



Virginia Aviation Board
Meeting Minutes

The Virginia Aviation Board held a workshop meeting on Thursday, February 16, 2012, at the Hilton Garden Inn Richmond Airport, 441 International Center Drive, Sandston, Virginia 23150.

MEMBERS

| | |
|------------------------------------|---------|
| Roger L. Oberndorf, Chairman | Present |
| Robert S. Dix, Region 1 | Present |
| Larry T. Omps, Region 2 | Absent |
| Alex N. Vogel, Region 3 | Absent |
| Thomas E. Inman, Region 4 | Present |
| John Mazza, Jr., Region 5 | Present |
| Richard C. Franklin, Jr., Region 6 | Present |
| Cheryl P. McLeskey, Region 7 | Absent |

OTHER ATTENDEES

| | |
|---------------|---|
| Terry J. Page | FAA Washington Airports District Office |
| Lori L. Pound | Office of the Attorney General |

DOAV staff, state government representatives, federal government representatives, airport sponsors and managers, consultants, engineers, business owners, and city and county representatives were also present.

1. Call to Order Roger L. Oberndorf,
Chairman

The chairman called the meeting to order at 9:17 a.m.

2. Review and approve minutes Roger L. Oberndorf,
Chairman

The November 17, 2011, meeting minutes were approved with no changes.

3. Reports/Announcements:

- a. DOAV Report P. Clifford Burnette
DOAV

Mr. Burnette provided a brief agency report. He shared that Mr. Burdette, DOAV Director, was not able to attend the meeting due to the passing of his father. He introduced Kim Wells, the new customer relations specialist at DOAV. Mr. Burnette noted some upcoming events, including the Annual FAA IA Renewal Seminar in March and Spring Virginia Aviation Safety Week which begins April 30.

Keith McCrea, DOAV, provided an update on legislation the agency is following during the 2012 session of the Virginia General Assembly.

Copies of these presentations are available upon request.

b. FAA Report

Terry J. Page
FAA WADO

Mr. Page shared that FAA is switching from the ECHO system to E-Delphi system for electronic grant payments. All sponsors must register and use the E-Delphi system for grant reimbursement as FAA will no longer use a manual system to process reimbursements. Information on how to register and use E-Delphi will be forthcoming.

FAA recently released AIP Program Guidance Letter 12-03 regarding the requirement for cost or price analysis by airport sponsors for all AIP funded procurements and contract changes. A copy of this guidance was sent by e-mail to sponsors and consultants last month.

Mr. Page reminded sponsors that they must submit comments or changes to their CIPs to FAA by April 30 for Fiscal Year 2013 and that environmental, land, and ALP updates for CIP projects with discretionary funds in 2013 must be completed by April 30. The first grants for the 2012 fiscal year are anticipated for March.

The FAA Airports Organization is realigning the Airports District Offices (ADO). The realignment, called geographical balancing, moves responsibilities to balance office structure and workload. The Beckley office will be joined with the Washington ADO, increasing its staff by two.

A copy of this presentation is available upon request.

c. VAOC Report

L. William Kelly, President
VAOC

Mr. Kelly shared the success of Aviation Day at the Virginia General Assembly. VAOC set up 45 appointments to meet with representatives. Forty-two VAOC members participated, visiting in teams of three or four. Packets were given to each representative; the packets included an executive summary of the *Virginia Airport System Economic Impact Study*, information from the study on individual airports within a representative's district, and VAOC's pamphlet on future airport needs in the state. A luncheon was held to discuss how the day's activities had gone and what improvements can be made for next year.

He discussed legislation being followed by VAOC, including bills related to procurement of services and liability, and noted that VAOC is participating on the committee addressing terminal building furniture.

Mr. Kelly shared concerns Virginia airports have on the shift in the federal funding participation rates under the 2012 reauthorization. The current state participation rate of 60 percent of the non-federal share would require sponsors to increase their participation from 2 percent to 4 percent. This would double the amount of local funding needed for a project, and local funding for airports is difficult to obtain. VAOC encouraged the board to change the state participation rate to 8 percent so airports can continue to move forward with their capital projects.

