

Open Work Session

Capital Improvement Budget and Program – Airport Capital Projects

January 2, 2018

Mrs. Dawn Veatch, Airport Manager, and Mrs. Dawn Parks, Director of Finance, came before Council. Mrs. Veatch said the first item is STARS and ADS-B Equipment. She said the FAA mandated many years ago that, by 2020, all general aviation aircraft would be equipped with what is called ADS-B Out, and 2020 is coming. She said STARS is a computer-generated radar system. She said they have five radars that surround their airport, none of which give them 100 percent coverage. She said STARS will take those five different radar images, generate them, and create a single image that gives them 100 percent radar coverage. She said radar coverage is required to operate the ADS-B equipage that is required in 2020 on every aircraft. She said ADS-B is a transponder type thing that is seen on TV where they have shown air traffic controllers and all the airplanes in the sky. She said general aviation aircraft typically did not have some of that type of equipment, nor did they have a receiver and transceiver to where that information could talk to each airplane, but could only talk to the ground facility at the Air Traffic Control Center. She said that is what this system is, and Council may have recently heard it called next-gen technology on the news. She said it has been a platform of discussion with privatization of air traffic control, and the fact that the FAA has not been able to keep up with their deployment activity. She said, when their radar was taken away several years ago and deployed over to Wallops, they angled it, and their ASR-11 that is on their airport layout plan for future installation is no longer available, nor would they want to purchase that because a new ASR-11 radar is over \$11 million dollars. She said the cost to put in this computer-generated radar is about \$500,000-\$600,000, to include the installation of the controller's panel that would now be needed in their Air Traffic Control Facility.

Mrs. Veatch said the next item is ARFF, the Aircraft Rescue and Fire Station. She said, last November, they took the ARFF control from Piedmont, as far as manpower staffing, and moved it into a contract under Fiore. She said ARFF is now housed in hangar 6 at the airport until they can build a proper facility. She said there were two reasons to re-designate who has responsibility for ARFF, and one reason was because the contract was coming up for renewal. She said that service was always in lieu of landing fees, and Piedmont would provide the management for the fire rescue service because their staff was there when their equipment would arrive. She further said, with the outreach to other carriers, it was necessary to remove that from Piedmont, and bring it back under the airport's control in a contractual type agreement until the airport can fund that service under some other method. She said they need the building for an ARFF hangar, and they have also asked for another ARFF truck. She said, basically, when their vehicle is down, Parsonsburg is the first responder for the airport, and they are not legally equipped to respond to meet their sole requirements. She said, if their ARFF truck is down, they cannot actually service any airline service without a backup, so they have asked the FAA for a backup vehicle. Mr. Dodd asked how many ARFF trucks do they have now, to which Mrs. Veatch responded, one. Mr. Dodd then asked how many vehicles they have, to which Mrs. Veatch responded, one. Mr. Dodd asked if there used to be several more, to which Mrs. Veatch responded, she does not know because she arrived in February. She said, since she has been at the airport, there has been one vehicle. She said Parsonsburg is their second responder for backup, and then Salisbury. She said, unfortunately, those responders do not have foam, so when the ARFF vehicle was down this summer, they had to get it fixed precariously. Mr. Dodd asked if they have somebody set up who could loan the airport a vehicle, such as Wallops, to which Mrs. Veatch responded, they are not close enough. She said they reached out to Wallops during the time of the ARFF truck malfunction, and they could not assist the airport, and BWI is too far away to get something here if it breaks. Mr. Dodd clarified, he was asking if they would have a

loaner for the airport, to which Mrs. Veatch responded, no. She said there are no loaners on a full-time basis to keep it here.

