



DULUTH AIRPORT AUTHORITY

Duluth Airport Authority Meeting Minutes February 17, 2026

MEETING LOCATION: Amatuzio Conference Room, Duluth International Airport

DIRECTORS PRESENT: Michael Henderson, President
Jason Crawford, Vice President (arrived at 8:02 a.m.)
Elissa Hansen, Secretary
Gary Black
Sandy Hoff
Briana Johnson
Kevin O'Brien

OTHERS PRESENT: Tom Werner, DAA Executive Director
Ryan Welch, DAA Dir. of Operations, Planning, and Construction
Jana Kayser, DAA Dir. of Business Development
Joelle Bodin, DAA Dir. of Finance and Administration
Natalie Baker, DAA Dir. of Communications and Marketing
Jenny Delnay, DAA Finance Technician
Aimee Bone, DAA Administrative Coordinator
Nate Niemann, H+U
Joseph Uhlhorn, H+U
Shawn McMahon, SEH
Rob Missinne, Vantage Air

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:
Tristan Durfee, DAA Airside Manager
Kathy Leon, DAA Senior Staff Accountant
Horeya Czaplewski, EXP
Andy Hoffman, H+U
Kaci Nowicki, SEH

CALL TO ORDER: Dir. Henderson called the DAA board meeting to order at 8:00 a.m.

Dir. Henderson 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.
- Year-to-date enplanements are down about 15%. Delta is down 4%, and United is down 10% compared to January 2025. Enplanements were down 15% compared to January 2025.
 - Load factors remain strong; Delta at 83% and United 87%.
 - Delta capacity is flat compared to January 2025 and United decreased 9%. Year-to-date, Delta is flat and United down 9% (with one month of data so far for 2026).
- Mr. Werner shared a graph illustrating scheduled arrivals and departures seat capacity for February through May 2026-data shows modest increases for February, increasing by March, and April-May start to show significant seat count increase for United.



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- Mr. Werner also shared that he has a meeting with Breeze Airways today to discuss several destinations and gauge their interest in the market. Additionally, Mr. Werner shared that he is still awaiting a response from a meeting request with Sun Country.
 - Dir. Hoff asked what kind of load factors airlines need to break even, and Mr. Werner stated that there are several factors at play, such as labor costs, number of seats on the aircraft, cost to operate the aircraft, fuel efficiency, etc. Mr. Werner stated that he will share next quarter's data with profitability curve at a future board meeting once it is available.

B. Operations/Construction/Planning: Mr. Welch and provided the following updates:

- Air Traffic Control Tower (ATCT) Update:
 - Mr. Welch started by thanking the teams that have been working on getting the ATCT details and planning. Mr. Welch then shared a presentation of ATCT costs as of today. Total cost is \$67,712,244. Mr. Welch shared the breakdown of GMP (\$47,830,069), Enabling Projects (\$1,388,200), Engineering/Design (\$7,577,784), and Administrative (which includes utility relocation, security systems, cabling, equipment, etc.) (\$10,916,191). Mr. Welch then shared that \$54,567,294 in funding has been secured, with \$26,650,000 in outstanding funding requests. Based on a federal eligibility determination, the current federally eligible unfunded portion of the project is approximately \$17,418,641. Mr. Welch summarized that the project provides critical infrastructure that enhances the flying safety for the flying public and supports sustained growth in our aviation sector.
- General Aviation Hangars:
 - Mr. Welch shared an update on the GA hangars. Mr. Welch calculated a Five-Year Average Investment, which determined that approximately 17% of revenue is reinvested annually into building maintenance. The maintenance spending includes items such as repair and maintenance line items only, not items such as labor, snow removal, and pavement maintenance. Mr. Welch then discussed a path forward, which includes increased formalized inspection frequency by the facilities manager and staff. The facilities manager has also updated and verified contact information for all GA tenants to improve coordination and responsiveness.

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

- Ms. Kayser shared that the development RFP has been posted for the public since January 21st. There was a mandatory pre-proposal meeting on February 3rd with six different entities in attendance. The RFPs are due March 4th.
- LifeLink III Project Update: Ms. Kayser shared that the project is coming along and weather has impacted the schedule and a May 2026 completion is anticipated. Ms. Kayser shared images of the construction progress and said that LifeLink continues to attend biweekly meetings.
 - Dir. O'Brien asked if the project is still on budget. Ms. Kayser shared that yes, and she also shared that due to the weather-related extended construction timeline into winter, costs increased from the original bid and required a change order for costs. The FAA does not cover the cost difference, but MnDOT will be covering the change order and with planning for a winter extension projection, the cost is currently below the projection.
- EDA Grant: Ms. Kayser thanked everyone for attending the special board meeting for the grant and approval. The grant was submitted that day, and Ms. Kayser expects to get a response in 45-60 days. The grant is for the taxi lane of the former Hangar 101 site as well as rehabilitation of Hangar 104.



