COMMONWEALTH OF VIRGINIA
DEPARTMENT OF AVIATION
5702 Gulfstream Road
Richmond, Virginia 23250-2400

VIRGINIA AVIATION BOARD MEETING

August 24, 2007

WYNDHAM HOTEL AND RESORT
5700 Atlantic Avenue
Virginia Beach, Virginia

9:00 A.M.

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VAB Attendees on August 22, 2007

MR. ROGER L. OBERNDORF, Chairman

MS. MARIANNE RADCLIFF, Vice Chairman

MR. RANDALL P. BURDETTE, Director
Department of Aviation

MR. TERRY J. PAGE, Manager FAA, WADO

MR. BOB DIX, REGION 1

MR. RICHARD C. FRANKLIN, JR, Region 6

MR. ALAN L. WAGNER, Region 7

MR. WILLIAM J. KEHOE, Region 5

MR. JOHN J. BEALL, JR.
Senior Assistant Attorney General

DOAV Staff, Federal Government Reporesentatives, Airport Managers and Sponsors, Consultants, Engineers, State Government Representatives, Business Owners, and City and County Representatives

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MR. OBERNDORF: I will call the meeting of the Virginia Aviation Board to order. And we start with the Department of Aviation Report. I'm sorry. Do I hear a motion on the minutes?

BOARD MEMBER: So move.

BOARD MEMBER: Second.

MR. OBERNDORF: All in favor approval of the minutes?

BOARD MEMBERS: Aye.

MR. OBERNDORF: Opposed?

NOTE: (No opposition voiced.)

MR. OBERNDORF: The ayes have it.

We are ready for the Department of Aviation report.

MR. BURDETTE: Thank you, sir. Good morning, members of the Board, Mr. Chairman, Ladies and gentlemen. I would like to give you a quick update on Virginia Aviation. First of all, we mentioned the other night at the awards banquet, change is in the air, there are a lot of opportunities before us. The FAA's forecast is for 2015 a doubling of current aviation demand, with a 2025 forecast of actually tripling of

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today's demand. We think this presents a great opportunity for Virginia, and we want to be in position to take advantage of it.

Some of the things that we are doing to get ready for the demands, increase opportunities, I participated in the joint program development office, JPO, and next June I am participating in the Airport's IPT, helping look at the airports of the future, how we can team with the FAA, and businesses to make them more compatible, and more through foot.

We had hoped to have the JPO briefing for you today. Last night the speaker got called away, so we will have it on the agenda for the future.

We also do a NAVA System Study, take advantage of the new technology such as AVSB. Cliff and Vernon's team are looking at a state wide system, to see what it would take as we move forward, what our demand will support, and what kind of new systems we will be able to incorporate in the Commonwealth.

Also initiated a state-wide system study to prepare and plan for our growth. This was a study that was last done about four-and-a-half years ago. Looking at the Commonwealth as a whole con-perjected growth, working with the FAA, working with our sponsors, airport sponsors say okay, here's how

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Virginia is projecting that growth, and here is how we can be prepared for it.

We are also initiating with the Virginia Aviation Foundation, work force development studies to determine Virginia/s Aviation needs and opportunities. We know across the nation today that we are having shortage projected on pilots, mechanics, technicians, aviation engineers, across the board in the aviation field. We know we have some shortages. This study will help us determine what kind of shortages, and how Virginia can get this information down to our schools, so the schools can present it to the children, and give them an opportunity to become an aviation professional.

We are also working economic development studies to measure our progress. As I say, in the past, it has been done every four to six years; we are going to more now to more like every two years so we can see how we are doing and what progress we are making.

Some additional steps we are working on. We worked in a meeting with the air carriers to discuss their growth capacity, opportunities is the next step. As we go forward planning the future of the Commonwealth, we know it's critical that our air carrier

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airports work with us because we think that they are going to be the back bone of how we transport a lot of people and products throughout the Commonwealth. We will be working very closely with them. We want to team with the Virginia Airport Operators Council to discuss GA airports, their growth capacity opportunity, the next step in how to promote their economic potential, the communities they serve. Because we think that is something that we really got to get out there and do a VFC on that.

We are explosing additional business models to expand capacity, point to point transportation, you will hear a presentation in a few moments on a new venture we are about to undertake and I think you will be excited about that. We want to explore additional aviation air space potentials for Virginia, Wallops Island. We want to make sure we look at not just the aviation of today, but the aviation air space of the future. We have a great presentation from Billy Reed for you today on that as well.

I would like to start off with Joe Leader, the executive director of the Air Taxi Association, on a brand new program that we are about to undertake.

While Joe works on the computer, let me

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just talk quickly about what Joe is up to. At the presentation that was given, the business aspect of aviation on Wednesday, I believe.

We had Joe come in and actually present what he is going to show you this morning. For members of the Board, you have been given a short pamphlet here explaining briefly what Joe is going to be talking about with the Air Taxi Association. And, Ray, do you want to chime in on this while we dance a little bit here?

RAY: No. (Laughter) Joe can do his own dance on this one.

MR. LEADER: I'm used to speaking in this direction, but I will speak directly to the Board.

Good morning everyone. My name is Joe Leader, I'm president of the Air Taxi Association. Our chairman is someone you all know very well, which is Dr. Bruce Holmes. I'm meeting with him this afternoon to talk about some of our key initiatives.

You can go ahead to the next slide. Our founding operators are Day Jetter, Jet Linear Air, Imaginair Jump Jet, Pogo Satsair, and Virgin Charter. All of the next generation air carriers in America have teamed up with and created the Air Taxi Association. To really push the next generation model so that people can go in and out of any community at lower cost than they

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ever could in a charter model, and be able to benefit both the communities and the economic development of America by making it so you can go point to point from anywhere to anywhere. Next slide, please.

Our mission is that we are an alliance of next generation of air taxi providers that offer, on demand, direct flight service at greatly reduced prices. Our objective is to stimulate consumer demand, and provide best business practices. To speed the adoption of the next generation air taxi models, in a manner that benefits the industry. If you look at what each of our different carriers are doing from Day Jet, which is starting in Florida it's said next week, which, since they received their Part 135 certification to Satsair and Linear Air that serves the Commonwealth of Virginia today. There is quickly, over the next few years, there is going to be a dynamic or the carriers converge strongly in Virginia. And one of the questions that was asked of me before I came to this meeting this week at Randy's request, was what could we do to further the development of the State of Virginia? So the pamphlet that you see in front of you, after I received the call last week from Randy, and met with Keith in Oshkosh, we very quickly pulled forward a program that we are developing for another state, and we put it in place for

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the Commonwealth of Virginia. Because we believe this is a much stronger growth point for all of our combined air carriers. Next slide, please.