Mrs. Veatch said the next item is Taxi-Lane C Apron and Corporate Hangar Ramp. She said they paved the taxiways and the T hangars this year, and they are going to finish that in the spring. She said the next ramp that needs to be done is the ramp in front of the corporate hangar starting from AG Atlantic past WBOC, and then up to where the old Bay Land hangar is. She said they will resurface that ramp because it is breaking and crumbling, etc. She said they did a pavement management contract this year, and they just received that final report. She said the draft indicated that was a critical ramp area that needed to be resurfaced due to FOD (foreign object debris), cracking and potholes.

Mrs. Veatch said the next item is the Rehab Access Control System. She said their current system was not functional when she arrived in February. She said there were a lot of gates that were open and not locked. She said they repaired all of those at great expense. She then said the system was installed in 2002 and is obsolete, so trying to get repairs and parts is extremely expensive. She said they spent \$17,000 on one gate alone trying to get it back up and operational. She said they have put in their budget to have a new control system put in that will also be upgraded so that, if they get another carrier with a larger seat capacity, and they have to go to a higher level of security, it will meet those standards. She further said the airport should have those standards anyway because of the type of operations they have now, but they were grandfathered, basically, with the old system because of the year it was installed.

Mrs. Veatch said the next item is Snow Removal Equipment Building. She said their snow removal equipment is basically sitting out in the snow right now. She said they have part of it in the ARFF hangar because there was space on one side, and Piedmont is removing some equipment. She said they terminated a lease with Piedmont in order to get that hangar back to be able to put some of their equipment inside so that it does not sit out in the cold during the snow season. She said trying to get that equipment cranked up and ready to go when it is as frigid as it is right now with no hangar is really difficult, and it creates a lot of false starts, so they have put this in the budget to have done in 2020.

She said the next item is the Drone Facility to design and build that site. She said the site is a 160 x 160 feet landing pad that will have calibration annotations on it for an operator that is interested in coming in. She said the proposed hangar that goes along with that is 10,000 square feet, and the cost of that is \$750,000. She said one thing Council should note is they have applied with the FAA to be a test site for the United States. She said the FAA is only going to select seven in the first round, and then they will select another seven after they get the first round established. She said she attended a conference in California a couple weeks ago, and right now there are 50 companies interested in being on Wicomico County's test site list, if they are awarded. She said they are going to do the test regardless of whether they are awarded the designation as being one of the testing sites because the FAA said, as long as they collect that data in the format required, the FAA would accept their data, even though they were not part of the program. She said the program only gives operators a first come approval process for the waivers and operating agreements they might need, and the FAA has a huge backlog. She said because Wicomico County is so closely located with Wallops and NASA, this is a huge opportunity. She said they have a unique mixture of air carrier, military operations, and general aviation flight training that is really unique in that they have a rural area to be able to operate the drone activity, and do tremendous testing. Mr. Joe Holloway asked if the Federal Government will chip in any money toward this \$750,000, to which Mrs. Veatch responded, the FAA is not funding anything for drones, although Maryland Aviation possibly could. She said she has a meeting with them on the 9th to do their ACIP, and this will be

