



# DULUTH AIRPORT AUTHORITY

## NOTICE OF THE DULUTH AIRPORT AUTHORITY

### BOARD MEETING

### PURSUANT TO MINN. STAT. § 13D.02

NOTICE IS HEREBY GIVEN Duluth Airport Authority will hold its *special* meeting on **Tuesday, September 17th, 2024 at 8:00 a.m.** in the hangar at:

**Sky Harbor Airport**

5000 Minnesota Ave, Duluth, MN 55802.

Members of the public may monitor the meeting by clicking below to access the meeting by Microsoft Teams: "Microsoft Teams Meeting" (information below).

#### **Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 249 336 734 244

Passcode: ihi3nk

[Download Teams](#) | [Join on the web](#)

The public may express their comments for consideration by the Duluth Airport Authority prior to the meeting by email or in writing to [daa@duluthairport.com](mailto:daa@duluthairport.com) or to Duluth Airport Authority, 4701 Grinden Drive, Duluth, MN 55811.



# DULUTH AIRPORT AUTHORITY

## DULUTH AIRPORT AUTHORITY MEETING AGENDA SEPTEMBER 17, 2024

### SKY HARBOR AIRPORT HANGAR

#### I. \*EXECUTIVE DIRECTOR'S REVIEW

- A. Information Letter to DAA Directors

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

- A. Approval of August 20, 2024 Board Meeting Minutes
- B. Approval of September 4, 2024 Board Retreat Minutes

#### III. \*DAA CASH DISBURSEMENTS

- A. Operating Check Registers #22-23; Operating ACH Payment Register #24; Construction ACH Register #11.

#### IV. \*CORRESPONDENCE

- A. DLH Construction Notice
  - i. August 16, 2024
  - ii. August 23, 2024
  - iii. September 2, 2024
  - iv. September 6, 2024
- B. August 13, 2024: Letter from Saint Louis County.
- C. August 21, 2024: Inside One of the Most Profitable U.S. Airlines You Haven't Heard of. Skift.
- D. September 2024: Tailwind Concessions Acquires Oakwells, Resulting in the Combination of Two Specialized Regional Airport Concessionaires.
- E. September 4, 2024: Duluth Industry Leaders Lay Out How to Navigate Changing Tourism Trends. Northern News Now.

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

#### VI. OLD BUSINESS

None

#### VII. NEW BUSINESS

- A. Resolution to Approve the Duluth Airport Authority's Title VI Plan.



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- B. Resolution to Approve Amendment One for the Peer to Peer Car Sharing Agreement between the Duluth Airport Authority and TURO Inc.
- C. Resolution to Approve Terminal Office Space Lease Agreement between the Duluth Airport Authority and Short Elliot Hendrickson, Inc.
- D. \*July 2024 Financial Reports
- E. \*September 2024 Accounts Receivable
- F. \*August 2024 Airline Statistics, Landline Statistics

### **VIII. DIRECTOR'S REPORTS**

***Items annotated by an asterisk (\*) 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).***



**DATE: September 17, 2024**  
**TO: Duluth Airport Authority Board of Directors**  
**FROM: Executive Director**  
**SUBJECT: Executive Director's Review**

The following items will be discussed 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:
  - New Air Traffic Control Tower (ATCT)
- Construction:
  - Taxiway A – Phase 3 Construction
  - Customs and Border Protection Federal Inspection Services Construction Update
- Operations and Maintenance:
- Sky Harbor:
  - New Sky Harbor Airport Terminal
  - New Snow Removal Equipment Building

**BUSINESS/PROPERTY DEVELOPMENT**

- General Aviation Hangar Inspections
- Life Link Hangar Project Update
- Minnesota Power Stebner Rd Project Update
- Airport Intersection Control Study Brief

**FINANCIAL UPDATE**

- Administrative Coordinator Introduction
- Budget Update

**MARKETING/COMMUNICATIONS**

- Sky Harbor Naming Event
- In-Terminal Advertising Availability

**LEGISLATIVE UPDATE**

- ATCT Advocacy Update
- Airport Property Tax Exemption Bill



**PRESENTATIONS/TOURS/TRAVEL RECAP**

- NSR

**OTHER**

- Lake Superior Helicopters Sky Harbor Operations Update-Eric Monson

Submitted by,

Tom Werner, A.A.E.

Executive Director



## DULUTH AIRPORT AUTHORITY

### Duluth Airport Authority

### Meeting Minutes

August 20, 2024

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

**DIRECTORS PRESENT:** Kevin O'Brien, President  
Michael Henderson, Vice President  
Jeff Anderson, Secretary  
Elissa Hansen  
Jason Crawford  
Sandy Hoff  
Briana Johnson

**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  
Jenny Delnay, DAA Administrative Coordinator  
Geoff Heck, Aero Centers  
Don Monaco, Monaco Air Duluth  
Rob Missinne, Monaco Air Duluth  
Adinda Van Espen, SEH  
Shawn McMahon, SEH  
Kaci Nowicki, SEH

**OTHERS PARTICIPATING VIA ELECTRONIC MEANS:**

Robb Enslin, Duluth City Attorney  
Phillip Scott, EXP  
Joe Uhlhorn, H+U Construction  
Paul Huston, HNTB  
Matthew Stewart, SEH

**CALL TO ORDER:** Dir. O'Brien called the DAA board meeting to order at 8:00 a.m. Dir. O'Brien noted that Dir. Hansen will be a couple minutes late, but all other board members are 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.

- Mr. Werner presented year-to-date numbers. He shared that total year to date enplanements are down about 3% compared to last year, but overall is on a good trajectory for the year. The summer peak is starting a little earlier than last year, which aligns with pre-pandemic timing. Enplanements continue to be reliant on seats available on the market. United has added an additional frequency, which explains their increase in enplanements. Load factors remain strong, even with the additional capacity. Mr. Werner share projections through November, which show an increase in flights and seats of >10% for both Delta and United.



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- Revenue per available seat mile for both DLH to MSP and DLH to ORD are above the line of profitability. This does mean that fares are typically high, however it also means the airlines are making money, which will allow the seats to stay on the market.
- Premium products seem to be selling well across airlines, compared to lower-end products. Airlines have indicated recent struggles are due to excessive industry capacity but expect these issues to be resolved this fall.
- United added a 4<sup>th</sup> frequency to DLH starting August 1<sup>st</sup>. Delta and United are both within 2019 levels for July and August. Delta has been upgraded at least one flight per day to mainline over the summer. October seat capacity is up 45%.

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

- Planning:
  - New Air Traffic Control Tower (ATCT): Mr. Papko is currently working through 70% design and will be meeting soon to go over comments. He is currently on schedule to receive 100% design before Thanksgiving. Mr. Papko shared a current rendering of the Tower.
  - 2024 Air Spectacular Recap: The Canadian Snowbirds and Coast Guard performed on July 31<sup>st</sup>, and it all went well. The show was cut about 5-10 minutes short due to incoming weather, especially the wind. It was a unique perspective to have the airshow over the water instead of here at the airport. This was originally a contingency plan for Covid if the air show needed additional space.
  - The regular Air Show will return in 2025 with the Blue Angles over July 4<sup>th</sup>.
- Construction:
  - Taxiway A – Phase 3 Construction:
    - 60 Hour Closure Recap: This closure was needed to pour concrete right up to the edge of Runway 9/27. The last two phases of construction have also included a 60-hour closure, which has worked out well. There were no flight cancellations with the closure. There was some unexpected rain on Saturday night which caused some issues requiring some grinding in a few areas. Mr. Papko is looking to reopen Alpha soon, then work will continue on Charlie.
    - FedEx will be moving to the terminal ramp starting tomorrow for about the next two month, since the construction will block access to their building. They have been great to work with through this process.
    - Midfield Ramp Phase Two construction will start September 1<sup>st</sup>. This was bid concurrently with the next phase of Alpha, but the construction company was given the option to either do the work next summer or this fall and have opted to do it this fall, which would be the DAA's preference anyways. This is some of the oldest pavement on the airport and is where the Air Show is located. This is a state funded project and will also support the new ATCT by coordinating some airfield cabling that is needed in this area. This location is also where large military aircraft is parked.
  - Customs and Boarder Protection Federal Inspection Services Construction Update: This project is currently out to bid with a pre-bid meeting happening later today. Once bids are received, it will be brought before the board to decide if the DAA should move forward with this project or not.
- Sky Harbor: Mr. Papko shared that the punch list for the new buildings is being finalized, but only a few minor items working through now.



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

- Airport Economic Development Summit Recap: The Summit was held following the Board Meeting last month. It had a good turnout and Ms. Kayser expressed her appreciation for everyone who attended. There was lots of good feedback received and had several spinoff meetings following the summit.
- Life Link Hangar Project Update: Ms. Kayser continues to work on this hangar and SEH is working through the floorplan. She is working on developing more refined numbers and what funds would be non-AIG eligible.
- Cirrus Hush-House and Fuel Calibration Facility Location Update: Ms. Kayser has been working on this for several months with Cirrus. They are now looking at a single building for both the Hush House and Fuel Calibration Facility. They are looking at the old Hangar 101 pad. Ms. Kayser continues to work with them on the best placement.
  - Dir. Hoff asked how large this building would be.
    - Ms. Kayser stated approximately 60x135. It would not cover the whole 101 pad, so it would leave room for additional future development on this site.
- Farewell to our summer intern Eli Strayer: Ms. Kayser shared she had a great summer with Eli. He got a lot of exposure to all of the different departments of the DAA. He also took his CM exam, which he passed. He went back to finish his schooling. She is very excited for Eli to continue down his career path.
- Dir. Henderson expressed how well the Summit went. He noted it was great to see so many community members there and expressed his appreciation to Ms. Kayser for putting it together.
- Dir. O'Brien expressed his kudos for giving Eli a high level of experience with his internship.

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

- Administrative Coordinator Position Update: Ms. Bodin is working on hiring for this position. Yesterday, it was verbally accepted by one of the candidates. She is hoping to introduce her at the Board Retreat.
- 2nd Quarter 2024 Financial Update: Ms. Bodin shared that there is a positive variance of \$220,000 for Quarter 2, with operating revenue at 106% of budget and expenses at 98% of budget. Parking continues to perform above expectations. As a reminder, the DAA budgeted to utilize \$683,000 in cash reserved for 2024.
  - Per policy, the minimum cash balance needs to be at least \$2.9 million. Currently, there is \$2.5 million in cash, but there is a balance on grants receivable of over \$7 million. There is also a line of credit from the city of \$2 million if needed. The Finance team continues to work expeditiously to close our grants, which is why the annual CIP plan approved helps with that.
  - Dir. Hansen arrived at 8:27am.
  - Ms. Bodin shared other finance areas to pay attention to, including non-aeronautical revenue, Sun County fees, Hangar rents, the loss of TSA LEO reimbursement, sand/deicing and long-term liabilities.
  - Mr. Werner shared that the cash balance isn't considered a problem at the moment but is something to keep an eye on moving forward. He noted that the DAA has recently done a lot of expensive pavement projects recently plus the complex design of the tower. He shared that leveraging the line of credit is a possibility before the end of the year, which would be brought before the board. It has been a number of years since the DAA has had to draw on the line of credit.
- Dir. Hoff inquired about the public communication process if the line of credit is used.





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- Mr. Werner noted that public communication is always managed. He noted it would be important to remind the public of the self-sustaining nature of the airport. This would not be a bail out by the city in any way. It would merely be cash flowing the grants that are owed to the DAA by Federal or State agencies while waiting for the bureaucratic process to be worked through.
- Ms. Bodin shared that PR has not been an issue with utilizing the line of credit in previous years. If the line of credit is utilized, it will be paid back as soon as grants are received.
- Dir. Henderson asked what the interest rate is on the line of credit.
  - Ms. Bodin shared it is around 2%.

**E. Marketing/Communications:** Mr. Werner provided an update on the following:

- Natalie's Return Update: Ms. Baker will return this coming Monday but will be working a hybrid schedule due to childcare issues. She will be at the board retreat.
- Mr. Werner shared that the Sky Harbor Terminal naming event is being planned for some time in September. The façade and vestibule signage will be installed either this week or next week but are still waiting on the plaque. It may coincide with the September Board Meeting which will take place at Sky Harbor.

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

- ATCT Advocacy Update: Mr. Werner shared that advocacy work has continued. He recently did a tour of the Tower with Commissioner Harala from St. Louis County and Matt Baumgartner, President/CEO of Duluth Chamber of Commerce. Mr. Werner and Dir. Anderson have hosted other tours throughout the summer. Mr. Werner is currently seeking a letter of support from Grand Rapids Chamber as well to provide as broad of support as possible. There is currently a \$58 million grant application into the federal government. Decisions should be made before the elections, likely in October. There is still an additional round of funding as well. The Congressional delegation staff have been working to align priority lists within the FAA to be positioned as well as possible for these grant rounds.
- Mr. Werner is working with Cirrus and Dir. Anderson on an airport property tax exemption bill, which would provide a property tax exception if have a manufacturing function. Similar bills already exist for community populations of less than 50,000, but Mr. Werner is looking to expand this to include communities like Duluth, Rochester and St. Cloud.

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

- NSR

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

- DAA Board Retreat, September 4th, at the Sheraton Hotel, Split Rock Room: Mr. Werner shared that lunch will be at 11:30am and the actual meeting will start at 12:30pm. The primary focus will be on Air Service Development with a presentation from Mr. Mike Bown. It will include both current initiatives being investigated with Breeze Airways and potential Denver Service. It will also include the annual update on the strategic plan, which will be closing out this year. There will be a new plan exercise that Mr. Werner will be starting with the board next year.



- 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 July 16, 2024 Meeting Minutes

- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Anderson
  - Second: Dir. Hoff
  - Abstain: None
  - Result: This resolution was adopted unanimously.

**III. \*DAA CASH DISBURSEMENTS**

- A. Operating Check Registers #19-21; Operating ACH Payment Register #20-23; Construction ACH Register #10.

**IV. \*CORRESPONDENCE**

- A. DLH Construction Notice
- July 12, 2024
  - July 19, 2024
  - July 29, 2024: Runway 9/27 Closure THIS WEEKEND
  - August 1, 2024: Taxiway A – Phase 3 Reconstruction Update
- B. July 2024: Letter from International 180/185 Club.
- C. July 2024: The Breeze of Park Point.
- D. July 2024: Airport of the Month – Duluth – DLH. Minnesota Flyer.
- E. July 10, 2024: Sky Harbor Airport hosts ribbon-cutting ceremony for new \$2.6 million terminal. Northern News Now.
- F. July 10, 2024: Sky Harbor Airport opens new terminal for pilots and passengers. WDIO.
- G. July 11, 2024: Sky Harbor Airport Soars to New Heights Opening New Terminal. Fox21.
- H. July 14, 2024: Sky Harbor Airport unveils new \$2.66 million terminal. Duluth News Tribune.
- I. July 16, 2024: Annual Certification Inspection Closeout. Federal Aviation Administration.
- J. July 19, 2024: DLH urges passengers to check flight status amid delays due to global IT outage. Northern News Now.
- K. July 21, 2024: July 19-22, 2024 operation, An update to Delta customers from CEO Ed Bastain. Delta News Hub.
- L. July 23, 2024: Duluth International Airport experiencing minimal issues following global tech outage. Northern News Now.
- M. July 25, 2024: Reconstruction of Rice Lake Road to boost city's growth. Northern News Now.
- N. July 29, 2024: Letter to President Joseph Biden re: Duluth ATC Tower.
- O. July 29, 2024: Explore the Great Outdoors with Kids in Duluth, Minnesota. Chicago Parent.
- P. August 10, 2024: Discovery Flights takes off over the Iron Range. Northern News Now.

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

- A. Mr. Don Monaco signed up to speak regarding the FBO Sale/Transition:
- Mr. Monaco shared that since the last meeting, a letter of intent has been signed with Aero Centers and due diligence is well underway. A side event of this transition was a desire to clean up the language in the operator agreement and lease with the DAA. Mr. Monaco expressed his appreciation for Ms. Kayser and Ms. Bodin for working through that language. There were 14 amendments to the original agreement, which has taken



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a couple months to work through and get right, but now it is much cleaner. There were several changes to the agreement which are beneficial to both the DAA and the new FBO. Mr. Monaco introduced the President and COO of Aero Centers, Geoff Heck.

- Mr. Heck introduced himself and shared that Aero Centers has 7 FBOs around the country. He joined Aero Centers 9 months ago and was previously with Signature Aviation. He has a lot of FBO experience and also a lot of familial connections to Duluth. He is looking forward to being here in Duluth more.
- Mr. Werner noted that he had a great conversation with Mr. Monaco and Mr. Heck last week and will look forward to talking about Aero Center's business more in a couple of meetings and is excited about what they are bringing to the table.
- Dir. O'Brien noted that he is looking forward to getting to know Mr. Heck and Aero Centers more and to learn more about their plan for the business.

### VI. OLD BUSINESS

- A. None.

### VII. NEW BUSINESS

A. Resolution to Approve the Updated 2024 Rates and Charges Schedule for DLH.

- Ms. Bodin shared that with updating the FBO Operator Agreement, there was a need to add some items to the Rates and Charges instead of inside the agreement. There is an added disclaimer in the landing fee section for future changes and an added aircraft definitions to align with the FBO agreement. As usual, the 2025 changes to the Rates and Charges will be presented in draft form in October and the final in November for board approval.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Hansen
  - Second: Dir. Crawford
  - Abstain: None
  - Result: This resolution was adopted unanimously.

B. Resolution to Approve the Updated 2024 Rates and Charges Schedule for DYT.

- Ms. Bodin shared that with the Maintenance Operator at Sky Harbor no longer leasing the float storage space, DAA will now be charging aircraft operators directly for use of the float storage space. This schedule includes an added fee for float storage. Ms. Bodin noted that there was a review done with other airports and the fees listed are based on those rates and the value of the space. She recommended approval.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Hoff
  - Second: Dir. Henderson
  - Abstain: None
  - Result: This resolution was adopted unanimously.

C. Resolution to Approve the Amended and Restated Operator Agreement between the Duluth Airport Authority and Monaco Air Duluth, LLC.

- Ms. Kayser shared that Mr. Monaco already spoke on this operator agreement earlier. First, she wanted to thank Mr. Monaco for being willing to work through this agreement to clean it up. The agreement was difficult to follow with the 14 amendments. Those amendments were incorporated into the agreement, then she and Mr. Monaco worked



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through the entire agreement to clean up the language to increase clarity. This updated agreement is beneficial to the DAA and allows for Aero Centers to clearly understand the language in the agreement. One of the items included in this process was a lease boundary survey done by SEH to clarify accurate square footage. Two items were left out of this agreement: Hangar 106 and the Line Shack. These were separated since the longevity of both items is unclear. This would allow for more flexibility in the future development of these areas. The updated agreement also removes any violations of grant assurances. Mr. Kayser noted that Mr. Monaco was phenomenal to work with through this process. She is excited to finally have an easy to understand agreement to move forward with.

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

### D. Resolution to Approve the Space Lease Agreement between the Duluth Airport Authority and Monaco Air Duluth, LLC.

- Ms. Kayser shared as noted earlier, these two items were removed from the FOB Operator agreement, Hangar 106 and the Line Shack. This is a three-year term.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Hoff
  - Second: Dir. Anderson
  - Abstain: None
  - Result: This resolution was adopted unanimously.

### E. Resolution to Approve the Peer to Peer Car Sharing Agreement between the Duluth Airport Authority and TURO Inc.

- Ms. Kayser shared that Turo is a peer-to-peer car sharing app. For example, a customer could leave their vehicle at DLH, then someone else would rent it and pick it up directly via the app. Previously, there has not been an agreement in place. If Turo was operating at DLH, DAA was not aware of it. Ms. Kayser worked with her contacts at MSP to review their contract with Turo and solicit advice on how to proceed. Ms. Kayser was very impressed with how easy Turo has been to work with throughout this process. Turo is requesting to use the standard parking lot and not have designated spaces, which can pose a potential security threat. Ms. Kayser was able to compare this contract to Turo's other contracts with similarly sized airports. Turo cars will pay the standard parking lot fees. The DAA will receive an additional 10% revenue for any transaction that occurs at DLH. Attended vehicle exchanges will happen in the Commercial Lane, but no vehicles will be left there unattended. Ms. Kayser is unaware of how much Turo activity has previously been happening at DLH.
- Ms. Kayser shared that there have been some questions and concerns raised from the Rental Car Agencies. They asked if the Rental Car MAGs would be recalculated based on Turo income and if Turo would have to pay the same fees the Rental Car Agencies pay. Ms. Kayser has clarified with them that Turo does not impact their MAGs, nor do they pay the same fees, since they do not rent space in the terminal nor have designed parking spaces. This peer-to-peer car sharing is a different business model from car rental companies. Turo is paying standard parking lot fees plus a concession. The only



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adjustment to rental car MAGs would be if there was a new Rental Car Agency in the terminal.

- Dir. Crawford asked if it was the individual car owner who pays the concession fee or Turo as a company.
  - Ms. Kayser clarified that it was the company who paid the concession fee, just like Uber and Lyft do.
- Dir. Hoff asked how DLH will track the revenue.
  - Ms. Kayser stated that it would be based off Turo's reports. Their app will indicate if a transaction happens at DLH. They do not use a geofence like Uber/Lyft, but they do check into messages between car owners and customers for accuracy checks.
- Ms. Bodin clarified that this is a one-year agreement.
  - Ms. Kayser added that this is also what MSP did with Turo. The one year allows the DAA to better understand the business model and then make any changes to the agreement after one year. Ms. Kayser has already incorporated the changes that MSP requested after their initial year into this agreement.
- Dir. Hoff clarified that the vehicles will likely stay parked off site until someone books it in the app, so parking fees would be minimal.
  - Ms. Kayser confirmed that. While this agreement is not expected to provide a large amount of revenue, it would be "easy money" per say.
  - Mr. Werner noted that it also "levels the playing field" so that all vehicle rental/sharing companies are paying concession fees and with the limited options in the area, it is important to explore all options.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Henderson
  - Second: Dir. Hansen
  - Abstain: None
  - Result: This resolution was adopted unanimously.

### F. Resolution to Approve Standard Space Lease between the United States of America Department of Transportation Federal Aviation Administration and Duluth Airport Authority.

- Ms. Kayser shared this is a lease for the current tower. The current lease expires on September 30<sup>th</sup>. This is a 10-year lease and includes an annual rent increases. This lease not required water and radon testing to be done by the DAA. The Water testing has been completed and the radon testing is scheduled to be done this winter. There was concern about the building condition, but language was included that the current building is grandfathered in and will not be expected to meet updated federal building standards. This lease is a new version of the FAA's lease template, but much of the language is the same. The FAA is responsible for the electricity bill and their janitorial needs. Ms. Kayser recommends approval.
- Dir. Hoff asked for clarification on the rent increase and if it was for a set amount.
  - Ms. Kayser confirmed that it is a flat amount every month.
- Dir. O'Brien entertained questions or a motion.
  - Motion: Dir. Crawford
  - Second: Dir. Henderson.
  - Abstain: None
  - Result: This resolution was adopted unanimously.



