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 *regular* meeting on **Tuesday, August 18th, 2026 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 or to Duluth Airport Authority, 4701 Grinden Drive, Duluth, MN 55811.

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

DULUTH AIRPORT AUTHORITY

DULUTH AIRPORT AUTHORITY
MEETING AGENDA
AUGUST 18, 2026
SKY HARBOR AIRPORT

I. *EXECUTIVE DIRECTOR'S REVIEW

A. Information Letter to DAA Directors

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

A. Approval of July 21, 2026 Board Meeting Minutes

III. *DAA CASH DISBURSEMENTS

A. Operating Check Register #20, 2026; Operating ACH Payment Registers #18-20, 2026; Construction ACH Payment Registers #11-12, 2026.

IV. *CORRESPONDENCE

A. DLH Airport Construction Update Newsletters. Email.
   i. July 17, 2026
   ii. July 25, 2026
   iii. July 31, 2026
   iv. August 7, 2026
B. July 17, 2026: DLH Air Traffic Control Tower Construction Newsletter. Email.
C. July 15, 2026: Letter to Duluth City Administrator Karla Culhane from DAA RE: National Emergency Use Provision (NEUP) Removal from Airport Property for Development.
D. July 16, 2026: Letter to Senator Amy Klobuchar from DAA RE: Oppose the Inclusion of Section 105 in Final Aviation Safety Legislation (July 2026).
E. July 16, 2026: Crew Attrition Forces Sun Country Schedule Cuts. Airline Geeks.
F. July 28, 2026: Letter to DAA from Duluth Airshow RE: Thank You for Support of Duluth Airshow.
G. July 29, 2026: Allegiant Adds Free Drinks, Introduces New Class of Premium Seating. Allegiant Air Press Release.
H. August 5, 2026: Letter to City of Duluth from DAA RE: Duluth Airport Authority $10,000,000.00 Line of Credit Draw Request in the Amount of $2,723,000.00.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

VI. OLD BUSINESS

None.

DULUTH AIRPORT AUTHORITY

VII. NEW BUSINESS

A. Resolution to Accept and Authorize the TSA Law Enforcement Officer Reimbursement Agreement Program Grant Award and Agreement, and any Future Modifications with Executive Director Approval.
B. Resolution to Approve the Duluth Airport Authority's Revised Air Carrier Incentive Program 2026-2027 for the Duluth International Airport.
C. Resolution to Approve a $800 Employee Incentive Award for Mr. John Graves in Accordance with Operating Policy #5.
D. Resolution to Approve Ground Lease Agreement for Hush House and Fuel Calibration Hangar between Cirrus Design Corporation and the Duluth Airport Authority.
E. *June 2026 Financial Reports
F. *August 2026 Accounts Receivable
G. *July 2026 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).

DULUTH AIRPORT AUTHORITY

DATE: August 18, 2026
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:
  - Fuel System Replacement
  - Taxiway Alpha Phase 7
  - 9/27 Shoulder Replacement
  - Midfield Ramp
  - Hangar 2 Demolition
- Construction:
  - Air Traffic Control Tower Replacement
  - Taxiway Alpha Phase 6
- Operations and Maintenance:
  - Equipment Update
  - Personnel Update
- Sky Harbor
  - Oshkosh Highlights
  - Stormwater Mitigation Project

BUSINESS/PROPERTY DEVELOPMENT

- Building 311 Lease Update
- Cirrus Parking Lot Expansion Update
- Sky Harbor Development RFP Update
- LifeLink Hangar Construction Update

FINANCIAL UPDATE

- Finance Department HR Update
- TSA Law Enforcement Officer (LEO) Reimbursement Program Update

DULUTH AIRPORT AUTHORITY

- 2027 Budget Preparation Update
- Project Payment/Cash Flow Update
- 2nd Quarter Financial Update

MARKETING/COMMUNICATIONS

- 2Q26 Key Performance Indicators

LEGISLATIVE UPDATE

- ATCT State Funding Advocacy

PRESENTATIONS/TOURS/TRAVEL RECAP

- NSR

OTHER

- DLH Rules and Standards Review

Submitted by,

Tom Werner, A.A.E.
Executive Director

DULUTH AIRPORT AUTHORITY

Duluth Airport Authority
Meeting Minutes
July 21, 2026

MEETING LOCATION: Amatuzio Conference Room, Duluth International Airport

DIRECTORS PRESENT:
Jason Crawford, President
Sandy Hoff, Vice President
Briana Johnson, Secretary
Pat deGrood
Michael Henderson
Kevin O'Brien

DIRECTORS NOT IN ATTENDANCE:
Gary Black

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
Elizabeth Schelde, DAA Accountant
Jenny Delnay, DAA Finance Technician
Aimee Bone, DAA Administrative Coordinator
Samantha Goodall, DAA Finance Intern
Jaimie Domagala, Fraction, LLC
Shawn McMahon, SEH
Ben Mattson, Shafer Contracting
Brad Mattson, Shafer Contracting

OTHERS PARTICIPATING VIA ELECTRONIC MEANS:
Ian Young, City of Duluth Assistant Attorney
Phillip Scott, EXP
Lydia deGrood, Giant
Joseph Uhlhorn, H+U
Nathan Niemann, H+U
Paul Huston, HNTB
Heath Line, KGM

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

Dir. Crawford 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 remain flat at about 1% growth over 2025. Delta is up 11%, and United was down 15% compared to June 2025. Enplanements were up 2% compared to June 2025.
- Load factors also remain about the same, with both Delta and United in the mid-80s%.
- Delta capacity is at a 2% increase year to date in terms of seats, with monthly growth of 11% compared to June 2025. United has had a year-to-date increase of 30% and a 17% decrease for the month of June.
- Market share data shows United with 32% of total seats in the market and Delta at 68%.

- Next, Mr. Werner shared a revenue per seat mile graph, and it's one of the ways that DLH can measure performance of its routes. The example that Mr. Werner showed was Delta from DLH to MSP, which was just on the line of profitability, whereas the United flight from DLH to ORD which was noticeably higher above the line, and both routes are considered a success and additional flights have been added to both.
- Mr. Werner shared a data graph that showed passenger "leakage" from DLH, meaning potential passengers who live within 30 miles of DLH but opt to travel to MSP. In Q125, DLH had 34% of the market, with 66% to MSP. DLH market capture declined in Q126 to 30%, with MSP capturing 70% of potential DLH passengers.
    - Dir. Hoff asked how this data is captured, and Mr. Werner shared that it's based off of numbers that are reported to DOT, such as ticket sales and person code.
- National Air Service News: Mr. Werner shared an update on the throughput for ORD for next year, and that the 10% cut will be continued for United and American flights. It will be a little while before DLH can determine how it affects flights here.
- Local Air Service News: Mr. Werner shared that DLH seat capacity will be up roughly 10% YoY from July-November 2026, which is being driven by United Airlines. Mr. Werner also shared that DLH origin and destination traffic was down 8% in 1Q26 as to compared to 1Q25. The decline was due to Sun Country not offering season service in 1Q26, but it reminded all that it has been announced that they will be back for winter 2027 with the direct routes to Fort Meyers from DLH. Mr. Werner also noted that both United Airlines and Delta capacity was up YoY in 1Q26. Lastly, the average fare price increased by 19% in 1Q26. Increased fuel prices have contributed to the increase in the fare.

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

- Funding: Mr. Welch shared that DAA continues to work through the 9/27 shoulder replacement, as that is the next project once Taxiway Alpha is completed. Also looking at several other projects; the demolition of Hangar 2 and the demolition of the existing air traffic control tower. There will be a transitionary time of about 6-12 months with two towers being operated at once. Upon full change over to the new tower, the old one will be demolished. Hangar 2 is a little bit more flexible and can be demolished at any time.
- Air Traffic Control Tower (ATCT) Update:
    - Mr. Welch shared slides of the site and shared that progress continues to move along, and installation of underground utilities continues. Mr. Welch shared that all overhead lines are being removed and are being run underground to free up space for the ATCT. A temporary fence was placed in the area prior to the air show, and excavation for the mat slab at the tower base also began this week. Additional items include fire suppression tie-in at JetDuluth (completed yesterday), and upcoming items include the beginning of the watermain

installation at the new Stebner Road, as well as excavation, forming, and pouring concrete footings and foundation for the tower. Additionally, utility installation at the south side of the maintenance building.

- Phase 6 Taxiway Alpha:
  - Mr. Welch shared that midfield construction for Phase 3 started last week. Phase 6B also started in conjunction with the midfield ramp Phase 3 project. Continuing in-person, bi-weekly tenant meetings as well as a weekly newsletter for outreach for our stakeholders and tenant groups, and ATCT details are part of that communication as well. The team is also working to complete soil corrections in the Phase 6 area, along with storm sewer, subgrade, and subbase work. Mr. Welch showed several slides with detailed renderings and photos of the progress.
- Mr. Welch also mentioned that cash flow is top of mind for both projects and closing out previous grants and that Ms. Bodin would share further details during her update.
- The operations team is out on the field daily to work with stakeholders and tenants to minimize the effects from construction as much as possible.
- Equipment Updates:
  - Mr. Welch shared that the DAA has also taken delivery of a multi-purpose vehicle for runway clearing efforts, and in August, expects to add a snowblower and a deice truck to continue the fleet improvement. These were acquired from a multi-year grant from the FAA in 2025.
- Air Show: Mr. Welch thanked everyone for a successful air show.
  - Dir. Hoff thanked Mr. Welch for the air show hospitality and then asked what the long-term plans are for the site where the old tower will come down from? Ms. Kayser responded that there is not a plan yet, but it is a busy area, and Mr. Welch added that at this time, it'll be brought back down to dirt for now. Mr. Werner shared that the master plan also mentions the potential of hangar growth, but the space will be analyzed regarding future growth with regards to traffic in the area.
  - Dir. Henderson thanked the team for another great air show and the coordination of all the aspects of it. Mr. Welch also acknowledged the construction and engineering partners and their flexibility to help make the air show happen too, in the midst of construction.

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

- Ms. Kayser shared that the EDA grant award, which was pursued for taxi lane construction on the hangar 101 side, as well as the rehabilitation of 104, has been secured. The DAA's requested 80% to be covered, but received 60%, which meant there was a funding gap of $600,000 of local share. Ms. Kayser shared that the DAA pursued a MnDOT grant to help, the grant was awarded and will cover the majority of the local share. The airport's local share has been reduced to about $300,000. A resolution will be presented in near future for that. Ms. Kayser also shared that the Cirrus Hush House will be constructed utilizing the taxi lane, which will provide access to the hangar. Now that the EDA grant has been awarded, SEH will be finishing the taxi lane design and then Cirrus can start construction of the hush house.
- LifeLink III Project Update: Ms. Kayser shared that due to delays, the DAA has notified the contractor that liquidated damages are being pursued. Ms. Kayser noted that the DAA has been flexible with some of the issues that have come up to cause the delays, and substantial completion is now set for August 7th. Ms. Kayser also shared updated photos of the hangar's interior and exterior.
  - Dir. Crawford asked if August 7th is a date that it was pushed back to, and Ms. Kayser shared that's been pushed back several times. Mr. Werner shared that the

liquidated damages calculations were based on 66 days that were unsubstantiated beyond the schedule. Dir. Crawford asked how LifeLink has been doing with the delays, and Ms. Kayser responded that they have been very understanding and patient but do need to get the project done. Ms. Kayser then shared progress photos of the hangar.

- Property Tax Appeal:
  - Ms. Kayser shared that financial disclosures were requested, and Ms. Kayser is preparing to get those sent by August 1st, and after that, they will prepare the analysis and negotiation strategy to discuss with the DAA. Ms. Kayser said that she hopes to initiate negotiations with the assessor by the end of September.
- Grinden Intersection Improvement Update:
  - Ms. Kayser shared that a study was conducted and it has been determined that a roundabout would be the most effective solution to improve safety at the intersection and will also allow the airport to have a sign. There will be funding provided by the county and the DAA will also have some financial responsibility. Ms. Kayser shared a high-level rendering of the proposed roundabout and shared that the DAA will be working on obtaining our portion of the funding (around $1,000,000), with anticipated construction to be completed 2029-2030.
    - Mr. Werner added that there is some way-finding funding for signage, but that DLH will likely install some specialty signage that is visually appealing, and that funding for the project will be a challenge. Mr. Werner shared that the DAA will eventually speak with the chamber foundation to partner with funding options. Dir. Hoff confirmed with Ms. Kayser that the amount the DAA has to match for the project is around $1,000,000, and Ms. Kayser confirmed that is correct and the county is covering the rest (the circle, Airport Road and Haines Road entrances). Dir. Hoff asked about MnDOT funding and Ms. Kayser and Mr. Werner said it needs to be explored but there will be federal funds that will be eligible.

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

- Finance Department Transition:
  - This is Ms. Bodin's last board meeting as well as Ms. Delnay's as they are both going to be on maternity leave. Ms. Bodin reminded all that Ms. Domagala is covering for her while she's out, Ms. Schelde is getting up to speed with grants, and Ms. Goodall is the finance intern who will be covering accounts receivables while Ms. Delnay is out.
- Project Cash Flow:
  - Ms. Bodin shared that under more typical circumstances, the DAA would have one major project going on at one time but currently have multiple projects. Ms. Bodin shared a cash flow analysis graphic with a total project payments projection. The current line of credit with the City of Duluth is at a zero balance but it's expected that around $4 million will need to be utilized for construction in early August. Currently awaiting grant reimbursement from the state and FAA, which exceeds $5 million. Ms. Bodin stated that this data will be presented to the board every month for an update and visibility.
    - Dir. Henderson inquired about how flexible the city is when the DAA does need to request to draw from the line of credit, and Ms. Bodin said that we give the city as much notice as possible, in addition to a signed letter that is submitted to the city with a funding request. Mr. Werner added that going

forward, it's likely that the DAA will share the long-term projection data to keep them aware as well. Dir. Henderson asked what the interest rate is on the line of credit, and Ms. Bodin shared that it's based off the draw date, and it's the federal funds rate plus 0.5%. When the payments are made, it pays the oldest draw date first. Mr. Werner added that the staff uses these projections to work with the FAA to close out old grants, and to make sure that with the implementation of the new state grant software, that payments to DLH get made in a timely manner. Mr. Werner encouraged the board to ask any questions that they currently have or will have. Dir. Crawford asked what the minimum cash policy is, what the minimum threshold is before it triggers the draw? Ms. Bodin shared that the policy is to maintain 180 days of cash on hand. While current reports may show the DAA below that threshold, the calculation includes grant receivables that are expected to be reimbursed by the state. As a result, our cash position is stronger than it may appear. To avoid unnecessary borrowing, the DAA is not drawing on our line of credit simply to maintain the cash balance while awaiting those reimbursements. Instead, we are managing cash flow by projecting operating expenses, payroll, and maintaining a cushion of approximately $200,000 before making contractor payments. At this time, this is a factual update on our cash flow projections, not a cause for concern. We fully expect to receive the outstanding grant reimbursements and will continue to provide monthly updates on our cash position.

- 2026 Concessionaire Audit:
  - Ms. Bodin reminded everyone that a handful of smaller concessionaires were chosen for this year's concessionaire audit. Several, such as the ATM agreement, shuttle operation, and mechanic agreement, had a few discrepancies with underpayments (a summary is located behind the Director's Executive Review in this month's board packet). TNC (Uber and Lyft)-there were no financial discrepancies found but it was found that the geofence was not updated by one of the TNC operators. The operator is retroactively paying for that oversight. Overall, a successful audit. Ms. Bodin shared that another goal of the concessionaire audits is to ensure that the agreements are being executed, and communication flow is strong.
- TSA LEO Program:
  - Ms. Bodin shared that the DAA used to receive an award for armed officers that are present during the hours that TSA is open, but the award ended in spring 2024. It's funded again for fiscal year 2026, and the DAA submitted the application last week, typically reimbursed about $100,000 per year. The fiscal year goes back to October 2025, and it's expected that with about 15 hours per day at the checkpoint, could be around $136,000 this year based on calculations.
- Budget:
  - Budgets were submitted to the operations director with the expectation that the budget draft will be brought to the board in October, with rates and charges coming at the same time, with November approval. It will then go to the city council for approval in December.
- GA Landing Fee Research:
  - Ms. Bodin shared GA landing fee analysis slides and explained that over the past few months, she has been studying data on general aviation landing fees at DLH. Ms. Bodin stated that the purpose is to review opportunities to improve the

financial position of the organization, as well as to support and grow opportunities. Also to determine through the evaluation if there is a different way to approach things that would be a better fit with the organization's goals. The board approved the current DAA Strategic Plan through 2030, which included a priority to study expanding the general aviation landing fees at DLH. Ms. Bodin shared several reasons as to why airports adopt transient fees, as well as common transient fee exemptions. Ms. Bodin also shared statistics about how many airports charge the transient fees and compared several locations for airports similar in size to DLH. Next, Ms. Bodin shared slides with the current DLH landing fees. Exemptions to the fees include aircraft such as military and base aircraft, as well as emergency landings, humanitarian flights, medevac, non-profit, and non-revenue generating aircraft under 12,500 pounds. Ms. Bodin also shared projected landing fees, including at different weight thresholds. Ms. Bodin shared DAA staff recommend not altering the 12,500-pound threshold.