We are unveiling this localized program first to Virginia, designed to speed market adoption of the air taxi model in Virginia's aviation success, and we worked with our air taxi operators and service providers to create a turnkey solution for municipal airports and FBOs. This covers five key portions. If you could press the next slide, please.

All of the Virginia air taxi capable Airports with runways of 2500 feet or more are depicted on the map in front of you. It's many more than people think of, because a lot of times people are thinking of 3000, 3500 foot runways. The State of Virginia with sixty-seven airports that meet this criteria, and we believe that about twenty of those, twenty to twenty-five of those will step forward and want to strongly participate in this air taxi program. Next slide, please.

The five keys that we view for air taxi success are Success Plane Template that we have worked with the company, the research company that we work with is PMI Media, and they successfully predicted exactly how many aircraft that Eclipes was actually going to

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build this year. So we consider their research extremely strong due diligence and very, very well respected in the industry. Ease of access for our air taxi carriers and for our communities, visibility for the people that will be utilizing air taxi services, and awareness tied to that. And then active community involvement, because when you are talking about price points, when you can take a flight within anywhere from two hundred to five hundred nautical miles for a price, you know, between a thousand and two thousand dollars for three people, one of the things is that I often get asked well, what about for one person? Well, we want to make it easier for people to ride share on air taxis, just as they would in HOV lanes. We will get to that in a moment. What we have conducted is a success plan template team. My media has conducted an analysis of the very light and air taxi market through 2016. Initially we were only going to have a ten page template analysis for air taxi success in Virginia, but after working with Randy and Keith, we will have this entire one hundred fifty page report will be customized through and through for the State of Virginia; so we are going to, we are going to make it two different things based on that input from Randy and Keith. Once that is available, that will be available for, that will now be

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available as a standard Virginia complete package, that can be given to each of the airports so they can see where their community fits in in the economic development model of air taxis. Next slide, please.

The detailed analysis includes market analysis, aviation intra-structure requirements, challenges and opportunities ahead of us in this next decade. Market dynamics and very light jet operational information and projection; so this, one of the things that the Association is also working to do is air carriers all have different standards of operations and what they expect. At the general aviation airports when we arrive. We are working among the ten carriers to standardize those models, so that there are not different expectations from different carriers; so that everyone can have one common set of understanding as we move forward. Next slide, please.

The Air Taxi Reservation System. This is an example done for Manassas. I know that is a little bit difficult to see from this distance, but basically a system like this normally is a customed developed, costs about $50,000 per seat, and we are including this for free as part of the Air Taxi Association, what we are doing to push forward each of the communities. It's a booking system showing route

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capabilities and airports from your location to anywhere. And one of the big obstacles that we have seen is people don't even know the general aviation airports; because they are used to orbits or expedia. They don't know where they can go. They start typing in Dulles, and that's the exact place we don't want them to go. We want them to go into secondary general aviation airports; that have more utilization capactiy. So what, the module up there, right underneath the map, that shows where all the different possibilities are. You type in your exact address of where your meeting is, where your destination is. It takes you from your home to your end destination, showing your different general Aviation Airports that are nearby. It's neutral and able to work with any operator. And I know you can't see it from this distance, but while the air taxi operators are up there, you also see companies that are also charter operators, such as Chantilly Air, working out of Manassas. Chantilly Air is not a member of the Air Traffic Association, but we believe it is our obligation as an industry push awareness to make sure that any charter operation that services that airport is visible and can be accessed by passengers. So we are working to push that.

As we move forward with the State of

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Virginia, we believe that more of the air charter operators will begin working with us in time to connect IT which charges no, there is no booking fee, there is no per look up reservation fee, there is no percentage fee; this is a neutral serve the industry tool.

Now one of the things that I asked her to do, as we go forward with this, is that we adopt an industry standard for safety. So as you see these various vendors up there, they will eventually have an AZAO standard for safety analysis or Livern or an Argus. We are still working that standard to insure that as the consumer goes on there, they can tell who has gone through an independent safety audit. It's kind of a background about them.

Moving forward to the next case. The ease of access in education. We really want to educate customers and businesses about their time value enabling more passengers to fly. One of the things, this is not the visual representation; this is the text representation. But one of the things that we are integrating into the overall neutral reservation system, it will show you how much time you will save versus taking a flight to Dulles, connecting and going to your destination. If you are right next to Dulles Airport it will show that there is a commercial carrier. Your

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flight savings versus cost savings won't be nearly as much but it will show all the options to you. But for so many of our communities where connecting is not viewed as an option but a necessity of conducting travel, it really shows the time value of money to all these operators, especially when you get down to a price point where you see, where sales people are trying to hit multiple cities in a day. It makes it very economical, no matter what the person makes. It is no longer for the CEO of the company; it is for the sales person, for the manager. It's going to get to the point where it's for every person that wants, who places a value on their time.

The air taxi ready designation is going to be depicted not only within the State of Virginia, but on all connect IT reservation systems across the nation. This includes Statsair, which their connect IT system will be up in the next thirty days. And what it will do is that when these cities are depicted and that they show that they are working to drive demand, they will have the air taxi designation next to their airport icon, and it will help to create an additional pull effect. And then we are going to have further certification of air, of operations based on facilities. We are working, as I said again, to make common

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definitions, because Day Jet, for example, has their day port, day stop markation. We are taking that and we are applying it so that all of the carriers agree this the level that we need to see to have operations into this airport.

But the great news is today, every single one of the airports that are depicted are capable ot servicing Statsair, Imaginair, and for the most part Linear Air today. User information captures, built into the reservation systems interface, one of the things that we see a lot of times, there are people that want to reach out and connect to individual airports, and connect to the Department of Aviation. We want to make it as easy as possible for them to do a quick registration so that they can stay in contact and find out what is going on in their community, and stay in close touch. It allows constant contacts from you and the Association to build your total base of customers that are utilizing aviation in the Commonwealth of Virginia.