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- G. Resolution to Approve the Assignment of a Food, Beverage, Retail Concession, and Lease Agreement Between the Duluth Airport Authority and Oakwells Commuter Rail LLC to Tailwinds Hospitality Inc. effective August 27, 2024.
- Ms. Kayser shared the current Restaurant Operator, Oakwells, is selling to Tailwinds. This would assign Oakwell's lease to Tailwinds.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Hoff
    - Second: Dir. Anderson
    - Abstain: None
    - Result: This resolution was adopted unanimously.
- H. Resolution to Approve the Lot 8 Land Lease Agreement between the Duluth Airport Authority and Yellow Dog Aviation, LLC.
- Ms. Kayser shared that Sky Harbor's Lot 8 is the only current lot that does not have a hangar built on it. There were previous leases signed for past tenants to build a hangar, but they have all been terminated. With the recent construction at Sky Harbor, there is a clearer understanding of the construction needs and the requirements from the City for items like fire walls. This tenant has hangars in other places and recently bought a home on Park Point, so is very interested in having a hangar at Sky Harbor. This is a 20-year term that includes two additional 5-year extensions. It includes requirements to provide plans by April 2025 and construction completed by December 2025.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Hensen
    - Second: Dir. Johnson
    - Abstain: None
    - Result: This resolution was adopted unanimously.
- I. Resolution to Approve Work Order 2024-11 between Short Elliot Hendrickson, Inc and the Duluth Airport Authority for the Design of Midfield Ramp – Phase 3.
- Mr. Papko shared this next phase for Midfield Ramp. This is the first phase that will start to get into the potentially fuel contaminated soils based on previous use of the area. This resolution is to do the design of the project as laid out in SEH's 5-year master agreement. 30% of this will be covered by local PFC dollars. This type of project does not complete well for federal funding, so will be leveraging state funding for this. Mr. Papko recommended approval.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Hoff
    - Second: Dir. Johnson
    - Abstain: Dir. Anderson
    - Result: This resolution was adopted unanimously by all voting members.
- J. \*June 2024 Financial Reports
- K. \*August 2024 Accounts Receivable
- L. \*July 2024 Airline Statistics, Landline Statistics

### VIII. DIRECTOR'S REPORTS

- A. Dir. Henderson expressed his appreciation to Mr. Monaco and Mr. Heck for being here today. He is looking forward to hearing more about Mr. Heck's vision for the company. He also



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expressed his appreciation to Ms. Kayser and Ms. Bodin for working through the agreement with Mr. Monaco.

**ADJOURN:** The meeting was adjourned at 9:06 a.m.

Respectfully submitted,

Jenny Delnay  
Administrative Coordinator

Tom  
Werner

Digitally signed by  
Tom Werner  
Date: 2024.08.27  
13:30:11 -05'00'

Approved: \_\_\_\_\_

DAA Executive Director



## DULUTH AIRPORT AUTHORITY

### Duluth Airport Authority

### Board Retreat

### Meeting Minutes

September 4, 2024

**MEETING LOCATION:** Sheraton Duluth Hotel, Split Rock Room

**DIRECTORS PRESENT:** Kevin O'Brien, President  
Michael Henderson, Vice President  
Jeff Anderson, Secretary  
Elissa Hansen  
Jason Crawford  
Sandy Hoff  
Briana Johnson

**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 Finance Technician  
Aimee Bone, DAA Administrative Coordinator  
Mike Bown, SEH  
Shawn McMahon, SEH  
Kaci Nowicki, SEH

**OTHERS PARTICIPATING VIA ELECTRONIC MEANS:**  
Paul Huston, HNTB

**CALL TO ORDER:** Dir. O'Brien called the DAA board meeting to order at 12:30p.m. Dir. O'Brien encouraged directors to ask any questions they may have to encourage discussion on these topics.

Mr. Tom Werner provided an overview of the agenda and introduced Ms. Aimee Bone, DAA's new Administrative Coordinator. Ms. Bone introduced herself and expressed her excitement at having recently moved to the Duluth area and to be starting at the DAA.

Mr. Werner noted that he is excited for everyone to get to know Ms. Bone. She will be the primary board liaison moving forward. Mr. Werner stated that today will have a heavy focus on Air Service, which will be important as the board makes future decisions regarding the potential Denver service.

Mr. Werner invited Mr. Mike Bown to speak on **Air Service Industry Update/Trends:**

- Mr. Bown noted that his presentation will have references to the similar presentation he did last year and note the comparison between the two predictions. He noted that the Breeze and Denver service updates are the same as the recent presentations at the regular board meetings, but are a good reference for these conversations.
- Industry Update and Post-Pandemic Trends:





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- Mr. Bown shared that in general, Network Airlines were doing well in 2<sup>nd</sup> Quarter Earnings, but ULCC's were struggling this year, which is a major change from previous years. Premium passengers are in strong demand, which economic passengers are not.
- Mr. Bown reminded the board of the historic operational difficulties facing airlines this year, including the Boeing aircraft issues, which grounded about a quarter of Spirit's fleet at one point. This seems to be a short-term issue and is expected to improve soon. The pilot shortage also seems to be getting better, with airlines reporting that by next summer it should be fully resolved. Costs have risen from historic rates and while haven't increased over the last year, still remain comparatively high.
  - Mr. Werner added that these significant cost increases, especially with the large RJs and CRJs, will be important when discussing the Denver business case.
- Mr. Bown shared that the 50-seater planes are down in use significantly and being replaced by larger RJs. Segments under 700 miles in length are growing, but over 700 miles are down due to trip costs per seat. This is a critical number to consider when looking at new air service options for Duluth.
  - Dir. Henderson asked if there is a seat number where the economics break even.
    - Mr. Bown shared that it depends on the route and fares. It seems to be that 700 miles is the breaking point, rather than a number of seats.
- Mr. Bown shared that travel markets are continuing to see growth, especially the Southeast US and the Mountain region, while the northeast US and traditional business markets are still declining. Business travel is starting to return post-covid, but not to pre-pandemic levels yet. Both MSP and ORD are still seeing declines.
  - Mr. Werner noted that it is important to understand what is happening at MSP and ORD, as this explains why there has been an increase in connection times. It is a factor of both the number of flights out of DLH and the number of flights out of the hubs.
  - Dir. O'Brien asked if there is a reason why MSP and ORD are down.
    - Mr. Bown noted he will go into detail later, but it was a strategic decision by the airlines. Delta especially chose to rebuild the costal markets first post-covid and are only now starting to rebuild interior hubs over the next two years. United was hit the hardest by the pilot shortage, so they have been slower to rebound overall.
- State of Business & Leisure Travel
  - Business travel is rebounding, but not evenly across all markets.
  - ULCCs had been growing much faster than network airlines, but this year have been struggling. There is a significant difference this year between "premium passengers" and "lower price-point passengers".
    - Mr. Werner noted that with the median household income of the Duluth region, most do not fly at the premium levels out of DLH. He emphasized the need to target the correct customer. This is also why the DAA gets involved with larger community projects centered around economic development and population growth.
    - Dir. Hoff asked if planes will eventually get reconfigured if premium products continue to sell out.
      - Mr. Bown noted that several airlines are already making this change over the last decade, including expanding premium products offered.
    - Dir. Crawford asked what the resolution was for the pilot shortage.
      - Mr. Bown shared that the airlines started hiring aggressively and raised salaries. He noted that there seems to be a shift with younger pilots to an



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increased work-life balance, as opposed to maxing out overtime opportunities.

- Dir O'Brien inquired if the pilot shortage was resolved faster than expected.
  - Mr. Bown shared that it was a little faster than expected.
  - Mr. Werner added that while the pilot shortage has been fixed for the moment, there are still around 40-50% of pilots are within 10-15 years of mandatory retirement, so this discussion about a pilot shortage could return in the future.
- Dir. Henderson asked about the possibility of AI and drone flights for commercial service in the future.
  - Mr. Bown said that some airlines have started to have these discussions, but there would likely be heavy push back from both pilot unions and consumers. It could be a tough sell from a safety perspective.
  - Mr. Werner noted that any change like this would be seen in cargo first. FedEx has already started to test some unmanned flights.
- Air Service Trends in Regional Communities
  - Mr. Bown shared comparative growth of Midwest markets. The same general trends from last year seem to hold true again this year. Regional Airport growth appears to be driven by ULCCs.
    - Mr. Werner emphasized that the growth of local businesses and other initiatives like housing are vitally important to the growth of DLH's air service. He noted that many other Midwest communities are facing similar struggles as Duluth.
- State of EAS Overview
  - The EAS is the federally subsidized air service, which includes 5 markets in Minnesota. EAS is important to keep an eye on in Duluth because these customers may otherwise fly out of DLH.
  - Mr. Werner noted that smaller communities often take great pride in being able to have jet service into their airports, as opposed to prop aircraft.
  - Mr. Bown shared that based on the current plan recently approved, he estimates that subsidy levels for the EAS program will increase dramatically in the coming years.
- State of Air Service at DLH
  - Mr. Bown reminded the board that air service at Duluth was strong and growing in the years leading up to the pandemic. Since the pandemic, levels have begun to hit 2019 levels now, with load factors remaining strong. DLH has been heavily impacted by Delta's focus on the coastal markets, although they are just now starting to bring back their interior hubs, including MSP.
    - Mr. Werner noted that connectivity of the hubs greatly impacts whether people fly out of DLH and can greatly impact leakage. While historically, there were up to 6 flights per day, those were much smaller planes, so airlines can now get the same number of enplanements with fewer flights.
  - Dir. Hoff inquired about DLH's strategy to capture leakage to MSP.
    - Mr. Werner shared that there are discussions about renewing the Fly Local program, which hasn't been utilized since covid, and focusing on highlighting the benefits of flying out of DLH.
  - Dir. O'Brien mentioned that he has heard from the community that there is a risk of flights not taking off at Duluth due to the weather. He asked if that was accurate and how that should be addressed.
    - Mr. Werner noted that while there are periods of the year where weather heavily impacts flights, cancellations/delays are usually on par with all other airports. It



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can be difficult with fewer flights when having to rebook passengers on the next flight. However, he noted that he takes great pride in having DLH's airfield ready to go even with large snowstorms. He noted the last time the DAA closed the airfield due to weather was in 2007 for two hours in the middle of the night. Other times, it is up to the airlines and the pilots to cancel the flights. Some airlines will choose to keep their planes at larger hubs if the risk of weather is too great.

- Mr. Papko did note that visibility requirements are different at DLH versus other airports like MSP/ORD due to the level of equipment installed.
- Mr. Bown noted that only having two flights per day to ORD is not ideal for connectivity. Mr. Werner reminded the board that additional service to Chicago was included in the incentive program recently passed, which could be awarded to either United for increased service or another airline.
- Breeze Airways Project Status
  - Mr. Bown shared that to grow air service in Duluth, there needs to be more competition, which is why the Denver service made sense, both for direct flights and for connectivity. He advised that Breeze Airways would be a good strategic partner, especially since they are growing as an airline with one new plane every month through 2028. He noted that personal relationships can potentially impact business decisions, especially when deciding between two locations, and Mr. Werner's relationship remains strong with key Breeze leaders.
  - Ms. Kayser asked if Breeze flights can be booked via Google Flights.
    - Mr. Bown thought they were only sold on their website.
  - Mr. Bown shared that Breeze has the right aircraft type for DLH and offers relatively low air fares with multiple product types. Their current expansion strategy is adding more locations to the middle of the country, which is a positive for Duluth. Mr. Bown suggested the possibility of considering routes like Las Vegas, Pheonix or Orlando for Breeze to consider. Mr. Bown shared that there is interest from Breeze in Duluth. He stated that a \$1.5 million MRG would likely move DLH to the top of Breeze's list, but he was unsure if Duluth could or would offer such an MRG. He noted that Mr. Werner has been working with the Duluth Chamber foundation regarding MRG numbers.
    - Mr. Werner shared that they presented the business case to the Chamber Foundation Board a few months ago the same day the Board heard that information and they are still considering what levels they could offer. He noted the need to be realistic regarding the fundraising capacity of this region. The DAA would also support such an initiative with the incentive program to help offset marketing costs, which would be vital to a new airline in the region. Mr. Werner is hoping to hear back from the Chamber Foundation in the coming weeks.
    - Mr. Bown reminded the board that several states have also recently started incentive programs, which would increase competition for these types of MRGs, including Indiana, Ohio and soon Michigan.
  - Dir. Henderson asked if an MRG was presented, is that stating that those funds would automatically go to the airline?
    - Mr. Werner noted that it would have to follow the FAA guidelines, including a 2-year or 3-season maximum timeline. The MRG would be used to essentially buy unused seats to ensure the airline is profitable. He noted that there are some tools that can be built into the agreement to stretch the dollars over a long period of time within the allowed window. He shared that when incentives to Chicago started, there was language that required the airline to report the actual costs of the flight for additional transparency.



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- Mr. Werner will be meeting with Breeze in the coming weeks once he hears back from the Chamber Foundation.

Dir. O'Brien suggested a break at 2:09 pm. Meeting was resumed at 2:22 pm.

- United / DEN Project Status
  - Mr. Bown reminded the board that the DAA received the SCASD grant to start offering service to Denver based on the amount of interest in the region for that route and the connection possibilities. Since then, the biggest challenge has been the costs as they have skyrocketed since the initial proposal, with annual operating costs of this route now projected \$4 million above what they were when the route was initially proposed. This route would be around 810 miles, which is above the 700-mile breakeven point discussed earlier. In order to start a route like this, Mr. Bown suggested there would need to be a \$1.5 million MRG for SkyWest to consider this route at this time.
  - Mr. Werner noted that this was important for the board to discuss. Based on the post-pandemic analysis presented previously by Mr. Bown, the 76-seat aircraft would have to sell 100 seats to remain profitable. It is unclear if there would be enough demand to make a larger aircraft viable for this route. He noted there needs to be a strategic conversation this fall about what to do with the SCASD grant funds and if this is still a viable option for DLH.
  - Mr. Bown shared that cost estimates are what is driving his P&L discussions where are based on two recent deals with United at other airports. While an airline could pick up this route, it doesn't appear to be a long term financially viable route at this time.
  - Mr. Werner discussed some of the items affecting the viability change from pre- to post-pandemic considerations including the change in customer traffic, possibility of other airlines accepting this route, connectivity of Denver as a hub, and the possibility of altering the objectives laid out in the original SCASD grant.
  - Dir. O'Brien asked if there was an expiration on the SCASD grant.
    - Mr. Werner believed it was 2027 but would have to verify. Mr. Bown noted that the DOT can offer an extension, especially given that funds were awarded pre-covid.
  - Dir. Johnson left at 2:38pm.
  - Several Directors asked other questions regarding the use of MRG funds, the change in customers post-pandemic, and the viability of other routes.
- Other New Air Service Goals'/Routes Based on Market/Industry Analysis
  - Mr. Bown shared that Delta is nearing their 2019 levels. United has started to grow, but still not at pre-pandemic levels. He noted Avelo has been growing recently, although not currently interested in expanding to DLH. Frontier has a hub presence at Denver, although not to the same level as United. Mr. Bown shared he believed the best growth option for DLH at this time could be Breeze.

Dir. O'Brien suggested a break at 2:58 pm. Meeting was resumed at 3:03 pm.

Mr. Werner presented an update on **Strategic Plan Progress Update 2020-2025**:

- Mr. Werner reminded the board that every year he gives an update on the 5-year strategic plan of the DAA. The board sets the overall objectives, then the staff works to fill in the specifics on a departmental level. This is the second 5-year plan that Mr. Werner has completed with the DAA and it helps give focus to keep the DAA moving forward.



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- Mr. Werner shared the mission and vision of the organization.
- Mr. Werner discussed the categories of the plan and what the staff has completed since the plan was created.
- Infrastructure Renewal:
  - Reconstruct Alpha Taxiway: This project is fully funded and has been completed in phases based on the amount of funding from the FAA each year. While the FAA has committed to funding the whole project, they only release a portion of funds each year. Phases 1-4 will be completed by the end of the year, with Phase 5 currently in design.
  - New ATCT: The master plan and siting study were completed and \$10 million from the ATP grant was received last year. Another request is currently in progress for the ATP grants for \$48 million. There is the State capital investment request of an additional \$14 million. The 70% design review was recently completed.
  - Rehabilitation of Runway 3/21: Originally there was an extension planned for 3/21, however this was determined to be not feasible. This shifted from an extension to rehabilitation. Edge lighting has been completed and no additional progress is planned until 2027.
  - Possible General Aviation Ramp Expansion: This was completed in the area where the airshow is hosted each year. There were initially several demolition projects planned, the focus has shifted towards Life Link and the Cirrus Hush House, especially given the final placement of the new ATCT.
  - Terminal Ramp Expansion: This was completed in 2021.
- Support Economic Development
  - Position Blighted/Underperforming property for redevelopment: Hangar 101 was completed. Hermantown Hydraulics was demolished. The vacant hangar pads on midfield were also removed allowing for additional parking near Cirrus. The Hydrosolutions building demolition is now dependent on the future plans for that site. Hangar 2 will need to come down for the new ATCT sightline. The Life Link and Cirrus Hush House are the current priority projects.
  - Position select Green Space for New Development: Mr. Werner emphasized the need for both aeronautical and non-aeronautical sources of revenue, which can balance each other when one is performing poorly. The team is working to secure FAA land releases for site 1-2 for Minnesota Power. Adjustment for the zoning initiatives has changed to a case-by-case basis with city staff. There are discussions about using an airport zone code for all properties. This focus has shifted from Site 4 to the north side for the Minnesota Power project.
- Strengthen DAA Cash Position:
  - Strength Underperforming Revenue Streams: There has been an average 8% operating revenue growth annually from 2020-2023. There were hopes that Oakwells would invest into new upgrades, but they have struggled to finance that. With the change in ownership, it is unclear what opportunities exist now. Mr. Werner shared that Ms. Bodin has been working on a contract audit program by auditing one tenant group each year. This year was intended to be the FBO, but that changed focus from an audit to cleaning up their agreement with the FBO sale. The Cash Balance of the organization has consistently been above the level set by Operating Policy #28. 99% of the space in the terminal is currently leased.
  - Pursue New Revenue: The new ranch hangers opened last spring and were all leased at open, even with the increased price. The Peer-to-peer car rental policy was recently adopted as a new source of income.



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- Adopt Priority Based Budgeting: This was completed immediately in 2020 and improves the financial process and efficiencies to ensure that everything aligns with the strategic goals of DAA. This continues to be emphasized every year when setting new budgets.
- Stregtehn / Grow Air Service: The specific goals in this category have changed, since they were set pre-pandemic.
  - Add Daily Flight to Western Hub on Major Network Carrier: This is the Denver Flight. The SCASD grant was received and initially targeted for a launch date in 2024. Airline industry capacity constraints and pandemic levels have slowed this progress.
  - Add Low Cost or Ultra Low Cost Carrier to fly select leisure Routes: This is still being pursued. Sun Country routes to Pheonix were discontinued after one season. For Myers returned last year but was hindered by the hurricane. Additional services are being targeted with Breeze.
  - Strengthen Exiting Carriers and Routes: The pandemic reset many of these goals. Currently maintaining over 85% load factors. Daily flights to Chicago have increased this summer. Mr. Werner noted that the original goal of 330,000 passengers by 2025 was no longer realistic post-covid.
  - Stregtehn Customer Experience/Perception and Increase Air Service Marketing: Mr. Werner noted that DAA relies heavily on the Air Service Marketing Grant as the backbone of investment into marketing, although recently added additional money to increase the amount of flexibility in marketing options. The customer satisfaction survey remains a priority but has not been completed yet.
- Strategic Planning for 2026-2031: Mr. Werner shared that the staff directors will be working on a State of the DAA by Department to look back over the last 5 years and discuss successes and challenges. This will be completed by June 2025.
  - From May to August 2025, there will be several stakeholder presentations to include items like air service, general aviation and airport infrastructure at the regularly scheduled board meetings to get board members familiar with these items.
  - A facilitated strategic planning board retreat will occur around August or September, likely over 1.5-2 days. After which, a new strategic plan will be drafted by Mr. Werner and approved by the board around October to December to coincide with the budgeting process.
  - Mr. Werner noted that while this plan takes a year to develop, he takes it very seriously. It has been successful in completing the initiatives set out.
- Dir Hoff congratulated Mr. Werner on the success accomplished over the last four years.
- Dir. Crawford asked if there has been any additional information from Aero Centers and if their goal for the FBO aligned with the DAA's strategic plans.
  - Mr. Werner noted that he is excited to hear more from them in the coming months and how they will continue to support DAA's strategic plans. Their executive team seems to be aligned with that.
- Dir. Hoff left at 3:45 pm.
- Dir. Anderson asked how the DAA funded the new Ranch Hangars.
  - Mr. Papko shared they were funded by the ATP grant, so there was no debt service for those. There was a small local share that was paid in cash. Ms. Kayser added that this was a new grant, which disappears in 2028, so was likely a one-time thing.
- Dir. O'Brien asked about the updated cost projections for the ATCT.
  - Mr. Papko shared that he hopes to have more confirmation on numbers by the end of the year.
  - Mr. Werner noted that there is a possibility the DAA would have to fund a gap in the funding but unclear how much that would be. It is important to keep this funding request



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- in front of all levels of legislatures and gain as much support from as broad of a base as possible. Mr. Werner noted that he can bring back some funding scenarios for the tower project to the board like he has in the past once more in known about this cycle of ATP and state funding.
- Dir. Anderson emphasized the importance of all board members discussing this with legislatures to ensure it remains a priority for them.
  - Dir. Hansen asked the last time an economic impact study was completed for the airport.
    - Mr. Werner shared 2019 was the last one, but one is currently being completed with Giant Voices and UMD.
  - Dir. Henderson expressed his appreciation to the DAA staff for being able to take advantage of multiple funding opportunities.

**ADJOURN:** The meeting was adjourned at 4:02 p.m.

Respectfully submitted,

Jenny Delnay  
Finance Technician

Tom  
Werner

Digitally signed by  
Tom Werner  
Date: 2024.09.11  
09:55:25 -05'00'

Approved: \_\_\_\_\_

DAA Executive Director

III. Cash Disbursements

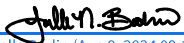
DAA Operating Check Register #22-2024  
August 9, 2024

Document Number From 12226 through 12233

Document Number	Date	Transaction Type	Payee	Amount
12226	8/9/2024	RFND	Benedetti, Gary	\$949.58
12227	8/9/2024	BILLPMT	City Of Duluth Comfort Systems	\$14,469.79
12228	8/9/2024	BILLPMT	Duluth Area Chamber Of Commerce	\$1,600.00
12229	8/9/2024	BILLPMT	Minnesota Power	\$31,496.81
12230	8/9/2024	BILLPMT	NAPA Auto Parts	\$141.68
12231	8/9/2024	BILLPMT	Nextera Communications	\$1,176.14
12232	8/9/2024	BILLPMT	Northern Tool & Equipment	\$69.99
12233	8/9/2024	BILLPMT	U.S. Customs and Border Protection	\$4,222.47
			<b>Total</b>	<b>\$54,126.46</b>



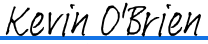
Airport Director

  
Joelle Bodin (Aug 9, 2024 09:10 CDT)

Finance Director

Tom Werner

Executive Director

  
Kevin O'Brien (Aug 20, 2024 13:39 CDT)

Board President

  
Jos Bailey (Aug 16, 2024 10:14 CDT)

City Treasury














# Operating Check Register #22-2024

Final Audit Report

2024-08-20

Created:	2024-08-09
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAguP-RD3YxLPoEu3PbO4j3CCxMQp7UmAU

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2024-08-09 - 2:07:13 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature  
2024-08-09 - 2:07:14 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature  
2024-08-09 - 2:07:14 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature  
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2024-08-20 - 6:38:43 PM GMT

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2024-08-20 - 6:38:59 PM GMT

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Signature Date: 2024-08-20 - 6:39:01 PM GMT - Time Source: server

 Agreement completed.

