



# DULUTH AIRPORT AUTHORITY

## Duluth Airport Authority

### Meeting Minutes

April 16, 2024

**MEETING LOCATION:** Amatuzio Conference Room, Duluth International Airport

**DIRECTORS PRESENT:**

Kevin O'Brien  
Michael Henderson  
Jason Crawford

**DIRECTORS PARTICIPATING VIA ELECTRONIC MEANS:**

Jeff Anderson

**DIRECTORS ABSENT:**

Kim Maki  
Elissa Hansen

**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  
Joe Uhlhorn, H+U Construction  
John Kontny, Jamar  
Eric Monson, Lake Superior Helicopters  
Don Monaco, Monaco Air Duluth  
Mike Bown, SEH  
Shawn McMahon, SEH  
Kaci Nowicki, SHE  
Scott Sannes, SEH

**OTHERS PARTICIPATING VIA ELECTRONIC MEANS:**

Kathy Leon, DAA Confidential Bookkeeper  
Dante Tomassoni, Cirrus  
James Gibson, Cirrus  
Horeya Czaplewski, EXP  
Paul Huston, HNTB  
Matthew Stewart, SEH

**CALL TO ORDER:** Dir. O'Brien called the DAA board meeting to order at 8:01 a.m. Dir. O'Brien called attendance by roll call. He noted that Dir. Maki and Hansen are absent, but there is a quorum present.

Dir. O'Brien 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.



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- Mr. Werner presented year-to-date numbers. Enplanements are down a little from 2023, mostly due to Sun Country no longer doing the Phoenix route. Mr. Werner will be connecting with Sun Country next month to discuss future routes at DLH. While capacity on the Ft. Myers flights have been good, that is only one part to consider. Mr. Werner shared that currently DLH captures 32-35% of the market, while the other 68-70% drive to MSP. He also showed the economic correlation between per capita income and seats on the market across the country. Aircraft issues have become a hot topic recently, in addition to the Whitney engine shortage. Seat capacity this summer will be up 11% compared to last summer and within 16% of 2019 levels.
- Jumpstart Conference Preparation – Mr. Werner and Mr. Bown will meet with 7 different airlines during this conference, all of which have the potential to be a future partner at DLH. This is scheduled for next month during the currently scheduled Board Meeting.
- Updated Business Case for DEN Project Presentation – Mr. Werner invited Mr. Mike Bown from SEH to present the Business Case for Denver. He noted that this presentation is the same one that Mr. Werner and Mr. Bown will present to the Duluth Chamber Foundation later today.
  - Mr. Bown noted that this presentation is the type that is usually presented to an airline with industry knowledge, so encouraged the board to ask clarifying questions as needed.
  - Mr. Bown shared that the last time the Denver Business Case was presented, it was in pre-covid. At that time, there was the SCASD grant and community support totaling around \$1 million and SkyWest appeared to have great interest in the route.
  - Mr. Bown shared that across the US and in this region specifically, the per capita to traveler ratio is about 1.0, however, within this region, over half of those passengers drive to MSP to fly out. He also showed the correlation between Economic Growth in a region with an increase in enplaned passenger growth, and the inverse.
  - Denver (DEN) is one of the fastest growing hubs in the country, and may eventually become the airport with the most traffic. They are currently building more gates for increased capacity. At one point, there were 9 different airlines flying between DEN and MSP.
  - Mr. Bown shared that he believes there could be a good amount of traffic from Northern MN through DLH if there were direct flights available, both for access to Denver as well as other western hubs that connect from Denver.
  - Since 2019, the biggest change to the business case has been the explosion in operating costs and fleet changes. To operate a CRJ, in 2021 it cost around \$3,000 per block hour, but in 2023 it has increased to nearly \$5,000. In addition, the 50 seat CRJ is being discontinued across multiple airlines and will likely no longer be on the market within the next 5 years. The updated aircraft in 2023 is now costing \$6,000 per block hour. This will increase the cost of the Denver Business Case by \$3.5-4 million annually.
  - In order for this route to break even, even assuming 100% capacity, fares would need to average \$700.
  - Mr. Bown shared that he believes there needs to be \$1.5 million MRG for this route to be considered by an airline to add. There is also the option of starting this route season, with the intent to grow to annually once established.