- Dir. O'Brien commented that it was a thorough analysis.
- Dir. Hoff shared that he supports the recommendation, and there was a brief discussion about the topic, and Mr. Werner complimented Ms. Bodin's presentation and the plan to examine the GA Landing Fee this year as part of the strategic plan has been completed.
- Dir. Johnson thanked Ms. Bodin's efforts in providing this information and recognized the amount of work by Ms. Bodin and team.
- Dir. O'Brien asked if DAA is still engaged with the city on the stormwater issue, and Ms. Bodin shared that it's slightly on the back burner for now and anticipates the requirement of some additional exemptions that don't currently exist within their city code. Mr. Werner shared that DYT received a grant for stormwater mitigation and Ms. Bodin stated that this will result in a 90% reduction in stormwater fees at DYT, and both Mr. Werner and Ms. Bodin stated that it is a step in the right direction for possible movement of stormwater issue at DLH.

E. **Marketing/Communications:** Mr. Werner shared updates on Ms. Baker's behalf:
- NSR, implementing Ms. Baker's plan while she is out, Giant has been a great partner in assistance with social media updates, etc. There are also a few possible advertising opportunities that are in progress.
    - Dir. Hoff mentioned that someone expressed concern about the high cost of flying to ORD, and asked Mr. Werner if there's anything that can be communicated with the public to address this. Mr. Werner shared that it's possible to do so via social media or news, but will be a future priority with other timely matters to attend to at the moment.

F. **Legislative Update:** Mr. Werner provided an update on the following:
- Mr. Werner shared that at the end of the legislative session, the DAA was appropriated $2-4 million in additional state money. The MMB and MnDOT have awarded the DAA $2 million so far. Mr. Werner said the DAA will work to get the other $2 million in the next session.

G. **Presentations/Tours/Travel Recap:**
- Airport Cooperative Research Program: Mr. Werner shared this is the third panel that he's been on through the Academy of Sciences to develop literature that a paper and

conduct studies to help the industry. Currently working on a paper that will help airports, especially those the size of DLH, develop multidisciplinary teams. Mr. Werner was in Washington, DC, for a couple of days to work with the panel and looks forward to the eventual publication of the paper and that it's a way to for him to give back to the industry.

H. **Other:**
- Mr. Werner welcomed the newest DAA board member, Mr. Pat deGrood.
- DLH Rules and Standards Review: Mr. Werner shared that the consultant team produced the first draft and recently met with the senior DAA staff to go through all the proposed changes and red lines, which was a great opportunity to ask questions and offer additional insight. The next draft will be produced and released for public review and comment. There will be engagement with stakeholders, and it will be available and transparent to the public before the board is asked to take action on it. Mr. Werner will give progress updates at the next board meeting.
- Mr. Werner shared that the August board meeting will be at Sky Harbor Airport. It will be considered a special board meeting due to not being at its usual location.
- Mr. Werner shared that 25% of the DAA staff will be on a long-term leave for an extensive amount of time (maternity leave, injury leave, deployed service members), and the department(s) most impacted are Finance, Marketing/Communications, and Operations. As always, the goal is to maintain compliance, safety, and security at the airport. In early 2027, DAA will be back to full staff.

- Dir. Crawford 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 June 16, 2026 Meeting Minutes
- Dir. Crawford entertained questions or a motion.
  - Motion: Dir. Hoff
  - Second: Dir. Johnson
  - Abstain: None
  - Result: This resolution was adopted unanimously.

III. *DAA CASH DISBURSEMENTS

A. Operating Check Registers #14-18, 2026; Operating ACH Payment Registers #14-17, 2026; Construction ACH Payment Registers #8-10, 2026.

IV. *CORRESPONDENCE

A. DLH Airport Construction Newsletter. Email.
   i. June 12, 2026
   ii. June 19, 2026
   iii. June 26, 2026
   iv. July 2, 2026
   v. July 10, 2026

B. June 11, 2026: Duluth Airport Authority Breaks Ground on New Air Traffic Control Tower. AAAE Aviation News Today.
C. June 22, 2026: Airline Ticket Prices May Stay High as Carriers Bank Fuel Relief from Iran Deal. Reuters.
D. June 26, 2026: DLH Air Traffic Control Tower Construction Newsletter. Email.
E. July 1, 2026: Letter to DAA Board of Directors with Enclosures from 148th Fighter Wing and Duluth Area Chamber of Commerce RE: Defense Community Infrastructure Program Grant Application. DAA.
F. July 2, 2026: Letter of Support to Secretary Pete Hegseth from Senator Amy Klobuchar RE: Duluth Airport Authority, Defense Community Infrastructure Program.
G. July 11, 2026: Allegiant Executive Says Sun Country Brand Will be Phased Out Completely. Airline Geeks.
H. July 14, 2026: Letter of Support to Director Patrick O'Brien from Senator Tina Smith RE: Duluth Airport Authority's Grant Application for the Defense Community Infrastructure Program.

V. OPPORTUNITY FOR PERSONS TO BE HEARD

A. None.

VI. OLD BUSINESS

None.

VII. NEW BUSINESS

A. Resolution to Approve the ATCT Access and Snow Removal Agreement between the Duluth Airport Authority and the City of Duluth.
   - Mr. Welch shared that from the DAA's perspective, this agreement provides the city with long-term access necessary to own and maintain public utilities serving the new air traffic control tower while preserving the DAA's authority over airport security and operations. In exchange, the operations team will assume ongoing navigation for snow removal, for the city to have access to those things, maintenance and restoration of our property, and facilitate any future access that they need.
     Dir. Crawford entertained questions or a motion.
     - Motion: Dir. O'Brien
     - Second: Dir. Johnson
     - Abstain: None.
     - Result: This resolution was adopted unanimously.

B. Resolution to Accept and Award Construction Contract for Taxiway A Reconstruction – Phase 7 and Midfield Ramp Repair – Phase 4 at the Duluth International Airport between the Duluth Airport Authority and Shafer Contracting Co., Inc. Contract Award in the Amount of $10,620,910.37 for Base Bid construction and $3,660,771.35 Contract Award Amount for Bid Alternate construction contingent upon the availability of additional funding.
   - Mr. Welch shared that during the bidding process, the bidders were instructed that the base bid would be the basis for the project. The DAA knows that funding is available from the FAA, MnDOT, and ANG for the base bid. It is unknown at this time when and if funding will be available for the alternate. This method has been used to expand a project based on grant funding, this recommendation has been reviewed by legal counsel, and it is recommended to award the contract to Shafer Contractors.
     - Dir. Crawford entertained questions or a motion.

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

C. Resolution to Approve Work Order 2026-02 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Construction Administration of Taxiway A – Phase 7.
   - Mr. Welch shared the work orders includes the construction administration of observations and close out services for Taxiway A Reconstruction – Phase 7 here at DLH. The contract provisions are included in the master agreement dated March 27, 2023, and they remain in effect between the DAA and SEH. The federally eligible areas are anticipated to be funded at 95%, and the remaining 5% with 2.5% percent anticipated to be covered by MnDOT Office of Aeronautics, and the remaining 2.5% locally by the DAA. For federally ineligible areas, the funding is anticipated to be funded by the Air National Guard.
     - Dir. Crawford entertained questions or a motion.
     - Motion: Dir. Hoff
     - Second: Dir. O'Brien
     - Abstain: None.
       Result: This resolution was adopted unanimously.

D. Resolution to Approve Work Order 2026-03 between the Duluth Airport Authority and Short Elliot Hendrickson, Inc. for the Construction Administration of Midfield Ramp – Phase 4.
   - Mr. Welch shared that this work order includes the construction administration and closeout services for the midfield ramp Phase 4 repair project here at DLH. All contract provisions are as stated before; the project will be completed in 2027 as part of the larger taxiway alpha reconstruction effort. The project is eligible for MnDOT funding at 70% and the DAA is responsible for the remaining 30%.
     - Dir. Crawford entertained questions or a motion.
     - Motion: Dir. Henderson
     - Second: Dir. Johnson
     - Abstain: None.
       Result: This resolution was adopted unanimously.

E. Resolution to Approve the Write-Off of an Accounts Receivable Balance of $2,004 for Boris Goritchan Per Operating Policy #23.
   - Ms. Bodin shared that operating policy #23 requires board approval for any write-up in the amount of $1,000 or more, so that's why it is being presented here. This debt is going back to 2018, and in 2020 there was one payment made, but a handful of invoices remain open. Collection attempts have been made, and in March 2026, passed along to Credit Services International, but have been unable to collect payment. Ms. Bodin's recommendation to write off balance, anticipates collection efforts would be unsuccessful, and approval of this resolution would remove the balance from the DAA accounts receivables books. Ms. Bodin also shared that credit Services will still pursue, if successful retain their 10% fee and the rest would go to DAA. The associated aircraft has been removed from DYT, unlikely to return, and additional rules and guidance was provided to the DYT manager to prevent it from becoming an issue that results in the same outcome.

- Dir. Hoff asked if the outstanding fees were because of a hangar rental, and Ms. Bodin shared that they were tie-down fees.
- Dir. O'Brien and Mr. Werner discussed Ms. Delnay's diligence in pursuing this outstanding item.

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

F. Resolution Approving the Encumbrance of Additional Airport Operating Funds for EDA Grant Match.
   - Ms. Kayser shared that EDA grant requires that the DAA show that they've uncovered the full local share and the board needs to approve the amount.
     - Dir. Crawford entertained questions or a motion.
     - Motion: Dir. Johnson
     - Second: Dir. Henderson
     - Abstain: None.
       Result: This resolution was adopted unanimously.

G. *May 2026 Financial Reports
E. *July 2026 Accounts Receivable
F. *June 2026 Airline Statistics, Landline Statistic

VIII. DIRECTOR'S REPORTS

- Dir. Johnson thanked the DAA staff for their contributions to a successful air show.
- Dir. O'Brien also thanked Mr. Werner and Mrs. Werner for the hospitality at the air show.
- Dir. Crawford thanked Dir. Henderson's tenure as board president and for his strong leadership. Dir. Henderson appreciated the sentiment and said that it's an honor to be a part of the board and wished Dir. Crawford a great tenure as the current president.

ADJOURN: Dir. Crawford requested a motion to adjourn the meeting.

- Motion: Dir. O'Brien
- Second: Dir. Henderson
- Abstain: None.
- Result: The meeting was adjourned at 9:20 a.m. unanimously.

Respectfully submitted,

Aimee Bone
Administrative Coordinator

Approved: Tom Werner Digitally signed by Tom Werner Date: 2026.08.06 13:21:32 -05'00'

DULUTH AIRPORT AUTHORITY

DAA Executive Director

III. Cash Disbursements

Duluth Airport Authority
DAA Operating Check Register #20
31-Jul-26
12873-12878

Document Number	Date	Transaction Type	Payee	Amount
12872	7/31/2026	BILLPMT	NAPA Auto Parts	$34.35
12873	7/31/2026	BILLPMT	Baker, Natalie	$60.00
12874	7/31/2026	BILLPMT	Denny's Lawn And Garden	$38.62
12875	7/31/2026	BILLPMT	Duluth Lawn & Sport	$197.64
12876	7/31/2026	BILLPMT	Essentia Health	$242.00
12877	7/31/2026	BILLPMT	Superior Shooters Supply LTD	$250.00
12878	7/31/2026	BILLPMT	Syntech	$201.97
			Total	**$1,024.58**

Airport Director

Jaimie L. Domagala
Jaimie L. Domagala (Aug 4, 2026 13:49:15 CDT)
Finance Director

Tom Werner
Executive Director

Jason Crawford
Jason Crawford (Aug 3, 2026 09:35:54 CDT)
Board President

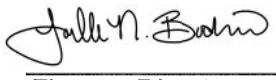
Jon R. Bailey (Jul 31, 2026 14:35:44 CDT)
City Treasury

Duluth Airport Authority
DAA Operating ACH Payment Register #18-2026
16-Jul-26
Confirmation #- 1910320

Document Number	Date	Transaction Type	Payee	Amount
00000234/1	7/16/2026	BILLPMT	Amazon	$515.81
00000234/10	7/16/2026	BILLPMT	Oberon3, Inc.	$126.00
00000234/11	7/16/2026	BILLPMT	Schindler Elevator Corp	$1,564.55
00000234/12	7/16/2026	BILLPMT	Sinnott, Paul	$60.00
00000234/13	7/16/2026	BILLPMT	Snell, Matthew J	$60.00
00000234/14	7/16/2026	BILLPMT	Spades LLC	$1,065.00
00000234/15	7/16/2026	BILLPMT	Spectrum Enterprise	$210.84
00000234/16	7/16/2026	BILLPMT	State Supply	$104.34
00000234/17	7/16/2026	BILLPMT	Twin Ports Paper Supply, Inc	$752.10
00000234/18	7/16/2026	BILLPMT	Venberg, Cole	$60.00
00000234/19	7/16/2026	BILLPMT	Vestis Uniforms and Workplace Supplies, Inc.	$120.54
00000234/2	7/16/2026	BILLPMT	Anderson, Derek	$131.21
00000234/20	7/16/2026	BILLPMT	Viking Industrial Center	$562.55
00000234/21	7/16/2026	BILLPMT	Waste Management of WI-MN	$115.13
00000234/22	7/16/2026	BILLPMT	Waste Management of WI-MN	$379.01
00000234/23	7/16/2026	BILLPMT	Waste Management of WI-MN	$2,076.86
00000234/24	7/16/2026	BILLPMT	Waste Management of WI-MN	$372.92
00000234/25	7/16/2026	BILLPMT	Welch, Ryan	$60.00
00000234/26	7/16/2026	BILLPMT	Werner, Thomas	$60.00
00000234/3	7/16/2026	BILLPMT	Bodin, Joelle	$60.00
00000234/4	7/16/2026	BILLPMT	Durfee, Tristan	$60.00
00000234/5	7/16/2026	BILLPMT	Giant Voices LLC	$7,690.00
00000234/6	7/16/2026	BILLPMT	Graves, John	$60.00
00000234/7	7/16/2026	BILLPMT	Kayser, Jana	$60.00
00000234/8	7/16/2026	BILLPMT	Menards - Hermantown	$27.06
00000234/9	7/16/2026	BILLPMT	Morinville Fabrication and Hydraulic Services LLC	$319.50
			Total:	**$16,673.42**



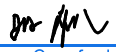
Airport Director



Finance Director

Tom Werner

Executive Director



Jason Crawford (Jul 15, 2026 16:13:12 CDT)

Board President



John Bailey (Jul 15, 2026 16:22:42 CDT)

City Treasury

ACH Payment Register #18-2026

Final Audit Report 2026-07-16

Created:	2026-07-15
By:	Elizabeth Schelde (eschelde@duluthairport.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAUdYGPbNSngY4DKlsbUYSWOlen_78WYxb

"ACH Payment Register #18-2026" History

Document created by Elizabeth Schelde (eschelde@duluthairport.com)
2026-07-15 - 9:09:48 PM GMT

Document emailed to Joelle Bodin (jbodin@duluthairport.com) for signature
2026-07-15 - 9:09:52 PM GMT

Document emailed to Tom Werner (twerner@duluthairport.com) for signature
2026-07-15 - 9:09:52 PM GMT

Document emailed to jcrawford@bell.bank for signature
2026-07-15 - 9:09:52 PM GMT

Document emailed to Josh Bailey (jbailey@duluthmn.gov) for signature
2026-07-15 - 9:09:52 PM GMT

Email viewed by jcrawford@bell.bank
2026-07-15 - 9:10:02 PM GMT

Signer jcrawford@bell.bank entered name at signing as Jason Crawford
2026-07-15 - 9:13:10 PM GMT

Document e-signed by Jason Crawford (jcrawford@bell.bank)
Signature Date: 2026-07-15 - 9:13:12 PM GMT - Time Source: server - Signature Appearance Selected: DRAW

Email viewed by Josh Bailey (jbailey@duluthmn.gov)
2026-07-15 - 9:22:28 PM GMT

Document e-signed by Josh Bailey (jbailey@duluthmn.gov)
Signature Date: 2026-07-15 - 9:22:42 PM GMT - Time Source: server - Signature Appearance Selected: DRAW

Email viewed by Joelle Bodin (jbodin@duluthairport.com)
2026-07-15 - 9:29:26 PM GMT

Adobe Acrobat Sign

Document e-signed by Joelle Bodin (jbodin@duluthairport.com)

Signature Date: 2026-07-15 - 9:29:34 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE

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

2026-07-16 - 11:52:29 AM GMT

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

Signature Date: 2026-07-16 - 11:53:05 AM GMT - Time Source: server - Signature Appearance Selected: IMAGE

Agreement completed.