2024-08-20 - 6:39:01 PM GMT

## DAA Operating Check Register #23-2024 August 27, 2024

### Document Number From 12234 through 12251

Document Number	Date	Transaction Type	Payee	Amount
12234	8/27/2024	BILLPMT	Baker, Natalie	\$60.00
12235	8/27/2024	BILLPMT	Bobcat Of Duluth, Inc.	\$186.40
12236	8/27/2024	BILLPMT	Cintas	\$220.51
12237	8/27/2024	CHK	Citi Cards	\$7,849.86
12238	8/27/2024	BILLPMT	City of Duluth-Life Safety Division-Fire Department	\$126.00
12239	8/27/2024	BILLPMT	Denny's Lawn And Garden	\$736.45
12240	8/27/2024	BILLPMT	DSC Communications	\$1,450.00
12241	8/27/2024	BILLPMT	Duluth Area Chamber Of Commerce	\$2,000.00
12242	8/27/2024	RFND	Enterprise Leasing Company	\$5,268.07
12243	8/27/2024	BILLPMT	Hermantown Area Chamber	\$350.00
12244	8/27/2024	BILLPMT	Konecranes	\$2,787.62
12245	8/27/2024	BILLPMT	Kwik Trip	\$112.17
12246	8/27/2024	BILLPMT	NAPA Auto Parts	\$60.71
12247	8/27/2024	BILLPMT	Northern Tool & Equipment	\$74.45
12248	8/27/2024	BILLPMT	SFM	\$8,986.00
12249	8/27/2024	BILLPMT	St. Joseph Equipment Inc.	\$5,381.67
12250	8/27/2024	BILLPMT	Taylor, Dan	\$60.00
12251	8/27/2024	CHK	WF Bus Payment Processing - Tom	\$285.51
<b>Total</b>				<b><u>\$35,995.42</u></b>




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Airport Director

  
Joelle Bodin (Aug 27, 2024 08:22 CDT)

\_\_\_\_\_  
Finance Director

*Tom Werner*

\_\_\_\_\_  
Executive Director

  
Kevin P O'Brien (Aug 27, 2024 09:25 CDT)

\_\_\_\_\_  
Board President

  
Jos Bailey (Aug 27, 2024 08:14 CDT)

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City Treasury












# Operating Check Register #23-2024

Final Audit Report

2024-08-27


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By:	Kathy Leon (kleon@duluthairport.com)
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-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature  
2024-08-27 - 1:13:58 PM GMT
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2024-08-27 - 2:24:28 PM GMT

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2024-08-27 - 2:24:59 PM GMT

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Signature Date: 2024-08-27 - 2:25:01 PM GMT - Time Source: server

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2024-08-27 - 2:25:01 PM GMT

**DAA Operating ACH Payment Register #24-2024  
August 27, 2024**

**Confirmation #2390183**

Document Number	Date	Transaction Type	Payee	Amount
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00000144/10	8/27/2024	BILLPMT	Citon	\$7,718.31
00000144/11	8/27/2024	BILLPMT	Durfee, Tristan	\$60.00
00000144/12	8/27/2024	BILLPMT	General Security Services Corporation	\$25,940.61
00000144/13	8/27/2024	BILLPMT	General Security Services Corporation	\$1,882.94
00000144/14	8/27/2024	BILLPMT	Giant Voices LLC	\$400.00
00000144/15	8/27/2024	BILLPMT	Giant Voices LLC	\$810.00
00000144/16	8/27/2024	BILLPMT	Graves, John	\$60.00
00000144/17	8/27/2024	BILLPMT	Imperial Dade	\$66.51
00000144/18	8/27/2024	BILLPMT	Imperial Dade	\$75.20
00000144/19	8/27/2024	BILLPMT	Inter City Oil (ICO)	\$3,442.42
00000144/2	8/27/2024	BILLPMT	1 MediaUSA Advertising Inc	\$1,400.00
00000144/20	8/27/2024	BILLPMT	Jamar Company	\$4,620.15
00000144/21	8/27/2024	BILLPMT	Jamar Company	\$13,068.00
00000144/22	8/27/2024	BILLPMT	Kayser, Jana	\$60.00
00000144/23	8/27/2024	BILLPMT	Leon, Kathy	\$60.00
00000144/24	8/27/2024	BILLPMT	Lift Pro	\$52.28
00000144/25	8/27/2024	BILLPMT	LVC Companies, Inc.	\$2,867.80
00000144/26	8/27/2024	BILLPMT	Marsh & McLennan Agency LLC	\$2,980.00
00000144/27	8/27/2024	BILLPMT	Menards - Hermantown	\$69.98
00000144/28	8/27/2024	BILLPMT	Menards - Hermantown	\$98.14
00000144/29	8/27/2024	BILLPMT	Menards - Hermantown	\$83.87
00000144/3	8/27/2024	BILLPMT	Barnum Companies, Inc.	\$1,703.63
00000144/30	8/27/2024	BILLPMT	Menards - Hermantown	\$86.93
00000144/31	8/27/2024	BILLPMT	Menards - West Duluth	\$95.22
00000144/32	8/27/2024	BILLPMT	Minnesota State Auditor	\$20,059.50
00000144/33	8/27/2024	BILLPMT	Northern Engine & Supply	\$205.35
00000144/34	8/27/2024	BILLPMT	Oakwells CR LLC	\$171.03
00000144/35	8/27/2024	BILLPMT	Oakwells CR LLC	\$3.25
00000144/36	8/27/2024	BILLPMT	Oberon3, Inc.	\$126.00
00000144/37	8/27/2024	BILLPMT	Papko, Mark	\$60.00
00000144/38	8/27/2024	BILLPMT	Short Elliott Hendrickson Inc.	\$4,095.00
00000144/39	8/27/2024	BILLPMT	Siemens Industry Inc.	\$7,900.00
00000144/4	8/27/2024	BILLPMT	Best Oil Company	\$9,474.00
00000144/40	8/27/2024	BILLPMT	Sinnott, Paul	\$60.00
00000144/41	8/27/2024	BILLPMT	Snell, Matthew J	\$60.00
00000144/42	8/27/2024	BILLPMT	Spectrum Enterprise	\$190.84
00000144/43	8/27/2024	BILLPMT	Terminal Supply Co.	\$281.21
00000144/44	8/27/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$975.38
00000144/45	8/27/2024	BILLPMT	Twin Ports Paper Supply, Inc	\$118.50
00000144/46	8/27/2024	BILLPMT	Welch, Ryan	\$642.96
00000144/47	8/27/2024	BILLPMT	Welch, Ryan	\$60.00
00000144/48	8/27/2024	BILLPMT	Werner, Thomas	\$60.00
00000144/49	8/27/2024	BILLPMT	White Cap, L.P.	\$118.65
00000144/5	8/27/2024	BILLPMT	Bodin, Joelle	\$60.00
00000144/6	8/27/2024	BILLPMT	CheckVideo LLC	\$34,735.38
00000144/7	8/27/2024	BILLPMT	CheckVideo LLC	\$41,804.60
00000144/8	8/27/2024	BILLPMT	Citon	\$1,060.00

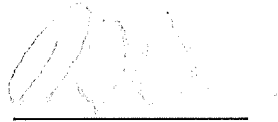
00000144/9

8/27/2024

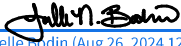
BILLPMT

Citon

Total \$761.50  
\$197,683.82



Airport Director



Joelle Bodin (Aug 26, 2024 12:05 CDT)

Finance Director

*Tom Werner*

Executive Director



Kevin P O'Brien (Aug 26, 2024 11:59 CDT)

Board President



Jos Bailey (Aug 26, 2024 12:28 CDT)

City Treasury












# Operating ACH Payment Register #24-2024

Final Audit Report

2024-08-26


Created:	2024-08-26
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAEHcA4srJbvOyLnr6LO3J6_NK3mLrSxbZ

## "Operating ACH Payment Register #24-2024" History


-  Document created by Kathy Leon (kleon@duluthairport.com)  
2024-08-26 - 4:58:04 PM GMT
-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature  
2024-08-26 - 4:58:07 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature  
2024-08-26 - 4:58:08 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature  
2024-08-26 - 4:58:08 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature  
2024-08-26 - 4:58:08 PM GMT
-  Email viewed by info@kevinobrienrealtor.com  
2024-08-26 - 4:58:25 PM GMT
-  Signer info@kevinobrienrealtor.com entered name at signing as Kevin P OBrien  
2024-08-26 - 4:59:43 PM GMT
-  Document e-signed by Kevin P OBrien (info@kevinobrienrealtor.com)  
Signature Date: 2024-08-26 - 4:59:45 PM GMT - Time Source: server
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)  
2024-08-26 - 5:05:30 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)  
Signature Date: 2024-08-26 - 5:05:53 PM GMT - Time Source: server
-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)  
2024-08-26 - 5:28:05 PM GMT



IV. - C.

 Document e-signed by Josh Bailey (jbailey@duluthmn.gov)

Signature Date: 2024-08-26 - 5:28:28 PM GMT - Time Source: server

 Email viewed by Tom Werner (twerner@duluthairport.com)

2024-08-26 - 5:43:25 PM GMT

 Document e-signed by Tom Werner (twerner@duluthairport.com)

Signature Date: 2024-08-26 - 5:43:56 PM GMT - Time Source: server

 Agreement completed.

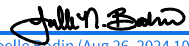
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**Duluth Airport Authority**  
**DAA Construction ACH Payment Register #11-2024**  
**August 27, 2024**

**Confirmation #**

Document Number	Date	Transaction Type	Payee	Amount
00000143/1	8/27/2024	BILLPMT	1 Duluth Electrical Contracting, Inc.	\$5,972.30
00000143/10	8/27/2024	BILLPMT	1 Short Elliott Hendrickson	\$24,900.00
00000143/11	8/27/2024	BILLPMT	1 Short Elliott Hendrickson	\$42,517.31
00000143/12	8/27/2024	BILLPMT	1 Short Elliott Hendrickson	\$2,090.00
00000143/13	8/27/2024	BILLPMT	1 Short Elliott Hendrickson	\$38,205.00
00000143/14	8/27/2024	BILLPMT	1 Ulland Brothers, Inc.	\$37,571.34
00000143/2	8/27/2024	BILLPMT	1 EXP US Services, Inc.	\$361,916.02
00000143/3	8/27/2024	BILLPMT	1 KGM Contractors	\$700,065.06
00000143/4	8/27/2024	BILLPMT	1 M-B Companies, Inc.	\$1,086,957.50
00000143/5	8/27/2024	BILLPMT	1 Mike's Signs	\$200.00
00000143/6	8/27/2024	BILLPMT	1 Short Elliott Hendrickson	\$329,500.00
00000143/7	8/27/2024	BILLPMT	1 Short Elliott Hendrickson	\$7,025.52
00000143/8	8/27/2024	BILLPMT	1 Short Elliott Hendrickson	\$15,460.00
00000143/9	8/27/2024	BILLPMT	1 Short Elliott Hendrickson	\$16,675.00
<b>Total</b>				<b>\$2,669,055.05</b>

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

  
 \_\_\_\_\_  
 Joelle Bodin (Aug 26, 2024 10:54 CDT)  
 Finance Director

*Tom Werner*  
 \_\_\_\_\_  
 Executive Director

*Kevin P. OBrien*  
 \_\_\_\_\_  
 Kevin P. OBrien (Aug 26, 2024 12:01 CDT)

Board President

  
 \_\_\_\_\_  
 Jos Bailey (Aug 26, 2024 11:08 CDT)

City Treasury












# Construction ACH Payment Register #11-2024

Final Audit Report

2024-08-26


Created:	2024-08-26
By:	Kathy Leon (kleon@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAG01dmeM6Z6hhXOqp82g-D8rC6kfw5Mf4

## "Construction ACH Payment Register #11-2024" History


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-  Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature  
2024-08-26 - 3:43:18 PM GMT
-  Document emailed to Tom Werner (twerner@duluthairport.com) for signature  
2024-08-26 - 3:43:18 PM GMT
-  Document emailed to info@kevinobrienrealtor.com for signature  
2024-08-26 - 3:43:18 PM GMT
-  Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature  
2024-08-26 - 3:43:18 PM GMT
-  Email viewed by Joelle Bodin (jbodin@duluthairport.com)  
2024-08-26 - 3:54:01 PM GMT
-  Document e-signed by Joelle Bodin (jbodin@duluthairport.com)  
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-  Email viewed by Josh Bailey (jbailey@duluthmn.gov)  
2024-08-26 - 4:07:37 PM GMT
-  Document e-signed by Josh Bailey (jbailey@duluthmn.gov)  
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2024-08-26 - 4:29:16 PM GMT
-  Document e-signed by Tom Werner (twerner@duluthairport.com)  
Signature Date: 2024-08-26 - 4:29:31 PM GMT - Time Source: server

 Email viewed by info@kevinobrienrealtor.com

2024-08-26 - 5:01:16 PM GMT

 Signer info@kevinobrienrealtor.com entered name at signing as Kevin P. OBrien

2024-08-26 - 5:01:53 PM GMT

 Document e-signed by Kevin P. OBrien (info@kevinobrienrealtor.com)

Signature Date: 2024-08-26 - 5:01:55 PM GMT - Time Source: server

 Agreement completed.

2024-08-26 - 5:01:55 PM GMT



# Construction Newsletter

## Duluth International Airport (DLH)

August 16, 2024

---

### Taxiway A - Phase 3 Reconstruction

This week, KGM focused on paving the bituminous shoulders of Taxiway A and Taxiway C (between Taxiway A and Runway 9/27), with paving to be completed on Saturday. Parsons started installing the infrastructure for the taxiway edge lighting and signage.

### Upcoming Activities: Focuses for next week

- General site cleanup
- Pavement marking painting
- Installation of the taxiway edge lighting and guidance signs
- Topsoiling and turf establishment

The reopening of the Tower Ramp, Taxiway A, and Taxiway C (between Taxiway A and Runway 9/27) is tentatively scheduled to reopen on Monday, August 26.

### Project Phasing Documents

- [Phase 3 \(A, A-1,B\) \[PDF\]](#)
- [Phase 3 \(C, C-1\) \[PDF\]](#)

### Anticipated Project Schedule - Subject to change

- TWY A Phase 3A: May 21 - August 26
- TWY C Phase 3C: August 27 - October 30 (est.)
- TWY C Phase 3C-1 (RWY 3/21 Closure): Dates TBD



---

## Runway 27 PAPI Replacement

The Runway 27 Precision Approach Path Indicator (PAPI) replacement is anticipated to begin following the completion of the ongoing FAA utility work. The PAPI will be replaced in the same location as the existing system. This project will run concurrently with Phase 3A; Runway 9/27 RSA work will occur during the planned 60-hour runway closure. The foundation work was completed during the 60-hour runway closure. The PAPI units are anticipated to be installed in September and will remain unserviceable until then.

---

### **PLEASE NOTE**

*Dates are subject to change.*

## Project Contact Information

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

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

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# Construction Newsletter

## Duluth International Airport (DLH)

August 23, 2024

---

### Taxiway A - Phase 3 Reconstruction

This week, KGM graded and topsoiled the infield turf areas. Northwoods Sodding also seeded these areas. Parsons installed taxiway edge lights and airfield guidance signs. Fahrner painted the pavement markings. KGM also continued installing storm sewers and storm structures in the Phase 3C (Taxiway C south of Taxiway A) project area.

The Phase 3A, 3A-1, and 3B project areas (Taxiway A and Taxiway C between Taxiway A and Runway 9/27) are anticipated to open to traffic around 9:00 a.m. Monday, August 26.

### Upcoming Activities: Focuses for next week

- Inspection and reopening of Taxiway A and Taxiway C between Taxiway A and Runway 9/27
- Phase 3C pavement removal
- Installation of storm sewer structures

### Project Phasing Documents

- [Phase 3 \(A, A-1,B\). \[PDF\]](#)
- [Phase 3 \(C, C-1\). \[PDF\]](#)

### Anticipated Project Schedule - Subject to change

- TWY A Phase 3A: May 21 - August 26
- TWY C Phase 3C: August 27 - October 30 (est.)





---

## Runway 27 PAPI Replacement

The foundation work for the PAPI system has been completed. The PAPI units are anticipated to be delivered and installed in September and will remain unserviceable until then.

---

### **PLEASE NOTE**

*Dates are subject to change.*

*Airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.*

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[Project Contact Information](#)

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

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

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# Construction Newsletter

## Duluth International Airport (DLH)

September 2, 2024

---

### Taxiway A - Phase 3 Reconstruction

On Monday last week, Taxiway A and Taxiway C (north of Taxiway A) were swept clean, and the pavement area was reopened to traffic. The construction barricades were moved to the Phase 3C project area (Taxiway C south of Taxiway A). FedEx operations were relocated to the western edge of the terminal apron on Wednesday.

Last week, the contractor began removing the existing bituminous pavement and concrete from Taxiway C South, Taxiway C3, and Taxiway C4. Existing taxiway edge lights and airfield guidance signs were removed. KGM continued to remove the existing storm sewer system and install the new one.

No work occurred through the holiday weekend.

### Upcoming Activities: Focuses for next week

- **Runway 3/21 is anticipated to be closed tomorrow, Tuesday (9/3) through Thursday of this week.**
- Sanitary sewer work
- Installation of storm sewer structures
- Site excavation

### Project Phasing Documents

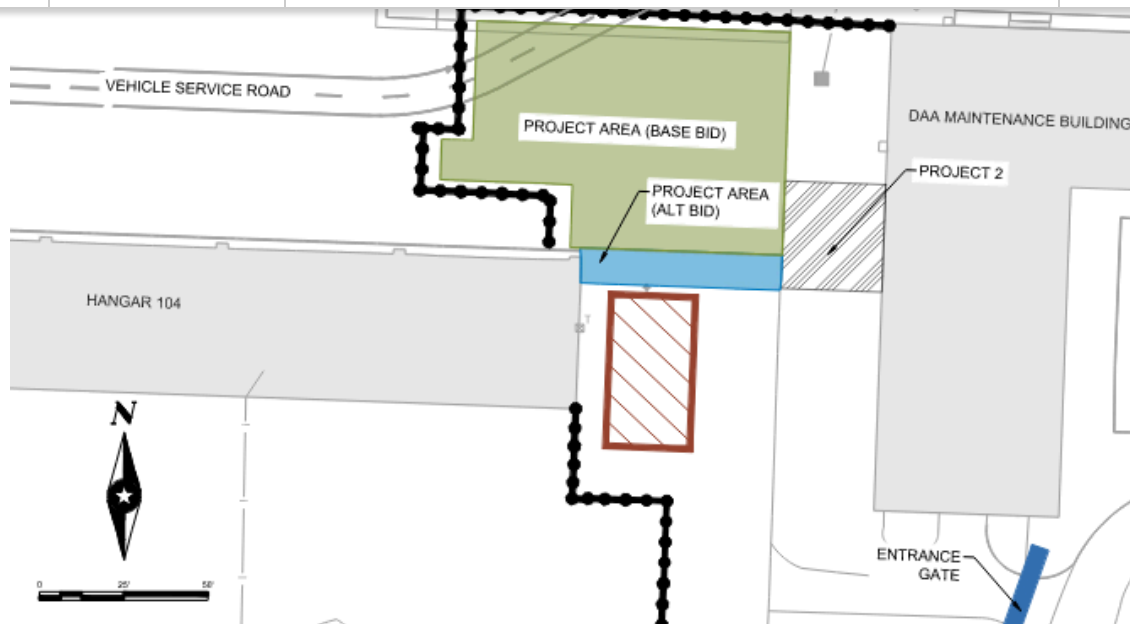
- [Phase 3 \(C, C-1\) \[PDF\]](#)

**Anticipated Project Schedule - Subject to change**



## Midfield Ramp Reconstruction - Phase 2

Phase 2 of the Midfield Ramp reconstruction will begin in the next few weeks. Additional information will be shared in next week's construction newsletter.



## Runway 27 PAPI Replacement

The foundation work for the PAPI system has been completed. The PAPI units are anticipated to be delivered and installed in September and will remain unserviceable until then.

### **PLEASE NOTE**

*Dates are subject to change.*

*Airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.*

## Project Contact Information

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

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

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[daa@duluthairport.com](mailto:daa@duluthairport.com)



# Construction Newsletter

## Duluth International Airport (DLH)

September 6, 2024

---

### Taxiway A - Phase 3 Reconstruction

The contractor continues work on the next phase of the project (Taxiway C South). RWY 3/21 was closed Tuesday morning of this week to allow the contractor to perform necessary work inside the RWY 3/21 RSA. The runway will remain closed for the next week and is anticipated to reopen late afternoon on Friday, September 13.

The contractor has replaced portions of a City of Duluth sanitary sewer line within the project limits and installation of storm sewer structures and the drain tile system also continues. The contractor continues excavating existing material from Taxiway C South and has started construction of the new pavement section.

### Project Phasing Documents

- **Runway 3/21 was closed Tuesday, 9/3 and is anticipated to be reopen on Friday, 9/13.**
- Installation of storm sewer structures
- Pavement subsection construction

### Project Phasing Documents

- [Phase 3 \(C, C-1\). \[PDF\]](#)

### Anticipated Project Schedule - Subject to change

- TWY C Phase 3C: August 27 - October 30 (est.)



---

### **Taxiway A - Phase 6 Reconstruction**

Design for the next phase of the Taxiway A reconstruction program has begun. Soil borings are scheduled to take place September 12 and September 13. Monitor NOTAMs for impacts to Midfield Ramp, Taxiway A, and Taxiway A2.

---

### **Midfield Ramp Reconstruction - Phase 2**

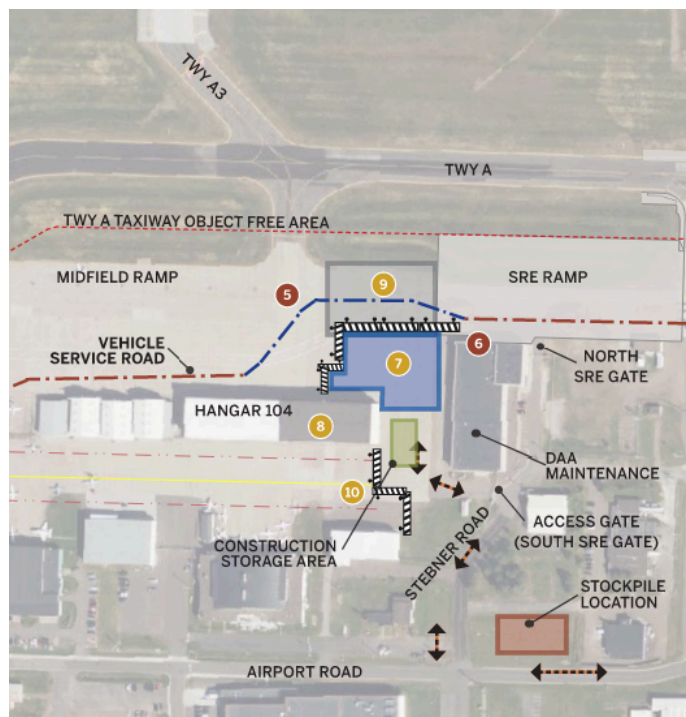
Phase 2 of the Midfield Ramp repair will begin on Monday, September 23. Phase 2 of the midfield ramp repair is the pavement west of the DAA SRE and Maintenance Building and directly south of the Phase 1 repair area. Aircraft and vehicle traffic will not be able to access the southeastern portion of the midfield ramp during construction but access between midfield ramp and the SRE ramp will remain open.

## Project Phasing Documents

- [Midfield Ramp Repair Phase 2 \[PDF\]](#)

## Anticipated Project Schedule - Subject to change

- September 23 - October 31



## Runway 27 PAPI Replacement

The foundation work for the PAPI system has been completed. The PAPI units are anticipated to be delivered and installed in September and will remain unserviceable until then.

### **PLEASE NOTE**

*Dates are subject to change.*

*Airfield [NOTAMs](#) should be checked to confirm the current status of the airfield.*

## Project Contact Information

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

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



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# Saint Louis County



Sixth District Commissioner • 300 S. 5th Avenue • Virginia, MN 55792  
Phone: (218) 749-7108 • Email: nelsonk@stlouiscountymn.gov

**Keith Nelson**  
County Commissioner

August 13, 2024

Duluth Airport Authority  
Attn: Tom Werner  
4701 Grinden Drive  
Duluth, MN 55811

Dear Tom Werner,

As you may have heard, St. Louis County has been awarded \$25 million from the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant program for the Rice Lake Rd (CSAH 4) Corridor Project. This project will be transformational for our County – most notably for the City of Rice Lake but also for the Twin Ports and east Iron Range communities.

This project will reconstruct a portion of Rice Lake Rd, Martin Rd (CSAH 9) and West Calvary Rd (CR 234, improve key intersections on the Rice Lake Rd corridor, construct a new city street, and construct a new multi-use path for pedestrians and bicyclists. It will improve safety and traffic flow for all who use it, while opening new areas for housing and economic development.

We believe our success in attaining this grant is due in part to the strong community support we were able to demonstrate in our funding application. This included a letter of support from Duluth Airport Authority. On behalf of the St. Louis County Board of Commissioners, I want to thank you for your contribution to this successful outcome.

Sincerely,

Commissioner Keith Nelson  
Chair of St. Louis County  
Board of Commissioners

Commissioner Keith Musolf  
Chair of Public Works &  
Transportation Committee



## DULUTH AIRPORT AUTHORITY

January 5, 2024

The Honorable Pete Buttigieg  
Secretary, US Department of Transportation  
1200 New Jersey Ave SE  
Washington, DC 20590

Dear Secretary Buttigieg,

I am writing to support the RAISE Grant funding application for the Rice Lake Rd (CSAH 4) Corridor Project located in the cities of Duluth and Rice Lake, Minnesota. This is a cooperative project between St. Louis County and the City of Rice Lake to leverage transportation improvements for the development of jobs and residential opportunities.