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- Many communities and states across the country are getting more aggressive in recruiting air service, including Ohio and Indiana who have budgets of \$10+ million and Michigan who just added a \$5 million package.
- Dir. O'Brien asked if these funds would be for operating costs or marketing funds and what the timeline was for these funds to be spent.
  - Mr. Bown shared that the hardest time for a new route is the first 6 months and often these funds are used up during that time for routes that can be successful in the long run. These can be used to support financial losses incurred by the airlines and sometimes for marketing costs.
- Dir. Crawford asked if other markets with similar proposals are facing similar situations for their route to become feasible.
  - Mr. Bown shared that the economics for this region are tough. Typically for this distance, the airlines would prefer to operate larger aircraft, but it can also vary greatly.
- Dir. Henderson asked how long this projection of feasibility is expected to remain the same.
  - Mr. Bown shared that in his opinion, if the industry and economy stays at status quo, he does not expect a change in these scenarios. The biggest question is what happens to the industry moving forward, since it tends to be cyclical, i.e. when times are good, costs and wages increase. Then a downturn comes, and costs and wages are driven back down, only to repeat the cycle again.
  - Mr. Werner added that we have to accept the conditions as they are, not as we wish them to be. Given that the regional economy is stagnant, there cannot be expected to have a large growth in air service, so the DAA needs to be selective about which opportunities to pursue. In 2019, this route made sense, however the economics are different today.
- Mr. Werner noted that there will be a point where the Board and Staff will need to make a decision about whether this route still makes sense to pursue today. Mr. Werner noted that they will be discussing this with the Duluth Chamber Foundation later today to hear from community members about their input on this route. He noted there are other opportunities for air service growth to consider.
- Mr. Bown noted that another change since 2019 is the United Maintenance base at Duluth. That guaranteed planes coming to DLH each night, which allowed them to be aggressive on pricing and forcing other airlines to match their prices. Without this maintenance base any longer, it adds another layer to consider.

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

- New Air Traffic Control Tower (ATCT) Update: The 35% review happened last week with the project team and had fruitful conversations. The design is heading in the right direction.
  - The ATCT Public Open House happened last week on the same day. There were 30-40 people unrelated to project support who attended. There were good conversations and good media coverage.
  - Mr. Papko shared the current site layout, including the two stormwater filtration basins, Stebner Rd relocation, and the one-way traffic to allow for semi-truck access.
- Construction:



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- Taxiway A Tenant Construction Communication: There was a meeting with tenants regarding the construction impacts that they can expect this summer, as Taxiway A Phase 3 is scheduled for this summer. This is at a crucial Taxiway A / Taxiway C intersection which is considered a “hot spot” with the amount of congestion. It is a complex project, so will be diligent in communication surrounding this project.
- Operations and Maintenance:
  - During the Winter Storm that occurred March 24-27, there was 24 inches of wet, heavy snow and ice. There were no airline cancellations due to airport conditions (there were some cancellations due to plane mechanical issues or other reasons not within DAA’s control). The management of this snow was in large part due to two new tools added to the fleet.
    - Liquid De-Icing chemicals have recently been added for use on runway surfaces. This has led to a dramatic reduction in sand use and a better end product for tenants. This is especially useful with mixed weather (i.e. snow/sleet mix).
    - A new magnet trailer has also been added to the fleet. With the snow removal equipment, there are broom heads which are half poly and half metal. During use, they are worn down and the bristles break off, causing foreign object debris (FOB) on the runway. The F16 especially are very sensitive to FOBs on the runway and the DAA has an obligation to provide a debris free airfield. Therefore, DAA has used magnets to pick up the metal bristles. The current magnet is towed at 8-10 mph and must do multiple passes over the same area. It takes 8-12 hours to cover the runway and needs to be done anytime the snow removal equipment is used. The new magnet trailer has been customized for DLH’s needs and has been doing a lot of R&D with the company. While not as wide, this magnet can be towed up to 80 mph and is more effective than the previous magnet. This trailer takes 20-30 minutes to cover the runway. With the small amount of testing that has been done thus far, it seems to be very effective and the 148<sup>th</sup> has been extremely happy with the product. The company is hoping to take this new product mainstream as a product to offer both to military and civilian airfields.
  - Dir. O’Brien asked how susceptible the Cirrus jets are in comparison to the military and commercial aircraft.
    - Mr. Papko shared that the main concern is the placement of the intake for the engine. Cirrus aircraft intake is on top of the plane, however all jet engines are still susceptible to FOB. This trailer was born out of the need from the 148<sup>th</sup>, however it is useful for all aircraft.
  - Dir. Henderson asked about the cost of the new magnet trailer.
    - Mr. Papko shared that at this point, there is no cost to DAA. There is not a price currently set for the magnet trailer for others since it is still under development.
    - Mr. Werner shared that this partnership was brought before the board last year during conception of the project. There is a chance that we may be financially compensated due to participating in the R&D stage.
  - New ADA Coordinator Certification: Mr. Papko shared that Mr. John Graves has completed FAA training and certification to become DLH’s ADA Coordinator.
- Mr. Papko reminded the board that the Airshow is coming up next month, May 18-19.