proposed as well. Mr. Joe Holloway said that Mrs. Veatch stated she had an operator interested in coming in. He then asked if they would share in the cost of this, to which Mrs. Veatch responded, they would rent it. She said this would be a leased hangar, just like the other hangars they lease. Mr. Joe Holloway said Mrs. Veatch has said a lot of things about what is going to happen. He then asked what other sources of income would come in to help pay for this, to which Mrs. Veatch responded, if this is successful, and they have a good development project going with the data testing, her hope is that the 50 companies that test with them would continue that partnership, because of the synergy that would be created with the unique testing area next to Wallops, and the restricted airspace they have agreed to share with the airport for this project. She said those companies would then build their own buildings, and bring jobs to the County, which is what her goal is. Mr. Joe Holloway asked if there are any other test sites close by, to which Mrs. Veatch responded, no, not under this project, because the FAA has not authorized drone operations in controlled airspace at airports yet for the purposes of testing like this. Mr. Joe Holloway clarified the FAA has not authorized this. He then asked what would happen if the County builds this, and then the FAA does not authorize it, to which Mrs. Veatch responded, the FAA has authorized it under the guidance of the application for the airport to continue doing the test. She clarified, they have been accepted as one of the test applicants, and they have to be a test applicant in order to be granted the rights and approvals. She said they will just not be one of the top seven if they are not selected, but she thinks they will be because they have such a unique concept they are performing here. She said the concept they sent is definitely unique compared to everybody else. Mr. Joe Holloway asked if they will build this first, and then count on getting accepted, to which Mrs. Veatch responded, no, because she already has a drone operator who wants to do calibration here. She said she does not have a signed lease because she does not have anything to lease yet. She said by the time she gets this project done he could be gone, but she does not anticipate that with the market that is out there at this time. Mr. Joe Holloway asked if the County could get a committal letter from him before they spend the money, to which Mrs. Veatch responded, she does not know, and she would have to explore that option with the developer. Mr. Cannon said Mrs. Veatch is very good with the resources she has. He asked if she has looked at whether there is any Federal or State funding that would support this, to which Mrs. Veatch responded, she has looked, and there is zero Federal. She said the FAA has been determined not to fund anything with drone development. She said the FAA is not exactly welcoming this with open arms at this time, but it is kind of being forced upon them with an industry that has exploded, and they are having to deal with it. She said there is one company that is very interested in moving here and setting up an ODA, which is an authorization to certify new drones. She said since the FAA recently required drones that are of a certain weight and classification, they have to register as an unregistered aircraft, and all the rules now require that they have to be certified. She said, if this company were to move here, that would include Boeing and Airbus contracts. She said she is working with them to see about being a part of their team, and she is trying to get them to open an East Coast office and designee here. She said the airport's facility and runway would definitely accommodate that, and the Taxiway G that is already in the industrial park is perfect for that type of operation.

Mr. Cannon asked to go back to the snow removal equipment. He said it is listed as \$1,550,000, yet under State and Federal Grants it is listed as \$1,350,000. Mrs. Veatch said she has put in for a grant for that, and it is on their AIP that they are working on next week on January 9. Mr. Cannon asked if what Mrs. Veatch is suggesting is that \$200,000 of this cost would be incurred by the County. He said, when this says Capital Costs, General Fund, and Bond Projects, it looks to him like she is talking about funding the entire \$1,550,000 locally from the County, but on page 5 it is listed as a Federal grant. Mrs. Parks said, on the Summary Page under Costs it has the \$1,550,000, but when they go down under the Funding Sources, the Funding Sources have it broken out with the \$200,000 from the County. She said that is on the Summary Page. She said on the individual page, which is page 56, it shows the \$200,000

from pay-go from the general fund, and then \$1.35 million from Federal funding. Mr. Cannon asked, on page 51, where he sees the Capital Costs, General Fund, and Bond Projects, why is it listed as \$50,000 in 2019, and \$1,500,000 in 2020, to which Mrs. Parks responded, it probably should have been on the page twice, because the \$200,000 is coming from the County. Mr. Cannon asked if that is pay-go, to which Mrs. Parks responded, yes, it is listed as \$200,000 from pay-go. Mr. Cannon said, instead of having this total of \$1,550,000 under Capital Costs, General Fund, and Bond Projects, he would have thought that would not even be there. Mrs. Parks responded, if she splits it on the Summary Page, she does not know if it would be more confusing, or less confusing, to have it on the page twice. Mr. Cannon said, when he reads page 51, it looks like at some point in time the County is going to either spend \$1.5 million dollars, either from bonding, or from general fund. He then asked Mrs. Parks if that was true, to which Mrs. Parks responded, no. She clarified, it is only the \$200,000. She asked if in the future he would rather see it split, to which Mr. Cannon responded, if that \$1.5 million dollars is not coming from the general fund, or from a bond project, it confuses him that it is in there. He said he would guess that maybe \$200,000 should be in there. Mrs. Parks asked if he would like her to put the \$200,000, and then have the project listed twice, to which Mr. Cannon responded, he guesses. He then said, this report is miles beyond where they were last year, so it is good, but he was confused. Mrs. Parks said it is a work in progress, but she will make a note on that for the future, and she will split them out so it is less confusing. She clarified, on the individual page, it does have it split out. Mr. Cannon asked if that is on the summary, to which Mrs. Parks responded, the individual page for the individual project has it split between the two. Mr. Cannon said he now understands what Mrs. Parks is saying. Mrs. Veatch said one other thing that makes it confusing is that the County's Fiscal Year 2018 is the FAA's Fiscal Year 2017, but it actually gets paid out in a different year, so it really gets confusing.

