
- d. "Director" - The Director of the Minnesota State Lottery or the Director's designee.
- e. "Lottery Games" - Lotto Games and Scratch Games.
- f. "Lottery Tickets" - Lotto Game Tickets and Scratch Game Tickets.
- g. "MSL" - The Minnesota Lottery.
- h. "Lotto Game" - A lottery game sold to the public through the use of a Lotto Game Terminal.
- i. "Lotto Game Terminal" - A terminal installed by the MSL at the Retailer's Business Location that is connected to a MSL system for the purpose of selling and redeeming Lotto Game Tickets and Scratch Game Tickets.
- j. "Lotto Game Ticket" - A ticket purchased for participation in a Lotto Game.
- k. "Retailer" - The business authorized by the MSL to sell Lottery Tickets.
- l. "Scratch Game" - A lottery game sold to the public on pre-printed tickets containing play data under a latex coating.
- m. "Scratch Game Ticket" - A pre-printed ticket purchased for participation in a Scratch Game.

### 2. Scope of the Contract; Term

FY2022

This Contract authorizes the Retailer to sell Lottery Tickets for the MSL according to the terms of this Contract. The Retailer agrees to only sell Lottery Tickets at the Retailer's Business Location. This Contract is subject to the terms and provisions of Minnesota Statutes, chapter 349A, Minnesota Rules, chapter 7856, and the game procedures adopted by the Director for each Lottery Game and the Retailer agrees to comply and be bound by any applicable law, rule, instruction and order issued by the Lottery. This Contract is effective on the date it is finally executed by both parties and shall remain in effect for one year, from May 15, 2022 until midnight on May 14, 2023 unless canceled or suspended by either party. This Contract is not assignable or transferable to any person or entity, nor is it transferable to any location. The Retailer shall not conduct any business or hold itself out as a Lottery Retailer unless a renewal Contract has been timely granted.

### **3. Sale and Redemption of Lottery Tickets**

- a. The Retailer must offer for sale all Lotto Games offered by the MSL and must offer for sale a minimum number of Scratch Games set by the MSL.
- b. The Retailer may not sell Lottery Tickets to any person under the age of 18 years or redeem a prize for a person under the age of 18 years.
- c. The Retailer must prominently display the most current odds posters for Lottery Games supplied by the MSL.
- d. The Retailer must display the problem gambling helpline sticker supplied by the MSL at or near the point where Lottery Tickets are sold.
- e. The Retailer must display at its Business Location, the certificate to sell Lottery Tickets issued by the MSL.
- f. The Retailer must mount a decal provided by the MSL in a prominent place near the entrance to its Business Location.
- g. The Retailer must sell Lottery Tickets only for coin, currency, money orders, debit/check cards or checks.
- h. The Retailer must only sell Lottery Tickets at a price set by the Director pursuant to the game procedures adopted for each Lottery Game.
- i. The Retailer must not condition the sale of Lottery Tickets on the purchase of any other item or service or impose any similar restriction upon the sale of a Lottery Ticket.
- j. The Retailer must make the purchase of Lottery Tickets convenient and readily accessible to the public and make Lottery Tickets available for purchase during normal business hours.
- k. The Retailer must begin the sale of Scratch Game Tickets on the date set by the MSL for each Scratch Game and must cease selling Scratch Game Tickets for a particular Scratch Game on the date set by the MSL.
- l. The Retailer must validate and pay all prizes from winning Lottery Tickets up to \$600, consistent with the Retailer's normal business hours and cash on hand policies or as agreed to between the MSL and the Retailer. The Retailer may be responsible for redeemed Lottery Tickets that are not validated prior to payment to a player.
- m. The Retailer must settle packs of Scratch Game Tickets to activate billing according to procedures established by the MSL.
- n. The Retailer acknowledges that funds received from the sale of Lottery Tickets constitute a trust fund until paid to the MSL and that the Retailer is personally liable for those funds.
- o. The Retailer must maintain a bank account for payment of proceeds to the MSL.
- p. The Retailer must deposit in its designated bank account all funds due the MSL from the previous Accounting Week prior to the Thursday following the end of the accounting week. The amount due to the MSL will be electronically taken from this bank account by the MSL each Thursday.
- q. Failure to timely pay the MSL all amount due from a particular Accounting Week may subject the Retailer to a penalty of \$20 and interest as designated by rule. The Retailer agrees that it may be liable for costs incurred by the MSL to collect any amount due to the MSL under this Contract, including attorney's fees.

### **4. Compensation/Payments to Retailers**

The MSL will pay the Retailer a commission of 5½% for lotto sold by the Retailer, a 6% commission for each pack of scratch tickets sold by the Retailer, and pay the Retailer a commission of 1½% of the value of Lottery Tickets redeemed and validated by the Retailer. The MSL will reimburse the Retailer for all prizes paid by the Retailer according to the procedures established by the MSL.

### **5. Marketing Requirements**

The Retailer agrees to comply with all MSL marketing requirements and to display MSL provided point-of-purchase materials and signage in a prominent area of its Business Location according to instructions issued by the MSL. Retailer agrees to utilize Scratch ticket dispensers (including any in-counter dispensers) provided by the MSL in the manner prescribed by the MSL. The Retailer agrees to abide by all promotional guidelines adopted by the MSL.

**6. Security Deposit**

The MSL may require the Retailer to maintain a security deposit in the amount set by the Director if the Retailer does not have a favorable credit history, has repeated accounting problems and/or NSF's, or has no credit history. The security deposit must be in a form as set out in Minnesota Statutes, section 349A.06, subdivision 3.

**7. Minimum Sales**

The MSL has the right to set a minimum sales level for a Retailer. If the MSL sets a minimum sales level for a retailer, the Retailer must maintain that sales level in order to remain a Lottery Retailer.

**8. Property Provided by MSL**

All property provided to the Retailer by the MSL, or a vendor under Contract with the MSL, is, and shall remain the property of the MSL or its vendors. The MSL or its vendors shall have the right to enter the property of the Retailer during regular business hours to install and remove any and all such property at any time. The Retailer agrees not to relocate, repair, or modify any property of the MSL or its vendors without the prior written agreement of the MSL. The MSL will provide the Retailer with dispensers to be utilized to sell Scratch Game Tickets and a Lotto Game Terminal. The Retailer must provide sufficient counter space for the Lotto Terminal and Scratch Game Ticket dispensers. The Retailer must provide appropriate electrical utilities for MSL provided equipment. Upon expiration of this Contract, the Retailer shall return, or allow MSL employees or vendors to remove, all MSL property.

**9. Responsibility for Tickets**

The Retailer agrees that all Scratch Game Tickets accepted from the MSL or its distributor are deemed to have been purchased by the Retailer at the price established by the MSL less appropriate Retailer commission, unless the unsold tickets are returned to the MSL according to procedures established by the MSL. The Retailer agrees that all Lotto Game Tickets issued by the Retailer's Lotto Game Terminal are deemed to have been purchased by the Retailer unless canceled as authorized by the MSL game procedures. The Retailer will exercise diligence in the storage of Lotto Game Ticket stock and to provide physical security and control of the Lotto Game Ticket stock. The Retailer agrees not to borrow or lend Lotto Game Ticket stock or Scratch Game Tickets to/or from another Retailer or location. The Retailer is responsible for lost, stolen, or missing Lottery Tickets.

**10. Audit of Retailers**

The Retailer must maintain current and accurate records of all lottery transactions and make them available for inspection or audit by employees of the MSL and to employees of the Department of Public Safety, Alcohol and Gambling Enforcement Division. The Director may select an auditor to perform the audit and the Retailer may be required to pay the costs of the audit.

**11. Cancellation, Suspension and Refusal to Renew Contract**

- A. This Contract may be cancelled by the Retailer at any time upon notice to the MSL.
- B. The Director must cancel this Contract or prohibit the sale of Lottery Tickets if the Retailer has:
  - a) been convicted of a felony, gross misdemeanor, or a gambling related offense;
  - b) a person that owns more than 5% of the Retailer, or an officer or director of the Retailer that has been convicted of a felony, gross misdemeanor, or gambling related offense;
  - c) committed fraud, misrepresentation, or deceit;
  - d) provided false or misleading information to the MSL;
  - e) acted in a manner prejudicial to the public confidence in the integrity of the MSL;
  - f) owes \$500 or more in delinquent taxes to the State of Minnesota; or
  - g) been conducting business solely to sell Lottery Tickets.
- C. The Director may cancel, suspend, or non-renew this Contract, or prohibit the sale of Lottery Tickets if the Retailer has:

- a) ceased conducting business at the Business Location;
  - b) failed to comply with any provision of this Contract;
  - c) failed to accurately account for the proceeds from the sale of Lottery Tickets;
  - d) failed to remit to the MSL on a timely basis the proceeds from the sale of Lottery Tickets;
  - e) failed to account for Lottery Tickets received from the MSL;
  - f) acted in a manner such that the Retailer's participation as a Retailer is inconsistent with the public interest, convenience and necessity;
  - g) experienced a material change in any factor considered by the Director in entering into this Contract;
  - h) failed to maintain a security deposit as required by the MSL;
  - i) failed to maintain a minimum level of Lottery Ticket sales as set by the MSL;
  - j) retained an employee involved in the sale of Lottery Tickets who has been convicted of a gambling-related offense or a crime involving moral turpitude;
  - k) bartered, furnished, or given alcoholic beverages to a person under 21 years of age in violation of Minnesota law, two or more times within a two-year period;
  - l) experienced a change so that it no longer has the financial stability or responsibility to act as a Retailer;
  - m) experienced a substantial change in ownership;
  - n) committed an act which impairs the Retailer's reputation for honesty and integrity;
  - o) sold Lottery Tickets to a person that the Retailer knows or has reason to know will re-sell the Lottery Tickets to another person;
  - p) conducted illegal gambling at the Business Location or has allowed illegal gambling to be conducted by others at the Business Location;
  - q) violated a provision of Minnesota Statutes, chapter 349A or Minnesota Rules, chapter 7856, game procedures, order or directive issued by the Director; or
  - r) experienced any material change in any of the qualifications for a Retailer under Minnesota Statutes, section 349A.06, subdivision 2 or Minnesota Rules part 7856.2020.
- D. The Director may temporarily suspend this Contract or prohibit the sale of Lottery Tickets at the Business Location without prior notice to the Retailer, for any reason specified in this Contract, provided that pursuant to Minnesota Statutes, section 349A.06, subdivision 11(e), a hearing is conducted within seven days after a request for a hearing is made by the Retailer.
- E. The cancellation, suspension, or non-renewal of this Contract, or the prohibition of the sale of Lottery Tickets is a contested case under the Administrative Procedures Act (Minnesota Statutes, Chapter 14).

## **12. Liability and Indemnification**

The Retailer agrees that in its capacity as a contractor to sell Lottery Tickets, the Retailer is not acting on behalf of the MSL or the State of Minnesota as an agent, officer, or employee, but is acting in the capacity of an independent contractor. The Retailer agrees to release, indemnify and hold harmless the MSL and the State of Minnesota, its officers, directors, employees and agents from and against any and all loss, claims, damages, expenses and costs (including attorney fees) arising out of or resulting from any and all acts or omissions of the Retailer, its owners, employees or agents arising in the connection with conducting the sale of Lottery Tickets. The Retailer further agrees that any contractual or tortious liability incurred by the Retailer in connection with the sale of Lottery Tickets shall be the Retailer's sole responsibility.

## **13. Miscellaneous**

The Retailer agrees that if they fail to comply with any term of this Contract, the Lottery may temporarily stop delivery of additional Scratch Game Tickets and prohibit the use of the Retailer's Lotto Game Terminal and pursue any other appropriate remedy to protect its interests and property.

## **14. Applicable Law and Venue**

This Contract and all matters related to it shall be governed by and interpreted by the laws of the State of Minnesota. Any matter arising under this Contract shall be brought in a court of competent jurisdiction in Ramsey County, Minnesota.

# VII I

## Duluth Airport Authority Short Elliott Hendrickson Inc. (SEH) Work Order 2022-6 for Preliminary and Final Design for the SRE Building at the Sky Harbor Airport

### ***Terms:***

- Estimated start date of June 21, 2022
- Estimated end date of September 30, 2022

### ***Agreement Overview:***

This work order includes preliminary and final design for the construction of the SRE Building at Sky Harbor Airport (DYT). 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:***

The existing facility infrastructure at DYT does not currently have the building capacity to store the airport Snow Removal Equipment (SRE). The current equipment is being stored in the Airport's hangar building. To maintain and protect the AIP funded equipment, the FAA does allow for non-CFR part 139 airports with one eligible SRE vehicle to construct a 1,600-square foot SRE building. The building structure will be 40-feet by 40-feet, heated, and a single story. The building will be located near the southeast end of the apron pavement, with the building doors facing toward the runway & Lake Superior Bay.

This scope of engineering services includes preliminary design, environmental review, final design, including plan drawings, specifications, an engineer's design report, quality control, design reviews, and construction bidding documents, as well as project management. Final design will occur in the summer of 2022, with project bids being opened in late July of 2022. Construction is anticipated to take place in the fall of 2022 & spring of 2023.

Engineering services are anticipated to be funded with BIL/AIG funding at a 90 percent rate by the Federal Aviation Administration (FAA).



**WORK ORDER  
No. 2022-6  
Between**

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

**Dated: June 21, 2022**

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**CONSTRUCT SRE BUILDING  
SKY HARBOR AIRPORT (DYT)**

This work order includes engineer's design report, environmental review, final design and bidding documents for the construction of the SRE Building at the Sky Harbor Airport (DYT). The contract provisions included in the Master Agreement (dated 1-21-2020) between the DAA and SEH remain in effect for this work order.

Estimated start date is June 21, 2022; estimated end date is September 30, 2022.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$73,700.00.

Descriptions of the services to be provided are included in Attachment A. Detailed estimate of labor cost and expenses are included in Attachment B.