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- Sky Harbor:
  - New Sky Harbor Airport Terminal Update: Mr. Papko shared that this project is close to finishing. They are waiting for warmer weather to pour concrete, but the project is starting to turn towards punch list and clean up items and ordering furniture as the Grand Opening approaches.
  - New Snow Removal Equipment Building Update: The building is now stood up and fully enclosed. They are pouring concrete this morning. This will be a great improvement for Sky Harbor to be able to store the Snow Removal Equipment in its own space, rather than sharing space with aircraft.

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

- Ranch Hangar Project Update: This project only has a few items left to finish. The Stormwater requirements are going to begin on April 17<sup>th</sup> and will be completed by the Grand Opening on May 14<sup>th</sup>. Tenants have moved in and have sent back good feedback.
- Development RFP Responses: There were two RFPs published for the NBDA on the north side and the other for Midfield Ramp. There was a non-compliant response for Midfield and one response for NBDA. The NBDA response is currently under evaluation and Ms. Kayser will provide an update at the next meeting.
- Airport Economic Development Forum Update: Ms. Kayser is currently working to finalize this date. This will be in partnership with Kaplan Kirsch and Rockwell. This will likely be happening in June or July.
- Hermantown Hydraulics Vacation: This contract has been officially terminated and they vacated the building as of March 31<sup>st</sup>. This building is owned by the airport but was leased by the tenant.
- Hydrosolutions Termination Plan: Hydrosolutions has been looking for a new location for a while and will be moving to the Old Halmark Facility, likely to vacate at the end of May. This building is close to the new tower location and the building is at the end of its usable life. There are no current plans for this building, although it may be useful as storage during the Tower construction.
- New Lease draft for current Tower: The current lease is set to expire next year. Originally had looked to extend the existing lease, however the FAA sent a new lease. There are material changes to the lease, so Ms. Kayser has inquired again about extending the existing lease with a small rent escalator.
- LSC Discussion: LSC's lease is set to term in 2025, so Ms. Kayser is starting negotiations to extend their contract. These discussions include negotiating the requirements for maintenance in their agreement.
- AJUA Summary: This is the agreement with the Air National Guard for them to operate on the Airfield. The last lease was \$100 for 5 years, but the DAA receives AARF services as part of this agreement. It is possible that the PFAS and Forever Chemicals will also be a part of these negotiations.
  - Mr. Werner clarified that the AARF provides a level of service and resources well above what is required for DLH's air service. If the DAA paid for fire fighting services, it would cost several hundred thousand dollars, if not a million dollars. While this contract does not generate revenue, it does generate these valuable services.
- FBO Acquisition Due Diligence: As has been discussed earlier, Monaco is looking to sell the business. Mr. Werner shared that he is investigating whether the DAA should consider purchasing the FBO to bring it in house. It can provide some cost saving



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measures. There is also a legal aspect to having a private business under the DAA's charter. Mr. Werner is hoping to let Mr. Monaco know whether this is something the DAA will continue to pursue by the end of the month.

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

- **Audit Preparation:** Ms. Bodin is still working through audit schedules, reports and contract analysis of grants and the final components of capital assets. There are also new GASBY reporting requirements. Ms. Bodin is hoping to have this completed by the end of the month.
- **FAA Title VI Plan/Community Participation Plan (CPP):** The Title VI plan was due to the FAA by April 1<sup>st</sup> and was submitted about a week early. The FAA just provided comments back yesterday. This plan needs to be approved by the board and in place by the end of the year. There is also a Community Participation Plan portion which is due in June, which Ms. Baker is working on. The certification of our ADA Coordinator was also a part of the Title VI plan.
- **Law Enforcement Reimbursement (LEO) Program – Financial Impacts:** The TSA has announced that they are cutting funding for armed officers. The reimbursement requests are done monthly based on the open hours of the checkpoint. It is around \$90,000-100,000 per year. The program will run through April, creating a shortfall of \$65,000 for the current budget.
  - Mr. Werner shared that this was cut out of the Department of Homeland Security's budget as congress works through their funding. There were a number of TSA provisions that were cut, however this is the most impactful one. Trade organizations are currently working on this and talking to the Minnesota Delegation about the importance of this program. Mr. Werner thinks that it is likely to be a funding gap, but is hopeful that this program will be reinstated for FY25, but it will require a lot of work to be done.