Mrs. Veatch said the next portion under Enterprise Zone is the air traffic control tower, which is a contract tower. She said it is not an FAA funded and supported tower, so they have certain obligations in that they have to maintain the equipment and conditions of that tower. She said they need a replacement ASAS, which is an automated weather reporting system. She said the one they have now is antiquated, and is under a lot of repair. She said this has been in the budget for several years and deferred, and deferred, and deferred, so it needs to be brought forward. She said their airlines cannot land without weather reporting, and it is prohibited without the electronic weather system. She said they do not have a weather observer at the airport. She said that is in the CIP, as well as an upgrade to a few other items. She said they just have a contract that went out to upgrade the analog voice recording to digital. She said that item also had been deferred for many years, as well as the HVAC, so they are trying to catch up on the past years, and get some of the equipment in there updated, functioning, and operational per the requirements of the FAA contract orders.

Mrs. Veatch said the next item is runway Taxiway 14/32 extension. She said the request on the previous extension was to go to 7,000 feet to support the EMB 145 that American Eagle is now operating. She said the FAA did not support that request, so now they are back at the drawing board to extend the runway to support the EMB 145. She said their consultants have now done a calculation, and that aircraft actually needs 7,500 feet to operate within the criteria the FAA has set forward. She said to extend it an additional 500 feet would give the airport coast-to-coast operations with their critical aircraft, which would be a Boeing 757. She said the majority of FedEx and UPS's fleet are 757s, and, for domestic use, they use the larger aircraft. She said, for international use, she is trying to court them in here right now as she speaks with FEMA and MEMA for disaster relief efforts here. She said this would co-locate FedEx and UPS in the same hangar that FEMA and MEMA would have for their distribution center, as well as a staging area in the event there is any kind of natural or manmade disaster here on Delmarva. She said that effort is a Tri-State effort for FEMA, and it is going very well. She said she got a

good letter today and was excited. Mr. Dodd asked if that is going to cost \$35 million dollars, to which Mrs. Veatch responded, that runway extension will cost \$35 million dollars. She said what she plans to do is ask for discretionary money from Congress, and Senators Cardin and Van Hollen are both on board with that. She said they also have been looking to support this, and so has Congressman Harris. She said, in her briefing in the Governor's Office, she did explain to them that she would be asking for discretionary funding to fund this runway. She said runways are expensive between land acquisition, design, and moving Nav-Aids. She said their navigation system will have to be relocated because the threshold will be relocated. She said it is an expensive project that would not be a sole burden on the County. Mr. Dodd asked if she has any idea what this will cost the County, to which Mrs. Veatch responded, normally their funding sources go 90 percent FAA, 5 percent Maryland State, and 5 percent local, which they try to fund out of PFCs, their passenger facility tax that is collected. She said a project this size may not be able to facilitate that, and they may have to have a County portion. She said, until it gets closer and she knows whether the FAA will fund this, she does not know the exact portion the County would be committed to. Mr. Dodd said it would be nice to hear something about that. Mrs. Veatch said it is confusing because it is on the CIP as a 2020 build, but that is an FAA 2020-2021 build, so they still have some time. She said their Airport Master Plan, as Council knows, is underway, and in the process of being completed and developed to include the runway extension, as well as some other additions. She said, once that is done, they will have a better idea, and then they will start requesting the discretionary money through the proper channels, as well as Congressional, and through the Governor's Office through the Tri-State effort.

