



DULUTH AIRPORT AUTHORITY

Duluth Airport Authority

Meeting Minutes

March 19, 2024

MEETING LOCATION: Amatuzio Conference Room, Duluth International Airport

DIRECTORS PRESENT: Kim Maki
Kevin O'Brien
Jason Crawford
Michael Henderson

DIRECTORS PARTICIPATING VIA ELECTRONIC MEANS:
Elissa Hansen

DIRECTORS ABSENT: Jeff Anderson

OTHERS PRESENT: Tom Werner, DAA Executive Director
Mark Papko, DAA Dir. of Operations
Jana Kayser, DAA Dir. of Business Development
Joelle Bodin, DAA Dir. of Finance and Administration
Natalie Baker, DAA Dir. of Marketing and Communications
Jenny Delnay, DAA Administrative Coordinator
Mark Marino, Duluth Aviation Institute
Michael Gardonio, Duluth Aviation Institute
Sandra Ettestad, Duluth Aviation Institute
Don Monaco, Duluth Aviation Institute / Monaco Air Duluth

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:
Tristan Durfee, DAA Sky Harbor Manager
Robb Enslin, Duluth City Attorney
James Gibson, Cirrus
Dante Tomassoni, Cirrus
Horeya Czaplewski, EXP
Heather Wink, Giant Voices
Paul Huston, HNTB
Kaci Nowicki, SEH
Scott Sannes, SEH
Matthew Stewart, SEH

CALL TO ORDER: Dir. Maki called the DAA board meeting to order at 8:00 a.m. Dir. Maki noted that Dir. Hansen was attending virtually, and Dir. Anderson was absent.

Dir. Maki invited Mr. Tom Werner to provide the Executive Director's Review

I. *EXECUTIVE DIRECTOR'S REVIEW

- A. **Air Service:** Mr. Werner provided an update on the current air service with a presentation.
- Mr. Werner presented year-to-date numbers. Delta was still leading in seats sold and overall load factors remained high. Sun Country had a good month. Next month, Mike



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Bown will be presenting at the Board Meeting to discuss a renewed business case for Denver service, which has changed since originally proposed in 2019.

- ATP Grant Statistics: Mr. Werner recapped the ATP grants as presented last month. He presented potential funding scenarios for funding the Air Traffic Control Tower (ATCT).
 - Scenario 1: Preferred option which includes a steady \$10 million in ATP grants over the next two cycles. Maximizes federal funding.
 - Scenario 2: Includes Infrastructure and Jobs matching grant from the state, another bond ask and GAP funding from the City, which would be consistent with the Terminal and Hangar 103 funding.
 - Scenario 3: Least preferred option includes the largest bond ask and larger GAP request from the City.
 - In summary, there are multiple ways to get to the full funding amount needed for ATCT. Staff is looking to maximize every opportunity.
 - Another option is to seek a state tax exemption when purchasing construction materials, which would save about \$3 million.
 - Dir O'Brien asked if this would be a one time ask.
 - Mr. Werner confirmed it was and it includes the Tower, 2 hangars, and the Sky Harbor Terminal. There is precedent for this request.

B. Operations/Construction/Planning: Mr. Papko provided the following updates:

- New Air Traffic Control Tower (ATCT) Update: Mr. Papko shared that work continues on the actual design of the tower with the 35% deliverable expected this week. DAA has been excited at the pace of the design work thus far. Partners are having their voices heard, but moving swiftly, shortening their review periods to help expedite the process. Work has recently been focused on how to spend the \$10 million recently awarded.
 - CMAR: Mr. Papko was hoping to have the CMAR Contract ready for today's meeting, however with the large contract it is still going through the due diligence. It is now expected to be at the April meeting. The selected construction manager has been engaged, even with the contract still pending. An announcement and contract will be coming soon.
- Airshow Update: The 2024 airshow is scheduled for May 18-19. Planning is going smoothly, including contingency plans for snow. This year will feature the US Air Force Thunderbirds.
 - Dir. Maki asked if attendance was expected to be lower due to the early date.
 - Mr. Papko shared that he was not sure, but it typically is more weather dependent. The Thunderbirds draw less of a crowd than the Blue Angles, however there are also other acts performing too.
 - Dir. O'Brien asked if DAA fees were guaranteed or dependent on attendance.
 - Mr. Papko confirmed that DAA fees were guaranteed.
- Sky Harbor Terminal Update: Mr. Papko shared that they are currently picking out furniture for the space and looking forward to the Open House.
 - Snow Removal Equipment Building: The Building has started to be erected. Mr. Papko shared pictures of the progress. The building is higher than surrounding buildings due to elevation requirements for flood protection. The door is larger to allow for interchangeability between DYT and DLH's equipment.

