



DULUTH AIRPORT AUTHORITY

DULUTH AIRPORT AUTHORITY MEETING AGENDA AUGUST 16, 2022

AMATUZIO CONFERENCE ROOM
DULUTH INTERNATIONAL AIRPORT

Click below to access meeting by Microsoft Teams:

<https://duluthairport.com/wp-content/uploads/2022/08/8-DAA-August-Notice-revised.pdf>

I *EXECUTIVE DIRECTORS REVIEW

Information Letter to DAA Directors.

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

A. Approval of July 19, 2022 Meeting Minutes.

III *DAA CASH DISBURSEMENTS

A. Operating Cash Disbursement Sheets #24, #25, and #26, 2022; Operating ACH Payment Registers #24, #25 and #26, 2022; Construction Fund Disbursement Sheet #8, 2022.

IV *CORRESPONDENCE

- A. July 14, July 18, July 29, 2022 Duluth International Airport Summer Construction Newsletter.
- B. Aviation News: July 15, 2022 Thrifty Traveler Article "Sun Country's Newest Route is its Shortest; Just 85 Miles Long" and July 25, 2022 "Sun Country is Growing Fast: Could it Grow All the Way to Europe?"
- C. July 28, 2022, Letter from DAA to Hangar Tenant Regarding Hangar Inspection and Compliance Notification.
- D. July 31, 2022, E-Mail from Monaco Air Foundation with Summary of July 2022 Activities.
- E. August 1, 2022 Request Letter from Senator Amy Klobuchar, Senator Tina Smith and Congressman Pete Stauber to U.S. Customs & Border Protection Regarding Charging for After-Hours Customs Processing.
- F. 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 Accept and Award Contract between the Duluth Airport Authority and Shafer Contracting Co, Inc. for the Construction of Taxiway A Phase 2 & 4, and Phase 1 of the Midfield Ramp.
- B. Resolution to Approve Work Order 2022-14 between the Duluth Airport Authority and Short Elliot Hendrickson for the Construction Administration of Midfield Ramp Reconstruction – Phase 1.
- C. Resolution to Approve the Advertising Vendor Lease Agreement Between the Duluth Airport Authority and MediaUSA, Inc.
- D. Resolution to Approve the License Agreement to Display Advertising Between the Duluth Airport Authority and University of MN Duluth Athletics.
- E. Resolution to Approve the UMD Bulldog Sponsorship Agreement Between the Duluth Airport Authority and University of MN Duluth Athletics.
- F. Resolution to Support the Rally for Air Service Coalition.
- G. Resolution Appointing Director Elissa Hansen as the Duluth Airport Authority Representative on the Monaco Air Foundation Board.
- H. *June 2022 Financial Reports.
- I. *July 2022 Accounts Receivables.
- J. *July 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: August 16, 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
 - AFTIL Siting Study Update
 - Air Traffic Control Project Timeline
- Construction
 - Hangar 101 Demolition Update
 - Runway 3/21 Lighting and Signage Update
 - A Taxiway Phase 1 Construction Update
- Operations and Maintenance
 - TSA Inspection
 - Parking Technology System Upgrade RFP
- Sky Harbor
 - Building Area Master Plan Update

BUSINESS/PROPERTY DEVELOPMENT

- Annual Hangar Inspection Update

FINANCIAL UPDATE

- NSR

MARKETING/COMMUNICATIONS

- NSR



DULUTH INTERNATIONAL AIRPORT

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LEGISLATIVE UPDATE

- Let Experienced Pilots Fly Act

PRESENTATIONS/TOURS/TRAVEL RECAP

- NSR

OTHER

- AAAE State Representative
- Bylaws Update for Board Members Attendance Consistent with Family Medical Leave Act (FMLA)
- September Board Meeting Schedule

Submitted by,

Tom Werner, C.M.
Executive Director

MINUTES OF THE MEETING

DATE: July 19, 2022

PLACE: Hangar 1
Sky Harbor Airport, Duluth, MN

DIRECTORS PRESENT: Kim Maki
Jeff Anderson
Elissa Hansen
Kevin O'Brien
Dan Markham

OTHERS PRESENT: Mark Papko, Director of Operations
Steve Hanke, Assistant City Attorney
Mary Ann Wittkop, Recording Secretary
Natalie Peterson, Director of Communications & Marketing
Ken Timm, Sky Harbor Airport Manager
Matthew Stewart, SEH
Scott Sannes, SHE
Tom Sullivan, Sky Harbor Airport

OTHERS PARTICIPATING VIA ELECTRONICS
MEANS:

Kaci Nowicki, SEH
Shawn McMahon, SEH
Adinda Van Espen, SEH
Alison Andrashko, SEH
Don Monaco, Monaco Air
Paul Huston, HNTB

President Maki welcomed everyone to the DAA July board meeting and called it to order at 8:00 a.m. She performed roll call – Dir. O'Brien, Dir. Markham, Dir. Anderson and herself for a quorum. Dir. Hansen arrived and Pres. Maki invited Mr. Tom Werner, Executive Director, to update on the Executive Director's review:

- Air Service: Mr. Werner presented the air service update noting total June passengers, seats, and advanced bookings; spoke on national news, highlighting DOT taking action against airlines refusing to issue refunds for cancelled flights, Delta's plan to restore operational integrity, airlines on time performance and Sun Country selected to serve an Essential Air service market in Eau Claire; local air service news – Landline is going to cut capacity while they transition their fleet. He reviewed the effect of the pandemic on regional air service around the country and spoke on key activity metrics that generate revenue at DLH
- Planning, Operations, and Maintenance:
 - Mr. Papko updated on Hangar 101 -- substantial completion, Runway 3/21 lighting and signage, Taxiway A phase 1B complete and the kickoff of phase 1A, Mr. Werner detailed further and thanked Mr. Papko and his team for their great work. Mr. Papko overviewed and

detailed on the preparation for and the actual air show weekend; he updated the parking technology system upgrade. Mr. Werner spoke on the Part 150 noise study, FAA comments and review, questions and discussion followed.

- Sky Harbor: Mr. Ken Timm, Sky Harbor Manager, introduced himself and gave background information. He spoke on the business partners at Sky Harbor, land leases, hangars, future infrastructure plans, revenue and other opportunities. Questions and discussion followed; Mr. Werner detailed further. Mr. Matt Stewart, SEH, presented on Sky Harbor building area master plan noting goals and stakeholder outreach, inventory summary, aviation forecasts, key facility recommendations and next steps. Questions followed.
- Business/Property Development: Mr. Werner reported the selection of Kraus Anderson for the construction manager for the next five years; in negotiations to finalize the contract.
- Marketing/Communications: Ms. Natalie Peterson, Director of Communications & Marketing, overviewed the in-person survey conducted by the DAA intern. Main takeaways – leisure travel has a larger market share than business; flights are being booked one to two months in advance or two weeks of their departure and people are choosing DLH over other airports for the convenience that it offers.
- Legislative: Mr. Werner noted the Rally for Air Service fact sheet located under Correspondence and recommended that this be supported by the Board, a resolution will be on the agenda next month. Questions followed.
- Other: Mr. Werner briefed on the Customs Border Protection (CBP) international status meetings, delegation is engaged and supportive; meeting in August with CBP Director of Field Operations to share why these services are important to Duluth. He announced the Mayor has appointed Mr. Michael Henderson and Mr. Jason Crawford to this Board; they were approved at the City Council meeting last night; questions followed. Ms. Mary Ann Wittkop, Airport Executive Secretary, informed the Board of her retirement plans; Mr. Werner detailed further on the transition going forward.

Pres. Maki thanked everyone for their reviews; questions and discussion followed on several executive review items. Dir. Markham moved to approve the June 21, 2022 meeting minutes and consent items. Dir. Hansen seconded. Roll call, all ayes, motion carried.

CONSENT ITEMS

Operating cash disbursement sheets #20, #21, #22 and #23, 2022; Operating ACH Payment Registers #20, #21, #22 and #23, 2022; Construction Fund Disbursement Sheet #7, 2022; Construction ACH Fund Disbursement Sheet #2, 2022.

Aviation news: The Point Guys article “How Removing Seats from Aircraft Will Help a Top Regional Carrier Cope with the Pilot Shortage”.

E-mail from Monaco Air Foundation with summary of June 2022 activities.

June 17, June 24, July 1 and July 8 Duluth International Airport summer construction newsletter.

Rally for air service information.

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

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

OPPORTUNITY FOR PERSONS TO BE HEARD

None.

OLD BUSINESS

None.

NEW BUSINESS

Mr. Papko explained the opportunity to purchase a new vehicle for Sky Harbor Airport. Dir. O'Brien moved to approve the resolution for purchase of a GMC 3500 Sierra between the Duluth Airport Authority and Kolar Chevrolet. Dir. Anderson seconded. Roll call – all ayes. Motion carried.

Mr. Papko spoke on the icing events that have become more significant these last ten years and reviewed runway de-icing methods. Question followed. Dir. Hansen moved to approve the resolution for the purchase of a runway de-ice trailer between the Duluth Airport Authority and Tyler De-Ice. Dir. Markham seconded. Roll call – all ayes. Motion carried.

Mr. Papko reviewed the opportunity for the work order for the design of Taxiway A. Questions followed. Dir. O'Brien moved to approve the resolution for Work Order 2022 – 10 between Duluth Airport Authority and Short Elliot Hendrickson, Inc. for design of Taxiway A – Phase 3 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. Dir. Markham seconded. Roll call – Dir. Anderson abstained, the rest ayes. Motion carried.

Dir Hansen moved to adjourn the meeting; Dir. O'Brien seconded. Motion carried Pres. Maki adjourned the July 19th DAA board meeting at 9:56 a.m.

Respectfully submitted,

Mary Ann Wittkop
Recording Secretary

APPROVED: Tom Werner Digitally signed by Tom Werner
Date: 2022.08.08 13:50:38 -05'00' DATE: _____

Duluth Airport Authority
DAA Operating Check Register #24-2022
July 14, 2022

Document Number From 11372 To 11383

Document Number	Date	Transaction Type	Payee	Amount
11372	7/14/2022	BILLPMT	American Association Of Airport Executives	\$275.00
11373	7/14/2022	BILLPMT	AT&T Mobility	\$322.80
11374	7/14/2022	BILLPMT	City Of Duluth Comfort Systems	\$2,434.20
11375	7/14/2022	BILLPMT	Dalco	\$458.47
11376	7/14/2022	BILLPMT	Durfee, Tristan	\$127.96
11377	7/14/2022	BILLPMT	NAPA Auto Parts	\$61.14
11378	7/14/2022	BILLPMT	Northern Tool & Equipment	\$92.94
11379	7/14/2022	BILLPMT	Schindler Elevator Corp	\$1,082.50
11380	7/14/2022	BILLPMT	Spades LLC	\$4,975.00
11381	7/14/2022	BILLPMT	Taylor, Dan	\$60.00
11382	7/14/2022	BILLPMT	United Truck Body Company, Inc.	\$363.00
11383	7/14/2022	BILLPMT	Waste Management of WI-MN	\$2,303.92
Total				<u>\$12,556.93</u>

11341 Voided due to duplicate check run
 11342 Voided due to duplicate check run
 11343 Voided due to duplicate check run
 11344 Voided due to duplicate check run
 11345 Voided due to duplicate check run
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 Airport Director

 Airport Authority



 City Treasury

Duluth Airport Authority
DAA Operating Check Register #25-2022
July 25, 2022

Document Number From 11391 To 11411

Document Number	Date	Transaction Type	Payee	Amount
11391	7/25/2022	BILLPMT	Auto-Owner's Insurance	\$1,950.81
11392	7/25/2022	BILLPMT	Bobcat Of Duluth, Inc.	\$39.00
11393	7/25/2022	BILLPMT	City Of Duluth Comfort Systems	\$14,586.77
11394	7/25/2022	BILLPMT	City Of Duluth, Minnesota	\$81.60
11395	7/25/2022	BILLPMT	City of Duluth-Life Safety Division-Fire Dep:	\$928.00
11396	7/25/2022	BILLPMT	Dalco	\$137.52
11397	7/25/2022	BILLPMT	iFIDS.com Inc.	\$1,783.00
11398	7/25/2022	BILLPMT	Innovative Office Solutions, LLC	\$68.00
11399	7/25/2022	BILLPMT	Kolar	\$7,188.83
11400	7/25/2022	BILLPMT	Landrum and Brown, Incorporated	\$516.65
11401	7/25/2022	BILLPMT	Locksmith Services	\$93.00
11402	7/25/2022	BILLPMT	Menards - West Duluth	\$50.95
11403	7/25/2022	BILLPMT	Minnesota Pollution Control Agency	\$400.00
11404	7/25/2022	BILLPMT	Minnesota Secretary of State-Notary	\$120.00
11405	7/25/2022	BILLPMT	NAPA Auto Parts	\$3,493.52
11406	7/25/2022	BILLPMT	Northern Tool & Equipment	\$269.92
11407	7/25/2022	BILLPMT	NorthStar Ford	\$544.32
11408	7/25/2022	BILLPMT	Spectrum Business	\$165.36
11409	7/25/2022	BILLPMT	Summit Fire Protection	\$38.25
11410	7/25/2022	BILLPMT	Twin Ports Pest and Lawn Management	\$359.00
11411	7/28/2022	CHK	WF Bus Payment Processing - Tom	\$1,935.19
			Total	\$34,749.69



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Airport Authority



City Treasury

Duluth Airport Authority
DAA Operating Check Register #26-2022
August 5, 2022

Document Number From 11412 To 11433

Document Number	Date	Transaction Type	Payee	Amount
11414	8/4/2022	CHK	Citi Cards	\$4,213.99
11412	8/5/2022	BILLPMT	AAAE Great Lakes Chapter	\$275.00
11413	8/5/2022	BILLPMT	Century Link	\$72.00
11415	8/5/2022	BILLPMT	Dalco	\$307.47
11416	8/5/2022	BILLPMT	DSC Communications	\$506.25
11417	8/5/2022	BILLPMT	Essentia Health	\$586.00
11418	8/5/2022	BILLPMT	Johnstone Supply	\$448.99
11419	8/5/2022	BILLPMT	Menards - West Duluth	\$65.97
11420	8/5/2022	BILLPMT	NAPA Auto Parts	\$108.61
11421	8/5/2022	BILLPMT	Nextera Communications	\$1,251.80
11422	8/5/2022	BILLPMT	NorthStar Ford	\$22.87
11423	8/5/2022	BILLPMT	Radiant Window Cleaning, Inc.	\$2,655.00
11424	8/5/2022	BILLPMT	Sam's Club	\$337.00
11425	8/5/2022	BILLPMT	Sherwin-Williams Co.	\$308.44
11426	8/5/2022	BILLPMT	Superior Glass, Inc.	\$360.00
11427	8/5/2022	BILLPMT	Twin Ports Paper Supply, Inc	\$241.52
11428	8/5/2022	BILLPMT	United States Postal Service	\$300.00
11429	8/5/2022	BILLPMT	Citon	\$7,980.82
11430	8/5/2022	BILLPMT	Cossalter, Wade	\$1,357.48
11431	8/5/2022	BILLPMT	Landrum and Brown, Incorporated	\$2,000.00
11432	8/5/2022	BILLPMT	Minnesota Power	\$31,376.89
11433	8/5/2022	BILLPMT	Sam's Club	\$1,875.00
Total				\$56,651.10



Airport Director

Airport Authority



City Treasury

Duluth Airport Authority
DAA Operating ACH Payment Register #24-2022
July 15, 2022


Confirmation #1950066

Document Number	Date	Transaction Type	Payee	Amount
00000039/1	7/14/2022	BILLPMT	Bodin, Joelle	\$60.00
00000039/10	7/14/2022	BILLPMT	Sinnott, Paul	\$60.00
00000039/11	7/14/2022	BILLPMT	Snell, Matthew J	\$60.00
00000039/12	7/14/2022	BILLPMT	Timm, Kenneth	\$60.00
00000039/13	7/14/2022	BILLPMT	Welch, Ryan	\$60.00
00000039/14	7/14/2022	BILLPMT	Werner, Thomas	\$60.00
00000039/15	7/14/2022	BILLPMT	Wittkop, Mary Ann	\$60.00
00000039/2	7/14/2022	BILLPMT	Border States	\$512.13
00000039/3	7/14/2022	BILLPMT	Graves, John	\$60.00
00000039/4	7/14/2022	BILLPMT	Kayser, Jana	\$60.00
00000039/5	7/14/2022	BILLPMT	Kayser, Jana M	\$340.35
00000039/6	7/14/2022	BILLPMT	Leon, Kathy	\$60.00
00000039/7	7/14/2022	BILLPMT	Menards - Hermantown	\$43.98
00000039/8	7/14/2022	BILLPMT	Papko, Mark	\$60.00
00000039/9	7/14/2022	BILLPMT	Peterson, Natalie	\$60.00
Total				<u>\$1,616.46</u>



Airport Director

Airport Authority



City Treasurer

Duluth Airport Authority
DAA Operating ACH Payment Register #25-2022
July 26, 2022