Mrs. Veatch said Taxiway A Rehab is the same as Taxi-lane C that was in the above section. She said the pavement analysis they just did identified Taxiway A, which is the parallel taxiway to their main runway 14/32, and that runway and taxiway were refurbished at the same time several years ago. She said A is now showing signs of deterioration, making it priority one in that assessment for their taxi-lanes, so they moved it up from B North, which was scheduled to be done next year. She said she had deferred that because it is a taxiway they very rarely use. She said the previous FAA project was looking to fund over \$2 million dollars to resurface that, but they are actually going to tear that up in about two years. She said she deferred it, and now they have that funding sitting there, so they want to roll that forward with the FAA to hit their most needed taxiway refurbishment. She said the funds that would be used for some of that would be done through the FAA, and that is why it is broken out the way it is, and, when looking on the sheet, it is also broken out with FAA funding and County funding, so it may be a little misleading on the total funding there. She said, on page 60, it is broken down with the County Enterprise, the State, and the FAA funding in those proper proportions.

Mrs. Veatch said the next item is the land acquisition for runway 14 project. She said that is a guesstimate of \$6 million dollars, and that depends on how much land is out towards the southeast. Mr. Joe Holloway asked who the property owners are out there, to which Mrs. Veatch responded, there are several property owners out there, and there are some wetlands. She said they will not know this until they get their environmental assessment back, which will go in after the master plan is completed. She said then they will have an idea of what land has been identified that will have to be purchased, not only for the runway extension, but also for protected zones that are required for air navigation and easements that will have to be imposed, so that could require, or not require, land acquisition, and it all depends. She said, once they get that environmental assessment and they know how much wetland mitigation, if any, is required, they will have a better figure. She said that is a rough guesstimate given their consultant's experience, and he has been here a long time. She said they also had a recent appraisal on land values around them, and they used that information for current figures to give them a ballpark of what they thought that might be. She said hopefully it will not be any.

Mrs. Veatch said, if Council recalls, they demolished, sold, and transferred three old T hangars that were pretty much condemned at the entrance to the airport, and that has all been moved out. She said, when they build the new ARFF facility, the hangar that those vehicles are stored in now and operate out of, and the hangar adjacent to it, are part of their maintenance development for their staff. She said their staff work in a 1942 hangar right now that is sorely in need of replacement. She said they can move those two hangars that are blocking the construction of the 38,000 square foot hangar for \$10,000 a piece, and she cannot build that kind of square footage for \$10,000. She said they have a plan to move those forward across the runway over to the facility where the new snow removal building will be built adjacent to it so everything is together. She said once those hangars are moved, they plan to build up to a 38,000 square foot hangar. She said she has been in discussions with several companies, and one is very interested in doing that design. She said they have not put an RFP out yet because they would prefer to wait and just do a land lease and build themselves instead of the County doing an RFP if they want to ask someone to build it. She said they are looking at that, and that should be coming to closure in the spring. Mr. Cannon asked, as far as funding for this, is Mrs. Veatch stating this is public-private partnership, to which Mrs. Veatch responded, yes, it can be, or they can rent it and take the proceeds. Mr. Cannon asked for clarification. He said, if Council were to move forward with this, it would be on the expectation that it would be from public-private partnerships, to which Mrs. Veatch responded, yes sir.