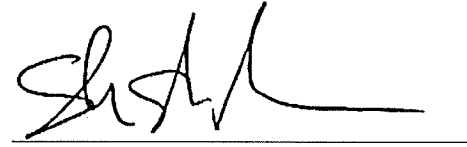
Point of Contact: Kaci Nowicki, Principal

**APPROVED:**

**Duluth Airport Authority (DAA)**

**Short Elliott Hendrickson Inc.**

\_\_\_\_\_

  
\_\_\_\_\_

Title: \_\_\_\_\_

Title: Principal \_\_\_\_\_

Date: \_\_\_\_\_

Date: June 21, 2022 \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# ATTACHMENT A

## Sky Harbor Airport (DYT)

### Construct SRE Building

### Scope of Work

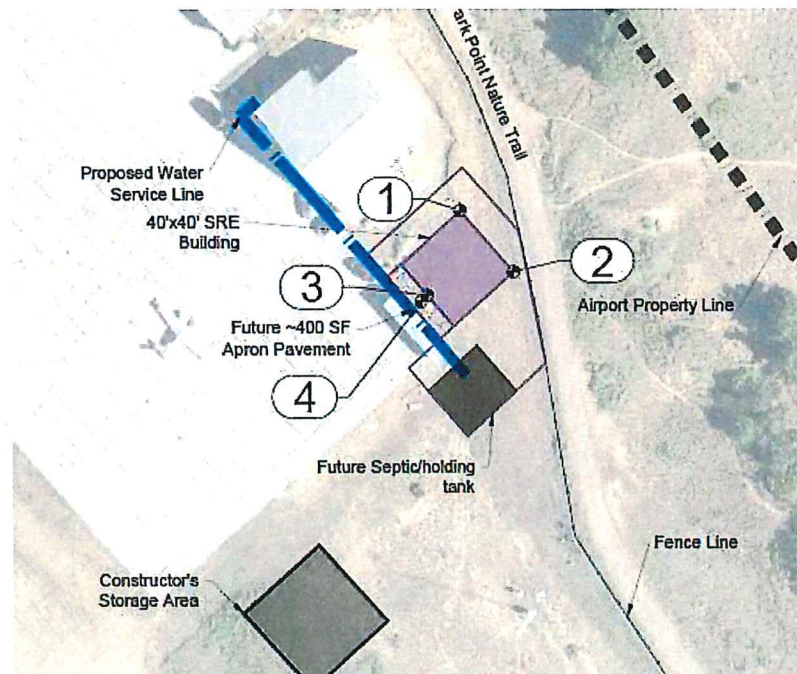
### Schedule A

(Final Design, Plans and Specifications, and Bidding Documents)

#### PROJECT SCOPE

The project consists of designing and constructing an SRE building at the Sky Harbor Airport (KDYT). The SRE building will allow for storage of airport snow removal equipment used on the airfield. The airport's existing facility has a small area, located within the hangar adjacent to the A/D building, to store equipment. Constructing the proposed SRE building will provide a location to protect DYT's investments in equipment and open up the hangar space for aircraft.

The project will include constructing a 40-foot by 40-foot SRE building (1,600-square feet) and would accommodate Sky Harbor's snow removal equipment. The SRE building will be located off the general aviation apron, on the southeast portion of the pavement. The proposed location is provided below in the **Figure 1**:



**Figure 1** – Proposed Location of SRE Building

This work scope includes the geotechnical analysis, final design, plans and specifications development, and bidding documents.

This contract does not include any work elements related to construction services including but not limited to, construction administration and observation, construction grant application and closeout reports.

The proposed project schedule includes design 2022 and construction in Fall of 2022 and Spring of 2023.

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

1. Project formulation
2. Engineer's Design Report
3. Final design and plan drawings and specifications
4. Construction bidding documents
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 – Project Formulation** – SEH will complete the project and grant pre-application documentation, environmental categorical exclusion checklist for FAA approval, cost breakdowns and eligibility determinations for the approved scope of work. Explore building types, door types, and mechanical system types and provide pros and cons and associated ballpark costs. The project will be broken down to determine eligible and non-eligible scopes of work that will be reviewed and presented to the FAA and included in the grant application. Conduct a building code review.

**Work Element 2: Engineer's Design Report**

**Task 2.1 – General Scope of Work** – SEH will develop a brief narrative of the work scope, unique or unusual situations, breakdown eligible and non-eligible federal items included, and historical background on the proposed project.

**Task 2.2 – Photographs** – SEH will coordinate with airport staff to capture photographs of representative areas of existing site conditions of the site. The photographs will be included within the report.

**Task 2.3 – Applicable AIP Standards** – Applicable AIP standards will be referenced in the report by FAA Advisory Circulars.

**Task 2.4 – Airport Operational Safety Considerations** – SEH will develop a preliminary Construction Safety and Phasing Plan (CSPP) to evaluate proposed phasing, construction limits, haul route, contractor staging area, and anticipated impacts to airport users.

**Task 2.5 Pavement Design** – SEH will utilize the geotechnical information obtained during preliminary efforts and project as-built information to evaluate the existing site conditions. The subconsultant, Braun Intertec, will provide pavement design recommendations.

- Task 2.6 – Drainage Design** – Drainage design will be incorporated into the project in to address internal floor drain. The proposed total impervious area is below the 3,000-square feet threshold requirement for the City of Duluth; therefore, no permitting or requirements are included in this task.
- Task 2.7 – Airfield Lighting and Signage** – Airfield lighting and signage will not be impacted by the project.
- Task 2.8 – Navigational Aids** – NAVAIDs will not be impacted by the project.
- Task 2.9 – Pavement Marking** – Markings will not be included or impacted by the project.
- Task 2.10 – Environmental Considerations** – SEH will complete a request for environmental Categorical Exclusion (CATEX) for the project.
- Task 2.11 – Existing Utilities** – SEH will develop a drawing that identifies and delineates existing underground utilities in and adjacent to the project site.
- Task 2.12 – Miscellaneous Work Items** – SEH will provide a narrative to address other work components of the project, such as turf establishment, erosion control, site access, and other related work items.
- Task 2.13 – Modification to AIP Design Standards** – No modifications to design standards are anticipated, but this task will evaluate the preliminary design to confirm that no modifications to design standards will be requested.
- Task 2.14 – AIP Non-eligible Work Items** – All work items included as part of the project is anticipated to AIP eligible. Potential non-eligible work items will be identified and separated accordingly.
- Task 2.15 – Disadvantaged Business Enterprise (DBE)** – The current status of the Sponsor's DBE program will be established, together with project goals for the project. Goals will be prepared in accordance with the regulation of the U.S. Department of Transportation (DOT), 49 CFR Part 26.
- Task 2.16 – Project Schedule** – SEH will develop a schedule and associated chart to identify the project schedule specific to the project, and milestones during the design and bidding process.
- Task 2.17 – Engineer's Estimate of Probable Cost** – SEH will provide an itemized summary of the engineer's estimate of probable construction costs.
- Task 2.18 – Preliminary Project Budget** – SEH will develop a preliminary project budget that will include anticipated engineering costs, construction costs, and administrative costs. Potential funding sources and prorations will also be included.

### **Work Element 3: Final Design and Plan Drawings and Specifications**

Final design and plan drawings for the SRE Building project will be prepared in accordance with federal and state guidelines. FAA Advisory Circular (AC) 150/5220-18, *SRE Building*, 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 3.1 – Topographical Survey** – A comprehensive field survey will be completed to obtain topographical information including building corners, underground water utility, storm sewer inlets, existing pavement, existing fence, protected beach grass locations, and relevant ground elevations.
- Task 3.2 – Geotechnical Investigation** – Borings will be taken at the proposed SRE building location to aid with the structural design of the building foundations. See attached scope of work from the geotechnical subconsultant. Task includes Consultant review of the final report.
- Task 3.3 – Construction Safety Plan and Airspace Analysis** – SEH will refine and update the preliminary Construction Safety and Phasing Plan (CSPP) that was developed as part of the Engineer's Design Report. The preliminary CSPP will be

enhanced to determine final phasing, construction limits, haul route, contractor staging area, and anticipated impacts to airport users and airfield facilities. A final CSPP will be uploaded for FAA airspace review. This work element will also include 7460 airspace review, separate from the CSPP submittal, of the final building structure and associated height.

**Task 3.4 – Detailed Final Design** – Detailed final design of the building including electrical, mechanical, and structural in the form of performance specifications. Civil site and utility design will be based on as-built drawings, survey, soil boring information and surface drainage analysis. There will not be any office space in the building.

**Task 3.5 – Construction Plan Sheets** – Specific plan sheets to be developed and included in the plan set are as follows:

- Title Sheet
- Construction Safety Plan
- Statement of Estimated Quantities
- Erosion Control Plan and Turf Establishment Plan and Details
- Building Floor Plans
- Electrical Plan and associated schematics, and diagrams for lighting and power.
- Mechanical Plan for heat, ventilation, destratification, and plumbing systems and associated equipment schedules and details.
- Architectural code review and plans including floor/roof plan and building elevation views.
- Structural plan and code review including design loads for building and foundation specifications for design criteria for pre-engineered metal building and foundation. (Both delegated design items). Corresponding notes and section views in the drawings to reflect the geotechnical corrections and structure excavations coordinated with the geotechnical report.
- Utility Plan including code review for local and state requirements for septic and/or holding tanks.
- Details, Standard Plates and Construction notes.

**Task 3.6 - Preparation of Permit for the Take of Endangered or Threatened Species Incidental to a Development Project** - Duluth Sky Harbor Airport has sensitive vegetation including state-listed threatened plants *Ammophila breviligulata* and beach heather (*Hudsonia tomentosa*). Impacts to these species require application to the Minnesota Department of Natural Resources (MNDNR) for approval of a "Permit for the Take of Endangered or Threatened Species Incidental to a Development Project." SEH will prepare an application suitable for submittal to MNDNR and provide ongoing agency coordination during application review. SEH expects to coordinate with the DAA and MNDNR to develop a mitigation approach. This scope assumes mitigation for taking of threatened plants will be a monetary fee per plant impacted. If site-specific mitigation (such as propagation or relocation of plants) is desirable to MNDNR, design and monitoring of mitigation would then be coordinated through amended scope and fee.

#### **Work Element 4: Construction Bidding Documents for the SRE Building**

Elements of the Construction Bidding Documents will be prepared in accordance with FAA Advisory Circulars (AC) 150/5220-18, *SRE Building*, and other applicable ACs, orders, regulations and policy memorandums. Specific tasks included with this work element include:



**Task 4.1 – 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 4.2 – Bidding Services** – Consultant will take questions from prospective bidders throughout the bidding process and if needed, will clarify questions with an addendum. There will be no pre-bid meeting as part of the work element.

**Task 4.3 – Bid Opening** – Consultant will coordinate advertisement and opening of contractor bids virtually.

**Task 4.4 – Bid Review, Recommendation and Award** – After bids are opened, the Consultant will review for completed bids, develop a bid tab for bid comparison, and make a contractor recommendation to the Owner to move toward award of the bid and assist with requesting an FAA and State grant for the project.

#### **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.

**Work Element 6: Project Management** – 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, and related project administration tasks.

**Task 6.1 – Design Team Meetings** –This task includes weekly meetings by the design team to discuss project elements, schedule, issues, and provide coordination between team members.

**Task 6.2 – Agency Meetings** –This task includes meetings with FAA, MnDOT and additional regulatory agencies as required for the project.

**Task 6.3 – Public Involvement and Tenant Notifications** – This task includes specific project mailing and notifications that will be sent out to stakeholders. Stakeholders are anticipated to include airport tenants and neighbor notifications.

**Task 6.4 – Sub-consultant Coordination** –This task includes sub-consultant coordination and administration, including escorting of field work, deliverable review, and final payment and closeout.

**Task 6.5 – 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** – This task includes subconsultants performing work under this proposal include the following:

**Braun Intertec** – Geotechnical investigation will be performed by Braun Intertec, out of St. Paul, MN

ATTACHMENT B  
ESTIMATED FEES AND EXPENSES  
CONSTRUCT SRE BUILDING  
ENGINEER'S DESIGN REPORT, FINAL DESIGN, AND PLANS AND SPECIFICATIONS  
SKY HARBOR AIRPORT (DYT)  
DULUTH, MN

Task No.	Task Description	Project Manager	Project Engineer	Graduate Engineer	Structural Engineer	Electrical Engineer	Mechanical Engineer	Architect	Stormwater Engineer	Survey Crew Chief	Senior Technician	Senior Scientist	Admin Technician
<b>Project Formulation</b>													
1.1	Scoping, Review, and Coordination	4	6	2	2			2	1				
1.2	Project Formulation	2	8	2	2								2
<b>Engineer's Design Report (EDR)</b>													
2.1	Compile & Complete EDR	2	18	2	1	2	2	2	4			8	
<b>Plan Drawings</b>													
3.1	Topographical Survey and Download of Data		2							16			
3.2	Geotechnical Investigation		2		1								
3.3	Construction Safety Plan & Airspace Analysis		2	6							2		
3.4	Detailed Final Design		4	24	2	8	8	12			4		
3.5	Construction Plan Sheets		8	24		4	4	10			4		
	<i>Title Sheet</i>												
	<i>Construction Safety Plan</i>												
	<i>Statement of Estimated Quantities</i>												
	<i>Details and Construction Notes</i>												
	<i>Erosion Control Plan and Turf Establishment</i>												
	<i>Grading Plan for SRE Building</i>												
	<i>Building Floor Plan - Level 1</i>												
	<i>Building Elevations</i>												
	<i>Electrical Plan and Details - Subconsultant</i>												
	<i>Mechanical Plan and Details - Subconsultant</i>												
	<i>Structural Plan and Details</i>												
	<i>Utility Plan and Details</i>												
3.6	Preparation of Permit			24								40	
<b>Construction Bidding Documents</b>													
4.1	Construction Bidding Documents		4	20	2	4	4	4					2
4.2	Bidding Services		2		2	2	2	2					2
4.3	Bid Opening		2										
4.4	Bid Review, Recommendation and Award	1	2										
<b>Quality Control</b>													
5.1	Quantity Calculations and Final Engineer's Estimate		4	4	2	4	4	2					
5.2	Quality Control Reviews		4		2	2	2	6					
<b>Project Management and Meetings</b>													
6.1	Design Team Meetings	1	2	2	1			2					
6.2	Agency Meetings	4	2									2	
6.3	Public Involvement and Tenant Notifications	2		4									
6.4	Subconsultant Coordination		4										
6.5	Overall Project Management	2	8		1								
<b>Total hours per labor category</b>		<b>18</b>	<b>84</b>	<b>114</b>	<b>18</b>	<b>26</b>	<b>26</b>	<b>42</b>	<b>5</b>	<b>16</b>	<b>10</b>	<b>50</b>	<b>6</b>

**ESTIMATE OF LABOR COSTS:**

Labor Category	Hours	Rate	Extension
Project Manager	18	\$81.11	\$1,459.98
Project Engineer	84	\$58.38	\$4,903.92
Graduate Engineer	114	\$42.59	\$4,855.26
Structural Engineer	18	\$59.65	\$1,073.70
Electrical Engineer	26	\$66.82	\$1,737.32
Mechanical Engineer	26	\$68.53	\$1,781.78
Architect	42	\$40.87	\$1,716.54
Stormwater Engineer	5	\$45.00	\$225.00
Survey Crew Chief	16	\$36.00	\$576.00
Senior Technician	10	\$44.93	\$449.30
Senior Scientist	50	\$41.95	\$2,097.50
Admin Technician	6	\$32.93	\$197.58

Total Direct Labor Costs:	415	\$21,073.88
Direct Salary Costs plus Overhead (66.03%)		\$34,988.96
<b>Total Labor Costs</b>		<b>\$56,062.84</b>
Fixed Fee on Labor Costs (15%)		\$8,409.43

**ESTIMATE OF EXPENSES:**

Direct Expenses	Quantity	Rate	Extension
Subconsultant - Geotechnical Investigations (Braun Intertec)	1	\$5,865.00	\$5,865.00
Survey Equipment (Total Station and GPS)	8	\$60.00	\$480.00
Survey Van	8	\$5.00	\$40.00
Employee Mileage	500	\$0.58	\$290.00
Equipment Usage	415	\$5.80	\$2,407.00
Reproductions / Miscellaneous	1	\$100.00	\$100.00
<b>Total Expenses</b>			<b>\$9,182.00</b>

**SUMMARY:**

Total Labor Costs + Expenses + Fixed Fee	\$73,654.27
<b>Estimated Total</b>	<b>\$73,700.00</b>

# VII J

## Duluth Airport Authority Short Elliott Hendrickson Inc. (SEH) Work Order 2022-9 for Construction Administration, Observation, and Closeout for the Taxiway A Reconstruction – Phases 2 & 4 Project at the Duluth International Airport

### ***Terms:***

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

### ***Agreement Overview:***

This work order includes construction administration, observation, and closeout for the Taxiway A Reconstruction – Phases 2 & 4 project at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 1-20-2020) between the DAA and SEH remain in effect for this work order.

