

BY PATRICK LAPINSKI

“BULLISH On The FUTURE”

THROUGH ITS VISION 2040 MASTER PLAN, THE DULUTH AIRPORT AUTHORITY SETS THE STAGE FOR FUTURE PROJECTS AND GROWTH



Serving the region's aviation needs is the daily function of the Duluth International Airport – or, as your luggage tag identifies it, DLH. What the public doesn't often see is what goes on behind the scenes and how plans are taking shape for its successful future.

In December 2021, the Duluth Airport Authority (DAA) completed its "Vision 2040 Master Plan," a three-year deep dive into airport needs that began in 2019 with the goal of identifying projects that may be implemented at varying times as necessary within the 20-year planning term. DAA Executive Director Tom Werner and his staff and the DAA are reevaluating all areas of airport infrastructure, financial health and business development strategy to chart the best direction for airport facilities through 2040.

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Thanks for flying DLH.

We're going above and beyond, for you.



The airport welcomed the public's involvement in the planning process; open houses were held and related events were posted on the Master Plan website. "I think it all starts with identifying what you have – what assets you have, what challenges you currently have and how to overcome those challenges before you can really say, 'Okay, here's our starting point, and here's where we would like it to go,'" said Werner, adding that listening to stakeholders' viewpoints is a crucial part of the planning process.

"The initial conversations, especially with many of our stakeholders, are aspirational. In other words, 'How do you see your businesses growing? What do you need from the airport?'" Werner explained. "And if you're a customer of this facility and you use it to fly for business purposes, or even leisure, we wanted that input as well. We tried to collect as many of those comments as we could before we developed the plan about how to achieve all of this and how we could make it work."

INFRASTRUCTURE FOR THE LONG HAUL

Director of Operations Mark Papko says that planning for infrastructure needs decades ahead is standard practice – by necessity – in the aviation industry. "We're hoping that the infrastructure we're building today lasts upwards of 20 to 40 years," Papko explained. "You have to look that far out when you're developing these master plans and these visions of the airport." Papko, who joined the airport's leadership team in January 2020, previously served as the Grand Junction Regional Airport's director of operations in Grand Junction, Colorado, and in varied positions at Chicago O'Hare International Airport and the San Jose International Airport.

The Master Plan, he added, also determines incremental steps along the plan's time line needed to achieve plan goals in their entirety. That's the core reason for why planning must be conducted so far in advance, says Papko – while also making projections (as best as possible) regarding future growth in the aviation industry. "We don't know what aviation is going to look like in 20 years," Papko said, "so having a plan and the best educated guess for what it looks like is important."





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– EXECUTIVE DIRECTOR TOM WERNER

RECENT AND FUTURE FACILITY PROJECTS

Airport facilities continually undergo reconstructions, upgrades and additions, some of which are rarely noticed by the flying public, even though such projects benefit them. They also definitely benefit airline pilots and improve a region’s potential for business growth and economic development.

Duluth International Airport has two runways – Runway 9/27, which is 10,591 feet long and the primary runway, and Runway 3/21, which is 5,600 feet long. “We just finished the complete reconstruction of Runway 9/27 in 2019,” Werner said, noting that this massive project took five years. “That’s a big thing for this region – to have a runway that has that capacity and that potential.” The Vision 2040 Master Plan also evaluated Runway 3/21 for its future potential.

Taxiway A (West) mill and overlay reconstruction was finished in 2020 (a short-term-fix project), and the Commercial Service Apron expansion project was completed in 2020. The largest project within the past decade, of course, was completing the new state-of-the-art terminal that opened in 2013 and was renamed the Oberstar Terminal in 2015. The terminal was selected by the Minnesota Council of Airports for a “Project of the Year” award in 2014.

This summer, the airport will kick off the first year of its primary parallel taxiway reconstruction. This six-to nine-year project will cost about \$10 million annually – a roughly \$70 to \$90 million project over the course of the next decade, Papko said: “A lot of our next 10 years is going to be spent doing that, sprinkling in some other capital improvement projects and economic development projects for non-aeronautical land as well. But that’s one of the main marquee projects.”

The other marquee project Papko says they’re hoping to get done in the next 10 years is reconstructing or building a new air traffic control tower facility. “Our existing air traffic control tower was built in the 1950s,” he said. “It’s past its useful life.”