2026-07-16 - 11:53:05 AM GMT

Adobe Acrobat Sign

Duluth Airport Authority
DAA Operating ACH Register #19-2026
27-Jul-26
Confirmatoin #-2050133

Document Number	Date	Transaction Type	Payee	Amount
00000236/1	7/27/2026	BILLPMT	American Association Of Airport Executives	$325.00
00000236/10	7/27/2026	BILLPMT	Menards - Hermantown	$29.02
00000236/11	7/27/2026	BILLPMT	Metro Sales, Inc.	$412.19
00000236/12	7/27/2026	BILLPMT	Tusker	$1,102.40
00000236/13	7/27/2026	BILLPMT	Tusker	$8,406.27
00000236/14	7/27/2026	BILLPMT	Tusker	$810.00
00000236/15	7/27/2026	BILLPMT	Tusker	$1,446.37
00000236/16	7/27/2026	BILLPMT	Twin Ports Paper Supply, Inc	$509.20
00000236/17	7/27/2026	BILLPMT	Twin Ports Paper Supply, Inc	$1,454.50
00000236/18	7/27/2026	BILLPMT	Vestis Uniforms and Workplace Supplies, Inc.	$120.54
00000236/2	7/27/2026	BILLPMT	CliftonLarsonAllen LLP	$1,132.50
00000236/3	7/27/2026	BILLPMT	EarthLink Business	$149.17
00000236/4	7/27/2026	BILLPMT	General Security Services Corporation	$27,070.00
00000236/5	7/27/2026	BILLPMT	Jamar Company	$1,068.69
00000236/6	7/27/2026	BILLPMT	Jamar Company	$13,998.77
00000236/7	7/27/2026	BILLPMT	Johnson Controls	$504.00
00000236/8	7/27/2026	BILLPMT	Marsh & McLennan Agency LLC	$3,890.00
00000236/9	7/27/2026	BILLPMT	Menards - Hermantown	$59.57
Total				**$62,488.19**

Airport Director

Finance Director

Tom Werner
Executive Director

Jason Crawford
Jason Crawford (Jul 24, 2026 12:01:48 CDT)
Board President

Josh Bailey (Jul 27, 2026 08:19:58 CDT)
City Treasury

Duluth Airport Authority
DAA Operating ACH Register #20-2026
3-Aug-26
Confirmatoin #-2120194

Document Number	Date	Transaction Type	Payee	Amount
00000237/1	8/3/2026	BILLPMT	Acme Tools	$9.46
00000237/10	8/3/2026	BILLPMT	Kraemer Construction, Inc.	$500.00
00000237/11	8/3/2026	BILLPMT	Lake City Towing	$300.00
00000237/12	8/3/2026	BILLPMT	Lift Pro	$113.32
00000237/13	8/3/2026	BILLPMT	Menards - Hermantown	$8.99
00000237/14	8/3/2026	BILLPMT	Menards - Hermantown	$175.86
00000237/15	8/3/2026	BILLPMT	Menards - Hermantown	$23.94
00000237/16	8/3/2026	BILLPMT	Menards - Hermantown	$119.96
00000237/17	8/3/2026	BILLPMT	Menards - Hermantown	$133.87
00000237/18	8/3/2026	BILLPMT	Menards - Hermantown	$4.39
00000237/19	8/3/2026	BILLPMT	Menards - West Duluth	$22.98
00000237/2	8/3/2026	BILLPMT	Apex	$1,250.00
00000237/20	8/3/2026	BILLPMT	Northern Engine & Supply	$125.88
00000237/21	8/3/2026	BILLPMT	Paul Bunyan Communications	$3,460.00
00000237/22	8/3/2026	BILLPMT	Pomp's Tire Service, Inc.	$515.64
00000237/23	8/3/2026	BILLPMT	Tusker	$3,995.16
00000237/24	8/3/2026	BILLPMT	Venberg, Cole	$37.96
00000237/25	8/3/2026	BILLPMT	Venberg, Cole	$818.13
00000237/26	8/3/2026	BILLPMT	Ziegler, Inc.	$750.00
00000237/3	8/3/2026	BILLPMT	Como Lube & Supplies	$2,981.75
00000237/4	8/3/2026	BILLPMT	Dooley's Petroleum, Inc.	$7,695.00
00000237/5	8/3/2026	BILLPMT	Fraction LLC	$5,602.50
00000237/6	8/3/2026	BILLPMT	Grainger, Inc.	$862.18
00000237/7	8/3/2026	BILLPMT	Inter City Oil (ICO)	$2,144.79
00000237/8	8/3/2026	BILLPMT	Inter City Oil (ICO)	$2,098.00
00000237/9	8/3/2026	BILLPMT	Kaplan Kirsch	$8,112.20
			Total	$41,861.96

Airport Director

Jaimie L. Domagala
Jaimie L. Domagala (Aug 4, 2025 13:48:32 CDT)
Finance Director

Tom Werner
Executive Director

Jason Crawford
Jason Crawford (Aug 3, 2025 09:49:27 CDT)
Board President

Josh Bailey (Jul 31, 2026 13:55:07 CDT)
City Treasury

DAA Construction Ach Payment Register #11-2026
20-Jul-26
ACH Payment Confirmation #1980235

Document Number	Date	Transaction Ty	Payee	Amount
00000235/1	7/17/2026	BILLPMT	1 Garver, LLC	$3,500.00
00000235/2	7/17/2026	BILLPMT	1 Garver, LLC	$3,500.00
00000235/3	7/17/2026	BILLPMT	1 Garver, LLC	$4,500.00
			Total	**$11,500.00**

Finance Director

Airport Director

Executive Director

Jason Crawford
Jason Crawford (Jul 17, 2026 15:55:47 CDT)
Board President

John Bailey (Jul 17, 2026 14:22:42 CDT)
City Treasury

DAA Construction ACH Payment Register #12-2026
5-Aug-26
ACH Payment Confirmation #2170313

Document Number	Date	Transaction Type	Payee	Amount
00000238/1	8/5/2026	BILLPMT	1 EXP US Services, Inc.	$63,210.08
00000238/2	8/5/2026	BILLPMT	1 EXP US Services, Inc.	$30,711.35
00000238/3	8/5/2026	BILLPMT	1 Hoffmann + Uhlorn Construction, Inc.	$348,951.87
00000238/4	8/5/2026	BILLPMT	1 Hoffmann + Uhlorn Construction, Inc.	$361,959.64
00000238/5	8/5/2026	BILLPMT	1 Johnson Wilson Constructors	$186,400.45
00000238/6	8/5/2026	BILLPMT	1 Shafer Contracting Co., Inc.	$1,771,025.08
00000238/7	8/5/2026	BILLPMT	1 Short Elliott Hendrickson	$143,290.00
00000238/8	8/5/2026	BILLPMT	1 Short Elliott Hendrickson	$2,600.00
00000238/9	8/5/2026	BILLPMT	1 Short Elliott Hendrickson	$10,580.00
00000238/10	8/5/2026	BILLPMT	1 Short Elliott Hendrickson	$2,825.00
00000238/11	8/5/2026	BILLPMT	1 Short Elliott Hendrickson	$24,325.00
00000238/12	8/5/2026	BILLPMT	1 Short Elliott Hendrickson	$2,907.00
00000238/13	8/5/2026	BILLPMT	1 Short Elliott Hendrickson	$71,230.00
00000238/14	8/5/2026	BILLPMT	1 Short Elliott Hendrickson	$8,075.00
00000238/15	8/5/2026	BILLPMT	1 Short Elliott Hendrickson	$19,800.00
			Total	**$3,047,890.47**

Airport Director

Jaimie Domagala
Jaimie Domagala (Aug 5, 2026 14:51:22 CDT)
Finance Director

Tom Werner
Executive Director

Jason Crawford
Jason Crawford (Aug 5, 2026 13:38:31 CDT)
Board President

Josh Bailey (Aug 6, 2026 09:21:52 CDT)
City Treasury



Construction Newsletter

Duluth International Airport (DLH)

July 17, 2026

Taxiway A - Phase 6 Reconstruction

This Week
Following the airshow, construction operations resumed on Tuesday of this week. On Tuesday morning, the Phase 6B & Midfield Ramp Ph. 3 work areas were added to the closures for construction. Work items this week included traffic control, erosion control, saw cutting, and initial pavement removal preparation on the Midfield Ramp. Phase 6A construction operations continued, including soil correction work, subgrade preparation, and storm sewer installation. To aid in the ongoing soil correction work, the contractor began hauling from existing soil borrow sources near the Cirrus Innovation Center and Airport Fire Station.

Work was intermittently impacted later in the week due to deteriorating air quality from the ongoing wildfires.

Next week
Next week, the contractor is expected to continue with storm sewer installation and soil correction work within the Taxiway A work area. Pavement removals and excavation on the Midfield Ramp may begin in the next week. Other work taking place may include continued subgrade preparation, subbase compaction, and draintile installation.

It is anticipated that hauling from the soil borrow source on the north side of the field will continue next week. Please exercise caution due to additional construction traffic along the Perimeter Road.

- Phase 6A: May 18 to late September 2026
  - Taxiway A Reconstruction, between Taxiway R2 and A2
- Phase 6B: July 14 to late September 2026
  - Taxiway A Reconstruction, through the Taxiway A2 intersection
- Midfield Ramp Reconstruction – Phase 3: July 14 to late September 2026
  - Reconstruct northwest portion of the Midfield Ramp
- Phase 6A-1: Anticipated late summer 2026
  - Taxiway W Construction, within the Runway 9/27 Safety Area

---

Taxiway A Phase 6 construction phasing plans are available to download using the link below.

DLH Taxiway A Phase 6 Construction Safety Phasing Plan [PDF]







North Business Development Area (NBDA) Hangar Construction

Upcoming exterior work includes the final layer of asphalt on the parking and ambulance access drive. Interior work includes ceiling grid, flooring, casework, and paint for the next couple of weeks.

The northwest corner of the NBDA ramp remains closed and will be closed for the duration of the project.

Proposed Schedule (subject to change)

- August 2025 to August 2026





PLEASE NOTE

All construction dates are subject to change.

Airfield NOTAMs should be checked to confirm the current status of the airfield.

Project Contact Information

Ryan Welch, Director of Operations, Planning, and Construction - Duluth Airport Authority
rwelch@duluthairport.com

knelson@sehinc.com

Jessica Vinson, Project Manager - SEH
jvinson@sehinc.com

---

unsubscribe from this list update subscription preferences





Duluth International Airport
(218) 727-2968
daa@duluthairport.com



Construction Newsletter

Duluth International Airport (DLH)

July 25, 2026

Taxiway A - Phase 6 Reconstruction

This Week
Work items this week included continued storm sewer installation and soil correction work within the Taxiway A work area. Hauling of material from the soil borrow source on the north side of the airfield continued throughout the week. The contractor also completed asphalt milling on the west end of the project on Taxiway A.

Next week
Next week, the contractor is expected to continue with storm sewer installation and soil correction work within the Taxiway A work area. Pavement removals and excavation on the Midfield Ramp may begin in the next week. Other work taking place may include continued subgrade preparation, subbase compaction, draintile installation, and electrical installations.

It is anticipated that hauling from the soil borrow source on the north side of the field may continue intermittently next week. Please utilize caution for additional construction traffic along the Perimeter Road.

Proposed Schedule (subject to change)

- Phase 6A: May 18 to October 2026
  - Taxiway A Reconstruction, between Taxiway R2 and A2
- Phase 6B: July 14 to October 2026
  - Taxiway A Reconstruction, through the Taxiway A2 intersection
- Midfield Ramp Reconstruction – Phase 3: July 14 to October 2026

- Taxiway W Construction, within the Runway 9/27 Safety Area

Taxiway A Phase 6 construction phasing plans are available to download using the link below.

DLH Taxiway A Phase 6 Construction Safety Phasing Plan [PDF]







North Business Development Area (NBDA) Hangar Construction

The northwest corner of the NBDA ramp remains closed and will be closed for the duration of the project.

Proposed Schedule (subject to change)

- August 2025 to August 2026





PLEASE NOTE

All construction dates are subject to change.
Airfield NOTAMs should be checked to confirm the current status of the airfield.

Project Contact Information

Ryan Welch, Director of Operations, Planning, and Construction - Duluth Airport Authority
rwelch@duluthairport.com

Kyle Nelson, Project Manager - SEH
knelson@sehinc.com

Jessica Vinson, Project Manager - SEH
jvinson@sehinc.com

unsubscribe from this list update subscription preferences



Construction Newsletter

Duluth International Airport (DLH)

July 31, 2026

Taxiway A - Phase 6 Reconstruction and Midfield Ramp Reconstruction - Phase 3

This Week
Work items this week included completing storm sewer installation and continuing soil correction work. Pavement removals continued within the Phase 6B work area, and pavement removals began on the Midfield Ramp. Crushing operations also began this week to process removed pavement materials into subbase material. The electrical contractor continued work with removals of existing duct bank and additional electrical installations throughout the project. The contractor also continued subgrade preparation within the Taxiway W work area.

Next week
The contractor is expected to continue with soil correction work and pavement removals are expected to continue within the Phase 6B work area and on the Midfield Ramp, with crushing operations continuing to process removed pavement materials. Other work taking place may include continued subgrade preparation, subbase installation, draintile installation, and electrical installations.

Hauling from the soil borrow source on the north side of the field may occur intermittently as needed. Please utilize caution for additional construction traffic along the Perimeter Road.

Proposed Schedule (subject to change)

- Phase 6A: May 18 to October 2026

    - Taxiway A Reconstruction, through the Taxiway A2 intersection
- Midfield Ramp Reconstruction – Phase 3: July 14 to October 2026
    - Reconstruct northwest portion of the Midfield Ramp
- Phase 6A-1: Anticipated late-summer and early-fall 2026
    - Taxiway W Construction, within the Runway 9/27 Safety Area

---

Taxiway A Phase 6 construction phasing plans are available to download using the link below.

DLH Taxiway A Phase 6 Construction Safety Phasing Plan [PDF]







North Business Development Area (NBDA) Hangar Construction

Miscellaneous interior finish items remain while the exterior work is complete pending the temporary fence removal, which is expected in the next two weeks.

The northwest corner of the NBDA ramp remains closed and will be closed for the duration of the project.

Proposed Schedule (subject to change)

- August 2025 to August 2026





PLEASE NOTE

All construction dates are subject to change.

Airfield NOTAMs should be checked to confirm the current status of the airfield.

Project Contact Information

Ryan Welch, Director of Operations, Planning, and Construction - Duluth Airport Authority
rwelch@duluthairport.com

Kyle Nelson, Project Manager - SEH
knelson@sehinc.com

Jessica Vinson, Project Manager - SEH
jvinson@sehinc.com

unsubscribe from this list update subscription preferences



Construction Newsletter

Duluth International Airport (DLH)

August 7, 2026

Taxiway A - Phase 6 Reconstruction and Midfield Ramp Reconstruction - Phase 3

UPCOMING RUNWAY 9/27 CLOSURE

Runway 9/27 is currently scheduled to be closed for approximately 60 hours beginning on August 28, 2026 to facilitate Phase 6A-1 construction operations. Runway 3/21 will remain available for aircraft operations. An additional closure is planned for late September.

This Week

Work items this week included continued soil correction work within the Taxiway A work area and the completion of pavement removals within the Phase 6B and Midfield Ramp Phase 3 work areas. Crushing operations also continued this week to process removed pavement materials into subbase material. Additional work included subgrade preparation, subbase installation, and draintile installation on Taxiway W.