And then finally the one thing that we are integrating back into the Air Taxi Association web site is a form for your community and also for the State of Virginia. What we are doing is that we want to see individuals start to tie together, that maybe they would

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have want to spend for just themselves between a thousand or two thousand dollars on a round trip flight. But if they find a person that is going to the same destination, the same week, you are going to start to see ride sharing of these air taxi operations. That's healthy. It is not legal for the carriers to do this on their own. It is completely legal for people to meet in an open forum and discuss their needs and their travel and their perception, and to have a discussion back and forth about when they would like to travel. That's what we would like to help facilitate; so that it is not just per seat on demand, it's coordination and ride sharing of an air taxi.

That is it. I promised a brief presentation, and with that I will open up to questions. Please.

BOARD MEMBER: The majority of these air taxi, people are running VLJs, if I'm not mistaken?

MR. LEADER: That is correct. Nearly three thousand VLJs will be utilized. Fourteen hundred of them are on order from Day Jet.

BOARD MEMBER: As I understand it, VLJ if you, full of fuel, and may carry three passengers, three people total. Two crew and one person. Is that correct?

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MR. LEADER: No. It depends. If you are looking at max range scenarios, if you are looking at going, one of the things that I think is a bit misleading about the Eclipse 500, if you go to their web site and you do nautical circle miles, and you will see that their nautical circle miles are designed for one pilot flying with a full load of fuel. If you look at what the jet can do and what it is capable of doing, you are going to look at an average trip of around five hundred nautical miles max. If you do really load up the plane, you will get down to about four hundred nautical miles on the Eclipse 500. But that is comparable, if you look at our average trip length today within the air taxi community, that is comparable to what we are seeing. Is that you are seeing these aircraft utilized on the FR22s, they are utilized by Satsair, and Imaginair. They are utilized on max missions normally of two hours on average, and that matches up perfectly with the four hundred nautical miles you can cover in one hour on a VLJ. Please.

MR. WAGNER: Let's say I may have four or five operators in Danville, Annapolis, or some place like that. Virginia and Miami, too. Do I get the flight?

MR. LEADER: Absolutely. The system is designed, again. We created this system and we have our

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Board meeting in Atlanta at the end of September. We received pre-approval from all of our Board members, that this is not the exclusive domain of air taxi operators. We are setting up an associate membership level where it's lower cost of entry, and with that we also include all the same pre-tools, including connect IT, that you can be set up on this reservation system, and not only that, once you are on a connect IT, your fare base is based on the route, how much you charge for leaving and lending and such. It's all included. There is no, many of the systems out there today are broker operated like Virgin Charter, charges three to four percent, zero percent. So it's done. Again, this is to build up the industry, that we are doing all this. We want to open up the Association broadly. This is not just focused on these next end companies. We are wanting to bring everyone together towards this next end push. And right now, you know, one of the things that Virgin Charter, the reason that they insisted on getting involved in this early, their average flight cost, they are estimating on Virgin Charter is going to be twenty thousand dollars. That's well above the range of what we anticipated for the Air Taxi Association. So, what we want to do is, we are looking to fill the gap between one thousand dollars and ten thousand dollars that is

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not there. And then above ten thousand dollars, you move well into the range of traditional charter. But if Virgin Charter is estimating at twenty thousand dollars flight price. I think there is room for everyone to fly. I mean they view the value of connecting everyone together, as well. And also, Connect IT with Virgin Charter, if you do want to sell empty legs, for example, the system will automatically populate on Virgin Charter when they launch at the end of September, that you can sell empty legs in a national network very quickly and easily. There is where you give up the percentage. But an empty leg, we all know that is all profit. And the other thing we are working on putting into Connect IT is making it what Imaginair has called aircraft positioning for the day. So they base all their, all their aircraft are based out of Atlanta, and so they will position an aircraft in the day let's say in Huntsville. Well, it's sitting there waiting for a person that is having all day meetings in Huntsville, and they get an extremely discounted fare for flying back. Well, for that day, that airport in Huntsville is an Imaginair base. And so they want to make it so that they pass on the discount to customers, because the aircraft is sitting there doing nothing, and can go on a mission so long as they can go on a mission and get back to pick up the

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passenger. So this is more and more the logic we are building in. To make a system that we can implement in thirty days for any airport, or any charter operation. This took a lot of work, and we are also working with different technology providers. So it's a neutral system. The system that we are using is trip ordundant, handles twelve billion telecommunications request a month. So we are on a system that is over-powered for the air taxi world. But again, there is no communications charge. There is no per look up charge. We are doing this to build up the industry. And passing this along at a price that it's simply a, you know, a minimal we want to pay a price for the Association, and that, that and our members are helping to supplement this.

MR. OBERNDORF: Any other questions? Questions from the audience?

MR. BURDETTE: I think we do have Frank from Culpeper, do you want to look at joining in? I think he has some express interest in one. So we got some people we have to do some work with and see what we can do to roll this out. Thank you very much.

MR. LEADER: I will change our computers again.

MR. BURDETTE: I think this is a kind of exciting for us. I think it's a way to build the market

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and provide service to the community up there, and looking forward to working with Joe and his team.

Our next presenter, I wanted to, let's talk about things we are doing today, and some things for tomorrow. Looking forward that the Virginia Commercial Space Authority. I was able to coerce, beg, Billy to come out and give us a brief overview of all the good things that are going on at Wallops Island and how we can be a player in support of that effort. Billy.

BILLY: You will have to check me out on this system up here. Good morning, ladies and gentlemen of the Board. I appreciate the opportunity and Randy's invitation to be here. I'm sorry I wasn't available for your visit in May up to the facility; but I hope my cohorts in crime took care of you very well. So, what's the secret here?

Like Randy said, the Space Flight Authority in Virginia is about twelve years old. We have adopted a name for the space port up there called the Mid-Atlantic Regional Space Port. That is because Maryland is now involved with us, so we just couldn't call it Virginia any more. So that's part of it.

I presented this slide to the governor a couple or three weeks ago. He kind of liked it. I

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kind of liked it, too, I should kind of trademark, I guess. We certainly have a rich history here in Virginia as being a port to the world, especially here in the Norfolk Tidewater area. What Mars is all about, Mars is an axiom, and that's kind of cool, you know, say Mars, whatever. (Laughter) We kind of want to be the world's portal to the universe. That's a big dream but it certainly is possible with what we have here; so that is kind of what we are about, and I wanted to talk very briefly about what we do, as this could be hours, but Randy says you have five minutes. Okay.

