

WICOMICO COUNTY AIRPORT COMMISSION

September 9, 2019

Present: Calvin Peacock, Chairman; Matthew E. Creamer, Vice Chairman; John Cannon; Nola Arnold; Bud Church; Gerard DiCairano

Staff: Dawn Veatch, Airport Manager; Tony Rudy, Assistant Airport Manager

Others: Jacqueline Jennings, Piedmont Airlines; Melvin Snyder, airport tenant; Kenneth Lennox, former tenant; Nicolas Olmsted, Kilroy Aviation

Minutes

The August 12, 2019, minutes were approved.

Piedmont Airlines Schedules and Ticket Prices / American's Philosophy / Local Advertising

Ms. Jacqueline Jennings of Piedmont Airlines attended the meeting in order to answer airline-related questions which were posed by some commissioners weeks earlier when Chairman Peacock met separately with each commissioner. Ms. Jennings began by saying that she would be unable to authoritatively explain Piedmont's fare structure because American Airlines (which wholly owns Piedmont) does not divulge the methods by which it calculates its fares.

Nevertheless, Mr. Peacock relayed the following question: "Why is the airfare between here and Philly, one way, \$450?" Ms. Jennings said she compared this fare (actually \$446 from SBY to PHL) to one-way fares to Philadelphia from Harrisburg, Washington, Pittsburgh, Williamsport, and Allentown. These fares ranged from \$403 to \$541, suggesting that the SBY-to-PHL fare is not unusually high.

Mr. Peacock recalled that Mr. Henson kept fares from Salisbury to Baltimore "artificially low" (\$39) to benefit business travelers. Is there any way, Mr. Peacock wondered, to adjust the present SBY-to-PHL fare downward? Ms. Jennings responded that American, not Piedmont, controls where Piedmont flies and how much Piedmont charges.

Ms. Jennings added that American is not as interested in short-leg, one-way flights (example: SBY to Philadelphia) as it is in longer trips. "Our market is Salisbury-Paris," she said. "We want you to fly Salisbury to Philly, connect in Philly, and fly to Paris. . . . Our job, Piedmont's job, and all the other wholly owned's [job] is to feed American's hubs, which is why we'll never fly to Baltimore—because it's not an American hub."

Later, Airport Manager Dawn Veatch said that she was pleased that Piedmont had added another flight to Charlotte.

On the subject of marketing, Ms. Jennings said that American does not discourage local marketing; however, the airline hasn't put any dollars behind those local efforts. If American is going to spend marketing dollars, she said, the company would spend them in Los Angeles or Dallas, for example. She added that

American has never told Piedmont NOT to market. Mr. Peacock then asked if Piedmont had any advertising money in its budget. Ms. Jennings responded, “No,” but stressed that Piedmont will support local airports’ advertising efforts by supplying logos or photos, for example.

Mrs. Veatch stated that the marketing firm which she previously hired has developed a marketing plan which she will submit to the County Council for approval in next year’s budget. She hopes that the plan will encourage passengers who like to fly from Baltimore on Southwest to reconsider their travel plans and to choose instead to fly on American via Piedmont from SBY.

Manager’s Report

1. Wings and Wheels Event. Mrs. Veatch asked for input from the group on how the airport should handle Wings and Wheels events in the future. She noted that Mr. Ray Veatch, who led the event in the past, will not be volunteering in the future. Neither will Mr. Peacock, who recruited, trained, and directed the event’s volunteers.

Vice Chairman Creamer said that the matter is less related to preference than it is to practicality. If, he said, we don’t have the ability to produce the event every year, then practicality should rule, and we should consider “taking a breather” and not scheduling the event for next year. Mrs. Arnold agreed; however, she regretted that we didn’t have the resources to produce the show next year because the public might be expecting it. She also wondered where we would get the people to produce the show in 2021.

Mr. DiCairano recommended that we produce the event once every two years. He also reminded the group that Mrs. Veatch had noted in the past that fund-raising was an issue, and that we would already be behind in fund-raising for a 2020 event, should we choose to produce one then. He added that we could produce smaller events (such as an aviation career day) to draw the public to the airport.

