

DLH ATCT

Project Phasing Options

10/21/25



1. Phasing Overview

- Original Phasing Scope – BB + Tower Foundations
- Revised Phasing Scope – BB + Tower Enclosure

2. Cost Information

- Original Phasing Scope – BB + Tower Foundations
- Revised Phasing Scope – BB + Tower Enclosure
- Full Funding

3. Funding Information

- Original Phasing Scope – BB + Tower Foundations
- Revised Phasing Scope – BB + Tower Enclosure
- Full Funding

4. Phasing Risks

- Original Phasing Scope – BB + Tower Foundations
- Revised Phasing Scope – BB + Tower Enclosure
- Full Funding

5. Schedule/Next Steps

6. Questions



1. Phasing Overview

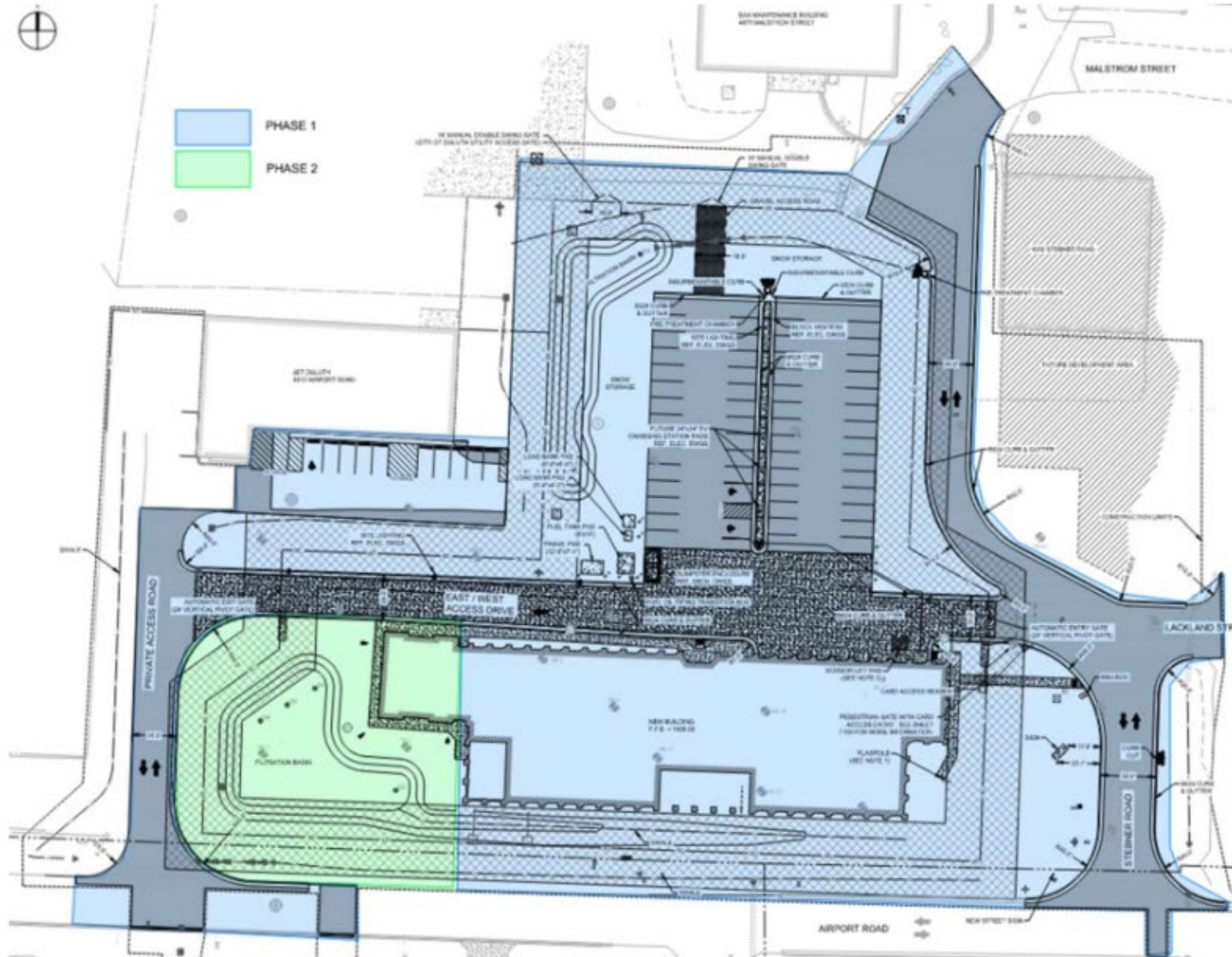


Figure 1 – Overall Phasing

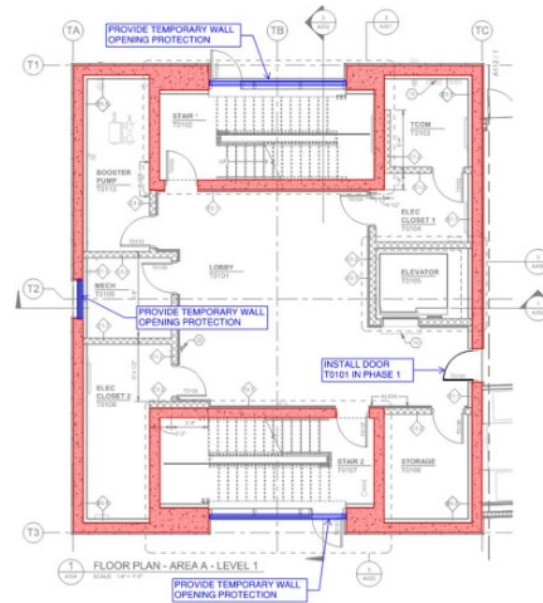
1. Phasing Overview – Original Phasing Scope – BB + Tower Foundations

Phase 1: BB to be occupied at completion (\$39M)

- Base building in entirety
- Tower foundations
- Tower walls and floor slabs up to approx. 20'
- Temporary tower roof
- Majority of site work
- Field cabling infrastructure