We are in the business of providing access to space, what we call rapidly responsive, that is in a hurry. In this nation we know how to send the very best if you really want to, in less than fifteen minutes to the other side of the world. In a weapons context, we know how to launch satellites, and it takes about year-and-a-half to two years to do one of those. So we are trying to close the gap from a year-and-a-half to two years down to something, certainly more than fifteen minutes but certainly down into a period of days and weeks.

At low cost, and our forte up there is a small to mid-class. Wallop has been around since 1945. It was a precursor, it was part of NACA, before

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NASA was ordained per se, it was an old Naval Auxiliary Air Station in the '50s, it was before the war, actually. So it capitalizes on that. They have 16,000 launches to their credit up there, more than ten times that of the Cape. That gives you some idea about how busy it has been, and we are trying to make it busy again. We also do technology, promote education, pay our big bill as regional economic development.

So here's the picture. The Board had the opportunity to see this in May. Many of you probably have not. This, before you, is Wallops Island itself. It's one of three land masses that we share with NASA as a state entity. We own, that is the state owns, the Authority owns two launch pads on the extreme southern end of the island. Pad A and Pad B. Zero before. The southern most, Pad B, is our newest facility, and that's where the most recent launches have taken place. As you can see, it's really close to the water. That is both positive and negative. We don't overfly anybody on the way to space. The negative side is northeasterns give us a fit. Okay.

Next, if it will go. That is another perspective of it. From a perspective, many of you are more used to in a way if you fly by off shore through the restricted area.

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Anyway, just a couple of pictures here. This was a shot taken on 7:00 A.M. precisely on December the 16th. That was the lift off of our first mission from Pad 0-B that we developed. It was a minitar rocket, which is basically the first two stages of the Minute Man plow shares, you know, the weapons to plow shares program within the Air Force. And the upper two stages are Pegasus stages built by Orbital Sciences up in Dulles, and it is strictly for government use right now. But that was the tach set, two tactical satellite No. 2 launch up there. Was a CAVU morning. I mean I have pictures from Litchfield, Ohio, St. Louis, and Cleveland of this launch. I mean it was a dry, cool morning. Couldn't have asked for any better.

Next. That's just a couple of seconds after lift-off. It gets out of there pretty quick. That's across the beautiful marshes there at Wallops.

Next. And here we go on into orbit. It was a perfect launch for us. It validated our existence after twelve years of struggle. It has opened the door, you might say, to a lot of other interests. We have had another launch since then on the 24th of April. We launched an Empire satellite for the Missile Defense Agency on the same vehicle.

Next, this is probably of more interest

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to you at the moment, and me, too, this is the airport up there, the NASA facility. A little bit about our relationship with NASA. We have a love-hate -- (Laughter) No, we have a wonderful relationship with the Federal Agency. We were kind of the first entity in 1997 that paved the way into a dual use arrangement with NASA. DOD had a longer track record doing that, but not NASA. NASA loves to remember what it was like in the '50s and '60s, when we were trying to race the Russians to wherever; when they had tons of money and freedom to do what they want. It's not true any more. And so we have to learn to reshape things. And so we were kind of a, in the Commonwealth of Virginia, the guinea pig of putting together an arrangement whereby the state could invest in intrastructure on Federal property owned by NASA. It's worked fairly well, I will say. We have learned a lot.

Anyway, back to the airport. Not a whole lot to say. The longest runway 8750 by 150 feet wide. It's 4-22. The south end, as Jim reminds me, is the only way that we have any space to add anything. We'll come back to it. While we are there, there's an arrow up there that says Basist Hangar. I don't know if any of you are familiar with Basist operation; we finally have been successful in bringing that company

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into the Commonwealth. They do modifications of large aircraft. We have a triple seven sitting on the ramp up there right now so the Sheik of Araby can do by, or wherever he's from. It's outfitting it, you know, with marble and gold. It's just -- We are very, very happy about that. And Basist is in the process right now of building a new hangar that is co-located with a fence up in the tree area, and they will continue that operation; so we brought them out of Delaware and we are very happy they are here. Anyway, next.

I want to talk to you a little bit about why I'm here, and maybe why Randy had me come. Okay? There is a very large propensity at the moment to move into what I call horizontal launches. They are not new. The aircraft on the left is an L1011, with the orbital Pegasus hanging underneath. We have launched nine of those from Wallops. Probably didn't even know that. Kind of quiet. So when I say horizontal launch, that means pretty much what it says. It's an aircraft that is the first stage of a rocket. That helps a whole lot, and it uses an airport-like facility. There are several companies right now that we are working with. One is called Key Space. That airplane is dropping the shape from right now. It looks like one you may recognize a little bit later, but that is going to go on

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to a triple 7 or 747 platform as a first stage of the launch vehicle, and we would certainly like to operate them out of that facility up there. Next.

This is one, it's a C-17 with another air drop type launch vehicle that is being developed right now for the Air Force. But they have commercial uses in mind for it for small satellite launches by Air Launch LLC. They are funded through a DARP Agency right now, and we have been flying the C-17. We are going to do that demonstration mission, hopefully, next year, if their funding continues. Next, please.

You remember a couple years ago space ship won the first, quote, Civilian Astronaut to go in space? That activity has been purchased by a very prominent gentleman called Bronson. Virgin Atlantic. You might know, the guy likes to go around the world in balloons and stuff like that. That space ship, too, hanging underneath, that right now, his principal point of operation is in New Mexico. But that's nice for a go up vertically, you know, throw up and come back down. (Laughter type operation, but, you know, we are more interested in point to point. In, while I'm on point to point, we are working right now with the J Cocks here in Virginia to see what the Commonwealth needs to do. Randy has been to a couple of those meetings with us.

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One of the things that Virginia is interested in is something called V Prize. As in Virginia prize. You remember? Who flew the Atlantic? Wasn't it that Lingberg fellow? He did that in response, right, to a prize. There were several of them. He just happened to get there a little sooner than a couple of the others. What we are trying to do is through this V Prize activity, and it's not me, it's a separate LLC that has been set up and, you know, bid on. It's to pay a prize for the first person that takes off from Virginia and lands in Europe in a point to point XO atmospheric type system. So it's taking off, and this is the kind of vehicle that may be used in something like that. Next.