Mrs. Veatch mentioned that she has an RFP (request for proposals) coming out for an FBO (fixed-base operator), and that typically the FBO becomes the “focal, centerpiece” of an event such as Wings and Wheels. She said, “They typically reduce fuel costs to attract people to fly in; they provide the tie downs, the hangar storage [etc.]. So our thought was, if we skip this year, we’ll have a second FBO at the airport by then that is willing to host and do the sponsorship.”

Mrs. Veatch also made the following points:

- AOPA did not wish to bring one of its fly-ins to SBY because we didn’t have enough parking space for 600 airplanes. That problem, she said, could be alleviated in the future as we convert grassy areas to clover-covered areas suitable for aircraft parking. Also, AOPA requires first-class hangar space for their event, which we will have only after our proposed 38,000-sq.-ft. hangar is constructed.
- Jamie Brooke’s recent departure from the Airport Commission will significantly affect the process of managing the funds that sponsors provide for Wings and Wheels. In the past, Mr. Brooke had signed on as a member of the Salisbury Pilot’s Association, which was founded, primarily, to solicit, bank, and pay out funds for Wings and Wheels through a channel that was separate from the county’s system.
- Last year’s event relied on funds collected for the previous year’s event, which was cancelled in advance of a heavy rain storm. Nevertheless, last year’s event ran significantly short of funds, and some people contributed their own money to help make up for the shortfall. However, those people are not willing to do that again. Therefore, in the future, there needs to be a partnership with “someone here on

the airport” that can run “the sponsorship piece.” The community is more than willing to donate money, she said; however, the county cannot accept the money, so there has to be a third party.

- Because our event is an “open house,” rather than an air show, producing Wings and Wheels once every two years should suffice. In the off years, we can also consider hosting less-taxing events such as fly-ins for airplane-type clubs (example: The Cessna 210 Club).

Mrs. Arnold suggested that we communicate our future intentions for Wings and Wheels to past supporters and vendors. Mrs. Veatch agreed and said that she will do so after she has made the final decision to host the event in 2021.

Mr. Peacock mentioned that we could perhaps find people within the community who would wish to lead Wings and Wheels. Mrs. Veatch said that she hoped that the Airport Commission and the second FBO could assume more of that leadership role. Mrs. Veatch stressed that planning the event becomes a full-time job in the final three months before the show.

2. Meeting with U.S. Senator Ben Cardin / One Result: Finally, a Response from the FAA.

Mrs. Veatch related that her meeting with the senator and members of his staff, held (offsite) on Aug. 21, went very well. She then related how her meeting with the senator ultimately helped her secure FAA approval of a second categorical exclusion for our forthcoming drone hangar—after the agency had sat on her request for more than 120 days. (The FAA had approved a “CAT-EX”^{*} for a previously chosen location, but the Maryland Department of the Environment had then rejected that location, claiming that it was in a wetlands area.) Mrs. Veatch stated that she finally secured FAA approval of the second CAT-EX after emailing the agency three pertinent slides which she had previously shown to Senator Cardin. Just five hours after sending her email, she received FAA approval.

^{*} *CAT-EX* defined: “Categorical Exclusion. A class of actions that a Federal agency has determined do not individually or cumulatively have a significant effect on the human environment and for which, therefore, neither an environmental assessment nor an environmental impact statement is normally required.”

3. Past Hangar-Painting Project.

Mrs. Veatch stated that Assistant Airport Manager Tony Rudy has been pressuring the painting company to correct its errors, which included failing to paint portions of the hangars, spilling paint on floors and pavement, spilling paint on Airport Rd., and spraying paint on cars owned by some American Airlines employees. Mr. Rudy said that the company had now finished painting areas that it had missed and was presently focusing on finding a way to remove paint from our new asphalt (without damaging same). The company’s previous efforts to clean the pavement have failed.

Mrs. Arnold asked if paint damage to cars had been rectified. Mrs. Veatch responded affirmatively.