Confirmation #2060271

Document Number	Date	Transaction Type	Payee	Amount
00000040/1	7/26/2022	BILLPMT	Benson Electric Company	\$888.38
00000040/10	7/26/2022	BILLPMT	Kaplan Kirsch & Rockwell LLP	\$3,885.00
00000040/11	7/26/2022	BILLPMT	Menards - Hermantown	\$2.19
00000040/12	7/26/2022	BILLPMT	Menards - Hermantown	\$60.96
00000040/13	7/26/2022	BILLPMT	Menards - Hermantown	\$6.99
00000040/14	7/26/2022	BILLPMT	Menards - Hermantown	\$89.96
00000040/15	7/26/2022	BILLPMT	Menards - Hermantown	\$107.72
00000040/16	7/26/2022	BILLPMT	Metro Sales, Inc.	\$320.71
00000040/17	7/26/2022	BILLPMT	Timm, Kenneth	\$78.78
00000040/18	7/26/2022	BILLPMT	Turbo Diesel & Electric	\$2,523.36
00000040/2	7/26/2022	BILLPMT	Border States	\$780.85
00000040/3	7/26/2022	BILLPMT	Border States	\$106.32
00000040/4	7/26/2022	BILLPMT	Citon	\$450.00
00000040/5	7/26/2022	BILLPMT	Innovational Water Solutions, Inc.	\$148.00
00000040/6	7/26/2022	BILLPMT	Inter City Oil (ICO)	\$14.71
00000040/7	7/26/2022	BILLPMT	Inter City Oil (ICO)	\$5,256.83
00000040/8	7/26/2022	BILLPMT	Inter City Oil (ICO)	\$4,361.27
00000040/9	7/26/2022	BILLPMT	Jamar Company	\$7,675.00
			Total	\$26,757.03



Airport Director

Airport Authority



City Treasury

Duluth Airport Authority
DAA Operating ACH Payment Register #26-2022
August 5, 2022

Confirmation #2160134

Document Number	Date	Transaction Type	Payee	Amount
00000041/1	8/5/2022	BILLPMT	Anderson, Derek	\$873.34
00000041/10	8/5/2022	BILLPMT	Hermantown Hydraulics, LLC	\$189.80
00000041/11	8/5/2022	BILLPMT	Jamar Company	\$1,932.00
00000041/12	8/5/2022	BILLPMT	Kleen-Tech	\$20,909.00
00000041/13	8/5/2022	BILLPMT	Kleen-Tech	\$20,909.00
00000041/14	8/5/2022	BILLPMT	Menards - Hermantown	\$69.40
00000041/15	8/5/2022	BILLPMT	Mike's Signs	\$125.00
00000041/16	8/5/2022	BILLPMT	Paul Bunyan Communications	\$1,160.00
00000041/2	8/5/2022	BILLPMT	Arrowhead Tap House	\$8.21
00000041/3	8/5/2022	BILLPMT	Benson Electric Company	\$850.47
00000041/4	8/5/2022	BILLPMT	Best Oil Company	\$12,661.44
00000041/5	8/5/2022	BILLPMT	General Security Services Corporation	\$1,260.00
00000041/6	8/5/2022	BILLPMT	General Security Services Corporation	\$19,490.40
00000041/7	8/5/2022	BILLPMT	Guardian Pest Solutions	\$75.50
00000041/8	8/5/2022	BILLPMT	Guardian Pest Solutions	\$76.77
00000041/9	8/5/2022	BILLPMT	Guardian Pest Solutions	\$52.51
Total				<u>\$80,642.84</u>



Airport Director

Airport Authority



City Treasury

Duluth Airport Authority
DAA Construction Check Register #8-2022
July 20, 2022

Document Number From 11384 To 11390

Document #	Date	Transaction Type	Payee	Amount
11384	7/20/2022	BILLPMT	1 Becher Hoppe	\$4,100.00
11385	7/20/2022	BILLPMT	1 MediaUSA Adverising Inc	\$1,115.00
11386	7/20/2022	BILLPMT	1 Prairie Restorations, Inc.	\$3,234.00
11387	7/20/2022	BILLPMT	1 Rachel Contracting, LLC	\$221,294.52
11388	7/20/2022	BILLPMT	1 Shafer Contracting Co., Inc.	\$1,586,092.64
11389	7/20/2022	BILLPMT	1 Short Elliott Hendrickson	\$191,425.00
11390	7/20/2022	BILLPMT	1 Short Elliott Hendrickson	\$231,750.00
Total				<u>\$2,239,011.16</u>



Airport Director



City Treasury

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Summer Construction Newsletter

Duluth International Airport (DLH)

Weekly Update - Thursday, July 14, 2022

Taxiway A - Phase 1 Project

Phase 1B of Taxiway A wrapped up on Wednesday. Taxiway A has fully reopened to allow for smooth operations during the air show that is scheduled for this weekend. No additional construction work will take place until the completion of the air show. This past week, work focused on sweeping the project site and ensuring the area is safe for aircraft operations. Additionally, new taxiway edge lighting and new airfield guidance signs were installed.

Next Week

Phase 1A is anticipated to start on Monday, July 18th with the closure of Runway 3/21 and Taxiway A between Taxiway C and the Commercial Service Apron. NOTAMs should always be checked to verify the current status of the airfield.

Anticipated Project Schedule - Subject to change

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

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Hangar 101 Demolition Project

There was no work completed at the Hangar 101 site this week due to material supply delays of the permanent fence. It is anticipated these materials will arrive next week and the contractor will promptly install the permanent fence.

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18th. This project will occur during the planned Runway 3/21 closure as part of Phase 1A of the Taxiway A reconstruction project. Expect a Runway 3/21 closure to start next week.

Anticipated Project Schedule - Subject to change

- This project is expected to start on July 18th

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

Adinda Van Espen, Project Manager - SEH - avanespen@sehinc.com

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Duluth International Airport

(218) 727-2968
daa@duluthairport.com

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Summer Construction Newsletter

Duluth International Airport (DLH)

Weekly Update - Week of July 18th

Taxiway A - Phase 1 Project

Phase 1A began on Monday, July 18th with traffic control placement, barricade setup and saw cutting the project limits. This work came with several airfield closures and the respective NOTAMs are now active. Throughout the week, milling of the Runway 3/21 bituminous pavement began and excavation of the terminal apron concrete began.

Next Week

Milling will continue into this week.

Anticipated Project Schedule - Subject to change

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



Hangar 101 Demolition Project

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Runway 3/21 Lighting and Signage Project

PEC Solutions demolished the electrical fixtures south of Taxiway A on Runway 3/21. Conduit plowing and the placing of runway edge light base cans also began last week.



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

Adinda Van Espen, Project Manager - SEH - avanespen@sehinc.com

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Summer Construction Newsletter

Duluth International Airport (DLH)

Weekly Update - July 29th

Taxiway A - Phase 1 Project

The milling of the existing bituminous pavement was the main focus of this week and continues through Friday, the 29th. On Wednesday, the contractor began the prep work on the first layer of the new Taxiway A section. Work also began on installing the draitile, which helps with drainage below the pavement surface. Additional work began on the installation of the storm sewer and storm structures.

Next Week

Similar work is expected for next week.

Anticipated Project Schedule - Subject to change

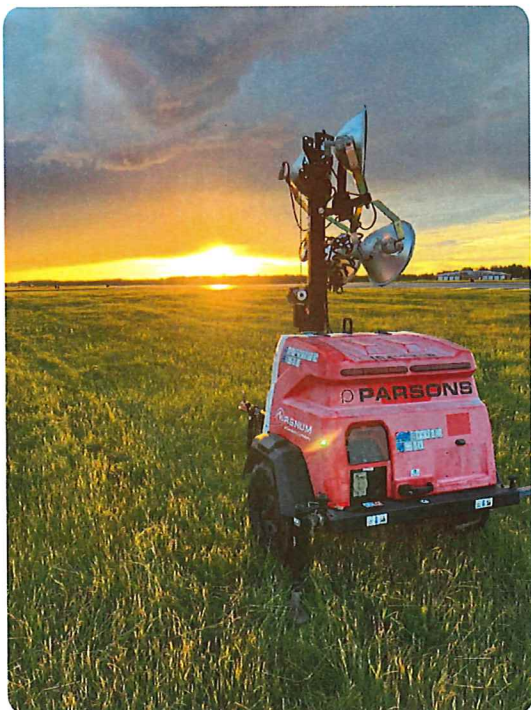
- Taxiway A Phase 1A: July 18th - September 20th



Runway 3/21 Lighting and Signage Project

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Runway 3/21 & Runway 9/27 saw cutting locations for new electrical components. The installation of new airfield guidance sign pads is expected for Friday, July 29th.



Hangar 101 Demolition Project

Century Fence finished installing the permanent fence and the temporary fence was removed. Additional site cleanup was also completed.



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



Sun Country's Newest Route is its Shortest: Just 85 Miles Long

[Kyle Potter](#) - July 15, 2022

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Sun Country just added a new Midwestern city to its route map ... and it won't take too long to get there from its Minneapolis-St. Paul (MSP) hub.

The Minnesota-based budget carrier [announced this week](#) it would begin flights this winter between Minneapolis and Eau Claire (EAU) in Wisconsin – just 85 miles away, according to [the Great Circle Mapper](#). At that distance, it should be about 35 or 40 minutes in the air, tops – probably less time than it'll take to get through security and grab a bag after landing. Heck, you could drive from airport to airport in 90 minutes or less.

Yet believe it or not, that's still not the shortest flight in the U.S. You can fly just 66 miles from San Francisco (SFO) to the vineyard region of Santa Rosa (STS) or from Denver (DEN) down to Colorado Springs (COS) over 73 miles. American Airlines briefly operated a Colorado resort hopper: a 29-mile flight from Vail (EGE) to Aspen (ASE).

It's not even the shortest flight out of Minneapolis: That goes to Delta's route to Rochester (RST), the home of Mayo Clinic and a business-heavy route which clocks in at 76 miles each way.

Still, that's a short flight. There's no word yet on what, if any, inflight service Sun Country may offer on the quick jaunt. The route isn't on sale yet, but flights are expected to start sometime in December.

Odd though it may seem, it's part of a big win for Sun Country.

The airline won its bid to provide Essential Air Service (EAS) routes, federally subsidized routes to communities that otherwise couldn't support regular flights, to the Eau Claire area's Chippewa Valley Regional Airport. The plans call for two roundtrip flights a week between Minneapolis and Eau Claire, plus two more roundtrip flights to Orlando (MCO), Las Vegas (LAS), or Fort Myers (RSW), flying to one or the other based on seasonal demand.

By adding the 85-mile flight to Minneapolis into the mix, Sun Country can beef up how many flights it can support out of the western Wisconsin city and also give Eau Claire-based travelers plenty more destinations to connect onward from Minneapolis. The U.S. Department of Transportation waived the usual requirement for at least two flights a day, six days a week to give the nod to Sun Country.

"This is a great fit for Sun Country to provide additional service in Wisconsin, and we are excited to bring new service to the Chippewa Valley region," said Grant Whitney, the airline's chief revenue officer.

Sun Country is stepping in as another airline exits Eau Claire. Regional carrier SkyWest had for years flown from Eau Claire to Chicago-O'Hare (ORD) on behalf of United Airlines, but announced its plan in March to cut the route. That opened the door for Sun Country, which beat out Boutique Airways and Southern Airways Express to get the government's blessing.

But unlike United Express flights, Sun Country doesn't have any tiny, 50-seat regional jets to make the 30-minute hop. It's only got Boeing 737s in its fleet, and the airline plans to run all its routes out of Eau Claire on 186-seat Boeing 737-800s.

Combined with the federal subsidies that will cover some of Sun Country's costs, all those seats to fill could be a recipe for low fares for Eau Claire residents.

Bottom Line

It's not the shortest airline route in the U.S., but it's pretty darn close.

Come sometime in December, Sun Country will start flying all of 85 miles from Eau Claire to Minneapolis along with several other seasonal routes from western Wisconsin to warm getaway destinations.

This story has been corrected to note that Sun Country will fly its Eau Claire routes on the Boeing 737-800.



Sun Country is Growing Fast; Could it Grow All the Way to Europe?

[Kyle Potter-July 25, 2022](#)

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In the eyes of some Minnesota travelers, Sun Country forfeited decades of goodwill with its rapid transition to a budget airline: Goodbye first class seats and onboard cheeseburgers, hello higher fees and narrower seats. But for its CEO, that change was a necessity.

"I just don't know what would have happened to this company if we had not changed the way we did business," Jude Bricker told Thrifty Traveler in an interview last week. "I don't know if we'd be here today."

Along with [taking the airline public last year](#), it's one of two critical decisions made in the last half-decade that have drastically re-charted the Minnesota-based airline's course. After struggling to break even financially even during the best of times, Sun Country has been churning out steady profits, growing fast, and thinking bigger than ever before.

"This is the tradeoff," Bricker said. "It was a tough communication ... to the Twin Cities, but also to our own employees. But I think we're beyond that now."

Through a pandemic that hammered airlines, Sun Country is on track to grow its fleet to 54 planes by the end of the year – well ahead of the goal of 50 jets by the end of 2023 that the airline set when it filed the paperwork to go public. As the latest surge in travel [pushes carriers big and small to their limits](#), Bricker and the airline are currently focused on staffing up to meet that demand and expanding the vacation-heavy routes that are their bread and butter.

But Sun Country is thinking longer-term, too. Bricker laid out goals to keep building out the cargo-flying business that was a lifeline for the airline in 2020, thinking about how they could bring on more [government-subsidized routes to small Midwestern towns](#) as soon as next year, and eventually bring on widebody planes – and fly them to Europe.

Sun Country 2.0?

Bricker said Sun Country's transition to a budget carrier more in the vein of Spirit and Frontier "put this airline on a sustainable financial path." That doesn't mean it was easy.

Travelers balked at paying for seats, luggage and even carry-on bags that were once free. Above all, Sun Country's reputation still hurting from a 2018 episode in which [it stranded hundreds of travelers in Mexico](#) as a winter storm hammered its Minneapolis-St. Paul (MSP) hub.

"We should have just been a lot more aggressive right from the beginning," Bricker said recently [of the airline's response](#) at the time.

Every subsequent [computer outage](#) and [scheduling snafu](#) triggers comments tying back to that saga, lamenting Sun Country's pivot to an ultra-low-cost carrier. But from the start, the airline has tried to split the difference between full-service legacy carriers like Delta and ultra-low-cost carriers like Frontier or Allegiant.

First class seats are gone and legroom on its refurbished planes is tighter than it once was, but the airline went with better-padded seats than the slimline seats you'll find on its low-cost competitors. They offer more service onboard with a Minnesota flair, offering locally made products like Fulton beer and Dot's Pretzels.

"We still had ashtrays in almost all the seats," Chief Marketing Officer Brian Davis said of the airline's older interiors. "The current onboard product ... is far superior. It's much better."

Sun Country has taken that model and put it on steroids after going public. While its stock has struggled lately along with the rest of the industry, [shares soared during the airline's initial public offering](#) last year as investors gave its new business model a vote of confidence.

Bricker called going public an opportunity "to leverage into this recovery in travel." And they have: Sun Country has gone from having just \$80 million or so in its bank accounts to more than \$320 million.

"We probably had about \$80 million in the bank, which is about two months of operating expenses. That's rough, man. It's hard to make investments, it's hard to survive," Bricker said. "We're just in a dramatically different place because of our access to the capital markets."

The airline is using that money to bring in more planes, train more pilots, and do more of what it already does most: Fly Minnesotans for a vacation, especially somewhere warm in the winter. Almost a year and a half ahead of schedule, Sun Country already has 50-plus planes in its fleet and counting – up from less than 40 before the pandemic.

In the short-term, Sun Country will keep doubling down on the tried-and-true destinations like Phoenix (PHX), Las Vegas (LAS), and throughout California and Florida while trying out a new route here and there. Bricker said the airline plans to launch nonstop service from Minneapolis to Grand Cayman (GCM) this coming winter.

Widebody Planes? To Europe?

Sun Country raised some eyebrows among eagle-eyed aviation watchers with its newest pilot contract late last year. Not only did it raise pay for the pilots flying its all-Boeing 737 fleet, but it also added pay rates for two much-bigger jets that Sun Country doesn't even own: Boeing 767s and Airbus A330s.

Airlines regularly put these "what-if" provisions in contracts, whether they really intend to bring new planes into operation or not. But it's not just a theoretical exercise: **Bricker thinks there's a future for twin-aisle**

jets at Sun Country ... flying both cargo and passengers.

Let's back up. For airlines, simplicity (like Sun Country's fleet of all Boeing 737s, for instance) has some huge advantages. You need only look at Southwest Airlines and its massive fleet of 700-plus Boeing 737s as evidence. One plane type means lower costs for everything from training pilots to providing maintenance to securing spare parts.

And for Sun Country, in particular, it's been all about buying used Boeing planes on the cheap. That's not changing anytime soon, Bricker said – though they might entertain a new 737 Max someday ... if Boeing were to “get real serious about what they charge.”

But a widebody plane in Sun Country orange-white-and-blue paint could become a reality. Bricker said it would likely start with cargo operations, building on the airline's successful partnership flying packages for Amazon or pairing up with another cargo operator like DHL.

“I think that can combine really well with a passenger operation in the same aircraft type, with long-haul options for Minnesota travelers to ... Europe or the Deep South or wherever the opportunity is,” Bricker said, later adding Hawaii as an option ripe for widebody flying. “It's just not practical right now at the moment. But three years from now? Four years from now?”

With another 50-plus seats on board compared to their 737-800s, a bigger Boeing 767 or Airbus A330 would help in the winter when Sun Country simply needs more seats to fly south. Bricker also raised the prospect of flying charters for big college football teams or even the NFL – a natural next step after [inking a leaguewide deal to fly Major League Soccer](#) teams last year.

Flying passengers to Europe is no sure thing. Bricker didn't mention any particular destinations they'd consider, and said it may not even be nonstop service from Minneapolis if it materializes. But Sun Country's steady cargo operations and flying those big jets south in the winters could help the airline succeed where other transatlantic budget airlines like [WOW Air](#) and [Norwegian Air](#) have failed.