As we stand right now, there is a huge growth in space tourism. There is seven people that have spent over twenty-five million dollars to ride on a Russian vehicle to the space station. It's out of my range. Talked to my Board, but it's not there. Anyway, but now it is this stuff like Virgin Galactic, it's got going on, their price point is down in the 250 to 500,000 range, still out of my pocket range, but they have done tons of studies and there are just lots of people in the world that want to adventure tourism. I mean they climb Mt. Everest, they do things that are really, you know, kind of dumb in certain ways. Going

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weightless and going into space is one of them. And so we have to be careful not to throw cold water on that. It's a big deal. I'm going to New Mexico in October, speaking to a conference out there, a personal space like approach. So we are working that. So there is a huge opportunity there to take advantage of space tourism. As I said, a lot of it is going to be horizontal. Either arch -- Hey, they got to come back, right? We hope. (Laughter) Some of them will be horizontal landing, because a lot of them are like the space shuttle, the glider type evolution. So, as I said already, there is a great growth in horizontal launch and landing. And we have the right stuff. I mean, you know, it's like real estate, location, location, location. You know, it is 150 feet from the edge of the road at my pad up there to the ocean. We overfly nothing. It's a long ways to South Africa. Over open water. And I'm sorry, New Mexico can't quite do that. And neither, none of the inland space ports can. And the Cape, down in Cape Canaveral in Florida, their mission is an Air Force mission. They are not really interested in having a whole bunch of tourist activities down there. Because it supports a different type of activity. And so, duh, you know, it might just fall in our lap, but we need to do a little work. We also have

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existing facilities, licenses, and so forth. We are one of five land based FAA licensed space ports in the nation. A lot of people don't know that, but it's quite a benefit. Without need, it would be inappropriate to say, but we really, right now, I'm working with Randy, the Department of Tourism in the Commonwealth, a lot of other people, we do have needs. And a lot of it is just promotion of our own capabilities there. You would be surprised the number of people that live here in the Commonwealth that don't even know we exist. No matter what you do. It's a daily, learning, and teaching process. You couple that with people in the Air Force that think they only launch at the Cape or in Vanderberg in California. You have a tough problem. But we have overcome that now with these -- General Chilton, who is the head man, four star, SMC, was asking the other day, can you tell me why I'm launching from a commercial space port on a NASA facility instead of a facility that I put millions of dollars in each year in Florida in the Cape? My answer was real quick, sir, it's cheaper. And secondly, you are the number one customer for us. You are the big dog on the block, so keep on coming. What we really need, and I know that we have looked at this in the past, and we continue to look at it, right now we are VFR only airport up there. And we need to go back

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with additional approaches, maybe some additional air navigation equipment, certainly maybe even lots approach, or just a plain GPS approved approach would be helpful, to bring our capability back up a little bit. Some of these guys that take off, I mean, you know we are a shuttle landing facility. A lot of people don't realize that. A shuttle has to abort on the way to space in the northerly route. We can land them, but it becomes a permanent facility in our (Laughter) Because we don't have enough runway to load him on a 47 and get him back out of there. And the same is true. I mean we got, we have landed the Anacoz there; we have triple 7s; we have C-5s; we train NBGs in there, and we have a lot of capability, the 8750, but we don't have 10,000. And Jim and I years ago looked at extending 0422 to ten thousand feet inside the fence. It's doable; you don't have much over-run, but that kind of stuff we need to think about in terms of being able to move forward. We are working, Randy and I are right now, with our friends at NASA, to try to, to try to craft together some sort of a dual-use type agreement where, you know, NASA cringes at public use, I mean, you know, they just imagine everybody wanting to go to the pony penny, you know, (laughter) in their 182 whatever. And that is really not what it is. But the air taxi thing, we have

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looked at that in the past, and we have looked at a lot of other things, and having Basist as an anchor tenant up there right now, flying commercial aircraft in there for modification, it's kind of tch tch tch cracks the mold. And so we want to continue with that, and then perhaps we can be successful in coming up with some kind of a, quote, dual use model that is very prevalent like in Richmond and Albuqurque and the list goes on and on. So, I believe that's it. If you hit the button, I'm going to probably exit the state. I would be willing to entertain questions within your schedule, sir.

MR. BURDETTE: Open to questions? I would like to thank Billy for coming out. As Billy said, I think there is a tremendous amount of opportunity here, and I look forward to working with him and working, crafting joint use, or public use, or some form that we can help support NASA.

Also, like to point out that Dr. Wagner is a member of the space museum, aren't you, Dr. Wagner?

MR. WAGNER: (Unable to hear)

BILLY: Welcome you there. We will be on that together.

MR. OBERNDORF: A 747 can use Wallop Island?

BILLY: Yes, sir.

MR. OBERNDORF: How come we can land a 747; in

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Norfolk for less than ten thousand feet?

BILLY: Oh, we do. You can. It's with a pay load on board like the shuttle --

MR. OBERNDORF: Pay load on board?

BILLY: Shuttle is a special consideration. It creates a less than arrow dynamic optimum for the aircraft, you might say.

BOARD MEMBERS: What length do you need, ten or twelve?

BILLY: Comparitively I think ten thousand feet is about the minimum that people look at. As an aside, I mean, they are looking right now at commercializing the shuttle landing facility in Florida. I have in my possession an environmental assessment to do so, and they are moving forward with that, and they have a long list of people right now that have signed up and committed to building hangar space and so forth, you know, take advantage of that. I think that facility is 13,000. But, so it's not alien to NASA as their budget shrinks. Yes, sir.

BOARD MEMBER: What is the longest runway which could be built?

BILLY: Within a sense, without any extravagant means, like piling. I mean you go to LaGuardia, and half of one of their runways is out over the bay, I mean

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we have that opportunity to the north, northeast, but within in the sense, it's about -- We looked at that, Jim, it was about close to 11,000 feet. The County has been very supportive in terms of, you know, restricting building codes and so forth, with respect to approaches and stuff, so they kind of protected that should we ever need to go in that direction.

BOARD MEMBER: Runway safety?