Mrs. Veatch said the next item is the air carrier rehab. She said several years ago, back in 2013, there was a 30 percent design done to look at refurbishing the 1993 terminal building, as well as any additional space for growth that would be needed as they move forward with the recruitment of new air service with some other airlines. She said, as they expand, this is the proposal to move forward with that. She said they need a new roof, and they need a lot of new things from the wear and tear, and the age of the building. She said the redesign is to also add additional space and refurbish the space. She said the 30 percent design under this proposal would be a new design to finish up that scope of work, and then they would bid that out to have it refurbished. She said that is eligible under the FAA, although the FAA will not pay for it, even though it is eligible, because it is not a safety factor. She said it would therefore have to come out of their PFCs and some of their entitlement money, as well as some local funding.

Mrs. Veatch said the FEMA/cargo joint distribution center is what she spoke about earlier with the runway extension. She said the cargo ramp that would go in is a joint use facility, and there is FEMA money, although she has not applied for it yet. She said they are having further meetings in January, which they are scheduling with MEMA and FEMA, as well as the emergency management staff here, to see if they can get some funding. She said she knows both Senator Cardin and Senator Van Hollen have already put together a small work group with their staff on the Hill to work with FEMA to see about the designation, and what they can do to help facilitate that because they are a three-state island, basically, without the bridges and tunnels. She said this becomes a three-state effort, and that is very good.

Mrs. Veatch said the next item is Taxiway F extension and apron. She said, when the airport was redesigned and they closed the crosswind third runway years ago, they ripped out the taxiway that gave access from the Perdue and FedEx side of the airport over to the runway end of 5, so that is on the radar for the FAA in 2020 and 2021. She said the FAA would be funding a majority of that, and that would be another 95/5 percent split with the FAA and the County.

Mr. Kilmer said there are enterprise projects and the general fund projects. He asked what the logic was in some of the projects coming from enterprise, and some coming from general fund. He asked if there

was a way they classified them, or was it arbitrary. He clarified, he is talking general overall. Mrs. Veatch said infrastructures, typically, in other airports, are funded by their County, even if they are an enterprise zone, because infrastructure is a County's obligation, typically, unless they do it under a private partnership, which she is trying to expand on, and do some of the infrastructure projects that way. She said they in turn reap the profit from it instead of the enterprise. She said projects, such as the fire department, are typically paid by the County for the citizens, and the airport is no exception. She said that would be one of those items that would come out of that. She said the taxiway apron are things that the FAA does not pay for anymore because it is not "safety related" to the operation of the main runway and taxiways, so it leaves it to State and local funding. She said they have requested grant money from MAA, and, if they get it, they would pay 75 percent, and the County would pay 25 percent. She said instead of paying the whole \$750,000 for that taxi-lane, for example, the County would pay 25 percent of that, and she thinks their sheet was broken down that way. Mr. Kilmer said some of it talked about forward funding. He asked if that is what that is talking about, to which Mrs. Veatch responded, yes sir. Mr. Kilmer asked if they would fund the whole amount, and then hope to get the grant funding, to which Mrs. Veatch responded, yes sir. She said it is the same thing with the question President Cannon asked regarding snow removal. She said, if they do not get the funding for the snow removal building, the way they will have it is forward funding. She then said, if they get forward funded, they would then reimburse. She said nothing is certain with the FAA until they write their check, and these are facilities the airport has to have. Mr. Kilmer said, with the snow removal, the County could be on the hook for the full \$1,550,000, or for just \$200,000, and it just kind of depends. He asked Mrs. Veatch if the County would forward fund the whole amount, and then look for reimbursement, to which Mrs. Veatch responded, before the construction would start, she would know that answer. She said that is why it is put into the budget the way it is, because she has to ask it here. She further said she cannot put anything forward for a grant that was not in her County CIP, so when she puts it in the County CIP, she has to ask for full funding because she does not have the answer yet for her FAA and MAA funding. She said, hopefully, they get the funding they ask for. She said they have great support Congressionally and through the Governor, and everyone else. She said if they are not strong enough in their recommendation, and their justifications, they can then also tap into the resources they have there. She said the money is tight, and AIP money is being looked at very carefully right now under the Reauthorization Bill, and they have their fingers crossed it is going to increase.