Mr. Kelly, Mr. McCrea, and Ms. Pound shared information and thoughts on a proposed imminent domain bill that would alter the condemnation process and increase financial impacts to government agencies and airport sponsors.

4. Old Business

a. Airport Licensing Update

Susan H. Simmers
DOAV

Ms. Simmers provided an update on the status of the airport licensing regulatory changes. The project has moved to the second of three stages in the regulatory process. The proposed changes were submitted for the executive branch review at the beginning of January. The Office of Attorney General has completed its

review. The Department of Planning and Budget (DPB) review is underway. Staff met with DPB analysts to provide an overview of the changes being sought. The DPB review will be completed by the end of the month. The proposed changes will then be submitted to the secretary's office. The proposed changes should be at the governor's office by mid-March. After the governor's review, a public comment period will open. DOAV will hold a public hearing during that time, preferably in conjunction with another meeting to facilitate attendance by airport sponsors and managers. Ms Simmers reminded attendees that a comparison of the current and proposed licensing regulations is available on DOAV's website.

Ms. Pound noted that the proposed changes would be moving to the governor's office right after the end of the General Assembly session and competing with many other issues needing review. This will most likely delay a response from the governor's office.

b. Site Plan Fee Analysis

J. Michael Swain
DOAV

Mr. Swain shared the results of the analysis DOAV conducted on the applicability and differing rates of locality-imposed site plan review fees for airport capital improvement projects, as requested by the board at its August meeting. Mr. Swain noted that site plan review fees are currently eligible under FAA and DOAV programs.

DOAV staff surveyed airport sponsors and local planning departments and found that 27 public-use airports are subject to site plan review fees. The fee rates were determined by reviewing locality web sites.

DOAV found that most airport sponsors structured under authorities and commissions are charged site review fees, four locality-owned airports are charged fees by their own localities under an "Enterprise Fund" accounting system, and three localities use complex formulas to determine fees using such criteria as impervious surface affected, water quality impact, and the presence of fire lanes and public utilities.

DOAV prepared these sample site plan review fees to show the variances in fees charged:

| Site Size | Low | High | Average | Median |
|-----------|-------|----------|---------|---------|
| 1-acre | \$50 | \$8,125 | \$1,037 | \$505 |
| 5-acre | \$100 | \$8,225 | \$1,330 | \$850 |
| 50-acre | \$100 | \$25,000 | \$4,245 | \$2,685 |

DOAV also found that localities using complex formulas typically review site plans only twice before requiring additional fees. The additional fees can be as much as 50 percent of the original fee.

DOAV is undertaking several initiatives regarding site plan review fees. First, DOAV will develop a database of site plan review fees paid as a part of project costs and report findings in 12 months. Second, as a part of a recommendation for project approval, DOAV will bring any excessive fees to the Board's attention. Lastly, DOAV will not reimburse sponsors for fees for more than one site plan review.

Mr. Mazza asked if the costs will be reported at each meeting. Mr. Swain responded that reporting would depend on whether any work requiring site plan review was done the three months prior to a meeting.

c. Virginia Aviation Board Meeting Location

P. Clifford Burnette
DOAV

At the request of the board, DOAV is scheduling future meetings in different locations around the state. The meeting for Thursday, May 17, 2012, will be held in Lynchburg. The August meeting will be held in conjunction with the annual aviation conference; the location for the conference has not been determined. The meeting for November 2012 will be held in the Northern Virginia/Dulles area.

5. New Business

a. Overview: Proposed FAA Reauthorization Update

Terry J. Page
FAA WADO

P. Clifford Burnette
DOAV

Mr. Page presented information on the FAA Modernization and Reform Act of 2012, which became effective February 14, 2012. The act authorized \$3.35 billion for fiscal years 2012 through 2015. The act also expanded AIP eligibility for many projects, including ARFF facilities for airports serving schedule air-carrier aircraft with nine or more seats, mobile refueler parking within a fuel farm at general aviation airports, and an expanded definition of planning to include environmental management and recycling plans.