BILLY: Safety area. That's right. We might have to put some lighting systems in Farmer Brown's cabbage patch.

BOARD MEMBER: (Unable to understand)

MR. BURDETTE: Thank you very much.

Many of you have heard the governor speak and he has talked very highly about all the capabilities that Dulles brings to Virginia and the Commonwealth. Also Virginia Port Authority, and being one of the few states that have that access. Billy and I think that the third leg of that triad could be Wallops Island and our access to space. We would love to see that come about.

Some preliminary accident summaries, since we got together last time, we have had five accidents in June. We had a Beach 35 land in the lake due to fuel starvation, no additional details to date on

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that. In July was a tough month for us. We had four accidents. An XT912 forced landing in a field. We believe at this point it's a fuel starvation. We have two fatalities, a light board aircraft Titan and an Ultralight, unknown circumstances. Then we had a PA25 crash into the trees upon take-off. Circumstances unknown at this time.

A little bit of look, collectively. 2007 so far, we have had ten accidents in the single engine, one rotor, one multi-engine land, one experimental, one LSA and one Ultralight. That compares, unfortunately, on track with 2006, last year, which was one of our worst years. We had twenty-five accidents last year, and we are on a trend, unfortunately. How many accidents? You can see that July was our worst month to date. And, of course, we haven't finished out the year yet. We keep monitoring these things.

Some classification, single engine land continues to dominate as far as where the accidents are occurring.

Location of accidents, again, still no real trend. As we look across there, we can't say that a segment of our population. The dots seems to coincide with the flying hours. It's not a problem in the

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navigation system nor in the traffic.

Injuries and fatalities, we have no real trend down to here. There are three fatalities; two of them we got last month.

Weather. This is a definite trend. You can see that the majority of our accidents by far, only one tenth of our accidents are IFR related. We talk about flying the IFR environment being the most challenging; that's not always the case. We have had flights into, VFR flights into weather conditions, we have had fuel starvation, we have had other things. VFR continues to be our biggest challenge. We went to get to the pilots and help remind them of the safety issue.

Pilot residency and another trend you will see, the 2005, 2006 and 2007, we are seeing more of our accidents come from non-resident pilots. People coming into Virginia to do business, to visit, the tourism, things of that nature, we are seeing a growth in that area. We don't have a definite trend on resident pilots, although we continue to reach out to them to remind them of safety issues.

Little help on it, Keith. There we go. Causes. No real trend analysis on the causes. We can't say it's all landing, it's all fuel management. We have a disburse chart on that one.

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How do we compare with the U.S? This chart we update everytime for you. Basically, we own, we fly, we own three percent of the aircraft across the United States, and we are flying approximately three percent of the hours, still, with the latest FAA data. Our accident rate is 2.1 percent, which is much higher than we would like to see it. Less than a proportionate of the number of aircraft and hours flown, however.

Aviation Safety Education. We have our fall safety seminar beginning October 22nd to the 25th. Our guest speaker is Allen Poffer. He has given, he will be looking at our safety record and introducing regulations, what every pilot needs to know, and asking him somewhat to what we find on our trend. We team up with APO on this to reduce cost in helping getting the word out. Next slide, please.

I want to give you over some of the upcoming flight plans. We have a lot going on on the flight target. Starting today is Tangier Island's homecoming. They have a festival out there for three days. September 31st (sic) Warren-Fauquier Airport has a three day -- They will have a B17 out there selling rides. I believe it's about 3.50. Does anybody recall the price on that exactly? Anyway, if you want a B17 ride, they will be there for three days selling rides.

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September, Louisa County Airport air show on the 1st. 2nd is New Kent. Where is Bill? Billy are you here?

BILLY: I'm here.

MR. BURDETTE: Quick note for a sales or anything? Just come and have fun?

BILLY: We have a band this year which is above and beyond what we have had before, and we are also going to fly on Eagles that day, which we usually don't do.

MR. BURDETTE: Great. So come up with Bill, and he will pay all your costs, and have, you know -- (Laughter) Have fun with Bill. On the 8th we have the Tappahannock Airport opening. I understand it is not the grand opening, we are working to get together for the grand opening, and that date will be announced later on. The 8th to the 11th is an Saline Conference, I will be in Portland, Oregon, looking to the other states, seeing what they are doing in aviation, and what we can bring back to Virginia. On the 13th, Suffolk Airport, pancake breakfast. I'm sorry. Stafford, not Suffolk. On the 22nd to the 23rd EA flying in at Winchester. 24th to the 27th MBAA in Atlanta, Georgia. We will be representing the state. We will have about a thirty foot display there looking to bring business into Virginia. Wingswheel and Tumble Airport on the 29th.

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Going into October, thd 3rd to the 6th is the AOP Expo at Hartford, Connecticut, for those of you who would like to go, that's a good show. The 7th is the Wingswheels and Ducks at Stafford Airport. It's a motorcycle show, car show, flying in, and give away a motorcycle. On the 11th to the 14th C&F Suffolk, they always have some aviation proponents for that. It's an interesting event, whether you love motorcycles, or cars, or airplanes. They have a little bit of everything down there during that time. The 20th to the 21st Wings Over Chesterfield. A nice event, well done. Our safety seminar starts the 22nd to the 23rd, 24th and 25th, So as you see, going into the fall season, we have a very active aviation line up. Next slide, please.

*** as teaming. We are teamed with everything and everyone we can to try to get the word out about aviation, and word out about Virginia. Next slide, please.

That completes my presentation. May I have your question, Board members.

MR. OBERNDORF: Questions from the Board? From the audience?

BOARD MEMBER: Unable to hear and understand.

MR. BURDETTE: Thank you very much. Did I miss anyone else? I was going from the caledar we had. Are

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you guys on our state calendar? Thank you.

MR. OBERNDORF: Thank you, Randy.

Next we will hear from Terry Page, from the FAA Washington headquarters. Mr. Page.

MR. PAGE: Thank you, Mr. Chairman, members of the Board, Department, ladies and gentlemen, just a quick summary of status of FAA and a few items. Make is quick here this morning.

First off, I would like to thank the Department, Department members, Planning Board, they put together this conference, it has been a wonderful conference. Good chance for me to bring some people from FAA from New York down to see truly Virginia is one of the most forward states in aviation and airport development and it was good for them to see that a dollar invested in Virginia is a dollar well spent. Thank you all for a good impression and taking care of my boss and bosses that came down, all of us from FAA, and we certainly have enjoyed it.