Mr. Joe Holloway said Mrs. Veatch has talked about an ARFF building, and she has also talked about a building for snow removal equipment. He then asked why those two buildings cannot be incorporated as the same building, to which Mrs. Veatch responded, they could, but the design is for this to be located where the old terminal building was. She further explained, if they put three bays for the ARFF facility, or, if they add the third bay for an emergency EMT, or future joint use facility, they then would not have room to expand the terminal, because the terminal will join that corner so they can have access to the building there. Mr. Joe Holloway asked if they have to build the ARFF building there so they can expand the terminal, to which Mrs. Veatch responded, no, they cannot put the snow removal with the ARFF building. Mr. Joe Holloway said that is not what he meant. He clarified, they should put the ARFF in with the snow removal building. Mrs. Veatch asked, on the other side of the field, to which Mr. Joe Holloway responded, yes. Mrs. Veatch said it would not meet their call-out time. She said they are required three minutes to the end of each runway, and that is the most advantageous point to put it. She said their current location actually gets them short on one runway. She said this is temporary, and the FAA has given them a waiver. Mr. Joe Holloway said the other question he has is a design question. Mr. Joe Holloway asked if it is correct that she is planning to put a restaurant over the top of the ARFF building, to which Mrs. Veatch responded, yes sir, under private partnership. Mr. Joe Holloway then asked if she has secured a tenant for that, to which Mrs. Veatch responded, she is in the process. She

said they are opening the new Passenger Center, and she hopes when they have their grand opening, Council will come see that. She said their Passenger and Conference Center is a test to have restaurant vendors come out and sell their food, and test to see if it fits their business model. She said she will put an RFP out to propose the building, and then they can come and bid whoever wants it. Mr. Joe Holloway said restaurants at the airport do not have a very good history. Mrs. Veatch said they were never located where they could see the runway. She said airplanes fly from Washington, D.C. to Cambridge, Maryland every day to have lunch at Kay's, and watch the airplanes. She said they have C-130 assault landings out here every day, and the F-35 comes over and practices. She said there is a lot to watch out on that runway, and people will fly here, if they do not drive here. Mr. Joe Holloway said his other question is the design question. He asked, if they are going to have the ARFF trucks underneath the restaurant, what is going to keep the diesel fumes from migrating into the restaurant, to which Mrs. Veatch responded, the ventilation system. She said this is a model that is not new, and it has been done many times. Mr. Joe Holloway clarified it will then not be a problem, to which Mrs. Veatch responded, no sir.