### ***Background:***

Taxiway A is the parallel taxiway for the main runway (Runway 9/27) serving the Duluth International Airport. The full taxiway is approximately 10,700 feet in length, and the taxiway width varies along its alignment. Most of the taxiway is 75 feet wide with no taxiway shoulders. The existing bituminous and concrete pavement has been in place since 1974 and the pavement condition is in fair to poor condition, requiring major rehabilitation.

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.

Phase 4 (SRE Apron Expansion) of the Taxiway A Reconstruction Program will include the construction of approximately 115,000 sq. ft. of concrete apron in between the Monaco Apron and the Midfield Ramp Aprons. The Phase 4 project will also include additional aircraft parking spaces, the installation of a Taxiway Design Group 3 taxiway to accommodate Aircraft Design Group III aircraft, and a vehicle service road that will traverse the ramp.

This scope of engineering services includes construction administration services, construction observation, project closeout, as well as public outreach and project management. Phases 2 and 4 will be constructed during the same construction season during the Summer of 2023.

Final design of FAA eligible areas is anticipated to be funded at 90 percent by the Federal Aviation Administration (FAA). The local contribution to the DAA is anticipated to be five percent and the contribution from MNDOT is anticipated to be five percent. The remaining areas are anticipated to be funded by the Air National Guard at 100 percent.

**WORK ORDER  
No. 2022-9  
Between**

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

**Dated: June 21, 2022**

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**TAXIWAY A RECONSTRUCTION – PHASES 2 & 4 (CONSTRUCTION ADMINISTRATION,  
OBSERVATION, AND CLOSEOUT)  
DULUTH INTERNATIONAL AIRPORT (DLH)**

This work order includes completion of the Taxiway A Reconstruction – Phases 2 & 4 (Construction Administration, Observation, And Closeout) Project at the Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 11-20-18) between the DAA and SEH remain in effect for this work order.

Estimated start date is June 30, 2022; estimated end date is December 31, 2023.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$1,205,800.00. (\$1,120,800 for Schedule A (FAA eligible) and \$85,000 for Schedule B (FAA ineligible).

Descriptions of the services to be provided are included in Attachments A-1 and A-2. Detailed estimates of labor cost and expenses are included in Attachments B-1 and B-2.

Point of Contact: Shawn McMahon, Principal

**APPROVED:**

**Duluth Airport Authority (DAA)**

**Short Elliott Hendrickson Inc.**



\_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
Title: Principal

Date: \_\_\_\_\_

Date: June 21, 2022

\_\_\_\_\_  
Title: \_\_\_\_\_

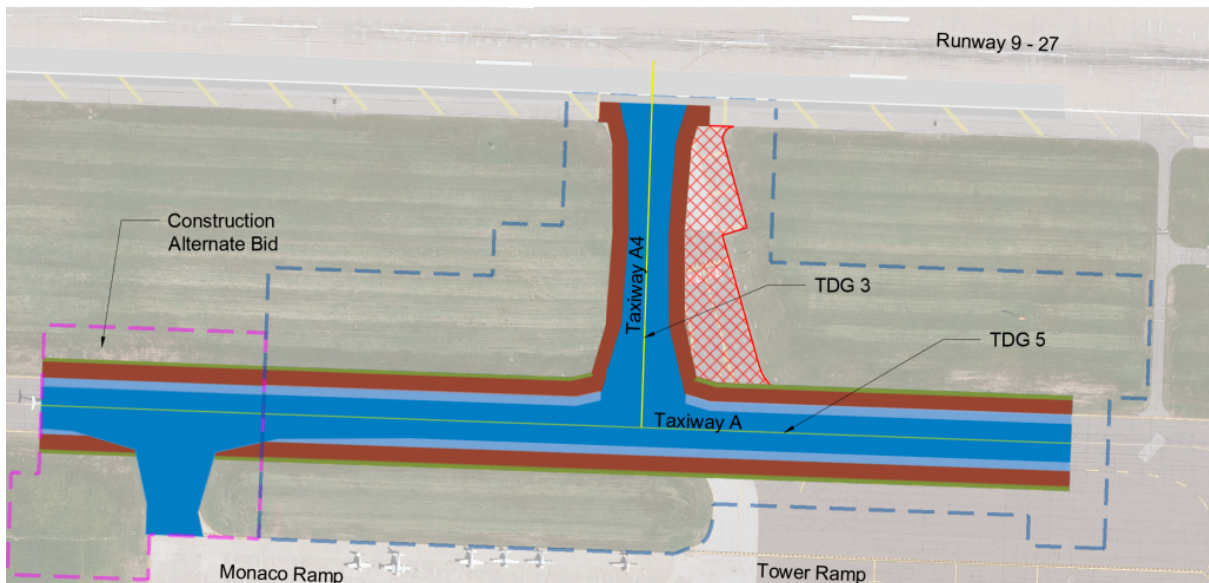
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**ATTACHMENT A-1**  
**Duluth International Airport (DLH)**  
**Duluth Airport Authority (DAA)**  
**Taxiway A Reconstruction – Phases 2 & 4**  
**Schedule A (FAA Eligible)**  
**Scope of Work**  
**(Construction Administration, Observation and Closeout)**

**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.

Phases 2 and 4 will be constructed during the same construction season during the Summer of 2023. This project includes the Construction Administration, Observation, and Closeout of Phases 2 & 4.

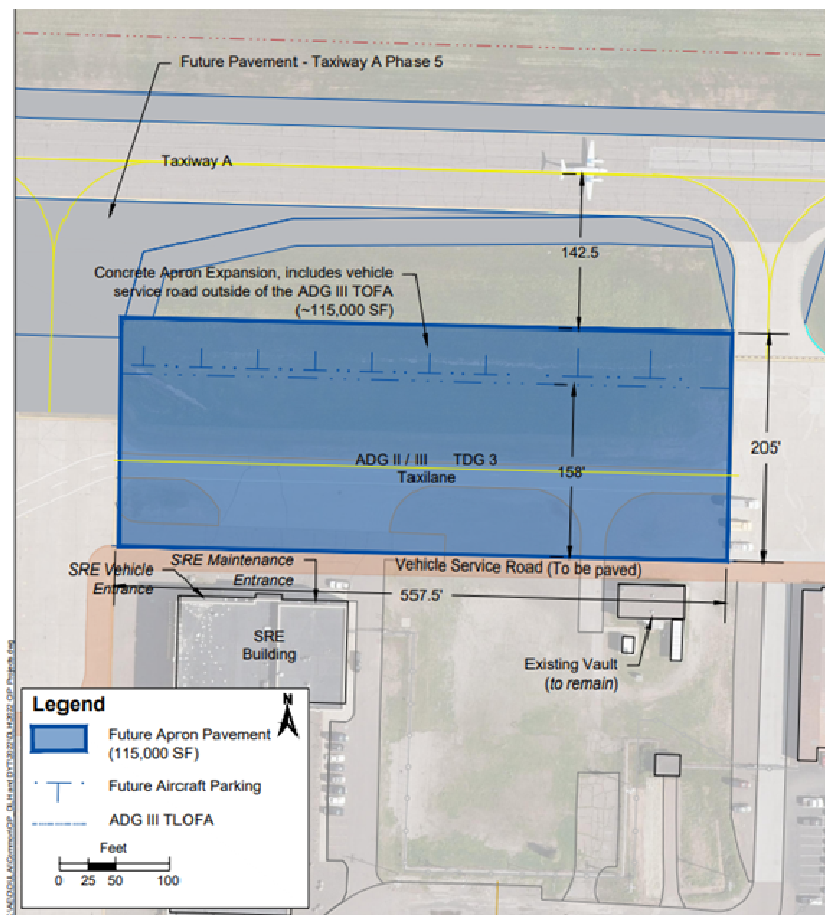
Phase 2 of the Taxiway A Reconstruction Program will include a 1,300 feet reconstruction of Taxiway A to the north of the Monaco Apron and the Tower Apron. The Phase 2 project will also include the reconstruction and realignment of Taxiway A4 which joins Runway 9/27 with Taxiway A. See **Figure 1 – Phase 2 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. Phase 2 Project Exhibit**

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.

Phase 4 (SRE Apron Expansion) of the Taxiway A Reconstruction Program will include the construction of approximately 115,000 sq. ft. of concrete apron in between the Monaco Apron and the Midfield Ramp Aprons. The Phase 4 project will also include additional aircraft parking spaces, the installation of a Taxiway Design Group 3 taxilane to accommodate Aircraft Design Group III aircraft, and a vehicle service road that will traverse the ramp. See **Figure 2 – Phase 4 Project Exhibit (SRE Apron Expansion)** for a graphic that represents the aforementioned project limits.



**Figure 2. Phase 4 Project Exhibit (SRE Apron Expansion)**

Due to the large increase of impervious surface area, stormwater control measures will be implemented on airport property to slowdown the flowrate of stormwater within the drainage basin and this project scope will include drainage capacity enhancements for future phases of the Taxiway A Reconstruction program. Additionally, this project will include site specific drainage improvements and potential storm structure repair or replacement, as required.



Phase 4 (SRE Apron Expansion) will create additional aircraft parking at DLH which will allow a portion of the Tower Ramp, where aircraft are currently parking, to be demolished. This Tower Ramp pavement will be demolished in a future phase due to aircraft parking in the Runway Visibility Zone.

This scope of engineering services includes construction administration, observation and project closeout services, as well as public outreach and project management. The Phase 2 project will be constructed concurrently with the Taxiway A Phase 4 (SRE Apron Expansion) Project and will be phased accordingly with this project during the Summer 2023 construction season.

For Phase 2, the construction duration is anticipated to be approximately 105 calendar days associated with three different phases of work, Phases 2A, 2B, and 2C. Preparatory work prior to the project and clean up and restoration work following substantial completion are expected to take one week for each. For Phase 4, the construction duration is anticipated to be approximately 60 calendar days associated with one phase of work. Preparatory work prior to the project and clean up and restoration work following substantial completion are expected to take one week for each.

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

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

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

**This work scope includes:**

**Work Element 1: Construction Administration Services**

Specific tasks included with this work element include:

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

**Task 1.2 – Project Administration Services** – Office engineering staff, CAD personnel, and administrative staff will assist the construction project team as necessary during construction in response to requests for information, plan or specification clarifications, change orders and other issues that may arise. Other administrative tasks include project set up and invoicing, internal meetings (bi-weekly), progress reports, subconsultant coordination and contract management.

**Task 1.3 – Construction Management Plan (CMP)** – SEH will obtain the Contractor's Quality Control Plan (QCP) and complete a thorough review of the document for completeness. Any recommended revisions or updates will be submitted to the Contractor. Following review of the QCP, SEH will update the draft CMP by extracting data from the QCP and combining it with Sponsor and Engineer

information for project responsibilities. A final CMP will be submitted to the Sponsor and FAA for approval.

**Task 1.4 – Preparation of Project Files** – SEH will develop construction contracts, review Contractor bonding information, and ensure that Sponsor insurance requirements have been met. SEH will coordinate routing and signature of the construction contracts by the DAA and the Contractor. Plans, contract documents, and technical specifications will be updated to include all addenda items issued during bidding. SEH will ensure that the Contractor is supplied with adequate copies of the construction plans and project manual.

**Task 1.5 – Establish Survey Control** – SEH will establish the necessary horizontal and vertical control for construction staking for the project. It is anticipated SEH surveyors will mobilize two times, one for Phase 2 and one for Phase 4 (The Contractor is required to provide the construction staking.)

**Task 1.6 – Pre-Construction Activities** – Two (2) preconstruction meetings will be held, one in the Fall 2022 and one in the spring of 2023 prior to construction.

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

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

**Task 1.7 – Construction Security Coordination** – SEH will meet with DLH security personnel to ensure necessary security provisions included in the Construction Safety and Phasing Plan (CSPP) and the Safety Plan Compliance Document (SPCD) are communicated to Contractor personnel. Some of these security provisions include badging requirements for Contractor staff, airfield access point management, personnel training, and escort authority. Additionally, weekly coordination between SEH and DLH staff will occur while construction is occurring to identify and address any security or safety issues.

**Task 1.8 – Permit Coordination** – SEH will coordinate and review all applicable permits related to the project construction. These include, at a minimum, MPCA General Stormwater Permit for Construction Activity, City of Duluth Haul Route Permit, City of Duluth Erosion and Sediment Control Permit, City of Duluth Fill, and Excavation and Grading Permits.

The permit coordination will include a final inspection by SEH water resource engineer, who will then provide final documentation to City of Duluth stormwater permitting office.

**Task 1.9 – Submittal and Shop Drawing Review** – SEH will review product and material data, shop drawings, concrete material testing and concrete mix design, bituminous material testing and bituminous mix design, material samples, and other items required to be submitted by the Contractor.

SEH will review the contractor supplied Safety Plan Compliance Document (SPCD) for compatibility with Duluth Airport operations and FAA safety procedures.

**Task 1.10 – Progress Meetings** – Construction Progress Meetings will be held once a week while construction work is being performed on the airfield. The progress meetings will be attended by SEH staff, including the Project Manager, Professional Engineer, Resident Project Representative(s) (RPR) and other staff as needed or required. It is anticipated that sixteen (16) progress meetings will occur during

construction activities for Phase 2 and nine (9) progress meetings will occur for Phase 4. This task includes preparatory and meeting documentation work.

**Task 1.11 – Pre-Paving Conference** – A pre-paving conference is required as part of Section 100 “Quality Control Program” in the Project Manual. The pre-paving conference will address Quality Control and Quality Assurance requirements of the project specifications.

**Task 1.12 – Review of Quality Control Testing** – All quality control test results performed by the Contractor will be monitored on a daily basis and summarized by SEH. In the event of a failed test result, the Contractor will be required to take corrective action and a retest will be taken until passing results are achieved. SEH will review all quality control testing performed by the Contractor for compliance with the specifications. This will be conducted prior to submission to the FAA. Should any additional testing need to be accomplished, this will be coordinated with the Contractor who will be responsible for completion.

