



# DULUTH AIRPORT AUTHORITY

## Duluth Airport Authority Meeting Minutes May 20, 2025

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

**DIRECTORS PRESENT:** Kevin O'Brien, President  
Michael Henderson, Vice President  
Elissa Hansen (arrived at 8:05 a.m.)  
Sandy Hoff  
Briana Johnson

**DIRECTORS ATTENDING VIA ELECTRONIC MEANS:**  
Jeff Anderson, Secretary (leaving at 8:40 a.m.)

**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 Communications and Marketing  
Ryan Welch, DAA Interim Dir. of Operations  
Tristan Durfee, DAA Sky Harbor Manager  
Kathy Leon, DAA Sr. Staff Accountant  
Jenny Delnay, DAA Finance Technician  
Aimee Bone, DAA Administrative Coordinator  
Brady Leiser, DAA Airport Management Intern  
Ian Young, Duluth City Attorney  
Daniel Fanning, Lake Superior Helicopters  
Eric Monson, Lake Superior Helicopters  
Shawn McMahon, SEH  
Kaci Nowicki, SEH

**OTHERS PARTICIPATING VIA ELECTRONIC MEANS:**  
Horeya Czaplewski, EXP  
Phillip Scott, EXP  
John Uhlhorn, H+U Construction  
Paul Huston, HNTB  
Adinda Van Espen, 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. Anderson is attending remotely but will leave the meeting early and is not voting on resolutions but there is a quorum present, and that Dir. Hansen is expected to arrive shortly. Dir. Crawford is absent.

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

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

A. **Air Service:** Mr. Werner provided an update on the current air service with a presentation.



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- Mr. Werner presented year-to-date numbers:
  - Year-to-date enplanements are up 20% compared to the same time period from 2024, April enplanements up 5% compared to April 2024, Delta passengers up 37% for April, and United passengers down 17%.
  - Load factors remain strong in the mid-80%.
  - Delta capacity is up 34% compared to April 2024, United down 29% compared to April 2024, Delta up 34% YTD and United up 2% YTD.
  - 4Q2024 Average Fare Samples: Mr. Werner shared that the average one-way fare at DLH is \$250, and MSP is \$190, which is within a preferred competitive rate. Other regional markets are similar, some slightly higher.
  - Spirit is partnering with Contour to enter the Essential Air Service markets.
  - Delta has increased aircraft capacity to support the summer Great Lakes Cruising passengers.
  - United has added a fourth flight starting in early June to run until the end of July, which adds another 9,000 seats per month.
  - Small Community Air Service Grant: DLH approached the federal DOT about repurposing the funds from a Denver-specific project to several other possible westward destinations. The DOT initial review has been finished, and follow-up is expected soon.
  - Mr. Werner is preparing for the Jump Start meetings in Indianapolis in June and will meet with most of the major airlines.

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

- Construction:
  - Phase 5 Taxiway Alpha:
    - Mr. Papko shared that Phase 5A-0 started last week, which will enable taxi lanes during the construction process. Expect to move into Phase 5A next week.
  - Customs and Border Protection Federal Inspection Services Construction Update:
    - Mr. Papko shared that there will be a final walkthrough with CBP soon. Mr. Papko's team has completed identifying the necessary scope to refresh the space and transition to CBP for their use.
  - 103 Hangar Roofing Update: Mr. Papko shared that the team is still working through some of the final designs to determine if a peak can be added to assist with snow load and anticipates having the design done by the next board meeting.
- Planning:
  - New Air Traffic Control Tower (ATCT) Update:
    - Mr. Papko shared that work continues with phase planning and grant funding opportunities. It's possible the FAA may lease part of the building if safety parameters make it feasible. DAA staff will follow up at future board meetings.
  - 139 Annual Inspection this week. FAA will inspect the airfield and certification documents. Mr. Welch will provide a follow-up to the inspection at the next board meeting.

### C. Business/Property Development: Ms. Kayser provided the following updates:

- Ms. Kayser introduced Mr. Brady Leiser, the DAA Airport Management Intern for summer 2025.