It wouldn't even be Sun Country's first foray into Europe. The airline briefly flew from Minneapolis to London-Stansted (STN) with a refueling stop in Newfoundland more than a decade ago. And they wouldn't be Sun Country's first widebody planes, either: The airline once operated McDonnell Douglas DC-10s, though those haven't flown for more than two decades.

But Bricker was practically giddy about the prospect of flying to Europe someday.

“The truth is, Europe is the best thing in the summertime for a widebody airplane to be doing,” he said. “Flying the Atlantic is where all the demand is in the summer months.”

A New Opportunity

While Bricker contemplates flying 3,000-plus miles across the pond, the airline is set to launch its shortest flight yet: an 85-mile hop from Minneapolis to Eau Claire (EAU) in Wisconsin.

[Announced earlier this month](#), that route is part of Sun Country's first Essential Air Service (EAS) routes in and out of Eau Claire's Chippewa Valley Regional Airport. These EAS routes are federally subsidized to communities that otherwise couldn't support regular flights. The plans call for two roundtrip flights a week between Minneapolis and Eau Claire, plus two more roundtrip flights straight from Eau Claire to Orlando (MCO), Las Vegas (LAS), or Fort Myers (RSW), flying to one or the other based on seasonal demand.

A budget airline like Sun Country is a novelty on these government-subsidized routes, which are typically operated by regional carriers under the banner of Delta Connection, American Eagle, and United Express to and from each airlines' big hubs. But Sun Country saw an opportunity to swoop in as those airlines exit smaller towns amid a pilot shortage – United is dropping service between Eau Claire and Chicago-O'Hare (ORD) later this year.

With a few connecting flights to Minneapolis and a few more direct flights to sunny destinations, Sun Country is flipping the script on how these flights typically operate.

"We hope that it's a model for replacing some of the Essential Air Service that's going to be lost over the next couple of years," Bricker said.

Beyond the subsidies and new customers, Sun Country plans to use the Eau Claire airport as an overflow for its Minneapolis home base, storing some planes overnight and also performing maintenance there. Sun Country flights from Eau Claire are set to begin this winter, and Bricker said the airline will see how it goes before looking to expand its portfolio of these smaller-town routes elsewhere in the Midwest.

"We need to see how Eau Claire goes. We need to make sure it's a good strategy," he said.

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DULUTH AIRPORT AUTHORITY

July 28, 2022

Hangar Tenant

RE: Hangar Inspection and Compliance Notification

Dear Tenant,

This letter is to notify you of the upcoming annual hangar inspections that will be conducted by the Duluth Airport Authority (DAA). It is the DAA's intention to manage the hangars for proper use, lease compliance, and safety to protect all users of the airport. **Please refer to your contract to ensure compliance.** Starting this August, DAA staff will inspect all hangars. If you would like to be present during your inspection, please contact Jana Kayser 218-625-7775 to schedule.

An area of emphasis for hangar inspections will be the presence of an active, operational, and airworthy aircraft. The FAA has identified two conditions that must be met for an aircraft to be considered airworthy (flyable):

1. The aircraft must conform to its Type Certificate (TC). The aircraft configuration and the components installed must be consistent with the drawings, specifications, and other data that are part of the TC, which includes any supplemental type certificates (STC) and field approved alterations incorporated into the aircraft.
2. The aircraft must be in a condition for safe operation. This refers to the condition of the aircraft relative to wear and deterioration, for example, skin corrosion, window de-lamination/crazing, fluid leaks, and tire wear.

Our Hangar Lease Agreement requires as follows:

Section 1 Aircraft Storage and Moving: "Landlord agrees to lease Tenant aircraft storage space in the hangar defined in Schedule 1 ("the Hangar") for the sole purpose of storage of the aircraft identified in Schedule 2 ("the Aircraft"). The Aircraft must be active and operational meaning currently licensed and flyable and which is flown to and from Duluth International Airport ("DIA") periodically during the year. Failure to comply with this requirement may be grounds for Termination as identified in Section 20 contained herein."

Upon inspection if DAA staff suspect that the Aircraft in the Hangar does not meet the requirements listed above, DAA staff will request documentation to confirm if the Aircraft is in fact active, operational, and airworthy (flyable). The Tenant will have ten (10) business days to provide said documentation. If DAA staff determine that the Aircraft is not active, operational, and airworthy (flyable), the Tenant will be granted thirty (30) days to become compliant. If the Tenant is unable to become compliant in the thirty (30) day period, the DAA will terminate the Hangar Lease Agreement.



Hangar space is in high demand in our region and the DAA is committed to fostering the growth of aviation activity at DLH. Please contact me with any questions. Thank you in advance for your cooperation.

Sincerely,

Jana M. Kayser, C.M.
Business Development Manager
Duluth Airport Authority

Mary Ann Wittkop

From: Don Monaco <donm@monacoairduluth.com>
Sent: Sunday, July 31, 2022 2:01 PM
To: Tom Werner; makik
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)'; 'Steve Overom (soverom@overomlaw.com)'; Mary Ann Wittkop
Subject: July, 2022 Monaco Air Foundation Report

Tom and Kim,

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

Summary of July, 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 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. Please identify a DAA Director who is willing to serve and prepare a resolution for consideration at the August or September 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

www.monacoairduluth.com

United States Senate
WASHINGTON, DC 20510

August 1, 2022

Chris Magnus
Commissioner, U.S. Customs and Border Protection
1300 Pennsylvania Ave. NW
Washington, DC 20229

Dear Commissioner Magnus:

Representatives from the Duluth Airport Authority have informed us that U.S. Customs and Border Protection (CBP) are not able to provide service to international aircraft arriving outside of CBP's hours at the facilities. We are sending this letter to request additional clarity about CBP's policies on this issue.

As you know, international airports are a boon to the communities and states that they serve. Minnesota's airports are no exception. Our international airports in Minneapolis-St. Paul, Rochester, International Falls, and Duluth are important hubs connecting people and businesses in Minnesota to the rest of the world. The Duluth International Airport alone generates over \$760 million in economic activity per year and supports more than 6,000 jobs.¹

The Duluth Airport Authority reports that in the past CBP has provided customs inspections for international arrivals after hours without charging additional fees. CBP has recently informed the airport, however, that due to increased international traffic outside of CBP's regular hours, in the future the agency will charge to process international arrivals outside of the regular hours. Regional CBP personnel have informed us that, in their view, the power to set after-hours processing charges falls within the agency's statutory authority. The Duluth Airport Authority is concerned that this policy may violate federal regulations and harm its international business.

We appreciate CBP's work to ensure that international flights arrive smoothly in airports across Minnesota. To enable the Duluth Airport Authority to plan for the future, we seek to understand CBP's policies regarding charging for after-hours customs processing generally, as well as CBP's policies affecting the Duluth Airport Authority specifically.

Therefore, we respectfully request responses to the questions below:

1. What is CBP's policy regarding charging for after-hours customs processing?
 - a. Is this policy published anywhere? If so, where?
 - b. What is the statutory basis for the policy?

¹ *Executive Summary of Minnesota Statewide Airport Economic Impact Study* at 8, MnDOT (2019), <https://www.dot.state.mn.us/airport-economic-study/index.htm>; <https://duluthairport.com/2020/05/04/duluth-international-airport-economic-benefits/>.

2. How long has this policy been in effect?
 - a. If the policy is new, what prompted the change?
 - b. If it is not new, did any circumstances change with respect to Duluth Airport Authority that changed the practical effect of the policy?
3. Is it true that in the past CBP has not previously charged the Duluth Airport Authority for after-hours custom processing? If so, why did CBP previously not charge for customs processing? What was the justification for this change?
4. How many other airports listed in 19 C.F.R. § 122.13 have had similar restrictions or fees imposed on them?

Thank you for your attention to this important issue.

Sincerely,



Amy Klobuchar
United States Senator



Tina Smith
United States Senator



Pete Stauber
Member of Congress

Duluth Airport Authority
Resolution to Accept and Award the contract for the construction of
Taxiway A Phases 2 & 4, and Phase 1 of the Midfield Ramp Repair at the
Duluth International Airport between the Duluth Airport Authority and Shafer
Construction Co., Inc.

Terms:

- Estimated Administrative start date of September 1, 2022
- Estimated Construction start date of May 15, 2023
- 139 Calendar Days

Agreement Overview:

The contract is for the construction of Taxiway A Phases 2 & 4, and Phase 1 of the Midfield Ramp Repair project in the amount received from Shafer Construction Co., Inc. from bids received on August 4, 2022. Attached is a copy of the draft contract. This resolution includes the award of the contract. Execution of the contract will be contingent on verification and compliance of the necessary bonds and insurance certificate with contract requirements.

Background:

Bids were received using BidExpress by SEH on behalf of the City of Duluth by 2:00pm on August 4, 2022 for the above referenced project. Three contractors submitted bids: the low bid was below the engineer's estimate by 14 percent.

Engineer's Estimate	\$13,160,290
Shafer Construction Co., Inc.	\$11,335,917
KGM	\$11,967,921
Ulland Brothers	\$12,262,409

The AIP-eligible scope of the Taxiway A Phases 2&4 portion of the project are anticipated to be funded at 90% by the Federal Aviation Administration. The AIP ineligible scope of the Taxiway A Phases 2&4 portion of the project are anticipated to be funded by the Air National Guard at 100 percent. The local contribution for the AIP-eligible portion of the project is anticipated to be five percent.

The Midfield Ramp Repair Phase 1 scope of the project will be funded at 70 percent by the Minnesota Department of Aeronautics Department of Transportation (MnDOT) funding. The local contribution of the Midfield Ramp Repair Phase 1 scope will be 30 percent. The construction is anticipated to begin on May 15, 2023.

STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND CONTRACTOR
ON THE BASIS OF A STIPULATED PRICE

THIS AGREEMENT is by and between the Duluth Airport Authority
(Owner) and Shafer Contracting Co., Inc. (Contractor).

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

- 1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: Taxiway A Reconstruction – Phases 2 & 4, includes the Midfield Ramp Repair Project.

ARTICLE 2 – THE PROJECT

- 2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: Reconstruction of Taxiway A and Taxiway A4. Construction of SRE Apron. Repair of the Midfield Ramp.

ARTICLE 3 – ENGINEER

- 3.01 The Project has been designed by Short Elliott Hendrickson Inc. (SEH®).
- 3.02 The Owner has retained SEH (Engineer) to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

4.01 *Time of the Essence*

- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 *Contract Times: Dates*

- A. All work shall be substantially complete in 139 calendar days from Construction Notice to Proceed. Pause in work due to the DLH Airshow on July 14-17, 2023 shall not be counted towards the contract time. Final Completion, addressing all punch list items, shall be achieved 7 days after substantial completion is achieved.
- B. Parts of the Work shall be substantially completed on or before the following Milestone(s):
1. Milestone 1 – Phase 4 and the Midfield Ramp Repair shall be complete in 60 calendar days, and complete by July 13, 2023.
 2. Milestone 2 - Phase 2A shall be complete in 76 calendar days and work shall be concurrent with Phase 2B. Phase 2A will start following the DLH Airshow at 10am on July 18, 2023.
 3. Milestone 3 – Phase 2B work shall be concurrent with Phases 2A and 2C. Runway 9/27 shall be closed for 60 consecutive hours for this phase upon approval from the DAA and other closures of Runway 9/27 for this phase shall be performed in 7 night closures approved by the DAA.
 4. Milestone 4 – Phase 2C shall be completed in 76 calendar days. Work on Phase 2C shall be performed concurrently with Phases 2A and 2B. This is considered the Alternate portion of the work.

are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer as provided in Paragraph 10.06 of the General Conditions.

The Estimated Total of All Unit Price Work is:

\$ 10,484,224

ARTICLE 6 – PAYMENT PROCEDURES

6.01 Submittal and Processing of Payments

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions, Supplementary Conditions, and Section 90, *Measurement and Payment*. Payments will be due 30 days after approval.

6.02 Progress Payments; Retainage

- A. Subject to the provisions of SC-15.01.C, Owner shall make monthly progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment during performance of the Work as provided in Paragraph 6.02.A.1 below, provided that such Applications of Payment have been submitted in a timely manner and otherwise meet the requirements of the Contract. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract:

1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract:
 - a. 95 percent of Work completed (with the balance being retainage).
 - b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

6.03 Final Payment

- A. Upon final completion and acceptance of the Work in accordance with Paragraph 15.06 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 15.06.

6.04 Interest

All amounts not paid when due shall bear interest at the rate of four percent (4%) percent per annum.

ARTICLE 7 – CONTRACT DOCUMENTS

7.01 Contents

- A. The Contract Documents consist of the following:
1. Addenda (numbers 00 00 1__ to 00 00 1__, inclusive).
 2. This Agreement (pages 00 52 00-1 to 00 52 00-7, inclusive).
 3. Performance Bond (Document 00 61 13).
 4. Payment Bond (Document 00 61 14).
 5. General Conditions (pages 00 72 00-1 to 00 72 00-66, inclusive).
 6. Supplementary Conditions (pages 00 73 00-1 to 00 73 00-9, inclusive).
 7. Specifications as listed in the table of contents of the Project Manual.
 8. The Drawings listed in the index located on Drawing Sheet *G0.01 – Table of Contents*.

7. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
8. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
9. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
10. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.

8.02 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 8.02:
 1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
 3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
 4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

ARTICLE 9 – MISCELLANEOUS

9.01 *Terms*

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

9.02 *Assignment of Contract*

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

9.03 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

9.04 *Severability*

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on August 16th, 2022 (which is the Effective Date of the Contract).

OWNER:

Duluth Airport Authority

By: _____

Title: _____

[CORPORATE SEAL]

Attest: _____

Title: _____

Address for Giving Notices:

(If Owner is a corporation, attach evidence of authority to sign. If Owner is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of Owner-Contractor Agreement).

Designated Representative:

Name: _____

Title: _____

Address: _____

Phone: _____

Facsimile: _____

CONTRACTOR:

Shafer Contracting Co., Inc.

By: _____

Title: _____

[CORPORATE SEAL]

Attest: _____

Title: _____

Address for Giving Notices:

License No. _____

(Where Applicable)

Agent for service of process: _____

(If Contractor is a corporation or a partnership, attach evidence of authority to sign.)

Designated Representative:

Name: _____

Title: _____

Address: _____

Phone: _____

Facsimile: _____

END OF DOCUMENT

Duluth Airport Authority
Short Elliott Hendrickson Inc. (SEH) Work Order 2022-14 for Construction
Administration, Observation, and Closeout for the Midfield Ramp Repair –
Phase 1 Project at the Duluth International Airport

Terms:

- Estimated start date of May 15, 2023
- Estimated end date of July 13, 2023
- Estimated duration of 60 calendar days

Agreement Overview:

This work order includes construction administration, observation, and closeout for the Midfield Ramp Repair – Phase 1 project at Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 1-21-2020) between the DAA and SEH remain in effect for this work order.

Background:

The Midfield Ramp at the Duluth International Airport (DLH) is located adjacent to the Snow Removal Equipment Maintenance Facility, east of the Cirrus area. The Midfield Ramp is approximately 36,100 square yards and is intended to serve as parking for large transient aircraft, such as military cargo aircraft or commercial service aircraft that diverted from other airports.

The proposed Phase 1 construction project will include reconstruction of the northeast corner of the Midfield Ramp facility. This work will include removal and construction of approximately 4,800 square yards of concrete apron pavement. The pavement will be reconstructed over a crushed concrete base material salvaged from an on-site stockpile of available material. Work also includes reconstruction of an existing storm sewer utility.

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

Engineering services for the scope of work are anticipated to be funded at a 70 percent rate by the Minnesota Department of Transportation (MnDOT). The anticipated local share is 30 percent.

**WORK ORDER
No. 2022-14
Between**

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

Dated: August 15, 2022

**MIDFIELD RAMP REPAIR – PHASE 1 (CONSTRUCTION ADMINISTRATION,
OBSERVATION AND CLOSEOUT)
DULUTH INTERNATIONAL AIRPORT (DLH)**

This work order includes professional services for construction administration, observation and closeout for the repair of a portion of the Midfield Ramp at the Duluth International Airport (DLH). The contract provisions included in the Master Agreement (dated 1-21-2020) between the DAA and SEH remain in effect for this work order.

Estimated start date is August 15, 2022; estimated end date is December 31, 2023.

Compensation by the Owner to the Consultant shall be a lump sum amount of \$124,300.00.

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

Point of Contact: Shawn McMahon, Principal

APPROVED:

Duluth Airport Authority (DAA)

Short Elliott Hendrickson Inc.

Title: _____



Title: Principal

Date: _____

Date: August 15, 2022

Title: _____

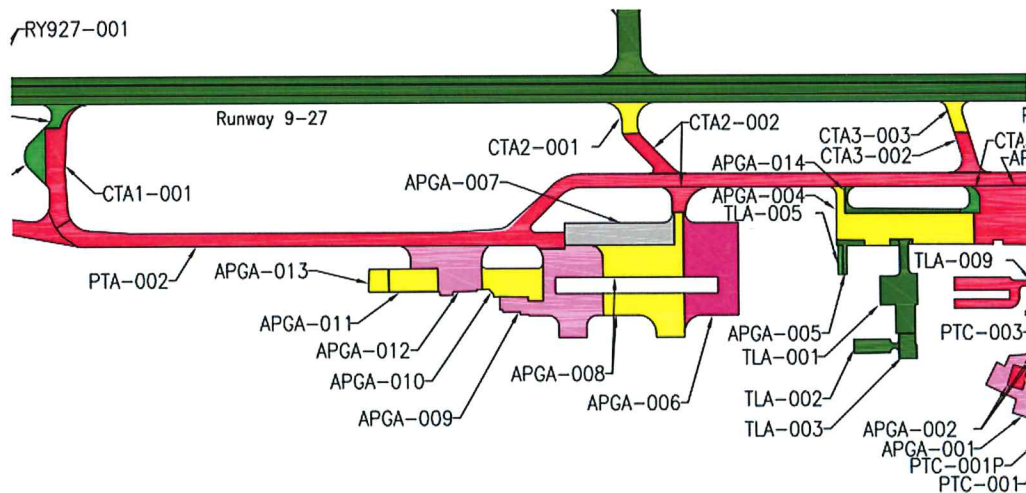
Date: _____

ATTACHMENT A
Duluth International Airport (DLH)
Duluth Airport Authority (DAA)
Midfield Ramp Repair – Phase 1
S.P. No. A6901-203

Scope of Work
(Construction Administration, Observation and Closeout)

General – The Midfield Ramp at the Duluth International Airport (DLH) is located adjacent to the Snow Removal Equipment Maintenance Facility, east of the Cirrus area. The Midfield Ramp is approximately 36,100 square yards and is intended to serve as parking for large transient aircraft, such as military cargo aircraft or commercial service aircraft that diverted from other airports.