Second on the list. I gave a short presentation to the VAOC members earlier, and also a copy of some changes in our Federal eligibility for AIP to Cliff, just to make sure that as requests come in to you for matching funds, you will know there is a good changes in what is eligible under the Federal side.

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There was a program guidance letter issued here, just earlier this month on some changes for the eligibility, and Cliff has a copy so the Department will have it. There is an extra copy here. I will make it available to the Board, if you are interested. I don't know, I think it will be something you will really want to see in detail. But there are about six or seven areas that they have defined eligibility better on our program, and I think it would be beneficial to the Board and the Department knows that a sponsor comes in and wanting matching funds for these items, items that maybe seem a little odd at times, you will know whether or not they are eligible, make sure they are on the Federal program. Some of them are items such as replacing the struts on arc vehicle. Apparently there is a common failure of the struts on some of the arc vehicle so that is considered a rehabilitation to extend the life of the vehicle is eligible. And it details the eligibility on emergency generators, coach light systems, where we have LPV approach to compliment the approaches; those type of issues. I have an extra copy here, too, that I will give to the Department, make sure they have got it.

The last thing on my agenda is the grant program, where we stand. We are wrapping up 2007. All our grants have to be out, back to us by the end of

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this month, so I can't give you a final report. As most of you know, traditionally every October I will give you the wrap up of not only the dollars but what we bought with those dollars, what did that investment buy in Virginia, how much, what safety projects, how much was spent in the safety arena, improving capacity, rehabilitating our existing intra-structure, new construction. I will go through that list in October, and give you the real wrap up. Today, where we stand, is we are over eighty million dollars grant projects in Virginia. Of that about fifty-three million dollars of it is discretionary funding, twenty-seven million dollars, I believe, is entitlement funding, roughly that break. We are still expecting more projects. I brought with me four or five grants for Virginia airports, grants for the State system planning. I'm calling back to my office about every four hours to see if those have been released for me to go ahead and sign the grant. They haven't been yet, so I will call even once more before the conference is over. But we will still have another five to ten million dollars worth of grants that will go out here at the very end; so we are always in the hunt to get those last dollars. The sponsors and consultants have done a real good job of getting together the bids. The applications in, so we can snag

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any last dollars that are out there for our Virginia airports; so I thank you all the sponsors. We had a very good years this year.

MR. BURDETTE: Terry, I would just like a personal word, thank you, for all your help on the system planning funds. For those of you who don't know, Terry has been very instrumental in helping us getting system planning funds, look to the future, getting Virginia **** Terry's help. Thank you very much on that.

MR. PAGE: This year it will be a grant for $900,000 work up, I think we call it F&E. Even though it's not really a traditional F&E. It's not always ground based physical NAV base any more. We have to look also at the LPV approach, satellite base approaches, and integrating that into your overall system and planning for the future for Virginia's instrument approach procedure. So that will be a good project going forward, and that grant will be issued this year.

So I will give you a final wrap up of the program in October. Final dollars. It will be in the order of eighty-nine to ninety million dollars, which will be one of the largest years we have had. I think the largest we have ever had in Virginia has been

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ninety-two million dollars. It will be right up there in the top. Don't expect as much next year, but at least we got all we can while the getting is good.

That's all I have this morning, Mr. Chairman. I will certainly take any questions.

MR. OBERNDORF: Thank you, sir. Any questions from the Board? From the audience? Thank you very much.

MR. PAGE: Thank you.

MR. OBERNDORF: Next we will hear from Mark Courtney, Virginia Aviation Operation.

MR. COURTNEY: Good morning Mr. Chairman, members of the Board. First of all I want to report the fact that at the VAOC meeting earlier this week, I was re-elected as president for another year, so you will be putting up with me for the coming year. I look forward to it.

Just a couple of things to report in dealing with our upcoming events and programs. The fall maintenance work shop is going to be November 7th and 8th in Chesterfield County, and anybody would like any information on that, ask Bill Kelly about that. That has been a growing, very popular program, very cost-effective program for a way to be able to provides ongoing training for maintenance technicians throughout

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the state.

Our spring work shop, our very popular spring work shop will again be held in conjunction with the Virginia Aviation Board meeting in April. It is going to be held again in Staunton at the Stonewall Jackson Hotel. And that will be April 21st and 22nd of 2008. And we have changed the format a little bit. Last year, out of necessity, we made if for the Monday and Tuesday of that week, and then going into the work shop after the Tuesday wrap up of the work shop. I mean of the spring work shop. So we are going to do that again this year. It seemed to work out pretty well.

Thirdly, I would like to remind the Board that over the past year VAOC and the Board have been working together as part of the airport program manual committee. The Board created that over the past year, and I would like to thank all the Board for VAOC's participation and selection in that particular process.

At our annual meeting this past week, the VAOC expressed, the membership expressed a strong support of this process as we have earlier, and we are very have eager to see the work of the committee continue in that matter update as well continue in the months ahead and to wrap that process up. And, in fact, it is going to be an on-going process, but nonetheless

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there is a lot of work yet to do; so we are looking forward to getting that started back up again.

And finally, I would just like to thank the program committee for this year's conference, and the Department of Aviation staff for another great conference. Thank you.

MR. OBERNDORF: Any questions from the Board? From the audience? Thank you.

Next we have old business. Do I hear any old business?

Hearing none, we will go on to the new business and the allocations.

MR. SWAIN: Mr. Chairman, members of the Board, the Director, Mr. Beall, Mr. Page, good morning.

I would like to start with Page 4 in your Board package. The Commercial Service Airport Entitlement Funding Utilization Report. As we discussed on Wednesday, you have eight carrier airports that are receiving state entitlement funds. The staff recommends that the Board approve the report submitted by Charlottesville-Albermarle Regional, Lynchburg Regional, Norfolk International, Shenandoah Valley Regional, and Washington Dulles International.

MR. OBERNDORF: Do I hear a motion?

BOARD MEMBER: Mr. Chairman, I will recommend

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approval of the aforementioned Entitlement Funding Utilization Reports.

MR. DIX: Second.

NOTE: Unable to hear Ms. Radcliff's remarks.

MR. OBERNDORF: All in favor?