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- 2026 DAA Airport Management Internship: Ms. Kayser shared interviews are underway and that there were 50 applicants from across the country. The DAA recently conducted ten first-round interviews and five of those candidates were selected for a second-round interview which are scheduled over the next two weeks.
 - Dir. O'Brien asked about the possibility of having two interns. Ms. Kayser said that the DAA hasn't examined it from a budget standpoint.

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

- Paid Leave: Ms. Bodin shared that the attorneys are still working on a draft of the joint powers agreement and anticipates that it'll be ready for the March board meeting.
- The accountant position has been posted for Ms. Kathy Leon's replacement when she retires later this year. Ms. Bodin also met with Robert Half about the possibility of temporary staffing assistance also.
- Financial Audit: Ms. Bodin shared that the auditors will be on site March 11th and 12th.
- Annual Concessionaire Audit: Ms. Bodin shared that this year's audit will consist of a handful of smaller audits instead of one larger operation audit. Companies will include the ATM agreement, QMS, Landline, and possibly adding Uber and Lyft once their agreements are continued and approved.
- 2026-2027 Property Insurance: Ms. Bodin shared that the draft agreement has been prepared and anticipates presenting a resolution at the March board meeting.

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

- Ms. Baker shared that she is continuing to make plans for the DAA to attend the Duluth and St. Louis County Days are March 18th -19th in St. Paul.
- City Council Tours: Ms. Baker and Mr. Werner will be hosting council members at the airport for an orientation meeting, which will include a briefing on what the DAA does, as well as a tour of the airfield to highlight infrastructure and opportunities to talk to tenants and operators at DLH.
- The DAA has re-engaged with SCASD stakeholders who are a part of the Small Community Development Air Service Department Grant and have pledged support by means of written letters of support or pledged financial support for this initiative. The DAA is awaiting MnDOT's decision to repurpose the grant from the direct service standard to a broader use.
- The Commercial Lane Vehicle Policy: Ms. Baker shared that implementation for the new policy is complete, in the process of getting it rolled out, and all commercial vehicle operators must be permitted by March 16th.

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

- Mr. Werner shared that Ms. Baker and team have been working on the preparation for Duluth and St. Louis County Days in St. Paul. Mr. Werner said that the legislative session starts today, and that he hopes to be at the capitol for at least one day before Duluth & St. Louis County Days. The regional awareness of the ATCT project is strong.
- Mr. Werner shared that because this year Duluth Days overlaps with his annual trip to D.C., he will go the following week. Mr. Werner and Ms. Baker recently met with Congressman Stauber's office and their ATCT support remains strong.
- The City Council has approved a resolution authorizing DAA to accept state and local grants. Every January, Mr. Werner goes to the city council with a resolution to delegate



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authority to the DAA board due to the quick turnaround time for approval required by the FAA.

- Last month Mr. Werner attended the Airport International's Air Service Data Conference and got a preview of where the industry is at this year with regards to air service. Mr. Werner shared that there were a number of airports trying to anticipate air service factors in the post-pandemic world. Premium products of network carriers are softening, which could indicate that the items are overpriced or a weakening economy. Mr. Werner shared that ORD is gaining additional air demand and there will be discussions with adding additional flights from DLH to ORD.
- Mr. Werner also shared that the board has correspondence related to the Rules and Standards Review Process, and the project team will meet later this week to get it underway. The team will work on a timeline and update and inform the board at a future date.

G. Presentations/Tours/Travel Recap:

- None.

H. Other:

- None.

- Dir. Henderson 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 January 20, 2026 Meeting Minutes

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

III. *DAA CASH DISBURSEMENTS

- ### A. Operating Check Registers #1-3, 2026; Operating ACH Payment Registers #1-3, 2026; Construction ACH Register #2, 2026.

IV. *CORRESPONDENCE

- ### A. October 20, 2025. Letter of Support from Duluth Economic Development Authority for the DAA's Application to the Economic Development Administration's FY25 Disaster Supplemental Program.
- ### B. October 27, 2025. Letter of Support from MnDOT Aeronautics to Economic Development Administration for the DAA's Application to the Economic Development Administration's FY2025 Disaster Supplemental Program.
- ### C. November 13, 2025. Letter of Support from Arrowhead Regional Development Commission for the DAA's Application to the Economic Development Administration's FY25 Disaster Supplemental Program.