Next week

Next week, the contractor will continue with soil correction work within the Taxiway A work area. Crushing operations are expected to be completed. Other work taking place will include continued subgrade preparation, subbase installation, draintile installation, and electrical installations.

Hauling from the soil borrow source on the north side of the field may occur intermittently as needed. Please utilize caution for additional construction traffic along the Perimeter Road.

- Phase 6A: May 18 to October 2026
  - Taxiway A Reconstruction, between Taxiway R2 and A2
- Phase 6B: July 14 to October 2026
  - Taxiway A Reconstruction, through the Taxiway A2 intersection
- Midfield Ramp Reconstruction – Phase 3: July 14 to October 2026
  - Reconstruct northwest portion of the Midfield Ramp
- Phase 6A-1: 60 hours beginning on August 28, 2026
  - Taxiway W Construction, within the Runway 9/27 Safety Area

---

Taxiway A Phase 6 construction phasing plans are available to download using the link below.

DLH Taxiway A Phase 6 Construction Safety Phasing Plan [PDF]







North Business Development Area (NBDA) Hangar Construction

Miscellaneous interior finish items remain while the exterior work is complete pending the temporary fence removal, which is expected in the next two weeks.

The northwest corner of the NBDA ramp remains closed and will be closed for the duration of the project.

Proposed Schedule (subject to change)

- August 2025 to August 2026





PLEASE NOTE

All construction dates are subject to change.

Airfield NOTAMs should be checked to confirm the current status of the airfield.

Project Contact Information

Ryan Welch, Director of Operations, Planning, and Construction - Duluth Airport Authority
rwelch@duluthairport.com

Kyle Nelson, Project Manager - SEH

Air Traffic Control Tower Construction Newsletter Duluth International Airport (DLH)

July 17, 2026

Construction activities continue, including the installation of storm structures throughout the site. Concrete paving equipment and materials were mobilized to the project site in preparation for upcoming footing and foundation work.

Over the next several weeks, crews are expected to excavate for the slab at the tower base and work on the fire suppression system tie-in at JetDuluth. Work will also include forming and tying reinforcing steel for the mat slab base and beginning water main installation along the new Stebner Road alignment. Crews are also anticipated to begin pouring building footings and foundations, installing mechanical rough-ins within the foundation area, and continuing the installation of utility infrastructure along the south side of the maintenance building.







Project Contact Information

Ryan Welch, Director of Operations, Planning, and Construction - Duluth Airport Authority
daa@duluthairport.com

unsubscribe from this list update subscription preferences

DULUTH AIRPORT AUTHORITY

July 15, 2026

Karla Culhane
City Administrator
City Hall, Room 422
411 West First Street
Duluth, MN 55802

RE: National Emergency Use Provision (NEUP) Removal from Airport Property Parcel for Development

Dear Ms. Culhane,

The Duluth Airport Authority (DAA) has been working with Minnesota Power on the development of a non-aeronautical development project on airport property located in the City of Rice Lake. The parcels the DAA plans to lease to Minnesota Power were obtained from the federal government and include a National Emergency Use Provision (NEUP) recorded encumbrance conveyed to the City of Duluth as the grantee in a 1985 Quitclaim deed. The NEUP is a legal clause that temporarily suspends standard property rights or land-use restrictions, allowing the federal government to seize, control, or redirect private and public property during a declared war or national emergency. To lease the property to Minnesota Power on a long-term basis, the NEUP must be removed from the property record. The Federal Aviation Administration is requesting that the Duluth City Council approve the removal of the NEUP because the property Quitclaim deed is in the name of the City of Duluth. Under the 1969 DAA Enabling Legislation, real property acquisitions, disposals, and conveyances require approval of the Duluth City Council. The DAA recommends approval by the city council to enable the significant non-aeronautical development project to move forward. The legal description of the property is enclosed, along with other airport property maps.

Our attorney shall be working with my team to draft the necessary city council resolution. We request the timely inclusion of this item on an upcoming city council agenda.

Should you have any questions, do not hesitate to reach out to me. Thank you in advance for your support of this important airport economic development initiative.

Sincerely,

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

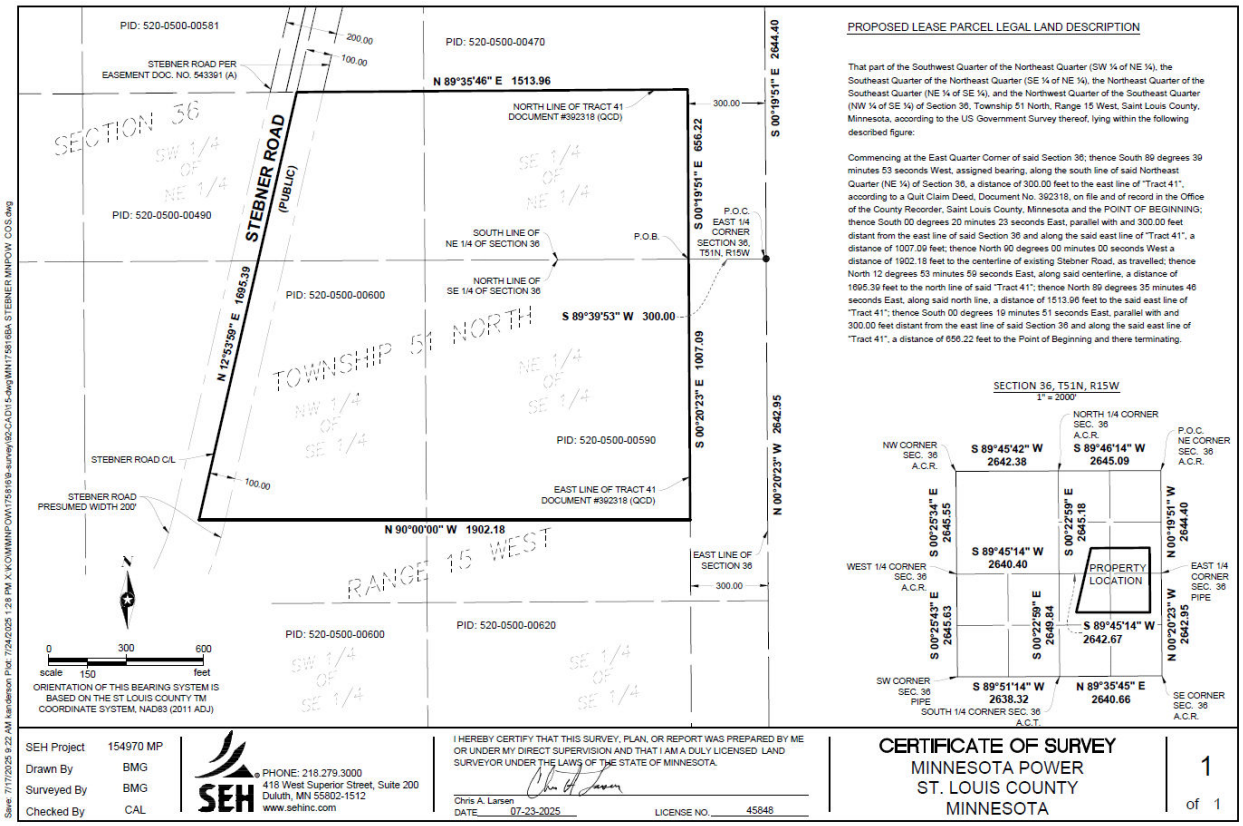
ENCLOSURES

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

DULUTH AIRPORT AUTHORITY

ENCLOSURES

Proposed Lease Parcel Legal Land Description



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

DULUTH AIRPORT AUTHORITY

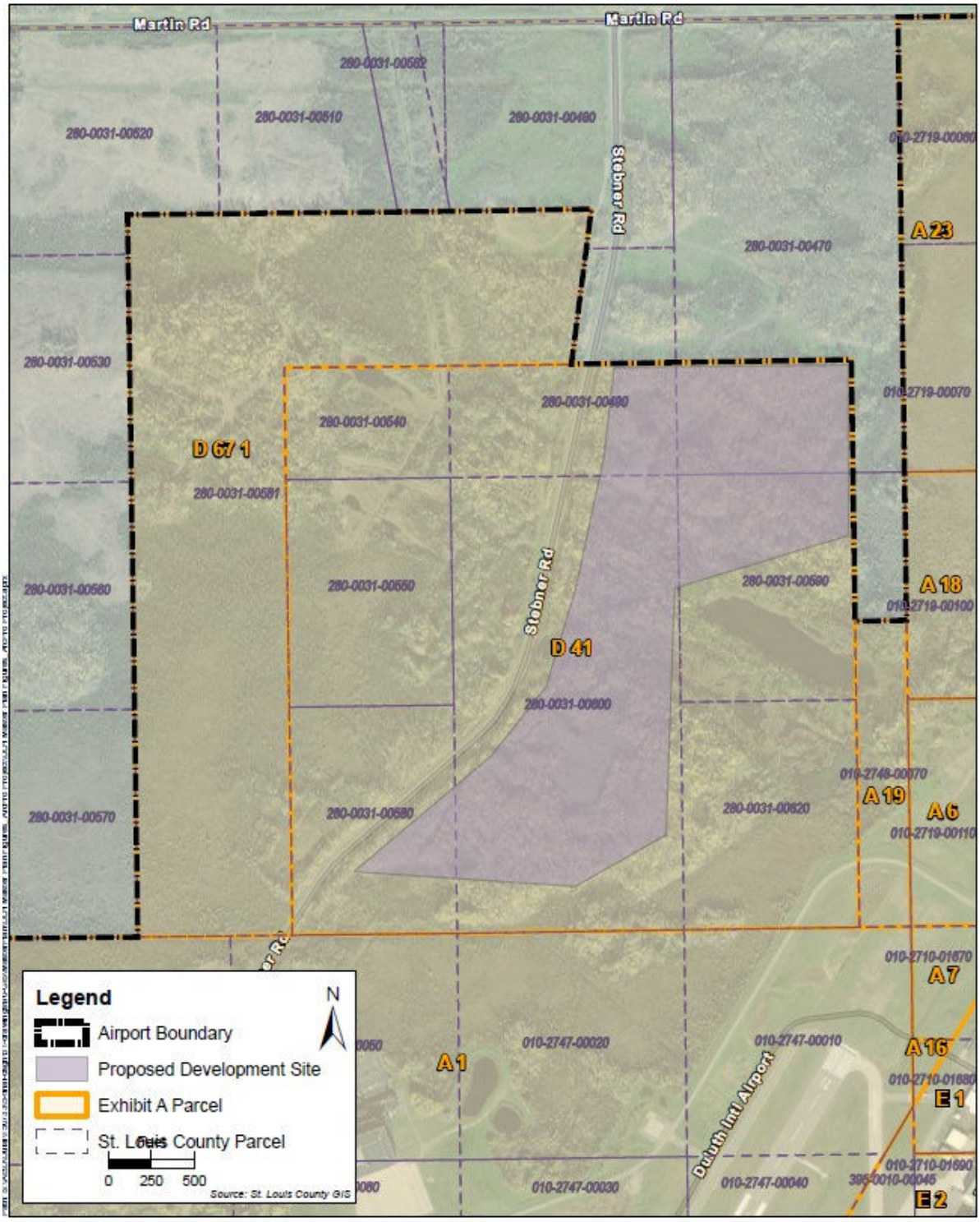
Parcel Map

SEH

Duluth International Airport Land Release — **Figure 1**

Duluth International Airport
Duluth, Minnesota

Non-Aeronautical Development Site #2
09/2022; DULAI



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

DULUTH AIRPORT AUTHORITY

July 16, 2026

Senator Amy Klobuchar
425 Dirksen Senate Office Building
Washington DC, 20510

RE: Oppose the Inclusion of Section 105 in Final Aviation Safety Legislation (July 2026)

Senator Klobuchar,

I am writing to urge your opposition to Section 105 of the House-passed Airspace Location and Enhanced Risk Transparency (ALERT) Act and its inclusion in any final aviation safety legislation approved by Congress. The provision would prohibit airports from utilizing Automatic Dependent Surveillance-Broadcast (ADS-B) data to collect fees or investigate potential safety and noise violations.

Supporters argue the restriction is necessary because some pilots may disable ADS-B – which transmits an aircraft's precise location to other pilots, air traffic controllers, and airports – to avoid paying a modest airport user fee. These fees typically represent a tiny fraction of routine aircraft operating costs such as fuel, maintenance, insurance, hangar rentals, and other expenses that often equate to hundreds if not thousands of dollars an hour for aircraft owners. Section 105 does not seek to address pilot safety practices.

Most airports are enterprise funds of government, meaning they must charge their users fees to operate, maintain, and improve their airports. In fact, Congress has mandated that airport sponsors assess fees for operator use of runways and taxiways, as appropriate, to ensure the airport is self-sustaining. Specifically, under 49 U.S.C. § 47107(a)(13), Congress requires federally obligated sponsors to "maintain a schedule of charges for use of facilities and services at the airport that will make the airport as self-sustaining as possible under the circumstances existing at the airport, including volume of traffic and economy of collection." While the Duluth Airport Authority (DAA) does not currently use the technology for this purpose, we are considering it. As operating and construction costs have gone up, the ability to collect commensurate revenue from different sectors of aviation has not. Airports must preserve the ability to impose reasonable and necessary fees on both commercial and general aviation aircraft.

The DAA strongly supports efforts in Congress to advance aviation safety legislation, and we are committed to enhancing the safety of our facilities for all users. Section 105 moves in the wrong direction. It shifts costs away from private aircraft operators to others while making it more difficult to administer reasonable user fees and support safety oversight.

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

DULUTH AIRPORT AUTHORITY

As Congress seeks to finalize important aviation safety legislation, we urge you to reject the inclusion of Section 105 of the ALERT Act or similar provisions.

Thank you for your consideration and support for Duluth's airports.

Sincerely,

Tom Werner Digitally signed by Tom Werner
Date: 2026.07.16 07:33:35 -05'00'

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

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

Crew Attrition Forces Sun Country Schedule Cuts

The carrier reduced roughly one-third of its September flying as it balances pilot staffing with increased cargo demand.

Ryan Ewing • Thursday, July 16, 2026 at 06:30 AM ET Verified Edited By: Zach Vasile



A Sun Country Boeing 737-800 (Photo: Shutterstock | Natmac Stock)

Listen to this Article

Search for

Ad Focused Buzz

Instaread

Key Takeaways:

Sun Country reduced its September schedule after higher-than-expected crew attrition and additional cargo flying created staffing pressure, according to an internal memo viewed by AirlineGeeks.

In a July 3 message to Allegiant and Sun Country flight crews, Allegiant CEO Greg Anderson said the carrier trimmed its fall scheduled capacity "due to higher-than-expected front-line crew attrition combined with increased cargo flying."

Anderson said passenger and cargo operations rely on the same crews. He described the reductions as temporary and said the company is increasing pilot hiring to rebuild staffing in Minneapolis/St. Paul.

GET THE LATEST IN AIRLINE NEWS

Your Email Address*

SUBSCRIBE

In a separate statement to AirlineGeeks, the company attributed the reductions to seasonal demand, higher-than-expected cargo flying, and an expanded pilot pathway program that requires experienced pilots to move into instructor roles.

Sun Country removed roughly 348 September departures from its schedule, representing about one-third of the month's previously planned flying, according to Cirium Diio schedule data.

The reductions are largely limited to September. Schedules from October 2026 through April 2027 remain mostly unchanged, while the airline added flights on several routes, including additional service between Minneapolis/St. Paul and Providence, Rhode Island.

September Suspensions

In total, Sun Country reduced service on 34 routes. Seven Minneapolis routes were suspended for the month: Cancún; San Juan, Puerto Rico; Destin-Fort Walton Beach, Florida; Asheville and Raleigh-Durham, North Carolina; Baltimore/Washington; and Phoenix-Mesa.

Several routes that remain scheduled also received significant cuts. Flights between Minneapolis/St. Paul and Los Angeles were reduced by approximately 39%, while Orlando and San Francisco saw similar reductions. Chicago O'Hare service was cut by about 62%.

Sun Country has continued expanding its cargo operation for Amazon Air using Boeing 737 freighters. In January, the airline also opened its first operational base outside Minneapolis at Cincinnati/Northern Kentucky International Airport, a major hub for Amazon's air cargo network.

The schedule changes come as Allegiant integrates Sun Country following the completion of its acquisition on May 13.

In the memo, Anderson said Allegiant and Sun Country will continue operating as separate airlines under separate operating certificates until the Federal Aviation Administration approves a single operating certificate. He estimated that process could take between 18 and 24 months.