A REGIONAL AIR HUB

There’s no question that the airport is a regional center for aviation – not only for providing commercial air service, but for aviation business and activity of all kinds. “We take that role very, very seriously. So we do talk about ourselves as a regional asset, and not just for this community, but to the broader region,” Werner said. “That is validated by where our customers and where our travelers come from. They



come from all over this region – Northeast Minnesota, Northwest Wisconsin, some of the U.P. [Upper Peninsula of Michigan] and southern Canada. And when you have such a large service area, we do feel a responsibility to make sure that we have the right services and access to the air system that the entire region would use and enjoy.”

In addition to Duluth International Airport, the Duluth Airport Authority owns and operates Sky Harbor Airport – a bit of a hidden gem located on Minnesota Point. “In 2020, we just completed our runway realignment, which was a 15-year project to balance the environmental sensitivity down at Park Point with the needs of the aviation community here in the region,” Papko said, noting that Sky Harbor offers small aircraft pilots a connection to the Northland’s great outdoors as well as to Duluth. “Yeah, you can do some

Hanson says the airport is an asset to Northland businesses and for regional economic development. “First of all, it gives us a link to literally the rest of the world,” he said. “We can go from Duluth to Chicago, Duluth to Minneapolis – and from there it’s often just two hops, and you’re traveling internationally. So that really matters. It also matters for individuals who own their own [planes] and businesses who own their own aircraft to be able to come into a safe, convenient and well-run airport. You know, it matters greatly to be able to connect to the rest of the world.”

“It’s a big part of our economic development here from a regional standpoint and gives both leisure and business travelers the opportunity to connect globally – and for others to connect to our region as well,” concurred DAA Director of Communications and Marketing Natalie Peterson.

In her role, Peterson is involved in many airport projects, including the Vision 2040 Master Plan, and she deems listening to stakeholders as a important function of her job. “Between the public and surrounding communities, along with our stakeholders, both on and off the airfield, it



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– DIRECTOR OF OPERATIONS MARK PAPKO

puddle jumping – but you have that opportunity to really connect to a big city with a floatplane, which doesn’t always happen [at airport facilities in other areas],” Papko said. “Duluth is pretty cool.”

CRUCIAL FOR REGIONAL ECONOMIC DEVELOPMENT

The regional use of the airport is vital to the work of APEX (the Area Partnership for Economic Expansion), which works to attract, retain and expand businesses in Northeast Minnesota and Northwest Wisconsin. “Our partnerships with the airport and the Duluth Airport Authority – and also, frankly, the airport tenants – are very deep,” said APEX President and CEO Brian Hanson. “Duluth International is a great partner in business development.”

The airport refers to tenants as partners; as its website explains, “The Duluth International Airport is proud to share its campus grounds with our great Aviation Partners.” They include Cirrus Aircraft, the Commemorative Air Force Museum, Delta Global Services, Envoy.Air, Lake Superior College’s aviation programs, Lake Superior Helicopters, Monaco Air Duluth, Northern Aero Alliance and the U.S. Transportation Security Administration.



was critical to us that we had their input and acted very transparently with the process the entire way," Peterson said. "We try to operate consistently, with a very forward public process."

BUSINESSPEOPLE LIKE THE CLUB DLH BUSINESS SUITE

As a result of the listening process, Peterson and her team were able to identify an area within the main terminal that the airport could transform into a haven for business travelers – the new Club DLH Business Suite, a private area at the west end of its secure terminal. Businesspeople can enjoy its amenities after purchasing an annual \$150 membership pass.

"It offers multiple different types of seating and variation and lots of charging stations," Peterson said. "We have very strong, free Wi-Fi, so they can conduct their business and do it in a more quiet, private setting. There is a separate conference room, a mini fridge and an area where we offer free bottles of water and snacks, or they can get a free cup of coffee. It has its own TV, its own bathrooms.

"It really just gives our [business] travelers that space, because the environment is really nice there," Peterson added. "We have travelers arriving a little bit early and getting some business done before they got on the plane. Even in the event that we had a [flight] delay, this gives them a space to do business and make their time very effective."



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– DIRECTOR OF COMMUNICATIONS AND MARKETING NATALIE PETERSON

Peterson also noted that for some corporate clients, "The separate meeting space/conference room provides them an opportunity to kind of shut a door and have some group meetings to prepare for their [air] travel and their business discussions and meetings while they're on the road."