This project will improve Rice Lake Rd, which is a County State Aid Highway, as well as other intersecting county roads along the project corridor. These roadway improvements include construction of roundabouts and implementation of robust access management strategies. Additional improvements include construction of a new city street and paved walking and biking trails. Because of the multi-modal emphasis of this project, any new development and the associated jobs would become more accessible to residents.

The Duluth International Airport depends on the investment and success of development on the Duluth Airport campus. The Duluth International Airport is currently working to encourage private investment for new development on the north side of the airfield. This is a cooperative effort with the cities of Duluth and Rice Lake and St. Louis County because of the need for utilities and roadway improvements. The City of Rice Lake is championing the funding and installation of key utilities to access the north side of the airfield. St. Louis County's efforts to deliver the Rice Lake Rd (CSAH 4) Corridor Project also fulfills a critical need to create a robust multi-modal transportation system that increases traffic capacity while also supporting investments in development that results in jobs and housing. This proposed project will help position the Duluth International Airport as a location of choice for development which will support the long-term success of the airport and the Twin Ports metropolitan area.

This project will be a once in a lifetime opportunity to develop a new community that supports jobs, new places of residence and a good quality of life, all in one place. I am committed to supporting St. Louis County as they develop this project which will improve the mobility and safety of transportation in Rice Lake and surrounding communities.

Thank you for your interest and support to improve Minnesota's transportation system.

Sincerely,

**Tom Werner**

Digitally signed by Tom  
Werner  
Date: 2024.01.05  
11:04:57 -06'00'

Tom Werner, A.A.E.  
Executive Director  
Duluth Airport Authority  
Duluth International Airport

Duluth International Airport  
Sky Harbor Airport

4701 Grinden Drive  
Duluth, Minnesota  
55811

phone: (218)-727-2968  
fax: (218) 727-2960

DAA@duluthairport.com  
duluthairport.com



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## [Airlines](#)

# Inside One of the Most Profitable U.S. Airlines You Haven't Heard of



[Meghna Maharishi](#), Skift

August 21st, 2024 at 9:12 AM EDT



## Skift Take

**A**s ultra-low-cost carriers like Spirit and Frontier falter, Sun Country has been able to routinely stand out as one of the most profitable airlines in the U.S.

— *Meghna Maharishi*

Share



Surprisingly, since the pandemic, Delta Air Lines hasn't always been the most profitable U.S. airline.

In fact, there's an ultra-low-cost carrier that's managed to make a healthy profit each quarter even as Spirit Airlines and Frontier Airlines falter. Enter Sun Country, an ultra-low-cost airline based out of Minneapolis.

Throughout 2023, Sun Country had an operating margin of 13%, the highest for an American carrier. Delta came in second at 11.6%.

During the second quarter, Sun Country saw its revenues shrink due to an overcapacity in domestic seating that has plagued much of the industry. Despite the underwhelming quarter, Sun Country was still the most profitable ultra-low-cost carrier in the country.

TD Cowen analyst Thomas Fitzgerald wrote in a note to investors August 5 that, "Sun Country has positioned itself well to navigate the headwinds facing leisure carriers in the US."

In an environment that has largely benefitted premium and international travel, how has Sun Country managed to do so well?

## **A Niche Market in Minnesota**

A major part of Sun Country's success is in its Minnesota roots. The majority of its routes are based out of Minnesota, and the carrier has been able to develop a loyal following in the region.

Airline Weekly analyst Jay Shabat described Minnesota — and more specifically Minneapolis — as a solid market for Sun Country partly due to the presence of major corporations like United Healthcare and Target. The healthcare and food processing industries in particular have a large presence in Minneapolis.

"These are giant sectors that employ a lot of people," he said.

While airlines typically report stronger second and third quarters as customers book their summer vacations, Sun Country's strength is in the winter. The ultra-low-cost carrier typically reports a much stronger first quarter with high demand for its routes in popular leisure destinations like Florida.

For example, during the first quarter this year, Sun Country reported a profit of \$35 million, despite issues of domestic overcapacity and softened demand for budget products affecting the market. Spirit and Frontier, on the other hand, had net losses of \$142 million and \$26 million, respectively, during the first quarter.

“During the winter months, you pretty much have, like, a bottomless pit of demand to any place where the sun is out,” Shabat said.

## **A Diversified Business Model with an Expansion Into Cargo**

Another source of strength for Sun Country is its diversified business model — it’s not just a passenger airline. Sun Country’s cargo and charter businesses have also been a major boost for its bottom line.

The carrier’s charter business has been particularly popular with Las Vegas hotels. Caesars has signed a deal with Sun Country to operate charter flights for its members to its various properties. MGM Resorts also has a Sun Country charter partnership from markets like Cincinnati, Buffalo, Charlotte and Houston to Atlantic City.

Sun Country also has a cargo business that it expects to become a major revenue driver in the future. The airline inked a deal with Amazon Air in 2019 to operate a cargo fleet and the agreement was recently extended until 2030. The revised contract will now give Sun Country eight additional 737 freighters.

Through expanding its cargo fleet, Sun Country is expecting to see profit margins that are roughly equal to its passenger business, said chief financial officer Dave Davis during a call with analysts August 2.

Shabat also said Sun Country has the ability to schedule pilots for any of its cargo, charter or passenger services, which allows it to reduce costs and complexity.

“They can move pilots around— the same pilot is capable of flying a scheduled passenger flight, a charter flight or a cargo flight,” he said. “So it’s a very flexible labor model.”

The ultra-low-cost carrier has also been known for its aggressive capacity adjustments. Shabat said it schedules routes in a very seasonal way. “For example, in the summer, Sun Country tends to have more routes out of Minneapolis to Las Vegas, San Francisco, Los Angeles, and Seattle. But in the winter, Sun Country slashes capacity to those cities and instead focuses on warmer destinations like Florida, Mexico and the Caribbean.

"It's a unique model," Shabat said.

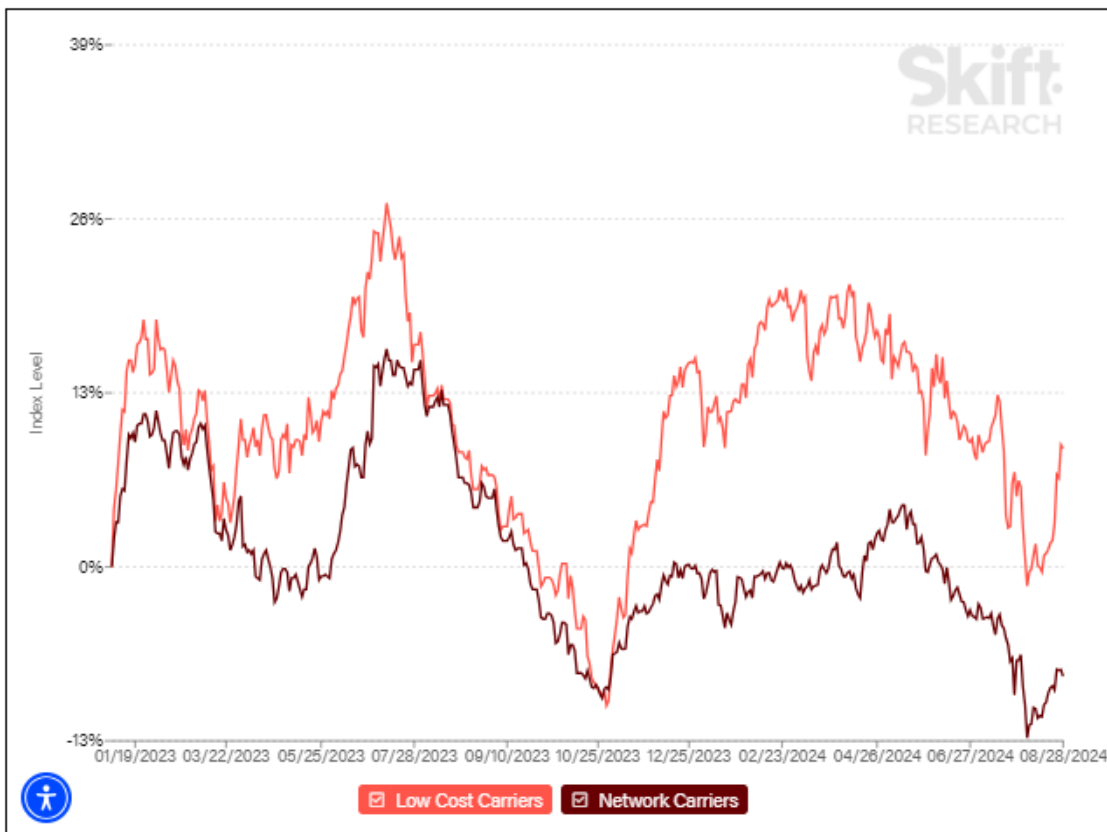
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## Watch Sun Country CEO Jude Bricker at the 2022 Skift Aviation Forum



## Airlines Sector Stock Index Performance Year-to-Date

**What am I looking at?** The performance of airline sector stocks within the ST200. The index includes companies publicly traded across global markets including network carriers, low-cost carriers, and other related companies.



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**Meghna Maharishi, Skift**

August 21st, 2024 at 9:12 AM EDT

Tags: [earnings](#), [frontier airlines](#), [jet stream](#), [low-cost carriers](#), [spirit airlines](#), [sun country airlines](#)

Photo credit: A Sun Country aircraft. Tomas Del Coro/Flickr Tomas Del Coro / [Flickr](#)

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**FOR IMMEDIATE RELEASE**

**Tailwind Concessions Acquires Oakwells, Resulting in the Combination of Two Specialized Regional Airport Concessionaires**

**Wilmington, North Carolina – [September 2024]:** Tailwind Hospitality, Inc. (dba “Tailwind Concessions” or “Tailwind”), headquartered in Wilmington, North Carolina, today announced the acquisition of Oakwells, a Winter Park, Florida based regional airport and train station concessionaire.

Oakwells, founded in 2004, currently operates retail and grab n’ go concessions, as well as full-service bars and restaurants, in twelve airports and one train station across the country providing superior service and quality offerings to its airport customers and their respective passengers.

We welcome Oakwells, along with its impressive team and operations, to the Tailwind family," stated Jeff Switzer, CEO of Tailwind. Switzer added, "We are excited to partner with Mike Reilly, founder and CEO of Oakwells, who will also join the Tailwind team post-close along with his over 100 employees, to ensure a successful combination of the businesses and continue to provide best-in-class service and responsiveness to our airport partners."

Mike Reilly added, "We have long competed with Tailwind in the airport market, and it was great working with the Tailwind team to get this transaction done. We're confident that our employees and airport partners will mesh with Tailwind’s strong customer-first culture to ensure the continued growth of the combined business."

In November 2021, Palladin Consumer Retail Partners partnered with Tailwind and its existing management team to recapitalize the Company and acquire a smaller competitor, Air Host, creating a leading airport concession platform focused on small and mid-sized airports throughout the United States. Since the investment, Tailwind has been awarded 18 locations, 14 of which are new sites, increasing its footprint to 45 airports. Tailwind also successfully acquired and integrated the retail concessionaire at Panama City, FL airport while further building out its offering of nationally known brands and local concepts.



## **ABOUT TAILWIND HOSPITALITY (TAILWIND CONCESSIONS)**

Founded in 2004 and based in Wilmington, North Carolina, Tailwind Hospitality, LLC (“Tailwind” or the “Company”) is a leading airport concessionaire specializing in operating full-service restaurants, bars, retail and gift shops predominantly in non-hub, primary and regional airports located throughout the United States. The Company currently has or will be beginning operations at over 45 airports and, in the majority of locations, is the sole and exclusive concessionaire serving a captive audience with minimal to no alternatives. Tailwind has focused on developing unique, location-specific venues at each of its airports, adapting to local culture, tastes and needs, rather than implementing a single generic brand. Tailwind’s primary focus on the regional airport market combined with a highly variable cost structure allow the Company to remain profitable during a variety of passenger traffic levels.

## **ABOUT PALLADIN CONSUMER RETAIL PARTNERS (PCRP)**

Palladin Consumer Retail Partners (“PCRP” or “Palladin”) is a Boston-based private investment firm, founded in 1998, that focuses primarily on the retail and consumer products sectors in North America and Europe. Our team has a strong investment and operating track record; the Principals of PCRP have invested in, financed, or managed over 100 public and private retail and consumer products companies. We pride ourselves on working closely with management teams to create value through strategic and operational initiatives. PCRP strives to provide its portfolio companies with the advantages of a strategic partner and the operating flexibility and incentives of a financial investor. Current and former investments include M@C Discount, Southeast Mechanical, Tailwind Concessions, Leapfrog Brands, Decowraps, PB Metro, Splash Car Wash, KT Tape, Nic+Zoe, InMotion Entertainment, J. McLaughlin, Things Remembered, Restoration Hardware, Spencer Gifts, Jamba Juice, Worldlynx, Multi-Flow, and Kwik-Tek.

## **CONTACT:**

### **Tailwind Hospitality**

Jeff Switzer, CEO

[switzer@tailwindconcessions.com](mailto:switzer@tailwindconcessions.com)

720-891-7031

### **Palladin Consumer Retail Partners**

Patricia Donnelly

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617-585-3800

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# Duluth industry leaders lay out how to navigate changing tourism trends

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By [Cara Kopp](#)

Published: Sep. 3, 2024 at 10:54 PM CDT | Updated: 10 hours ago

DULUTH, Minn. (Northern News Now) -- The City of Duluth is partnering with the area's tourism industry leaders to navigate changing trends. The busy summer tourism season has officially reached its end in the Duluth area, and according to those at the Sheraton Duluth Hotel, it was unusually slow for them.

"We did see a decline in July," said Karen Pionk, the general manager at Sheraton Duluth Hotel.

Pionk believes the reason behind the decline in tourism is due to changing tourism trends. In fact, she said the massive spike in people traveling is already leveling off, and with that the time people are traveling is also changing.



"We are seeing a shift in how people travel," Pionk said. "We are seeing busier weekdays and not so busy weekends."

In order to keep up with those changing trends, and as the city reaches the end of a contract with its marketing firm based in the Twin Cities, the City of Duluth started a new [Tourism Marketing Working Group](#).

"It really gives us forward thinking, and a way to look at trends, and see how well Duluth is positioned in growing trends in tourism," Pionk said.

After nearly a year of research, the working group put forward a few recommendations to the city in how to improve local tourism marketing.

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"One thing that we found is the accountability and kind of who's steering the ship of the Duluth tourism marketing," said Josh Miller with the North Shore Scenic Railroad, who is a member of the working group. "It's a piece of the puzzle that keeps the decision making here in Duluth."

The working group indicated a big reason they want to keep decision making regarding tourism marketing in the city, is because it impacts everyone in the area, including the Duluth International Airport.

"The airlines have been very, very prolific at responding and adding capacity," said Tom Werner, the executive director at DLH. "So, when you have demonstrable demand, they'll respond."

The mayor's office will take the working group's recommendations and decide what the next steps are by the end of the year.

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## VII. New Business

### Resolution to Approve the Duluth Airport Authority's Title VI Plan. Executive Summary

#### **Terms:**

- Calendar year of 2024, effective August 20<sup>th</sup>, 2024.

#### **Overview:**

- On June 11, 2021 the Department of Transportation Title VI Program directed DOT operating administration to ensure that recipients of Federal financial assistance comply with their statutory obligations to ensure against discrimination on the basis of race, color, national origin, sex (including sexual orientation and gender identity), or creed.
- As a recipient of FAA Airport Improvement Program (AIP) and Bipartisan Infrastructure Law (BIL) grants, the DAA commits to ensuring against discrimination in our activities as a condition of receiving these funds (Airport Grant Assurance 30).
- DOT requires the FAA to confirm each sponsor's probable compliance with nondiscrimination requirements before an award of a grant. Therefore, the FAA developed a sponsor checklist and required sponsors to develop a Title VI Plan and Community Participation Plan.
- Small and Non-hub airports were required to have their plans approved by year-end 2024.

#### **Summary Title VI Plan:**

- DAA assures every effort will be made to ensure nondiscrimination in all of its programs and activities, whether federally funded or not.
- The sponsor agrees, among other things, to understand the communities surrounding or in the flight path, as well as customers that use the airport.
- Anytime a community may be impacted by program or activities, the DAA will take action to involve them and the general public in decision-making processes.
- DAA requires non-discrimination assurances, as prescribed by FAA, from each tenant, contractor, and concessionaire providing an activity, service, or facility at the airport. These assurances must be included in any related lease, contract or franchise agreement between the DAA and each tenant, contractor, concessionaire, as well as in any similar agreements with their own sub-contractors.
- This plan will be updated at least every 3 years.
- DAA is ensuring that proper posting requirements are met, there is proper collection and review of demographic information, templates for agreements and RFPs are used, etc.
- DAA staff has added a website location of [www.duluthairport.com/compliance](http://www.duluthairport.com/compliance) for those interested in this plan and other related information.

## Duluth Airport Authority Title VI Plan

### 1. Title VI Policy Statement<sup>1</sup>

The **Duluth Airport Authority (DAA)** assures that no person shall on the grounds of race, color, national origin (including limited English proficiency (LEP)), sex (including sexual orientation and gender identity), creed, or age, as provided by Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987 (PL 100.259), Section 520 of the Airport and Airway Improvement Act of 1982, and related authorities (hereafter, “Title VI and related requirements”), be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity that receives U.S. Department of Transportation (DOT) funding. Title VI also prohibits retaliation for asserting or otherwise participating in claims of discrimination.

The **DAA** further assures every effort will be made to ensure nondiscrimination in all of its programs and activities, whether those programs are federally funded or not. The Airport Sponsor agrees, among other things, to understand the communities surrounding or in the flight path, as well as customers that use the airport. Anytime communities may be impacted by programs or activities the **DAA** will take action to involve them and the general public in the decision-making process.

**The DAA** requires nondiscrimination assurances, as prescribed by FAA, from each tenant, contractor, and concessionaire providing an activity, service, or facility at the airport. Assurances must be included in any related lease, contract, or franchise agreement between **the DAA** and each tenant, contractor, and concessionaire, as well as in any similar agreements with their own sub-tenants and sub-contractors.

**Joelle Bodin**, available at **218-625-7769** and **jbodin@duluthairport.com**, is responsible for overseeing the Airport Sponsor’s compliance with Title VI and the point of contact for all airport Title VI matters and related responsibilities, including those required by 49 CFR Part 21.

\_\_\_\_\_  
*Signature*

**Kevin O’Brien**  
**DAA Board President**

\_\_\_\_\_  
September 17, 2024

**Effective Date**

\_\_\_\_\_  
September 17, 2027

**3-Year Expiration Date**

<sup>1</sup> This policy statement will be translated into languages other than English, upon request and based on patron and local language demographics.

## 2. Administration

The **Duluth Airport Authority** has reviewed and adopted this Title VI Plan for **DAA**. This plan will be updated no less than once every 3 years. The plan will not be re-adopted following minor changes, such as updating the *Airport Director* or Coordinator’s name. Significant revisions to our policies or federal guidelines may warrant re-adoption by the **DAA Board** and resubmittal to FAA.

In addition to the Coordinator and airport sponsor’s leadership, the following people also assist with our Title VI program requirements:

<b>Staff Supporting Title VI Program</b>	<b>Airport Sponsor Program / Office</b>
Tom Werner	Executive Director
Mark Papko	Director of Operations
Jana Kayser	Director of Business Development
Natalie Baker	Director of Communications & Marketing

The **DAA** has the following airport program sub-recipients:

<b>Sub-Recipients</b>
<i>None</i>

As of the date of this plan, **DAA** has the following pending applications for Federal financial assistance:

<b>Federal Source</b>	<b>Grant Number</b>	<b>Amount</b>
<i>FAA AIP</i>	<i>Unknown</i>	<i>\$10,371,806</i>
<i>FAA AIG/BIL ATP Grant</i>	<i>Unknown</i>	<i>\$417,238</i>

Updated information for pending and awarded grant applications will be available through the following methods:

<b>Federal Source</b>	<b>Grant Award Information Available at:</b>
<i>DOT FAA BIL</i>	<i><a href="https://www.faa.gov/bil/airport-terminals">https://www.faa.gov/bil/airport-terminals</a></i>
<i>FAA AIP</i>	<i><a href="https://www.faa.gov/airports/aip/">https://www.faa.gov/airports/aip/</a></i>
<i>FAA BIL</i>	<i><a href="https://www.faa.gov/bil/airport-infrastructure">https://www.faa.gov/bil/airport-infrastructure</a></i>

### **3. Grant and Procurement Assurances**

49 CFR § 21.7 (a)(1); 49 CFR Part 21 Appendix C (b)

The DAA will complete standard grant assurances for Title VI and related requirements, in the form prescribed by FAA. See [https://www.faa.gov/airports/aip/grant\\_assurances/#current-assurances](https://www.faa.gov/airports/aip/grant_assurances/#current-assurances).

#### Clauses/Covenants

- a. All contracts, leases, deeds, licenses, permits, and other similar instruments, must contain the contractual requirements and clauses, in the form prescribed by FAA. See [https://www.faa.gov/airports/aip/procurement/federal\\_contract\\_provisions/](https://www.faa.gov/airports/aip/procurement/federal_contract_provisions/). Note that unlike many other clauses, Civil Rights clauses are required in all contracts. Note also special clauses that are required for certain types of contracts, such as land acquisition.
- b. DAA requires Civil Rights clauses to be included in solicitations and contracts for all subcontractors, subleases, and any other agreements. **Language will be added to required templates.**

#### **Description of Oversight Methods for Subcontracts**

*Contract templates must be used in all contracts related to the airport program. Subcontracts will be reviewed where plausible to ensure the language is added.*

### **4. Title VI Coordinator Responsibilities**

The Coordinator is responsible for ensuring that they and other staff supporting the Title VI are trained in Title VI requirements. Essential training topics include:

- Basic Title VI requirements
- Airport language assistance resources and practices
- Collecting and assessing demographic data
- Reporting Title VI complaints and other required FAA notifications.

See Training Section for more information for expected training for all staff.

Among other responsibilities, the Coordinator:

- Proactively ensures that the Airport Sponsor is in compliance with nondiscrimination requirements of Title VI and reports to DAA leadership on the status of Title VI compliances.
- Responds promptly to requests by FAA for data and records and for the scheduling of compliance reviews and other FAA meetings to determine compliance with Title VI and related requirements.
- Receives discrimination complaints covered by Title VI and related requirements, and



forwards them to the FAA, within 15 days of receipt, together with any actions taken to resolve the matter.

- Provides the FAA with updates regarding its response and status of early resolution efforts to complaints concerning Title VI and related requirements (49 CFR Part 21, Appendix C(b)(3)), including resolution efforts.
- Annually reviews the airport's Title VI plan and disseminates information throughout staff and the Airport Sponsor's leadership.
- Coordinates data collection to evaluate whether racial or ethnic groups are unequally benefited or impacted by airport programs. The data will be regularly assessed and readily available upon request (49 CFR § 21.9(b) & (c)). Data collection methods will include optional demographic questions in: airport customer satisfaction surveys, customer complaints, airport event sign-in sheets, and bids/proposals for airport contracts, and other methods described in the airport Community Participation Plan (CPP).
- Maintains demographic data for members of appointed planning and advisory bodies for the airport. Identifies any disparities compared to the community. Provides information to the membership selecting official/committee, particularly when vacancies occur.
- Maintains a copy of 49 CFR Part 21 for inspection by any person asking for it during normal working hours (49 CFR 21, Appendix C (b)(2)(i)).

See Notice, Compliance reviews, Audits, Lawsuits, and Other Investigations, and Complaints Sections of this Plan.

The Coordinator **has** requested and received access to the Title VI portion of the FAA Civil Rights Connect System (<https://faa.civilrightsconnect.com/>).