An Allegiant Airbus A320 (Photo: Shutterstock | Joe A. Kunzler)

Each pilot group will also remain under its existing collective bargaining agreement until joint contract negotiations begin, according to Anderson.

The company does not expect to close additional bases beyond the previously announced Savannah, Georgia, and Bellingham, Washington, locations. Anderson also said future growth in Minneapolis would include additional locally based crews rather than displacing existing employees, though some flying could eventually be operated from legacy Allegiant bases.

Sun Country's approximately 670 pilots are represented by the Air Line Pilots Association. Their contract became amendable in December 2025.

Allegiant pilots, represented by the Teamsters, reached a tentative agreement on July 11 that includes pay increases and an estimated $300 million in retention bonuses.

“The spike in attrition among our pilot group is deeply concerning,” Capt. Sam Larson, chair of the Sun Country Master Executive Council, said in a statement provided to AirlineGeeks. “We expect management to address the root causes without delay and to make the long-term stability of this airline and our pilots the priority, not a short-term fix.”

SHARE THIS STORY



Ryan Ewing

Ryan founded AirlineGeeks.com back in February 2013 and has amassed considerable experience in the aviation sector. His work has been featured in several publications and news outlets, including CNN, WJLA, CNET, and Business Insider. During his time in the industry, he's worked in roles pertaining to airport/airline operations while holding a B.S. in Air Transportation Management from Arizona State University along with an MBA. Ryan has experience in several facets of the industry from behind the yoke of a Cessna 172 to interviewing airline industry executives. Ryan works for AirlineGeeks' owner FLYING Media, spearheading coverage in the commercial aviation space.

Related Stories

Saturday, July 18, 2026

JetBlue Cuts Route to Florida



Service will end later this summer.

Friday, July 17, 2026

Livery of the Week: Lufthansa’s First Airbus A350-1000



The special centennial design features an oversized white crane against dark blue.

July 28, 2026

Natalie Baker
Duluth International Airport
4701 Grinden Drive
Duluth, MN 55811

Natalie,

As we conclude the 2026 Duluth Air and Aviation Expo, presented by Essentia Health and Members Cooperative Credit Union, I want to thank you for your partnership! The event continues to grow in reach and scale, and we could not host this world-class event in Duluth without your support! Our initial estimates show a much-needed influx of tourism dollars into our local economy of over $20 million dollars during the event week. Additionally, your partnership supports more than 60 area non-profit and civic groups that volunteered at the event and will receive a donation to grow and sustain their important and impactful efforts in our community.

The Duluth Airshow, presented by Essentia Health and Members Cooperative Credit Union, also provided educational opportunities in aviation and aerospace careers. With the help of local businesses, higher education institutions, high schools and STEM programming we were able to feature our community as a mecca for aviation as well as showcase our hospitality and tourism sectors.

We continued to build upon the live-streamed preshow to engaged visitors traveling to the airshow as well as those who were already onsite. Programming included event specific messaging, sponsor interviews as well as featured partner and performer spotlights. We look forward to continuing to leverage our social platforms to connect you and your organization with our audience in new and exciting ways!

The skies were blue and bright both days of the event this year providing a fantastic backdrop for the United States Air Force Thunderbirds who thrilled audiences with their demonstration of precision and skill! The team spent an unforgettable week in Duluth experiencing our many unique and exciting destinations throughout the Northland. Planning is well underway for next year's show that will take place in just under 12 months on June 26th and 27th, 2027 when we will welcome back the United States Navy Blue Angels!

On behalf of the Duluth Airshow Leadership Team, Committee Members, Staff and Volunteers, I want to personally thank you for your commitment to the 2026 show and for your ongoing support of Duluth Air and Aviation Expo, presented by Essentia Health and Members Cooperative Credit Union, as we head into 2027.

Respectfully,

Ryan Kern
President/Founder
Duluth Airshow

RECEIVED
AUG - 3 2026

News Details

VIEW ALL NEWS

Allegiant Adds Free Drinks, Introduces New Class of Premium Seating

07/29/2026

Starting Aug. 1, passengers will enjoy free inflight beverage service, while select aircraft in 2027 will feature a new premium seating option: Allegiant First

LAS VEGAS, July 29, 2026 /PRNewswire/ -- Allegiant Travel Company (NASDAQ: ALGT) today announced it is introducing several new features that will enhance the customer experience, including complimentary inflight beverage service and a new tier of premium seating.

Beginning August 1, 2026, Allegiant customers will receive complimentary beverage service aboard all Allegiant flights, and starting in spring 2027, Allegiant First will offer an upgraded seating experience designed to give travelers more choice, greater comfort and added flexibility across the Allegiant network.

Through the new in-flight service, passengers can enjoy free beverage options, including soft drinks such as sodas, juice, and water.

Allways Rewards Visa® cardholders will have additional complimentary beverage options including elevated beverages such as coffees, protein shakes, sports drinks or alcohol and a mixer.*

In addition to the complimentary beverages, Allegiant announced that Allegiant First will debut and be phased in on select aircraft in 2027. The new product represents the latest step in the company's long-term strategy to modernize customer experience while expanding ancillary and premium travel offerings for leisure-focused travelers.

The new seating class will consist of eight seats, configured two-by-two in the front of the aircraft, offering a more spacious and refined onboard environment. The seats will have a five-inch recline, calf rests and adjustable headrest in addition to more legroom and a 37-inch pitch, enhanced amenities and upgraded service elements tailored to customers seeking a more premium travel option.

Allegiant First also provides passengers with priority access to check in and board flights. The fare will include one personal item, one carry-on bag and one checked bag (up to 70 pounds).

Initial flights are expected to launch in spring 2027, with seats anticipated to go on sale mid-August. The new product will complement – not replace – Allegiant Extra™, further broadening the premium options available to customers across the airline's evolving portfolio.

As Allegiant and Sun Country continue integration, the premium seating initiative and new complimentary offerings are expected to play an important role in the combined airline's broader commercial strategy, creating greater consistency in onboard offerings while allowing the company to better serve a wider range of leisure travelers – from budget-conscious customers to those seeking a more elevated vacation experience.

Las Vegas-based Allegiant (NASDAQ: ALGT) is an integrated travel company with an airline at its heart, focused on connecting customers with the people, places and experiences that matter most. Through Allegiant Air and Sun Country Airlines, the company serves approximately 22 million annual customers across scheduled passenger, charter and cargo operations. Together, the airlines operate more than 650 routes serving nearly 175 cities throughout the United States and select international destinations. Allegiant is committed to providing affordable travel options, operational excellence and long-term value for customers, employees, communities and shareholders. For more information, visit Allegiant.com.

Media information, including photos, is available at http://gofly.us/iiFa303wrtF

Media Contact
Phone: 702-800-2020
Email: mediarelations@allegiantair.com

View original content to download multimedia:https://www.prnewswire.com/news-releases/allegiant-adds-free-drinks-introduces-new-class-of-premium-seating-302838147.html

SOURCE Allegiant Travel Company

VIEW ALL NEWS

DULUTH AIRPORT AUTHORITY

August 5, 2026

City of Duluth
Treasurer's Office
Attn: Josh Bailey
411 W. 1st Street
Duluth, MN 55802

SUBJECT: DULUTH AIRPORT AUTHORITY $10,000,000.00 LINE OF CREDIT DRAW REQUEST IN THE AMOUNT OF $2,723,000.00.

Based on resolution 25-0928R (Resolution authorizing the City of Duluth to provide a revolving line of credit in the amount of $10,000,000 for the Duluth Airport Authority) the Duluth Airport Authority requests a draw in the amount of $2,723,000.00 bearing interest based on the effective federal funds rate as published at the time of this request +.50% (per promissory note agreement). The requested date for funding is August 5, 2026.

Sincerely,

Tom Werner

Tom Werner
Executive Director
Duluth Airport Authority

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

Resolution to Accept and Authorize the TSA Law Enforcement Officer Reimbursement Agreement Program Grant Award and Agreement, and Any Future Modifications with Executive Director Approval.

Executive Summary

Terms TBD:

- ***OTA Request to be completed.***

Overview:

- There is one LEO assigned to the checkpoint at DLH during all open checkpoint hours (approximately 15 hours/day). This equates to 5,475 hours per year.
    - DLH separately contracts for armed law enforcement appointed as Airport Police to fulfill security mandates. Current contracted rates are detailed below.

Period of Performance	Service	Contracted Monthly Rate of Pay	Hourly Rate of Pay	Estimated Checkpoint Hours Per Day	Estimated Checkpoint LEO Cost Per Day	Estimated Checkpoint Hours Per Year	Estimated Checkpoint LEO Cost Per Year
YEAR 1 (2025-2026)	24/7 LEO	$ 25,299.00	$ 34.66	15	$ 519.84	5,475	$ 189,743
YEAR 2 (2026-2027)	24/7 LEO	$ 26,770.00	$ 36.67	15	$ 550.07	5,475	$ 200,775
YEAR 3 (2027-2028)	24/7 LEO	$ 27,650.00	$ 37.88	15	$ 568.15	5,475	$ 207,375
Total Estimated Program Costs Over Three Year Program Period							$ 597,893

- The TSA LEO Reimbursement Agreement Program will reimburse a portion of these expenses.
- This program was discontinued in 2023 and has been reinstated.
    - For reference: In 2023 the reimbursement received from this program was over $100,000 with the reimbursement rate set at $20 per hour (approximately 5000 hours).
    - Hours and rates for the current award are still pending.

Prepared By: Jaimie Domagala

Duluth Airport Authority
Air Carrier Incentive Program (ACIP) Amendment

Terms: Effective September 18, 2026

Background: Compliant with the Federal Aviation Administration's Air Carrier Incentive Program guidance issued December 7,2023 and the Duluth Airport Authority's Air Carrier Incentive Policy, the ACIP adheres to the following principles:

- Discrimination between carriers participating in an Air Carrier Incentive Program (ACIP) and non-participating carriers must be justified and time limited.
- A sponsor may not use airport revenues to subsidize air carriers.
- A sponsor may not cross-charge non-participating carriers or other aeronautical users to subsidize ACIP carriers.
- The terms of an ACIP should be made public.
- Use of airport funds for an ACIP must not adversely affect airport operations or maintenance.

Overview: The purpose of the ACIP is to maximize available commercial air service that supports the economic growth, stability, and quality of life in the region. It identifies airport destinations, incentivized by the DAA for new service. The promotional incentives to airlines aim to:

- Increase travel using DLH and/or
- Promote air carrier competition at DLH.

The ACIP shall be updated at the discretion of the DAA. The program shall be approved by the DAA Board of Directors. Once adopted it'll be posted on DLH's website for 30 days before becoming active.

The ACIP is available to any commercial airline who does or is willing to provide regularly scheduled service to and from DLH. There is no obligation to provide incentives to commercial airlines for those destinations not listed in the ACIP.

Why were the changes in key terms needed/wanted? Changes include removal of Ft Myers, FL as an incented destination now that Sun Country will be serving the route this winter.

Duluth Airport Authority Air Carrier Incentive Program for the Duluth International Airport

Effective: September 18, 2026

Expires: Carrier must sign an incentive agreement no later than December 31, 2027

Service Type	New/Underserved Market (Airport Code)	Incentive Available Landing Fees	Incentive Available Terminal Rents/Fees	Incentive Available Marketing/ Promotional Support	Significant Increase in Service (Routes Already in Service
Seasonal	PHX, AZA (Phoenix/Mesa, AZ)	100% waiver for 36 mos	100% waiver for 36 mos	The DAA will spend a minimum of $50,000 over 36 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.	
Year-round	DTW (Detroit, MI)	100% waiver for 24 mos	100% waiver for 24 mos	The DAA will spend a minimum of $30,000 over 24 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.	
Seasonal	LAS (Las Vegas, NV)	100% waiver for 36 mos	100% waiver for 36 mos	The DAA will spend a minimum of $50,000 over 36 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.	
Year-round	ORD (Chicago, IL)	100% waiver for 12 mos. See DLH Air Carrier Incentive Policy for applicability.	100% waiver for 12 mos. See DLH Air Carrier Incentive Policy for applicability.	The DAA will spend a minimum of $30,000 over 12 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.	*Incumbent Carrier* - 1,064 increase in weekly seats during incentive period. *New Entrant Carrier* - 1,064 weekly seats minimum during incentive period
Seasonal	PIE (Tampa/St Petersburg, FL)	100% waiver for 36 mos	100% waiver for 36 mos	The DAA will spend a minimum of $50,000 over 36 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.	
Seasonal	MCO, SFB (Orlando/Sanford, FL)	100% waiver for 36 mos	100% waiver for 36 mos	The DAA will spend a minimum of $50,000 over 36 mos that either exclusively promotes the new service or mentions the service within a broader context. No less frequently than quarterly, the air carrier shall provide reporting on: past performance, advanced bookings, load factors, etc to the DAA to assist DAA with its marketing efforts.	

Budgetary Limitation: All of the aforementioned incentives packages (by route) are limited to the first air carrier. If service is provided by an air carrier already serving DLH the following provisions apply: a) landing fee waivers shall apply to the incremental increase in service. b) terminal rent/fee waivers shall apply to the incremental increase of passengers in the joint use cost allocation formula. c) on the

***The Duluth Airport Authority reserves the right to amend the ACIP at its discretion. New ACIPs shall be posted on the Duluth Airport Authority's website for 30 days prior to becoming active.**

DULUTH AIRPORT AUTHORITY

August 3, 2026

TO: Board of Directors

FROM: Executive Director

RE: Employee Incentive Recommendation

In accordance with the Duluth Airport Authority's (DAA) Operating Policy 5, I recommend a $800 incentive award for John Graves. I have investigated the circumstances and support its consideration by the DAA Board of Directors. Here is customer feedback received after his recent interaction with her.

"I recently read Duluth International Airport's Above + Beyond Service Pledge, which states your commitment to welcoming guests with a great experience every time, and controlling how you respond to the unpredictable realities of flight. I am writing to share how your Airport Facilities Manager, John Graves, lived out that exact pledge for my family when my kiddo fell ill on July 22.
A severe stomachache forced us to visit the local emergency room to make sure it was safe for my kiddo to fly home to Charlotte. Because of the ER visit, we missed the last flight of the night and were stuck at the airport. John stepped in to assist us during an incredibly stressful and frightening moment. He personally helped us navigate our options to find a hotel for the night and ensured we could get there safely. John went as far as offering to personally drive us back to the airport the following morning to catch our next flight. Air travel has many things you cannot control, but John's compassionate response completely transformed our stressful situation into a manageable one. He didn't just meet your airport's high standards—he completely exceeded them. John ensured that we were taken care of. Our little family is incredibly thankful for his compassion, quick thinking, and outstanding professionalism."

John has demonstrated the true meaning of the Above and Beyond Service Pledge. Thank you to John for his dedication to our customers. Please refer questions regarding this recommendation to the undersigned.

Sincerely,

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

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

Duluth Airport Authority
Cirrus Design Corporation
Hush House Ground Lease Agreement

Terms:

- 25-year base term with one (1) additional twenty-five (25) year option term.
- Includes month-to-month provision upon expiration of base/option term.
- Rent is consistent with other DLH land lease tenants. Includes Market Rent Study rate adjustment starting January 2027.

Background:

- This ground lease enables Cirrus to construct a Hush House & Fuel Calibration Hangar on the former site of Hangar 101.
- The lease is for 22,400 square feet.

Agreement Overview:

- Lease includes our standard language for a land lease, including current Federal Mandatory Provisions.

DULUTH AIRPORT AUTHORITY
AND
CIRRUS DESIGN CORPORATION
GROUND LEASE AGREEMENT

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 Cirrus Design Corporation ("Cirrus"), a corporation organized under the laws of the State of Wisconsin and authorized to do business in the State of Minnesota, hereinafter referred to as "Lessee".

THE PARTIES ACKNOWLEDGE THE FOLLOWING:

1. The Authority, created by Minnesota Laws 1969 Chapter 577, operates the Duluth International Airport, located in the City of Duluth, State of Minnesota, and hereinafter referred to as "Airport".
2. Lessee is desirous of leasing the property described in Exhibit A attached hereto for the purpose of constructing an engine run-up and fuel calibration facility.
3. The Authority is desirous of leasing property to Lessee.
4. In consideration of the mutual promises, covenants and agreements contained herein, the parties agree as follows:

SECTION 1
DEFINITIONS

The following terms, as used in this 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, 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 consent or approval of the Executive Director is required, the same shall be evidenced by a written document dated and signed by him/her, or by a person designated by him/her to sign such document.
D. Leased Premises: shall refer to those premises Authority leased to Lessee for its exclusive use as further described in Section 3 of this Agreement and Exhibit A attached hereto.
E. Leasehold Improvements: shall refer collectively to all items attached to or located on and within the Leased Premises provided or purchased by Lessee, including such items as decorations, partitions, wiring, lighting and plumbing fixtures, piping, finished ceilings, ventilation duct work, grills, floor and wall coverings, heaters, cabinets, lockers, sinks, counters and signs.