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

- **Ranch Hangar Ribbon Cutting:** This has been scheduled for March 14<sup>th</sup>, the week of the airshow. Time of day TBD, likely in the afternoon.
- **Sky Harbor Ribbon Cutting:** This is currently scheduled for July 10<sup>th</sup> to work around congressional working sessions to allow Federal Representatives to attend, since the project was largely funded with federal funding.
- **Economic Impact Study:** Ms. Baker is working with Giant Voices to complete this study. It was last done in 2019, so a post-pandemic study is needed. It is estimated to be completed this fall.
- **ATCT Open House Recap:** As previously mentioned, there was a good turnout and good media coverage. Most of this coverage will be in the next board packet due to the timing of the event.

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

- **HF5157 & SF5242 DLH ATCT Bill (New Number & Amended Text):** This bill was amended so that the funds from the state and the federal funds already awarded would create a complete base building. The base building has more federally ineligible pieces. The tower shaft and cab are about 95% federally eligible.
- **SF1289 Airport Property Tax Exemption Testimony:** Mr. Werner testified in support of this bill which would extend tax exemptions to include businesses that manufacture aircraft if the population is under 50,000, which would include Duluth, Rochester and St.



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Cloud. This could help support Cirrus and the supply chain/enabling businesses to grow the aviation cluster.

- PFAS Transition Advocacy: Mr. Werner continues to work with state agencies and statewide stakeholders to navigate this transition. There will likely be additional proposed legislation to give financial help and additional time during the transition.
- Congressionally Directed Spending Request: Mr. Werner shared that a request has been submitted through Representative Stauber's office for \$22 million for the federal portion of the tower, which would take some pressure off of the ATP grants. Similar requests will be submitted through the senate as well in the coming weeks.

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

- NSR

H. **Other:** Mr. Werner provided an update on the following:

- Organizational Roadmap 2030: Mr. Werner shared that the compensation study has been completed and revealed that the DAA is lagging in a few areas, so there has been some action taken. 5 positions received immediate pay changes retroactive to January 1<sup>st</sup>. 19 positions are receiving scale adjustments. Next month, Mr. Werner will share the Organizational Roadmap 2030 with the plans to adjust staffing, especially as pertaining to over-hires/temporary workers.
- Sandy Hoff Appointed to the DAA: Mr. Werner shared that Mr. Sandy Hoff has been appointed and confirmed by the city council to serve on the DAA Board of Directors. He was unable to attend today but will join starting next month.
- Mr. Werner shared that the Jumpstart Conference discussed earlier where he will be meeting with 7 different airlines conflicts with the May Board Meeting. This Board Meeting will likely change dates, either a week earlier or a week later.

- Dir. O'Brien 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 March 19, 2023 Meeting Minutes

- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Henderson
  - Second: Dir. Crawford
  - Abstain: None
  - Result: This resolution was adopted unanimously by roll call.

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

A. Operating Check Register Sheets #7-8 of 2024; Operating ACH Payment Register #7-8 of 2024; Construction ACH Register #5 of 2024.

### IV. **\*CORRESPONDENCE**

- A. March 19, 2024: DLH Construction Newsletter.
- B. March 19, 2024: DYT Construction Newsletter.
- C. March 18, 2024: Letter of Support for Traffic Control Tower, Duluth Airport Authority. Duluth Building and Construction Trades Council.



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- D. March 18, 2024: Rezoning request heard by City of Duluth's Planning Commission. City of Duluth.
- E. April 2, 2024: TSA LEO Reimbursement and Canine program. Email from TSA Federal Security Director.
- F. April 8, 2024: DLH Construction Newsletter.
- G. April 9, 2024: Duluth International Airport to hold open house for air traffic control tower project. Northern News Now.

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

- A. None.

### **VI. OLD BUSINESS**

- A. None.

### **VII. NEW BUSINESS**

- A. Resolution to Approve the Duluth Airport Authority's Air Service Incentive Policy and Incentive Program for the Duluth International Airport.