**Task 1.13 – Review of Quality Assurance Testing** – All quality assurance test results performed by the material testing subconsultant will be monitored on a daily basis and summarized by SEH. In the event of a failed test result, the Contractor will be required to take corrective action and a retest will be taken until passing results are achieved. SEH will review final quality assurance testing for compliance with the specifications. This will be conducted prior to submission to the FAA. Should any additional testing need to be accomplished, this will be coordinated with the subconsultant who will be responsible for completion.

**Task 1.14 – Review of Contractor Payroll Forms** – SEH will review weekly payroll reporting by the Contractor to ensure that wage rates comply with the requirements of the federal and state wage rates for the work being performed. The RPR will conduct compliance monitoring of the Contractor’s Davis-Bacon Act and DBE contractual obligations, including recording the Contractor/subcontractor employees, type of work being completed, and conducting random interviews.

**Task 1.15 – Calculate Construction Quantities** – SEH will review quantities with the Contractor on a weekly basis. Any discrepancies or disagreements regarding completed quantities will be resolved in advance of any partial pay application process. Periodic cost estimates will be developed by SEH to ensure compliance with the overall project budget.

**Task 1.16 – Pay Applications** – SEH will prepare partial pay applications once each month during construction, a final pay application including final agreed upon quantities for all work components, and a pay application releasing retainage to the Contractor once all closeout requirements have been met. Actual completed quantities will be tabulated for use in preparing all pay applications. It is anticipated that 12 pay applications will be submitted.

**Task 1.17 – Daily Reports** – SEH will maintain a daily log of the construction activities and maintain construction photos for record keeping purposes.

**Task 1.18 – Weekly Reports** – SEH will prepare a weekly status report using the FAA’s standard form. The report will be developed by the RPR, reviewed by the Project Manager, and submitted to the Sponsor, FAA, and MnDOT via electronic submittal (PDF).

**Task 1.19 – Change Orders / Supplemental Agreements** – SEH shall review and provide recommendations to the Sponsor of proposed changes to the contract documents, technical specifications and plans. As necessary, SEH will issue supplemental details, design data, drawings and modifications to Contractor for change order pricing. The Project Manager will prepare change orders/supplemental agreements. All Change Orders and Supplemental Agreements require FAA approval prior to being issued. In the case where new materials may be required in addition to those in the bid documents, new bid items will be added to the project and a Request for Pricing from the Contractor will be proposed.

- Task 1.20 – Final Inspection and Punchlist** – SEH will conduct a final inspection after completion of the project. SEH will issue notifications and prepare a punchlist of any outstanding items requiring correction. A tracking document will be prepared and progress on the punchlist items will be recorded until all issues are resolved.
- Task 1.21 – Record Drawings** – SEH will utilize Contractor and engineering drawings during construction to complete record drawings for the project. The record drawings will incorporate any modifications or additions/subtractions that occurred during construction. Three (3) final plan sets will be plotted and distributed to the Duluth Airport Authority (DAA) for records. Electronic (PDF) copies of the record drawings will be provided to DAA, MnDOT and FAA.
- Task 1.22 – Final Quality Control / Quality Assurance Summary** – SEH will prepare and submit the final QC/QA summary for the project.
- Task 1.23 – Final Engineering Report** – SEH will prepare a final engineering report which will include a project narrative, testing summaries, change orders showing any modifications that may have occurred during construction, all project cost information, including administrative expenses, engineering fees, and construction costs, and any other required project data.
- Task 1.24 – Update Airport Layout Plan (ALP)** – SEH will complete an update to the current DLH ALP to reflect any as-built conditions.
- Task 1.25 – Warranty Inspection Site Visit** – SEH will complete a warranty inspection site visit prior to the expiration of the warranty period to identify and document any issues to be resolved by the Contractor as part of the warranty guarantee.
- Task 1.26 – FAA- Owned Facility Coordination** – SEH will coordinate communication and work progress with FAA staff to complete work adjacent to FAA-owned facilities. It is anticipated that three distinct cables will be impacted during Phases 2 and 4 (MALSR/ILS communication cable, ASR cable, RVR cables). FAA is anticipated to have a reimbursable agreement for construction observation in place. SEH will coordinate work efforts with FAA staff assigned to the project, including local FAA Tech Ops.

## **Work Element 2: Construction Observation – Phase 2 Project**

For Phases 2A and 2C, Construction is expected to occur during normal construction hours of 6:00 AM until 6:00 PM, Monday through Saturday for a total of 105 calendar days. For Phase 2B, the contractor will have 20 calendar days of nightwork from 11:00 PM until 6:00 AM. The Phase 2B nightwork will be constructed concurrently with Phase 2A. Specific tasks included with this work element include:

- Task 2.1 – Construction Observation** – SEH will provide daily construction observation for the duration of construction. This project is projected to occur for 105 calendar days during the summer of 2023. RPRs and the project manager will be available to assist in ensuring that construction is performed in accordance with contract documents during this time. The RPRs will document and record construction progress through a daily journal. A collective weekly progress report will be developed at the end of the week and submitted to the Sponsor, FAA, MnDOT, and other individuals/organizations as needed (See Task 1.18). During critical elements of construction, part-time construction observation will be performed by the Professional Engineer.

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

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

The following roles and commitments are anticipated for the project:

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

**RPR 2** – RPR #2 will be an experienced project graduate engineer that will provide the majority of contractor coordination. During the 105-calendar day project, it is anticipated this person/position will complete 60, 12-hour days to complete the required work. This graduate engineer will also assist with the nightwork associated with Phase 2B for 20 calendar days. The RPR #2 will focus on contractor coordination, request for information coordination, project manager communication, and construction scheduling. The RPR #2 will coordinate and lead phasing coordination, specifically daily meetings to allow construction to allow safe transit of arriving/departing aircraft.

**Project Manager** – The project manager will be on-site to support both RPRs as professional engineer and provide tenant and client communication. It is anticipated the PM will be on site for approximate 20 calendar days (approximately 8 hours), including travel time. The PM will focus efforts on RFI resolution, project guidance, overall site inspection and observation, client communication, and overall quality control.

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

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

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

### **Work Element 3: Construction Observation – Phase 4 (SRE Apron Expansion) Project**

Construction is expected to occur during normal construction hours of 6:00 AM until 6:00 PM, Monday through Saturday for a total of 60 calendar days. Specific tasks included with this work element include:

**Task 3.1 – Construction Observation** – SEH will provide daily construction observation for the duration of construction. This project is projected to occur for 60 calendar days during the summer of 2023. RPRs and the project manager will be available to assist in ensuring that construction is performed in accordance with contract documents during this time. The RPRs will document and record construction progress through a daily journal. A collective weekly progress report will be

developed at the end of the week and submitted to the Sponsor, FAA, MnDOT, and other individuals/organizations as needed (See Task 1.18). During critical elements of construction, part-time construction observation will be performed by the Professional Engineer.

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

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

The following roles and commitments are anticipated for the project:

**RPR #1** – RPR #1 will be an experienced field engineer that will provide the majority of the construction observation. It is anticipated that this individual will be on-site one week prior to the project start for five, 12-hour workdays. During the 60-calendar day project, it is anticipated this person/position will complete 40, 12-hour days to complete the required work. Additionally, the RPR #1 will be on-site for one additional week (five, 12-hour workdays) to complete post substantial completion project items. The RPR 1 will focus on project documentation, material and installation observation, testing coordination, and reporting.

**RPR 2** – RPR #2 will be an experienced project graduate engineer that will provide the majority of contractor coordination. During the 60-calendar day project, it is anticipated this person/position will complete 30, 12-hour days to complete the required work. The RPR #2 will focus on contractor coordination, request for information coordination, project manager communication, and construction scheduling. The RPR #2 will coordinate and lead phasing coordination, specifically daily meetings to allow construction to allow safe transit of arriving/departing aircraft.

**Project Manager** – The project manager will be on-site to support both RPRs as professional engineer and provide tenant and client communication. It is anticipated the PM will be on site for approximate 10 calendar days (approximately 8 hours), including travel time. The PM will focus efforts on RFI resolution, project guidance, overall site inspection and observation, client communication, and overall quality control.

**Principal** – The Principal will provide one hour per week for approximately 9 weeks of project observation to provide project direction, guidance quality control, and oversight.

**Task 3.2 – Construction Coordination** – The Project Manager will provide constant communication and availability to both RPRs during the 9-week project duration and the weeks before and after project completion (approximately 12 hours per week for 9 weeks). The coordination will include RFI resolution, project acceptance, phone and email communication. The PM will be available as a resource for projected related issues from both the client and the contractor for swift resolution.

**Principal** – The Principal will provide one hour per week for approximately 9 weeks of client coordination, quality control, stakeholder engagement, and high-level guidance.

#### **Work Element 4: FAA Reporting and Project Closeout**

**Task 4.1 – FAA Quarterly Reports** - SEH will complete the required FAA quarterly reports starting with grant acceptance through grant closeout.



**Task 4.2 – FAA Closeout Report** – SEH will complete the required FAA closeout report following completion of the project to reconcile all project related costs and closeout the FAA grant for the work.

**Task 4.3 – Project Closeout** – SEH will work with the Contractor to ensure that all necessary closeout documents are submitted by the Contractor. These include, but are not limited to, IC-134 documentation, lien waivers, wage rate compliance, and other documentation as identified in the specifications.

**Task 4.4 – Disadvantaged Business Enterprise (DBE) Requirements** – SEH will review and submit the required documentation to confirm the Contractor's compliance with the DBE program and goals for this project or provide evidence of "good faith efforts" to meet DBE requirements. Additionally, this task will include reporting updates to the Duluth Airport Authority's DBE Program using the FAA's Civil Rights online system.

**Work Element 5: Public Outreach and Project Management** – This task includes the public outreach and the overall project management of Work Elements 1 through 4 noted above. Project Management includes administration of the project, agency and Sponsor meetings, airfield user and tenant outreach meetings, and related project administration tasks.

**Task 5.1 – Duluth Airport Authority (DAA) Meetings** –This task includes attendance at monthly DAA Board meetings to provide project updates to the DAA Board of Directors. The project will require updates at six (6) meetings. Attendance would include the Principal, Project Manager and Planner.

**Task 5.2 – DLH Tenant Meetings** –This task includes attendance at weekly DLH tenant meetings to keep airport users apprised of the project and schedule. It is anticipated SEH will attend twelve (12) tenant meetings.

**Task 5.3 – Public Outreach Plan** – SEH will a detailed public outreach plan which will identify tenants and users, method of outreach (single meetings, regular meetings, email updates or newsletter), personnel in attendance and information to be shared. Efforts would be led by the Project Manager and Airport Planner.

**Task 5.4 – DLH Airfield User Meetings** – This task includes specific meetings with airlines, airfield businesses, MN Air National Guard, and other airfield users, as identified in the Public Outreach Plan (Task 4.3), prior to and during construction to provide updates on the status of the project and address any issues or concerns. This task also includes coordination with local FAA tech ops regarding the project schedule, any impacts to FAA equipment, and other coordination items.

**Task 5.5 – DLH Tenant and User Newsletter** – SEH will develop a weekly newsletter to provide updates on construction activities and identify impacts to airport operations. SEH will assist the sponsor with newsletter distribution.

**Task 5.6 – FAA and Air Traffic Control Tower (ATCT) Meetings** – This task includes meetings with local FAA and Air Traffic Control Tower (ATCT) staff to coordinate work with FAA staff and other FAA-related projects. Meetings with the ATCT will be held on an as-needed basis to coordinate NOTAMs and update ATCT staff on the status of the construction progress and upcoming schedule. SEH is anticipating three (3) virtual meetings. Meetings would be attended by project manager, project graduate engineer, and airport planner.

**Task 5.7 – Community Outreach Newsletter** – SEH will develop a newsletter to distribute prior to communities and neighbors surrounding the airport to provide information on the upcoming construction activities. SEH will assist the sponsor with newsletter distribution.

**Task 5.8 – Overall Project Management** –This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, subconsultant oversight, progress reports, budget updates and monthly invoices over the expected 24-month project duration.

**ATTACHMENT B-1**  
**ESTIMATED FEES AND EXPENSES**  
**TAXIWAY A RECONSTRUCTION (PHASES 2 & 4)**  
**SCHEDULE A (FAA ELIGIBLE)**  
**CONSTRUCTION ADMINISTRATION, OBSERVATION, AND CLOSEOUT**  
**DULUTH INTERNATIONAL AIRPORT (DLH)**  
**Duluth Airport Authority (DAA)**  
**Duluth, Minnesota**

Task No.	Task Description	Principal	Project Manager	Professional Engineer	Project Engineer (RPR#1)	Graduate Engineer (RPR#2)	Water Resource Engineer	Senior CAD Technician	Survey Crew Chief	Instrument Operator	Senior Aviation Planner	Admin Technician
<b>Construction Administration Services</b>												
1.1	Scope Development	8	40	40							40	
1.2	Project Administration Services		16	8								8
1.3	Construction Management Plan (CMP)		8	40	16							
1.4	Preparation of Project Files		4	4								8
1.5	Establish Survey Control				8			8	16	16		
1.6	Pre-Construction Activities (Preparation and Follow-up)	4	20	10	10							4
1.7	Construction Security Coordination		8	16	16							
1.8	Permit Coordination		8	16			60					2
1.9	Submittal and Shop Drawing Review		4	20	20							
1.10	Progress Meetings		120	16	16							
1.11	Pre-Paving Conference		8	8	8							
1.12	Review of Quality Control Testing		8	16	4							
1.13	Review of Quality Assurance Testing		8	16	4							
1.14	Review of Contractor Payroll Forms		4	8	4							
1.15	Calculate Construction Quantities		2	16	16							
1.16	Pay Applications		20	20	4							
1.17	Daily Reports		2	40	40							
1.18	Weekly Reports		2	20	20							
1.19	Change Orders / Supplemental Agreements	4	20	20	20							
1.20	Final Inspection and Punchlist		16	16	16							
1.21	Record Drawings		4	10	10	8		40				4
1.22	Final Quality Control/Quality Assurance Summary		4	20	20							4
1.23	Final Engineering Report		4	40								4
1.24	Update Airport Layout Plan (ALP)		4					40			20	
1.25	Warranty Inspection Site Visit		16		16							
1.26	FAA-owned Facility Coordination	4	20	24	16			8				
<b>Construction Observation - Phase 2</b>												
2.1	Construction Observation	20	180		1200	880						
2.2	Construction Coordination	20	216									
<b>Construction Observation - Phase 4</b>												
3.1	Construction Observation		90		600	360						
3.2	Construction Coordination	9	108									
<b>FAA Reporting and Project Closeout</b>												
4.1	FAA Quarterly Reports		2		8							
4.2	FAA Closeout Report		8	40								20
4.3	Project Closeout		2	16								16
4.4	DBE Requirements		8	16								16
<b>Public Outreach and Project Management</b>												
5.1	Duluth Airport Authority (DAA) Meetings	18	60							36		
5.2	DLH Tenant Meetings		12		12					12		
5.3	Public Outreach Plan	2	20							24		
5.4	DLH Airfield User Meetings		50			50						
5.5	DLH Tenant and User Newsletter		2			20				32		
5.6	FAA and ATCT Meetings		16		16							
5.7	Community Outreach Newsletter		4			10						
5.8	Overall Project Management	4	40									
Total hours per labor category		93	1188	516	2120	1328	60	96	16	120	60	86