## **5. Notice**

49 CFR Part 21 Appendix C(b)(2)(ii)

**The DAA** will conspicuously display the FAA-provided Unlawful Discrimination Poster in all public areas on airport property, including those with pedestrian activity. The Coordinator ensures that these posters are visible, accessible,<sup>2</sup> and maintained. The poster template is available at

[https://www.faa.gov/about/office\\_org/headquarters\\_offices/acr/com\\_civ\\_support/non\\_disc\\_pr/](https://www.faa.gov/about/office_org/headquarters_offices/acr/com_civ_support/non_disc_pr/) and a completed copy is attached. See Section 15 Appendix.

**The DAA** has posted the above Title VI policy statement at its staff offices.

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<sup>2</sup> For more information about website accessibility, please visit ADA.gov.

The DAA will distribute this Title VI Plan among its employees and airport contractors, concessionaires, lessees, and tenants. This plan will be distributed by 12/31/2024 by email and at staff and tenants meetings.

Posters are displayed in the terminal and other areas on airport property, including the following public locations:

Terminal/FBO/Concessions/ Other Locations	Quantity in Pre-Security Area	Quantity in Post-Security Area	Additional Quantities
<i>First Floor of Terminal</i>	<i>1</i>		
<i>Second Floor of Terminal</i>	<i>1</i>	<i>1</i>	
<i>Third Floor of Terminal</i>	<i>1</i>		

Outreach to Affected Communities

Duluth Airport Authority ensures that notices for public meetings reach all segments of the impacted community. The Title VI coordinator will identify the effective media platforms to share announcement and notices. Announcements may be made in social media, general circulation newspapers, community newspapers, or email broadcast. The Duluth Airport Authority’s engineering consultant or the Director of Communication and Marketing contacts leaders and representatives in Affected Communities directly to confirm effective media platforms to reach all Affected Communities<sup>3</sup> and provide important feedback on translated materials. The office maintains records of all such notices and the efforts made to reach each of the Affected Communities.

Duluth Airport Authority will create a detailed CPP by 12/31/2024. A copy of the plan will be available at [www.duluthairport.com/compliance](http://www.duluthairport.com/compliance).

To ensure that the community is effectively informed of and able to participate in public hearings, DAA admin office includes public notices translated into appropriate languages, including for any language spoken by a significant number or proportion of the Affected Community population that has limited English proficiency (LEP). Such social media postings and notices will include direction for obtaining an interpreter, free of charge, for public hearings. 28 CFR § 42.405(d). See Limited English Proficiency (LEP) Section.

**6. Community Statistics**

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<sup>3</sup> We will not subject any persons to discrimination based on race, color, national origin, age, sex, or creed. The term “protected communities” is used within this Title VI Plan to highlight the requirements of Title VI, 49 U.S.C. § 47123, the Age Discrimination Act of 1975, and in some instances, includes low-income populations under Executive Order 12898.

Title VI regulations require Federal grant recipients to know their community demographics. See 49 CFR § 21.9(b). By knowing this information, the **Duluth Airport Authority** will be able to identify, understand, and engage with communities. In doing so, the **Duluth Airport Authority** needs to know about communities eligible to be served, actually or potentially affected, benefited or burdened by **Duluth Airport Authority** airport program.

<b>Affected Communities<sup>4</sup></b>	<b>Population</b>
<i>City of Duluth</i>	80,291
<i>City of Hermantown</i>	8,954
<i>City of Rice Lake</i>	4,132

(Hereafter, the above communities will be referred to collectively as “the Affected Communities”).

We have identified the following facts about the Affected Communities:

Low Income Communities<sup>5</sup>.

A low-income area is an identifiable group of persons living in geographic proximity, whose median household income is at or below the Department of Health and Human Services poverty guidelines. Pursuant to Executive Order 12898, “Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations,” **DAA** is collecting information about affected and potentially affected low-income communities. According to *U.S. Census Report, such as SI701: Poverty Status in the Past 12 Months*, the overall poverty level for the **St. Louis County, MN** is approximately **13.8%**. The poverty rate remains **high** compared with the rest of the **state**. The poverty rates for the specific Affected Communities are as follows.

<b>Affected Communities</b>	<b>Poverty Rate</b>
<i>City of Duluth</i>	17.7%
<i>City of Hermantown</i>	4.9%
<i>City of Rice Lake</i>	5.4%

Racial and Ethnic Communities.

Demographic data for race, color, and national origin was evaluated to identify racial and ethnic communities and populations in each Affected Community. The demographic composition by race, color, or national origin for the specific Affected Communities are as follows<sup>6</sup>:

<sup>4</sup> “Affected communities” means any readily identifiable group potentially impacted by an airport project or operation, such as the community immediately surrounding a project or a community in the flight path.

<sup>5</sup> Low-income data must be collected to assist in our compliance with Environmental Justice requirements (not Title VI requirements). For example, this data will be utilized in our Community Participation Plan (CPP) to help ensure the meaningful involvement of low income communities in airport programs and activities.

<sup>6</sup> Recommend using demographic groups from the U.S. Census.

**Affected Community: City of Duluth**  
**Total Affected Community Population: 80,291**

<b>Demographic Group within Affected Community</b>	<b>Number of People in Minority Group</b>	<b>Percent of Total Affected Community Population</b>
<i>White alone</i>	71,872	89.51%
<i>Black or African American</i>	1,630	2.03%
<i>American Indian or Alaska Native</i>	1,386	1.73%
<i>Asian</i>	1,042	1.3%
<i>Native Hawaiian or Other Pacific Islander</i>	30	.04%
<i>Hispanic or Latino</i>	1,943	30%
<i>More than one</i>	3,853	4.8%
<i>Some other race alone</i>	478	.6%
<i>White alone, not Hispanic or Latino</i>	71,020	88.45%

**Affected Community: City of Hermantown**  
**Total Affected Community Population: 8,954**

<b>Demographic Group within Affected Community</b>	<b>Number of People in Minority Group</b>	<b>Percent of Total Affected Community Population</b>
<i>White alone</i>	8,382	93.61%
<i>Black or African American</i>	60	.67%
<i>American Indian or Alaska Native</i>	82	.92%
<i>Asian</i>	53	.59%
<i>Native Hawaiian or Other Pacific Islander</i>	9	.10%
<i>Hispanic or Latino</i>	144	1.61%
<i>More than one</i>	347	3.88%
<i>No response / would not say</i>	500	5%
<i>White alone, not Hispanic or Latino</i>	8,344	93.19%

**Affected Community:** City of Rice Lake  
**Total Affected Community Population:** 10,000

Demographic Group within Affected Community	Number of People in Minority Group	Percent of Total Affected Community Population
<i>White</i>	3,999	99.78%
<i>Black or African American</i>	0	0%
<i>American Indian or Alaska Native</i>	22	.53%
<i>Asian</i>	6	.15%
<i>Native Hawaiian or Other Pacific Islander</i>	0	0%
<i>Hispanic or Latino</i>	22	.53%
<i>More than one</i>	83	2.01%
<i>No response / would not say</i>	500	5%
<i>White alone, not Hispanic or Latino</i>	3,999	96.78%

**Limited English Proficiency (LEP).**

The goal of all language access planning and implementation is to ensure that **Duluth Airport Authority** communicates effectively with limited English proficient (LEP) individuals. Effective language access requires self-assessment and planning. The next table lists non-English languages<sup>7</sup> that are spoken in LEP households in the Affected Communities. The data source is **American Community Survey B16001: Language Spoken at Home by Ability to Speak English filtered for the listed affected communities,**

The threshold we have used for identifying the languages with significant LEP populations is the DOT LEP Policy Guidance safe harbor threshold, which is 5% or 1,000, whichever is less.<sup>8</sup> The safe harbor for our community is **1,000**. Please refer to the end of this document to find data for all languages in our community.

Languages Spoken by LEP Population that Meet the Safe Harbor Threshold	Number	Margin of Error
<i>None</i>		

<sup>7</sup> Recommend using language groups from the U.S. Census, and using data for the “Speak English less than ‘very well’” category for each language over the threshold.

<sup>8</sup> See the DOT LEP Policy Guidance at <https://www.federalregister.gov/d/05-23972/p-133>. The safe harbor provisions apply to the translation of written documents only; however, it provides a consistent starting point for identifying significant LEP populations.

Frequency of contact with LEP individuals at the airport and airport-related activities (all languages):

<b>Languages Spoken by LEP Persons</b>	<b>A few times a year (12 or less days a year)</b>	<b>Several times a month (13 to 51 days a year)</b>	<b>At least once a week (52 to 364 days a year)</b>	<b>Every day (365 days a year)</b>
<i>Spanish</i>	X			

This information is updated (EVERY 3 YEARS) through checking the following resources:

<b>Data Sources for Languages Spoken in Affected Community</b>	<b>Website link to Data Source</b>
<i>U.S. Census Bureau</i>	<a href="https://data.census.gov/cedsci/table?q=B16001&amp;tid=ACSDT1Y2019.B16001">https://data.census.gov/cedsci/table?q=B16001&amp;tid=ACSDT1Y2019.B16001</a>

Beneficiary Diversity.

Demographic information is collected from airport customers, attendees at community meetings, and businesses seeking opportunities at the airport, through voluntary disclosures.

**Description of Beneficiary Demographic Information Collection Methods**

- *Duluth Airport Authority Board Meeting with have optional demographic information to collect, includes a voluntary request for demographic information.*
- *Airport Customer Service Office conducts surveys of airport guests and the survey will include a voluntary request for demographic information.*
- *Businesses that submit bids or offers are asked to complete an anonymous survey that includes demographic information, submitted through a data collection website. Via City of Duluth Purchasing*

Staff and Advisory Board Diversity.

Demographic information is collected from airport program employees and members of planning and advisory boards, through voluntary disclosures.

**Description of Employee and Advisory Board Demographic Information Collection Methods**

- *Employees are asked to submit voluntary confidential demographic information at time of hiring.*
- *Every year, the airport administration sends an email to all board members asking them to*

## **7. Potential or Known Community Impacts**

Projects or services receiving federal financial assistance have the potential to touch so many aspects of American life. Thus, in general, no DAA activity must have a discriminatory disparate impact on the basis of race, color, national origin (including LEP), sex (including sexual orientation and gender identity), creed, or age. This means that policies or procedures that have a disparate impact would require a well-documented substantial legitimate nondiscriminatory justification, summarized below. Impacts to protected communities must be avoided or minimized to the extent possible. No project with a discriminatory impact on protected communities will be undertaken.<sup>9</sup>

The following airport facilities are already in use or under construction and expected to be in use within the next 3 years:

<b>Existing Airport Facilities</b>	<b>Affected Community Impacted by Operation of the Facility</b>
<i>Airport Terminal</i>	<i>none</i>
<i>Runway 9/27</i>	<i>none</i>
<i>Runway 3/21</i>	<i>none</i>
<i>4825 Ranch Hangars (5 Bays)</i>	<i>none</i>

The following airport facility projects (including all alternatives) are in construction or expected to be in construction within the next 3 years:

<b>Airport Facility Construction Projects</b>	<b>Affected Community Impacted by Construction of the Facility</b>
<i>Air Traffic Control Tower</i>	<i>None</i>
<i>Sky Harbor Terminal</i>	<i>None</i>
<i>Sky Harbor SRE</i>	<i>None</i>

We have analyzed the above existing facilities and facility construction projects for disparate impacts on the basis of race, color, or national origin (including LEP) in Affected Communities. The following have disparate impacts:

<b>Facilities or Construction Projects with Disparate Impacts</b>	<b>Affected Community Impacted</b>	<b>Impact Can Be Eliminated?</b>
<i>None</i>	<i>None</i>	

<sup>9</sup> In order to carry out an alternative with a discriminatory impact, the airport sponsor must demonstrate that there was a substantial legitimate justification for the decision. The sponsor must also show that alternatives with less discriminatory impacts were meaningfully considered and rejected for legitimate reasons.

**Justifications:**

Facilities or Construction Projects	Justification
<i>None</i>	

**8. Limited English Proficiency (LEP)**  
Executive Order 13166

In creating a Language Assistance Plan, the **DAA** will consider the volume, proportion, or frequency of contact with LEP persons in determining the appropriate language assistance to provide.

In Community Statistics section, we identified the following languages spoken by LEP persons in Affected Communities

Language
<i>None</i>

**Duluth Airport Authority** also collects data for languages spoken by airport guests.<sup>10</sup> Data sources include:

Data Sources for Languages Spoken by Airport Guests	Website link to Data Source
<i>Airport Tenants</i>	<i>N/A</i>
<i>DAA Website “Optional Demographic” Submissions</i>	<i><a href="http://www.duluthairport.com/compliance">www.duluthairport.com/compliance</a></i>

Based on the above data, the following additional languages have been identified as likely to be spoken by LEP airport guests:

Language
<i>none</i>

The Title VI Coordinator will also actively engage with community educators, community groups, places of work, business groups, social groups, and the like to confirm that translation and interpretation services are accurate and effective. Additionally, the Title VI Coordinator will inform leadership and staff of the **DAA** of the responsibility to provide language access. We have made the following plans to provide translation services free of charge to ensure that

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<sup>10</sup> We aim to provide appropriate language assistance services to every LEP person encountered. This includes instances when LEP statistical data for a particular language was not available beforehand, or the safe harbor threshold for written translation was not met.



individuals with LEP have access to the benefits of the airport:

**Translation Services:**

- All written notices contain a statement in the identified languages, when appropriate, of how to receive translated written materials.
- The following vendors have been identified for written translations:

Translation Vendors	Languages
<i>Google translate</i> ( <a href="https://translate.google.com/?sl=auto&amp;tl=en&amp;op=translate">https://translate.google.com/?sl=auto&amp;tl=en&amp;op=translate</a> )	<i>Many/All</i>

- Information regarding translation services can be obtained at [www.duluthairport.com/compliance](http://www.duluthairport.com/compliance) or <https://translate.google.com/?sl=auto&tl=en&op=translate>
- DAA has very few, if not no need for translation services at this time. DAA is collecting data on our website of language assistance needs and has provided links to Google services at this time.

Location for Translation Assistance	Languages
<a href="https://translate.google.com/?sl=auto&amp;tl=en&amp;op=translate">https://translate.google.com/?sl=auto&amp;tl=en&amp;op=translate</a>	<i>Many/All</i>

**Interpretation Services:**

- The following vendors have been identified for interpretation services:

Interpretation Vendors	Languages
<i>Google translate</i> ( <a href="https://translate.google.com/?sl=auto&amp;tl=en&amp;op=translate">https://translate.google.com/?sl=auto&amp;tl=en&amp;op=translate</a> )	<i>Many/All</i>

- Information regarding interpretation services can be obtained at: [www.duluthairport.com/compliance](http://www.duluthairport.com/compliance) or <https://translate.google.com/?sl=auto&tl=en&op=translate>

Location for Interpretation Assistance	Languages
<a href="https://translate.google.com/?sl=auto&amp;tl=en&amp;op=translate">https://translate.google.com/?sl=auto&amp;tl=en&amp;op=translate</a>	<i>Many/All</i>

**Description of Interpretation Assistance Processes**

- *The airport may contract with the Language Line, Inc. to provide interpretation services to customers if needed.*

- *New cellphones with AI features have interpretation services via Google Translate: <https://translate.google.com/?sl=auto&tl=en&op=translate>*
- *DAA is collecting language data to determine need for additional services in the future via their website. [www.duluthairport.com/compliance](http://www.duluthairport.com/compliance)*

## **9. Transportation**

49 Part CFR 21 Appendix C (a)(1)(ix)

In the Community Statistics section of this plan, we identified Affected Communities and provided demographic and related data for the community populations. The minority and disadvantaged community areas located within the Affected Communities are identified below. Other minority and disadvantaged community areas that are near the airport but not within Affected Communities are also identified below.

We have coordinated with **Duluth Transit Authority and Arrowhead Transit** to encourage them to provide transit service access between the airport and these areas.

The following chart identifies existing and planned transit services connecting the airport employment centers with the identified minority and disadvantaged community areas.

<b>Minority and/or Disadvantaged Community Areas</b>	<b>Transit Service</b>	<b>Planned or Existing</b>
Downtown Duluth	Fixed-route buses	Existing

## **10. Minority Businesses**

49 CFR 21 Appendix C (a)(1)(x)

Bids for airport concessions and other business opportunities are solicited from area minority and woman-owned businesses through the following methods:

<b>Airport Business Opportunity</b>	<b>Minority Business Outreach Methods</b>
<i>Business Opportunities</i>	<i>Advertised through the City of Duluth's Purchasing Website which is open to anyone in the public.</i>

Selections are in compliance with Title VI, Part 21, and related requirements. Information on the award process and documentation for specific bid decisions is kept with **Purchasing Office**.

## **11. Training**

New employee orientation incorporates Title VI training. Topics include:

- Title VI and related laws prohibit discrimination on the basis of race, color, national origin (including LEP), sex (including sexual orientation and gender identity), creed, or age
- Title VI complaints must be forwarded to the Coordinator
- Protections against retaliation for filing civil rights complaints or related actions
- Title VI notices must be displayed throughout the airport public facilities
- All contracts must include Title VI clauses
- Language interpretation and translation services
- Cultural and community relations sensitivity training
- Anti-harassment training

Refresher information will be provided annually during all staff meeting.

## **12. Compliance Reviews, Audits, Complaints, Lawsuits, and Other Investigations**

**FAA Notification.** The Coordinator will notify FAA of any pending investigations and reviews, including:

- Compliance reviews or audits concerning civil rights requirements<sup>11</sup>
- Complaints, lawsuits, or other investigations alleging noncompliance with civil rights requirements<sup>12</sup>

As discussed in the Title VI Complaints Section, Title VI complaints must be forwarded to FAA contacts within 15 days of receipt. For all other civil rights investigations, **DAA** must notify FAA contacts of any new investigations prior to grant execution.

At regular intervals, the Coordinator will provide FAA contacts with status updates for the investigations and reviews, until completed. For each existing investigation or review completed within 5 years of this plan, the Coordinator will also provide a statement about the outcome, unless previously provided.

### **13. Title VI Complaints**

49 CFR 21.11; 49 CFR 21 Appendix C (b)(3); 28 CFR 42.406(d)

**Scope.** These procedures are for complaints of discrimination under Title VI and related laws (hereafter “Title VI Complaints.” In order to be a Title VI Complaint, the complaint must:

1. Allege discrimination on the basis of race, color, national origin (including LEP), sex (including sexual orientation and gender identity), creed, or age or violations administrative requirements under Title VI or related laws.
2. Not only be for employment matters<sup>13</sup>
3. Allege misconduct by the **DAA** including airport employees, contractors, concessionaires, lessees, or tenants.
4. Concern an airport facility or actions by the **Duluth Airport Authority** including airport employees, contractors, concessionaires, lessees, or tenants.

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<sup>11</sup> Includes any Title VI, ADA, Sec. 504, Title VII/EEO, or other civil rights program compliance review or audit to be performed on the airport sponsor or any of its sub-recipients by any State, local or Federal agency.

<sup>12</sup> Includes allegations of discrimination based on race, color, national origin (including LEP), sex (including sexual orientation and gender identity), creed, or age, whether because of actions of the airport sponsor itself, or its employees, contractors, or tenants. Includes noncompliance with related administrative requirements under civil rights laws.

<sup>13</sup> Complaints of employment discrimination must be addressed as required by EEOC and other applicable authorities with jurisdiction over employment matters. If an Airport sponsor employment activity is supported by FAA-provided financial assistance or it is alleged that the employment discrimination affects the broader airport program, complaints about that activity must also be reported to FAA.

Rights. Any person who believes that he or she has been subjected to discrimination on the basis of race, color, national origin (including LEP), sex (including sexual orientation and gender identity), creed, or age has the right to file a complaint with the **Duluth Airport Authority**.<sup>14</sup> Alternatively, they can file a formal complaint with an outside agency, such as the U.S. Departments of Justice or Transportation, or the Federal Aviation Administration (FAA), or seek other legal remedies.

Receipt of Complaint. The Coordinator will log in the complaint and promptly send copies of the complaint to **the DAA leadership group, the office named in the complaint and the DAA Board of Directors.**

Complaints must be filed within *preferably 180* days of the discriminatory event, must be in writing, and must be delivered to:

**Title VI Coordinator**  
**4701 Grinden Drive, Duluth, MN 55811**  
**218-625-7769**  
**daa@duluthairport.com**

If a complaint is initially made by phone, it must be supplemented with a written complaint before *180* days after the discriminatory event has passed. If a verbal complaint is received, the complainant should be given a copy of the Airport Discrimination Complaint Procedures and instructed to submit a written complaint. Accommodation will be provided upon request to individuals unable to file a written complaint due to a disability.

Initial Procedure. The Coordinator may meet with the complainant to clarify the issues, obtain additional information, and determine if informal resolution might be possible in lieu of an investigation. If successfully resolved, the Coordinator will issue a closure letter to the complainant, record the disposition in the complaints log, and report the resolution to FAA.

### **Discrimination Complaint Referral Procedure**

Internal Complaint Referral. All Title VI complaints must be promptly forwarded to the Coordinator within *48 hours*.

Initial FAA Notification. A copy of each Title VI complaint will be forwarded to the FAA within 15 days of initial receipt (not the date that the Coordinator was notified). The Coordinator will forward a copy of the complaint and a statement describing all actions taken to resolve the matter, and the results thereof to the FAA Civil Rights staff. (Note: complaints based on disability do not have to be forwarded to FAA.) To transmit complaint information to the FAA, the Coordinator will *upload information to the FAA Civil Rights Connect System, which issues automated notifications to FAA staff.* The Coordinator will also seek technical assistance from FAA, as needed, throughout complaint intake, investigation and resolution process.

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<sup>14</sup>

## Investigation Procedure

Assignment of Investigator. The Coordinator will immediately begin the investigation or designate an investigator.

Cooperation with FAA. The Coordinator will promptly investigate all Title VI complaints, including those referred by the FAA for investigation. If the FAA is investigating a complaint against **DAA**, the Coordinator will avoid interfering with the FAA investigation, cooperate with the FAA when needed, and share factual information with the FAA.

Prompt Investigation. The Coordinator will make every effort to complete discrimination complaint investigations within **60** calendar days after the complaint is received. Some investigations may take longer with a justification for the delay and assurance that the investigation is being completed as quickly as possible.

Contact with Complainant. The Coordinator will meet with the complainant to clarify the issues and obtain additional information, and also speak with community members and potential witnesses, as appropriate.

Investigation Report. After completing the investigation, the Coordinator will prepare a written report.

Consultation with Legal Counsel. In each case, the Coordinator will consult with Legal Counsel regarding the investigation and the report. Airport Legal Counsel will ensure that the report is consistent with the DOT and FAA Title VI nondiscrimination requirements.

Prompt Resolution of Disputes. The Coordinator will emphasize voluntary compliance and quickly and fairly resolve disputes with complainants, or with contractors, tenants, or other persons, through **conversations, negotiation, and/or mediation.**

Forwarding Report and Response to Complainant. At the completion of the investigation, the complainant and respondent will receive a letter of findings and determination of the investigation and any applicable resolution. The letter transmitting the findings and any applicable resolution will state **DAA**'s conclusion regarding whether unlawful discrimination occurred, and will describe the complainant's appeal rights. A summary of the investigation report, any appeal, or follow-up actions will be sent to the FAA via ***the FAA Civil Rights Connect System.***

Appeal Rights. The complainant must be notified of their right to appeal the findings or determinations, and of the procedures and requirements for an appeal:

- The complainant may appeal in writing to the **Executive Director.**
- The written appeal must be received **within 7** business days after receipt of the written decision.
- The written appeal must contain all arguments, evidence, and documents supporting the basis for the appeal.

- The **Executive Director** will issue a final written decision in response to the appeal.

Avoiding Future Discrimination. In addition to taking action with respect to any specific instances of discrimination, the **DAA** will identify and implement measures to reduce the chances of similar discrimination in the future.

Intimidation and Retaliation Prohibited. **DAA** employees, contractors, and tenants will not intimidate or retaliate against a person who has filed a complaint alleging discrimination.