SECTION 2
EXHIBITS

A. Exhibit A: Leased Premises

B. Exhibit B: Federal Mandatory Provisions

SECTION 3
GROUND LEASE AND USE OF PUBLIC FACILITIES

A. Ground Lease: The Authority does hereby lease to Lessee and Lessee does hereby lease and accept from Authority that property located at the Airport described in Exhibit A attached hereto. The Ground Lease contains approximately twenty two thousand four hundred (22,400) square feet.

B. Use of Public Facilities: In addition to the above specified Leased Premises, it is agreed that Lessee will have free access to and use of all public facilities at the Airport in common with the general public, such facilities including but not limited to: landing areas, runways; taxiways; ramps; navigational aids and parking areas; provided however, that such access and use shall be upon such terms and under such rules and regulations as they now exist or be hereinafter enacted by the Authority and subject to any charges to various classes of users for such use as may be established from time to time by the Authority. Said terms, regulations and charges shall be made upon the same basis as they are applied to or assessed against other users of the facilities involved unless otherwise set forth herein. Authority shall inform Lessee of any such charges.

SECTION 4
ACTIVITIES PERMITTED ON AIRPORT

Lessee shall have the right to carry out the following activities on the Leased Premises, and no others:

A. Lessee may construct on the Leased Premises an engine run up and fuel calibration facility specialized for aircraft operations and employee safety.

B. Other aeronautical activities approved by the Executive Director in accordance with the Airport Rules and Standards, of which will not be unreasonably denied.

SECTION 5
RENT

A. Land Rent: Subject to the provisions of Section 5 A. and B., Lessee agrees to pay the Authority an annual land rent of twenty-eight cents ($.28) per square foot for a total of six thousand two hundred seventy-two dollars ($6,272.00). Payments shall be made in equal monthly installments and paid in the amount and on the due date stated on the invoice.

B. Rent Escalation: Beginning on September 1, 2027, and then annually each subsequent year during the term of this Agreement, or any extension, renewal or holding over thereof, the rent shall increase to the amount calculated by multiplying the previous year's rent by the rate of increase, if any, of the most recent Consumer Price Index, U.S. City Average, published by the U.S. Bureau of Labor Statistics for the preceding twelve-month period or three percent (3%), whichever is greater.

C. Market Rent: Annual land rent shall be increased to market value based on the findings of a market rent study of Airport property, conducted by the Authority at Authority's expense, to be conducted no more frequently than once every five years commencing no sooner

than January 1, 2027. Adjusted rental rates shall become effective the next calendar month following Authority notifying Lessee in writing of the results of the market rent study.

D. Fee for Failure to Maintain: 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 of thirty (30) days, 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.

E. 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.

F. 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 of thirty (30) days, 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.

G. Late Payment: If Lessee is delinquent for sixty (60) 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 this 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.

H. Remedies not Cumulative: 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.

I. 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 6
TERM

A. Base Term: The term of this lease shall be for a period of twenty-five (25) years commencing on August 18, 2026 and ending on August 17, 2051 ("Term").

B. Option Term: The parties reserve the right to exercise one (1) additional twenty-five (25) year Option Term beyond the Base Term provided that the parties mutually agree to exercise the Option Term ninety (90) days prior to the end of the Base Term. The Option Term shall be under the same terms and conditions as set forth herein.

C. Holding Over: It is further agreed that in the event that either (1) the Base Term expires and the Option Term is not exercised or (2) the Option Term expires and in either case a succeeding 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. The consent of the Executive Director to continue operating on a month-to-month basis may be withdrawn upon thirty (30) days' written notice to Concessionaire.

SECTION 7
CONSTRUCTION AND LEASEHOLD IMPROVEMENTS

A. In the event that Lessee wishes to make any Leasehold Improvements on or in the Leased Premises after construction of new building is completed, it shall present its request to the Executive Director in writing together with design development or construction drawings showing all details of said Leasehold Improvements. No Leasehold Improvement shall be made in the Leased Premises without the prior written approval of the Executive Director and then only in conformance with the approved plans and this Section and not to be unreasonably withheld.

B. All work done by Lessee, or under its direction, shall conform to all applicable regulations, 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 to and receive prior written approval of the Executive Director.
    3. All work must be done in the time and manner approved by the Executive Director and coordinated with the Executive Director. Lessee shall comply with the indemnity and insurance and bond requirements of this Agreement.
    4. An authorized representative of Lessee shall be available at all reasonable times at the site to coordinate the work of the improvements.

C. Construction Bonds and Insurance
    1. Bonds: During the term of this Agreement, when any improvements totaling a cost greater than One Hundred Thousand and No/100s Dollars ($100,000.00) are constructed, installed or renovated by Lessee or its contractors pursuant to this Section 7, Lessee shall procure and furnish to Authority a bond or bonds written by a company or companies authorized to write such bonds in the State of Minnesota and who are acceptable to the Authority, in an amount not less than the cost of such construction, installation or renovation, for the use of obligee, Lessee and the Authority and 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 such

construction, installation or renovation of 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.

2. Public Liability and Property Insurance: Before commencing any improvement, work or equipment installation on the Leased Premises, Lessee shall itself or shall require all contractors and subcontractors to procure and maintain insurance during the life of such contracts, protecting both the Authority, the City and the Lessee as follows:
    a. Workers' Compensation Insurance.
    b. Contractors Comprehensive Public Liability and Property Damage Insurance.
    c. Contractors Automobile Liability and Property Damage Insurance, including automobile and non-ownership and hired cars.
    d. Owners Protective Public Liability and Protective Property Damage Insurance.
    e. Builders Risk Insurance (fire, extended coverage, vandalism and malicious mischief, including sprinkler leakage).

    Amounts shall not be less than One Million Five Hundred Thousand Dollars ($1,500,000) for injuries, including accidental death to any one person, and subject to same limit for each person, and in an amount not less than One Million Five Hundred Thousand Dollars ($1,500,000) for any one accident with a One Million Five Hundred Thousand Dollar ($1,500,000) aggregate for the policy. 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 Executive Director and copies furnished to the Executive Director 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 approval of the Executive Director, and Executive Director may impose such reasonable conditions as it shall deem necessary to protect the Authority and the integrity of all operations at the Airport, including, but not limited to, bonding and insurance requirements. Any changes or modifications to the interior constructed improvements are exempt.

SECTION 8
LESSEE'S OBLIGATIONS

A. Snow Removal: Lessee agrees to remove snow from those portions of the Leased Premises used or intended for pedestrian, vehicular, or aircraft passage at its sole expense. Authority agrees to render snow removal assistance to Lessee only in the event of rare and unusually heavy snows that cause aircraft operations to be severely restricted and in accordance with the Authority Snow and Ice Control Plan. Lessee is responsible for snowfall clean up including hauling of snow. Authority shall not remove snow from the leased premises, nor shall Lessee allow it to remain there.

B. Utilities: The Authority shall have no responsibility to provide any utilities on the Leased Premises. Lessee shall maintain and pay any costs or user fees as may be necessary to service the Leased Premises.

C. Maintenance: Lessee agrees to keep the Leased Premises in a clean, neat, safe and orderly condition, and in compliance with all laws and codes applicable to the Leased Premises, and to provide at its cost all heat and utilities necessary for the operation of the Leased Premises. Lessee agrees to perform all janitorial services. Lessee further agrees to make no attachment to, change of, or exterior redecoration or modification of the Leased Premises without prior written consent of the Executive Director.

D. Drugs and Alcohol: Lessee's operation and use of the Leased Premises shall be in conformance with all federal, state, and local laws, regulations or valid orders controlling drug or alcohol use or possession, including Authority's Drug and Alcohol Policy.

E. Signs: Signs shall be of safe, legal construction, and shall not detract from the business-like appearance of the Airport, nor lower the value of any Airport property. Location and design of exterior signs must be approved by the Executive Director, in writing.

SECTION 9
AUTHORITY'S OBLIGATIONS

Except as provided herein, the Authority shall, in accordance with acceptable FAA standards, other statutes, rules and regulations, and in a safe manner consistent with the generally accepted practices in the State of Minnesota for airports of similar size and character, properly maintain, operate, and manage the Airport. If for any reason beyond the reasonable control of the Authority (including, without in any manner limiting the generality of the foregoing, war, strikes, riots, change in laws, civil commotion and the like) the Authority shall fail to properly maintain, operate and manage said Airport, such failure shall not operate as a breach of this Agreement nor render the Authority liable in damages. Notwithstanding the above, if the Authority engages in construction on any ramp, taxiway, or other similar area for longer than ninety (90) days in a manner that prevents Lessee's reasonable access to the Leased Premises, Lessee shall be entitled to a temporary abatement of rent beginning on the expiration such 90-day period and ending when reasonable access to the Leased Premises is restored.

SECTION 10
INDEMNITY

A. Defense and Indemnity: To the fullest extent permitted by law, the Lessee agrees that it shall defend, indemnify, and hold harmless the Duluth Airport Authority, its officers, employees, and agents, from and against any and all costs or expenses, claims or liabilities, including but not limited to, reasonable attorney's fees and expenses, whether asserted by Lessee or any third party. Said obligations to defend, indemnify, and hold harmless shall include, but not be limited to the obligation to defend, indemnify, and hold harmless the Duluth Airport Authority in all matters where claims of liability against the Duluth Airport Authority arise out of, relate to, are attributable to, are passive or derivative of, or vicarious to the negligent, intentional, or wrongful acts or omissions of the Lessee, including but not limited to the failure to supervise, breach of warranty, the failure to warn, the failure to prevent such act or omission by Lessee, its employees, or its agents, and any other source of liability. Said obligations to defend, indemnify, and hold harmless shall be triggered upon the assertion of a claim for damages against Duluth Airport Authority. On ten days' written notice from the Duluth Airport Authority of Duluth, the Lessee shall

appear and defend all lawsuits against the Duluth Airport Authority of Duluth growing out of such injuries or damages. Lessee shall not be required to indemnify Duluth Airport Authority for amounts found by a fact finder to have arisen out of the intentional, willful, or wanton acts or omission of the Duluth Airport Authority. This Section, in its entirety, shall survive the termination of this Agreement if any amount of work has been performed by Lessee. Nothing in this provision shall affect the limitations of liability of the Duluth Airport Authority as set forth in Minnesota Statutes Chapter 466.

B. The Lessee understands this provision may affect its rights and may shift liability and specifically agrees to the same. Notwithstanding the foregoing, Authority and Lessee hereby waive any right of recovery against the other for, and agree to release the other from liability for, loss or damage to the extent such loss or damage is covered by valid and collectible insurance in effect at the time of such loss or damage or would be covered by the insurance required to be maintained under this agreement by the party seeking recovery. Lessee shall timely take all actions necessary, including paying any deductible amount, to secure its rights to make an insurance claim for the insurance proceeds for all insurable losses.

C. Environmental Liability: In addition to the general indemnity stated above, and as part of it, it is specifically agreed between the parties that Lessee 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 Lessee, its officials, agents or employees, successors or assigns. Lessee 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 Lessee, its officials, agents or employee, successors or assigns arising out of the use and/or occupancy of the Leased Premises or its operations at the Airport; and Lessee 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. Notwithstanding the foregoing, Lessee shall have no liability hereunder for costs or cleanup resulting from hazardous wastes not used, generated, or otherwise brought upon the Leased Premises by Lessee or its officials, agents or employees, or successors and assigns, including for the avoidance of doubt any hazardous wastes present prior to the commencement date hereof.

D. Survival: The provision of this Section shall survive the expiration, termination and early cancellation of this agreement.

SECTION 11
INSURANCE

A. Insurance: Lessee shall comply with the following insurance obligations and shall provide the minimum amounts of insurance from insurance companies authorized to do business in the state of Minnesota and comply:
   1. Workers' compensation insurance in accordance with the laws of the State of Minnesota;

2. Commercial General and Automobile Liability Insurance with limits not less than $1,500,000 Single Limit, and twice the limits provided when a claim arises out of the release or threatened release of a hazardous substance. Such insurance shall be in a company approved by the Duluth Airport Authority; and shall provide for the following: Liability for Premises, Operations, Completed Operations, Independent Contractors, and Contractual Liability. Umbrella coverage with a "form following" provision may be utilized to meet the required minimum amount stated above. Such insurance shall indemnify Lessee and Duluth Airport Authority from all liability described in the Indemnification paragraphs above;
3. Aircraft Liability insurance from an admitted aviation insurance carrier in limits per each occurrence of not less than $1,500,000 and Aircraft Passenger Liability insurance in limits of not less than $100,000 for each passenger seat.
4. Authority and City of Duluth shall always be named as Additional Insured under the Commercial General, and Automobile Liability Policies including address on certificate of 4701 Grinden Drive Duluth, MN 55811.
5. Lessee to provide Certificate of Insurance evidencing all coverages required above. Such Certificate shall contain an unconditional requirement that the insurer must notify the Authority without fail not less than 30-days prior to any cancellation, or 10 days prior to any non-renewal of the policy or coverages evidenced by said certificate, and shall further provide that failure to give such notice to Authority will render any such change or changes in said policy or coverages ineffective as against the City. The use of an "Accord" form as a certificate of insurance shall be accompanied by two forms – 1) ISO Additional Insured Endorsement (CG 2010 pre-2004); and 2) Notice of Cancellation Endorsement (IL 7002) or equivalent, as approved by the Duluth City Attorney's Office.

E. Insurance Primary: All insurance policies required above shall be primary and shall not require contribution from any coverage maintained by Authority and/or City.

F. 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.

G. 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 12
LAWS, ORDINANCES, RULES AND NON-DISCRIMINATION

A. Laws, Ordinances and Rules: The 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, the Authority, and any agency, department of governmental subdivision thereof, including but not limited to the Department of Homeland Security and the Federal Aviation Administration and their respective agencies now in effect or hereinafter promulgated 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.

B. Non-discrimination: Lessee shall comply with the Mandatory Federal Aviation Provisions contained in Exhibit B.

SECTION 13
AUTHORITY'S RIGHTS UPON DEFAULT

A. Authority's Rights: 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 at any time thereafter:
   1. Immediately, or at any time thereafter without further notice to Lessee, re-enter into or upon the Leased Premises or any part thereof and take possession of the same fully and absolutely without such re-entry working a forfeiture of the rents or other charges to be paid 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 rents and other charges to be paid under this Agreement or to recover damages; or
   2. Authority may at its election terminate this Agreement upon written notice in the manner hereinafter provided and re-enter upon the Leased Premises and take possession and use thereof as authorized by law, including the Duluth Airport Authority enabling act (Laws of Minnesota, 1969, Chapter 577), and the Lessee covenants in case of such termination to indemnify the Authority against all loss of rents and expense which the Authority has suffered or paid by reason of such termination, during the residue of the term; or
   3. The Authority shall further have all other rights and remedies including injunctive relief, ejectment or summary proceedings for unlawful detainer, and any or all such legal remedies, actions and proceedings and all such remedies shall be cumulative.

B. Default Defined: For the purposes of this Section only "default" shall be defined when any of the following circumstances exist:
   1. If the Lessee has failed to pay rent, fees, taxes or other charges when due hereunder and such failure to pay shall continue for thirty (30) days after notice in writing in the manner hereinafter provided for.
   2. 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 thirty (30) days after Authority has given Lessee written notice, or the Lessee shall have failed to commence the rectification of such failure within thirty (30) days after such notice and to diligently prosecute the same cannot be completed within thirty (30) days, or
   3. If a petition to reorganize the Lessee or for its arrangement of its unsecured debts shall be filed, or
   4. If the Lessee shall be adjudicated bankrupt, or
   5. If a receiver or trustee of the Lessee's property shall be appointed by any court, or
   6. If the Lessee shall make a general assignment for the benefit of creditors, or
   7. If all of the interest of the Lessee in its property shall be taken by garnishment, attachment, execution or other process of law, or
   8. If the Leased Premises shall be deserted or vacated.

For the avoidance of doubt, in the event that Authority specifies a cure period in a default notice delivered pursuant to Section 5 above, Lessee's applicable cure period shall be the longer of the period specified in such notice or the period specified in this Section 13(B).