Some of the Midfield Ramp pavement has been rated as some of the worst on the Airfield. The most recent pavement inspection completed by MnDOT Aeronautics in 2018 showed a portion of the pavement as “failed” and another portion in “very poor” or “fair” condition. See the excerpt from the pavement condition report below.



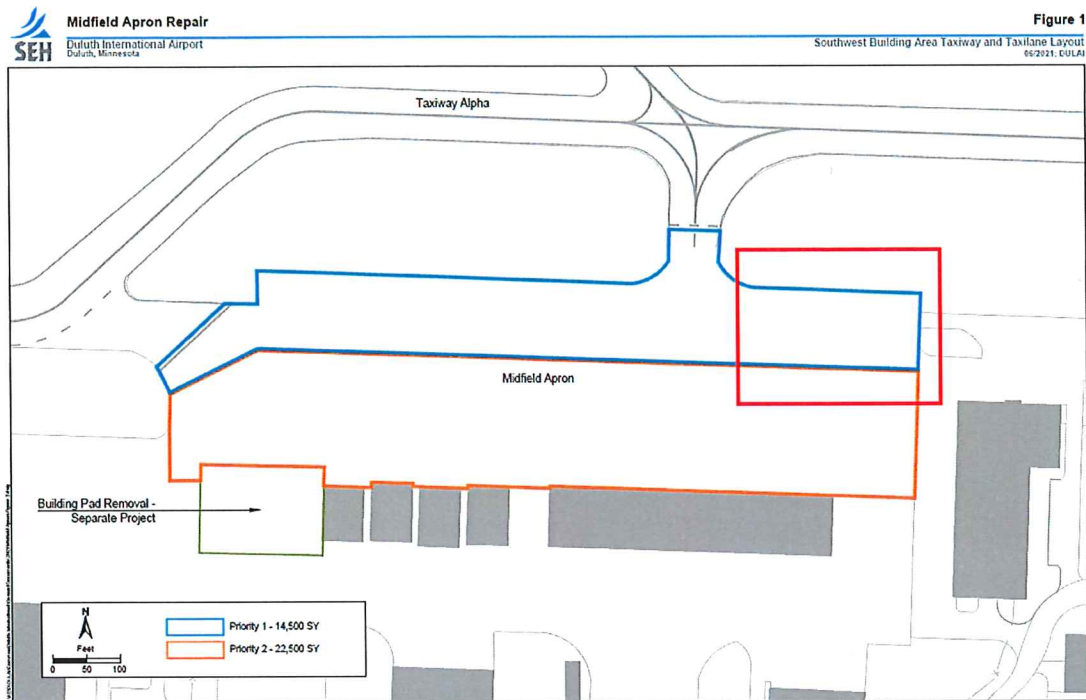
	Failed	Very Poor	Poor	Fair	Good	Very Good	Excellent	PCI INDEX
NS	0-10	11-25	26-40	41-55	56-70	71-85	86-100	

Figure 4. 2018 PCI Summary Map at Duluth International Airport (DLH).

The proposed Phase 1 construction project will include reconstruction of the northeast corner of the Midfield Ramp facility. This work will include removal and construction of approximately 4,800 square yards of concrete apron pavement. The pavement will be reconstructed over a crushed concrete base material salvaged from an on-site stockpile of available material. Work also includes reconstruction of an existing storm sewer utility.

Project bids were opened in August 2022, and the project schedule includes construction being performed in 2023. The Midfield Ramp Repair project will be constructed concurrently with the adjacent FAA-eligible Taxiway A Phase 4 (SRE Apron Expansion) construction, and will be

constructed over a 60 calendar schedule between May 15 and July 13. This scope of engineering services includes construction administration, observation, and project closeout services, as well as public outreach and project management.



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 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.

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 – 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 1.4 – Establish Survey Control – SEH will establish the necessary horizontal and vertical control for construction staking for the project. (The Contractor is required to provide the construction staking.)

Task 1.5 – 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, 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 (material testing firm).

Task 1.6 – 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 1.7 – Submittal and Shop Drawing Review – SEH will review product and material data, shop drawings, concrete material testing and concrete 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 1.8 – 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 nine (9) progress meetings will occur. This task includes preparatory and meeting documentation work.

Task 1.9 – 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. Should any additional testing need to be accomplished, this will be coordinated with the Contractor who will be responsible for completion.

Task 1.10 – 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. Should any additional testing need to be accomplished, this will be coordinated with the subconsultant who will be responsible for completion.

- Task 1.11 – 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 state wage rates for the work being performed. The RPR will conduct compliance monitoring of the wage rate contractual obligations, including recording the Contractor/subcontractor employees, type of work being completed, and conducting random interviews.
- Task 1.12 – 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 1.13 – 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 8 pay applications will be submitted. The effort for this task will be focused on dividing the work items specific to the Midfield Ramp payment schedule.
- Task 1.14 – Daily Reports** – SEH will maintain a daily log of the construction activities and maintain construction photos for record keeping purposes.
- Task 1.15 – 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, and MnDOT via electronic submittal (PDF).
- Task 1.16 – 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. 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 1.17 – 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 1.18 – 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 and MnDOT.
- Task 1.19 – Final Quality Control / Quality Assurance Summary** – SEH will prepare and submit the final QC/QA summary for the project.
- Task 1.20 – 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 1.21 – 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 party of the warranty guarantee.

Work Element 2: Construction Observation

Construction is expected to occur during normal construction hours of 6:00 AM until 6:00 PM, Monday through Saturday. It is assumed this work will take place concurrently with Phase 4 construction, starting May 13, 2023. 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 60 calendar days during the summer of 2023 to achieve substantial completion, concurrent with Phase 4 construction. 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, MnDOT, and other individuals/organizations as needed. During critical elements of construction, part-time construction observation will be performed by the Professional Engineer.

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 50, 12-hour days to complete the required work. Approximately 15 percent of that effort will be applied to the Midfield project. 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 40 hours of additional work to the Phase 4 scope 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 approximately 20 hours, with travel time being included in the Phase 4 project. 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 coordination efforts for 4 hours 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 10 week project duration and the weeks before and after project completion (approximately 20 hours). 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 4 hours of client coordination, quality control, stakeholder engagement, and high-level guidance.

Work Element 3: Reporting and Project Closeout

- Task 3.1 – Closeout Report** – SEH will complete the required FAA closeout report following completion of the project to reconcile all project related costs and closeout the state grant for the work.
- Task 3.2 – 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.

Work Element 4: Public Outreach and Project Management – This task includes the public outreach and the overall project management of Work Elements 1 through 3 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 4.1 – 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 4.2 – 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 eight (8) tenant meetings.
- Task 4.3 – Public Outreach Plan** – SEH will develop 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 4.4 – 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 4.5 – 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 4.6 – 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 4.7 – 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 4.8 – 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 12-month project duration.

ATTACHMENT B
ESTIMATED FEES AND EXPENSES
MIDFIELD RAMP REPAIR - PHASE 1
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
Construction Administration Services												
1.1	Scope Development	2	2	2							2	
1.2	Project Administration Services		2	4								2
1.3	Preparation of Project Files		2	2								2
1.4	Establish Survey Control				2			4	4	4		
1.5	Pre-Construction Activities (Preparation and Follow-up)	2	2	4	4							2
1.6	Permit Coordination		2	2			4					2
1.7	Submittal and Shop Drawing Review		2	4	4							
1.8	Progress Meetings		8	8	4							
1.9	Review of Quality Control Testing		2	4	4							
1.10	Review of Quality Assurance Testing		2	4	4							
1.11	Review of Contractor Payroll Forms		2	4	4							
1.12	Calculate Construction Quantities		2	4	4							
1.13	Pay Applications		4	8	4							
1.14	Daily Reports		2	12	12							
1.15	Weekly Reports		2	8	8							
1.16	Change Orders / Supplemental Agreements	2	4	4	4							
1.17	Final Inspection and Punchlist		2	4	4							
1.18	Record Drawings		2	2	2	2		4				2
1.19	Final Quality Control/Quality Assurance Summary		2	4	8							2
1.20	Final Engineering Report		4	8								2
1.21	Warranty Inspection Site Visit		4		4							
Construction Observation - Phase 2												
2.1	Construction Observation	4	20		130	40						
2.2	Construction Coordination	4	20									
MnDOT Reporting and Project Closeout												
3.1	Closeout Report		2	4								2
3.2	Project Closeout		2	4								2
Public Outreach and Project Management												
4.1	Duluth Airport Authority (DAA) Meetings	4	6								6	
4.2	DLH Tenant Meetings		4		4						4	
4.3	Public Outreach Plan	2	4								2	
4.4	DLH Airfield User Meetings		6			6						
4.5	DLH Tenant and User Newsletter		2			2					2	
4.6	FAA and ATCT Meetings		4		4							
4.7	Community Outreach Newsletter		2			2						
4.8	Overall Project Management	2	12									
Total hours per labor category		22	138	100	214	52	4	8	4	4	16	18

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Principal	22	\$81.89	\$1,801.58
Project Manager	138	\$66.27	\$9,145.26
Professional Engineer	100	\$52.25	\$5,225.00
Project Engineer (RPR#1)	214	\$45.40	\$9,715.60
Graduate Engineer (RPR#2)	52	\$41.22	\$2,143.44
Water Resource Engineer	4	\$51.75	\$207.00
Senior CAD Technician	8	\$44.93	\$359.44
Survey Crew Chief	4	\$36.75	\$147.00
Instrument Operator	4	\$31.50	\$126.00
Senior Aviation Planner	16	\$81.11	\$1,297.76
Admin Technician	18	\$33.25	\$598.50
Total Direct Labor Costs:	580		\$30,766.58
Direct Salary Costs plus Overhead (66.03%)			\$51,081.75
Total Labor Costs			\$81,848.33

Fee (15%) on Total Labor Costs:

\$12,277.25

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Quality Assurance Testing - Subconsultant	1	\$19,299.00	\$19,299.00
Parking	50	\$6.00	\$300.00
Employee Mileage	3612	\$0.625	\$2,267.50
Employee Per Diem	20	\$200.00	\$4,000.00
Employee Auto Allowance	20	\$18.00	\$320.00
Computer Charges	580	\$5.80	\$3,364.00
Survey Equipment - Total Station	2	\$35.00	\$70.00
Survey Equipment - GPS	2	\$35.00	\$70.00
Reproductions / Miscellaneous	1	\$500.00	\$500.00
Total Expenses			\$30,180.50

SUMMARY:

Total Labor Costs + Expenses + Fee

\$124,306.08

Estimated Total

\$124,306.00

March 11, 2022

Proposal QTB154479

Jarrold Nelson, PE
SEH, Inc.
3535 Vadnais Center Drive
Saint Paul, MN 55110

Re: Proposal for Construction Materials Testing Services
Midfield Ramp Repair – Phase 1
Duluth International Airport
4701 Grinden Drive
Duluth, Minnesota

Dear Jarrod:

Braun Intertec Corporation respectfully submits this proposal to provide quality acceptance observation and testing services during site grading, aggregate base placement, and concrete paving for Phase 1 of the repair of the Midfield Ramp project at the Duluth International Airport.

We have completed the geotechnical evaluation and limited environmental investigation report for the Midfield Ramp Repair project, so we have a unique understanding of the site and construction challenges. We can aid the construction team by applying this experience and transferring our knowledge developed during the design phase which will provide professional continuity to the construction. Our work on the project to date gives us familiarity with the project team and design development which allows us to understand some of the considerations used when developing the project's design.

Our Understanding of Project

This project will include the Phase 1 portion of the Midfield Ramp Repair project at the Duluth International Airport. The ramp pavement section will consist of 11 inches of Recycled Concrete Aggregate Base Course (P-219) and 12 inches of Concrete Pavement (P-501). The ramp repair will also include the replacement of adjacent bituminous pavement.

Available Project Information

This proposal is based on our review of the documents described below. We will submit a revised scope of services and cost if the project changes.

- 95% Construction Drawings and Draft Project Specifications prepared by SEH.
- Geotechnical evaluation and limited environmental investigation report prepared by Braun Intertec Corporation under project number B2106381 and dated August 27, 2021.

Scope of Services

Services are performed under the direction of a licensed professional engineer. Observation and testing services will be performed on a full-time or an on-call, as-needed basis as requested and scheduled by you or your on-site project representative. After reviewing available information to determine compliance with project plans and/or specifications and other design or construction documents, our scope of services for the project will be limited to the tasks defined below.

Soil Related Services

- Measure the in-place dry density, moisture content and relative compaction of subgrade and recycled concrete aggregate base placed for pavement support for compliance with the project documents. This task includes performing laboratory Proctor tests to provide maximum dry densities from which the relative compaction of fill can be determined, as well as the use of a nuclear density gauge to measure in-place dry densities and moisture contents.
- Sample and test recycled concrete aggregate base materials for compliance with the project documents. This task includes laboratory gradation testing of aggregate base material.

Concrete Related Services

- Sample and test fresh concrete associated with pavement for compliance with the project documents and cast concrete beams for laboratory flexural strength testing. We assume that we will be able to appropriately dispose of excess concrete (and associated wash water) on site at no additional cost to us.
- Measure and report the flexural strength of the concrete beams for compliance with the project documents. A set of two beams will be tested at 28 days for each subplot set cast.

Consulting, Project Communication and Reporting Services

- Project management, including scheduling of our field personnel and project meetings.
- Review observation and test reports and communicating with you and the parties you may designate such as the project contractor(s), and other project team members, as needed.
- Transmit test results to the project team on a weekly basis.

Scheduling Assumptions

The costs associated with the proposed scope of services were estimated using the following assumptions. If the construction schedule is modified or the contractor completes the various phases of the project at different frequencies or durations than shown in this proposal, we may need to adjust the overall cost accordingly. The scope of work and number of trips required to perform these services are as shown in the attached table. Notable assumptions in developing our estimate include:

- We assume it will take 6 trips to complete the compaction testing by nuclear density gauge method for the project.
- We have provided an additional 2 trips for sample pick up for proctors and gradations of the embankment and aggregate materials during placement.
- Our assumption is concrete paving will be completed in 6 days for the project.
- We assume the project engineer of record will review and approve contractor's quality control submittals and test results.
- You, or others you may designate, will provide us with current and approved plans and specifications for the project. Modification to these plans must also be sent to us so we can review their incorporation into the work.
- We will require a minimum of 24 hours' notice for scheduling inspections for a specific time. Shorter than 24 hours' notice may impact our ability to perform the requested services, and the associated impacts will be the responsibility of others.

If the work is completed at different rates than described above, this proposal should be revised. If the pace of construction is different than described above, this proposal should be revised.

Cost and Invoicing

We will furnish the services described herein for an estimated fee of **\$19,299**. **Our estimated costs are based on industry averages for construction production. Depending on the contractor's performance, our costs may be significantly reduced or slightly higher than estimated.** A tabulation showing our estimated hourly and/or unit rates associated with our proposed scope of services is also attached. The actual cost of our services will be based on the actual units or hours expended to meet the requirements of the project documents.

This cost estimate was developed with the understanding that the scope of services defined herein will be required and requested during our normal work hours of 6:00 a.m. to 5:00 p.m., Monday through Friday. Services that we are asked to provide to meet the project requirements or the contractor's construction schedule **outside** our normal business hours will be invoiced using an overtime rate factor. The factor for services provided outside our normal work hours or on Saturday will be 1.25 times the listed hourly rate for the service provided. The factor for services provided on Sunday or legal holidays will be 1.5 times the listed hourly rate for the service provided. We have not included premiums for overtime in our cost estimate; however, we recommend that allowances and contingencies be made for overtime charges based on conversations with the contractor. You will be billed only for services provided on a time and materials basis.

Because our services are directly controlled by the schedule and performance of others, the actual cost may vary from our estimate. It is difficult to project all of the services and the quantity of services that may be required for any project. If services are required that are not discussed above, we will provide them at the rates shown in the attached table or, if not shown, at our current Schedule of Charges. We will invoice you on a monthly basis.

General Remarks

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

We appreciate the opportunity to present this proposal to you. After reviewing this proposal, **please sign and return one copy to our office as notification of acceptance and authorization to proceed.** If anything in this proposal is not consistent with your requirements, please let us know immediately. Braun Intertec will not release any written reports until we have received a signed agreement.

The proposed fee is based on the scope of services described and the assumptions that our services will be authorized within 30 days and that others will not delay us beyond our proposed schedule.

Our services will be provided under the terms of our Agreement for Professional Services dated July 2, 2008.

