

# Finance Department Update



# Updates

- Stormwater Update
- MMB 2026 Bond Request Update
- 2026 Draft DLH Rates & Charges Addendum
- 2026 Draft DYT Rates & Charges Addendum
- 2026 Draft Annual Budget

# DRAFT 2026 Budget and Rates & Charges



# 2026 DRAFT DLH Rates & Charges

<b>Passenger Terminal Fees</b> (Per Square Foot)	Airline Leased Premises			\$28.24			\$31.06	10% Rate Adjustment
	<b>Airline Leased Premises - Non Signatory</b>						\$38.83	125% of Signatory Rate
<b>Aircraft Landing Fee</b> (Per 1,000 lbs MGLW)	Non-Airline Terminal Tenant Rate			\$45.11			\$46.46	3% Rate adjustment
	Signatory Carrier			\$2.45			\$2.60	6% CPI Adjustment
	Non-Signatory Carrier (125% more)			\$3.06			\$3.25	125% of Signatory
	All Other Aircraft			\$3.06			\$3.25	125% of Signatory
	Exemptions: Aircraft operated or chartered by the United States Federal Government or State of Minnesota and non-revenue generating aircraft under 12,500 lbs MGLW are exempt							<b>Transient Fee was removed for 2025:</b>
<b>Terminal Per Use Fees</b>	Non-Signatory Carriers & Charters			\$828.35			\$737.82	As determined by Rates & Charges Model (May be Removed)
	<b>Non-Signatory Ticket Counter Per Use Fee</b>						\$93.77	As determined by Rates & Charges Model
<b>Aircraft Definitions</b>	<b>Signatory:</b> Aircraft covered by an Airline Use and Lease Agreement with the DAA or by an agreement with the DAA containing terms and conditions similar with those contained in such an agreement.							
	<b>Non-Signatory:</b> Aircraft using the Airport facilities that are not covered by an Airline Use and Lease Agreement with the DAA and not covered by an agreement with the DAA containing terms and conditions similar with those contained in such an agreement; diverted Airline aircraft not using the Airport Terminal; and commercial air carrier aircraft making regularly scheduled flights to the Airport. Any Non-Signatory aircraft utilizing the terminal must be reported by the ground handler.							
<b>Terminal International Arrivals Facility Per Use Fee</b>	Less than 50,000 lbs. MGLW			\$75.00				TBD - Agreement review
	50,001-175,000 lbs. MGLW			\$175.00				
	175,001 lbs. MGLW and above			\$275.00				
<b>Non-Terminal (FBO) International Arrivals Facility</b>	US Customs Facility (GAF)			\$0.00				
<b>Non-Terminal FBO &amp; DAA Ad Hoc Charged Aircraft Parking</b> (Per 1,000 lbs MGLW)	<b>Category by MGLW (lbs.)</b>				Per Night (24 hour period)		Per Night (24 hour period)	
	12,499 & Under			\$18.02	\$146.28		\$19.10	\$155.06
	12,500 - 49,999			\$76.32	\$614.80		\$80.90	\$651.69
	50,000 - 99,999			\$152.64	\$1,219.00		\$161.80	\$1,292.14
	100,000 & Over			\$312.70	\$2,496.30		\$331.46	\$2,646.08
<b>Fuel Flowage Fee</b> (Fee Per Gallon)	FBO Charged In-to Plane Fee			\$0.083			\$0.090	To be reviewed
	FBO Charged Aviation, Heating & Auto Fuel Fee			\$0.09				To be reviewed
	Fee Per Gallon - Other Airport Operator			<b>Set-by-Operator Agreement</b>			\$0.090	Cirrus currently only other operator.
<b>Preferential Use Cargo Ramp Fee Per Aircraft</b>	Per Calendar Month Preferential Use Cargo Ramp Fee			\$1,695.00	Per Month (Calendar)		\$1,745.00	3% CPI Adjustment
<b>Passenger Facility Charge (PFC)</b>	Per Enplaned Commercial Passenger, Per FAA Approved PFC Application			\$4.50				
<b>DAA Owned Hangar Rental Rates (Per Each)</b> *\$50 Discount if paid in full by January 31 of lease year.	<b>Hangar Type</b>				Per Month (Calendar)		Per Month (Calendar)	
	West T-Hangars*			\$223.00			\$230.00	3.0% CPI Adjustment
	East T-Hangars*			\$223.00			\$230.00	3.0% CPI Adjustment
	East Ranch Hangars*			\$285.00			\$295.00	3.0% CPI Adjustment
	4825 Airport Rd. Ranch Hangars (12ft high door)*			\$675.00			\$695.00	3.0% CPI Adjustment
	4825 Airport Rd. Ranch Hangars (14ft high door)*			\$700.00			\$721.00	3.0% CPI Adjustment
	Other			Set by Lease Agreement				