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- Lifelink planned kickoff June 2<sup>nd</sup>.
- Sky Harbor Lot 8 Construction: Ms. Kayser anticipates the construction start date will be soon.
- Ms. Kayser shared an update about the recent St. Louis County tax evaluations, and that the average property tax increased by 127% for tenants, with the highest at 950%. The DAA is communicating with the county about concerns with the large increases as well as sharing this data with tenants so they can also contact the county with concerns.
- Hangar Tenant Update: Ms. Kayser shared that a hangar tenant contacted DAA about welding in the hangars, and the fire department determined welding is not allowed due to lack of a sprinkler system, and other factors. This language will be included when hangar leases are updated later this year.

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

- Audit Update: The audit has been completed with a clean opinion.
- Stormwater Update: The request has been submitted to the stormwater department and waiting for feedback.
- Concessionaire Audit: As part of the DAA Strategic Plan, there is an audit every year of a concessionaire at DLH and this year it will be Tailwinds. The audit is internal and expected to be completed in June.
- Ms. Bodin reviewed the cash balance policy, financials, and Q1 revenue and expense updates, and the Q1 Long-Term Liability Analysis.

**E. Marketing/Communications:** Ms. Baker shared the following updates:

- Fiscal Year Media Plan: Ms. Baker shared that she is currently working on the media plan for next year and the calendar year for that period is July-June.
- Ms. Baker shared that DLH has the same percentage of cancellations as MSP and provided a presentation which included data from the Bureau of Transportation related to on-time departures, delayed, and canceled flights. Ms. Baker presented a slideshow with on-time statistics and delay causes.
- Q1 Metrics: Ms. Baker reviewed several metrics such as strong results with Google ads, as well as a high engagement rate and duration time on the DLH website. There have also been increases in engagement on LinkedIn and Meta. Ms. Baker and team have been researching and analyzing audience engagement and adjusted with an approach of quality of messaging over quantity.
- Aircraft Viewing Area Update: Ms. Baker shared an update about the potential viewing areas, taking in consideration development and site concerns. Several areas were identified as potential locations, and Ms. Baker will continue to provide updates.

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

- ATCT Funding Advocacy: Mr. Werner shared updates on local and state legislative ATCT advocacy meetings. Mr. Werner hosted a tour of the ATCT with Duluth City Council President Tomanek after the April board meeting. Director Johnson agreed that Ms. Tomanek was very supportive of the project. There is strong support all around for the ATCT and optimism for passing of the Transportation Omnibus bill with \$10 million to go towards the tower. Mr. Werner shared a presentation of current legislative bills in the works.
- There is a tax bill within the Omnibus bill that includes a property tax exemption used as an economic incentive tool to encourage an aviation cluster. It will impact hangar lease holders across both airports and encourages economic growth in the region.



**G. Presentations/Tours/Travel Recap:**

- Mr. Werner reminded everyone that the DLH Strategic Plan will be discussed at the upcoming board retreat with key stakeholders as part of the discussion. In the months leading up to the board retreat, DAA will have several of these stakeholders at board meetings to present various aspects of the airport and comparisons of past, present, and future outlooks.
- Ms. Nowicki and Mr. McMahon provided a State of DAA Infrastructure presentation with overviews of the DLH and DYT Strategic Plans.
  - DLH Strategic Plan Overview:
    - DLH Pavement Condition Index; Ms. Nowicki shared that there is a pavement inspection every three years and presented slides with graphics of the areas of the airfield and a snapshot from 2021 to updated progress on the 2024 inspection. Mr. Werner shared that the notable updates are the result of having a master plan and a board with a vision for the master plan to guide these necessary improvements.
      - Runway 9/27 Summary: The runway reconstruction for 9/27 is complete and the pavement is in excellent condition. Ms. Nowicki shared that the paved shoulders will need to be reconstructed in the next few years and runway edge lighting will be replaced. Several FAA-owned antennae should or will be replaced or relocated in the future.
      - Runway 3/21 Summary: There is pavement rehabilitation that is needed in the near future. Taxiway C North needs to be reconstructed and relocated because it's currently too close to the cross runway. The runway edge lighting was replaced in recent years and is in excellent condition.
      - FAA Non-Standard Areas Identified in the Master Plan: Ms. Nowicki shared several areas that were identified for improvements and have been completed or plan to be.
      - Landside Pavement Condition Index - 2019: There are several landside pavement areas that need improvement.
    - ATCT Update: Mr. McMahon shared that the current tower is one of the oldest in the country, doesn't meet FAA standards for line-of-sight requirements, and is in deteriorating condition. The design of the new ATCT is complete, partial funding has been awarded and waiting on additional state and federal funding.
    - Building (DAA Owned) Condition Assessment - 2019: Ms. Nowicki shared data about an assessment of all DAA-owned buildings. There are two buildings that have been demolished in recent years and two more are planned to be demolished for the ATCT project.
      - Mr. McMahon shared updates about two new DAA-owned buildings. The Ranch Hangar, which was constructed in 2024, and the Lifelink Hangar, with groundbreaking coming soon and will enable air medical evacuation in the region.
    - Ms. Nowicki also shared that the MnDOT aeronautics recently completed their state system plan which evaluated hangar needs and identified the Northeast corner of Minnesota as a region that is in critical need of hangars.