**ESTIMATE OF LABOR COSTS:**

Labor Category	Hours	Rate	Extension
Principal	93	\$81.89	\$7,615.77
Project Manager	1188	\$66.27	\$78,728.76
Professional Engineer	516	\$52.25	\$26,961.00
Project Engineer (RPR#1)	2120	\$45.40	\$96,248.00
Graduate Engineer (RPR#2)	1328	\$41.22	\$54,740.16
Water Resource Engineer	60	\$51.75	\$3,105.00
Senior CAD Technician	96	\$44.93	\$4,313.28
Survey Crew Chief	16	\$36.75	\$588.00
Instrument Operator	120	\$31.50	\$3,780.00
Senior Aviation Planner	60	\$81.11	\$4,866.60
Admin Technician	86	\$33.25	\$2,859.50
Total Direct Labor Costs:	5,683		\$283,806.07
Direct Salary Costs plus Overhead (66.03%)			\$471,203.22
<b>Total Labor Costs</b>			<b>\$755,009.29</b>
<b>Fee (15%) on Total Labor Costs:</b>			<b>\$113,251.39</b>

**ESTIMATE OF EXPENSES:**

Direct Expenses	Quantity	Rate	Extension
Electrical Engineering (Construction Administration) - Subconsultant	1	\$27,799.00	\$27,799.00
Quality Assurance Testing - Subconsultant	1	\$133,258.00	\$133,258.00
Parking	50	\$6.00	\$300.00
DAA Secure Badging	12	\$175.00	\$2,100.00
Employee Mileage	16800	\$0.625	\$10,500.00
Employee Per Diem	180	\$200.00	\$36,000.00
Employee Auto Allowance	180	\$16.00	\$2,880.00
Computer Charges	5683	\$5.80	\$32,961.40
Survey Equipment - Total Station	16	\$35.00	\$560.00
Survey Equipment - GPS	120	\$35.00	\$4,200.00
Reproductions / Miscellaneous	1	\$2,000.00	\$2,000.00
<b>Total Expenses</b>			<b>\$252,558.40</b>

**SUMMARY:**

Total Labor Costs + Expenses + Fee	\$1,120,819.08
<b>Estimated Total</b>	<b>\$1,120,800.00</b>

**ATTACHMENT A-2**  
**Duluth International Airport (DLH)**  
**Duluth Airport Authority (DAA)**  
**Taxiway A Reconstruction - Phases 2 & 4**  
**Schedule B – FAA Ineligible Areas**  
**Scope of Work**  
**(Construction Administration, Observation and Closeout)**

**General** – Schedule B reflects the same overall project description as Schedule A for the Taxiway A Phase 2 project, but specifically focuses on the portion of the tasks that are not federally eligible, and required to complete the federally ineligible portions of work. These tasks include the design effort required to construct a ADG V/TDG-5 taxiway beyond the FAA eligible ADG 3/TDG III taxiway dimensions. Please see attached **Figure 1. AIP Eligible Delineation**.

This scope of engineering services includes construction administration, observation and project closeout services, as well as public outreach and project management. Construction is anticipated to take place in the summer of 2023, with a total working time of approximately 105 calendar days associated with three different phases of work, Phases 2A, 2B, and 2C. Preparatory work prior to the project and clean up and restoration work following substantial completion are expected to take one week for each.

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

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

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

**This work scope below is specific to completing the ineligible areas and includes:**

**Work Element 1: Construction Administration Services**

Specific tasks included with this work element include:

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

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

**Task 1.3 – Progress Meetings** – Construction Progress Meetings will be held once a week while construction work is being performed on the airfield. The progress meetings

will be attended by SEH staff, including the Project Manager, Professional Engineer, Resident Project Representative(s) (RPR) and other staff as needed or required. It is anticipated that 16 progress meetings will occur during construction activities, and will require inclusion of preparatory and meeting documentation work.

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

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

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

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

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

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

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

## **Work Element 2: Construction Observation**

For Phases 2A and 2C, Construction is expected to occur during normal construction hours of 6:00 AM until 6:00 PM, Monday through Saturday for a total of 105 calendar days. For Phase 2B, the contractor will have 20 calendar days of nightwork from 11:00 PM until 6:00 AM. The Phase 2B nightwork will be constructed concurrently with Phase 2A. To accommodate the scope of the work and the project schedule, construction observation services include providing one (1) RPR on a full-time basis, supplemented by assistance from the Project Engineer (approximately 60 - 12-hour work days), for 105 calendar days of the project. One RPR will provide construction observation for preparatory and closeout work for one week prior and one week following construction. Specific tasks included with this work element include:

**Task 2.1 – Construction Observation** – SEH will provide daily construction observation for the duration of construction. This project is projected to occur for 105 calendar

days during the summer of 2023. RPRs, according to the schedule above, will be available to assist in ensuring that construction is performed in accordance with contract documents during this time. The RPRs will document and record construction progress through a daily journal. A collective weekly progress report will be developed at the end of the week and submitted to the Sponsor, FAA, MnDOT, and other individuals/organizations as needed (See Task 1.19). During critical elements of construction, part-time construction observation will be performed by the Professional Engineer.

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

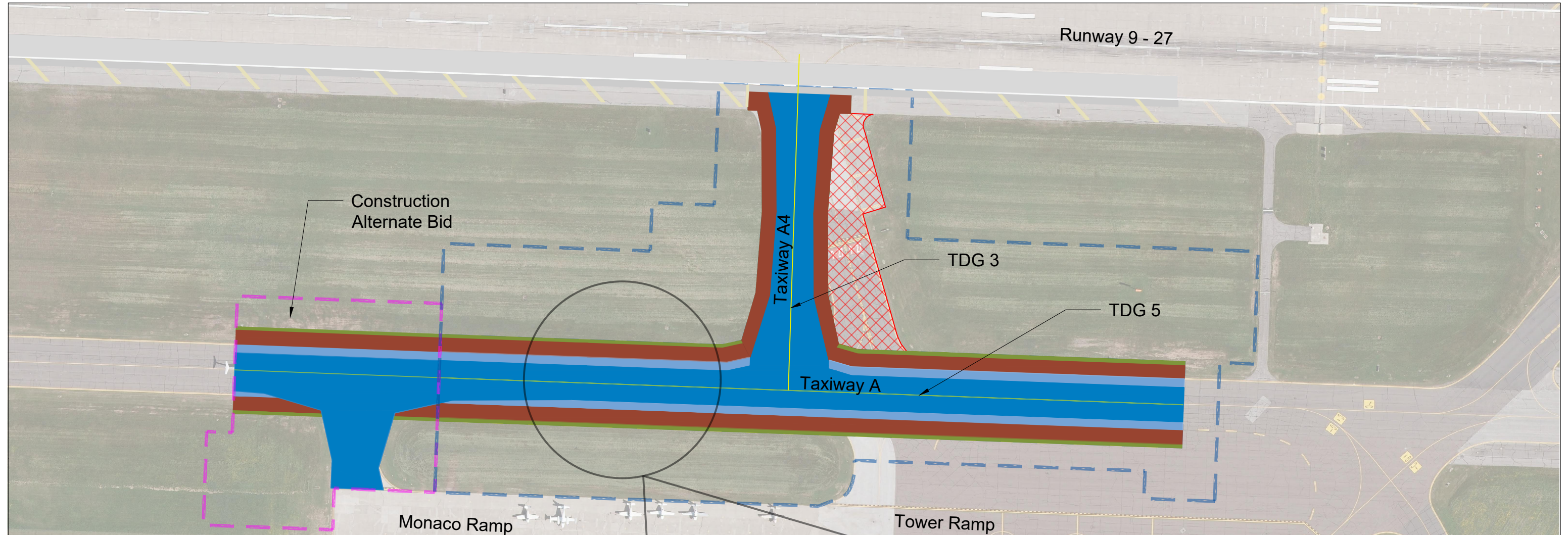
Further duties of the on-site engineering staff include monitoring the Contractor's schedule, safety plan implementation, security plan compliance, general communication, adherence to technical specifications, and project drawing execution.

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

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

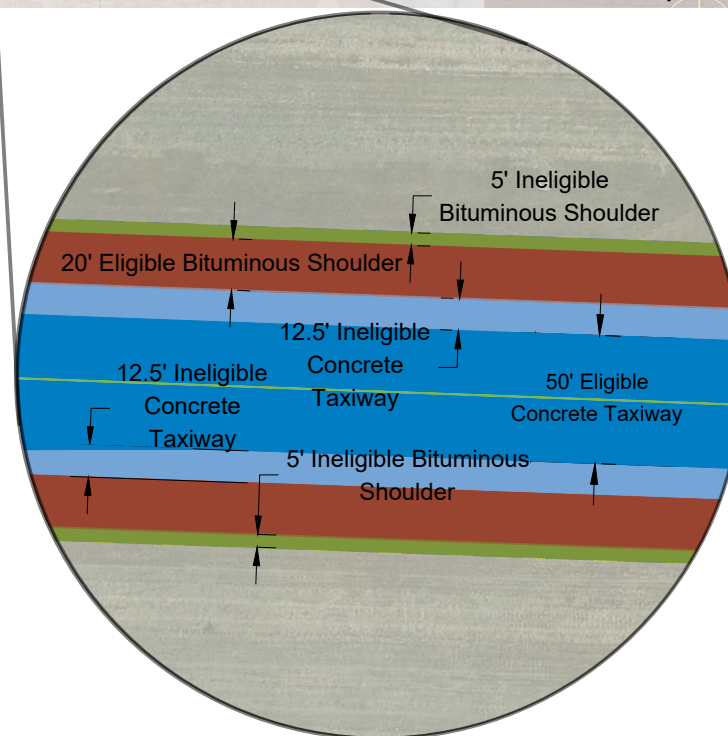
**Task 4.1 – Overall Project Management** – This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, subconsultant oversight, progress reports, budget updates and monthly invoices.





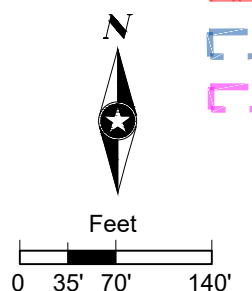
### Phase 2 Preliminary Cost Estimate

- **Construction Total : \$7,564,000**
- Includes anticipated engineering costs for design and construction administration
- Includes concrete pavement for Taxiway A and connectors
- Bituminous Shoulders
- Includes full electrical/lighting replacement ( \$713,000)
- Full subsurface drainage replacement.
- Assumed drainage structure replacements within project area.



### LEGEND

- Eligible Concrete Taxiway (≈12,810SY) █
- Ineligible Concrete Taxiway (≈3,535SY) █
- Eligible Bituminous Shoulder (≈6,920SY) █
- Ineligible Bituminous Shoulder (≈1,180SY) █
- Pavement Removals ▨
- Phase 2A & 2B Limits ---
- Phase 2C (Alternate) ---





ATTACHMENT B-2  
ESTIMATED FEES AND EXPENSES  
TAXIWAY A RECONSTRUCTION (PHASES 2 & 4)  
SCHEDULE B (FAA INELIGIBLE)  
CONSTRUCTION ADMINISTRATION, OBSERVATION, AND CLOSEOUT  
DULUTH INTERNATIONAL AIRPORT (DLH)  
Duluth Airport Authority (DAA)  
Duluth, Minnesota

Task No.	Task Description	Principal	Project Manager	Professional Engineer	Project Engineer (RPR#1)	Graduate Engineer (RPR#2)	Senior CAD Technician	Survey Crew Chief	Instrument Operator	Aviation Planner	Senior Aviation Planner
<b>Construction Administration Services</b>											
1.1	Scope Development	2	4	4							
1.2	Construction Management Plan (CMP)		2	4	4						
1.3	Progress Meetings		12	2	4						
1.4	Review of Quality Control Testing		2	4	2						
1.5	Review of Quality Assurance Testing		2	4	2						
1.6	Calculate Construction Quantities		2	4	4						
1.7	Pay Applications		2	4	4						
1.8	Daily Reports		2	8	8						
1.9	Record Drawings		2	8	4	6					1
1.10	Final Quality Control/Quality Assurance Summary		2	4	4						1
<b>Construction Observation - Phase 2</b>											
2.1	Construction Observation		8	60	40						
2.2	Construction Coordination	2	20								
<b>Public Outreach and Project Management</b>											
4.8	Overall Project Management	4	10								
Total hours per labor category		8	70	106	76	6	0	0	0	0	2

**ESTIMATE OF LABOR COSTS:**

Labor Category	Hours	Rate	Extension
Principal	8	\$81.89	\$655.12
Project Manager	70	\$66.27	\$4,638.90
Professional Engineer	106	\$52.25	\$5,538.50
Project Engineer (RPR#1)	76	\$45.40	\$3,450.40
Graduate Engineer (RPR#2)	6	\$41.22	\$247.32
Senior CAD Technician	0	\$51.75	\$0.00
Survey Crew Chief	0	\$44.93	\$0.00
Instrument Operator	0	\$36.75	\$0.00
Aviation Planner	0	\$31.50	\$0.00
Senior Aviation Planner	2	\$81.11	\$162.22
Total Direct Labor Costs:	268		\$14,692.46
Direct Salary Costs plus Overhead (66.03%)			\$24,393.89
<b>Total Labor Costs</b>			<b>\$39,086.35</b>

Fee (15%) on Total Labor Costs:

**\$5,862.95**

**ESTIMATE OF EXPENSES:**

Direct Expenses	Quantity	Rate	Extension
Quality Assurance Testing - Subconsultant	1	\$33,315.00	\$33,315.00
Employee Mileage	4800	\$0.625	\$3,000.00
Employee Per Diem	10	\$200.00	\$2,000.00
Employee Auto Allowance	10	\$16.00	\$160.00
Computer Charges	268	\$5.80	\$1,554.40
<b>Total Expenses</b>			<b>\$40,029.40</b>