For information on filing a complaint with DOT/FAA, please contact **DAA Title VI Coordinator using the contact information listed in section 1.**

This complaint procedure is shared with the public through the following methods:

**Website, In-person, and Other Distribution Methods**

**1** *Airport website, Title VI page at [www.duluthairport.com/compliance](http://www.duluthairport.com/compliance)*

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## 14. Population / Language Data

### [www.census.gov](http://www.census.gov) S1701: Poverty in the last 12 Months - 2020

	Minnesota					
	Total		Below poverty level		Percent below poverty level	
Label	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Population for whom poverty status is determined	5,476,956	±1,148	511,185	±6,996	9.3%	±0.1
AGE						
Under 18 years	1,275,790	±1,222	147,958	±4,242	11.6%	±0.3
Under 5 years	345,291	±824	41,145	±1,594	11.9%	±0.5
5 to 17 years	930,499	±970	106,813	±3,499	11.5%	±0.4
Related children of householder under 18 years	1,269,959	±1,400	142,629	±4,173	11.2%	±0.3
18 to 64 years	3,343,600	±682	301,979	±4,082	9.0%	±0.1
18 to 34 years	1,202,256	±1,030	152,766	±2,844	12.7%	±0.2
35 to 64 years	2,141,344	±1,117	149,213	±3,188	7.0%	±0.1
60 years and over	1,212,589	±3,255	88,697	±1,851	7.3%	±0.2
65 years and over	857,566	±608	61,248	±1,558	7.1%	±0.2
SEX						
Male	2,724,730	±1,430	230,592	±4,191	8.5%	±0.2
Female	2,752,226	±1,552	280,593	±4,449	10.2%	±0.2
RACE AND HISPANIC OR LATINO ORIGIN						
White alone	4,478,328	±4,966	317,396	±5,538	7.1%	±0.1
Black or African American alone	346,607	±3,289	91,622	±4,344	26.4%	±1.2
American Indian and Alaska Native alone	51,026	±1,390	16,527	±1,158	32.4%	±2.0
Asian alone	269,960	±1,863	34,717	±2,579	12.9%	±0.9
Native Hawaiian and Other Pacific Islander alone	2,079	±435	358	±129	17.2%	±7.7
Some other race alone	117,137	±4,935	20,085	±2,024	17.1%	±1.5
Two or more races	211,819	±4,983	30,480	±2,064	14.4%	±0.9
Hispanic or Latino origin (of any race)	300,403	±531	52,427	±2,652	17.5%	±0.9
White alone, not Hispanic or Latino	4,332,935	±3,077	292,512	±4,768	6.8%	±0.1



	St. Louis County, Minnesota					
	Total		Below poverty level		Percent below poverty level	
Label	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Population for whom poverty status is determined	191,447	±729	26,357	±1,277	13.8%	±0.7
AGE						
Under 18 years	36,537	±232	5,300	±702	14.5%	±1.9
Under 5 years	9,741	±98	1,818	±304	18.7%	±3.1
5 to 17 years	26,796	±214	3,482	±534	13.0%	±2.0
Related children of householder under 18 years	36,275	±263	5,112	±689	14.1%	±1.9
18 to 64 years	117,916	±685	18,282	±908	15.5%	±0.8
18 to 34 years	43,912	±666	10,581	±705	24.1%	±1.6
35 to 64 years	74,004	±222	7,701	±555	10.4%	±0.8
60 years and over	51,981	±535	4,548	±422	8.7%	±0.8
65 years and over	36,994	±297	2,775	±313	7.5%	±0.8
SEX						
Male	95,760	±454	12,770	±864	13.3%	±0.9
Female	95,687	±431	13,587	±817	14.2%	±0.9
RACE AND HISPANIC OR LATINO ORIGIN						
White alone	175,528	±1,165	21,536	±1,148	12.3%	±0.7
Black or African American alone	2,226	±327	972	±291	43.7%	±10.7
American Indian and Alaska Native alone	3,313	±278	1,427	±314	43.1%	±7.4
Asian alone	1,729	±215	480	±219	27.8%	±11.1
Native Hawaiian and Other Pacific Islander alone	71	±34	19	±29	26.8%	±38.1
Some other race alone	1,860	±771	223	±195	12.0%	±11.8
Two or more races	6,720	±503	1,700	±285	25.3%	±4.0
Hispanic or Latino origin (of any race)	3,217	±107	555	±214	17.3%	±6.7
White alone, not Hispanic or Latino	173,991	±1,085	21,401	±1,133	12.3%	±0.7

	Duluth city, Minnesota					
	Total		Below poverty level		Percent below poverty level	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Population for whom poverty status is determined	80,291	±737	14,237	±946	17.7%	±1.2
Total	80,291	±737	14,237	±946	17.7%	±1.2
Males	41,615	±562	1,992	±389	13.6%	±2.6
Females	38,676	±512	12,245	±557	17.5%	±4.9
Persons	10,014	±437	1,186	±275	11.8%	±2.8
Related children of householder under 18 years	14,505	±573	1,953	±384	13.5%	±2.6
Persons	53,098	±755	11,121	±724	20.9%	±1.4
Males	25,189	±724	7,661	±625	30.4%	±2.4
Females	27,909	±573	3,460	±333	12.4%	±1.2
Under 18 years	17,340	±693	1,770	±230	10.2%	±1.4
18 years and over	12,578	±595	1,124	±177	8.9%	±1.4
Total	38,974	±619	6,761	±598	17.3%	±1.5
Persons	41,317	±621	7,476	±625	18.1%	±1.5
RACE AND HISPANIC OR LATINO ORIGIN						
Total	71,872	±958	11,218	±749	15.6%	±1.1
Black or African American alone	1,630	±315	800	±262	49.1%	±10.3
American Indian and Alaska Native alone	1,386	±283	724	±280	52.2%	±13.7
Native Hawaiian and Other Pacific Islander alone	1,042	±230	254	±94	24.4%	±8.3
Native Hawaiian and Other Pacific Islander alone	30	±30	19	±29	63.3%	±57.8
Two or more races	478	±250	185	±196	38.7%	±32.2
Hispanic or Latino	3,853	±416	1,037	±213	26.9%	±5.1
Hispanic or Latino origin (of any race)	1,943	±320	439	±198	22.6%	±9.6
White alone, not Hispanic or Latino	71,020	±956	11,126	±743	15.7%	±1.1

	Hermantown city, Minnesota					
	Total		Below poverty level		Percent below poverty level	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Population for whom poverty status is determined	8,954	±185	437	±204	4.9%	±2.3
18 years	2,490	±403	121	±120	4.9%	±4.8
Under 5 years	625	±193	63	±67	10.1%	±9.7
17 years	1,865	±463	58	±58	3.1%	±3.3
Related children of householder under 18 years	2,490	±403	121	±120	4.9%	±4.8
4 years	5,071	±337	267	±115	5.3%	±2.2
34 years	1,595	±407	215	±105	13.5%	±6.0
64 years	3,476	±261	52	±38	1.5%	±1.1
18 years and over	1,861	±371	54	±46	2.9%	±2.4
64 years and over	1,393	±261	49	±47	3.5%	±3.2
Total	4,362	±249	220	±125	5.0%	±2.8
Total	4,592	±245	217	±111	4.7%	±2.5
RACE AND HISPANIC OR LATINO ORIGIN						
White alone	8,382	±280	364	±198	4.3%	±2.4
Black or African American alone	60	±58	24	±36	40.0%	±48.6
American Indian and Alaska Native alone	82	±69	49	±51	59.8%	±30.8
Hispanic or Latino alone	53	±63	0	±13	0.0%	±30.4
Native Hawaiian and Other Pacific Islander alone	9	±18	0	±13	0.0%	±77.5
Other race alone	21	±28	0	±13	0.0%	±50.8
Two or more races	347	±196	0	±13	0.0%	±5.6
Hispanic or Latino origin (of any race)	144	±136	0	±13	0.0%	±12.9
White alone, not Hispanic or Latino	8,344	±283	364	±198	4.4%	±2.4

	Rice Lake city, Minnesota					
	Total		Below poverty level		Percent below poverty level	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Population for whom poverty status is determined	4,132	±24	222	±153	5.4%	±3.7
Total	4,132	±24	222	±153	5.4%	±3.7
Males	694	±96	20	±21	2.9%	±3.1
Females	1,65	±78	0	±9	0.0%	±11.4
Persons	529	±106	20	±21	3.8%	±4.1
Related children of householder under 18 years	682	±97	8	±13	1.2%	±1.9
Persons	2,623	±172	76	±65	2.9%	±2.5
Males	705	±147	40	±52	5.7%	±6.9
Females	1,918	±163	36	±34	1.9%	±1.8
Under 18 years	1,037	±208	141	±145	13.6%	±13.2
18 years and over	815	±168	126	±143	15.5%	±16.2
Persons	2,194	±135	85	±70	3.9%	±3.1
Persons	1,938	±139	137	±138	7.1%	±6.8
RACE AND HISPANIC OR LATINO ORIGIN						
Total	3,999	±77	217	±155	5.4%	±3.9
Black or African American alone	0	±9	0	±9	-	**
American Indian and Alaska Native alone	22	±25	2	±4	9.1%	±25.6
Persons	6	±11	0	±9	0.0%	±95.0
Native Hawaiian and Other Pacific Islander alone	0	±9	0	±9	-	**
Other race alone	22	±32	0	±9	0.0%	±49.6
Two or more races	83	±65	3	±8	3.6%	±9.2
Hispanic or Latino origin (of any race)	22	±32	0	±9	0.0%	±49.6
White alone, not Hispanic or Latino	3,999	±77	217	±155	5.4%	±3.9

[www.census.gov](http://www.census.gov) S1701: Language Spoken at Home by Ability to Speak English - 2020

Label	Duluth city, Minnesota		Hermantown city, Minnesota		Rice city, Minnesota	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
Total:	81,509	±275	9,118	±212	1,358	±134
Speak only English	77,523	±515	8,580	±254	1,332	±131
Spanish or Spanish Creole:	4,100	±237	200	±72	6	±7
Speak English "very well"	958	±200	122	±49	3	±5
Speak English less than "very well"	142	±77	98	±57	3	±4
French (incl. Patois, Cajun):	103	±40	17	±28	0	±9
Speak English "very well"	52	±44	17	±28	0	±9
Speak English less than "very well"	21	±20	0	±12	0	±9
French Creole:	0	±20	0	±12	0	±9
Speak English "very well"	0	±20	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Italian:	59	±37	15	±25	0	±9
Speak English "very well"	54	±35	15	±25	0	±9
Speak English less than "very well"	5	±11	0	±12	0	±9
Portuguese or Portuguese Creole:	12	±15	0	±12	0	±9
Speak English "very well"	12	±15	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
German:	446	±103	113	±97	14	±15
Speak English "very well"	304	±97	113	±97	14	±15
Speak English less than "very well"	42	±36	0	±12	0	±9
Yiddish:	0	±20	0	±12	0	±9
Speak English "very well"	0	±20	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Other West Germanic languages:	0	±20	0	±12	0	±9
Speak English "very well"	0	±20	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Scandinavian languages:	118	±67	0	±12	0	±9
Speak English "very well"	101	±64	0	±12	0	±9
Speak English less than "very well"	17	±14	0	±12	0	±9
Greek:	17	±23	5	±10	0	±9
Speak English "very well"	17	±23	5	±10	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Russian:	147	±80	0	±12	3	±4
Speak English "very well"	85	±59	0	±12	0	±9
Speak English less than "very well"	62	±51	0	±12	3	±4
Polish:	106	±63	28	±46	0	±9
Speak English "very well"	90	±54	0	±12	0	±9
Speak English less than "very well"	16	±25	28	±46	0	±9
Serbo-Croatian:	79	±80	0	±12	3	±4
Speak English "very well"	68	±78	0	±12	0	±9
Speak English less than "very well"	11	±12	0	±12	3	±4
Other Slavic languages:	40	±37	0	±12	0	±9
Speak English "very well"	40	±37	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Armenian:	0	±20	0	±12	0	±9
Speak English "very well"	0	±20	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Persian:	19	±26	0	±12	0	±9
Speak English "very well"	19	±26	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Gujarati:	17	±24	0	±12	0	±9
Speak English "very well"	17	±24	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Hindi:	0	±20	0	±12	0	±9
Speak English "very well"	0	±20	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Urdu:	77	±83	0	±12	0	±9
Speak English "very well"	40	±42	0	±12	0	±9
Speak English less than "very well"	37	±45	0	±12	0	±9
Other Indic languages:	39	±36	0	±12	0	±9
Speak English "very well"	35	±34	0	±12	0	±9
Speak English less than "very well"	4	±6	0	±12	0	±9
Other Indo-European languages:	72	±49	10	±16	0	±9
Speak English "very well"	64	±44	10	±16	0	±9
Speak English less than "very well"	8	±13	0	±12	0	±9
Chinese:	381	±128	0	±12	0	±9
Speak English "very well"	202	±78	0	±12	0	±9
Speak English less than "very well"	179	±90	0	±12	0	±9
Japanese:	17	±24	0	±12	0	±9
Speak English "very well"	10	±13	0	±12	0	±9
Speak English less than "very well"	7	±11	0	±12	0	±9
Korean:	63	±88	9	±16	0	±9
Speak English "very well"	34	±30	0	±12	0	±9
Speak English less than "very well"	29	±24	9	±16	0	±9
Mon-Khmer, Cambodian:	0	±20	0	±12	0	±9
Speak English "very well"	0	±20	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Hmong:	87	±53	0	±12	0	±9
Speak English "very well"	87	±53	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Thai:	13	±15	0	±12	0	±9
Speak English "very well"	9	±13	0	±12	0	±9
Speak English less than "very well"	4	±7	0	±12	0	±9
Laotian:	1	±2	0	±12	0	±9
Speak English "very well"	1	±2	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Vietnamese:	126	±102	9	±16	0	±9
Speak English "very well"	100	±80	0	±12	0	±9
Speak English less than "very well"	26	±27	0	±12	0	±9
Other Asian languages:	48	±34	0	±12	0	±9
Speak English "very well"	38	±31	0	±12	0	±9
Speak English less than "very well"	10	±14	0	±12	0	±9
Tagalog:	151	±97	0	±12	0	±9
Speak English "very well"	81	±66	0	±12	0	±9
Speak English less than "very well"	70	±60	0	±12	0	±9
Other Pacific Island languages:	0	±20	0	±12	0	±9
Speak English "very well"	0	±20	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Navajo:	0	±20	0	±12	0	±9
Speak English "very well"	0	±20	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Other Native North American languages:	251	±142	32	±27	0	±9
Speak English "very well"	244	±142	12	±15	0	±9
Speak English less than "very well"	7	±11	20	±16	0	±9
Hungarian:	30	±35	0	±12	0	±9
Speak English "very well"	30	±35	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Arabic:	28	±28	9	±17	0	±9
Speak English "very well"	28	±28	9	±17	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
Hebrew:	14	±16	0	±12	0	±9
Speak English "very well"	14	±16	0	±12	0	±9
Speak English less than "very well"	0	±20	0	±12	0	±9
African languages:	485	±83	44	±63	0	±9
Speak English "very well"	17	±73	44	±63	0	±9
Speak English less than "very well"	68	±44	0	±12	0	±9
Other and unspecified languages:	190	±106	27	±43	0	±9
Speak English "very well"	94	±59	27	±43	0	±9
Speak English less than "very well"	96	±84	0	±12	0	±9

## 15. Completed Unlawful Discrimination Poster

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### **Unlawful Discrimination**

It is unlawful for airport operators and their lessees, tenants, concessionaires and contractors to discriminate against any person because of race, color, national origin, sex, creed, or disability in public services and employment opportunities. Allegations of discrimination should be promptly reported to the Airport Manager or:

Federal Aviation Administration  
Office of Civil Rights, ACR-1  
800 Independence Avenue, S.W.  
Washington, D.C. 20591

Federal regulations on unlawful discrimination are available for review in the Airport Manager's Office.

Coordinator: Joelle Bodin  
Phone: 218-625-7769  
Address: 4701 Grinden Drive  
Duluth, MN 55811

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### **Discriminacion Ilegal**

Se prohíbe a los operadores de aeropuertos y a sus arrendatarios, inquilinos, concesionarios y contratistas discriminar contra cualquier persona por motivo de raza, color, nacionalidad de origen, sexo, creencias religiosas, impedimento físico o discapacidad en lo que respecta a servicios públicos y oportunidades de empleo. Las alegaciones de discriminación deberán ser dirigidas inmediatamente al Administrador del Aeropuerto o a:

Federal Aviation Administration  
Office of Civil Rights, ACR-1  
800 Independence Avenue, S.W.  
Washington, D.C. 20591

Los reglamentos sobre discriminación ilegal están a la disposición de los interesados para su examen en la oficina del Administrador del Aeropuerto.

Coordinador: Joelle Bodin  
Teléfono: 218-625-7769  
Dirección: 4701 Grinden Drive  
Duluth, MN 55811



U.S. Department of Transportation  
Federal Aviation Administration

HQ-107098

VII. - B.

Duluth Airport Authority  
TURO INC.  
Peer-To-Peer Car Sharing Agreement  
Amendment 1

***Term:***

- October 1, 2024-September 30, 2025

***Amendment Overview:***

- Amendment is to change the term start date from August 1, 2024 to October 1, 2024 and the end date from July 31, 2025 to September 30, 2025.

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

- Turo requested more time to get DLH loaded into their computer system.

**PEER-TO-PEER CAR SHARING AGREEMENT  
BY AND BETWEEN  
DULUTH AIRPORT AUTHORITY AND TURO INC.  
FIRST AMENDMENT**

The parties to this First Amendment are the DULUTH AIRPORT AUTHORITY, a governmental body organized and existing under Chapter 577 of the Laws of Minnesota, 1969, (the "Authority"), and Turo Inc., a Delaware corporation hereinafter referred to as "Operator" or "Turo."

WHEREAS, on August 20, 2024, Operator and the DAA entered into a Peer-To-Peer Car Sharing Agreement (the "Agreement") at the Duluth International Airport controlled by the DAA in order for Operator to provide Peer-To-Peer Car Sharing services to the public;

WHEREAS, the parties desire to amend the Agreement;

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

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

1. SECTION 2, Term: is hereby replaced as follows:

Notwithstanding the date of this Agreement, the Term of this Agreement shall commence on October 1, 2024 and shall remain in effect until midnight September 30, 2025. During the Term, either party may terminate this Agreement without cause upon forty-five (45) days' written notice to the other party. In the event that the Term expires and a new agreement has not been executed, at the sole discretion and upon the prior written consent of the Executive Director, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of fees. The written consent of the Executive Director may be withdrawn upon thirty (30) days' written notice to Lessee.

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



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

DATE: \_\_\_\_\_

DULUTH AIRPORT AUTHORITY

TURO, INC.

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

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

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

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

VII. - C.

**SEH Terminal Office Lease  
Duluth International Airport**

***Terms:***

- 1 year

***Background:***

- SEH has leased an office in the Terminal since 2016.

***Agreement Overview:***

- 166 square foot office lease on second floor of Terminal
- Rate is based on our annually adopted Rates & Charges, the 2024 rate is \$43.58 per square foot per year; monthly rate \$602.86.

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

- Lease renewal

**SEH TERMINAL OFFICE SPACE LEASE AGREEMENT  
DULUTH INTERNATIONAL AIRPORT**

The parties to this Agreement are the DULUTH AIRPORT AUTHORITY, a governmental body organized and existing under Chapter 577 of the Laws of Minnesota, 1969, hereinafter known as "Authority", and Short Elliott Hendrickson Inc. doing business as "SEH", an employee owned company organized and incorporated in the State of Minnesota, hereinafter referred to as "Lessee".

WHEREAS, The Authority is a public body created pursuant to Minnesota Laws 1969, Chapter 577 and responsible for the operation of the Duluth International Airport located in and adjacent to the City of Duluth, Minnesota; and

WHEREAS, The Lessee desires to lease space in the terminal at the Airport and the Authority agrees to allow the Lessee to lease space under the terms and conditions set forth herein

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

**SECTION 1  
DEFINITIONS**

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

- A. Airport: shall mean the Duluth International Airport located in and adjacent to the City of Duluth, County of St. Louis, and State of Minnesota.
- B. City: shall mean the City of Duluth, Minnesota.
- C. Consent or Approval of Authority and of Executive Director: where this Agreement calls for the consent or approval of the Authority, the same shall be in the form of a resolution approved by the Authority as provided by law; where the consent or approval of the Executive Director is required, the same shall be evidenced by a written document signed by the Executive Director or authorized designee.
- D. Executive Director: shall mean the Executive Director of the Authority, or designee.
- E. Leased Premises: shall refer to that portion of the Terminal leased by Lessee as further described in Section 3A and as shown on Exhibit A.
- F. Leasehold Improvements: shall mean all items located on and within the Leased Premises provided or purchased by Lessee, including items such as decorations, partitions, wiring, lighting and plumbing fixtures, piping, finished ceilings, ventilation duct work, grills, floor and wall coverings, heaters, cabinets, lockers, sinks, counters, chairs, other furniture, signs and other related improvements.
- G. Terminal: shall mean the main passenger terminal building at the Airport located at 4701 Grinden Drive, Duluth MN, 55811.

## **SECTION 2 TERM**

The Term of this Agreement shall commence on November 1, 2024 and shall remain in effect until midnight October 31, 2025. During the Term, either party may terminate this Agreement without cause upon forty-five (45) days' written notice to the other party. In the event that the Term expires, and a new agreement has not been executed, at the sole discretion and upon written consent of the Executive Director, this Agreement shall continue in effect on a month-to-month basis under the terms and conditions set forth in this Agreement subject to the adjustment of fees. The Lessee will be allowed to hold over at the sole discretion and upon the written consent of the Executive Director, which consent may be withdrawn upon thirty (30) days' written notice to Lessee.

## **SECTION 3 LEASED PREMISES, EMPLOYEE PARKING AND PUBLIC SPACE**

- A. Leased Premises: Lessee is hereby granted use of approximately 166 square feet of space on the second floor of the Terminal, also referred to room number 251 as identified on Exhibit A. The Leased Premises shall be used solely for providing an office for its employees.
- B. Employee Parking: Lessee and its employees, contractors, or agents working at the Airport, in common with others, shall have vehicular parking space, at a location to be designated by the Executive Director. Authority reserves the right to charge a fee for the use of such space which fee may be adjusted from time to time.
- C. Public Space: Lessee is hereby granted the use by Lessee and its employees, contractors, and guests of all public space in the Terminal including but not limited to circulation space, restrooms, stairways, elevators, and public seating in common with other users. This provision shall not be construed to grant any special license to Lessee or its employees, contractors, or guests with respect to public space over and above that of the general public.
- D. The Right of Ingress and Egress: Lessee is hereby granted the full and free right of ingress to and egress from the Leased Premises for all purposes contemplated by this Agreement; however, this right shall be consistent with present and future security regulations of the Federal Aviation Administration.

## **SECTION 4 PAYMENTS AND OTHER FEES**

Lessee hereby agrees to pay Authority for the rights and privileges granted hereunder as follows:

- A. Leased Premises: For the rent of the Leased Premises, a rental fee shall be paid to the Authority in the sum of \$43.58 per square foot per year or \$602.86 per month for the Leased Premises. The first payment of rent in the amount of \$602.86 shall be due and payable October 31, 2024. Subsequent monthly payments in the amount of \$602.86 shall be due and payable beginning on November 30, 2024 and monthly thereafter during the term of this Agreement and any extensions thereof.

Beginning January 1, 2025, the rental rate will be established annually in accordance with the rates and charges schedule adopted annually by the Authority. Lessee will be advised of the proposed rate at least thirty (30) days prior to adoption by the Authority. If Lessee finds the new

rates unacceptable, Lessee may terminate this agreement upon forty-five (45) days written notice to the Authority.