4. Airport Master Plan.

Mrs. Veatch shared her final version of the Airport Master Plan, which the FAA still must approve. The plan includes locations for cargo-storage buildings, several new hangars, two drone-manufacturing buildings, new taxiways, an extension of Runway 14/32 (and its taxiway), a temporary fuel farm, and a permanent one.

Prior to approving the use of airport-improvement money for the purpose of extending Runway 14/32, the FAA will require that the following problem be resolved:

Airport Rd. and Walston Switch Rd. violate the Runway Protection Zone for the approach end of Runway 14. The FAA proposed physically moving the runway threshold at a cost of \$6 million. Mrs. Veatch proposes *displacing* the runway's threshold (simply painting chevrons on the existing pavement to indicate a non-landing area) by 200 feet, a solution which would cost \$1 million and would move the protection zone southwest to a position clear of the offending roads. Mrs. Veatch's solution also allows an eventual runway length of 8,000 feet, whereas the FAA's proposal permits a runway length of only 7,800 feet. Mrs. Veatch summed up the matter by saying, "[With out plan,] we get an extra 200 feet for a million dollars, and they [the FAA] *take away* 200 feet for six million dollars."

Mrs. Veatch also mentioned that the airport had spent considerable sums preparing to comply with new FAA directives which mandated changes to areas around Runway 5/23. However, the FAA later decided that those changes could be addressed in the future, and that failure to address them now would not affect the Runway 14/32 lengthening project. The FAA has now reversed itself twice on the 5/23 matters, causing much frustration and costing the airport team time and money.

5. Revised Minimum Standards.

Mrs. Veatch mentioned that another review of the minimum standards is underway. She invited the commissioners to send comments to her, and she will send a notice to tenants when her proposed revisions are ready for the tenants' to review. The tenants will then have an opportunity to comment.

6. FAA Discretionary Funding.

Mrs. Veatch is still hoping that the FAA might provide discretionary funds for construction of all or any of three proposed projects: a new ARFF (airport rescue and fire-fighting) building, a snow-removal building, an extension of Taxiway Foxtrot.

7. Cell Tower.

Mrs. Veatch reported meeting with a representative of Verizon. The company wants to put a cell tower on top of the airport's existing beacon. (Of note: Verizon has a new three-sided structure that masks the antennas and provides space for advertising.) Initially, the airport would earn net rent of about \$6,000 per year. After the airport paid for the necessary infrastructure, net rent would increase to \$14,000 or \$15,000 per year, totaling about \$500,000 over the term of the proposed agreement. Mrs. Veatch added that the Verizon would need to get a variance to allow construction of the tower on the airport; however, since Easton Airport has such a tower, she is hopeful that SBY could have one also. She and Mrs. Arnold also remarked that cell coverage is poor around the airport and that a new tower would benefit local residents.

8. Fiscal Year 2021.

Priorities for 2021 will be construction of a new ARFF building and providing new space (transplanting two corporate hangar buildings) for the airport's maintenance crew, who currently work out of a dilapidated building that is beyond repair.

9. RFP for an FBO.

An RFP (Request for Proposal) for a fixed base operator is being drafted. The draft is not yet ready for review by the commission; however, Mrs. Veatch said that she will share the document with the commissioners once it is ready.

Former tenant Ken Lennox asked, “Who is going to review it in the county?” Mrs. Veatch responded, “Our attorneys and then it will go through Procurement, our procurement process. They review all RFP’s.” Mr. Lennox then asked, “When is it going to be published?” Mrs. Veatch answered, “As soon as we get through with the review process and I give it to [the commissioners] to review. . . .” She estimated the time until publication to be about two weeks.

10. State Bill to Exempt Aircraft Parts from Sales Tax. Mrs. Veatch announced that she will step away from her role of informing state legislators about the need to exempt aircraft parts from Maryland sales tax. She has testified during the past five years on behalf of that cause, even before arriving at SBY, and she will introduce the appropriate government committee to Mr. Peacock via an email so that he can work with them in the future.