**SUMMARY:**

Total Labor Costs + Expenses + Fee

\$84,978.70

**Estimated Total**

**\$85,000.00**

# Project Proposal

QTB159887

## Taxiway A Reconstruction Phases 2 & 4

### Client:

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

### Work Site Address:

Duluth International Airport  
4701 Grinden Drive  
Duluth, MN

### Service Description:

Quality Acceptance Testing  
Duluth International Airport  
  
Eligible 80% - Est. \$133,258  
Ineligible 20% - Est. \$33,315

	Description	Quantity	Units	Unit Price	Extension
<b>Phase 1</b>	<b>QA Testing</b>				
<b>Activity 1.1</b>	<b>SOILS</b>				<b>\$26,895.00</b>
206	Excavation Observations (as needed)	20.00	Hour	110.00	\$2,200.00
207	Compaction Testing - Nuclear	130.00	Hour	85.00	\$11,050.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	P152 / P154 / P209	20.00	Trips	6.50	130.00
1308	Nuclear moisture-density meter charge, per hour	130.00	Each	18.00	\$2,340.00
1861	CMT Trip Charge	35.00	Each	35.00	\$1,225.00
209	Sample pick-up (Gradations/Proctors)	50.00	Hour	85.00	\$4,250.00
1162	Sieve Analysis with 200 wash, per sample	30.00	Each	145.00	\$4,350.00
1320	Moisture Density Relationship (Modified), per sample	8.00	Each	185.00	\$1,480.00
<b>Activity 1.2</b>	<b>HMA</b>				<b>\$29,270.00</b>
222	Bituminous Testing	135.00	Hour	115.00	\$15,525.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Bituminous Plant Monitoring DOT	6.00	Trips	10.00	60.00
	P403 Acceptance Testing FAA	6.00	Trips	12.50	75.00
110	Travel Time	30.00	Hour	110.00	\$3,300.00
2689	Bituminous Verification	8.00	Each	750.00	\$6,000.00
1542	Thickness and Density of Bituminous Core	24.00	Each	50.00	\$1,200.00
1862	PAVE Trip Charge	5.00	Each	265.00	\$1,325.00
1863	Per diem	12.00	Each	160.00	\$1,920.00
<b>Activity 1.3</b>	<b>CONCRETE</b>				<b>\$54,225.00</b>
261	Concrete Testing	300.00	Hour	85.00	\$25,500.00
278	Concrete Cylinder Pick up	75.00	Hour	85.00	\$6,375.00
1364	Compressive strength of concrete cylinders, per specimen	40.00	Each	35.00	\$1,400.00
1367	Flexural strength of beams (ASTM C 78 and ASTM C 293), per specimen	160.00	Each	120.00	\$19,200.00
1861	CMT Trip Charge	50.00	Each	35.00	\$1,750.00
<b>Activity 1.4</b>	<b>PROJECT MANAGEMENT</b>				<b>\$24,220.00</b>
238	Project Assistant	25.00	Hour	80.00	\$2,000.00
226	Project Manager (Reports)	35.00	Hour	155.00	\$5,425.00
228	Senior Project Manager	55.00	Hour	165.00	\$9,075.00
264	Project Engineer	8.00	Hour	180.00	\$1,440.00
1856	Vehicle mileage, per mile	2,500.00	Each	1.00	\$2,500.00
1863	Per diem	8.00	Each	160.00	\$1,280.00
1230	Final Testing Summary	1.00	Each	2,500.00	\$2,500.00
<b>Phase 1 Total:</b>					<b>\$134,610.00</b>

# Project Proposal

**QTB159887**
**Taxiway A Reconstruction Phases 2 & 4**

Phase 2		TWY A4 (Night Work)			
<b>Activity 2.1</b>	<b>SOILS</b>				<b>\$5,298.00</b>
100	Sampling P/U (Night)	10.00	Hour	95.00	\$950.00
102	Compaction Testing (Night)	36.00	Hour	95.00	\$3,420.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	P152 / P154 / P209	6.00	Trips	6.00	36.00
1308	Nuclear moisture-density meter charge, per hour	36.00	Each	18.00	\$648.00
1861	CMT Trip Charge	8.00	Each	35.00	\$280.00
<b>Activity 2.2</b>	<b>HMA</b>				<b>\$8,205.00</b>
111	Bituminous Testing (Night)	42.00	Hour	130.00	\$5,460.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	HMA MNDOT/P403	3.00	Hours	14.00	42.00
2689	MnDOT Bituminous Verification, per sample	2.00	Each	750.00	\$1,500.00
1542	Thickness and Density of Bituminous Core	10.00	Each	50.00	\$500.00
1862	PAVE Trip Charge	1.00	Each	265.00	\$265.00
1863	Per diem	3.00	Each	160.00	\$480.00
<b>Activity 2.3</b>	<b>CONCRETE</b>				<b>\$9,265.00</b>
260	Concrete Testing (Night)	50.00	Hour	95.00	\$4,750.00
100	Sampling P/U (Night)	15.00	Hour	95.00	\$1,425.00
1367	Flexural strength of beams (ASTM C 78 and ASTM C 293), per specimen	24.00	Each	120.00	\$2,880.00
1861	CMT Trip Charge	6.00	Each	35.00	\$210.00
<b>Activity 2.4</b>	<b>PROJECT MANAGEMENT</b>				<b>\$4,695.00</b>
238	Project Assistant	4.00	Hour	80.00	\$320.00
226	Project Manager	8.00	Hour	155.00	\$1,240.00
228	Senior Project Manager	15.00	Hour	165.00	\$2,475.00
1856	Vehicle mileage, per mile	500.00	Each	1.00	\$500.00
1863	Per diem	1.00	Each	160.00	\$160.00
<b>Phase 2 Total:</b>					<b>\$27,463.00</b>

Phase 3		Bioretention Areas			
<b>Activity 3.1</b>	<b>Drilling Services</b>				<b>\$1,880.00</b>
9100	Flotation Tire Drill Rig and Crew, per hour	5.00	Each	350.00	\$1,750.00
205	Site layout and utility clearance	1.00	Hour	130.00	\$130.00
<b>Activity 3.2</b>	<b>Geotechnical Soil Tests</b>				<b>\$285.00</b>
1166	Loss by Washing Through #200 Sieve, per sample	3.00	Each	75.00	\$225.00
1152	Moisture content, per sample	3.00	Each	20.00	\$60.00
<b>Activity 3.3</b>	<b>Evaluation/Analysis/Reports</b>				<b>\$2,335.00</b>
138	Project Assistant	1.00	Hour	80.00	\$80.00
118	Staff Engineer	9.00	Hour	155.00	\$1,395.00
128	Senior Engineer	3.00	Hour	180.00	\$540.00
125	Project Manager	1.00	Hour	155.00	\$155.00
129	Senior Project Manager	1.00	Hour	165.00	\$165.00
<b>Phase 3 Total:</b>					<b>\$4,500.00</b>

**Proposal Total: \$166,573.00**

## **Duluth International Airport**

### **Taxiway A Reconstruction Phase 2 and 4 – Electrical Construction Administration Services**

#### **Scope of Work**

##### **Anticipated Elements of Work for the Electrical Construction Administration Scope.**

1. The Consultant will attend and participate in pre-construction meeting.  
-1 Engineer, day trip.
2. The Consultant will conduct two site visits during construction.  
-1 Engineer, 2 day trips.  
Attend and participate in final inspection.  
-1 Engineer, one day trip.
3. Review and Evaluate Contractor Submittals and Shop Drawings. The Consultant will log, track, review and respond to the Contractor's shop drawings, samples and submittals. The Consultant's review of all shop drawings, samples and submittals will be for general conformance with the design concept and general compliance with the requirements of the drawings and project manual. Such review will not relieve the Contractor from its responsibility for performance in accordance with the construction documents, nor is such review a guarantee that the work and materials covered by the shop drawings, samples and submittals are free of errors, inconsistencies or omissions.
4. Review and Respond to Contractor RFI's. The Consultant will review the Contractor's requests for information or clarification of the construction contract. The RFI's will be logged, tracked and coordinated with SEH as necessary. A total of 8 RFIs have been assumed for budgeting purposes. An excessive amount of requests by the Contractor may be cause for additional compensation.
5. An Electrical Engineer to Attend/Call-in to construction coordination teleconferences.  
Assume 10 1-hour teleconferences with one engineer.
6. Prepare Record Drawings. The Consultant will revise the original design drawings to reflect available record information provided by the Contractor for the final record drawings.
7. Schedule. The timing of these services will be coordinated with the contractor's construction progress schedule and SEH. Construction is not anticipated to begin until Spring of 2023.
8. Cost of Services. The attached fee proposal details the man-hours for the various elements of work to be undertaken as part of the project. Burns & McDonnell will bill SEH monthly for services provided.
9. Project management is included in this proposal.

		Sr. Elec. Engr (Associate)	Sr. Civil Engr. / Project Mgr (Associate)	Elec. Engr. (Senior)	Sr. CADD (Staff)	Admin. Assist. (General Office)	Task Hours	Task Cost
Task No.	Task Description							
I	Construction Administration							
1	Attend Pre-construction Meeting		2	8			10	\$ 1,930.00
2	Virtual Construction Meetings (10)		2	8				\$ 1,930.00
3	Construction Site Visit (2)			16			16	\$ 3,088.00
4	Attend Final Inspection			8			8	\$ 1,544.00
5	Shop Drawing Review	1		28			29	\$ 5,597.00
6	RFI Coordination	1	4	32			37	\$ 7,141.00
7	Record Drawings	1		8	16	4	29	\$ 4,525.00
8	Project Management		8				8	\$ 1,544.00
Total		3	16	108	16	4	137	\$ 27,299.00
V	Other Direct Costs							
1	Reproduction Costs							\$ 100.00
2	Travel							\$ 400.00
	Grand Total							\$ 27,799.00

# VII L

## Duluth Airport Authority

### Balance Sheet

End of Apr 2022

Financial Row	Amount
<b>ASSETS</b>	
Current Assets	
Bank	\$6,888,825.13
Accounts Receivable	
Accounts Receivable - Restricted PFC	\$93,484.15
Accounts Receivable Billed	\$534,985.83
Allowance for Doubtful Accounts	(\$9,678.20)
Total Accounts Receivable	\$618,791.78
Other Current Asset	\$90,184.30
Total Current Assets	\$7,597,801.21
Fixed Assets	
Accumulated Depreciation	(\$142,013,979.58)
Capital Assets	\$254,982,333.49
Work in Progress	\$1,359,179.35
Total Fixed Assets	\$114,327,533.26
Other Assets	\$3,592,638.30
Total ASSETS	\$125,517,972.77
<b>Liabilities &amp; Equity</b>	
Current Liabilities	
Accounts Payable	
Accounts Payable	\$117,298.72
Contracts Payable	\$164,515.04
Credit Cards Payable	\$93.72
Lottery Payable	\$4,548.37
Total Accounts Payable	\$286,455.85
Credit Card	
Citi Visa - Joelle	\$2,518.57
Citi Visa - Mary Ann	\$1,926.90
Wells Fargo Credit Card - Tom	(\$1,566.78)
Total Credit Card	\$2,878.69
Other Current Liability	
Accrued Expense	\$15,066.64
Accrued Interest	\$53,477.92
Accrued Sales Taxes Payable - All	\$846.00
Accrued Vacation	\$122,226.92
Deferred Inflows - OPEB Liabilities	\$116,014.00
Deferred Inflows - Pension	\$813,532.00
Loans Payable to City of Duluth	\$920,000.00
Unearned Revenue - Current	\$182,351.75
Unearned Revenue - Non Current	\$137,135.90
Total Other Current Liability	\$2,360,651.13
Total Current Liabilities	\$2,649,985.67
Long Term Liabilities	
LT Loans Payable to City of Duluth	\$5,095,000.00
Net Pension Liability	\$883,984.00
Total Other Post Employment Benefit Liability	\$3,378,907.25
Total Long Term Liabilities	\$9,357,891.25
Equity	
Contributed Equity	\$16,621,668.70
Retained Earnings	\$97,488,227.03
Net Income	(\$599,799.88)
Total Equity	\$113,510,095.85
Total Liabilities & Equity	\$125,517,972.77



**Duluth Airport Authority**  
**Income Statement**  
**From Jan 2022 to Apr 2022**

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$2,800.00
Concession Revenue	
ATM	(\$441.50)
Car Rental Concession	\$7,714.11
Food & Beverage Concession	(\$46,233.92)
Lottery Concessions	\$501.02
Parking	\$409,003.93
Per Passenger Fee	\$8,783.00
Services/Other	\$200.00
TNC Per Trip Fee	\$2,883.00
Vending	(\$4,064.84)
Total - Concession Revenue	\$378,344.80
Customer Facility Charges	\$58,292.00
Miscellaneous Revenues	\$23,546.39
Parking	\$86,140.00
Permits	\$5,878.31
Plowing Services	\$8,775.00
Reimbursed Expenses	\$32,845.48
Rent	\$75,772.45
Sponsorship Income	\$62,000.00
State Aid	\$11,810.86
Total - Non-Aeronautical Revenue	\$746,205.29
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$2,278.98
Concession Revenue	\$39,909.23
Landing Fees	\$8,916.28
Ramp Fees	\$6,198.72
Rent	\$386,249.82
Security Reimbursement	\$34,026.33
Tie Downs	\$450.00
Total - Non-Passenger Aeronautical Revenue	\$478,029.36
Passenger Airline Aeronautical Revenue	
Landing Fees	\$89,206.85
Terminal Office/Space Rental	\$320,450.05
Total - Passenger Airline Aeronautical Revenue	\$409,656.90
Total - Income	\$1,633,891.55
Gross Profit	\$1,633,891.55
Expense	
Miscellaneous Expenses	\$19,146.88
Personnel Compensation & Benefits	
Benefit Administration Fees	\$386.10
Employer Contributions for Retirement	\$72,646.73
Employer Paid Insurance	\$125,483.30
Retiree Benefits	\$34,623.30
Wages & Salaries	\$551,336.81
Total - Personnel Compensation & Benefits	\$784,476.24
Services and Charges	
Advertising	\$1,432.00
Badging	\$1,500.00
Central Services Fee	\$15,066.64
Communications & Technology	\$89,810.26
Employee Development Services	\$19,574.38
Employee Physicals	\$401.00

Financial Row	Amount
Marketing	\$47,894.84
Professional Services	\$121,943.17
Rentals	\$1,835.11
Repairs and Maintenance - Contractual/Services	\$140,388.28
Sponsorship Expenses	\$4,782.00
Transportation	\$135.42
Utility Services	\$227,770.24
Total - Services and Charges	\$672,533.34
Supplies	
Office Supplies	\$25,320.28
Operating Supplies	\$90,890.38
Repairs & Maintenance Supplies	
Airfield	\$17,119.79
Building	\$24,983.15
Heavy Equipment	\$16,695.64
Heavy Equipment Accessories	\$15,033.14
Jet Bridge	\$2,585.00
Light Equipment	\$11,850.48
Parking Lot & Roadway	\$306.95
Shop Supplies	\$2,956.54
Small Tools	\$1,637.91
Total - Repairs & Maintenance Supplies	\$93,168.60
Total - Supplies	\$209,379.26
Total - Expense	\$1,685,535.72
Net Ordinary Income	(\$51,644.17)
Other Income and Expenses	
Other Income	
Capital Contributions	
Contributed Capital	\$159,999.22
Grants	(\$851,129.75)
Total - Capital Contributions	(\$691,130.53)
Non-Operating Revenue	
Interest Income	\$12,079.09
Passenger Facility Charges	\$184,373.65
Total - Non-Operating Revenue	\$196,452.74
Total - Other Income	(\$494,677.79)
Other Expense	
Non-Operating Expense	
Interest Expense	\$53,477.92
Total - Non-Operating Expense	\$53,477.92
Total - Other Expense	\$53,477.92
Net Other Income	(\$548,155.71)
Net Income	(\$599,799.88)