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

Sincerely,

BRAUN INTERTEC CORPORATION



Aaron M. Tast
Aviation Account Leader, Senior Project Manager



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

Attachments:
Project Proposal

The proposal is accepted. We will reimburse you in accordance with this agreement, and you are authorized to proceed:

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date

Project Proposal

QTB154479
Midfield Ramp Repair - Phase 1
Client:

Short Elliott Hendrickson, Inc.
Jarrod Nelson
3535 Vadnais Center Dr
Saint Paul, MN 55110

Work Site Address:

Duluth International Airport
4701 Grinden Drive
Duluth, MN 55811

Service Description:

Construction Materials Testing
Duluth International Airport

	Description	Quantity	Units	Unit Price	Extension
Phase 1	CMT				
Activity 1.1	Soils				\$4,922.00
207	Compaction Testing - Nuclear	30.00	Hour	82.00	\$2,460.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	P-219 Recycled Aggregate Base	4.00	Trips	5.00	20.00
	P-152 Subgrade (as needed)	2.00	Trips	5.00	10.00
1308	Nuclear moisture-density meter charge, per hour	30.00	Each	15.00	\$450.00
209	Sample pick-up (Sieve/Proctor)	6.00	Hour	82.00	\$492.00
1320	Moisture Density Relationship (Modified)	4.00	Each	180.00	\$720.00
1162	Sieve Analysis with 200 wash, per sample	4.00	Each	140.00	\$560.00
1861	CMT Trip Charge	8.00	Each	30.00	\$240.00
Activity 1.2	Concrete				\$8,682.00
261	Concrete Testing	54.00	Hour	82.00	\$4,428.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	P-501 PCC	6.00	Trips	9.00	54.00
278	Concrete Beam Pick up	12.00	Hour	82.00	\$984.00
	<i>Work Activity Detail</i>	<i>Qty</i>	<i>Units</i>	<i>Hrs/Unit</i>	<i>Extension</i>
	Beam Pickup	3.00	Trips	4.00	12.00
1367	Flexural strength of beams (ASTM C 78 and ASTM C 293), per specimen	24.00	Each	125.00	\$3,000.00
1861	CMT Trip Charge	9.00	Each	30.00	\$270.00
Activity 1.3	Project Management & Reports				\$5,695.00
238	Project Assistant	5.00	Hour	80.00	\$400.00
226	Project Manager	10.00	Hour	155.00	\$1,550.00
228	Senior Project Manager	15.00	Hour	165.00	\$2,475.00
1230	Final Testing Report	1.00	Each	800.00	\$800.00
1862	PM Trip Charge	2.00	Each	235.00	\$470.00
Phase 1 Total:					\$19,299.00

Proposal Total: \$19,299.00

MediaUSA, Inc. Advertising Vendor Lease Agreement
Duluth Airport Authority
For
Duluth International Airport

This Lease Agreement ("Agreement") by and between MediaUSA, LLC ("MediaUSA" and/or "Lessee") and Duluth Airport Authority ("Lessor" or "DAA"), located at 4701 Grinden Drive, Duluth, Minnesota describes the conditions concerning the installation, and operation of digital advertising wall panel units, wall/floor/window/pillar/stair/table clings in and around approved locations throughout the premises described as the Duluth International Airport ("DLH"). The only locations MediaUSA may lease for advertising are provided for in MediaUSA's proposal attached hereto and incorporated by reference into this Agreement as Exhibit A.

Advertising Units:

MediaUSA will provide high quality panel units of advertising which will be attached to wall space, windows and floors and other approved locations of the corridors through properties owned or managed by Lessor. The units may include but not be limited to digital monitors, interactive screen(s) floor/wall/window cling graphics for advertising products and services. In addition, from time to time Lessee may also provide wall cling or adhesive based advertising customized to a specific areas and specialty campaigns.

Advertising Panel Unit Specifications:

Digital monitors will be installed in approved key areas and will vary in size and type and each will include the Brightsign computer module for ease of graphic changes and operating said units remotely. Interactive unit(s) will also be located in approved key areas and monitors will be 75" and larger" in size, again allowing for remote access.

Skyway Maps or Community Service Panels:

MediaUSA will, from time to time donate advertising panel space, for civic, arts and other non-profit/community events, or skyway maps, in the event that a for profit business advertiser is not available. There will be no fee charged for space donated by MediaUSA, and consequently no commission concession fee paid for said space unless said fee is actually collected for said space. MediaUSA will always make every concerted effort to fill advertising space with paying clients, however on the occasion that none would be available for said space, self promotion, community service or service trade units would apply with no percentage commission calculated for said space.

Installation, Maintenance, Electrical:

MediaUSA shall have the right to erect, place and maintain advertising panels, in agreed locations, on the premises addressed in this Agreement. All materials placed upon said premises by MediaUSA shall always remain the personal property of MediaUSA and may be removed by MediaUSA at any time

prior to, or within a reasonable time after the termination of this Agreement or the expiration of the term hereof or any extension thereof.

MediaUSA will be responsible for all installation and maintenance of the units, and any electrical conduit and fixtures necessary to operate the units. Electric power will be provided by Lessor for the lighting and will be drawn from the nearest power source to the unit site. All electrical conduits shall be recessed when available and Lessor shall have the final authorization concerning all issues related to installation and aesthetic appearances of all advertising be it floor, wall/ window or ceiling based. No electrical connections for the unit will be visible, unless preapproved with Lessor prior to installation. MediaUSA must comply with applicable law in the installation of said advertising panels and is solely responsible for any costs, including permit fees, in the installation of said advertising panels.

Restoration and Removal of Advertising Panel(s):

If Lessor needs to move ad panel units for any reason whatsoever, Lessor shall pay all costs of removal and restoration of the wall space to original condition. In the event of default, cancellation or expiration of this Agreement, the advertising units will be removed from their locations, and MediaUSA will utilize its best effort to restore the wall on which the units were installed to their original condition. Said removal and restoration must occur within 30 days of default, cancellation, and/or expiration of this Agreement.

Concession Fee:

Lessor will receive a guaranteed fee of \$1,000.00 per month or 20% of net revenues, whichever is greater, due to MediaUSA from its clients for contracted advertising space. Such payment shall be payable to Lessor on a monthly basis on or before the 20th day of the next month following the first full month of installation of said advertising product and each month thereafter. A monthly accounting report will be sent to Lessor reporting who the advertising client is for each month and the fee that is paid for said space. Lessee may receive as payment of fee from an advertising client a trade for service for advertising space. Should no fees be collected by MediaUSA due to non-profit, community posting, or service trade, said space value would not be calculated on revenue share when no fee is paid. During the first ninety (90) days of this Agreement, MediaUSA shall pay 20% of net revenues pursuant to this Section (Concession Fee), but the monthly guaranteed fee of \$1,000 will not apply.

Right to Review:

Lessor must review and approve or deny all advertising locations for aforementioned advertising products prior to installation, including permanent space as well as temporary space for unique shorter term campaigns.

Lessor must review and approve or deny all of Lessee's potential advertising content at DLH. Copies of all advertising contracts between MediaUSA and advertiser will be provided to Lessor.

Term:

This Agreement shall be for a term of five (5) years commencing August 1, 2022 through July 31, 2027 with the right of MediaUSA for first option of renewal. This option shall be deemed a first right at new negotiations between lessor and lessee, and under no circumstances shall it be deemed a form of automatic renewal.

Confidentiality:

Except as required by applicable law or ordered by any governmental agency, court or tribunal of competent jurisdiction, Lessor shall not disclose to any third party or use for any purposes (other than to further the performance of its obligations under this Agreement) any confidential information belonging to Lessee, including without limitation, monthly accounting reports and contracts with Lessee advertisers. The provisions of this Confidentiality section shall survive the termination or expiration of this Agreement.

Exclusivity Provisions:

Lessor will grant to MediaUSA the exclusive right to lease advertising space from Lessor for advertising purposes in the premises for the period represented in the Term section of this Agreement. MediaUSA only has this exclusive right in the locations provided for in MediaUSA's proposal attached hereto and incorporated by reference into this Agreement as Exhibit A.

Lessor may lease any other location at DLH not provided for in Exhibit A for advertising purposes.

Such rights do not preclude Lessor from exercising its ordinary business of remodeling and improvements, which may alter such available advertising space from time to time. Lessor will retain the right to close off parts of the airport area for any reason, such as emergencies, and for such period of time as is necessary to restore the safe flow of pedestrian traffic, without incurring liability to MediaUSA for lost advertising revenue however in such cases, a lease fee for such affected space shall be mutually negotiated.

Entire Agreement

It is expressly understood that neither the Lessor nor the Lessee is bound by any stipulations, representations of agreements not printed or written in this Agreement. This Agreement shall inure to the benefit of and be binding upon the personal representatives, heirs, successors, and assigns of the parties hereto.

Subordination:

All items in this Agreement will be subject to Minnesota Law. By their signatures below, both parties acknowledge and agree to the terms of the Agreement as stated above, upon this _____ day of _____, 2022.

Lessor: Duluth Airport Authority

By: _____

Its: Board President

Approved by: _____

By: _____

Its: Board Secretary

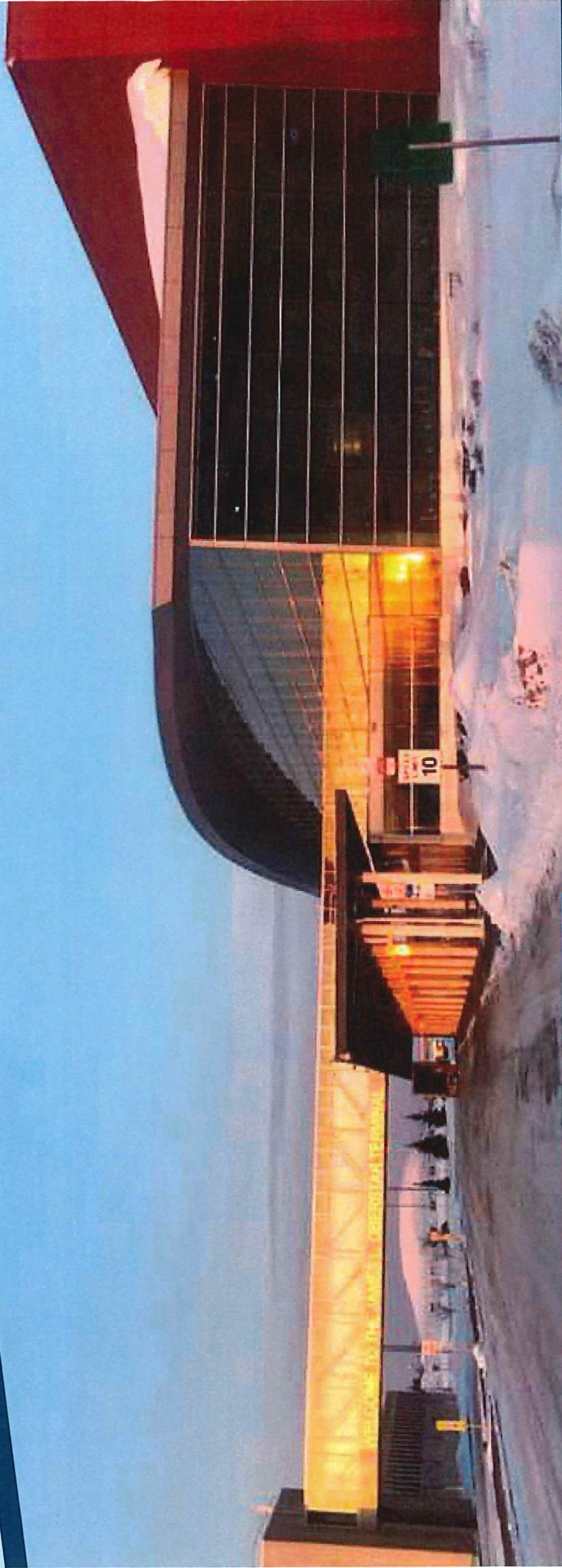
Address: 4701 Grinden Drive

Duluth, MN 55811

MediaUSA, Inc.

EXHIBIT A – MediaUSA’s Approved Lease Locations

Skywalk Advertising Opportunities **DULUTH AIRPORT**

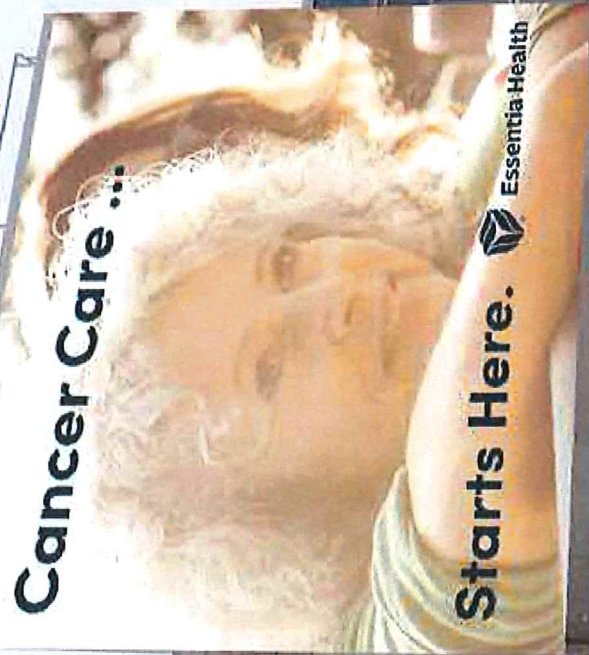


Proposal To:
Natalie Peterson
Duluth Airport
Duluth, MN 55812



Presented By:
Mark Lease
612-554-5709
mark@mediausainc.com

1.



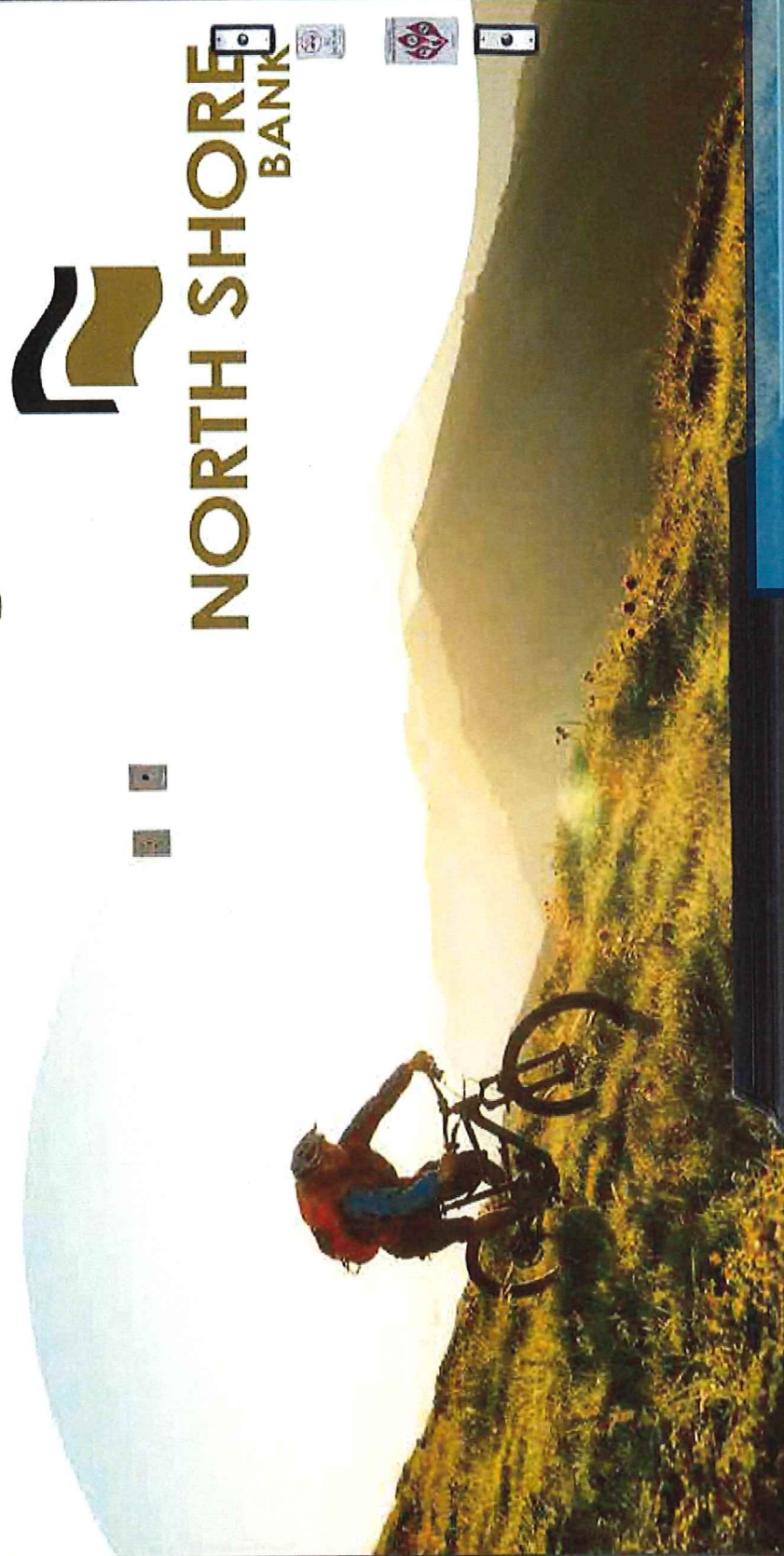
WELCOME TO THE JAMES L. OBERSTAR TERMINAL

Billboard Opportunity
Graphic Size: Approx. 18' H x 22' W
Estimated Lease - \$1000 per month

MediaUSATM
SKYWALK ADVERTISING

2.