- B. Refuse and Garbage: Lessee assumes all responsibility for the disposal of refuse and garbage generated by its operations in the Leased Premises during the term of possession of the Lease and agrees to deposit such refuse and garbage in containers provided by the Authority.
- C. Maintenance and Fee for Failure to Maintain. Lessee shall keep the space clean and orderly and not permit damage to the space, normal wear and tear excepted. Maintenance shall include regular carpet vacuuming, annual shampooing, extraction prior to surrender at the termination of this Agreement, replacement of bulbs, and wall cleaning. In the event that Lessee fails to keep the Leased Premises in a neat, clean, orderly and sanitary condition and the Executive Director has issued a written notice of such deficiency and provided a reasonable cure period as determined solely by the Executive Director, Authority may itself clean or cause to be cleaned those portions of the Leased Premises not so kept, and Lessee agrees to reimburse Authority for the direct and indirect costs incurred by Authority for the performance of said work plus a fifteen percent (15%) administrative fee, due and payable upon receipt.
- D. Fee for Repair and Replacement. Lessee shall promptly repair or replace any property of the Authority lost, destroyed or damaged by its operations hereunder. If Lessee fails to promptly repair or replace such property following written notice by the Executive Director of such deficiency and a reasonable cure period as determined solely by the Executive Director, Authority may repair or replace it and Lessee agrees to reimburse for the direct and indirect costs incurred by Authority for such repair or replacement plus a fifteen (15%) percent administrative fee, due and payable upon receipt.
- E. Fee for Unpaid Licenses, Fees, Taxes, and Assessments. Lessee hereby agrees to pay all licenses, fees, taxes and assessments of any kind whatsoever which arise because of, or in the course of any operations covered by this Agreement during the term hereof. Should Lessee fail to pay such amounts following written notice of such deficiency and a reasonable cure period as determined solely by the Executive Director, it is expressly agreed that Authority may pay the same on behalf of Lessee, and Lessee agrees to reimburse Authority for said amounts paid plus a fifteen percent (15%) administrative fee due and payable upon receipt.
- F. Late Payment:  
If Lessee is delinquent for thirty (30) days or longer in paying any amounts owed to the Authority under this Agreement, Lessee shall pay to the Authority a late payment charge assessed on the delinquent amount at the Authority's then-prevailing rate on delinquent accounts (the rate at the date of execution of the Agreement is one and one-half percent (1½%) per month). The late payment charge shall accrue from the date the delinquent amount was due until paid.

The remedies provided by this Section are in addition to all other remedies the Authority may have for a breach of this Agreement by Lessee, and nothing in this Section shall be deemed to be a waiver by the Authority or prevent the Authority from asserting any other remedy.

G. Payment Obligations Unconditional

The obligations of Lessee to pay any amounts due to Authority under this Lease Agreement in accordance with the terms hereof shall be absolute and unconditional, irrespective of any defense or rights of set off, recoupment or counterclaim which may at any time be available against Authority. Such payments shall be due without notice or demand therefore except as specifically provided for herein.

**SECTION 5  
UTILITIES**

The Authority agrees to provide such heat, electricity, internet infrastructure, telephone infrastructure, water and sewage as are reasonably necessary for Lessee's operations at no additional cost to Lessee. Lessee shall be responsible for providing and installing all telephone systems and computer systems for their operation at its sole expense.

**SECTION 6  
SECURITY DEPOSIT**

As of the commencement date of the Lease, a security deposit is not required; however, if Lessee subsequently is determined to be in default as called for in this Agreement or has delinquent payments due the Authority, Authority reserves the right to require a security deposit, and Lessee agrees to provide a security deposit in the amount of \$500.00 issued to the Authority. Lessee agrees that the Authority may hold the security deposit without liability for interest and in an account co-mingled with other funds. The Authority may use the security deposit to the extent necessary to make good any arrearages of rent or to satisfy any other covenant or obligation of the Lessee under this Agreement. Following any such application of the security deposit, Lessee shall pay to the Authority on demand the amount so applied in order to restore the security deposit to its original amount. If Lessee is not in default at the termination of this Agreement, the balance of the security deposit remaining after any such application shall be returned to Lessee.

**SECTION 7  
ACCESS BY AUTHORITY**

Upon forty-eight (48) hours' notice, the Authority shall have the right to enter and inspect the Leased Premises for the purpose of ascertaining the condition thereof or in order to make such repairs as may be required to be made by the Authority under the terms of this Agreement or as the Authority may deem necessary. The right of entry shall not be deemed to impose any greater obligation on the Authority to clean, maintain, repair or change the Leased Premises than is specifically provided in this Agreement. The Authority may at any time in case of emergency enter the Leased Premises and do such acts as the Authority may deem proper in order to protect the Leased Premises, the Terminal, or any occupants of the Terminal.

**SECTION 8  
CONSTRUCTION AND LEASEHOLD IMPROVEMENTS**

A. Approval of Executive Director. In the event that Lessee wishes to make any Leasehold Improvements, Lessee shall submit a written request to the Executive Director together with design development or construction drawings showing all details of said Leasehold Improvement. No Leasehold Improvement shall be made in the Leased Premises without the prior written approval of the Executive Director, which decision shall not be

unreasonably delayed, and then only in conformance with the approved plans and this Article.

B. Regulations and Standards. All work performed on behalf of Lessee shall conform to all applicable regulations, building design standards, building codes and health standards, as well as the following requirements:

1. All construction shall meet the requirement of Type I (fire resistant) construction as set forth in the Minnesota State Building Code (current edition) and the building standards for the Airport.
2. Complete contract drawings and specifications on all work, including alterations, additions or replacements, must be submitted for and receive approval of the Executive Director. Lessee will be responsible for delivering to the Authority at no cost "as built" drawings and an electronic version of same, or any reasonable substitute as agreed to in writing by the Executive Director, within sixty (60) days of completion of any Leasehold Improvement.
3. All work must be done by qualified and licensed contractors authorized to do business at the Airport in the time and manner approved by and coordinated with the Executive Director. Lessee shall comply with the indemnity and insurance and bond requirements of this Agreement. Work must be performed such that it may 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.
4. An authorized representative of Lessee shall be available at all reasonable times at the site to coordinate the work of the Leasehold Improvements.

C. Construction Bonds and Insurance.

1. Bonds. During the term of this Agreement when any Leasehold Improvements are constructed, installed or renovated, Lessee shall require the contractor and any subcontractor to furnish a payment bond, approved as to form and substance by the City Attorney, written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Executive Director. The amount of such bond(s) shall be not less than the cost of such construction, installation or renovation including all persons doing work or furnishing skills, tools, machinery, materials, insurance premiums, equipment or supplies incident to such construction, installation or renovation, such bond or bonds to be conditioned for payment of claims as required and in full compliance with Minnesota Statutes Section 574.26. Further, during the term of this Agreement, for any construction, installation or renovation of Leasehold Improvements, and before the commencement of work thereon, Lessee shall furnish to Authority performance bonds, written by similarly qualified companies, covering all work to be performed thereunder guaranteeing the performance of all such work. In the alternative, if the value of labor and materials to be furnished for any such improvement shall not exceed Fifteen Thousand Dollars (\$15,000), Lessee may furnish to Authority written proof thereof and may, at its option, deposit a sum equal to the value of the labor and materials with an escrow agent approved by the Executive Director or may deposit said sum directly with Authority. Authority shall have the right, but not the obligation, to draw upon said sum to pay all bills unpaid by Lessee for said labor and materials supplied for said Leasehold Improvements. Upon completion of the project and the furnishing by Lessee to Authority of lien waivers by all contractors, laborers and materialman involved in said Leasehold Improvements,

Authority shall agree to the release of any funds remaining in escrow or held by it to Lessee.

2. Contractor's Public Liability and Property Insurance. Before commencing any improvement, work or equipment installation on the Leased Premises, Lessee shall require all contractors and subcontractors to procure and maintain insurance during the life of such contracts, protecting the Authority, the City, and the Lessee as follows:
    - a. Workers' Compensation Insurance.
    - b. Contractor's Comprehensive Liability and Property Damage Insurance with limits no less than \$1,500,000 combined single limit per occurrence, including but not limited to, bodily injury and property damage, airport premises and products/completed operations liability, contractual liability, and independent contractors liability.
    - c. Contractor's Automobile Liability and Property Damage Insurance, including automobile and non-ownership and hired cars with limits no less than \$1,500,000 each occurrence including owned and/or leased automobile liability and non-owned and hired automobile liability.
    - d. Owner's Protective Public Liability and Protective Property Damage Insurance.
  3. Insurance Requirements.
    - a. Authority and City shall be named as additional insureds on each of the policies above except the Workers' Compensation policy.
    - b. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
    - c. Insurance, as above provided, shall be kept intact and in force throughout the term of construction work and equipment installation on the Leased Premises. Such insurance shall be subject to the approval of the City Attorney and copies furnished to the Authority prior to the commencement of construction.
- D. Subsequent Improvements. Any changes in, additions to or deletions from existing or later constructed improvements shall be subject to the prior written approval of the Executive Director, and the Executive Director may impose such conditions as it shall deem necessary to protect the Authority, the City, and the integrity of all operations at the Terminal and the Airport, including, but not limited to, bonding and insurance requirements.

## **SECTION 9 INDEMNIFICATION**

- A. Defense and Indemnity. Operator shall indemnify, save, hold harmless, and defend Authority and the City of Duluth (the "City"), their officials, agents and employees, successors and assigns, individually or collectively, (1) from and against any and all claims including a claim for contribution or indemnity, demands, causes of action, loss, injury, liability, costs and expenses of whatsoever kind or nature (including but not limited to reasonable attorneys' fees, disbursements, court costs, and expert fees) and damages for or related to injury to or death of persons or damage to property, and (2) from and against any fines in any way arising from or based upon the violation by Lessee, its agents, employees, successors and assigns of any federal, state, or municipal laws, statutes, resolutions, or regulations, including rules or regulations of the Authority now in effect or hereafter promulgated; all arising out of, resulting from, in conjunction with or incident to any act or omission of Operator, its officials, agents or employees, successors or assigns,



Operator's performance of obligations under this Agreement, or the use and/or occupancy of the Licensed Premises or of the Airport by Operator, its officials, agents or employees, or successors or assigns, and on ten (10) days' written notice from the Authority, the Operator shall appear and defend all claims and lawsuits against the Authority and/or the City growing out of any such injury or damage. The provisions of this paragraph shall survive the expiration, termination or early cancellation of this Agreement.

- B. Environmental Liability. In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that Operator shall be responsible in all respects for the use of or generation of or release or threatened release of any petroleum based substance or product, or any volatile organic compound, or any substance classified as a pollutant, contaminant, toxic substance, solid waste or a "hazardous waste" by either the Environmental Protection Agency of the Government of the United States or the Minnesota Pollution Control Agency by Operator, its officials, agents or employees, successors or assigns. Operator shall specifically be responsible for the disposition of all such waste or substances and for the environmental response activities and costs, monitoring, or cleanup of any environmental condition deemed by those agencies or either of them to require environmental response, monitoring or cleanup activities of any kind which arises directly or indirectly out of the use of or generation of such substances by Operator, its officials, agents or employee, successors or assigns in its operations at the Airport; and Operator specifically agrees that the obligations of Paragraph A above shall apply specifically to any costs or obligations of Authority arising out of any such disposition, cleanup, or environmental response.
- C. Survival. The provision of this Section shall survive the expiration, termination and early cancellation of this agreement.

## **SECTION 10 INSURANCE**

- A. Insurance. Lessee shall carry and maintain in full force and effect during the term of this Agreement the minimum amounts of insurance set forth below. The Lessee shall carry workers' compensation insurance on all of its employees employed on the Airport. Lessee may request the Authority to approve alternative types of insurance providing at least equal protection. All such insurance shall be in at least the following amounts and shall be in a form acceptable to the Authority and approved by the City Attorney, shall name the Authority and the City of Duluth as additional insureds on each liability policy and shall provide for thirty (30) days' written notice to the Authority of any cancellation or modification thereof. To the extent that the "Accord" form of certificate is used, the words "endeavor to" shall be stricken from the notification provisions. Certified copies thereof or appropriate certificates of insurance evidencing the existence thereof shall be delivered to the Authority prior to the execution of this Agreement. The Authority reserves the right and Lessee agrees to revisions upward or downward in the minimum insurance requirements hereinafter set forth. All insurance required under this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. All insurance policies required below shall be primary and shall not require contribution from any coverage maintained by the Authority and/or the City.

1. Commercial general liability insurance, including contractual, completed operations, premises and operations and products liability coverage in an amount of not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per

occurrence; \$1,500,000 property damage per occurrence and \$1,500,000 in aggregate.

2. Owned, non-owned and hired vehicles in an amount not less than \$1,500,000 combined single limit or \$1,500,000 bodily injury per occurrence; \$1,500,000 per occurrence.

3. Worker's Compensation insurance in accordance with the laws of the State of Minnesota.

- B. Insurance Primary. All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.
- C. Insurance Not Limitation. It is understood that the specified amounts of insurance stated in this paragraph shall in no way limit the liability of Lessee under this Section.
- D. Disclaimer. Authority does not represent or guarantee that these types or limits of coverage are adequate to protect the Lessee's interests and liabilities. It shall be the obligation and responsibility of Lessee to insure, as it deems prudent, its own personal property, against damage. Authority does not have insurance coverage for Lessee's property and Authority expressly disclaims any and all liability for any and all losses, damage and/or claims to vehicles and/or personal possessions of Lessee.

## **SECTION 11 FIRE INSURANCE**

- A. Authority's Fire Insurance. Lessee covenants that it will not do or permit to be done any act which:
  - 1. Will invalidate or be in conflict with any fire insurance policies covering the Airports or any part thereof or upon the contents of any building thereof; or
  - 2. Will increase the rate of any fire insurance on the Airport or any part thereof or upon the contents of any building thereof; or
  - 3. In the opinion of the Authority, will constitute a hazardous condition so as to increase the risks normally attendant upon the operations contemplated by this Agreement.

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

## **SECTION 12 AUTHORITY'S RIGHTS UPON DEFAULT**

- A. Rights Upon Default. If at any time Lessee shall be in default, as defined in this Section, with regard to the requirements of this Agreement, it shall be lawful for the Authority, and the Authority may:
  - 1. Immediately, or at any time thereafter without further notice to Lessee, re-enter into or upon the Leased Premises under this Agreement or any part thereof and take possession of the same fully and absolutely without such re-entry representing a forfeiture of the rentals, fees, and charges to be paid and of the covenants, terms and conditions to be performed by Lessee for the full term of this Agreement, and in the event of such re-entry, the Authority may proceed with the

collection of rentals, fees, and charges to be paid under this Agreement or to recover properly measured damages.

2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided and re-enter upon said Leased Premises as of its former estate therein, and the Lessee covenants in case of such termination to indemnify the Authority against all loss of rentals, fees, and charges which the Authority has suffered or paid by reason of such termination, during the remainder of the term of this Agreement.
3. The Authority shall further have all other rights and remedies at law or in equity including injunctive relief, or summary proceedings for unlawful detainer, and any or all legal remedies, actions and proceedings shall be deemed cumulative.

B. Default Defined. "Default" shall be defined when any of the following circumstances exist:

1. If the Lessee has failed to pay rentals, fees, charges, or taxes when due hereunder and such failure to pay shall continue for fifteen (15) days.
2. Failure to provide and/or maintain the insurance coverages required herein.
3. Lessee shall permit any liens on the Leased Premises with the exception of assignments approved pursuant to the terms of this Agreement or liens contested in accordance with this Agreement.
4. If the Lessee fails in the observance or performance of any of the other terms, covenants and conditions of this Agreement and such failure shall continue for fifteen (15) days after Authority has given Lessee written notice, or the Lessee shall have failed to commence the corrective action of such failure within fifteen (15) days after such notice and to diligently prosecute the same where the same cannot be completed within fifteen (15) days.
5. If a petition to reorganize the Lessee or for its arrangement of its unsecured debts shall be filed.
6. If the Lessee shall be adjudicated bankrupt.
7. If a receiver or trustee of the Lessee's property shall be appointed by any court.
8. If the Lessee shall make a general assignment for the benefit of creditors.
9. If all of the interest of the Lessee in its property shall be taken by garnishment, attachment, execution or other process of law.
10. If the Leased Premises shall be deserted or vacated.

### **SECTION 13 LESSEE'S TERMINATION RIGHTS**

Lessee shall have the right upon written notice to the Authority to terminate this Agreement upon the happening of one or more of the following events, if said event or events are then continuing:

- A. The issuance by any court of competent jurisdiction of an injunction, order or decree: (1) preventing or restraining the use by Lessee of all or any substantial part of the Leased Premises used and occupied by Lessee hereunder, or (2) preventing or restraining the use of all or a part of the Airport for normal airport purposes which may be used by Lessee and which is necessary for its operations on the Airport.
- B. If Authority defaults in any of the terms, covenants or conditions under this Agreement and fails to cure the default or make substantial progress with regard thereto within ninety (90) days following receipt of written demand from Lessee to do so.
- C. If all or a material part of the Leased Premises used and occupied by Lessee hereunder is damaged or destroyed or all or a part of the Airport or Airport facilities which are necessary to the operation of Lessee's business are damaged or destroyed or the use thereof disrupted for causes beyond Lessee's control.
- D. If, by reason of any action of any governmental authority, Lessee is unable to conduct its business for a period of in excess of ninety (90) consecutive days in substantially the same manner or substantially to the same extent as prior to such action.
- E. Permanent abandonment of Airport for scheduled airline service.

#### **SECTION 14 SURRENDER OF POSSESSION**

Upon the termination of this Agreement, Lessee's authority to use the Leased Premises, rights, facilities and equipment herein granted shall cease and Lessee shall, upon expiration or termination, promptly and in good condition, normal wear and tear excepted, surrender the same to the Authority. In the event that Lessee has in any way changed, altered or modified the Leased Premises demised herein, Lessee covenants to return the same to the condition they were in at the time of the occupancy under this Agreement, normal wear and tear excepted, or, in the alternative, to pay the Authority for the cost of returning them to said condition. Upon termination, any improvements which have become part of the realty shall become the property of the Authority, and the same shall be immediately returned to the ownership and control of the Authority. Any improvements not part of the realty shall be removed therefrom within ten (10) days after the termination of this Agreement or the same shall be deemed to have been abandoned to the Authority and the right of the Lessee to possession thereof shall cease.

#### **SECTION 15 LIENS AND ASSIGNMENTS**

- A. Liens:  
Lessee shall not create or permit any mortgage, encumbrance or lien or allow any mechanics' or materialmen's liens to be filed or established or to remain against the Leased Premises, or any part thereof, provided that if Lessee shall first notify the Executive Director of its intention to do so and post such security as the Executive Director reasonably deems necessary, Lessee may, in good faith, contest any such mechanics' or other liens filed or established as long as the Executive Director does not deem its interest or rights in this Agreement to be subject to foreclosure by reason of such contest.

B. Assignment:

Lessee shall not assign or transfer this Agreement, in whole or in part, in any manner, nor any interest therein, nor permit the foregoing Agreement to become transferred by operation of law or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part, unless the written consent of Authority shall first be obtained in each and every case of subletting, assignment or transfer. It is expressly agreed by the parties that a change in ownership of the controlling share of stock in Lessee, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Lessee that in the event permission be granted by the Authority as herein provided, the sub-lessee or assignee shall be required to assume and agree to perform the covenants of this Agreement and that notwithstanding any such subletting or assignment, the Lessee shall be and remain liable for the payments of all rents and other payments due hereunder and the performance of all covenants and conditions for the full term of this Agreement.

**SECTION 16  
SUBORDINATION**

This Agreement shall be subordinate to the provisions of any existing or future Agreement between the Authority and the United States of America or the State of Minnesota relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State funds for the development of the Airport, or to any security requirements of State or Federal Government, including temporary security procedures or instructions.

**SECTION 17  
ERECTION OF SIGNS**

The Lessee shall be allowed to erect suitable signs on the Leased Premises to advertise its location or occupancy, but the form, type, size and method of installation of any such signs shall be subject to the approval of the Executive Director.

**SECTION 18  
MODIFICATION**

Any of the terms of this Agreement may be changed upon the mutual consent of the Authority and the Lessee, but to be valid any such changes must be in writing, dated, and must be executed with the same formalities as this Agreement. In the event that any provision of this Agreement is determined to violate any local, state, or federal rule or regulation or is deemed to cause a violation of any rate covenants, the Agreement shall be modified upon consultation with Lessee to cause such violation to be compliant with such provision and an amendment will be executed on a timely basis to incorporate the required changes.

**SECTION 19  
NOTICES**

Any notice provided for in this Agreement or otherwise to the Authority shall be sent to:

Duluth Airport Authority  
Executive Director  
Duluth International Airport  
4701 Grinden Drive

Duluth, Minnesota 55811

Any notice to the Lessee hereunder shall be sent to:

SEH  
3535 Vadnais Center Drive  
St. Paul, MN 55110

#### **SECTION 20 APPLICABLE LAW**

This Agreement, together with all of its articles, terms and provision, is made in the State of Minnesota and shall be construed and interpreted according to the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota. However, litigation in the federal courts involving the parties shall be in the appropriate federal court within the State of Minnesota. The parties to this Agreement waive any objections to the jurisdiction of these courts, whether based on convenience or otherwise.

#### **SECTION 21 WAIVER OF BREACH**

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

#### **SECTION 22 SEVERABILITY**

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

#### **SECTION 23 NONWAIVER OF LIABILITY**

Nothing in this Agreement constitutes a waiver by the Authority or the City of any statutory or common law defenses, immunities, or limits on liability. The liability of the Authority and the City shall be governed by the provisions of the Minnesota Municipal Liability Tort Act, Minn. Stat. 466.04.

#### **SECTION 24 ATTORNEYS' FEES AND COSTS**

In the event Authority shall prevail in any action or suit or proceeding brought by Authority to collect rents due or to become due hereunder or any portion thereof or to take possession of the demised Leased Premises, or to enforce compliance with this Agreement or for the failure to observe any of the covenants of this Agreement, Lessee agrees to pay Authority such sums as the court may adjudge reasonable as attorneys' fees and costs to be allowed in such action, suit or proceedings.

**SECTION 25  
LAWS, RULES AND REGULATIONS**

Lessee agrees to observe and comply with all the laws, ordinances, rules and regulations of the United States of America, State of Minnesota, the City of Duluth, and their respective agencies which are applicable to its business at the Airport including all laws relating to unlawful discrimination, and further agrees to observe and comply with all Airport rules and regulations in existence at the execution of this agreement and which may, from time to time, be promulgated by the Authority governing conduct on and operations at the Airport and the use of its facilities, as administered by the Executive Director. Further, Lessee agrees to fulfill its responsibilities pursuant to the Airport Security Plan approved by the Federal Aviation Administration and any amendments thereto.

**SECTION 26  
NON-DISCRIMINATION**

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

- a. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination in the use of said facilities; and
- b. In the construction of any improvement on, over or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and
- c. That the Lessee shall use the premises in compliance with all of the requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

**SECTION 27  
COUNTERPARTS**

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

**SECTION 28  
ENTIRE AGREEMENT**

This Agreement, including Exhibit A constitutes the entire agreement between the parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereto. There are no representations, warranties, or stipulations either oral or written not herein contained.

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

Dated: \_\_\_\_\_

DULUTH AIRPORT AUTHORITY

SHORT ELLIOTT HENDRICKSON Inc.