C. Business/Property Development: Ms. Kayser provided an update on the following:

- Ranch Hangar Project: The hangars are now full and the Ribbon Cutting is being planned. There are still minor punch list items to finish plus a storm water project



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estimated to be completed on April 22nd. The last issue is the placement of gas and electrical meters and snow guards on the roof. Ms. Kayser is excited to see the hangars full and new tenants brought into the airport.

- NBDA Development RFP Update: These are now posted to the City's website and are due April 1st. Dir. Crawford will be working with Ms. Kayser to review the proposals.
- Sky Harbor Survey: The lack of lot lines at Sky Harbor has been a long-standing issue. SEH recently did an official survey. There were two tenants' leases that changed more than 1 square foot (one in favor of the tenant, and the other a difference of \$30). Exhibits will be brought forward next month to update their agreements.
- Summer Internship: Application period has closed with about 40 applicants. Ms. Kayser is currently conducting the first round of virtual interviews and will do a second round after returning from Spring Break.

D. Financial Update: Ms. Bodin provided an update on the following:

- City of Duluth Property Insurance Renewal Update: Ms. Bodin is adjusting the insurance for new equipment and property, such as the new Terminal and SRE buildings at Sky Harbor and the new Ranch Hangars. This will likely be before the board in April.
- Audit Preparation: Ms. Bodin is providing the final audits and adjustments and is planning to have this completed by next month.
- Title VI Plan: The draft is due to FAA by April 1st, so Ms. Bodin is wrapping up the draft now. They will send back comments, then a final plan will come before the board. The final approved plan is due by the end of the year.

E. Marketing/Communications: Ms. Baker provided an update on the following:

- Duluth and St. Louis County at the Capitol Days: Ms. Baker shared that DAA was present at the capitol this year, with Ms. Kayser, Mr. Papko and Dir. O'Brien on the lobbying team. DAA had a booth at the Grand Reception with a Plinko Put-Put game, which was well received.
- ATCT Public Open House: There is an Open House scheduled for April 10th with SEH.
 - Dir. Maki asked where the event will be held.
 - Ms. Baker confirmed it will be held in the Terminal's Conference Room.

F. Legislative Update: Mr. Werner provided an update on the following:

- PFAS Transition Advocacy: Mr. Werner shared that he is continuing to work with stakeholders across state to mobilize the airports.
- Congressionally Directed Spending Request: Mr. Werner shared about his recent trip to Washing DC to meet with delegations. They remain steadfast in supporting the ATCT project. They understand the importance of congressionally directed spending.

G. Presentations/Tours/Travel Recap: Mr. Werner provided an update on the following:

- Duluth and St. Louis County at the Capitol Days: Mr. Werner shared that there was good attendance and good conversations at this event.
- AAAE Legislative Affair Conference: Mr. Werner was able to hear from Congress about what was important in aviation, mostly spending bills.

H. Other:

- NSR



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- Dir. Maki thanked everyone for their reviews and moved to item II of the agenda.

II. *APPROVAL OF PREVIOUS MEETING MINUTES & OTHER CONSENT AGENDA ITEMS AS INDICATED BY *:

- A. Approval of February 20, 2024 Board Meeting Minutes
- B. Approval of March 8, 2024 Special Board Meeting Minutes
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Crawford
 - Abstain: None
 - Result: This resolution was adopted unanimously by roll call.