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- D. January 27, 2026. Letter of Support from Cirrus Aircraft to DAA Board for EDA Grant Matching Funds.
- E. January 28, 2026. Letter from Mr. Barry Sinex to DLH Airport Commission RE: Minimum Standards Review.
- F. January 29, 2026. DAA Response to Mr. Barry Sinex's Letter RE: Minimum Standards Review.
- G. February 3, 2026. Letter of Support from Duluth-Superior Metropolitan Interstate Council for the DAA's Application to the Economic Development Administration's FY25 Disaster Supplemental Program.
- H. February 3, 2026. Travelers Without "Real ID" Required to Pay \$45 Fee. Fox21online.com.
- I. February 12, 2026. DLH Construction Newsletter.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

- A. None.

VI. OLD BUSINESS

- None.

VII. NEW BUSINESS

- A. Resolution to Approve Amendment 1: Exhibit A Guaranteed Maximum Price (\$47,830,069) to Master Agreement (AIA Document 133-2019) between the Duluth Airport Authority and H+U Construction for the Construction of a New Air Traffic Control Tower. (To be provided separately prior to the February 2026 board meeting.)
 - Mr. Welch shared that the amendment includes all construction work, scope, permitting plan review, general conditions, construction management, reimbursables, performance and payment bonds, and construction management fees.
 - Dir. Henderson entertained questions or a motion.
 - Motion: Dir. Hoff
 - Second: Dir. O'Brien
 - Abstain: None.
 - Result: This resolution was adopted unanimously.
- B. Resolution to Award Construction Proposal in the Amount of \$73,991.56 for Utility Relocation for the Air Traffic Control Tower between CenturyLink and the Duluth Airport Authority.
 - Mr. Welch shared that this is the administrative costs that were discussed earlier associated with ATCT construction. The relocation will improve the current fiber utility to be in line with the new Stebner Road.
 - Motion: Dir. Crawford
 - Second: Dir. Black
 - Abstain: None.
 - Result: This resolution was adopted unanimously.
- C. Resolution to Approve Construction Administration and Observation Agreement for the Proposed Air Traffic Control Tower between EXP and the Duluth Airport Authority.
 - Mr. Welch shared that this resolution is to approve the construction, administration, and observation agreement for the ATCT between EXP and the DAA. This order includes



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bidding, support, construction administration, construction observation, commissioning, and stakeholder engagement.

- Dir. Henderson entertained questions or a motion.
- Motion: Dir. Black
- Second: Dir. Johnson
- Abstain: None.
- Result: This resolution was adopted unanimously.

D. Resolution to Transfer \$120,000 of Sky Harbor Airport FAA Entitlement Funding to the Austin Municipal Airport for Repayment of a 2016 Transfer to Sky Harbor.

- Mr. Welch shared that FAA allows transfers of FAA funding from one community to another within that same geographic area or state. In 2016, the airport authority (operating the Sky Harbor Airport), received \$120,000 of entitlement funds from the Austin Municipal Airport, and this resolution is to repay the funds.
- Dir. Henderson entertained questions or a motion.
 - Motion: Dir. Hoff
 - Second: Dir. Hansen
 - Abstain: None.
 - Result: This resolution was adopted unanimously.

E. Resolution to Approve Transportation Network Company Operating Agreement between Lyft, Inc. and the Duluth Airport Authority.

- Ms. Kayser shared this is the resolution summary for the operating agreements for both Uber and Lyft, and they are to be voted on separately. It also applies to any other TNCs that may operate at DLH in the future (TNCs have been operating at DLH since 2017). The agreement term ends on December 31, 2029. The per trip fee (pick up and drop off) has increased from \$1.50 to \$2.50 and includes expanded geofence capability to track vehicles and their pickups. All exhibits have been updated to reflect the current operations now with the dedicated commercial vehicle lane.
 - Dir. Black asked how many Lyft and Uber drivers frequent DLH and Ms. Kayser consulted with Ms. Delnay, who tracks the reports. Ms. Delnay shared that there are about 1,000 riders per month (including pick-ups and drop-offs) between Lyft and Uber.
- Dir. Henderson entertained questions or a motion.
 - Motion: Dir. Crawford
 - Second: Dir. Johnson
 - Abstain: None.
 - Result: This resolution was adopted unanimously.

F. Resolution to Approve Transportation Network Company Operating Agreement between Rasier, LLC and the Duluth Airport Authority.

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

G. *December 2025 Financial Reports

H. *February 2026 Accounts Receivable



I. *January 2026 Airline Statistics, Landline Statistic

VIII. DIRECTOR'S REPORTS

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

Respectfully submitted,

Aimee Bone
Administrative Coordinator

Tom
Werner

Digitally signed by
Tom Werner
Date: 2026.02.27
12:24:04 -06'00'

Approved: _____
DAA Executive Director