CREATE THE LIFE *You* WANT

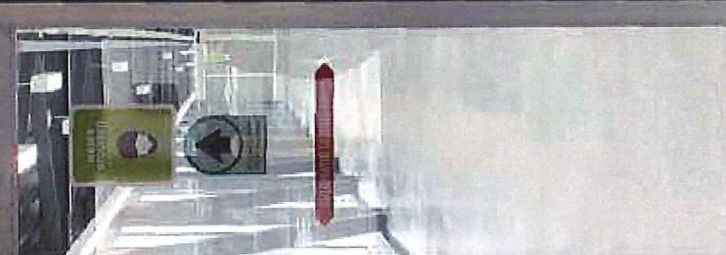
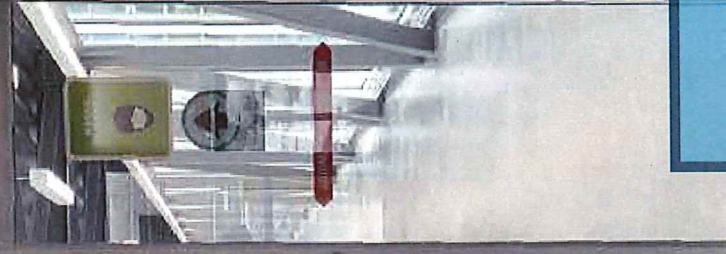


Member
Wallscape Opportunity

Graphic Size: Approx. 10' H x 15' W
Estimated Lease - \$1200 per month

MediaUSATM
SKYWALK ADVERTISING

3.



Door Cling Opportunity
Graphic Size: Approx. 2' W x 6' H x 4
Estimated Lease - \$400 per month

4a



4b



Floor Cling Opportunity
Graphic Size: TBD
Estimated Lease - \$8.00 per SQ FT

5.

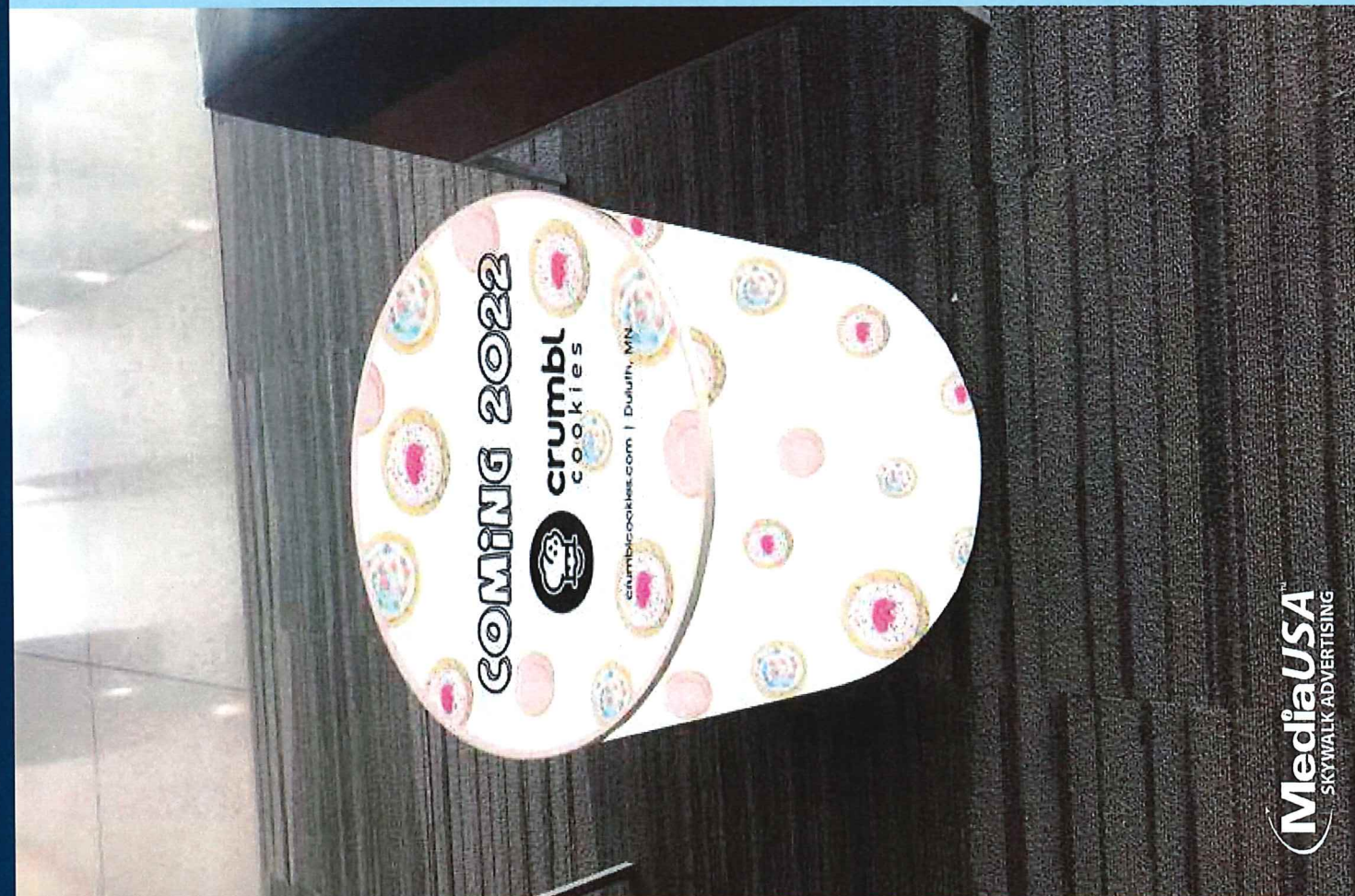


Door Cling Opportunity
Graphic Size: Approx. 3' W x 7' H x 4
Estimated Lease - \$675 per month

6.



Table Top Domination Program
8 Rounds - \$150 each
Estimated Lease - \$1200 per month



7a

**SO MANY CHOICES.
CHOOSE WISELY.**

**Kwik
TRIP**

UNITED

Welcome!
Groups 3-5 please have
a seat until your group
is called.

1 →
2 →

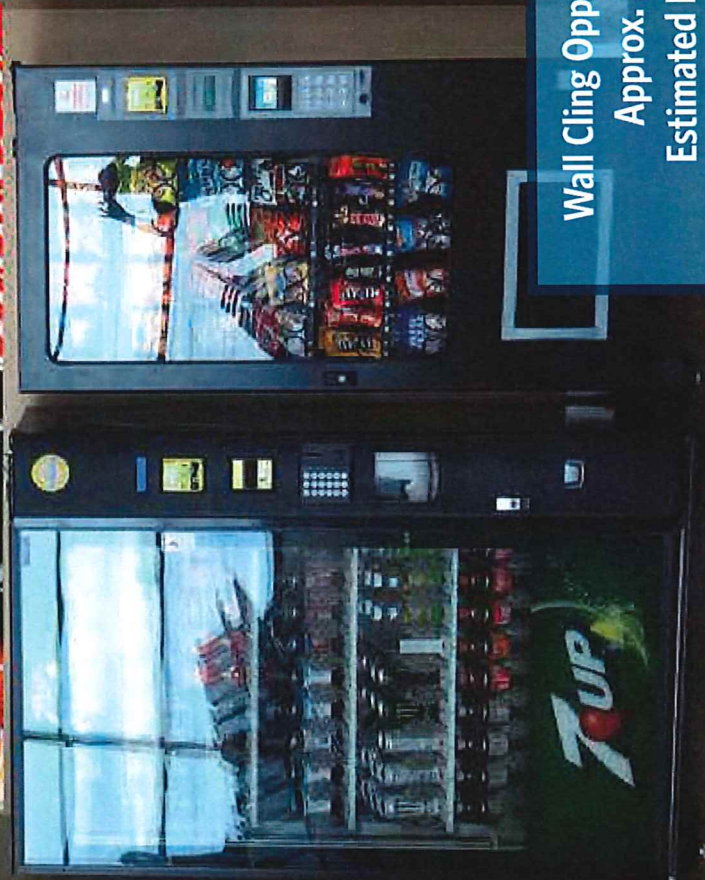
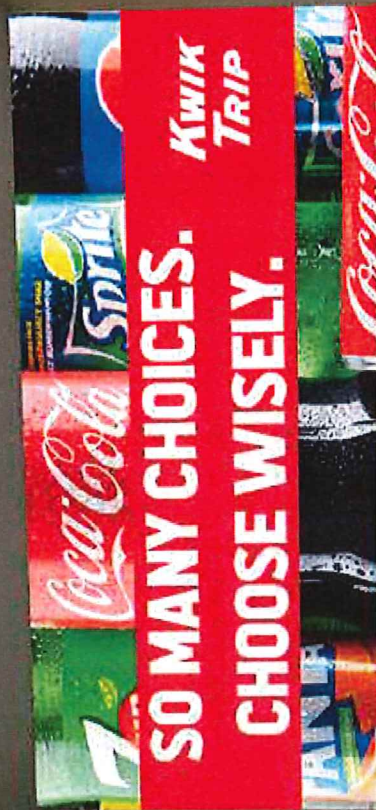
Snapple

CAUTION
DO NOT STAND ON THE
TOP OF THE MACHINE
FORGET THE ACCESS
CODES
DO NOT OPEN THE
MACHINE
DO NOT OPEN THE
MACHINE

Wall Cling Opportunity - Vending Sponsor
Approx. Size - 7.5' W x 3.5' H
Estimated Lease - \$210 per month

MediaUSA
SKYWALK ADVERTISING

7b



Wall Cling Opportunity - Vending Sponsor
Approx. Size - 7.5' W x 3.5' H
Estimated Lease - \$210 per month

8a



MediaUSATM
SKYWALK ADVERTISING

8b



Wall Cling Opportunity - Hydration Station
Approx. Size - 4.5' W x 10' H x 2
Estimated Lease - \$720 per month

9.

Window Cling Opportunity
Approx. Size - 3' H x 7.5' W
Estimated Rate - \$180 per window

10a



Baggage Area Pillar Wrap Opportunity
Pillar Approx. Size - 10' H x 4.5' W
Panel Approx. Size - 3' H x 25' W
Estimated Rate - \$960 per month

MediaUSATM
SKYWALK ADVERTISING

10b

CREATE



10c

NORTH SHORE
BANK



NORTH SHORE
BANK



Baggage Area Pillar Wrap Opportunity
Pillar Approx. Size - 10' H x 4.5' W
Panel Approx. Size - 3' H x 25' W
Estimated Rate - \$960 per month

MediaUSATM
SKYWALK ADVERTISING

11.

CSS.EDU

ADVANCE YOUR CAREER

FLEXIBLE PROGRAMS,
DEGREES AND CERTIFICATES
FOR BUSY SCHEDULES



CSS.EDU/APPLY



The College of
St. Scholastica

Digital & Wrap Opportunity
90" Digital Screen - 42" H x 74" W
Wall Cling - 10' H x 10' W

Rate: \$250 per 25% show | \$1800 per month

MediaUSATM
SKYWALK ADVERTISING

12.

**FIND YOUR
SUPERIOR.**

**FIND YOUR
SUPERIOR.**

Elevator to
All Gates



Stair Face Cling Opportunity

30 Steps - 7" H x 57" W (5 sq. ft. each)

Estimated Rate - 150 sq. ft. - \$1200 per month

MediaUSA™
SKYWALK ADVERTISING

THE UNIVERSITY OF
Superior

uwsuper.edu

THE UNIVERSITY OF
Superior

13.

Gate 2

Where do happy people hang out?

When you're going, take it

Table Top Domination Program
42" x 42" Rounds - \$800
30" x 30" Squares - \$150
Estimated Rate - \$950 per month

MediaUSATM
SKYWALK ADVERTISING

14.

CREATE THE LIFE *You* WANT

NORTH SHORE
BANK



WWW.NORTHSHORE.BANK

FDIC

Wall Cling Opportunity
3.5' W x 3.75' H x 6 Panels
Estimated Rate - \$630 per month

MediaUSATM
SKYWALK ADVERTISING

15.



Wall Cling Opportunity
3.5' W x 3.75' H x 6 Panels
Estimated Rate - \$630 per month

MediaUSA
SKYWALK ADVERTISING



Wall Lease Proposal for:

Natalie Peterson - Duluth International Airport

Proposal Date: May 31, 2022

Potential Advertising Space Available:

Unit #1 - Outside Billboard Opportunity:

Approx. 18' x 22' Advertising Space

(Anticipated monthly revenue - \$1,000.00 @ 20% = \$200.00 per mo. paid to DIA)

Unit #2 - Wall Scape Garage Skywalk:

Approx. 10' x 15' Advertising Space

(Anticipated monthly revenue - \$1,200.00 @ 20% = \$240.00 per mo. paid to DIA)

Unit #3 - Door Window Clings:

Four - 2' x 6' Advertising Spaces

(Anticipated monthly revenue - \$400.00 @ 20% = \$80.00 per mo. paid to DIA)

Unit #4 - Floor Clings:

Size To Be Determined

(Anticipated monthly revenue - \$500.00+ @ 20% = \$100.00 per mo. paid to DIA)

Unit #5 - Door Window Clings:

Four - 3' x 7' Advertising Spaces

(Anticipated monthly revenue - \$675.00 @ 20% = \$135.00 per mo. paid to DIA)

Unit #6 - Tabletop Takeover:

8 Rounds

(Anticipated monthly revenue - \$150.00 x 8 @ 20% = \$240.00 per mo. paid to DIA)

Unit #7 - Vending Area:

Two - 3.5' x 7.5' x 2 Advertising Spaces

(Anticipated monthly revenue - \$420.00 @ 20% = \$84.00 per mo. paid to DIA)



Unit #8 - Hydration Stations:

Two - 4.5' x 10' x 2 Advertising Spaces
(Anticipated monthly revenue - \$720.00 @ 20% = \$144.00 per mo. paid to DIA)

Unit #9 - Window Clings:

Four - 3' x 7.5' Advertising Spaces
(Anticipated monthly revenue - \$720.00 @ 20% = \$144.00 per mo. paid to DIA)

Unit #10 - Pillar Clings:

Four - 4.5' x 10' Advertising Spaces PLUS 3' x 25' Banner Advertising Space
(Anticipated monthly revenue - \$1,320.00 @ 20% = \$264.00 per mo. paid to DIA)

Unit #11 - 85" Digital Monitor with Wall Cling:

\$250.00 per 25% Show Plus Wall Cling
(Anticipated monthly revenue - \$1,000.00 + \$800.00 @ 20% = \$360.00 per mo. paid to DIA)

Unit #12 - Stair Cling Campaign:

Size To Be Determined
(Anticipated monthly revenue - \$1,200.00 + @ 20% = \$240.00 per mo. paid to DIA)

Unit #13 - Tabletop Takeover:

8 Rounds, 3 Squares
(Anticipated monthly revenue - \$950.00 @ 20% = \$190.00 per mo. paid to DIA)

Unit #14 - Wall Scape - Secure Area:

Six - 3.5' x 3.75' panels advertising space
(Anticipated monthly revenue - \$630.00 @ 20% = \$126.00 per mo. paid to DIA)

Unit #15 - Wall Scape - Secure Area:

Six - 3.5' x 3.75' panels advertising space
(Anticipated monthly revenue - \$630.00 @ 20% = \$126.00 per mo. paid to DIA)

Summary:

Anticipated revenues to be paid to the DIA if all proposed locations as shown above are sold:

\$13,700.00+ per mo. @ 20% = \$2,740.00 per mo. to DIA

*Please note: MediaUSA will guarantee a monthly rate of \$1,000.00 or 20% on a monthly basis, whichever is the greater of the two.



**Thank you for the opportunity to present
MediaUSA's Skywalk Advertising Platform.**

**I am confident our skywalk program will provide you with great impact
and exposure to an upscale demographic that is sure to target your audience.
I look forward to a long and lasting partnership with you and your business!**

Mark Lease

Office 320-693-8129 | Cell 612-554-5709
mark@mediausainc.com | www.skywalkads.com

UMD Advertising Agreement

TERMS:

- Length of Agreement - 1 years
- Rates - \$3,000/year
- Effective date – September 1 2022
- Termination date – August 31, 2023
- Payment – Payments will be received on or before September 1st
- Termination Summary – Both parties shall have the right to terminate this Agreement upon breach of any of its representations, warranties, covenants or obligations under this Agreement. In the event of a termination by DAA pursuant to this Paragraph, UMD shall forfeit all Fees paid and shall further be responsible for payment of the remaining portion of the Fees due under this Agreement. In addition, DAA shall have the right to pursue all other rights and remedies at law or in equity.

ARGEEMENT OVERVIEW (CONTEXT):

- Contract Category – contract renewal
- Location of advertising – Doorway and surrounding glass in exit hallway to non-secure area.
- Benefit for DAA – This is a revenue opportunity for the DAA and a continued relationship connection to the local University that plays a critical role in our community.

Prepared by: Natalie Peterson

DULUTH INTERNATIONAL AIRPORT
LICENSE AGREEMENT
FOR THE DISPLAY OF ADVERTISING

This License Agreement (the "Agreement") is entered into this 1st day of September, 2022, between Duluth Airport Authority ("DAA") and UMD Athletics ("Advertiser").