Phase 2: (\$32.5M)

- Remaining tower work
- Base building TRACON equipment and consoles
- Remaining site work
- Remaining field cabling work



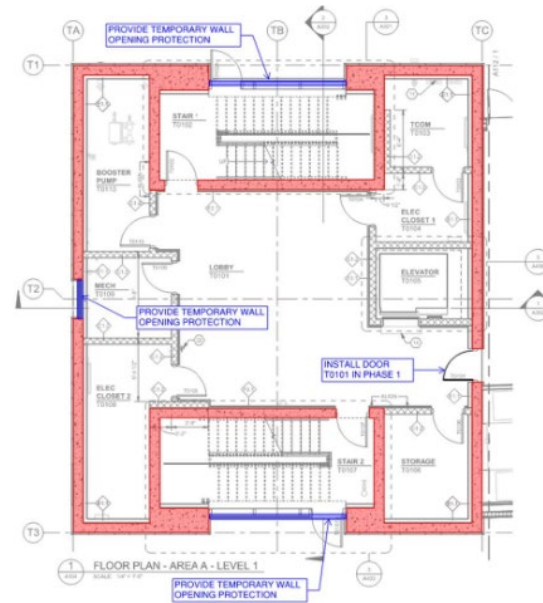
1. Phasing Overview – Revised Phasing Scope – BB + Tower Enclosure

Phase 1: BB occupied and Tower Enclosed (\$60M)

- Base building in entirety
- Tower foundations
- Entire Tower Structure/Enclosure
- MEP Rough-Ins (Extent TBD)
- Completion of site work
- Field cabling infrastructure
- No Tower Finishes
- Incomplete MEP

Phase 2: (\$8.8M)

- Remaining tower work (MEP, Finishes, Testing/Commissioning)
- Base building TRACON equipment and consoles



2. Cost Information

Original Phasing Plan – BB + Tower Foundations*

ORIGINAL PHASING - BB + TOWER FOUNDATIONS			
DESCRIPTION	PHASE-1	PHASE-2	TOTALS
CONSTRUCTION COSTS	\$25,586,813	\$22,083,455	\$47,670,268
FAA REIMBURSABLE (RA) COSTS	\$4,000,000	\$6,000,000	\$10,000,000
SOFT/ENABLING COSTS	\$9,410,032	\$4,391,510	\$13,801,543
TOTAL 2025 PROJECT BUDGET	\$38,996,846	\$32,474,965	\$71,471,811