III. *DAA CASH DISBURSEMENTS

- A. Operating Check Register Sheets #5-6 of 2024; Operating ACH Payment Register #5-6 of 2024; Construction ACH Register #4 of 2024.

IV. *CORRESPONDENCE

- A. February 16, 2024: DLH Construction Newsletter.
- B. February 16, 2024: DYT Construction Newsletter.
- C. February 15, 2024: \$10 Million dollar grant will help build a new air traffic control tower for Duluth Airport. WDIO.
- D. February 15, 2024: Duluth airport gets \$10 million federal grant for tower replacement. Duluth News Tribune.
- E. February 15, 2024: Federal lawmakers announce funding for Duluth International Airport tower, new Two Harbors terminal. Northern News Now.
- F. February 16, 2024: Dan Markham Letter of Resignation from DAA Board.
- G. February 27, 2024: TSA PreCheck Travelers will no longer have to show ID or boarding pass at certain airports. The Points Guy.
- H. February 28, 2024: Congressional Leaders Agree to Avoid Imminent Shutdown and Temporarily Extend Federal Funding...Again. AAAE Federal Affairs Airport Alert.
- I. March 4, 2024: Air Traffic Control Tower Base Building; Duluth Airport Authority Bill. Legislature of the State of Minnesota.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

- A. None.

VI. OLD BUSINESS

- A. None.

VII. NEW BUSINESS

- A. Resolution to approve Work Order 2024 – 03 between Short Elliot Hendrickson, Inc. and the Duluth Airport Authority for the coordination of Aquatic Mitigation at Sky Harbor Airport
 - Mr. Papko shared that this finalizes the mitigation required following the construction of the Sky Harbor runway. Since mitigation lasted longer than 3 years, it was split into multiple contracts. This contract includes one more planting and monitoring to restore the aquatic habitat.
 - Dir. Maki entertained questions or a motion.



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- Motion: Dir. Henderson
- Second: Dir. O'Brien
- Abstain: None
- Result: This resolution was adopted unanimously by roll call.

B. Resolution to Approve a Funding Agreement Between the Duluth Airport Authority and Minnesota Department of Transportation for Airport Development Education in the Amount of \$15,000.

- Mr. Werner shared that there has been a lot of turn over in local stakeholders regarding airport development, which is significantly different from other types of development. This agreement would split the cost of bringing in lawyers to speak on the types of development restrictions airports face with MnDOT to have both local stakeholders and other airport stakeholders across the state.
- Dir. Maki asked if the education was focused on both stakeholders and airport staff.
 - Mr. Werner confirmed that he did want the private sector developers to attend both from the City and St Louis County. It is intended for anyone who would want to see the airport as an economic driver in the community but may not understand the rules and regulations that go along with that.
- Dir. O'Brien asked about the timeline of the education.
 - Mr. Werner shared they are planning for a four-hour time block, which would focus on the high-level concepts.
- Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Crawford
 - Abstain: None
 - Dir Maki noted that this event would be good for board members to attend.
 - Result: This resolution was adopted unanimously by roll call.

C. Resolution to Approve Naming of Sky Harbor Terminal Building

- Ms. Baker invited Ms. Sandra Ettestad to present the Duluth Aviation Institute's proposal for the naming of the new Sky Harbor Terminal.
- Ms. Ettestad introduced the other members of the Duluth Aviation Institute in attendance, including Mr. Mark Marino, Mr. John Eagleton, Mr. Don Monaco, and Mr. Mark Gardonio. They represent a wealth of aviation knowledge, especially in Duluth.
- Ms. Ettestad presented the proposal to name the new Sky Harbor Terminal the Robert R. Gilruth Terminal.
 - Gilruth was born in 1913 and graduated from Duluth schools. He went on to lead NASA's effort to the moon. He was the first director of the Johnson Space Center and has been inducted into both the National Space Hall of Fame and the International Space Hall of Fame. He is considered to be the Father of Human Space Flight.
 - Ms. Ettestad shared that the Institute has been unsuccessful in contacting any living relatives of Gilruth's family.
 - Ms. Ettestad shared that Sky Harbor would benefit from this naming as it would build community and hometown pride, position Duluth as an aviation community of significance and inspire visitors with the Apollo messages of hope.
- Ms. Baker shared the position of the signage, which includes exterior lettering on the building, interior lettering above the entry door in the vestibule and a plaque inside the



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building. These will be consistent with the color schemes and lettering throughout the new terminal.