**Duluth Airport Authority**  
**DAA Board Packet Budget vs. Actual Summary**  
**From Jan 2022 to Apr 2022**

**UNAUDITED**

Financial Row	Prior Year Actual (Jan 2021 - Apr 2021)	Current Year Actual (Jan 2022 - Apr 2022)	Budget Amount (Jan 2022 - Apr 2022)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2022 - Adjust 2022)
<b>Ordinary Income/Expense</b>							
Income							
Non-Aeronautical Revenue	923,176	746,205	830,868	89.81%	(176,971)	(84,663)	2,907,180
Non-Passenger Aeronautical Revenue	459,281	478,029	466,723	102.42%	18,748	11,307	1,485,468
Passenger Airline Aeronautical Revenue	445,759	409,657	399,368	102.58%	(36,102)	10,289	1,236,318
<b>Total - Income</b>	<b>1,828,215</b>	<b>1,633,892</b>	<b>1,696,959</b>	<b>96.28%</b>	<b>(194,324)</b>	<b>(63,067)</b>	<b>5,628,966</b>
Gross Profit	1,828,215	1,633,892	1,696,959	96.28%	(194,324)	(63,067)	5,628,966
Expense							
Miscellaneous Expenses	11,306	19,147	10,235	187.08%	7,841	8,912	36,670
Personnel Compensation & Benefits	751,331	784,476	793,947	98.81%	33,145	(9,471)	2,639,812
Services and Charges	662,858	672,533	743,260	90.48%	9,676	(70,727)	2,127,207
Supplies	201,589	209,379	223,082	93.86%	7,790	(13,702)	674,195
<b>Total - Expense</b>	<b>1,627,084</b>	<b>1,685,536</b>	<b>1,770,524</b>	<b>95.20%</b>	<b>58,452</b>	<b>(84,988)</b>	<b>5,477,884</b>
<b>Net Ordinary Income</b>	<b>201,132</b>	<b>(51,644)</b>	<b>(73,565)</b>	<b>70.20%</b>	<b>(252,776)</b>	<b>21,920</b>	<b>151,083</b>
Other Income and Expenses							
Other Income	140,481	329,696	550,137	59.93%	189,215	(220,441)	1,675,674
Other Expense	82,881	53,478	95,171	56.19%	(29,403)	(41,693)	285,512
<b>Net Other Income</b>	<b>57,599</b>	<b>276,218</b>	<b>454,966</b>	<b>60.71%</b>	<b>218,619</b>	<b>(178,748)</b>	<b>1,390,162</b>
<b>Net Income Exclusive of Project Expenses, Depreciation &amp; Amortization</b>	<b>258,731</b>	<b>224,574</b>	<b>381,401</b>	<b>58.88%</b>	<b>(34,157)</b>	<b>(156,827)</b>	<b>1,541,244</b>
Projects/Grants	(2,203,526)	(824,374)	3,924,572	-21.01%	1,379,152	(4,748,945)	11,773,715
Depreciation & Amortization	(3,722,235)	0	(3,700,934)	0.00%	3,722,235	3,700,934	(11,102,803)
<b>Net Income</b>	<b>(5,667,030)</b>	<b>(599,800)</b>	<b>605,039</b>	<b>-99.13%</b>	<b>5,067,230</b>	<b>(1,204,839)</b>	<b>2,212,157</b>

- The results of this report are expected to change slightly with audit adjustments as well as delayed revenue and expense postings.
- At this time the DAA is at a unfavorable variance budget vs actual of over \$156k.
- The largest variance from budget in operating revenues comes from the concessions due to the application of the APRA concessionaire relief and CFC concessionaire relief, the total appears to be 88k under budget due to the credits. Non-Aeronautical Revenue is \$84k under budget overall, Non-passenger aeronautical revenue is about 11k over budget and passenger airline aeronautical revenue is \$10k over budget. We assumed SY enplaned passengers would be 17.86% of our total enplanements and for the month of April they were 15%.
- The largest variance from budget in expenses comes services and charges which are 70k under budget. Personnel Compensation and Benefits is running under budget by 9k as well. Supplies are 13k under budget. Operating expenses overall are \$84k under budget.
- Non-operating income is under budget because we have not requested COVID relief funds for operating purposes. ARPA Concessionaire Relief has been requested thus far, but no other COVID relief has been requested for 2022. PFCs came in over budget by nearly \$8k, while expenses are down \$41k from because we have not utilized the line of credit as well as the reduced interest due to the refinance last Fall for a total unfavorable variance vs budget of \$178k.
- If we were to exclude all concessionaire relief credits and reimbursements, as well as expected COVID relief requests, we would be at an overall positive variance of \$292k.
- **OPERATING POLICY #28 MINIMUM CASH BALANCE REPORTING AS OF 6/9/22:**
  - Minimum Cash Balance Goal: \$2,437,853
  - Current Balance: \$5,357,910 - Exceeds goal
  - Days Cash on Hand: 396 days currently vs 180 day benchmark

**Duluth Airport Authority**  
**Duluth A/R Aging Report**  
**As of June 15, 2022**

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

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	5/16/2022 - 6/14/2022 (30)	4/16/2022 - 5/15/2022 (60)	3/17/2022 - 4/15/2022 (90)	BEFORE 3/17/2022 (>90)	TOTAL
						Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Aeronautical Radio, Inc.	Invoice	6/1/2022	9786	7/1/2022	14	\$0.00	\$8.00	\$0.00	\$0.00	\$0.00	\$8.00
Bellamy Bill	Invoice	6/10/2022	9854	7/10/2022	5	\$0.00	\$156.06	\$0.00	\$0.00	\$0.00	\$156.06
BKR Investments DBA Duluth Pack	Invoice	6/1/2022	9766	7/1/2022	14	\$0.00	\$225.00	\$0.00	\$0.00	\$0.00	\$225.00
Chad's Pad, LLC	Invoice	5/3/2022	9701	6/2/2022	43	\$0.00	\$0.00	\$1,800.00	\$0.00	\$0.00	\$1,800.00
Chandler, Daniel	Invoice	4/1/2022	9567	5/1/2022	75	\$0.00	\$0.00	\$0.00	\$153.00	\$0.00	\$153.00
Churchill, Sean	Invoice	6/1/2022	9805	7/1/2022	14	\$0.00	\$192.19	\$0.00	\$0.00	\$0.00	\$192.19
<b>Cirrus Design Corporation</b>						\$0.00	\$14,487.01	\$0.00	\$3,157.33	\$18,714.61	\$36,358.95
Clobes, Nathan	Invoice	4/1/2022	9561	5/1/2022	75	\$0.00	\$0.00	\$0.00	\$153.00	\$0.00	\$153.00
<b>Dal Santo, Frances M</b>						\$0.00	\$197.56	\$195.77	\$0.00	\$0.00	\$393.33
<b>Delta Airlines</b>						\$0.00	\$55,698.97	\$51,634.80	\$0.00	\$0.00	\$107,333.77
<b>Divine Carriers</b>						\$0.00	\$132.65	\$132.65	\$0.00	\$0.00	\$265.30
Duluth Economic Development Authority	Invoice	6/6/2022	9826	7/6/2022	9	\$0.00	\$6,075.00	\$0.00	\$0.00	\$0.00	\$6,075.00
Duluth Hangar, LLC	Invoice	6/1/2022	9792	7/1/2022	14	\$0.00	\$828.87	\$0.00	\$0.00	\$0.00	\$828.87
Dunker, Christopher L	Invoice	3/17/2022	9478	4/16/2022	90	\$0.00	\$0.00	\$0.00	\$9,678.20	\$0.00	\$9,678.20
Federal Express Corporation	Invoice	6/6/2022	9831	7/6/2022	9	\$0.00	\$1,440.00	\$0.00	\$0.00	\$0.00	\$1,440.00
Gardonio, Michael	Invoice	6/10/2022	9855	7/10/2022	5	\$0.00	\$53.47	\$0.00	\$0.00	\$0.00	\$53.47
General Services Administration	Invoice	6/1/2022	9784	7/1/2022	14	\$0.00	\$5,298.61	\$0.00	\$0.00	\$0.00	\$5,298.61
<b>Gorltchan Boris</b>						\$0.00	\$0.00	\$0.00	\$0.00	\$879.00	\$879.00
<b>Grimsbo, Gerald</b>						\$0.00	\$0.00	\$0.00	\$153.00	\$153.00	\$306.00
<b>GSSC</b>						\$0.00	\$65.00	\$0.00	\$0.00	\$125.00	\$190.00
Hagberg, Rick	Invoice	6/1/2022	9801	7/1/2022	14	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Hall John	Invoice	6/1/2022	9768	7/1/2022	14	\$0.00	\$298.32	\$0.00	\$0.00	\$0.00	\$298.32
Harris, Melissa	Invoice	4/1/2022	9563	5/1/2022	75	\$0.00	\$0.00	\$0.00	\$153.00	\$0.00	\$153.00
Hatfield, Dan	Invoice	6/1/2022	9794	7/1/2022	14	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
<b>Hermantown Hydraulics</b>						\$0.00	\$680.86	\$517.97	\$0.00	\$0.00	\$1,198.83
Hillman Colin	Invoice	6/1/2022	9809	7/1/2022	14	\$0.00	\$275.00	\$0.00	\$0.00	\$0.00	\$275.00
Hydro Solutions, Inc.	Invoice	6/1/2022	9769	7/1/2022	14	\$0.00	\$3,466.75	\$0.00	\$0.00	\$0.00	\$3,466.75
Johnson, Joel	Invoice	5/26/2022	9845	6/25/2022	20	\$0.00	\$319.29	\$0.00	\$0.00	\$0.00	\$319.29
Johnson, Josiah H	Invoice	6/1/2022	9781	7/1/2022	14	\$0.00	\$100.00	\$0.00	\$0.00	\$0.00	\$100.00
Johnson, Richard	Payment	5/16/2022	8608	5/16/2022	30	\$0.00	(\$7.08)	\$0.00	\$0.00	\$0.00	(\$7.08)
Johnston, Paul	Invoice	6/1/2022	9806	7/1/2022	14	\$0.00	\$192.19	\$0.00	\$0.00	\$0.00	\$192.19
Kleen-Tech Services, LLC	Invoice	6/6/2022	9835	7/6/2022	9	\$0.00	\$800.00	\$0.00	\$0.00	\$0.00	\$800.00
Lake Country Air, LLC	Invoice	6/10/2022	9857	7/10/2022	5	\$0.00	\$2,481.32	\$0.00	\$0.00	\$0.00	\$2,481.32
<b>Lake Superior Helicopters</b>						\$0.00	\$4,748.78	\$0.00	\$0.00	\$0.00	\$4,748.78
Larsen, Shane						\$0.00	\$136.14	\$0.00	(\$13.10)	\$0.00	\$123.04

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	5/16/2022 - 6/14/2022	4/16/2022 - 5/15/2022	3/17/2022 - 4/15/2022	BEFORE 3/17/2022	TOTAL
							(30) Open Balance	(60) Open Balance	(90) Open Balance	(>90) Open Balance	
Love Creamery	Payment	6/6/2022	8666	6/6/2022	9	\$0.00	(\$180.00)	\$0.00	\$0.00	\$0.00	(\$180.00)
Luck, Rick	Invoice	6/10/2022	9859	7/10/2022	5	\$0.00	\$193.23	\$0.00	\$0.00	\$0.00	\$193.23
Messerer Jon	Invoice	6/9/2021	8341	7/9/2021	371	\$0.00	\$0.00	\$0.00	\$0.00	\$0.48	\$0.48
Minnesota Air National Guard	Invoice	5/24/2022	9755	6/23/2022	22	\$0.00	\$6,249.75	\$0.00	\$0.00	\$0.00	\$6,249.75
Minnesota Power	Invoice	11/1/2021	8806	12/1/2021	226	\$0.00	\$0.00	\$0.00	\$0.00	\$446.18	\$446.18
<b>Monaco Air Duluth</b>						\$0.00	\$6,453.22	\$0.00	\$0.00	\$0.00	\$6,453.22
Northland Constructors, Inc.	Invoice	6/1/2022	9777	7/1/2022	14	\$0.00	\$181.50	\$0.00	\$0.00	\$0.00	\$181.50
<b>Oakwells CR, LLC</b>						\$0.00	\$6,925.44	\$0.00	\$0.00	\$0.00	\$6,925.44
On Site Enterprises, Inc	Credit Memo	2/3/2022	279	2/3/2022	132	\$0.00	\$0.00	\$0.00	\$0.00	(\$4,193.84)	(\$4,193.84)
<b>Opack Matthew Jr.</b>						\$0.00	\$198.50	\$198.50	\$202.81	\$0.00	\$599.81
Palmer, John	Invoice	6/1/2022	9808	7/1/2022	14	\$0.00	\$198.50	\$0.00	\$0.00	\$0.00	\$198.50
<b>Parsons Electric</b>						\$0.00	\$0.00	\$125.00	\$65.00	\$0.00	\$190.00
Parthe, Lance	Invoice	4/1/2022	9544	5/1/2022	75	\$0.00	\$0.00	\$0.00	\$264.64	\$0.00	\$264.64
Paulson, Jason	Invoice	4/1/2022	9565	5/1/2022	75	\$0.00	\$0.00	\$0.00	\$51.00	\$0.00	\$51.00
<b>Payne, Robert</b>						\$0.00	\$257.35	\$0.00	\$0.00	\$0.00	\$257.35
Premium Air, LLC	Invoice	5/31/2022	9823	6/30/2022	15	\$0.00	\$109.99	\$0.00	\$0.00	\$0.00	\$109.99
<b>QMS, INC.</b>						\$0.00	\$250.00	\$619.10	\$0.00	\$0.00	\$869.10
Rathbun, David	Invoice	6/1/2022	9800	7/1/2022	14	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Rehabilitation Counselors, Inc.	Payment	8/19/2019	5002	8/19/2019	1,031	\$0.00	\$0.00	\$0.00	\$0.00	(\$75.00)	(\$75.00)
RS&H	Invoice	6/1/2022	9790	7/1/2022	14	\$0.00	\$2,177.05	\$0.00	\$0.00	\$0.00	\$2,177.05
Scenic Airrides	Invoice	6/10/2022	9860	7/10/2022	5	\$0.00	\$260.37	\$0.00	\$0.00	\$0.00	\$260.37
SEH	Invoice	5/31/2022	9837	6/30/2022	15	\$0.00	\$650.00	\$0.00	\$0.00	\$0.00	\$650.00
<b>Shelter Dog Inc.</b>						\$0.00	\$0.00	\$0.00	\$10.00	(\$464.00)	(\$454.00)
Stevens, Mike	Invoice	6/1/2022	9803	7/1/2022	14	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
<b>Sun Country, Inc. dba Sun Country Airlines</b>						\$0.00	\$120.00	\$120.00	\$0.00	\$0.00	\$240.00
Superior Water, Light & Power	Invoice	5/12/2022	9729	6/11/2022	34	\$0.00	\$0.00	\$1,468.75	\$0.00	\$0.00	\$1,468.75
<b>Sydow Dan</b>						\$0.00	\$264.64	\$0.00	\$264.64	\$0.00	\$529.28
The Jamar Company	Invoice	5/31/2022	9833	6/30/2022	15	\$0.00	\$115.00	\$0.00	\$0.00	\$0.00	\$115.00
<b>The Landline Company</b>						\$0.00	\$5,265.14	\$192.00	\$0.00	\$0.00	\$5,457.14
<b>Transportation Security Administration</b>						\$0.00	\$17,292.67	\$8,790.00	\$0.00	\$0.00	\$26,082.67
unifi						\$0.00	\$755.00	\$0.00	\$0.00	\$0.00	\$755.00
<b>United Airlines</b>						\$0.00	\$36,695.43	\$0.00	\$0.00	\$0.00	\$36,695.43
<b>United Parcel Service</b>						\$0.00	\$0.00	\$65.00	\$65.00	\$0.00	\$130.00
Urban Electric	Invoice	2/9/2022	9323	3/11/2022	126	\$0.00	\$0.00	\$0.00	\$0.00	\$175.00	\$175.00
<b>Wicklein, John</b>						\$0.00	\$0.00	\$0.00	\$153.00	\$306.00	\$459.00
Williams, Ron	Invoice	6/1/2022	9804	7/1/2022	14	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
<b>Total</b>						\$0.00	\$183,770.54	\$65,859.54	\$14,510.52	\$16,066.43	\$280,207.03