# 2026 DRAFT DLH Rates & Charges Continued

<b>Airport Car Rental Customer Facility Charge (CFC)</b> <small>(Full per day fee should be charged for each transaction day or any fraction thereof.)</small>	Fee Per Car Rental Transaction Day "Transaction Day" means a 24-hour period or fraction thereof for which a rental car customer is provided the use of a rental car for compensation regardless of the duration or length of the rental term. If the same rental car is rented to more than one customer within such continuous 24-hour period, then each such rental shall be calculated as a Transaction Day, Except that a partial day that is a grace period of no more than 2 hours after the last 24-hour day booked shall not be considered a Transaction Day.	\$4.00				
<b>Rental Car Ready Return &amp; Overflow Fees (Per Each)</b> <small>(Tax Not Included)</small>	Per Month, Per Space Fee	Surface \$19.19	Ramp \$19.75	Surface \$19.77	Ramp \$20.94	3% surface, 6% ramp increase
<b>Parking Lot Fees</b> <small>(Includes Tax)</small>	Hourly Rate (Up to Daily Maximum) Daily Maximum Additional Drive-off Fee	Surface \$3.00 \$15.00 \$125.00	Ramp \$6.00 \$18.00 \$125.00	Surface	Ramp	Remain same as rates were adjusted last year.
<b>Parking Permits</b> <small>(Includes Tax)</small> <small>*DAA Employees and DAA Directors are exempt for airport business</small>	Corporate Surface Permit (Annual) Corporate Garage Permit (Annual) Airport Tenant Employee Permit (Annual)* Airline Crew Overnight Permit (Monthly or Annual) Tenant Commercial Parking Agreement (Monthly or Annual)	Per Month (Calendar) \$1,420.00 \$2,350.00 \$100.00 \$51.00 \$250.00	Annual \$1,420.00 \$2,350.00 \$100.00 \$612.00 \$3,000.00		Annual \$1,460.00 \$2,420.00 \$120.00	3% Rate Adjustment - Tentative 3% Rate Adjustment - Tentative Adjusted to be more in line with benchmark (\$10/mo.)
<b>Ground Transportation Fees &amp; Permits</b> <small>(Includes Tax)</small> <small>(Permit/Operator Agreements are required)</small>	Taxi/Limo/Hotel Shuttle Permit (Annual) Taxi/Limo/Hotel Shuttle Permit Per Trip Fee Passenger Shuttle Service Permit (Annual) Transportation Network Company Permit (Annual) Transportation Network Company Per Trip Fee Peer-To-Peer Car Sharing Concession Fee	\$25.00 \$1.50 \$500.00 \$1,500.00 \$1.50 10% of Gross Revenue	Per Each Vehicle Per Pick-Up & Drop-Off Per Each Vehicle Per Company Per Pick-Up & Drop-Off Per Agreement		\$2.50	Per Commercial Vehicle Update: Reduced rate per vehicle for lower ent Per Commercial Vehicle Update: Added rate per trip Working to update the contracts to poit to rates and charges
<b>Ground Transportation &amp; Vehicle Violations</b>	Airport Tenant Employee Parking Violation Ground Transportation Vehicle Violation Commercial Vehicle Violation Other		TBD \$100.00 Set by Agreement		\$25 + parking fees owed Per Commercial Vehicle Policy	Added fee for employees misusing their parking
<b>Business Services Club Pass</b> <small>(Sponsorship Agreement Passes will not be charged)</small>	Per Pass Fee to Access Business Services Club Room		\$150 per pass			
<b>Terminal Conference Room/Space Rates &amp; Fees</b> <small>(20% Discount for Airport Terminal-Tenants)</small>	Room/Space 1st Floor Baggage Claim - Wall Up 2nd Floor Secure Business Club Conference Room 2nd Floor Mezzanine 2nd Floor Conference Room - Room 250 3rd Floor Conference Room - Amatuzio A 3rd Floor Conference Room - Amatuzio B or C 3rd Floor Conference Room - Amatuzio A+B 3rd Floor Conference Room - Amatuzio B+C 3rd Floor Conference Room - Amatuzio A+B+C 2nd Floor Private Office (201 SF) - If vacant	0-4 Hours \$300.00 \$40.00 \$250.00 \$100.00 \$150.00 \$100.00 \$175.00 \$175.00 \$200.00	4-8 Hours Per Agreement \$80.00 \$350.00 \$150.00 \$200.00 \$200.00 \$250.00 \$250.00 \$300.00	0-4 Hours	4-8 Hours	TBD - Add langer time blocks and after-hours rate Added office option for conference room space while vacant.