- Mr. Werner shared that this resolution includes an update to Operating Policy #30 and the Air Service Development Program as included in the Board Packet. The FAA recently came out with new interpretations of incentive programs, which are reflected in these updates. The new Development Program will allow for increased transparency and will be listed on the DAA website. The program includes set incentives of fee waivers for airport costs and marketing funds broken down by target markets, which include Phoenix, Detroit, Las Vegas, Chicago, Tampa/St. Pete, Orlando and Destin. These markets align with the DAA's strategic goals to grow/bolster air service. There is also a Budgetary Limitation, which limits each incentive to only the first air carrier who responds to it.
  - Pending approval of this resolution, the updated Operating Policy and Air Service Development Program will be listed on the DAA website and will be active 30 days from today. This program will also be presented to the different airlines at the Jumpstart Conference.
  - Mr. Werner will be working with legal counsel to draft an Air Service Incentive Agreement which outlines the required service for an airline to receive the stated incentives. This will be brought back to the Board for approval once finalized.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Henderson
  - Second: Dir. Crawford
  - Abstain: None
  - Result: This resolution was adopted unanimously by roll call.

- B. Resolution to Accept and Approve the MnDOT Grant Agreement No. 1056458 for Air Service Marketing State Project No. A6901-SM032 and to authorize the Duluth Airport Authority's President and Secretary to Execute the Grant and any amendments.

- Ms. Baker shared that this is for an Air Service Grant from the State of Minnesota. The total amount of the grant is \$116,288, which is over \$5,000 more than last year. These funds are used on advertising marketing and public relation efforts of the DAA. Ms. Baker recommends approval.
- Dir. O'Brien entertained questions or a motion.





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

### C. Resolution to Approve Master Agreement between the Duluth Airport Authority and H+U Construction for the Construction of a New Air Traffic Control Tower

- Mr. Papko shared that back in December, the DAA had put out an RFP for Construction Managers to construct the Tower. There were 4 firms that submitted and 3 of them were interviewed. H+U was selected as the final selection since they were both the highest scoring company and the lowest cost. They also have CMAR funding experience with the FAA. They will be coming before the board next month to meet the Board and present the GMP. The Board will approve each GMP as they come, similar to how SEH's work orders are approved by the board under their master agreement.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Henderson
  - Second: Dir. Crawford
  - Abstain: None
    - Dir. Henderson was a part of the interview process and expressed accolades to the DAA Staff and Mr. Werner. The due diligence was very thorough. H+U seems like a great partner and a great fit for the work ahead.
    - Dir. O'Brien complimented the work on the timeline and moving this process forward.
  - Result: This resolution was adopted unanimously by roll call.

### D. Resolution to Approve Master Agreement between the Duluth Airport Authority and Jamar Companies for Airport Wide Mechanical, HVAC, and Building Automatic System Coordination

- Mr. Papko shared that, similar to the last resolution, this also went through the public RFP process. This contract is for both the terminal building and the airport campus since there are several buildings where the DAA maintains HVAC. There was only one submission from the RFP process, which was JAMAR who is also the incumbent. They were the original HVAC contractor since the new terminal opened. Their contract was month-to-month after the initial 5-year contract expired. The price on this contract has not changed since 2012, so the new contract does include an increase. The new proposal also breaks down the cost by building to allow for recapturing those fees in lease agreements. Mr. Papko shared that JAMAR has been a great partner over the last decade and looks forward to working with them over the next 5 years.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Crawford
  - Second: Dir. Henderson
  - Abstain: None
  - Result: This resolution was adopted unanimously by roll call.

### E. Resolution to Approve Work Order 2024 - 5 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc for the Duluth International Airport Drainage Master Plan Study

- Mr. Papko shared that this Drainage Master Plan would be comprehensive across the entire airfield, similar to the Airport Master Plan. Currently, drainage/stormwater is done on a project-by-project basis, which can become costly to do only small portions at a time. The comprehensive plan covers all of the upcoming projects within one plan, so



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there is less due diligence needed for each individual project. It is considered airport best practice to have a drainage plan for the entire campus. There will be funding coming through the FAA, since it is already covered in AIP or AIG projects.

- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Henderson
  - Second: Dir. Crawford
  - Abstain: Dir. Anderson
  - Result: This resolution was adopted unanimously by roll call by all voting members.
  