*Occupied Base Building and 2 stories of Tower

*Does not include demolition of Hanger 2 and DHL Building

*Assumes award of Phase 2 by June 1, 2027

2. Cost Information

Revised Phasing Plan – BB + Tower Enclosure*

REVISED PHASING - BB + TOWER ENCLOSURE			
DESCRIPTION	PHASE-1	PHASE-2	TOTALS
CONSTRUCTION COSTS	\$42,612,655	\$3,730,091	\$46,342,746
FAA REIMBURSABLE (RA) COSTS	\$6,000,000	\$4,000,000	\$10,000,000
SOFT/ENABLING COSTS	\$11,543,652	\$1,115,394	\$12,659,046
TOTAL 2025 PROJECT BUDGET	\$60,156,307	\$8,845,485	\$69,001,792

*Complete Base Building and shell Tower with finishes/MEP to funding limits

*Does not include demolition of Hanger 2 and DHL Building

*Assumes award of Phase 2 by June 1, 2027

2. Cost Information

Full Funding Plan*

FULL FUNDING			
DESCRIPTION	PHASE-1	PHASE-2	TOTALS
CONSTRUCTION COSTS	\$45,112,424	\$0	\$45,112,424
FAA REIMBURSABLE (RA) COSTS	\$10,000,000	\$0	\$10,000,000
SOFT/ENABLING COSTS	\$11,633,084	\$0	\$11,633,084
TOTAL 2025 PROJECT BUDGET	\$66,745,509	\$0	\$66,745,509

*Complete Base Building and Tower in one continuous construction event

*Does not include demolition of Hanger 2 and DHL Building

3. Funding Information

Available and Allocated Funding

Funding Year	Federal Grant #	Federal	State (IIJA)	State (MnDOT)	State (Transportation Bill)	Local/Unfunded	Totals w/ Unfunded Share	Totals w/o Unfunded Share
2024	074-2024	\$ 10,000,000.00	\$ 533,861.07	\$ 1,221,257.62	\$ -	\$ 738,256.47	\$ 12,493,375.16	\$ 11,755,118.69
2025	083-2025	\$ 6,019,750.00	\$ 327,410.30	\$ 2,967,819.69	\$ -	\$ 1,271,922.72	\$ 32,753,710.08	\$ 31,481,787.36
		\$ 807,499.00	\$ 42,499.95	\$ -	\$ -	\$ -		
		\$ 20,250,968.00	\$ 1,065,840.42	\$ -	\$ -	\$ -		
2026		\$ -	\$ 1,330,388.26	\$ -	\$ 5,000,000.00	\$ -	\$ 6,330,388.26	\$ 6,330,388.26
2027		\$ -	\$ -	\$ -	\$ 5,000,000.00	\$ -	\$ 5,000,000.00	\$ 5,000,000.00
Totals		\$ 37,078,217.00	\$ 3,300,000.00	\$ 4,189,077.31	\$ 10,000,000.00	\$ 2,010,179.19	\$ 56,577,473.50	\$ 54,567,294.31

* italicized numbers are not formally under grant yet but have been awarded

Funding Source	2024		
	Totals	Grant #	POP End Date
Federal	\$ 10,000,000.00	079-2024	8/4/2028
State (IIJA)	\$ 533,861.07	A6901-219	
State (MnDOT)	\$ 1,221,257.62	A6901-219	
Local/Unfunded	\$ 738,256.47	-	
Totals	\$ 12,493,375.16		

Funding Source	2026		
	Original	Grant #	POP End Date
Federal	\$ -		
State (IIJA)	\$ 1,330,388.26		
State (MnDOT)	\$ -		
State (Transportation Bill)	\$ 5,000,000.00		
Local/Unfunded	\$ -		
Totals	\$ 6,330,388.26		

Funding Source	2025		
	Original	Grant #	POP End Date
Federal	\$ 6,019,750.00	083-2025	5/12/2029
	\$ 807,499.00	083-2025 (Amend 1)	
	\$ 20,250,968.00	083-2025 (Amend 2)	
State (IIJA)	\$ 327,410.30	A6901-223	
	\$ 42,499.95	A6901-223 (Amend 1)	
	\$ 1,065,840.42	A6901-223 (Amend 2)	
State (MnDOT)	\$ 2,967,819.69	A6901-223	
Local/Unfunded	\$ 1,271,922.72	-	5/12/2029
Totals	\$ 32,753,710.08		