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

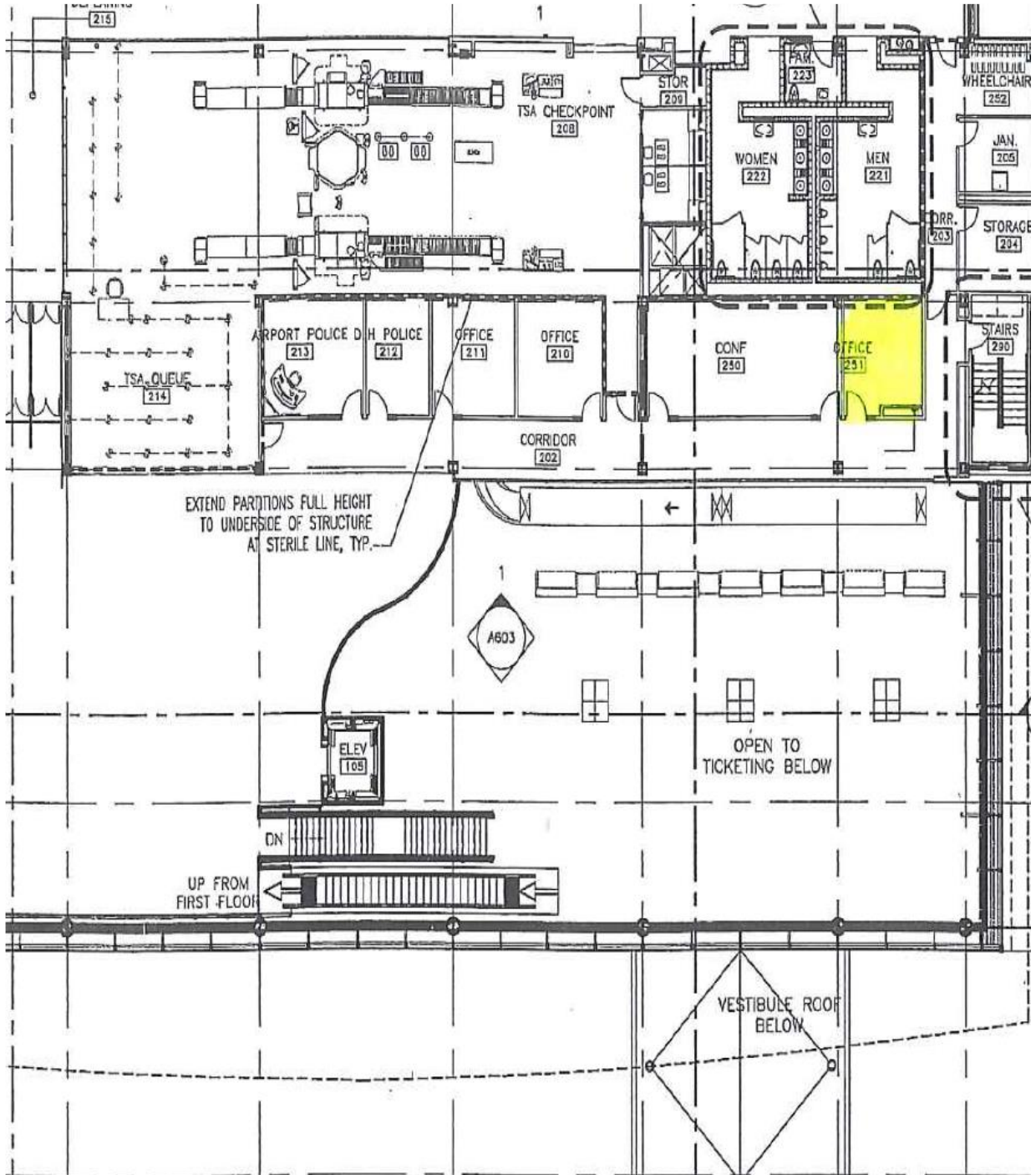
By \_\_\_\_\_

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

Its \_\_\_\_\_



**EXHIBIT A  
LEASED PREMISES**



VII. - D.

**Duluth Airport Authority  
DAA Board Packet Budget vs. Actual Summary  
From Jan 2024 to Jul 2024**

**UNAUDITED**

Financial Row	Prior Year Actual (Jan 2023 - Jul 2023)	Current Year Actual (Jan 2024 - Jul 2024)	Budget Amount (Jan 2024 - Jul 2024)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2024 - Adjust 2024 )
<b>Ordinary Income/Expense</b>							
Income							
Non-Aeronautical Revenue	2,172,341	2,040,393	1,788,676	114.07%	(131,948)	251,717	3,270,423
Non-Passenger Aeronautical Revenue	980,920	985,993	972,828	101.35%	5,072	13,165	1,699,641
Passenger Airline Aeronautical Revenue	815,624	955,943	953,455	100.26%	140,319	2,488	1,626,676
<b>Total - Income</b>	<b>3,968,886</b>	<b>3,982,330</b>	<b>3,714,959</b>	<b>107.20%</b>	<b>13,444</b>	<b>267,371</b>	<b>6,596,739</b>
<b>Gross Profit</b>	<b>3,968,886</b>	<b>3,982,330</b>	<b>3,714,959</b>	<b>107.20%</b>	<b>13,444</b>	<b>267,371</b>	<b>6,596,739</b>
Expense							
Miscellaneous Expenses	52,177	162,755	60,494	269.04%	110,579	102,261	96,690
Personnel Compensation & Benefits	1,527,484	1,510,185	1,650,281	91.51%	(17,299)	(140,096)	3,015,668
Services and Charges	1,333,680	1,487,072	1,451,359	102.46%	153,392	35,713	2,433,958
Supplies	461,389	421,996	492,417	85.70%	(39,393)	(70,421)	767,463
<b>Total - Expense</b>	<b>3,374,730</b>	<b>3,582,009</b>	<b>3,654,550</b>	<b>98.02%</b>	<b>207,279</b>	<b>(72,541)</b>	<b>6,313,779</b>
<b>Net Ordinary Income</b>	<b>594,156</b>	<b>400,321</b>	<b>60,408</b>	<b>662.69%</b>	<b>(193,835)</b>	<b>339,913</b>	<b>282,959</b>
<b>Other Income and Expenses</b>							
Other Income							
Capital Contributions	2,400,321	0	0	0.00%	(2,400,321)	0	0
Non-Operating Revenue	529,644	451,322	450,736	100.13%	(78,322)	586	648,529
<b>Total - Other Income</b>	<b>2,929,965</b>	<b>451,322</b>	<b>450,736</b>	<b>100.13%</b>	<b>(2,478,643)</b>	<b>586</b>	<b>648,529</b>
Other Expense							
Non-Operating Expense	82,812	70,839	82,351	86.02%	(11,973)	(11,512)	141,174
<b>Total - Other Expense</b>	<b>82,812</b>	<b>70,839</b>	<b>82,351</b>	<b>86.02%</b>	<b>(11,973)</b>	<b>(11,512)</b>	<b>141,174</b>
<b>Net Other Income</b>	<b>2,847,152</b>	<b>380,483</b>	<b>368,385</b>	<b>103.28%</b>	<b>(2,466,670)</b>	<b>12,098</b>	<b>507,355</b>
<b>Net Income Exclusive of Project Expenses, Depreciation &amp; Amortization</b>	<b>3,441,309</b>	<b>780,804</b>	<b>428,793</b>	<b>182.09%</b>	<b>(2,660,505)</b>	<b>352,011</b>	<b>790,315</b>
Projects/Grants	3,377,471	8,746,873	11,532,769	75.84%	5,369,402	(2,785,896)	19,770,462
Depreciation & Amortization	(6,637,550)	0	(6,267,130)	0.00%	6,637,550	6,267,130	(10,743,651)
<b>Net Income</b>	<b>181,230</b>	<b>9,527,677</b>	<b>5,694,433</b>	<b>167.32%</b>	<b>9,346,447</b>	<b>3,833,244</b>	<b>9,817,126</b>

- **Overall:** At the time this report was generated for the above period, the DAA is at an overall favorable variance budget vs actual of \$352K.
- **Operating Revenue:** Non-Aeronautical Revenue is \$251k over budget overall. Concessions revenues are \$14k over budget, parking revenues are \$94k over budget and customer facility charges are \$83k over budget. We also received an insurance reimbursement for damage to the terminal and cameras. Non-passenger aeronautical revenue is 13k over budget due to increased rent, aviation gas sales, and concessions. Security reimbursements are down over \$18k due to the loss of the TSA LEO reimbursement program. Passenger Airline Aeronautical revenue is \$2k over budget. Operating Revenues are 267k over budget overall.
- **Operating Expenses:** Miscellaneous Expenses are \$102k over budget, mostly due to the North Business Development Area Buyout. Personnel Compensation and Benefits are \$140k under budget. Supplies are \$70k under budget. Services and charges are nearly \$36k over budget. Operating expenses are \$72k under budget overall.
- **Non-Operating Revenue:** Non-operating revenue is nearly flat. Interest income is under budget by over \$18k and PFCs over budget by nearly \$19k.
- **Non-Operating Expenses:** Non-Operating Expenses is under budget by \$11k due to reduced interest expense as the line of credit was not been utilized in 2024.
- **Report Disclaimer:** The results of this report are expected to change slightly with delayed revenue and expense postings.
- **OPERATING POLICY #28 MINIMUM CASH BALANCE REPORTING BASED ON 2023 AUDITED FINANCIALS AS OF 9/10/2024:**
  - Minimum Cash Balance Goal: \$2,930,908 Current Balance: \$2,797,929 (does not include grants receivable)
  - Days Cash on Hand: 172 days currently vs 180 day benchmark (8 days UNDER goal)

**Duluth Airport Authority**  
**Income Statement**  
**From Jan 2024 to Jul 2024**

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	\$21,322.00
Concession Revenue	
ATM	\$316.50
Car Rental Concession	\$333,388.87
Food & Beverage Concession	\$57,882.66
Lottery Concessions	\$800.66
Per Departure Fee	\$1,730.00
Per Passenger Fee	\$18,376.00
Services/Other	\$566.09
TNC Per Trip Fee	\$7,770.00
Vending	\$3,748.02
Total - Concession Revenue	\$424,578.80
Customer Facility Charges	\$211,200.00
Miscellaneous Revenues	\$69,462.33
Parking	
Car Rental Spaces	\$26,517.71
Corporate	\$79,548.35
Crew/Overnight	\$11,476.42
Employee	\$8,376.57
Parking Lot Fees	\$899,566.33
Total - Parking	\$1,025,485.38
Permits	\$5,014.93
Reimbursed Expenses	\$73,143.40
Rent	\$135,271.56
Sponsorship Income	\$38,000.00
State Aid	\$36,915.03
Total - Non-Aeronautical Revenue	\$2,040,393.43
Non-Passenger Aeronautical Revenue	
Aviation Gas	\$39,848.70
Concession Revenue	
Deicing	\$3,057.16
Flight Training/Tour Operations	\$14,065.56
Fuel Flowage Fees	\$66,536.41
Hangar Rent	\$3,254.93
Landing Fees	\$13,457.39
Mechanic	\$465.99
Misc Sales/Other	\$5,704.78
Total - Concession Revenue	\$106,542.22
Event Income	\$38,179.00
Landing Fees	\$22,512.13
Ramp Fees	\$11,865.00
Rent	\$728,561.60
Security Reimbursement	\$36,274.26
Tie Downs	\$2,210.00
Total - Non-Passenger Aeronautical Revenue	\$985,992.91
Passenger Airline Aeronautical Revenue	
Landing Fees	\$201,744.39
Per Use Fee	\$2,123.43
Terminal Office/Space Rental	\$686,600.94
Total - Passenger Airline Aeronautical Revenue	\$890,468.76
Total - Income	\$3,916,855.10
Gross Profit	\$3,916,855.10
Expense	

<b>Financial Row</b>	<b>Amount</b>
Miscellaneous Expenses	\$162,755.44
Personnel Compensation & Benefits	
Benefit Administration Fees	\$163.20
Employer Contributions for Retirement	\$134,248.13
Employer Paid Insurance	\$254,002.05
Retiree Benefits	\$80,332.36
Wages & Salaries	\$1,028,196.49
Worker's Compensation	\$13,243.02
Total - Personnel Compensation & Benefits	\$1,510,185.25
Services and Charges	
Badging	\$395.90
Central Services Fee	\$45,475.00
Communications & Technology	\$182,141.99
Employee Development Services	\$38,515.48
Employee Physicals	\$1,615.00
Insurance	\$71,063.28
Marketing	\$138,188.10
Professional Services	\$303,197.44
Rentals	\$11,605.55
Repairs and Maintenance - Contractual/Services	
Airfield Electrical	\$2,301.65
Airfield Inspections	\$749.78
Building	\$111,818.06
Elevator & Escalator Services	\$9,930.85
Janitorial & Cleaning - Main	\$154,950.28
Laundry Service	\$5,614.53
Pest Control	\$1,448.72
Safety & Environmental	\$129.60
Total - Repairs and Maintenance - Contractual/Services	\$286,943.47
Sponsorship Expenses	\$4,000.00
Transportation	\$1,757.26
Utility Services	\$402,173.42
Total - Services and Charges	\$1,487,071.89
Supplies	
Merchandise for Resale	\$36,456.64
Office Supplies	\$59,153.63
Operating Supplies	\$82,816.04
Repairs & Maintenance Supplies	\$243,569.97
Total - Supplies	\$421,996.28
Total - Expense	\$3,582,008.86
Net Ordinary Income	\$334,846.24
Other Income and Expenses	
Other Income	
Capital Contributions	
Grants	\$8,746,873.23
Total - Capital Contributions	\$8,746,873.23
Non-Operating Revenue	
Interest Income	\$132,369.96
Passenger Facility Charges	\$318,951.79
Total - Non-Operating Revenue	\$451,321.75
Total - Other Income	\$9,198,194.98
Other Expense	
Non-Operating Expense	
Interest Expense	\$70,839.25
Total - Non-Operating Expense	\$70,839.25
Total - Other Expense	\$70,839.25
Net Other Income	\$9,127,355.73
Net Income	\$9,462,201.97

**Duluth Airport Authority**  
**Balance Sheet**  
**End of Jul 2024**

Financial Row	Amount
<b>ASSETS</b>	
Current Assets	
Bank	\$3,325,439.25
Accounts Receivable	
Accounts Receivable - Restricted PFC	\$105,034.01
Accounts Receivable Billed	\$386,023.36
Accrued Receivable	\$21,520.30
Grants Receivable	\$5,966,975.75
ST Lease Receivable	\$29,630.33
Total Accounts Receivable	\$6,509,183.75
Other Current Asset	\$331,015.63
Total Current Assets	\$10,165,638.63
Fixed Assets	
Accumulated Depreciation	(\$162,823,496.37)
Capital Assets	\$280,740,794.45
Work in Progress	\$17,625,393.60
Total Fixed Assets	\$135,542,691.68
Other Assets	
Accumulated Amortization	(\$3,152,423.67)
Airport Planning Projects - Contributed	\$5,518,016.49
Airport Planning Projects - Invested	\$772,784.00
Deferred Outflows - OPEB	\$225,995.00
Deferred Outflows - Pension	\$408,765.00
LT Lease Receivable	\$2,229,714.06
Total Other Assets	\$6,002,850.88
Total ASSETS	\$151,711,181.19
<b>Liabilities &amp; Equity</b>	
Current Liabilities	
Accounts Payable	
Accounts Payable	\$253,479.16
Contracts Payable	\$2,669,055.05
Lottery Payable	\$5,634.78
Total Accounts Payable	\$2,928,168.99
Credit Card	\$2,871.65
Other Current Liability	
Accrued Interest	\$45,490.99
Accrued Sales Taxes Payable - All	\$11,083.00
Accrued Vacation	\$122,778.26
Deferred Inflows - Lease Asset	\$2,155,143.79
Deferred Inflows - OPEB Liabilities	\$435,328.00
Deferred Inflows - Pension	\$402,277.00
Loans Payable to City of Duluth	\$955,000.00
Unearned Revenue - Current	\$112,543.32
Unearned Revenue - Non Current	\$10,932.40
Total Other Current Liability	\$4,250,576.76
Total Current Liabilities	\$7,181,617.40
Long Term Liabilities	
LT Loans Payable to City of Duluth	\$3,210,000.00
Net Pension Liability	\$1,252,584.00
Total Other Post Employment Benefit Liability	\$3,056,943.02
Total Long Term Liabilities	\$7,519,527.02
Equity	\$137,010,036.77
Total Liabilities & Equity	\$151,711,181.19

## VII. - E.

**Duluth Airport Authority  
Duluth A/R Aging Report  
As of September 10, 2024**

<b>Customer</b>	<b>60 Days</b>	<b>90 Days</b>	<b>&gt; 90 Days</b>	<b>Total</b>
	<b>Open Balance</b>	<b>Open Balance</b>	<b>Open Balance</b>	<b>Open Balance</b>
Avis Rent A Car	\$0.00	\$0.00	\$0.00	<b>\$2,780.90</b>
Azbell, Austin	\$0.00	\$0.00	\$51.00	<b>\$51.00</b>
Bellamy Bill	\$0.00	\$0.00	\$0.00	<b>\$143.06</b>
Budget Rent A Car	\$0.00	\$0.00	\$0.00	<b>\$2,017.85</b>
Chad's Pad, LLC	\$0.00	\$0.00	\$0.00	<b>\$502.90</b>
Churchill, Sean	\$0.00	\$0.00	\$0.00	<b>\$254.28</b>
Cirrus Design Corporation	\$0.00	\$0.00	\$0.00	<b>\$26,282.20</b>
City of Duluth	\$1,770.34	\$0.00	\$0.00	<b>\$3,540.68</b>
Civil Air Patrol	\$417.79	\$0.00	\$0.00	<b>\$417.79</b>
Clobes, Nathan	\$0.00	\$0.00	\$0.00	<b>(\$153.00)</b>
Cohen, Marc	\$0.00	\$0.00	\$0.00	<b>\$51.00</b>
Cotter/Luck	\$0.00	\$0.00	\$0.00	<b>\$2,166.70</b>
Delta Airlines	\$17.28	\$38.63	\$115.00	<b>\$53,098.54</b>
DeSutter, Peter	\$0.00	\$0.00	\$0.00	<b>\$51.00</b>
Divine Carriers	\$147.60	\$147.60	\$390.40	<b>\$833.20</b>
Duluth Flying Club	\$0.00	\$0.00	\$0.00	<b>\$125.00</b>
Duluth Hangar, LLC	\$0.00	\$0.00	\$0.00	<b>\$899.04</b>
Dunker, Christopher L	\$0.00	\$0.00	\$9,028.20	<b>\$9,028.20</b>
Ellefson, Nicholas	\$0.00	\$0.00	\$0.00	<b>\$745.00</b>
Enterprise Leasing Company	(\$23,122.73)	\$0.00	\$0.00	<b>(\$46,917.46)</b>
Federal Aviation Administration	\$13,026.00	\$13,026.00	\$26,052.00	<b>\$65,130.00</b>
Federal Express Corporation	\$0.00	\$0.00	\$0.00	<b>\$545.00</b>
Galchus, Kurt	\$0.00	\$0.00	\$0.00	<b>\$254.28</b>
General Services Administration	\$0.00	\$0.00	\$0.00	<b>\$8,975.48</b>
Goritchan Boris	\$0.00	\$0.00	\$2,004.00	<b>\$2,004.00</b>
Griffith Evans	\$0.00	\$0.00	\$0.00	<b>\$90.00</b>
Hagberg, Rick	\$0.00	\$0.00	\$0.00	<b>\$254.28</b>
Hall John	\$0.00	\$0.00	\$0.00	<b>\$312.67</b>
Hatfield, Dan	\$0.00	\$0.00	\$0.00	<b>\$254.28</b>
Hermantown Hydraulics	\$0.00	\$0.00	\$1,526.68	<b>\$1,526.68</b>
Hillman Colin	\$0.00	\$0.00	\$0.00	<b>\$275.00</b>
Hunstad, Nicholas	\$0.00	\$0.00	\$0.00	<b>\$114.83</b>
HydroSolutions Of Duluth, Inc.	\$0.00	\$0.00	\$3,466.75	<b>\$3,466.75</b>
Johnson, Richard	\$0.00	\$0.00	\$0.00	<b>\$583.30</b>
Johnston, Paul	\$0.00	\$0.00	\$0.00	<b>\$254.28</b>
K & D Auctions	\$0.00	\$0.00	(\$1,968.62)	<b>(\$8,493.06)</b>
KGM Contractors, Inc.	\$0.00	\$0.00	\$0.00	<b>\$3,150.00</b>
Kleen-Tech Services, LLC	\$0.00	\$0.00	\$0.00	<b>\$729.97</b>
Lake Superior College	(\$3,312.10)	\$0.00	\$0.00	<b>\$31,476.17</b>
Lake Superior Helicopters	\$0.00	\$0.00	\$0.00	<b>\$6,314.79</b>
Messerer Jon	\$0.00	\$0.00	\$0.00	<b>\$2,047.66</b>
Minnesota Air National Guard	\$2,296.75	\$98,649.54	\$2,187.42	<b>\$105,430.46</b>
Minnesota Department of Transportation	\$109,279.01	\$0.00	\$1,025,405.46	<b>\$3,101,398.07</b>

Monaco Air Duluth	\$0.00	\$0.00	\$0.00	<b>\$4,441.52</b>
Mountain Air Cargo	\$0.00	\$0.00	\$0.00	<b>(\$917.56)</b>
National Weather Service	\$0.00	\$0.00	\$0.00	<b>\$125.00</b>
Northland Constructors, Inc.	\$181.50	\$0.00	\$0.00	<b>\$363.00</b>
Oakwells CR, LLC	\$0.00	\$0.00	\$0.00	<b>\$120.00</b>
Opack Matthew Jr.	\$0.00	\$0.00	\$0.00	<b>\$249.15</b>
Parthe, Lance	\$0.00	\$0.00	\$0.00	<b>\$329.02</b>
Payne, Robert	\$0.00	\$0.00	\$0.00	<b>\$329.02</b>
Pfaltzgraff, George	\$0.00	\$0.00	\$0.00	<b>\$745.00</b>
Piirto, Cynthia I	\$189.92	\$0.00	\$0.00	<b>\$189.92</b>
Plucinak, Joseph	\$0.00	(\$620.00)	\$0.00	<b>(\$620.00)</b>
Rasier, LLC	\$0.00	\$0.00	\$0.00	<b>(\$967.50)</b>
Rogers, Alexander	\$254.28	\$0.00	\$0.00	<b>\$508.56</b>
RS&H	\$0.00	\$0.00	\$0.00	<b>\$2,839.82</b>
Shafer Contracting	\$0.00	\$0.00	\$0.00	<b>\$2,450.00</b>
Stevens, Mike	\$0.00	\$0.00	\$0.00	<b>\$254.28</b>
Stoll, Patricia	\$0.00	\$0.00	\$0.00	<b>\$65.00</b>
Sun Country, Inc. dba Sun Country Airlines	\$0.00	\$0.00	\$0.00	<b>\$120.00</b>
Sydow Dan	\$0.00	\$0.00	\$0.00	<b>\$329.02</b>
The Landline Company	\$3,838.19	\$0.00	\$0.00	<b>\$4,456.38</b>
Tom Sullivan	\$0.00	\$0.00	\$0.00	<b>(\$275.00)</b>
Transportation Security Administration	\$0.00	\$0.00	\$0.00	<b>\$345.00</b>
unifi	\$0.00	\$0.00	\$4,147.00	<b>\$4,977.00</b>
United Airlines	\$0.00	\$0.00	\$0.00	<b>(\$1,758.39)</b>
United Parcel Service	\$0.00	\$65.00	\$0.00	<b>\$65.00</b>
University of Minnesota Duluth	\$3,250.00	\$0.00	\$0.00	<b>\$3,250.00</b>
Valentine, Ian	\$0.00	\$0.00	\$0.00	<b>\$51.00</b>
Williams, Ron	\$0.00	\$0.00	\$0.00	<b>\$254.28</b>
Winter, Detrich	\$0.00	\$0.00	\$0.00	<b>\$745.00</b>
<b>Total</b>	<b>\$108,233.83</b>	<b>\$111,306.77</b>	<b>\$1,072,405.29</b>	<b>\$3,405,076.29</b>

VII. - F.

## 2024 Landline Passengers

Arrivals

Departures

	Arrivals				Departures				2023 Grand		
	Revenue	Non-Rev	Seats (AU)	Total	Revenue	Non-Rev	Seats (AU)	Total	Grand Total	Total	Inc /Dec
January	446	13	1,104	459	732	17	1,104	749	1,208	2,206	(998)
February	614	13	1,150	627	703	16	1,150	719	1,346	2,064	(718)
March	638	13	1,242	651	693	20	1,242	713	1,364	2,266	(902)
April	613	11	1,058	624	685	6	1,058	691	1,315	2,328	(1,013)
May	659	16	1,012	675	522	16	1,012	538	1,213	1,601	(388)
June	601	13	1,196	614	519	7	1,196	526	1,140	1,558	(418)
July	578	15	1,196	593	740	10	1,196	750	1,343	1,879	(536)
August	495	13	1,196	508	644	8	1,196	652	1,160	1,697	(537)
September				-				-	-	902	-
October				-				-	-	1,083	-
November				-				-	-	1,190	-
December				-				-	-	1,616	-
	<b>4,644</b>	<b>107</b>	<b>9,154</b>	<b>4,751</b>	<b>5,238</b>	<b>100</b>	<b>9,154</b>	<b>5,338</b>	<b>10,089</b>	<b>20,390</b>	<b>(5,510)</b>