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- Mr. McMahon and Ms. Nowicki shared that the upcoming infrastructure focus items are in alignment with the recent Vision 2040 Master Plan and shared that \$66.8 of grant funding in line with the Vision 2040 plan has been awarded for supporting and expanding infrastructure. Additionally, another \$35 million in grants is anticipated in 2025 for projects that include the ATCT, Phase 6 design for Taxiway Alpha, and the Lifelink hangar. Prior to 2030, a Master Plan Update should be initiated to inform the next phase of strategy, planning, and development.
- DYT Strategic Plan Overview:
  - Sky Harbor Pavement Condition Index – 2020: Ms. Nowicki shared the progress completion from 2020 with a comparison snapshot of 2024.
  - DAA Owned Buildings: Ms. Nowicki highlighted the completion of the new terminal building in 2024, discussed the hangar rehabilitation completed in 2024, and the snow removal equipment building constructed in 2024.
  - Fuel System: There is an assessment of the fuel tanks taking place. The current tank is about 17 years old, and the dispenser is slow, and unable to be upgraded to accommodate to chip reader technology. There may be state funding for fuel systems, and the DAA has done an assessment and pre-planning to apply for a grant. Director Hoff inquired about the timeline of the new tank, and Mr. Papko shared that it is likely to be between fall 2025 and summer 2026. Mr. Werner shared that SEH submitted their analysis of options for the tank and that it will be presented to the board at next month's meeting.
  - Seaplane Ramp and Dock: Ms. Nowicki shared that there was minor work done on the ramp and will continue to monitor the dock in the coming years. Several years ago, there was discussion with MnDOT about an additional dock project, and SEH will continue to monitor the necessity of an additional dock.
  - Ms. Nowicki shared data about state and federal grants of \$7.7 million for renewing and expanding DYT infrastructure since 2020.
  - Upcoming Infrastructure Focus: Ms. Nowick shared that the upcoming infrastructure focus at DYT includes continued maintenance and continue to implement recommendations from the Building Area Master Plan. Those recommendations include the fuel system replacement, as well as additional opportunities to support revenue-generating developments.
  - Mr. Werner shared that with the facilities and infrastructure updates that have been completed in recent years at Sky Harbor, the recommended strategic plan focus includes business growth and strategy over the next five years to maximize its business potential.

### H. Other:

- 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 April 15, 2025 Meeting Minutes
  - Dir. O'Brien entertained questions or a motion.



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- Motion: Dir. Henderson
- Second: Dir. Hansen
- Abstain: None.
- Result: This resolution was adopted unanimously.

### III. \*DAA CASH DISBURSEMENTS

- A. Operating Check Registers #6-9, 2025; Operating ACH Payment Register #7-#9, 2025; Construction ACH Register #4-5, 2025.

### IV. \*CORRESPONDENCE

- A. April 24, 2025: Letter from The Secretary of Transportation RE: U.S. Department of Transportation Funding. Secretary Sean P. Duffy. Letter.
- B. May 1, 2025: APEX Letter of Support to Rep. Kozlowski for SF 519/HF 444 and SF 1027/HF 443. Rachel Johnson, APEX. Letter.
- C. May 2, 2025: DLH Construction Newsletter.
- D. May 7, 2025: DAA Letter of Support to Transportation Conference Committee Members for Air Traffic Control Tower Funding. Tom Werner, DAA. Letter.
- E. May 9, 2025: DLH Construction Newsletter.
- F. May 9, 2025: Nearly \$6 Million in Funding Announced to Replace Duluth International Airport Air Traffic Control Tower. WDIO.