The legislation was silent on an extension of the increased federal AIP share of 95 percent; therefore, the maximum AIP share reverts back to 90 percent. The legislation did extend the AIP share of 90 percent for two years when an airport transitions from a small hub to a medium hub. Under the legislation, the PFC non-hub pilot program became permanent and FAA is required to give priority to early grants for projects in 'cold weather' states.

Mr. Burnette offered information on the impact of the FAA Modernization and Reform Act of 2012 on the Commonwealth Airport Fund. He reminded the board and attendees that the current policy sets a funding level of 60 percent of the non-federal share of AIP projects and allows air carrier airports to use state entitlement funds for 100 percent of the non-federal share of AIP projects.

The change in federal funding raises issues for the state, namely what impact this change would have on the Commonwealth's ability to maximize federal funding and support the demand for state/local projects. Under the current policy of funding 60 percent of the non-federal share of AIP projects, the state share of such a project would be 6 percent and the local share would be 4 percent, doubling both the state and local funding percentages.

DOAV reviewed data on FAA grants received by Virginia airports and the state capital funding available for distribution for fiscal years 2007 through 2011. The department then analyzed the impact of different funding ratios using this data. The analysis was made under the assumptions that air carrier airports are generally able to match all AIP grants with their state entitlement funds, the Air Carrier/Reliever Discretionary Fund and the General Aviation Discretionary Fund are used solely to match AIP funding and to fund 80 percent of state/local projects at air carrier and reliever airports and general aviation airports respectively, and the available amount of Commonwealth Airport Fund monies will remain constant to match AIP funding and to fund 80 percent of state/local projects.

DOAV presented the results of its analysis using AIP matches of six and eight percents, as shown below.

| | AC/Reliever Discretionary Grants | General Aviation Discretionary Grants |
|---------------------------|-------------------------------------|--|
| Available Funding | \$6,150,423 | \$3,151,308 |
| Scenario: Current | | |
| 3% match of AIP | \$300,265 | \$405,452 |
| 80% match of State/Local | \$5,574,097 | \$1,691,380 |
| Remaining Funds | \$276,061 | \$1,054,476 |
| Scenario: 6 Percent Match | | |
| 6% match of AIP | \$600,531 | \$810,903 |
| 80% match of State/Local | \$5,574,097 | \$1,691,380 |
| Remaining Funds | (\$24,205) | \$649,025 |
| Scenario: 8 Percent Match | | |
| 8% match of AIP | \$800,708 | \$1,081,204 |
| 80% match of State/Local | \$5,574,097 | \$1,691,380 |
| Remaining Funds | (\$224,382) | \$378,724 |

Mr. Burnette discussed some factors affecting the availability of funding, including the use of the priority system to prevent the over allocation of funds; the difference in the federal and state fiscal years which often leads to state tentative allocation being awarded and put under grant in different fiscal years; and the delay of AIP projects due to the availability of federal, state, and local funding, environmental approvals, and bids exceeding estimates. He said that many sponsors are struggling to fund the two percent local portion of the non-federal share for an AIP project. As a result, many “low priority, high dollar” projects at “wealthier” airports have been funded in recent years. Most of the funded “low priority, high dollar” projects would not have been able to compete during prior years when sufficient local airport funding was available.

In closing, Mr. Burnette noted that the doubling of the local share may delay airport development statewide, the 90 percent FAA funding ratio theoretically could increase the number of federal projects statewide, and low priority state and local projects may not be funded. He added that the funding issue needed to be resolved by the May board meeting so DOAV staff could prepare the August program.

Copies of these presentations are available upon request.