- F. Resolution to Accept and Award the Contract in the amount of \$45,867.00 for the Plant Mitigation at the Sky Harbor Airport (DYT) between the Duluth Airport Authority and Prairie Restorations, Inc.
  - Mr. Papko shared that when the Sky Harbor runway 1432 was relocated, it required restoring the aquatic habitat over a 5-year span, however the FAA grants do not allow projects to happen over that long of a time frame, so it was split into two contracts. This is part two, which will fulfill the DNA requirements for aquatic mitigation.
  - Dir. O'Brien asked if this was reimbursable.
    - Mr. Papko confirmed that it was at 90% AIP, 5% state and 5% local.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Crawford
    - Second: Dir. Henderson
    - Abstain: None
    - Result: This resolution was adopted unanimously by roll call.
  
- G. Resolution to Accept and Award the Contract in the amount of \$233,200.01 between the Duluth Airport Authority and Urban Companies, LLC for the Demolition of Building 100.
  - Mr. Papko shared that Building 100 is the prior site of Hermantown Hydraulics. This contract is for the demolition of the site to prepare for the new ATCT. It includes the removal of hazardous material and grating the area. It will be funded at the 95% rate.
  - Dir. O'Brien asked if contaminated soil was expected.
    - Mr. Papko shared that there is some slight surface contamination but does not appear to be too drastic. There has been testing done inside the facility and underneath. Once the structure is removed, there will be a better understanding. Given the previous uses of this site, it is expected to be largely localized to the building.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Henderson
    - Second: Dir. Crawford
    - Abstain: None
    - Result: This resolution was adopted unanimously by roll call.
  
- H. Resolution to Approve Work Order 2024 - 4 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc for the Construction Administration of the Demolition of Building 100.
  - Mr. Papko shared this is for construction administration for the same building described in the last resolution and it includes the hazardous waste and asbestos removal involved in this project.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Henderson



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- Second: Dir. Crawford
- Abstain: Dir. Anderson
- Result: This resolution was adopted unanimously by roll call by all voting members.

### I. Resolution to Approve Lease Agreement Between the Duluth Airport Authority and Chad's Pad, LLC

- Mr. Kayser showed the map of the parking lot which has been leased by Chad's Pad for storage of vehicles and parts, including a small garage with two bays. Previously, the agreement was for a 10-year term, which is now non-complaint. This new agreement has been brought up to current standards, including a significant increase in rent. It also removed 76 sq ft from the lease to ensure accuracy with property lines and adds a termination clause. There are no current plans for this area in the Master Plan.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Crawford
  - Second: Dir. Henderson
  - Abstain: None
  - Result: This resolution was adopted unanimously by roll call.

### J. Resolution to Approve Operator Agreement between the Duluth Airport Authority and Duluth Flying Club (Fly Duluth).

- Ms. Kayser shared that the Duluth Flying Club agreement was up for renewal. The agreement will now go through 2027. It is operated out of Monaco and is in line with other operator agreements. The only change to the agreement is the term.
- Dir. Henderson asked if this has always been a 3-year term.
  - Ms. Kayser confirmed that was correct and at their request.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Henderson
  - Second: Dir. Crawford
  - Abstain: None
  - Result: This resolution was adopted unanimously by roll call.

### K. \*February 2023 Financial Reports

### L. \*April 2024 Accounts Receivable

### M. \*March 2024 Airline Statistics, Landline Statistics

### N. Resolution to Approve Federal Aviation Administration Non-Federal Reimbursable Agreement RA-006323 for the Design of a New Air Traffic Control Tower Project at the Duluth International Airport.

- Mr. Papko shared that this contract is required for the FAA to work on the ATCT and be reimbursed at a rate set by the type of work. This includes the design work and will likely be extended to construction as well. This contract is set and regulated by the FAA. The DAA has been waiting on this contract since last year and it was added to the agenda as soon as it was received. Mr. Papko recommended approval to keep the project moving forward.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Crawford
  - Second: Dir. Henderson
  - Abstain: None



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- Result: This resolution was adopted unanimously by roll call.

### VIII. DIRECTOR'S REPORTS

A. None.

**ADJOURN:** Dir. O'Brien requested a motion to adjourn the meeting.

- Motion: Dir. Crawford
- Second: Dir. Henderson
- Abstain: None
- Result: The meeting was adjourned at 9:47 a.m. unanimously by roll call.

Respectfully submitted,

Jenny Delnay  
Administrative Coordinator

Approved: \_\_\_\_\_  
DAA Executive Director