Club DLH Business Suite, sponsored by St. Luke's Hospital, has been well received and supported. "With COVID, this space gives them that extra little bit of separation as well," Peterson said. "It just provides a really nice place for them to sit back and relax and enjoy, or to

do some business. So we're very proud of that; we really thought outside of the box. Not a lot of airports offer that particular type of amenity, especially an airport of our size. It was really positive for us to roll that out."

PANDEMIC RECOVERY

As people continue to feel more comfortable about flying and the airline industry begins to rebound from COVID-19 issues, Werner says he anticipates that the airport will eventually settle into about a 1.8 percent to 2 percent market growth rate year over year. "That's the planning factor that we're using to justify our capacity growth, as well as our revenue growth, over the same planning period of this study," he said. "And that's a conservative estimate; it certainly could be higher than that."

Nationally, the industry has been anticipating the current pilot shortage for several years due to pilot retirements. The shortage, of course, was exacerbated by fewer passengers because of the pandemic.



Airport Executive Secretary Mary Ann Wittkop, who has served the Duluth Airport Authority for 25 years.



Werner also believes this issue will be resolved over the next year or so.

He also says it's important to understand that the airport just doesn't grow on its own. It is a byproduct of economic growth in this region. If the economy grows robustly, the airport will, too, since demand by passengers to connect to global destinations in the global economy will also drive economic growth. Conversely, if the economy slows or has growth issues, that will lead to a slower growth rate for the airport. "So it really is tied to the overall growth of the economy, and we've taken a conservative stance in terms of our projections in this [Master] plan," Werner said.

"Obviously, I think the one thing the pandemic's taught us is that the future is a little bit uncertain," Pappko added. "But we are seeing pretty strong demand for

air travel again. People want to get back out and travel; they want to get back out and have those business meetings. Throughout the pandemic, we saw a strong leisure market – people traveling to destinations in the South or the mountain regions, just to get outside and still try to have that quality of life they're used to."

NEW FLIGHTS TO FORT MYERS, PHOENIX (AND MAYBE DENVER)

Enhancing Northlanders' quality of life is Sun Country Airlines' announcement of twice-weekly direct flights from Duluth to Phoenix, Arizona, and Fort Myers, Florida, which began on December 17. Flights will operate on Mondays and Fridays through April 25. This seasonal service will be convenient for vacationers, snowbirds and business travelers throughout

THE DULUTH AIRPORT AUTHORITY

The Duluth Airport Authority (DAA) is a government employer through the City of Duluth. The DAA oversees the Duluth International Terminal and business operations.

DAA BOARD OF DIRECTORS:

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the winter time frame – and, of course, will likely be popular with college students for spring break.

"Both of those destinations are high demand for us, for just leisure travel, but also with our snow-birds," Peterson said. "Those are both big markets for this area. So it really fulfilled the demand and the need in multiple ways – to have that low-cost carrier with direct service to a sunny destination."

News is also circulating about potential direct service from Duluth to Denver. The Duluth Airport Authority applied for and received a \$750,000 Small Community Air Service Development Program grant from the U.S. Department of Transportation. "What that does for us is that it provides us with the funding to offer a revenue guarantee. It allows an airline to come in and minimize the risk for that service," Peterson explained. "It also gives us some dollars for marketing; some of those dollars come from the grant. Then we have additional dollars that we have been committed to locally – from local public entities as well as private organizations that really want to support and see that service here."

Denver, Peterson added, has "become a big, big destination" for leisure travelers – not only the city itself, but also to points westward.



As Denver grows as a hub, the connections established between Duluth and Denver could lead to a potentially large new market.

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This region would not be as strong without the viability of the aviation cluster that calls the Duluth International Airport home, nor would this region's economy. For that reason, the airport is truly a



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foundational regional asset, and Werner is extremely proud of the facility and staff.

“Because it is an important part of the economy, we're really bullish on the future,” Werner said. “We think we have a great opportunity and are positioned well to continue the growth of the services of this facility – of business opportunity at the airport – in a way that will continue to really drive the economy and air commerce for many, many years to come.”

Patrick Lapinski is a freelance writer who grew up in Superior.

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– APEX PRESIDENT AND CEO BRIAN HANSON