# 2026 DRAFT DLH Rates & Charges Continued

Fiber Internet	Internet Speed	Per Month (Calendar)		
(Contract required. Higher speeds available upon request with pricing established per contract)	100 MB Fiber Internet with 1 static IP address	\$120.00		
	200 MB Fiber Internet with 1 static IP address	\$180.00		
	Each Additional Static IP Address	\$24.95		
	<b>Badging Fees</b> (DAA Employees, ARFF, CBP, Duluth PD, Fire & Public Works, & MN Air National Guard Badges are exempt)	SIDA & Sterile Badge	\$200.00	
SIDA & Sterile Signatory Only		\$150.00		
AOA Badge		\$125.00		
AOA Signatory Only		\$65.00		
Landside Badge		\$65.00		
Incomplete		\$100.00		
SIDA & Sterile Renewal		\$115.00		
AOA Renewal		\$65.00		
Emergency Renewal Additional Charge				\$60.00
Renewal > 30 Days Past Expiration (SIDA, AOA, Sterile)			<del>\$125.00</del>	
Lost or Non-Returned Badge			\$125.00	
Badge Handling Fee (ex: company change, access change, etc.)			\$65.00	
Contractor Badge			\$175.00	
Contractor Badge Handling Fee		\$150.00		
Contractor Badge Late Fee		\$125.00		
<b>Security Violations</b>	Sanction Fee issued to lessor, tenant, operator, or business which violates the Airport Security Plan (ASP)			



**2026 Rates & Charges**

**Effective January 1st, 2026 - To Be Adopted November 18, 2025**

**Changes for 2026**

<b>Fuel Price</b>	To be determined by airport manager and published on the Duluth Sky Harbor website, ForeFlight, SkyVector, AirNav, GlobalAir and 100LL.com.		
<b>Fuel Discounts</b>	Sky Harbor Tenant with lease agreement or Commercial Operator Agreement	\$0.25	Per Gallon
Discounts may not be stacked			
Tenant Discount requires fuel card			
<b>Tie-down</b>	Per Night (1-6 nights)	\$10.00	Per Night
	Per Week (1-3 weeks)	\$30.00	Per Week
	Per Month	\$90.00	Per Month
	Six Month Season (Must be paid in advance)	\$450.00	Per Six Month Season
<b>Float Storage</b>	Monthly Float Storage	\$20	Per Month
	Seasonal / Winter Only	\$100	Per Winter Season
	Annual / 12-Month	\$180	Per 12-Months
	Contact the Sky Harbor Airport manager for details. Float storage location determine by airport manager.		
<b>Aircraft Parking &amp; Float Storage Rules</b>	<p><b>Aircraft parking and tie-down spaces are non-reservable and shall be occupied on a first come, first served basis.</b></p> <p>A. No person shall park, store, tie down or leave an aircraft and/or floats on any area of the airport other than designated parking spaces or those designated by the Airport Manager.</p> <p>B. The pilot and owner of an aircraft and/or floats are solely responsible for storing floats, parking and tying down their aircraft and shall properly secure their aircraft and/or floats while it is parked or stored on the airport. Pilots and owners of aircraft and/or floats are solely responsible for securing aircraft and/or floats in a manner necessary to avoid damage to other aircraft, floats, or buildings on the airport in the event of wind or other severe weather conditions. The pilot and owner of an aircraft and/or floats shall be held responsible and liable for any damage or loss whatsoever resulting from failure to comply with this rule.</p> <p>C. With respect to aircraft parking, tie-down and float storage, the Airport Manager is authorized to control and direct activities that the Airport Manager determines concern the health, welfare and safety of Sky Harbor, its tenants, and users.</p> <p><b>All invoiced aircraft parking tie-down and float storage fees shall be paid within thirty (30) days of invoice date.</b>          In the event that fees are not paid within thirty (30) days of invoice date and such failure to pay continues for a period exceeding ninety (90) days after invoice date, the aircraft or floats owner shall be in default. Upon default, the Duluth Airport Authority may exercise any one or more of the following remedies (in its sole discretion): (i) utilize a collections agency and/or an attorney to recover said amount, including reasonable attorney's fees, court costs, and collection costs, (ii) enter the premises where the aircraft or floats are located and take immediate possession of and remove (or disable in place) the aircraft or floats by self-help, summary proceedings or otherwise without liability; and (iii) eject and trespass the aircraft pilot, owner or float owner from Sky Harbor.</p>		