### V. OPPORTUNITY FOR PERSONS TO BE HEARD

None.

### VI. OLD BUSINESS

- A. None.

### VII. NEW BUSINESS

- A. Resolution to Approve Amendment #1 to Work Order 2024-06 for Engineering Design Services for Taxiway Phase 5 Reconstruction between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. at the Duluth International Airport.
  - Mr. Papko shared the area that taxi lane for aircraft to maneuver around the construction area. It was determined to be a better and safer option to minimize the need for back-taxiing on the runway during construction, and was added after the design portion as an amendment.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Hoff
    - Second: Dir. Johnson
    - Abstain: None.
    - Result: This resolution was adopted unanimously.
- B. Resolution to Approve Amendment #2 to Work Order 2024-06 for the Construction Administration, Observation, and Closeout of Taxiway Phase 5 Reconstruction between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. at the Duluth International Airport.
  - Mr. Papko shared this portion is for construction administration.
  - Dir. O'Brien entertained questions or a motion.



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- Motion: Dir. Johnson
  - Second: Dir. Henderson
  - Abstain: None
  - Result: This resolution was adopted unanimously.
- C. Resolution to Approve Amendment #1 to the Development Agreement for the NBDA Hangar between Critical Care Services, Inc. D/B/A Life Link III, and the Duluth Airport Authority.
- Ms. Kayser shared that this amendment pertains to maintenance and is part of the resolution that was passed at the May 2025 board meeting.
  - Dir. O'Brien entertained questions or a motion.
    - Motion: Dir. Henderson
    - Second: Dir. Hansen
    - Abstain: None
    - Result: This resolution was adopted unanimously.
- D. Resolution to Approve Hangar #2 Land Lease Agreement between Borealis Investments LLC and the Duluth Airport Authority.
- Ms. Kayser shared that Hangar #2 at Sky Harbor lease will be transferred to the family of a deceased hangar tenant. The terms and rates will remain the same and includes a consent from the previous lease memorializing two other individuals to store aircraft in the hangar as well.
  - Dir. O'Brien entertained a motion.
    - Motion: Dir. Hoff
    - Second: Dir. Johnson
    - Abstain: None
    - Result: This resolution was adopted unanimously.
- E. Resolution to Approve Vending Concession Agreement-Duluth International Airport Between Duluth Airport Authority and Bernick's.
- Ms. Kayser shared that the RFP vending for DLH and DYT was issued as part of the DAA's practice for fair and equitable participation. The DAA received two responses and Bernick's was awarded the vending bid after obtaining the highest score. The first resolution to vote on is for DLH.
  - Dir. O'Brien entertained a motion.
    - Motion: Dir. Hansen
    - Second: Dir. Henderson
    - Abstain: None
    - Result: This resolution was adopted unanimously.
- F. Resolution to Approve Vending Concession Agreement-Sky Harbor Airport Between Duluth Airport Authority and Bernick's.
- Ms. Kayser shared that this is the vending agreement with Bernick's for Sky Harbor.
  - Dir. O'Brien entertained a motion.
    - Motion: Dir. Henderson
    - Second: Dir. Hoff
    - Abstain: None
    - Result: This resolution was adopted unanimously.
- G. \*March 2025 Financial Reports



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- H. \*May 2025 Accounts Receivable
- I. \*April 2025 Airline Statistics, Landline Statistics

### VIII. DIRECTOR'S REPORTS

- A. Director O'Brien shared that the Board Meeting Attendance Policy task force, which consists of Directors Johson, Hansen, and Crawford has recommendations to adjust the DAA Board Meeting Attendance Policy and will discuss at the June board meeting.

**Mr. Werner reminded everyone that next month's meeting is at Sky Harbor Airport, and the date is not its usual third Tuesday of the month. It is on June 26<sup>th</sup>.**

**ADJOURN:** The meeting was adjourned at 9:38 a.m.

Respectfully submitted,

Aimee Bone  
Administrative Coordinator

Tom  
Werner

Digitally signed by  
Tom Werner  
Date: 2025.06.12  
17:51:21 -05'00'

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