

## **Open Work Session**

### **Proposed Reallocation of CARES Funding for the Ocean City-SBY: Wicomico County Regional Airport September 6, 2022**

Mr. Tony Rudy, Airport Manager, came before Council and said Council may remember about a year ago they met to reallocate some of the CARES funds. He said they are not changing a whole lot, but some of these projects have evolved over time. He said they took their best guess when they did the CARES funding to begin with, and they did get the two additional grants, the Coronavirus Response and Relief grant and the American Rescue Plan grant after that. He said they were able to use those funds from those two grants more for operational and maintenance expenses, so it has freed up some money for projects, and the CARES grant can cover developmental projects at the Airport.

Mr. Rudy said really what they are asking for are some changes to three areas. He said they had two standalone projects – an aircraft rescue and firefighting (ARFF) building, and also a snow removal equipment and maintenance building. He said the ARFF building was designed, put out to bid, and came in quite a bit over what their estimates were with construction costs being what they are today. He said they regrouped, as both of these projects are very important to the Airport and their facilities right now are inadequate, and they came up with the idea of combining these buildings because they share some common space in both of these buildings, such as training rooms, restrooms, breakrooms, and things like that. He said they are moving forward with that, and, again, it is going to cost a little bit more than what he thinks they originally planned for the two buildings, but they will have a cost savings by combining those.

Mr. Rudy said the second item is a fuel farm facility, and this was identified in their five-year CIP. He said they will be designing this and constructing this hopefully before the CARES funds run out in less than two years. He said the need for this is that the facility at the Airport now is owned by Bay Land Aviation and they are underground storage tanks, and he believes they are 30 to 40 years old now and they are a concern to the Airport. He said the tanks are not leaking, they are safe and have been tested and are looked at regularly, but he is afraid if something were to happen to those tanks they could be out of fuel for a period of time, which would not be good for both Piedmont Airlines or any of their other customers at the Airport. He said, with the CARES funding, they are looking to be proactive creating a containment facility for a future fuel farm.

Mr. McCain asked if those are double walled, to which Mr. Rudy responded, he believes they are single wall construction, but they have a fiberglass coating over them and he thinks they are surrounded by stone which gives them drainage, but still they can imagine the concern with those being in the ground and the potential there.

Mr. Holloway asked if the operator of those tanks has them inspected, to which Mr. Rudy responded, from his understanding, he does either inspections or regular inventory, which would indicate if the tanks were leaking or not. Mr. Holloway asked if the Department of Environment gets involved in that inspection, to which Mr. Rudy responded, yes, he has his permit through the Department of Environment. Mr. Holloway said they tried to do this before to basically run him out of business, so he was just wondering if that is the same thing here, to which Mr. Rudy responded, no, this is strictly planning for the future at the end of his lease. He said he would not be comfortable with leaving those

tanks in the ground any longer than that. Mr. Holloway asked how long his lease is, to which Mr. Rudy responded, his lease comes up in 2025.

Mr. Rudy said the third reallocation is from their automated parking system, which has been installed. He explained, it was not eligible for CARES money, but they had other funds to pay for that.

Mr. Cannon clarified, when they say remove the automated parking system, they are not physically removing the automatic parking system, they are removing the \$150,000 from the original request and disbursement, to which Mr. Rudy responded, that is correct. He said he would assume that with some of these other projects not online yet he is sure they will have an adjustment in the future too. He said these are kind of recurrent needs.

Mr. Cannon said, with the fuel farm facility a lot of what has been talked about over the last few years was the fact that there will be a group that would come in and deal with fuel, to which Mr. Rudy responded, that is a fixed base operator (FBO). Mr. Cannon asked, if they go ahead and start constructing the new facility, would it easily fit in with what they might want with an FBO, or would an FBO want to define their own terms, to which Mr. Rudy responded, there are really two different kinds of models at airports. He explained, either an airport can own the fuel facility or someone like an FBO can own the fuel facility. He said this would be available for anyone's use, whether it is Bay Land or another company that comes in, or even if the Airport decides to take over that operation by themselves. He said they would have this containment area in place, but he is not sure at this point whether they will put the tanks in or not, or whether whoever the vendor is at the time will put the tanks in. Mr. Cannon asked is the total role of the FBO is to maybe build their own fuel farm facility with a package they come in with as opposed to the County building it for them, to which Mr. Rudy responded, if they have this in place, they could lease this facility to them. Mr. Cannon said he is just wondering whether it would be better for the County to build it or whether they should have an FBO come in with a whole total package and do it themselves, to which Mr. Rudy responded, he understands that, but they still have a lease with Bay Land Aviation until 2025. He said they have the funds available now to be proactive and get this facility up and build it, so whether it is another FBO that comes in, they could lease it from the County. He said another option they are considering is that the Airport could take over this operation, which is not unheard of. He said they would be keeping all of the profit.

Mr. Cannon asked Mrs. Hurley where they go from here, to which Mrs. Hurley responded, because these are capital projects, it requires an amendment to the CIP, so they have to have a Public Hearing, and they can have that on September 20 at 10:00 a.m. Mr. Cannon asked if this will be presented as one Legislative Bill, to which Mrs. Hurley responded, it will be a Resolution. Mr. Cannon clarified, one Resolution and not separate ones, to which Mrs. Hurley responded, correct, one Resolution.


There was no further discussion.


*Signatures on next page*

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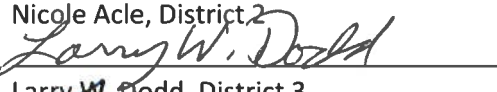
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John T. Cannon, President, At-Large

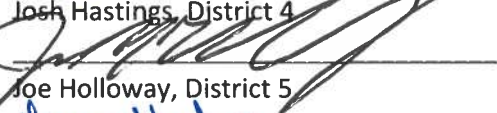
  
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Ernest F. Davis, Vice President, District 1

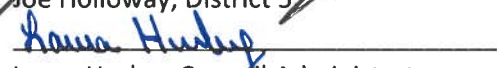
  
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William R. McCain, At-Large

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Nicole Acle, District 2

  
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Larry W. Dodd, District 3

  
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Josh Hastings, District 4

  
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Joe Holloway, District 5

  
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Laura Hurley, Council Administrator