## DRAFT 2026 ANNUAL BUDGET

Financial Row	Amount (FY 2023)	Amount (FY 2024)	Projected 2025 Amount (Sep 2024 - Aug 2025)	Proposed 2026 Annual Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Total - Non-Aeronautical Revenue	\$3,485,019	\$3,876,056	\$4,261,939	\$4,052,006
Total - Non-Passenger Aeronautical Revenue	\$1,707,084	\$1,684,499	\$1,894,471	\$1,989,471
Total - Passenger Airline Aeronautical Revenue	\$1,445,449	\$1,668,890	\$1,798,062	\$1,974,428
<b>Total - Income</b>	<b>\$6,637,553</b>	<b>\$7,229,446</b>	<b>\$7,954,472</b>	<b>\$8,015,905</b>
<b>Gross Profit</b>	<b>\$6,637,553</b>	<b>\$7,229,446</b>	<b>\$7,954,472</b>	<b>\$8,015,905</b>
<b>Expense</b>				
Miscellaneous Expenses	\$97,797	\$215,430	\$134,582	\$134,740
Total - Personnel Compensation & Benefits	\$2,717,791	\$2,876,039	\$3,006,195	\$3,285,034
Total - Services and Charges	\$2,412,735	\$2,615,862	\$2,695,654	\$2,696,134
Total - Supplies	\$714,908	\$586,217	\$557,030	\$675,445
<b>Total - Expense</b>	<b>\$5,943,231</b>	<b>\$6,293,548</b>	<b>\$6,393,461</b>	<b>\$6,791,353</b>
<b>Net Ordinary Income</b>	<b>\$694,322</b>	<b>\$935,897</b>	<b>\$1,561,011</b>	<b>\$1,224,551</b>
<b>Other Income and Expenses</b>				
<b>Other Income</b>				
Capital Contributions	\$2,400,321	\$0	\$0	\$0
Non-Operating Revenue				
Total - Non-Operating Revenue	\$879,477	\$809,201	\$775,947	\$702,418
<b>Total - Other Income</b>	<b>\$3,279,798</b>	<b>\$809,201</b>	<b>\$775,947</b>	<b>\$702,418</b>
<b>Other Expense</b>				
Non-Operating Expense				
Interest Expense	\$141,964	\$121,328	\$106,599	\$173,181
Total - Non-Operating Expense	\$141,964	\$121,328	\$106,599	\$173,181
<b>Total - Other Expense</b>	<b>\$141,964</b>	<b>\$121,328</b>	<b>\$106,599</b>	<b>\$173,181</b>
<b>Net Other Income</b>	<b>\$3,137,835</b>	<b>\$687,872</b>	<b>\$669,348</b>	<b>\$529,237</b>
<b>Net Income Exclusive of Project Expenses, Depreciation &amp; Amortization</b>	<b>\$3,832,157</b>	<b>\$1,623,770</b>	<b>\$2,230,359</b>	<b>\$1,753,788</b>
<b>Projects/Grants</b>				
Capital Contributions				
Contributed Capital				
Other	\$0	\$0	\$0	\$1,512,719
<b>Total - Contributed Capital</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,512,719</b>
<b>Grants</b>				
Federal Grants	\$13,900,106	\$18,021,818	\$15,533,513	\$26,023,540
Other Grants	\$752,186	\$1,341,706	\$1,394,483	\$0
State Grant	\$1,933,131	\$1,923,301	\$2,511,190	\$7,235,678
<b>Total - Grants</b>	<b>\$16,585,423</b>	<b>\$21,286,825</b>	<b>\$19,439,186</b>	<b>\$33,259,219</b>
<b>Total - Capital Contributions</b>	<b>\$16,585,423</b>	<b>\$21,286,825</b>	<b>\$19,439,186</b>	<b>\$34,771,938</b>
<b>Total - Projects/Grants</b>	<b>\$16,585,423</b>	<b>\$21,286,825</b>	<b>\$19,439,186</b>	<b>\$34,771,938</b>
<b>Capital Improvement Costs</b>				<b>\$37,596,642</b>
Loan Principal				\$1,005,000
CFC's Reserved for Approved Projects				\$269,601
Amortization of Capital Projects/LSC				\$708,964
PFCs To be Collected In the Future				\$835,359
Future Development Rents				\$306,944
<b>Positive (Negative) Budget Variance</b>				<b>\$44,952</b>
Depreciation & Amortization	(\$11,379,210)	(\$12,510,211)	-\$4,171,447.46	(\$12,510,211)
<b>Net Income</b>	<b>\$9,038,370</b>	<b>\$10,400,384</b>	<b>\$17,498,096.96</b>	<b>\$24,015,514</b>