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

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

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

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

1. **Term of Agreement.** Notwithstanding the date of this Agreement, this Agreement shall commence on September 1st, 2022, and will continue through August 31st, 2023, unless earlier terminated as set forth herein.
2. **License.** DAA hereby grants to the Advertiser a limited, non-transferable license in the area of the Terminal identified on the attached Exhibit A (the "Licensed Space"). The Licensed Space shall be used solely for the purpose of displaying the Advertiser's advertisement. Advertiser takes the Licensed Space in an "as is" condition without representations or warranties of any kind, and DAA shall not be obligated to make any alterations or improvements on or to the Licensed Space.
3. **Advertising specifications.**
 - a. Advertiser shall provide the advertising content at its sole expense on a mutually agreeable form of media.
 - b. Advertiser agrees that the advertising shall solely be used for the purpose of promoting Advertiser's products or services and shall not be used for any other purposes. Advertiser is responsible for all costs related to the design, concept, look and feel of the content used in the advertising. All advertising content is subject to the prior written approval of the DAA's Executive Director or designee (the "Executive Director").
 - c. Advertiser shall be solely responsible for the installation and maintenance of the advertising media as set forth herein.
 - d. Advertiser shall be responsible for the removal of the advertising media in a timely manner and restoration of the License Space as set forth herein upon a schedule as determined by DAA.

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

- and enforceable obligation of Advertiser in accordance with its terms; and
- d. the execution, delivery and performance of this Agreement by Advertiser does not conflict with, violate or constitute a default under any of the terms, conditions or provisions of any contract or other instrument to which Advertiser is a party or by which Advertiser is or may be bound.
9. **Indemnification.** Advertiser agrees to defend, indemnify and hold harmless DAA and the City of Duluth (the "City") and their respective officers, agents, servants and employees from and against any and all losses, claims, actions, demands, liabilities, judgments, penalties, injunctive relief, injury to person(s) or property or the Licensed Space, costs, damages and expenses, including reasonable attorney's fees, by reason of any actual or alleged act or omission of Advertiser or Advertiser's officers, employees, agents, contractors, subcontractors or invitees in connection with or relating to (a) Advertiser's use or occupancy of the Licensed Space or the Terminal pursuant to this Agreement, (b) the display of Advertiser's advertising including any allegation that the use of any name, visual presentation or other material is illegal, unauthorized or damaging in any way to a person or entity, or (b) Advertiser's infringement of any intellectual property, including without limitation copyright, patent, or the unauthorized use of a registered trademark or service mark or other violations of property or proprietary rights, or the rights of privacy or publicity of any third party arising from, related to or in connection with this Agreement. Upon ten (10) days' written notice Advertiser shall appear and defend all claims and lawsuits against DAA and/or the City growing out of any such injuries or damages. Neither DAA nor the City waives their respective immunities under state or federal law.
10. **Insurance.** Advertiser shall provide public liability insurance with limits not less than \$1,500,000 single limit, and shall provide for the following: liability for premises, operations and completed operations.
- DAA and City shall be named as additional insureds on each liability policy. Advertiser shall provide a certificate of insurance evidencing such coverage and Advertiser shall notify DAA of a 30-day notice of cancellation, non-renewal or material change. DAA does not represent or guarantee that these types or limits of coverage are adequate to protect the Advertiser's interests and liabilities.
- The 2004 edition of ISA Additional Insured Endorsement CG 20 10 is not acceptable. If the CG 20 10 is used, it must be a pre-2004.
11. **Expiration.** Upon the expiration of this Agreement, the Advertiser's rights to use the Licensed Space shall cease and Advertiser shall, promptly and in good condition surrender the same to DAA. In the event that the Advertiser has in any way changed, altered or modified the Licensed Space, Advertiser agrees to return the same to the condition it was in at the time of the signing of this Agreement. In such event, an authorized representative of the Advertiser shall be available at all reasonable times to coordinate the advertisement removal and Licensed Space restoration. Alternatively, if agreed to by the Executive Director, the Advertiser shall pay DAA for the cost of returning the Licensed Space to said condition unless waived by the Executive Director in writing in which event any improvements or property which have become part of the realty shall become the property of DAA. Any improvements or property not part of the realty shall be removed within ten (10) days of expiration. Such improvements or property not removed may be removed by DAA, and Advertiser shall, immediately upon receipt of invoice, pay for the costs incurred therefor. In such event, all

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

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

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

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

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

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

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

DULUTH AIRPORT AUTHORITY

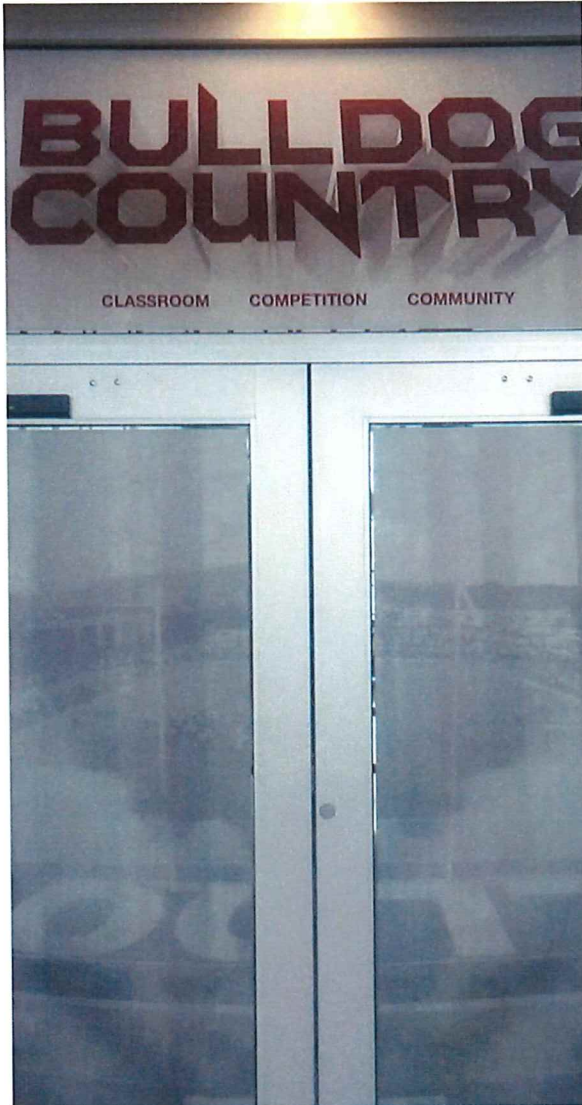
UMD Athletics

By: _____
Its President

By: _____
Its: _____

By: _____
Its Secretary

EXHIBIT A LICENSED SPACE





DAA Sponsorship Agreement at UMD

TERMS:

- Length of Agreement - 1 year
- Rates - \$13,000/year – under Sun Country marketing budget
- Effective date – July 1 2022
- Termination date – June 30, 2023
- Termination Summary – If a party defaults, this agreement may be terminated by the non-defaulting party by giving thirty (30) days' written notice to the defaulting party.

ARGUEEMENT OVERVIEW (CONTEXT):

- Contract Category – Renewal Contract
- Location of advertising
 - UMD Website digital ads
 - Dasher Board Pair (with TV viewing –Sun Country)
 - Opportunity to host a co-branded giveaway during UMD season
 - 1 UMD Hockey Suite to host corporate frequent flyer thank you

Prepared by: Natalie Peterson



University of Minnesota Duluth Athletics Bulldog Sponsorship Agreement

THIS AGREEMENT is effective as of 7/29/22 by the Regents of the University of Minnesota, a Minnesota constitutional corporation, through the Department of Intercollegiate Athletics on the Duluth campus ("UMD"), with its offices located at 170 Sports and Health Center, 1216 Ordean Court, Duluth, Minnesota 55812, and the Sponsor name below.

I. Sponsor Information

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

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

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

II. Term.

The Term of this Agreement will commence on 7/1/2022 and end on 6/30/2023 .

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

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

Sponsorship Elements

Partnership:

- UMD Hockey Dasher Boards (pair) - \$12,000
- UMD Bulldogs Digital Website Ads - \$2,000
- Opportunity to host a co-branded giveaway during the UMD Hockey season - \$500
- 1 UMD Men's Hockey Suite (20 person suite) - \$2,000

IV. Sponsor Fee. For the benefits described above:

Cash paid to UMD, in 2022-23	\$13,000	Billed 10/1/22	Same Address as Above
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Subject to the terms and conditions of UMD's lease at the Duluth Entertainment and Convention Center ("DECC") and on-campus during any UMD athletic events, unless specifically stated otherwise in this Agreement, Sponsor will provide to UMD in a timely fashion camera read or disk copy artwork (if UMD is not providing) and pay the cost of design and production of signs and advertising bearing Sponsor's Name or Marks (if redesign is necessary).

V. Additional Provisions.

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

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

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

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

By:

Name:

Title: UMD Director of Intercollegiate Athletics

Date:

UMD Contact

Brian Nystrom

218-726-6725

bnystrom@d.umn.edu

SPONSOR

By:

Name:

Title:



Attachment A

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

1. Definitions.

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

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

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

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

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

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

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

2. Sponsorship Rights.

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

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

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



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

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

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

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

3. Maintenance.

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

4. Termination.

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

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

5. Indemnification and Liability.

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

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

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

Duluth Airport Authority Resolution
Support for the Rally for Air Service Coalition
August 8, 2022

WHEREAS, air service is a fundamental part of our region's economy; and

WHEREAS, the airline industry is constrained by a shortage of pilots and crews due to pandemic related cutbacks and a surge of retirements due to pilots reaching mandatory retirement age; and

WHEREAS, airports in regional centers like Duluth have been hit the hardest by the crew shortages through the loss of air service; and

WHEREAS, the Rally for Air Service Coalition has been formed to act as a conduit that will channel concerned stakeholders' voices to educate and advocate for an increase in trained airline crews to legislators and agency partners, funded by the Region Airline Association;

NOW, THEREFORE, BE IT RESOLVED, that the DAA Board of Directors supports the Rally for Air Service Coalition and empowers the DAA's Executive Director to speak on behalf of this issue as a part of his legislative advocacy duties.

President
Duluth Airport Authority

Date

Secretary
Duluth Airport Authority

Date



70% of US airports have substantially less air service today than before the pandemic, despite rising passenger demand. A real and growing pilot shortage stands to worsen air service loss unless we take action.

Rally for Air Service is a coalition that has come together to communicate the negative impacts of the pilot shortage across the United States so that solutions can be advanced to help prevent the damaging economic impacts of the loss of air service. We represent a wide range of stakeholders who have a shared interest in addressing the shortage and preserving and rebuilding air service.

Our Mission is to educate the public about this worsening situation and encourage solutions that preserve and enhance aviation safety, allow greater and more equitable access to pilot training, and preserve and restore air service in the United States.

Communities are losing air service due to the shortage of airline pilots.

- There aren't enough pilots to meet forecasted demand for air travel. As a result, airports across the country, especially in small communities, have faced dramatic air service loss that will likely worsen over the summer.
- Air service loss imparts devastating consequences on the economies of these communities and diminishes the quality of life for residents.
- We are already seeing the impacts on small communities, including but not limited to those communities that rely on the Essential Air Service Program, which is facing a crisis of air service terminations.
- Domestic demand has met or exceeded 2019 levels, yet the majority (70%) of US air service receive less air service today than before the pandemic. Official Airline Guide (OAG) schedule comparisons between first quarter of 2019 and first quarter of 2022 show that 302 airports have experienced reduced departures. The average service reduction across these airports is 23%, and 105 airports have lost *more than* 25 percent of their air service. Eight airports have lost all their scheduled, commercial air service.
- The pilot shortage factors large in most of this air service contraction.

The pilot shortage is a major problem, and growing worse.

- Large air carriers expect to hire more than 13,000 pilots over the course of this year, yet FAA issued an average of just 6,335 new ATP/RATP certificates per year since 2013. Pandemic forces slowed this further, with fewer than 5,000 new ATP/RATP pilots certified in 2021.

Learn more at info@rallyforairservice.org

- Major airlines primarily hire from smaller, regional air carriers, which provide the only source of air service to more than two-thirds of the country – communities too small to support air service by the major airlines.
- With far too few new pilots being produced to replace those hired by bigger carriers, worsening air service losses will be most acute at regional airports and smaller communities.
- Some of the largest hub airports will experience air service loss as well, particularly major gateways to smaller communities. Regional airlines provide significant departures at major hub airports like ORD (62% regional), DFW (47%), CLT (56%), DEN (33%), IAH (55%), DTW (54%) SEA (40%), ATL (22%), MSP (47%) and PHL (52%).
- The pilot shortage is a network problem with sweeping consequences across the entire aviation system.

There is currently an unprecedented demand for airline and commercial pilots.

- The Bureau of Labor Statistics (BLS) projects that from 2020-2030 there will be an average of approximately 14,500 openings for airline and commercial pilots each year. This demand is driven by two primary factors:
 - FAA data indicates that over 13% of airline pilots (13,820) will reach mandatory retirement age of 65 over the next 5 years. This number increases to 47% of airline pilots within 15 years (48,680.)
 - Early retirements during the pandemic exacerbated the problem with between 5,000 and 6,000 pilots at large air carriers exiting the profession.

There are too few new pilots to fill the void.

- The FAA certifies on average just 6,335 pilots per year who have the credentialing necessary to be hired by commercial and cargo airlines. Additionally, corporate and business aircraft operators also frequently require the same pilot credentialing as airlines.
- High barriers to entry, block the career path for many. Flight education and training routinely exceeds \$80,000 and is even more expensive when part of a degree program. Most flight schools have waiting lists.

Goals

Near and long-term solutions are being discussed across the industry, with goals to preserve and restore air service while continuing to have the best trained pilots in the world. Addressing the pilot shortage will not and cannot adversely impact aviation safety, which is the hallmark of the U.S. aviation industry. But it can and must allow greater and more equitable access to pilot training, enhance aviation safety, and preserve and restore air service in the United States.

Learn more at info@rallyforairservice.org

POC: Steve Schultz: steve@elevatega.com

**Duluth Airport Authority Resolution
Appointing Elissa Hansen as an Ex-Officio Member
Of the Monaco Air Foundation Board
August 8, 2022**

WHEREAS, the Monaco Air Foundation has and by its status as a supporting organization, will continue to provide support to the Duluth Airport Authority (DAA) ; and

WHEREAS, the Monaco Air Foundation has among its board of directors, an ex-officio position for a DAA Board member; and

WHEREAS, DAA Board of Directors desires to appoint Elissa Hansen to represent its interest on the Monaco Air Foundation Board; and

NOW, THEREFORE, BE IT RESOLVED, that the DAA Board of Directors appoints Director Elissa Hansen, as an Ex-Officio Director to the Monaco Air Foundation Board.

President
Duluth Airport Authority

Date

Secretary
Duluth Airport Authority

Date

Duluth Airport Authority
Balance Sheet
End of Jun 2022

Financial Row	Amount
ASSETS	
Current Assets	
Bank	\$6,540,708.54
Accounts Receivable	\$557,453.47
Other Current Asset	\$127,522.21
Total Current Assets	\$7,225,684.22
Fixed Assets	
Accumulated Depreciation	(\$142,013,979.58)
Capital Assets	\$255,095,048.47
Work in Progress	\$4,277,478.39
Total Fixed Assets	\$117,358,547.28
Other Assets	
Accumulated Amortization	(\$2,317,052.26)
Airport Planning Projects - Contributed	\$4,290,091.51
Airport Planning Projects - Invested	\$585,465.05
Deferred Outflows - OPEB	\$360,999.00
Deferred Outflows - Pension	\$673,135.00
Total Other Assets	\$3,592,638.30
Total ASSETS	\$128,176,869.80
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	\$177,414.04
Contracts Payable	\$2,237,896.16
Credit Cards Payable	(\$5,792.84)
Lottery Payable	\$3,631.37
Total Accounts Payable	\$2,413,148.73
Credit Card	\$16,356.07
Other Current Liability	
Accrued Expense	(\$3,766.66)
Accrued Interest	\$80,216.88
Accrued Sales Taxes Payable - All	\$641.00
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	\$132,988.18
Total Other Current Liability	\$2,364,204.07
Total Current Liabilities	\$4,793,708.87
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	(\$84,626.05)
Total Equity	\$114,025,269.68
Total Liabilities & Equity	\$128,176,869.80

Duluth Airport Authority
Income Statement
From Jan 2022 to Jun 2022

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$3,250.00
Concession Revenue	
ATM	(\$379.00)
Car Rental Concession	\$114,118.68
Food & Beverage Concession	(\$33,281.59)
Lottery Concessions	\$671.73
Parking	\$616,228.74
Per Passenger Fee	\$12,665.00
Services/Other	\$300.00
TNC Per Trip Fee	\$4,974.00
Vending	(\$2,961.88)
Total - Concession Revenue	\$712,335.68
Customer Facility Charges	\$99,900.00
Miscellaneous Revenues	\$53,480.64
Parking	\$97,470.48
Permits	\$10,929.97
Plowing Services	\$11,712.50
Reimbursed Expenses	\$37,712.32
Rent	\$122,070.10
Sponsorship Income	\$74,000.00
State Aid	\$11,810.86
Total - Non-Aeronautical Revenue	\$1,234,672.55
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$23,542.74
Concession Revenue	\$68,545.80
Event Income	\$35,720.00
Landing Fees	\$17,999.04
Ramp Fees	\$10,847.76
Rent	\$557,807.11
Security Reimbursement	\$50,130.33
Tie Downs	\$1,390.00
Total - Non-Passenger Aeronautical Revenue	\$765,982.78
Passenger Airline Aeronautical Revenue	
Landing Fees	\$139,045.86
Terminal Office/Space Rental	\$481,609.75
Total - Passenger Airline Aeronautical Revenue	\$620,655.61
Total - Income	\$2,621,310.94
Gross Profit	\$2,621,310.94
Expense	
Miscellaneous Expenses	\$22,863.73
Personnel Compensation & Benefits	
Benefit Administration Fees	\$467.70
Employer Contributions for Retirement	\$105,768.80
Employer Paid Insurance	\$187,762.08
Retiree Benefits	\$50,503.30
Wages & Salaries	\$803,100.39
Worker's Compensation	\$18,234.48
Total - Personnel Compensation & Benefits	\$1,165,836.75
Services and Charges	
Advertising	\$1,432.00
Badging	\$1,500.00
Central Services Fee	\$22,599.96
Communications & Technology	\$118,546.65