Funding Source	2027		
	Original	Grant #	POP End Date
Federal	\$ -		
State (IIJA)	\$ -		
State (MnDOT)	\$ -		
State (Transportation Bill)	\$ 5,000,000.00		
Local/Unfunded	\$ -		
Totals	\$ 5,000,000.00		



3. Funding Information

Available and Allocated Funding

Summary w/o Unfunded Share		
Federal	\$ 37,078,217.00	67.9%
State (IIJA)	\$ 3,300,000.00	6.0%
State (MnDOT)	\$ 4,189,077.31	7.7%
State (Transportation Bill)	\$ 10,000,000.00	18.3%
Totals	\$ 54,567,294.31	100.0%

4. Phasing Risks – Original Phasing Scope – BB + Tower Foundations

- ~~1. Phase 1 Construction Bids Exceed Available Funds~~
2. Expiration of Grants
3. If No Path for Phase 2 Funding, FAA Could Request Phase 1 Funds Back (after requested extension – Aug 2029)
4. Base Building Designed for Critical Nature of Overall Project
5. Implication of Building Code, FAA Standards and Support Equipment in Base Building if Tower Not Built for Many Years
6. Inherent Risks due to Complexity of Phasing (Unforeseen Conditions; Timing; Disruptions)
7. Additional Increased Cost for Mobilization if Tower Not Built Immediately After Phase 1
8. Expenditure of Costs for AE Team to Repackage Documents for Permitting/Bidding if Phasing Not Pursued (due to lack of funding or additional funding such that phasing not required)
9. Have usable base building, but two-story partial tower that would need to be demolished if path to funding cannot be found
10. Risk leaving \$17M of available funds "on the table"



4. Phasing Risks – Revised Phasing Scope – BB + Tower Enclosure

1. Phase 1 Construction Bids Exceed Available Funds
2. Expiration of Grants
3. **If No Path for Phase 2 Funding, FAA Could Request Phase 1 Funds Back - additional risk due to additional funds spent** (after requested extension – Aug 2029)
4. Base Building Designed for Critical Nature of Overall Project
5. Implication of Building Code, FAA Standards and Support Equipment in Base Building if Tower Not Finished for Many Years
6. **Inherent Risks due to Complexity of Phasing (Unforeseen Conditions; Timing; Disruptions) - more complex in this option**
7. Additional Increased Cost for Mobilization if Tower Not Finished Immediately After Phase 1
8. **If no path forward for Phase 2 – have a usable base building, but an incomplete tower that needs to be demolished.**
9. Expenditure of Costs for AE Team to Repackage Documents for Permitting/Bidding if Phasing Not Pursued (due to lack of funding or additional funding such that phasing not required)
 - **Added design costs to rescope project**



4. Risk- No Phasing / Full Funding Plan

1. Construction Bids Exceed Available Funds

- Potentially impacts construction timeline (if now have to phase documents/resubmit for bid and permit)

2. Expiration of Grants

3. Approx. \$11M gap funding must be secured by Spring 2027

- Potential Additional Federal Grant #3
- Potential State Bonds
- Potential Line of Credit
- Potential General Obligation Bond / Loan thru the City of Duluth

4. (Removes cost associated with phasing)

- Original Phasing Scope (BB + Tower Foundations) Cost: \$4.726M
- Revised Phasing Scope (BB + Tower Enclosure) Cost: \$2.526M



5. Schedule / Next Steps

- Fall 2025 (?): Federal Grant Application #03
- October 21, 2025: Board Vote on Phasing or Not
- Early November 2025: EXP Prepares IFB/IFP Construction Documents
- Early January 2026: Construction Documents Issued for Bid and Issued for Permit
- February 17, 2026: Bids Received/Scope Confirmed/GMP Presented to Board;
Board Votes on GMP Approval (commits construction funding)
- Mid April 2026: Construction Begins
- Spring 2026: Federal Grant Application #03 Funding Amount Announced

Estimated Construction Durations

Unphased:	20 months
Original Phasing Scope – BB + Tower Foundations:	28 months (14 mo Phase 1; 14 mo Phase 2)
Revised Phasing scope = BB + Tower Enclosure:	23 months (17 mo Phase 1; 6 mo Phase 2)

QUESTIONS ?



3. Funding Information

Generally, 80.18% FAA eligible