11. Bay Land Aviation vs. the County. A court hearing involving Bay Land’s lawsuit will take place on October 16th.

12. The Water Main. The Maryland Department of the Environment is still studying (and holding up) the project. Mrs. Veatch hopes that MDE will release the project shortly.

13. Kilroy Aviation. Mrs. Veatch and Mr. Rudy met recently with principals of Kilroy. One of Kilroy’s potential clients is preparing a prototype aircraft that is nearly ready to test-fly. Kilroy could help the company procure an experimental certificate and then a type certificate. Mrs. Veatch noted that the client came to the right company when it approached Kilroy. She also said that the client is the fifth manufacturer that has talked to her about using Kilroy’s services. She then added that the client is based in College Park, Md., where the airspace is inappropriate for test-flying. SBY, she noted, has uncongested airspace, plus airline service that will enable the client and its sponsors and associates to commute easily to Salisbury. Finally, she said that the manufacturer will be able to use Wallops’ airspace as necessary.

14. Construction Update.

A. Temporary Fuel Farm. Construction will probably begin next week. The facility will be a county-owned concession, and it will be with Titan.

B. Taxiway Alpha and the Air-Carrier Apron. Construction will begin in October. The taxiway will come first, followed by work on the apron.

C. New Airport Website. The contractor is on board. During a first meeting, Mrs. Veatch and the contractor started “laying out the map” for the new site, which will be user-friendly and more capable than our present site. One new feature will allow vendors and others to pay the airport via credit card, a service which never worked properly on our current site.

D. UAS (Drone) Hangar. Design is nearly complete. Construction plans will be forthcoming. A city/county contractor is studying sewer-hook-up requirements. Interior design of the hangar is complete. Kilroy and SRS (companies which will occupy space within the building) have looked at the interior design.

15. Volair Agreement. We will not conduct a study this year to determine passenger leakage within our region (that is, the number of passengers in our area who use airports other than SBY). Instead, we will continue to press Piedmont/American to expand service to Charlotte and Philadelphia.

16. Rosenfeld’s. The restaurant signed a concession agreement with the airport a few weeks ago. Due to a corporate name issue, Rosenfeld’s found it necessary to resubmit its application for a liquor license. Once

the company receives approval to serve beer and wine, it will use the restaurant's bar as originally intended—to serve drinks. Rosenfeld's will also stay open later after it procures its liquor license.

17. Old Rotating-Beacon Tower.

The airport has hired a company that will take down the tower, paint and repair it, and then re-erect it in a location adjacent to the forthcoming drone building. The tower will provide a communications platform for the drone companies and a monitoring platform for Harris Corporation.

18. Harris Corporation. The co. has signed a contract with the airport. Harris has completed its assessment for ADS-B (satellite surveillance) and radar coverage at the airport. Harris needs the airport's assistance to encourage Wallops to provide down-to-the-ground radar coverage at Salisbury. Such an improvement would eliminate air-traffic delays here which often occur during periods of bad weather (under instrument flight rules).

19. Review of the August Minutes. Mrs. Veatch concluded her presentation by addressing some concerns which commissioners had raised during the August meeting (Mrs. Veatch was on vacation and did not attend the August session.):

CFC Charges / Drone Hangar's Interior / Civil Air Patrol & Salisbury University's Interest in the Drone Building. Mrs. Veatch stated that she had vetted CFC fees (surcharges on rental cars to fund improvements that would benefit the rental-car companies) and proposed office-space rental fees during commission meetings in June and July of 2019, and that commissioners should have been aware of the fees. She asked what she needed to do differently to help the commissioners become aware of changes such as these.

Mr. DiCairano stated that a big part of the discussion of the fees in question centered on the extent of the authority of the Airport Commission. He stated also that he felt that the commissioners were surprised to see the new fees, and that perhaps we hadn't noticed them when they were presented to us the first time. He also felt that we didn't have enough information about the interior design of the drone hangar to pass judgement on the square-footage fee proposed for office space within the hangar. Mrs. Veatch again cited several circumstances during which she had discussed these matters with us and others prior to our August 2019 meeting.