The board discussed the change in federal funding. Several comments were made that airports in rural areas will be greatly impacted if the policy on the state participation rate for the non-federal share of AIP projects remained at 60 percent, localities would have an extremely difficult time obtaining the additional matching funds, and consideration should be given to increasing the state share even though such an increase would result in low priority projects not being funded. Mr. Mazza made a motion to increase the state participation rate for the non-federal share of AIP projects to 80 percent. Mr. Franklin seconded the motion. The board approved the motion.

Mr. Swain asked if the board intended for the state participation rate for all existing tentative allocations for AIP projects to increase from three percent to five percent. In response to a query on the dollar amount of such a move and the department's need to research the information, Mr. Inman made a motion to recess the meeting until 12:45 p.m. to allow the data to be gathered. Mr. Mazza seconded the motion. The board approved the motion.

After the recess, Mr. Swain presented the existing tentative allocations that were awarded under the state participation rate of three percent. The increases needed to bridge the difference between the three percent state participation rate and the new eight percent state participation rate were \$789,826.40 from the Air Carrier/Reliever Discretionary Fund and \$990,555.00 from the General Aviation Discretionary Fund. Sufficient balances were in these funds to award the increases. Upon advice of council, action on the increases was deferred until action was taken on project requests submitted for consideration at the February 2012 meeting.

b. Virginia Aviation Board Review
Tentative Allocations from the Commonwealth Airport Fund

J. Michael Swain
DOAV

Mr. Swain presented the project requests and staff recommendations. The board actions on project requests are summarized below. These results are available at www.doav.virginia.gov.

During the review of Region 7, Mr. Franklin asked why the road project at the Williamsburg-Jamestown Airport was considered a missed opportunity. Mr. Swain responded that DOAV had been working with the sponsor on this project for quite a while. He was contacted by a county representative after the submission date for the February meeting. The county representative explained that VDOT was requiring the county to guarantee the matching funds and the county would not do so until the sponsor could guarantee the funds. It was feared that VDOT would not begin the next step in the project until after the May meeting unless action was taken at the February meeting.

For Region 7, Mr. Mazza made a motion to approve the two projects for the Middle Peninsula Regional Airport under the condition that the design portion of each project does not go under grant until the completion of the environmental portions, which would be placed under separate grants. Mr. Dix seconded the motion. The board approved the motion.

Mr. Mazza made a motion to make an exception to policy due to a missed opportunity and approve the road project for the Williamsburg-Jamestown Airport. Mr. Franklin seconded the motion. The board approved the motion.

| Airport | Project Description | VAB Action | Amount |
|---------------------------|--|------------|--------------|
| Hampton Roads Executive | Easement Acquisition Services - Runway 10 Obstructions | Withdrawn | N/A |
| Middle Peninsula Regional | East Corporate Area Complex (Environmental and Design) | Approved | \$44,000.00 |
| | Jet Pod and T-hangar (Environmental & Design) | Approved | \$64,000.00 |
| Williamsburg-Jamestown | Access Road Rehabilitation (Construction) MISSED OPPORTUNITY | Approved | \$360,000.00 |

Mr. Mazza made a motion to accept staff recommendations for the remaining project requests, which were in Region 1 and Region 4. Mr. Franklin seconded the motion. The board approved the motion.

Mr. Franklin made a motion to approve the request for the Tazewell County Airport as the environmental finding had been received. Mr. Mazza seconded the motion. The board approved the motion.

| Region 1 Airports | Project Description | VAB Action | Amount |
|-------------------|--|------------|-------------|
| Lonesome Pine | Taxiway A Sinkhole Repair (Design) | Approved | \$46,280.00 |
| Tazewell County | Corporate Hangar Apron/Taxilane (Design) | Approved | \$29,600.00 |

| Region 4 Airports | Project Description | VAB Action | Amount |
|--------------------------|--|------------|------------------|
| Hanover County Municipal | Runway 34 Obstruction Removal (Design) & E.A. (Short Form) - BRIDGE LOAN | Approved | \$138,546.00 |
| Richmond International | Airport Rescue & Fire Fighting Vehicle | Approved | \$630,303.00 (D) |
| | Heavy Duty Front End Loaders (2) with Ramp Snow Plow (1) | Approved | \$350,274.00 (D) |

No project requests were received for Region 2, Region 3, Region 5, and Region 6.