C. Notice to Lender: Lessee agrees that it will give to Authority notice of any commercial lending institution to which rights under this Agreement have been assigned pursuant to Section 17 below. In the event of default under this Agreement, Authority agrees to give notice to any such institution in the same manner as notice is provided for in paragraph B.2. above.

SECTION 14
TERMINATION BY LESSEE

A. Termination: Lessee may terminate this Agreement prior to the end of its term, or any extension thereof, for the following reasons:
   1. Failure of Authority to substantially perform its obligations hereunder, if such failure shall continue for sixty (60) days after Lessee has given Authority written notice or the Authority shall fail to commence the rectification of such failure within sixty (60) days after such notice and to diligently prosecute the same where the same cannot be completed within sixty (60) days.
   2. If the Authority shall commit any act or engage in any activity that prevents the Lessee from conducting its business as provided under the terms of this Agreement for a period of sixty (60) days without the consent of Lessee and after Lessee has given notice to the Authority as provided for herein.

B. In Lieu of Termination: In lieu of termination of this Agreement by the Lessee under the provisions of Paragraph A above, the Lessee may, at its option, declare a moratorium on rent payments, or any other payments provided hereunder to the Authority during the interruptions of Lessee's activities and in such event, the term of this Agreement shall be extended for the period of such interruption, or interruptions, and the moratorium on any payments hereunder by Lessee shall continue until Lessee operations can be uninterruptedly continued. Lessee shall not be in default of its payment obligations under this Agreement by virtue of the moratorium authorized herein.

C. Emergency: In the event that Authority's default of its obligations hereunder results in an emergency which threatens life, safety, or the operation of Lessee's business, on the leased premises, Lessee may cure such default as necessary to resolve the immediate emergency (including, without limitation, emergency repair of the hangar door) and bill the reasonable cost of such cure to Authority, who shall reimburse Lessee for its costs within thirty (30) days of written request for same.

SECTION 15
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. To be effective, waivers must be in writing.

SECTION 16
REVERSION

A. Reversion: At the end of the Term, all improvements shall revert to the Authority. Should Lessee desire to exercise their Option Term to extend the Lease, subject to all provisions of this agreement, then the Lessee may do so.

B. Restore Premises: In all events upon the termination of this Agreement, Lessee agrees to repair or restore any damage to the Leased Premises or diminution in the value thereof resulting from Lessee's operation on the Airport except normal wear and tear which are the natural and normal consequences of Lessee's operations at the Airport.

C. Removal: In all events upon the termination of this Agreement, if requested by the Authority and at the sole discretion of the Authority, Lessee shall remove at its own expense any Leasehold Improvements the Authority has requested removal of other than with respect to such Leasehold Improvements that the Authority has consented to in writing pursuant to the terms of this agreement.

SECTION 17
SUBLEASES & ASSIGNMENTS

Any sublease of the Leased Premises or assignment of this lease must be approved, in writing, by Authority before it is effective. It is expressly agreed by the Lessee that in the event of subletting of the Leased Premises, 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, the Lessee shall be and remain liable for the payments of all rents and the performance of all covenants and conditions for the full term of this Agreement.

SECTION 18
ERECTION OF SIGNS

The Lessee shall be allowed to erect suitable signs on the Leased Premises, but the form, type, size, materials, and method of installation of any such signs shall be subject to the approval of the Executive Director of the Authority. Signs shall also be in conformance with Section 8.F. of this Agreement.

SECTION 19
GOVERNMENTAL COMMITMENTS

Nothing herein shall be construed to prevent the Authority from making such commitments as it desires to the Government of the United States or to the State of Minnesota in order to qualify for the expenditure of Federal or State funds at the Airport or related in any manner to the operation thereof, and this Agreement shall be subordinate to the provisions of any existing or future agreement between the Authority and the Government of the United States or the State of Minnesota relative to the operation or maintenance of the Airports.

SECTION 20
SPONSOR ASSURANCES

Should the Federal Aviation Administration determine that any term or provision of this Agreement results in, or could result in, a violation by the Authority of its obligations as an airport sponsor

under grant assurances contained or incorporated in any grant agreement, existing or future, to which the Authority is a party ("Sponsor's Assurances"), Lessee and the Authority unconditionally agree to modify or amend this Agreement to remedy any such violation, or potential violation, and bring this Agreement into strict compliance with the Authority's Sponsor's Assurances.

SECTION 21
SEVERABILITY

It is the intent of both parties hereto that the provisions of this Agreement shall be severable with respect to the effect of a declaration of invalidity by any court of competent jurisdiction of any provision of the Agreement or the application thereof.

SECTION 22
MODIFICATION OF THE AGREEMENT

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 duly executed by the Parties.

SECTION 23
NOTICES

All notices to be given by Lessee to the Authority shall be deemed to have been given by depositing written notice in the United States Mail, addressed to:

Duluth Airport Authority: 4701 Grinden Drive Duluth MN 55811

All notices to be given by Authority to Lessee shall be deemed to have been delivered by depositing the same in writing in the United States Mail addressed to:

Cirrus Design Corporation: 4515 Taylor Circle, Duluth, MN 55811

SECTION 24
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 25
APPLICABLE LAW

This Agreement, together with all of its sections, terms and provisions, 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.

SECTION 26
ENTIRE AGREEMENT

This Agreement, including all Exhibits 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 this _____ day of _____, 2026.

DULUTH AIRPORT AUTHORITY

By_____
Its President

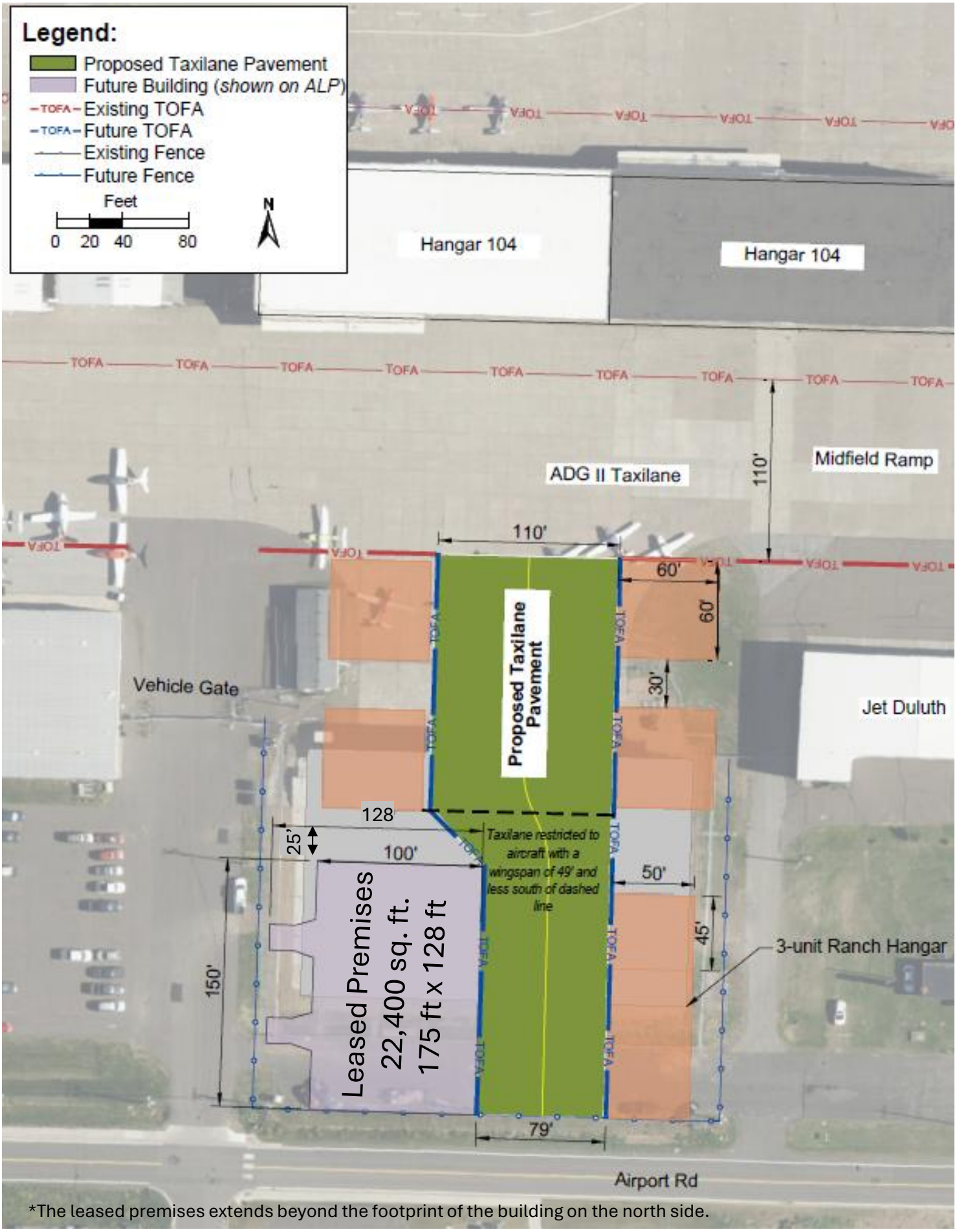
By_____
Its Secretary

CIRRUS DESIGN CORPORATION

By _____

Its _____

Exhibit A – Leased Premises



*The leased premises extends beyond the footprint of the building on the north side.

DULUTH INTERNATIONAL AIRPORT

Exhibit B
Federal Mandatory Provisions

GENERAL CIVIL RIGHTS PROVISIONS

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin, creed, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR Part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964) including amendments thereto;
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
- The Age Discrimination Act of 1975, as amended (42 .U.S.C. § 6101 *et seq*.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 U.S.C. § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (P.L. 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR Parts 37 and 38;
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681, et seq).

Compliance with Nondiscrimination Requirements:

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin), creed, sex, age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21 including amendments thereto.
3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance: In** the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
    a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
    b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition,

the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE AIRPORT IMPROVEMENT PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the Sponsor pursuant to the provisions of the Airport Improvement Program grant assurances:

A. The (grantee, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add "as a covenant running with the land"] that:
    1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Nondiscrimination covenants, (***Title of Sponsor***) will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.*
C. With respect to a deed, in the event of breach of any of the above Nondiscrimination covenants, the (***Title of Sponsor***) will have the right to enter or re-enter the lands and facilities thereon, and the above-described lands and facilities will there upon revert to and vest in and become the absolute property of the (***Title of Sponsor***) and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by (***Title of Sponsor***) pursuant to the provisions of the Airport Improvement Program grant assurances.

A. The (grantee, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, "as a covenant running with the land") that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to

discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.

B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above Non-discrimination covenants, (***Title of Sponsor***) will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.*

C. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, (***Title of Sponsor***) will there upon revert to and vest in and become the absolute property of (***Title of Sponsor***) and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

Duluth Airport Authority
DAA Board Packet Budget vs. Actual Summary
From Jan 2026 to Jun 2026

UNAUDITED

Financial Row	Prior Year Actual (Jan 2025 - Jun 2025)	Current Year Actual (Jan 2026 - Jun 2026)	Budget Amount (Jan 2026 - Jun 2026)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (FY 2026)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	2,241,217	2,108,348	1,909,937	110.39%	(132,869)	198,411	4,052,006
Non-Passenger Aeronautical Revenue	918,188	932,117	923,001	100.99%	13,929	9,115	1,989,471
Passenger Airline Aeronautical Revenue	924,514	1,011,067	978,595	103.32%	86,552	32,471	1,974,428
Total - Income	4,083,920	4,051,531	3,811,534	106.30%	(32,388)	239,998	8,015,905
Gross Profit	4,083,920	4,051,531	3,811,534	106.30%	(32,388)	239,998	8,015,905
Expense							
Miscellaneous Expenses	75,850	90,472	78,775	114.85%	14,623	11,697	134,740
Personnel Compensation & Benefits	1,396,402	1,399,910	1,489,911	93.96%	3,509	(90,001)	3,285,034
Services and Charges	1,378,869	1,304,983	1,375,226	94.89%	(73,885)	(70,243)	2,696,134
Supplies	305,345	424,183	369,456	114.81%	118,838	54,727	675,445
Total - Expense	3,156,465	3,219,549	3,313,368	97.17%	63,084	(93,819)	6,791,353
Net Ordinary Income	927,455	831,982	498,165	167.01%	(95,472)	333,817	1,224,551
Other Income and Expenses							
Other Income							
Non-Operating Revenue	386,346	378,790	360,395	105.10%	(7,557)	18,395	702,418
Total - Other Income	386,346	378,790	360,395	105.10%	(7,557)	18,395	702,418
Other Expense							
Non-Operating Expense	49,829	39,726	86,591	45.88%	(10,103)	(46,865)	173,181
Total - Other Expense	49,829	39,726	86,591	45.88%	(10,103)	(46,865)	173,181
Net Other Income	336,517	339,064	273,804	123.83%	2,547	65,260	529,237
Net Income Exclusive of Project Expenses, Depreciation & Amortization	1,263,972	1,171,046	771,970	151.70%	(92,926)	399,077	1,753,788
Projects/Grants	4,779,565	6,991,847	17,385,969	40.22%	2,212,283	(10,394,121)	34,771,938
Depreciation & Amortization	(6,874,667)	(1,229,464)	(6,255,106)	19.66%	5,645,204	5,025,642	(12,510,211)
Net Income	(831,130)	6,933,430	11,902,833	58.25%	7,764,560	(4,969,403)	24,015,514

- **Overall:** At the time this report was generated for the above period, the DAA is at an overall favorable variance budget vs actual of $399,077k. Adjustments are expected.
- **Operating Revenue:** Operating Revenues are 240k over budget overall.
  - Non-Aeronautical Revenue is $198k over budget overall. The largest variance to budget is parking lot fees at nearly $103k over budget. The second largest variance is Customer Facilitiy Charges which are nearly $39k over budget. Concession revenues are up over $43k due primarily to increased car rental concessions. There is currently a $17k negative variance for the marketing grant. This was an issue related to the Blackcat transition. We have resubmitted in Blackcat and expect reimbursement shortly.
  - Non-passenger Aeronautical Revenue is now only $9k over budget. This variance is declining month over month as several hangar tenants paid for their 12 months lease in advance and timing is now catching up.
  - Passenger Airline Aeronautical revenue is $32k over budget due to increased landing fees and new billing structure for charter activity based on board approved rates.
- **Operating Expenses:** Operating expenses are $94k under budget overall.
  - Miscellaneous Expenses are $11.7k over budget due to 2026 property tax bill increases as well as increased transaction fees related to the parking lot.
  - Personnel Compensation and Benefits is $90k under budget. Part of this variance is attributable to unpaid military leaves and reduced medical insurance costs related to those leaves. Just over $40k of this variance is related to unbudgeted AIP Admin Reimbursement recorded in June for pay periods spanning from 2024-to present. This variance will carry forward for the remainder of the year.
  - Services and charges are $70k under budget. Communications and technology costs for annual flight information display support contract is up, while professional services costs and utilities are down.
  - Supplies are $55k over budget at this time. Camera supplies were purchased early this year, and this expense was budgeted over a 12 month period. Airfield supplies are up due to increased airfield deice fluid and sand and heavy equipment repair related purchases in the earlier part of this year.
- **Non-Operating Revenue:** Non-operating revenue is over budget by $18k overall.
  - Passenger Facility Charges (PFCs) are over by $25k.
  - Interest income is below budget by $6,700.
- **Non-Operating Expenses:** Non-Operating Expenses are under budget be $47k due to reduced interest expense realted to minimal use of the line of credit in 2026. A $1.5M draw was made in May to fund an FAA reimbursable agreement, with payments in June. A $2.7M draw was made in August and will be paid when reimbursements are received. Ongoing use of the line of credit is anticipated in future months as construction continues and cash flow needs increase.
- **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 2025 AUDITED FINANCIALS AS OF 6/10/2026**
  - Minimum Cash Balance Goal: $3,029,950 Current Balance: $1,382,415(does not include grants receivable)