Commenting further on the CFC rental-car fees, she noted that it was her desire to limit the fee to two dollars per car per day, and that the rental car companies would have the opportunity to respond to her proposal. Their response, she said, wasn't due until October 2019. She noted also that other airports of our size typically capped the CFC charge at two dollars.

Mrs. Veatch said she would be more than willing to explain such matters more thoroughly, but that it would help her if the commissioners would ask more questions when they lacked understanding. She said, "I don't know what you don't know."

As for the design of the drone building's interior, she said that she expected to have a completed design by the following week and that she would bring it to the commissioner's next meeting.

Mr. Creamer praised Mrs. Veatch and her team, saying, "You all have been working way too hard." He said also that if a matter required the commission's prompt attention during a period between regular meetings, he was sure that the commissioners could take steps to address any such matter, either through a special meeting or through an email discussion.

As for the commissioners' discussion of the drone hangar's design change from two stories to one, Mrs. Veatch reminded us that the first cost estimate was much too low and that, therefore, the size of the hangar was reduced from ten thousand to eight thousand square feet, a size which would not allow construction of a second floor (due to lack of space for an elevator and stairwells). "Nor do we have the money," she said.

Commenting on the commissioners' discussion of Salisbury University's initial interest in renting space in the hangar, she said that the university now appears to prefer the idea of having a separate building.

Regarding the Civil Air Patrol's use of the drone hangar, she said that the CAP would be able to use space in the middle of the hangar because the aircraft using the hangar will do so on a transient basis, leaving the space open after the aircraft owners take their craft back home following test flights. Also, the CAP wants its own building and has discussed possible airport sites with Mrs. Veatch.

Mr. Cannon wondered how revenue would be affected since Salisbury University would not be renting space within the hangar. Mrs. Veatch said that there would be no effect because "the revenue is coming through our concession agreement. The concession agreement is a percentage of profit based on the operations that SRS (one of the drone companies) performs." She added that when a company leases space within the drone hangar, the money does not go to the county. Instead it goes to SRS. The county will then take a percentage of SRS's income, up to five thousand dollars per month.

Chairman's Report

Chairman Peacock said he had nothing to bring forward that had not already been discussed.

Public Comments

Publication of Minimum Standards. Mrs. Veatch asked if Mr. Lennox had further questions. She reminded him that proposed changes to minimum standards are published on the airport's website and are made available at hangar-tenant meetings. She reiterated that she welcomes comments.

Weather Stripping. Mr. Snyder, a T-hangar tenant, asked when weather stripping would be completed on the T-hangars. Mr. Rudy and Mrs. Veatch said that they were working with contractors, and that the job should be completed "before winter." Mr. Snyder also opined that the currently installed brushes are attached in such a manner that they will damage the exterior paint on the hangar doors. He felt that the brushes should have been installed on the inside of the doors, not the outside.

Mr. DiCairano, who is also a tenant, said that his doors were difficult to open and that he had witnessed a fellow tenant exerting great effort to open his doors. Also, Mr. DiCairano said that he wondered if cold weather would make the installed weather-stripping brushes even stiffer than they already are.

Commissioners' Comments

Mrs. Arnold asked a few questions about fire rescue, the proposed ARFF (airport rescue and fire-fighting) building, and the availability of water to the proposed ARFF building. Mrs. Veatch said that, for safety reasons, the county had rejected the airport's original plan to build a two-story structure that would house a fire station on the ground floor and a restaurant directly above. Mrs. Veatch also noted that, from their

existing location and from the proposed location of the new ARFF building, fire trucks will meet the current standard which requires them to reach any accident scene on the airport within three minutes.

Mrs. Arnold also wondered when water (from the upcoming water main) would be available at the current ARFF station. Mrs. Veatch responded that water would probably be available there by next summer.

ADJOURNMENT

Calvin Peacock called for a motion to adjourn. The meeting was adjourned.

NEXT MEETING

The next meeting will be held on Monday, October 14, 2019.

Calvin Peacock, Chairman