Mr. Franklin made a motion to approve the five percent increase for the existing tentative allocations for projects that will utilize federal funding. Mr. Mazza seconded the motion. The board approved the motion.

| Air Carrier / Reliever Airports | Project Description | Increase Amount |
|---------------------------------|---|-----------------|
| Chesapeake Regional | Land Acquisition - Runway Protection Zone | \$6,750.00 |
| Chesterfield County | Environmental Assessment - 5 Year | \$22,500.00 |
| Hampton Roads Executive | Replacement Runway 10-28 Phase 2 (Construction) | \$207,105.25 |
| Leesburg Executive | Land Acquisition Services (Crosstrail Property) | \$3,750.00 |
| | Land Acquisition Phase 1 (Crosstrail Property) | \$100,000.00 |
| Manassas Regional | Runway 16L-34R & Taxiway B Bridge Widening (Construction) | \$121,053.33 |
| | Runway 16L-34R Extension (Construction) | \$263,158.33 |
| Shenandoah Valley Regional | Air Carrier & Transient Apron Rehabilitation (Construction) | \$899.75 |
| Stafford Regional | Easement Acquisition Services Phase 2 (Horton) BALANCE | \$29,609.73 |

| Air Carrier / Reliever Airports | Project Description | Increase Amount |
|---------------------------------|--|-----------------|
| | Environmental Assessment (Short Form) | \$5,000.00 |
| | Obstruction Removal – Runway 33 Approach | |
| | Obstruction Removal - Runway 33 Approach (Design/Construction) | \$30,000.00 |

| General Aviation Airports | Project Description | Increase Amount |
|--------------------------------|--|-----------------|
| Blue Ridge Regional | Obstruction Removal - FAR Part 77 (Design) | \$4,000.00 |
| Danville Regional | Runway 2-20 Rehabilitation (Construction) | \$263,158.33 |
| | Runway 2-20 Rehabilitation (Construction) INCREASE | \$261,841.67 |
| Dinwiddie County | Apron & Taxiway Rehabilitation (Design/Construction) | \$31,578.33 |
| Farmville Regional | Land Acquisition - Runway Protection Zone and Obstruction Removal | \$17,250.00 |
| Franklin Municipal | Land Acquisition - Runway Protection Zone (Lesoine/Thomas) | \$14,750.00 |
| Front Royal-Warren County | Land Acquisition – Obstruction Removal | \$30,000.00 |
| Grundy (Proposed) | Environmental Assessment - Replacement Airport | \$6,250.00 |
| | Environmental Assessment - Aerial Survey/AGIS – INCREASE | \$5,000.00 |
| Ingalls Field | Obstruction Removal - Runway 7-25 Phase 4 (Construction) | \$27,500.00 |
| Lonesome Pine | Land Acquisition - Runway Protection Zone | \$60,000.00 |
| | Land & Easement Acquisition Services - Obstruction Removal | \$10,000.00 |
| Luray Caverns | Runway 4-22 Rehabilitation (Design) | \$12,500.00 |
| Mecklenburg-Brunswick Regional | Master Plan Update | \$10,000.00 |
| New Kent County | Obstruction Removal Phase 1 (Design) | \$7,895.00 |
| | Obstruction Removal - FAR Part 77 (Design) | \$2,598.33 |
| New River Valley | Environmental Assessment - Partial Parallel Taxiway Phase 1 | \$2,500.00 |
| Orange County | Obstruction Removal (Construction) BALANCE | \$27,658.33 |
| | Land & Easement Acquisition - Obstruction Removal Phase 2 | \$9,480.00 |
| Suffolk Executive | Extended Runway Safety Area Phase 3 (Construction) | \$22,500.00 |
| Tappahannock-Essex County | Environmental Assessment (Cultural Resources Survey & Coastal Zone Coordination) | \$7,895.00 |
| Tazewell County | AWOS-3 Replacement (Design/Construction) | \$4,000.00 |
| | Land Acquisition - Drainage Improvements | \$4,500.00 |
| | Airport Drainage (Design) | \$3,750.00 |
| | AWOS Replacement & Rotating Beacon Relocation (Design/Construction) | \$5,000.00 |
| Virginia Highlands | Obstruction Removal Phase 5 (Construction) | \$32,500.00 |
| | Easement Acquisition Runway 24 Obstruction Removal Phase 3 | \$32,000.00 |
| | Easement Acquisition Runway 24 Obstruction Removal Phase 3 – INCREASE | \$18,000.00 |
| Winchester Regional | Land Acquisition - APR/Parcel 53 BALANCE | \$31,700.00 |
| | Land Acquisition & Services (Parcels 64B-A-51 & 64B-A-40) | \$14,750.00 |
| | Taxiway A Relocation Phase 1 (Design) | \$10,000.00 |