Duluth Airport Authority

Income Statement

From Jan 2026 to Jun 2026

Financial Row	Amount
Ordinary Income/Expense	
Income	
Non-Aeronautical Revenue	
Advertising Income	$24,246.00
Concession Revenue	
ATM	$198.50
Car Rental Concession	$310,399.52
Car Sharing Concession	$2,061.43
Commercial Vehicle Per Trip Fee	$1,713.00
Food & Beverage Concession	$51,344.09
Lottery Concessions	$767.93
Per Departure Fee	$1,285.00
Per Passenger Fee	$7,009.00
Services/Other	$498.18
TNC Per Trip Fee	$14,651.50
Vending	$5,999.42
Total - Concession Revenue	$395,927.57
Customer Facility Charges	$215,804.00
Miscellaneous Revenues	$62,093.20
Parking	$1,215,820.07
Permits	$3,237.65
Reimbursed Expenses	$40,722.95
Rent	$97,682.57
Sponsorship Income	$26,500.00
State Aid	$26,313.84
Total - Non-Aeronautical Revenue	$2,108,347.85
Non-Passenger Aeronautical Revenue	
Aviation Gas	$21,062.85
Concession Revenue	$151,787.62
FBO Parking	$1,740.30
Float Storage	$1,180.00
Landing Fees	$19,949.37
Ramp Fees	$10,470.00
Rent	$724,066.63
Tie Downs	$1,860.00
Total - Non-Passenger Aeronautical Revenue	$932,116.77
Passenger Airline Aeronautical Revenue	
Landing Fees	$227,388.64
Per Use Fee	$468.85
Terminal Office/Space Rental	$783,209.18
Total - Passenger Airline Aeronautical Revenue	$1,011,066.67
Total - Income	$4,051,531.29
Gross Profit	$4,051,531.29
Expense	
Amortization Expense	$38,988.22
Depreciation	$1,190,475.57
Miscellaneous Expenses	
Miscellaneous Expenses	$5.00
Bad Debt Expense	$585.60
Licenses & Taxes	$21,221.15
Memberships, Dues & Subscriptions	$13,474.54
Transaction Fees	$55,186.17
Total - Miscellaneous Expenses	$90,472.46
Personnel Compensation & Benefits	
Benefit Administration Fees	$451.35
Employer Contributions for Retirement	$131,418.54

Financial Row	Amount
Employer Paid Insurance	$249,722.67
Retiree Benefits	$37,497.58
Wages & Salaries	$963,752.09
Worker's Compensation	$17,068.02
Total - Personnel Compensation & Benefits	$1,399,910.25
Services and Charges	
Advertising	$1,405.82
Badging	$5,000.00
Central Services Fee	$71,149.98
Communications & Technology	$189,307.48
Employee Development Services	$29,267.12
Employee Physicals	$800.00
Insurance	$72,743.38
Marketing	$75,190.83
Professional Services	$245,247.73
Rentals	$2,823.95
Repairs and Maintenance - Contractual/Services	$240,005.85
Sponsorship Expenses	$9,698.75
Transportation	$432.10
Utility Services	$361,910.22
Total - Services and Charges	$1,304,983.21
Supplies	
Merchandise for Resale	$20,838.80
Office Supplies	$36,510.19
Operating Supplies	$107,432.54
Repairs & Maintenance Supplies	
Airfield	$103,515.95
Building	$35,570.23
Fencing & Gates	$9,362.34
Fuel System	$1,688.54
Grounds & Landscaping	$1,767.44
Heavy Equipment	$68,931.65
Heavy Equipment Accessories	$194.82
Jet Bridge	$7,217.54
Light Equipment	$17,257.66
Parking Equipment	$9,410.79
Parking Lot & Roadway	$80.55
Shop Supplies	$4,170.02
Small Tools	$234.04
Total - Repairs & Maintenance Supplies	$259,401.57
Total - Supplies	$424,183.10
Total - Expense	$4,449,012.81
Net Ordinary Income	($397,481.52)
Other Income and Expenses	
Other Income	
Capital Contributions	
Grants	$6,991,847.41
Total - Capital Contributions	$6,991,847.41
Non-Operating Revenue	
Interest Income	$69,094.94
Passenger Facility Charges	$309,694.66
Total - Non-Operating Revenue	$378,789.60
Total - Other Income	$7,370,637.01
Other Expense	
Non-Operating Expense	
Interest Expense	$39,725.72
Total - Non-Operating Expense	$39,725.72
Total - Other Expense	$39,725.72
Net Other Income	$7,330,911.29
Net Income	$6,933,429.77

Duluth Airport Authority

Balance Sheet

End of Jun 2026

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
Checking Account	($780.66)
Petty Cash	$272.41
Pooled Cash - City Balance	$3,555,165.48
Total Bank	$3,554,657.23
Accounts Receivable	
Accounts Receivable - Restricted PFC	$95,402.31
Accounts Receivable Billed	$390,370.14
Accrued Receivable	$21,495.03
Grants Receivable	$5,882,535.83
ST Lease Receivable	$73,775.12
Total Accounts Receivable	$6,463,578.43
Other Current Asset	
Inventory Assets	$55,098.38
Prepaid Items	$163,127.80
Undeposited Funds	$310,823.99
Total Other Current Asset	$529,050.17
Total Current Assets	$10,547,285.83
Fixed Assets	$149,879,317.40
Other Assets	$5,560,991.43
Total ASSETS	$165,987,594.66
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable	$136,335.10
Contracts Payable	$3,171,833.99
Credit Cards Payable	$1,469.29
Lottery Payable	($468.18)
Total Accounts Payable	$3,309,170.20
Credit Card	$3,665.31
Other Current Liability	
Accrued Compensated Absences	$222,427.03
Accrued Interest	$17,371.89
Accrued Sales Taxes Payable - All	$14,057.00
Deferred Inflows - Lease Asset	$2,362,370.86
Deferred Inflows - OPEB Liabilities	$309,427.00
Deferred Inflows - Pension	$492,053.00
Loans Payable to City of Duluth	$1,005,000.00
Unearned Revenue - Current	$57,774.42
Unearned Revenue - Non Current	$5,980.00
Total Other Current Liability	$4,486,461.20
Total Current Liabilities	$7,799,296.71
Long Term Liabilities	
LT Loans Payable to City of Duluth	$1,225,000.00
Net Pension Liability	$687,141.00
Total Other Post Employment Benefit Liability	$2,980,730.00
Total Long Term Liabilities	$4,892,871.00
Equity	$153,295,426.95
Total Liabilities & Equity	$165,987,594.66

Duluth Airport Authority
Duluth A/R Aging Report
As of August 11, 2026

Customer	60 Days	90 Days	>90 Days	**Total**
	Open Balance	Open Balance	Open Balance	**Open Balance**
Aeronautical Radio, Inc.	$0.00	$0.00	$0.00	**($181.90)**
Alaska Airlines	$17.56	$0.00	$0.00	**$17.56**
Avis Rent A Car	$0.00	$0.00	$0.00	**$2,990.18**
Bellamy Bill	$0.00	$0.00	$0.00	**$590.09**
Bondinshatz, Stephen	$0.00	$0.00	$100.00	**$100.00**
Boortz, Daniel	$0.00	$0.00	$0.00	**$51.00**
Budget Rent A Car	$0.00	$0.00	$0.00	**$2,125.48**
Car Service Up North	$0.00	$0.00	$0.00	**$3.00**
Chad's Pad, LLC	$0.00	$0.00	$0.00	**$531.96**
Cirrus Design Corporation	$24,516.97	$0.00	$0.00	**$31,659.21**
City of Duluth	$1,878.15	$0.00	$0.00	**$1,878.15**
Clobes, Nathan	$153.00	$0.00	$0.00	**$153.00**
Cohen, Marc	$0.00	$0.00	$0.00	**$51.00**
Cossette Aircraft	($90.00)	$0.00	$0.00	**($90.00)**
Costello, Michael F	($153.00)	$0.00	$0.00	**($153.00)**
Deis, Matthew R	$0.00	$0.00	$0.00	**$261.13**
Delta Airlines	$23,487.93	$0.00	$0.00	**$78,262.45**
DeSutter, Peter	$0.00	$0.00	$0.00	**$51.00**
Dwarf King Taxi LLC	$0.00	$0.00	$0.00	**$73.50**
Ellefson, Nicholas	$0.00	$0.00	$0.00	**$775.30**
Emirates	$26.12	$0.00	$0.00	**$26.12**
Enterprise Leasing Company	($27,462.46)	$0.00	($173.00)	**$45,004.78**
Fitger's	$0.00	$0.00	$0.00	**$13.50**
General Services Administration	$0.00	$0.00	$0.00	**$5,923.49**
Guest Services Inc, DBA Giants Ridge Recre	$0.00	$0.00	$0.00	**$450.00**
Hagberg, Rick	$0.00	$0.00	$0.00	**$261.13**
Hall John	$0.00	$0.00	$0.00	**$329.13**
Hatfield, Dan	$0.00	$0.00	$0.00	**$261.13**
Hillman Colin	$0.00	$0.00	$0.00	**$300.00**
Holiday Inn & Suites Duluth	$0.00	$0.00	$0.00	**$291.00**
Jauss Aviation Inc.	$0.00	$300.00	$0.00	**$390.00**
JetBlue Airways	$21.84	$0.00	$0.00	**$21.84**
Jim's Taxi INC DBA Allied Taxi	$0.00	$0.00	$0.00	**$96.00**
Johnson, Josiah H	$0.00	$0.00	$0.00	**$195.83**
Johnson, Lance	($90.00)	$0.00	$0.00	**($90.00)**
Johnson, Richard	$0.00	$0.00	$0.00	**$597.79**
Korean Air	$0.00	$0.00	$0.00	**($17.56)**
Lake Superior College	$0.00	$0.00	$0.00	**$35,647.14**
Lake Superior Helicopters	$0.00	$0.00	$0.00	**$9,020.98**
Larsen, Shane	$0.00	$0.00	$0.00	**$368.86**
LATAM CHILE	$4.39	$0.00	$0.00	**$4.39**
Lemasters, Gary	$0.00	$0.00	$0.00	**($125.00)**
Marshall School	$0.00	$0.00	$0.00	**$200.00**
Minnesota Air National Guard	$73,100.08	$0.00	$75,000.00	**$395,132.85**
Minnesota Department of Transportation	($15,195.63)	$1,524,866.21	$4,224,765.17	**$6,058,049.94**
Mountain Air Cargo	$0.00	$1,745.00	$0.00	**($1,028.86)**
Nixcab Taxi	$0.00	$0.00	$0.00	**$6.00**
Northern Renegade Properties, LLC	$0.00	$0.00	$0.00	**$775.30**
Northland Constructors, Inc.	$0.00	$0.00	$0.00	**$181.50**
Oakwells CR, LLC	$1,716.10	$0.00	$0.00	**$2,212.69**
Oberholzer, Isaac	$0.00	$0.00	$0.00	**$51.00**
Olesen, Sheldon	$0.00	$0.00	$0.00	**$300.00**

Opack Matthew Jr.	$0.00	$0.00	$0.00	**$260.75**
Palmer, John	$0.00	$0.00	$0.00	**$260.75**
Parsons Electric	$125.00	$0.00	$0.00	**$125.00**
Parthe, Lance	$0.00	$0.00	$0.00	**$336.66**
Patnaude, Jason	$0.00	$0.00	$0.00	**$51.00**
Pfaltzgraff, George	$0.00	$0.00	$0.00	**$775.30**
Pier B Resort	$0.00	$0.00	$0.00	**$1.50**
QMS, INC.	$194.55	$0.00	$0.00	**$194.55**
RS&H	$120.00	$0.00	$0.00	**$240.00**
Safstrom Jon	$0.00	$0.00	$0.00	**$261.13**
Smith David	$0.00	$0.00	$0.00	**($180.00)**
Stevens, Mike	$0.00	$0.00	$0.00	**$261.13**
Sun Country, Inc. dba Sun Country Airlines	$0.00	$0.00	$0.00	**($191.69)**
Teitelbaum, Mike	$0.00	$0.00	$0.00	**$51.00**
The Landline Company	$2,282.65	$0.00	$0.00	**$3,711.30**
Tom Sullivan	$0.00	$0.00	$0.00	**$300.00**
United Airlines	$14,805.69	$0.00	$0.00	**$12,678.07**
Valentine, Ian	$0.00	$0.00	$0.00	**$51.00**
Vantage DLH LLC	$0.00	$0.00	$0.00	**$35,403.04**
Westjet	$26.34	$0.00	$0.00	**$26.34**
Wiermaa, Jordan	$0.00	$0.00	$0.00	**$261.13**
Williams, Ron	$0.00	$0.00	$0.00	**$261.13**
Willie, Caden	$0.00	$0.00	$0.00	**$51.00**
Winter Investments LLC	$0.00	$0.00	$0.00	**$775.30**
Total	**$99,485.28**	**$1,526,911.21**	**$4,299,692.17**	**$6,729,965.47**

Year to Date Airline Statistics

	DELTA					UNITED					CHARTERS				
	2026 Enplanements		2026 Deplanements			2026 Enplanements		2026 Deplanements			2026 Enplanements		2026 Deplanements		
Month	Revenue	Non Rev	Revenue	Non Rev	Total	Revenue	Non Rev	Revenue	Non Rev	Total	Revenue	Non Rev	Revenue	Non Rev	Total
JAN	6,964	169	6,402	173	13,708	2,641	53	2,584	46	5,324	-	-	-	-	-
FEB	6,622	128	6,335	182	13,267	3,116	74	2,958	53	6,201	179	-	178	-	357
MAR	7,372	188	6,936	190	14,686	4,052	92	4,219	74	8,437	180	-	180	-	360
APR	7,304	189	7,430	213	15,136	6,655	190	7,100	186	14,131	284	-	176	-	460
MAY	7,582	184	8,086	186	16,038	5,051	144	5,566	115	10,876	-	-	-	-	-
JUN	8,009	189	8,650	225	17,073	3,909	103	3,923	100	8,035	109	-	-	-	109
JUL	7,877	168	7,951	182	16,178	4,661	107	4,784	146	9,698	-	-	-	-	-
AUG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SEP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OCT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	51,730	1,215	51,790	1,351	106,086	30,085	763	31,134	720	62,702	752	-	534	-	1,286

	2026 Total Passenger Data Including Charters							2025 - 2026 Difference		
	2026 Enplanements			2026 Deplanements			Total Passengers	Enplanements	Deplanements	Total Passengers
Month	Rev	Non Rev	Total	Rev	Non Rev	Total				
JAN	9,605	222	9,827	8,986	219	9,205	19,032	(980)	(678)	(1,658)
FEB	9,917	202	10,119	9,471	235	9,706	19,825	(1,141)	(1,233)	(2,374)
MAR	11,604	280	11,884	11,335	264	11,599	23,483	(832)	(1,206)	(2,038)
APR	14,243	379	14,622	14,706	399	15,105	29,727	3,342	3,093	6,435
MAY	12,633	328	12,961	13,652	301	13,953	26,914	641	1,425	2,066
JUN	12,027	292	12,319	12,573	325	12,898	25,217	(166)	564	398
JUL	12,538	275	12,813	12,735	328	13,063	25,876	(1,103)	(1,317)	(2,420)
AUG	-	-	-	-	-	-	-	(13,232)	(13,080)	(26,312)
SEP	-	-	-	-	-	-	-	(13,716)	(13,559)	(27,275)
OCT	-	-	-	-	-	-	-	(13,832)	(13,201)	(27,033)
NOV	-	-	-	-	-	-	-	(10,328)	(10,236)	(20,564)
DEC	-	-	-	-	-	-	-	(9,177)	(9,129)	(18,306)
Total	82,567	1,978	84,545	83,458	2,071	85,529	170,074	(60,524)	(58,557)	(119,081)

2026 Landline Passengers

	Arrivals				Departures								
	Revenue	Non-Rev	Seats (AU)	Total	Revenue	Non-Rev	Seats (AU)	Total	Van Depatures	Bus Depatures	Grand Total	2025 Grand Total	Inc /Dec
January	243	7	1,185	250	425	13	1,185	438	-	22	688	1,047	(359)
February	294	-	1,120	294	380	-	1,120	380	-	20	674	1,063	(389)
March	281	-	1,120	281	337	-	1,120	337	-	21	618	1,194	(576)
April	187	-	294	187	191	-	294	191	-	21	378	997	(619)
May	202	-	322	202	168	-	322	168	-	23	370	707	(337)
June	194	-	294	194	161	-	294	161	-	21	355	712	(357)
July	175	-	280	175	204	-	280	204	-	21	379	826	(447)
August				-				-			-	804	-
September				-				-			-	487	-
October				-				-			-	827	-
November				-				-			-	778	-
December				-				-			-	848	-
	1,576	**7**	**4,615**	**1,583**	**1,866**	**13**	**4,615**	**1,879**			**3,462**	**10,290**	**(3,084)**