### MAJOR TAKE AWAYS:

- DAA staff budgeted for nearly a \$45k budget surplus in 2025.
- Operating revenues are budgeted to be an all-time high. This is a 5% increase over the 2025 budget.
- Passenger related concession revenue was estimated based on similar activity to 2025 making considerations for loss of Sun Country passenger concession revenue. Other revenues were determined based on current activity and contracted rates.
- Removed TSA LEO reimbursement from budget and will consider this a positive variance if return to the program is achieved.
- Non-Aeronautical revenue increases are expected to continue due to rate adjustments to landing fee and fuel flowage fees.
- A 10% rate increase to the Signatory Airline rental rate has been proposed as well as 6% to the landing fee rate.
- Operating expenses are budgeted at 2% over the 2025 budget.
- DAA staff worked diligently to achieve a relatively flat budget by considering deferred maintenance, etc. where possible and increasing rates where necessary to overcome the \$100k TSA LEO award loss for 2025 as well as additional \$140k in increased costs and significant local shares for grants in 2026.
- DAA staff continues to work to support the master plan as well as our strategic plan initiatives.
- Our annual debt service in 2026 for all long-term debt is \$1,078,181.
- Airline negotiations with a new rate structure are anticipated, which may affect the final budget for November approval.

# 2026 Debt Service Schedule

Debt	City Loan 1 - GO Bonds Issued				City Loan 2 - GO Bonds Issued	City Loan 3 - GO Bonds Issued	DEDA MIF Loan	NCA Loan	Total of Annual Debt Service Payments
Purpose	Terminal & Parking Structure				Parking Structure	Hangar 103/LSC Rehabilitation	Soil Remediation	FBO Buyout	
Payment Source	CFC	PFC	Operating Revenues	Total	Operating Revenues - Parking	Operating Revenues - LSC Rent	Operating Revenues	Operating Revenues - Fuel Flowage	
2012	192,681.26	321,781.26	107,518.76	621,981.28	-		26,666.64	75,000.00	723,647.92
2013	189,981.26	322,281.26	111,018.76	623,281.28	-		26,666.64	75,000.00	724,947.92
2014	192,281.26	322,681.26	109,418.76	624,381.28	115,718.04		26,666.64	75,000.00	841,765.96
2015	194,481.26	322,981.26	107,818.76	625,281.28	338,981.26		26,666.64	75,000.00	1,065,929.18
2016	191,581.26	323,181.26	106,218.76	620,981.28	340,571.26	242,752.33	26,666.64	75,000.00	1,305,971.51
2017	193,681.26	323,281.26	109,618.76	626,581.28	336,071.26	247,137.50	26,666.64	75,000.00	1,311,456.68
2018	190,681.26	323,281.26	107,918.76	621,881.28	335,446.26	247,337.50	26,666.64	75,000.00	1,306,331.68
2019	192,681.26	323,181.26	106,218.76	622,081.28	338,776.26	247,387.50	26,666.64	37,500.00	1,272,411.68
2020	194,193.76	322,331.26	109,306.26	625,831.28	336,336.26	247,287.50	26,666.64	-	1,236,121.68
2021	187,301.13	310,695.11	590,000.00	1,087,996.24	338,006.26	247,037.50	2,222.62	-	1,675,262.62
2022	184,447.50	310,905.00		495,352.50	338,443.76	246,637.50	-	-	1,080,433.76
2023	178,485.00	309,282.50		487,767.50	338,108.76	246,087.50	-	-	1,071,963.76
2024	182,040.00	311,775.00		493,815.00	336,971.26	245,387.50	-	-	1,076,173.76
2025	185,115.00	308,475.00		493,590.00	340,143.76	244,537.50	-	-	1,078,271.26
2026	187,775.00	309,575.00		497,350.00	337,393.76	243,437.50	-	-	1,078,181.26
2027	-	-	-	-	339,218.76	246,877.50	-	-	586,096.26
2028						244,675.00			244,675.00
2029						246,975.00			246,975.00
2030						243,695.00			243,695.00

\*\*City GO Bonds are not eligible for refinancing until 8 years after the origination date.

Series 2012B GO Tax Exempt - \$7,655,000. First call date February 1, 2022. - Bond refinance completed in 2021 to utilize relief funds and pay off operating share of debt.

Series 2013B GO Tax Exempt - \$3,400,000. First call date February 1, 2024 - Refinancing not completed as rates were not favorable.

Series 2015C GO Taxable - \$2,855,000. First call date February 1, 2026

Questions?