Mr. Cannon said he likes the idea of the drone facility, and he has a similar question as Mr. Kilmer. He asked why the drone facility design is specifically listed as a bonded project, as opposed to being listed as an enterprise, to which Mrs. Veatch responded, she can build it under public-private partnership, but she does not have control over the building. She said, if they become a lead tenant in the process, and they are actually selected, then she can use that building. She said, otherwise, she will have to rent that space to host that project. Mr. Cannon asked how that distinguishes whether or not it is going to be from the general fund or the enterprise fund, to which Mrs. Veatch responded, she does not understand the question, and deferred the question to Mrs. Parks. Mrs. Parks said they chose it to be in the general fund because they do not have funding for it. Mrs. Veatch said it is really just a hangar with a concrete pad that is a little larger than a helipad, it has already been approved on their airport layout plan, and they have category exclusion environmental approval for that. She said they also have FAA air traffic approval to operate drones in and out of that site already without this project. She said she would like to build it, and lease it like other hangars they currently have. She said they have hangars they lease and collect on. She said she would really like to do this project because of the advantage it gives them to be able to bring new business to the community, and to the airport. She said those drone operators and manufacturers are multibillion dollar operators. She said they have Intel and Google both looking at joining. She said they have not yet, but they are very interested in their platform and concept because they are so close to Wallops, and it works really well. She said she thinks they have a huge opportunity here. She said she could build it on a public-private partnership, and then just lease some of the space. Mrs. Parks said that Mrs. Veatch did say the FAA will not fund this, so that was the determination. Mrs. Veatch said, one other thought process behind that was that she did not ask the State of Maryland for funding. She said the University of Maryland is also wanting to be one of the test centers, and she did not feel she wanted to ask the State of Maryland for funding because of the conflict of interest it would create, nor did she want to tip her hand. Mr. Dodd said he thought earlier Mrs. Veatch had said the State would be an option since the Federal Government was not going to pay anything, to which Mrs. Veatch responded, that would be after the selection process is done. She clarified, she has not asked for it yet because she can do it later next year, and it is a next-year project. She said, for example, requests for MAA grants next year are in June. She said they are having a workshop on the 9th to finish up this year, and they put their new requests out in June for money that comes to them on July 1. She said the State then funds everything on July 1. She said, if she is not selected, and she will know that by June, she will put in the request, because she then will not be causing a conflict. She said there are just certain things about sharing with some of the universities that have caused problems in the past, and she is preferring to keep things private until they know they need it. She said she still has time to ask for it,

because that does not come until June, and the determination will be made in early May for the selection, if not earlier.

Mr. Joe Holloway asked if a drone facility has to be on an airport, to which Mrs. Veatch responded, no sir, it does not. She said, if they are under 55 pounds and vertical lift, they can take off as they are right now from Wor-Wic, who is in partnership with Wallops Island. She said, if the County gets this facility built, they will be one of their tenants to operate there for the first responder training they are doing under that partnership. She said she has tenants there, but it would be easier for her to share that if she were the builder and renter as an operator, instead of giving it to a developer. She said a developer would want to market it differently. She said, if they could use it as a joint center of excellence, so to speak, where multiple users can use it, the County would charge a fee for that on a per hour basis of space and time, versus leasing it to an operator under a land grant and letting them build it. She said she really thought the County could make some money on this opportunity, and that is why she put it in the budget the way she did. Mr. Joe Holloway said, what he was getting at was that Mrs. Veatch has said that the drone testing and drone business are going to grow, and it will be kind of a free market out there for anybody, such as the University of Maryland. He asked if this is something that can be approved anywhere so there would be a lot of competition, to which Mrs. Veatch responded, there are 300 applicants nationwide. She said, when they went to the conference, they were told they were looking for diversity of applicants. She said they are looking for a diverse type of operation, and one of the things Wicomico County has that College Park does not have is some of the military operations, and the closeness to Wallops. She said College Park does not have that airspace, so that gives a whole different platform for the communication company that wants to partner, and for their surveillance partner. She said they have already gotten military approved software and hardware, and it is actually installed at Wallops, so it makes it very easy for them to go into the Wallops restricted airspace that is out of Snow Hill. She said they take a departure out of the airport, go over there, run their testing missions, and then come right back. She said they also have a taxiway that goes there, which no one else has, because of where they have put the proximity of their development and their center. She said they are looking for both vertical and land takeoff and landing drones.

Mr. Cannon thanked Mrs. Veatch for her very, very aggressive plan. Mrs. Veatch said, if Council has any other questions, they know where to reach her, and she appreciates the opportunity. There was no further discussion.

Signatures on next page



John T. Cannon, President



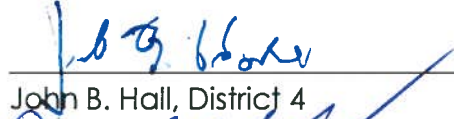
Larry W. Dodd, Vice President, District 3



Ernest F. Davis, District 1



Marc Kilmer, District 2



John B. Hall, District 4



Joe Holloway, District 5



Matt Holloway, At-Large



Laura Hurley, Council Administrator