# VII N

## DULUTH AIRLINE STATISTICS ALL SCHEDULED AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2021/2022 PASS. INCREASE/DECREASE			
	2020	2021	2022	2020	2021	2022	2020	2021	2022	ORIG	% DIFF	TOTAL	% DIFF
JAN	12,946	5,183	9,558	11,437	4,677	8,809	24,383	9,860	18,367	4,375	84.41	8,507	86.28
FEB	12,774	5,182	10,312	12,337	5,041	9,590	25,111	10,223	19,902	5,130	99.00	9,679	94.68
MAR	7,703	7,169	12,680	8,842	6,544	12,250	16,545	13,713	24,930	5,511	76.87	11,217	81.80
APR	577	6,758	12,059	666	7,055	12,950	1,243	13,813	25,009	5,301	78.44	11,196	81.05
MAY	849	9,519	10,314	638	10,262	11,086	1,487	19,781	21,400	795	8.35	1,619	8.18
JUN	1,494	9,403		1,526	9,598		3,020	19,001	-				
JUL	3,121	11,778		3,327	11,791		6,448	23,569	-				
AUG	5,727	12,727		5,754	12,128		11,481	24,855	-				
SEP	5,664	11,820		5,666	11,207		11,330	23,027	-				
OCT	5,652	11,285		5,059	10,305		10,711	21,590	-				
NOV	4,418	9,070		4,349	8,965		8,767	18,035	-				
DEC	4,449	10,575		4,533	10,587		8,982	21,162	-				
TOTAL	65,374	110,469	54,923	64,134	108,160	54,685	129,508	218,629	109,608	21,112	69.41	42,218	70.40

### TOTALS WITH CHARTER INCLUDED

Month	Enplanements			Deplanements			Total
	2020	2021	2022	2020	2021	2022	
JAN	13,252	5,183	9,735	11,743	4,677	8,986	18,721
FEB	12,950	5,214	10,312	12,513	5,073	9,590	19,902
MAR	7,703	7,204	12,856	8,842	6,579	12,427	25,283
APR	577	6,758	12,059	666	7,055	12,950	25,009
MAY	849	9,519	10,314	638	10,262	11,086	21,400
JUN	1,494	9,403	-	1,526	9,598	-	-
JUL	3,121	11,778	-	3,327	11,791	-	-
AUG	5,727	12,727	-	5,754	12,128	-	-
SEP	5,664	11,820	-	5,666	11,207	-	-
OCT	5,823	11,498	-	5,230	10,478	-	-
NOV	4,508	9,320	-	4,439	8,965	-	-
DEC	4,449	10,575	-	4,533	10,767	-	-
Total	66,117	110,999	55,276	64,877	108,580	55,039	110,315



## DULUTH AIRLINE STATISTICS DELTA AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2021/2022 PASS. INCREASE/DECREASE			
	2020	2021	2022	2020	2021	2022	2020	2021	2022	ORIG	%DIFF	TOTAL	%DIFF
JAN	6,698	3,814	5,461	6,026	3,629	4,845	12,724	7,443	10,306	1,647	43.18	2,863	38.47
FEB	6,401	3,916	5,996	6,244	3,890	5,612	12,645	7,806	11,608	2,080	53.12	3,802	48.71
MAR	3,973	4,668	6,877	4,777	4,379	6,545	8,750	9,047	13,422	2,209	47.32	4,375	48.36
APR	331	4,045	6,918	438	4,396	6,984	769	8,441	13,902	2,873	71.03	5,461	64.70
MAY	374	7,106	7,125	377	7,573	7,670	751	14,679	14,795	19	0.27	116	0.79
JUN	685	6,589		680	6,828		1,365	13,417	-				
JUL	2,122	6,788		2,277	6,823		4,399	13,611	-				
AUG	3,487	7,484		3,595	7,281		7,082	14,765	-				
SEP	3,941	7,608		3,908	7,159		7,849	14,767	-				
OCT	3,576	7,483		3,411	6,721		6,987	14,204	-				
NOV	3,000	7,746		2,985	7,613		5,985	15,359	-				
DEC	3,029	6,588		3,131	6,610		6,160	13,198	-				
TOTAL	37,617	73,835	32,377	37,849	72,902	31,656	75,466	146,737	64,033	8,828	42.98	16,617	40.20

2022 Month	Non Rev	Revenue	2022 Non Rev	Revenue	Total
JAN	141	5,320	157	4,688	10,306
FEB	161	5,835	159	5,453	11,608
MAR	180	6,697	194	6,351	13,422
APR	211	6,707	222	6,762	13,902
MAY	239	6,886	264	7,406	14,795
JUN					-
JUL					-
AUG					-
SEP					-
OCT					-
NOV					-
DEC					-
Total	932	31,445	996	30,660	64,033

# DULUTH AIRLINE STATISTICS

## UNITED AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2021/2022 PASS. INCREASE/DECREASE			
	2020	2021	2022	2020	2021	2022	2020	2021	2022	ORIG	%DIFF	TOTAL	%DIFF
JAN	4,031	1,369	2,234	3,300	1,048	2,079	7,331	2,417	4,313	865	63.18	1,896	78.44
FEB	3,850	1,266	2,179	3,678	1,151	2,114	7,528	2,417	4,293	913	72.12	1,876	77.62
MAR	2,168	2,501	2,903	2,351	2,165	2,763	4,519	4,666	5,666	402	16.07	1,000	21.43
APR	122	2,713	3,126	128	2,659	3,066	250	5,372	6,192	413	15.22	820	15.26
MAY	475	2,413	3,189	261	2,689	3,416	736	5,102	6,605	776	32.16	1,503	29.46
JUN	809	2,814		846	2,770		1,655	5,584	-				
JUL	999	4,990		1,050	4,968		2,049	9,958	-				
AUG	2,240	5,243		2,159	4,847		4,399	10,090	-				
SEP	1,723	4,212		1,758	4,048		3,481	8,260	-				
OCT	2,076	3,802		1,648	3,584		3,724	7,386	-				
NOV	1,418	1,324		1,364	1,352		2,782	2,676	-				
DEC	1,420	2,635		1,402	2,812		2,822	5,447	-				
TOTAL	21,331	35,282	13,631	19,945	34,093	13,438	41,276	69,375	27,069	3,369	39.75	7,095	44.44

Month	2022		2022		Total
	Non Rev	Revenue	Non Rev	Revenue	
JAN	56	2,178	57	2,022	4,313
FEB	93	2,086	89	2,025	4,293
MAR	71	2,832	69	2,694	5,666
APR	143	2,983	118	2,948	6,192
MAY					
JUN					
JUL					
AUG					
SEP					
OCT					
NOV					
DEC					
Total	363	10,079	333	9,689	20,464

# DULUTH AIRLINE STATISTICS

## SUN COUNTRY AIRLINES

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2021/2022 PASS. INCREASE/DECREASE			
	2020	2021	2022	2020	2021	2022	2020	2021	2022	ORIG	%DIFF	TOTAL	%DIFF
JAN			1,863			1,885		-	3,748	1,863	-	3,748	-
FEB			2,137			1,864		-	4,001	2,137	-	4,001	-
MAR			2,900			2,942		-	5,842	2,900	-	5,842	-
APR			2,015			2,900		-	4,915	2,015	-	4,915	-
MAY			-			-			-	-	-	-	-
JUN													
JUL													
AUG													
SEP													
OCT													
NOV													
DEC		1,352			1,165			2,517	-		-		-
TOTAL	-	1,352	8,915		1,165	9,591	-	2,517	18,506	8,915	-	18,506	-

Month	2022		2022		Total
	Non Rev	Revenue	Non Rev	Revenue	
JAN	3	1,860	20	1,865	3,748
FEB	7	2,130	6	1,858	4,001
MAR	8	2,892	10	2,932	5,842
APR	23	1,992	15	2,885	4,915
MAY	-	-	-	-	-
JUN					-
JUL					-
AUG					-
SEP					-
OCT					-
NOV					-
DEC					-
Total	41	8,874	51	9,540	18,506

## DULUTH AIRLINE STATISTICS CHARTERS

MONTH	ENPLANEMENTS			DEPLANEMENTS			TOTAL PASSENGERS			2021/2022 PASS. INCREASE/DECREASE			
	2020	2021	2022	2020	2021	2022	2020	2021	2022	ORIG	% DIFF	TOTAL	% DIFF
JAN	306	-	177	306	-	177	612	-	354	177	100.00	354	100.00
FEB	176	32	-	176	32	-	352	64	-	(32)	(100.00)	(64)	(100.00)
MAR	-	35	176	-	35	177	-	70	353	141	402.86	283	404.29
APR	-	-	-	-	-	-	-	-	-	-	-	-	-
MAY	-	-	-	-	-	-	-	-	-	-	-	-	-
JUN	-	-	-	-	-	-	-	-	-	-	-	-	-
JUL	-	-	-	-	-	-	-	-	-	-	-	-	-
AUG	-	-	-	-	-	-	-	-	-	-	-	-	-
SEP	-	-	-	-	-	-	-	-	-	-	-	-	-
OCT	171	213	-	171	173	-	342	386	-	-	-	-	-
NOV	90	250	-	90	-	-	180	250	-	-	-	-	-
DEC	-	-	-	-	180	-	-	180	-	-	-	-	-
TOTAL	743	530	353	743	420	354	1,486	950	707	286	80.57	573	80.86

Month	2022						Total
	Endeavor	SUN CO.	JET BLUE	VISION	Hillwood	Allegiant	
JAN		354					354
FEB		-					-
MAR		353					353
APR		-					-
MAY		-					-
JUN							-
JUL							-
AUG							-
SEP							-
OCT							-
NOV							-
DEC							-
Total	-	707		-	-	-	707



## DLH Throughput->Monthly by Day

Date	Metrics	Total Customer Throughput	Non-PreCheck Throughput	% Non-PreCheck Throughput	PreCheck Throughput	% PreCheck Throughput
5/1/2022		367	241	65.7%	126	34.3%
5/2/2022		325	212	65.2%	113	34.8%
5/3/2022		398	297	74.6%	101	25.4%
5/4/2022		352	265	75.3%	87	24.7%
5/5/2022		357	238	66.7%	119	33.3%
5/6/2022		367	261	71.1%	106	28.9%
5/7/2022		336	268	79.8%	68	20.2%
5/8/2022		351	259	73.8%	92	26.2%
5/9/2022		388	275	70.9%	113	29.1%
5/10/2022		394	302	76.6%	92	23.4%
5/11/2022		342	245	71.6%	97	28.4%
5/12/2022		381	283	74.3%	98	25.7%
5/13/2022		368	260	70.7%	108	29.3%
5/14/2022		334	269	80.5%	65	19.5%
5/15/2022		391	289	73.9%	102	26.1%
5/16/2022		391	282	72.1%	109	27.9%
5/17/2022		422	315	74.6%	107	25.4%
5/18/2022		404	321	79.5%	83	20.5%
5/19/2022		403	281	69.7%	122	30.3%
5/20/2022		403	278	69.0%	125	31.0%
5/21/2022		237	186	78.5%	51	21.5%
5/22/2022		393	265	67.4%	128	32.6%
5/23/2022		351	237	67.5%	114	32.5%
5/24/2022		386	307	79.5%	79	20.5%
5/25/2022		383	263	68.7%	120	31.3%
5/26/2022		330	230	69.7%	100	30.3%
5/27/2022		383	270	70.5%	113	29.5%
5/28/2022		291	237	81.4%	54	18.6%
5/29/2022		285	213	74.7%	72	25.3%
5/30/2022		350	241	68.9%	109	31.1%
5/31/2022		387	248	64.1%	139	35.9%
<b>Total</b>		<b>11,250</b>	<b>8,138</b>	<b>72.3%</b>	<b>3,112</b>	<b>27.7%</b>

## DLH Cargo Stats

Mountain Air Cargo / Fed Ex			Bemidji Air UPS			Combined Total		Combined Total		Difference	
2022			2022			2022		2021		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	91,277	38,751	January	33,489	22,036	124,766	60,787	117,686	63,453	7,080	(2,666)
February	98,869	38,020	February	33,435	21,627	132,304	59,647	104,107	60,026	28,197	(379)
March	88,368	50,917	March	34,866	23,148	123,234	74,065	150,825	71,421	(27,591)	2,644
April	91,715	56,519	April	40,051	19,696	131,766	76,215	165,012	84,519	(33,246)	(8,304)
May	106,605	50,985	May	35,848	18,585	142,453	69,570	170,644	72,673	(28,191)	(3,103)
June			June					167,254	82,290		
July			July					172,320	83,694		
August			August					159,230	82,627		
September			September					172,721	88,249		
October			October					154,556	94,143		
November			November					138,863	87,836		
December			December					173,710	74,203		
<u>476,834      235,192</u>			<u>177,689      105,092</u>			<u>654,523      340,284</u>		<u>1,846,928      945,134</u>		<u>(53,751)      (11,808)</u>	



## 2022 Landline Passengers

	Arrivals			Departures			2021 Grand		
	Revenue	Non-Rev	Total	Revenue	Non-Rev	Total	Grand Total	Total	Inc /Dec
January	774	62	836	912	56	968	1804	501	1303
February	904	44	948	1195	46	1241	2189	391	1798
March	1123	47	1170	1261	43	1304	2474	447	2027
April	1351	47	1398	1263	46	1309	2707	636	2071
May	924	50	974	791	37	828	1802	1193	609
June			0			0	0	1981	
July			0			0	0	2550	
August			0			0	0	2317	
September			0			0	0	1448	
October			0			0	0	1885	
November			0			0	0	2059	
December			0			0	0	2423	
	5076	250	5326	5422	228	5650	10976	17831	7808