Mr. Swain presented a Virginia Resources Authority (VRA) project request from New River Valley Airport in the amount of \$753,000 for the purchase of one box hangar and seven units within two condo hangar buildings. In response to Mr. Inman's question on tenancy, Peter De'Alema with VRA noted that all units but one condo unit were occupied.

Mr. Inman made a motion to accept the staff recommendation for the VRA loan request. Mr. Dix seconded the motion. The board approved the motion.

For the following 60-day tentative allocation extensions, Mr. Inman made a motion to accept staff recommendations. Mr. Dix seconded the motion. The board approved the motion.

- by Warrenton-Fauquier Airport for the tentative allocation in the amount of \$31,248.00 received August 19, 2011, for the Clear Span Hangar Drainage (Design) project
- by Warrenton-Fauquier Airport for the tentative allocation in the amount of \$124,800.00 received August 19, 2011, for the T-Hangar Drainage Improvements (Design) project

After the new allocations were awarded and the increases were awarded to the existing tentative allocations, the following state discretionary funds were available:

| | |
|------------------------------------|----------------|
| Air Carrier/Reliever Discretionary | \$3,211,649.58 |
| General Aviation Discretionary | \$674,744.25 |

c. *Airport Program Manual* Committee Report

Susan Simmers
DOAV

Ms. Simmers provided an update on the committee reviewing policy for the purchase of terminal furniture. The committee has met twice; unfortunately, the two board members on the committee were not able to participate in the meetings. At the second meeting, a consensus was reached on a proposal to discuss with the two board members prior to the May board meeting. The proposal is for the funding of furniture for a new terminal building at a state participation rate at 100 percent of \$9,000 per 1,000 square feet of public-use space and the funding of new furniture for replacement terminals and terminal expansions and replacement furniture for existing terminals and terminal renovations at 80 percent of \$9,000 per 1,000 square feet of public-use space. The full committee will meet to discuss a proposal to be formally presented to the board at the May meeting.

Mr. Dix felt that state's participation rate should be 100 percent for furniture for a replacement terminal when the state did not participate in the purchase of furniture for the terminal building being replaced.

6. Public Comment Period

Roger L. Oberndorf,
Chairman

Mr. Kelly commended the board and DOAV staff for moving forward with a policy change in response to the FAA reauthorization.

7. Board Member Comments and Reports

Roger L. Oberndorf,
Chairman

Chairman Oberndorf offered condolences on behalf of the board to Cheryl McLeskey, Board Member, on the loss of her husband and Randall Burdette, DOAV Director, on the loss of his father.

8. Adjournment

Roger L. Oberndorf,
Chairman

The chairman adjourned the meeting at 1:30 p.m.