- Dir. Maki entertained questions or a motion.
 - Motion: Dir. Henderson
 - Second: Dir. Crawford
 - Abstain: None
 - Result: This resolution was adopted unanimously by roll call.
- Dir. O'Brien made an additional motion to strike "Contingent upon receiving consent from the family or estate" from the written motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Henderson
 - Abstain: None
 - Result: The motion was adopted unanimously by roll call.

D. Resolution to Approve New Logo for Sky Harbor Airport

- Ms. Baker stated that with the new building, she wanted to have an updated logo to match. They went through a rebranding process with Giant Voices and Ms. Baker shared the photos of the new logo.
- Dir. Hanson asked for clarification on if the new name approved in Resolution C impacted the letting of the logo.
 - Ms. Baker clarified that the naming from Resolution C was only for the terminal building. The airport would remain Sky Harbor with DYT as its call sign, similar to how Duluth International's call sign is DLH and terminal is called Oberstar.
- Dir. O'Brien asked if Ms. Baker was happy with the way the logo turned out.
 - Ms. Baker confirmed that she was very happy.
- Dir. Maki entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Henderson
 - Abstain: None
 - Dir. Maki noted that she enjoyed the new logo and saw it as a new vision to move forward with.
 - Result: This resolution was adopted unanimously by roll call.

E. Resolution to Approve Operator Agreement Amendment #14 Between the Duluth Airport Authority and Monaco Air Duluth, LLC

- Ms. Kayser stated that North Business Development Area (NBDA) is preparing to be developed. Monaco had invested \$371,000 to get shovel ready, but those plans did not materialize so the property is currently vacant. For the DAA to develop this area for additional revenue generation, this amendment would pay back Monaco for their investment.
 - Dir O'Brien asked if this was a one-time payment.
 - Ms. Kayser clarified that this is a one-time payment of \$148,000 for prepayment of prepaid rent plus \$15,000 for Monaco's unrealized revenue.
- Dir. Maki entertained questions or a motion.
 - Motion: Dir. O'Brien
 - Second: Dir. Henderson
 - Abstain: None
 - Result: This resolution was adopted unanimously by roll call.



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- F. Resolution to Approve an Employee Incentive Award in the Amount of One Thousand Dollars (\$1,000) for Jana Kayser in Accordance with Duluth Airport Authority Operating Policy #5.
- Mr. Werner shared that it is consistent with the Operating Policy for DAA to reward good work. He noted that Ms. Kayser has done a tremendous job developing the new Ranch Hangar project. This project was one of the vital building blocks in creating the Director of Business Development position and Ms. Kayser's growth in this position has been meteoric. Mr. Werner noted that Ms. Kayser is a trusted advisor in how to develop future business at the airport and recommended approval of this resolution.
 - Dir. O'Brien noted that he cannot imagine the DAA staff without Ms. Kayser and that her position is key to airport success.
 - Dir. Maki entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Henderson
 - Abstain: None
 - Dir. Maki echoed Dir. O'Brien and Mr. Werner's sentiments. She has been excited to see both Ms. Kayser's growth over the years.
 - Result: This resolution was adopted unanimously by roll call.
- G. *January 2024 Financial Reports
H. *March 2024 Accounts Receivable
I. *February 2024 Airline Statistics, Landline Statistics

VIII. DIRECTOR'S REPORTS

- A. Dir. Maki shared that she was also at St. Louis County and Duluth Days and thought the DAA booth looked fantastic. She appreciated the dedication of the board and staff.

ADJOURN: The meeting was adjourned at 8:54 a.m.

Respectfully submitted,

Jenny Delnay
Administrative Coordinator

Approved: _____
DAA Executive Director