Financial Row	Amount
Employee Development Services	\$25,438.37
Employee Physicals	\$1,280.00
Insurance	\$49,893.72
Marketing	\$77,936.09
Professional Services	\$185,119.57
Rentals	\$2,917.60
Repairs and Maintenance - Contractual/Services	\$223,410.22
Sponsorship Expenses	\$4,782.00
Transportation	\$254.06
Utility Services	\$347,789.01
Total - Services and Charges	\$1,062,899.25
Supplies	
Merchandise for Resale	\$24,039.42
Office Supplies	\$31,363.74
Operating Supplies	\$104,167.48
Repairs & Maintenance Supplies	\$148,903.56
Total - Supplies	\$308,474.20
Total - Expense	\$2,560,073.93
Net Ordinary Income	\$61,237.01
Other Income and Expenses	
Other Income	
Capital Contributions	
Contributed Capital	\$159,999.22
Grants	(\$472,936.75)
Total - Capital Contributions	(\$312,937.53)
Non-Operating Revenue	
Interest Income	\$24,907.13
Passenger Facility Charges	\$222,384.22
Total - Non-Operating Revenue	\$247,291.35
Total - Other Income	(\$65,646.18)
Other Expense	
Non-Operating Expense	
Interest Expense	\$80,216.88
Total - Non-Operating Expense	\$80,216.88
Total - Other Expense	\$80,216.88
Net Other Income	(\$145,863.06)
Net Income	(\$84,626.05)

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

UNAUDITED

Financial Row	Prior Year Actual (Jan 2019 - Jun 2019)	Current Year Actual (Jan 2022 - Jun 2022)	Budget Amount (Jan 2022 - Jun 2022)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2022 - Adjust 2022)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	1,452,507	1,234,673	1,272,377	97.04%	(217,834)	(37,704)	2,907,180
Non-Passenger Aeronautical Revenue	743,349	765,983	728,744	105.11%	22,634	37,239	1,485,468
Passenger Airline Aeronautical Revenue	714,225	620,656	607,235	102.21%	(93,570)	13,421	1,236,318
Total - Income	2,910,082	2,621,311	2,608,355	100.50%	(288,771)	12,956	5,628,966
Gross Profit	2,910,082	2,621,311	2,608,355	100.50%	(288,771)	12,956	5,628,966
Expense							
Miscellaneous Expenses	15,070	22,864	15,123	151.19%	7,793	7,741	36,670
Personnel Compensation & Benefits	1,051,458	1,165,837	1,227,921	94.94%	114,379	(62,084)	2,639,812
Services and Charges	826,352	1,062,899	1,128,327	94.20%	236,547	(65,427)	2,127,207
Supplies	270,657	308,474	336,913	91.56%	37,817	(28,439)	674,195
Total - Expense	2,163,538	2,560,074	2,708,284	94.53%	396,536	(148,210)	5,477,884
Net Ordinary Income	746,544	61,237	(99,929)	-81.28%	(685,307)	161,166	151,083
Other Income and Expenses							
Other Income	338,644	380,534	834,499	45.60%	41,891	(453,965)	1,675,674
Other Expense	150,712	80,217	142,756	56.19%	(70,495)	(62,539)	285,512
Net Income	187,932	300,317	691,743	43.41%	112,386	(391,425)	1,390,162
Net Income Exclusive of Project Expenses, Depreciation & Amortization	934,476	361,554	591,814	61.09%	(572,921)	(230,259)	1,541,244
Projects/Grants	(3,298,064)	(446,181)	5,886,858	-7.58%	2,851,883	(6,333,038)	11,773,715
Depreciation & Amortization	(5,077,483)	0	(5,551,401)	0.00%	5,077,483	5,551,401	(11,102,803)
Net Income	(7,441,071)	(84,626)	927,270	-9.13%	7,356,445	(1,011,896)	2,212,157

- 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 \$230k.
- 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 66k under budget due to the credits. Non-Aeronautical Revenue is \$37k under budget overall, Non-passenger aeronautical revenue is about 37k over budget and passenger airline aeronautical revenue 13k over budget. We assumed SY enplaned passengers would be 17.86% of our total enplanements and for the reporting period they were 13.6%.
- The largest variance from budget in expenses comes services and charges which are 65k under budget. Personnel Compensation and Benefits is running under budget by 62k as well. Supplies are 28k under budget. Operating expenses overall are \$148k 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 under budget by nearly \$50k, while expenses are down \$62k 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 \$230k.
- If we were to exclude all concessionaire relief credits and reimbursements, as well as expected COVID relief requests, we would be at an overall favorable variance of \$399k.
- **OPERATING POLICY #28 MINIMUM CASH BALANCE REPORTING AS OF 8/9/22:**
 - Minimum Cash Balance Goal: \$2,437,853
 - Current Balance: \$2,934,092 - Exceeds goal
 - Days Cash on Hand: 217 days currently vs 180 day benchmark (37 days over goal)

Duluth Airport Authority
Duluth A/R Aging Report
As of August 8, 2022

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

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	7/9/2022 - 8/7/2022 (30)	6/9/2022 - 7/8/2022 (60)	5/10/2022 - 6/8/2022 (90)	BEFORE 5/10/2022 (>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	68	\$0.00	\$0.00	\$0.00	\$8.00	\$0.00	\$8.00
Avis Rent A Car	Invoice	8/1/2022	10030	8/31/2022	7	\$0.00	\$2,456.37	\$0.00	\$0.00	\$0.00	\$2,456.37
Azbell, Austin	Invoice	7/15/2022	9993	8/14/2022	24	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
Bemidji Aviation	Invoice	8/5/2022	10086	9/4/2022	3	\$0.00	\$1,036.88	\$0.00	\$0.00	\$0.00	\$1,036.88
BKR Investments DBA Duluth Pack	Invoice	8/1/2022	10033	8/31/2022	7	\$0.00	\$225.00	\$0.00	\$0.00	\$0.00	\$225.00
Budget Rent A Car						\$0.00	\$18,247.31	\$0.00	\$0.00	\$0.00	\$18,247.31
Case, Ronald Jr.	Invoice	7/15/2022	9994	8/14/2022	24	\$0.00	\$51.00	\$0.00	\$0.00	\$0.00	\$51.00
Chad's Pad, LLC	Invoice	5/3/2022	9701	6/2/2022	97	\$0.00	\$0.00	\$0.00	\$0.00	\$900.00	\$900.00
Chandler, Daniel						\$0.00	\$153.00	\$0.00	\$0.00	\$153.00	\$306.00
Churchill, Sean						\$0.00	\$195.77	(\$7.16)	\$0.00	\$0.00	\$188.61
Cirrus Design Corporation						\$0.00	\$20,632.63	\$3,350.00	\$0.00	\$21,871.94	\$45,854.57
City of Duluth	Invoice	8/1/2022	10057	8/31/2022	7	\$0.00	\$1,668.72	\$0.00	\$0.00	\$0.00	\$1,668.72
Clobes, Nathan	Invoice	7/15/2022	9995	8/14/2022	24	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
Compudyne	Invoice	8/1/2022	10058	8/31/2022	7	\$0.00	\$32.44	\$0.00	\$0.00	\$0.00	\$32.44
Dal Santo, Frances M	Invoice	8/1/2022	10072	8/31/2022	7	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Delta Airlines						\$0.00	\$58,077.12	\$0.00	\$0.00	\$0.00	\$58,077.12
Divine Carriers						\$0.00	\$132.65	\$132.65	\$132.65	\$132.65	\$530.60
Duluth Economic Development Authority	Invoice	6/6/2022	9826	7/6/2022	63	\$0.00	\$0.00	\$0.00	\$6,075.00	\$0.00	\$6,075.00
Duluth Hangar, LLC	Invoice	8/1/2022	10060	8/31/2022	7	\$0.00	\$828.87	\$0.00	\$0.00	\$0.00	\$828.87
Dunker, Christopher L	Invoice	3/17/2022	9478	4/16/2022	144	\$0.00	\$0.00	\$0.00	\$0.00	\$9,678.20	\$9,678.20
Enterprise Leasing Company	Invoice	8/5/2022	10088	9/4/2022	3	\$0.00	\$50,323.59	\$0.00	\$0.00	\$0.00	\$50,323.59
Federal Express Corporation						\$0.00	\$845.00	\$0.00	\$1,440.00	\$0.00	\$2,285.00
Ferrari, Matt	Invoice	7/15/2022	9996	8/14/2022	24	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
General Services Administration						\$0.00	\$5,298.61	\$0.00	\$0.00	\$0.00	\$5,298.61
Goritchan Boris						\$0.00	\$0.00	\$0.00	\$0.00	\$879.00	\$879.00
Grimsbo, Gerald						\$0.00	\$153.00	\$0.00	\$0.00	\$306.00	\$459.00
Hagberg, Rick						\$0.00	\$197.56	\$197.56	\$0.00	\$0.00	\$395.12
Hall John	Invoice	8/1/2022	10035	8/31/2022	7	\$0.00	\$298.32	\$0.00	\$0.00	\$0.00	\$298.32
Harris, Melissa	Invoice	7/15/2022	9998	8/14/2022	24	\$0.00	\$153.00	\$0.00	\$0.00	\$0.00	\$153.00
Hatfield, Dan	Invoice	8/1/2022	10068	8/31/2022	7	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Hermantown Hydraulics						\$0.00	\$680.86	\$629.69	\$0.00	\$0.00	\$1,310.55
Hillman Colin	Invoice	8/1/2022	10079	8/31/2022	7	\$0.00	\$275.00	\$0.00	\$0.00	\$0.00	\$275.00
Hydro Solutions, Inc.	Invoice	8/1/2022	10036	8/31/2022	7	\$0.00	\$3,466.75	\$0.00	\$0.00	\$0.00	\$3,466.75

Duluth A/R Aging Report

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	7/9/2022 - 7/7/2022	6/9/2022 - 7/8/2022	5/10/2022 - 6/8/2022	BEFORE 5/10/2022	TOTAL
							(30)	(60)	(90)	(>90)	
						Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Johnson, Josiah H	Invoice	8/1/2022	10047	8/31/2022	7	\$0.00	\$100.00	\$0.00	\$0.00	\$0.00	\$100.00
Johnson, Richard						\$0.00	\$462.20	\$0.00	(\$7.08)	\$0.00	\$455.12
Johnston, Paul	Invoice	8/1/2022	10076	8/31/2022	7	\$0.00	\$188.61	\$0.00	\$0.00	\$0.00	\$188.61
Kern & Kompany	Invoice	8/5/2022	10098	9/4/2022	3	\$0.00	\$565.00	\$0.00	\$0.00	\$0.00	\$565.00
Kleen-Tech Services, LLC	Invoice	8/1/2022	10037	8/31/2022	7	\$0.00	\$688.09	\$0.00	\$0.00	\$0.00	\$688.09
Lake Superior College	Invoice	8/1/2022	10053	8/31/2022	7	\$0.00	\$34,468.27	\$0.00	\$0.00	\$0.00	\$34,468.27
Lake Superior Helicopters						\$0.00	\$4,321.10	\$8,404.67	\$0.00	\$0.00	\$12,725.77
Larsen, Shane						\$0.00	\$596.74	\$0.00	\$0.00	(\$13.10)	\$583.64
Love Creamery	Payment	6/6/2022	8666	6/6/2022	63	\$0.00	\$0.00	\$0.00	(\$120.00)	\$0.00	(\$120.00)
Luck, Rick	Invoice	7/18/2022	10011	8/17/2022	21	\$0.00	\$99.14	\$0.00	\$0.00	\$0.00	\$99.14
Messerer Jon						\$0.00	\$2,016.17	\$0.00	\$0.00	\$0.48	\$2,016.65
Minnesota Air National Guard	Invoice	8/8/2022	10122	9/7/2022	0	\$283.91	\$0.00	\$0.00	\$0.00	\$0.00	\$283.91
Minnesota Power	Invoice	8/1/2022	10040	8/31/2022	7	\$0.00	\$466.46	\$0.00	\$0.00	\$0.00	\$466.46
Miscellaneous	Invoice	7/19/2022	10016	8/18/2022	20	\$0.00	\$120.00	\$0.00	\$0.00	\$0.00	\$120.00
Monaco Air Duluth						\$0.00	\$4,264.36	\$0.00	\$0.00	\$0.00	\$4,264.36
Mountain Air Cargo	Invoice	8/1/2022	10042	8/31/2022	7	\$0.00	\$1,549.68	\$0.00	\$0.00	\$0.00	\$1,549.68
Northland Constructors, Inc.						\$0.00	\$181.50	\$181.50	\$0.00	\$0.00	\$363.00
Oakwells CR, LLC						\$0.00	\$320.00	\$1,299.09	\$0.00	\$0.00	\$1,619.09
On Site Enterprises, Inc						\$0.00	\$583.52	\$0.00	\$0.00	(\$3,674.40)	(\$3,090.88)
Opack Matthew Jr.	Invoice	8/1/2022	10077	8/31/2022	7	\$0.00	\$198.50	\$0.00	\$0.00	\$0.00	\$198.50
Palmer, John	Invoice	8/1/2022	10078	8/31/2022	7	\$0.00	\$198.50	\$0.00	\$0.00	\$0.00	\$198.50
Parthe, Lance						\$0.00	\$264.64	\$264.64	\$264.64	\$264.64	\$1,058.56
Payne, Robert	Invoice	8/1/2022	10062	8/31/2022	7	\$0.00	\$264.64	\$0.00	\$0.00	\$0.00	\$264.64
PGKK (Goldschmidt & Kundel)	Invoice	8/5/2022	10091	9/4/2022	3	\$0.00	\$1,318.69	\$0.00	\$0.00	\$0.00	\$1,318.69
QMS, INC.						\$0.00	\$452.43	\$0.00	\$0.00	\$0.00	\$452.43
Rathbun, David	Invoice	8/1/2022	10070	8/31/2022	7	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Rehabilitation Counselors, Inc.	Payment	8/19/2019	5002	8/19/2019	1,085	\$0.00	\$0.00	\$0.00	\$0.00	(\$75.00)	(\$75.00)
RS&H						\$0.00	\$2,565.99	\$0.00	\$0.00	\$0.00	\$2,565.99
Scenic Airrides						\$0.00	\$2,162.83	\$0.00	\$0.00	\$0.00	\$2,162.83
Shafer Contracting						\$0.00	\$15,066.22	\$0.00	\$0.00	\$0.00	\$15,066.22
Shelter Dog Inc.						\$0.00	\$116.50	\$0.00	\$0.00	(\$454.00)	(\$337.50)
Stevens, Mike	Invoice	8/1/2022	10073	8/31/2022	7	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Sun Country, Inc. dba Sun Country Airlines	Invoice	8/1/2022	10049	8/31/2022	7	\$0.00	\$120.00	\$0.00	\$0.00	\$0.00	\$120.00
Superior Water, Light & Power	Invoice	5/12/2022	9729	6/11/2022	88	\$0.00	\$0.00	\$0.00	\$1,468.75	\$0.00	\$1,468.75
Sydow Dan						\$0.00	\$264.64	\$0.00	\$0.00	\$264.64	\$529.28
The Landline Company						\$0.00	\$7,505.14	\$3,550.14	\$0.00	\$0.00	\$11,055.28
Transportation Security Administration						\$0.00	\$8,304.33	\$115.00	\$0.00	\$0.00	\$8,419.33
Twin Ports Dermatology	Invoice	7/1/2022	9951	7/31/2022	38	\$0.00	\$0.00	\$10,000.00	\$0.00	\$0.00	\$10,000.00
unifi						\$0.00	\$115.00	\$1,803.00	\$0.00	\$0.00	\$1,918.00

Duluth A/R Aging Report

CUSTOMER	TRANSACTION TYPE	TRANSACTION DATE	TRANSACTION NUMBER	DUE DATE	AGE	CURRENT	7/9/2022 - 8/7/2022 (30)	6/9/2022 - 7/8/2022 (60)	5/10/2022 - 6/8/2022 (90)	BEFORE 5/10/2022 (>90)	TOTAL
						Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
United Parcel Service						\$0.00	\$0.00	\$0.00	\$0.00	\$130.00	\$130.00
University of Minnesota Duluth	Invoice	8/5/2022	10090	9/4/2022	3	\$0.00	\$3,000.00	\$0.00	\$0.00	\$0.00	\$3,000.00
Werpy, Jonas						\$0.00	\$197.56	\$197.56	\$0.00	\$0.00	\$395.12
Williams, Ron	Invoice	8/1/2022	10074	8/31/2022	7	\$0.00	\$197.56	\$0.00	\$0.00	\$0.00	\$197.56
Total						\$283.91	\$259,982.70	\$30,118.34	\$9,261.96	\$30,364.05	\$330,010.96



Airline Monthly Activity Report for DLH

Exhibit C

[illegible]



Airline Monthly Activity Report for DLH

Exhibit C

[illegible]

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	114,965	56,319	June	42,243	23,801	157,208	80,120	167,254	82,290	(10,046)	(2,170)
July	102,105	50,371	July	36,166	16,132	138,271	66,503	172,320	83,694	(34,049)	(17,191)
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		
693,904			256,098			950,002		1,846,928		(97,846)	
341,882			145,025			486,907		945,134		(31,169)	

Please see below numbers for July 2022.

Pax Type	Market	Pax Count	Seats (AU)
Revenue	Departures	870	2,128
	Arrivals	818	2,128
Revenue Total		1,688	4,256
NonRev	Departures	37	-
	Arrivals	34	-
NonRev Total		71	-
Grand Total		1,759	4,256