BOARD MEMBERS: Aye.

MR. OBERNDORF: Opposed.

NOTE: No opposition voiced.

MR. OBERNDORF: The ayes have it.

MR. SWAIN: Next, if you would refer to Page 14. Indicates the balance of Commonwealth Airport Funds, for balances that you have available for allocation today.

In the Air Carrier Reliever Discretionary Fund, you have $6,47l,780.34. In the GA Discretionary Fund, $3,206,334.04 available for allocation.

And, Mr. Chairman, in standing with our past practice, we would just refer to the regions and just go through the summaries of the airport projects and the amounts that the staff is recommending. Of course, if there are any questions, we are still here to answer for that. Shall we just start with Region 1 and go through 7?

MR. OBERNDORF: Go 1 through 7. Do I hear a motion on Region 1?

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MR. SWAIN: Well, sir, speaking with Mr. Beall, I believe the practice at the last couple Board meetings, he has advised that we should be reading the recommended amount for the record, even though it was discussed the other day, it wasn't on the record of the Board meeting, so if I could, I would go through the recommended projects, state the projects, the amount of state funding. And on the non-recommended we will just state the project, and the funding is irrelevant to some folks.

MR. WAGNER: State funding? State the recommended projects and the amount only, and leave it at that.

MR. SWAIN: Take no action on the non-recommended fundings. As you wish.

MR. WAGNER: (Unable to hear and understand discussion among several Board members)

MR. SWAIN: Region 1, on Page 38, there are no Air Carrier Airports for Region 1. These are the recommended projects. And I'm also going to state the Federal, the little 95 percent match, to match our 3 percent get those five people, what the Federal funds are. That was the request that came forth.

Tazewell County for Airport Drainage Preliminary Design and Environmental Assessment. The

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request is for $1,950. There is a Federal match of 61,750.

Virginia Tech-Montgomery Executive, Apron Expansion, Phase 2, Increased, Missed Opportunity, requesting 8,853.84. I should state, these are our recommended funding amounts.

Lee County. Terminal Area Site Preparation Construction. Recommend $184,905.60.

Lee County. Terminal Building Construction. $775,889.62.

New River Valley. Runway 6-24 Rehabilitation Design. $9,000.00. The Federal match is $285,000.

Virginia Tech-Montgomery Executive. Environmental Assessment, Future Development. $l5,000.00. With a federal match of $285,000.

Virginia Highlands. Land Acquisition for the Wright Equipment Property. $63,157.00. Federal match is $2,000,000.

Lee County. Fueling System, AVGas Tank Construction. $115,526.31.

And Twin County, AVGas System Pump Upgrade. $10,620.00.

They are recommended projects.

On Page 39, the staff is not

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recommending funding for the Virginia Highlands, Acquire Easement for Runway 24, Phase 2.

For the Lonesome Pine, Environmental Assessment for Future Development.

Virginia Highlands, Land Acquisition Services for Runway 6.

Twin County, Runway Safety Area Extension Design.

The Lonesome Pine, Fiscal Year 2008 DBE Program Update.

The Lonesome Pine, Spill Prevention Control and Countermeasures Plan.

Virginia Highlands, Spill Prevention Control and Countermeasures Plan.

And the Grundy Municipal, Environmental Assessment for Replacement Airport.

MR. DIX: Mr. Chairman, I so move the recommendations be approved for Region 1.

BOARD MEMBER: Second.

MR. OBERNDORF: All in favor.

BOARD MEMBERS: Aye.

MR. OBERNDORF: Opposed?

NOTE: No opposition voiced.

MR. OBERNDORF: The ayes have it for Region 1.

MR. SWAIN: Region 2. Page 66.

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The staff recommends for Shenandoah Valley, Air Carrier and Transient Apron Rehabilitation Design, $3,000.00 in State Entitlement Funds, with a Federal match of $95,000.

On Page 67, staff recommends for Ingalls Field, on the Runway Safety Area Extension and Obstruction Removal Design Increase, $950.47. With a Federal match of 31,682.33.

On Page 68. Staff does not recommend funding for Ingalls Field Storm Water Pollution Prevention Plan.

Does not recommend for the Ingalls Field Secondary Containment Certification Project.

MS. RADCLIFF: Mr. Chairman, move the staff recommendation for approval of Region 2.

MR. WAGNER: Second.

MR. OBERNDORF: All in favor?

BOARD MEMBERS: Aye.

MR. OBERNDORF: Opposed?

NOTE: No opposition voiced.

MR. OBERNDORF: The ayes have it for Region 2.

MR. SWAIN: Region 3 on Page 76.

The staff recommends funding for the following:

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Leesburg Executive, Land Acquisition Runway 17 RPZ, $7,500. Federal match of $237,500.

Leesburg Executive, :amd Acquisition Services for Runway 17 RPZ and Future Development, $1,500. With a Federal match of $47,500.

Manassas Regional, the Taxiway Delta Rehabilitation Design, $3,000. With a Federal match of $95,000.

Stafford Regional, Terminal Area Site Preparation Design, $63,419.75.

Stafford Regional, Terminal Building Design, $103,455.47.

Manassas Regional, Access Road and Parking Lot Rehabilitation Design Construction, $77,155.20.

Manassas Regional, Interior Connector Road Design, $3,000. With a Federal match of $95,000.

Manassas Regional, East Ramp Rehabilitation and Expansion, Phase 3 Construction, $90,000. With a Federal match of $2,850,000.

Stafford Regional, Apron Expansion, Phase 2 Construction, $30,000. Federal Match of $950,000.

And Manassas Regional, Airport Entrance Signage PLan, $5,540.

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On Page 77. Following are recommended for funding:

Luray Caverns, T-Hangar Site Preparation Design Construction, $476,020.

Culpeper Regional, Terminal Area Site Preparation Construction, $418,068.52.

Culpeper Regional, Terminal Building Design, $32,500.

Culpeper Regional, Terminal Building Utilities Construction, $13,176.22.

Culpepr Regional, Archaelogical Study, Phase 3 and Form C Environmental Assessment, $8,100. Federal match of $256,500.

Winchester Regional, Land Acquisition RPZ, APR Mini-storage, Parcel 53, $27,000. Federal match of $855,000.

Winchester Regional, Runway 14-32 Rehabilitation and Runway Lighting Upgrade Design, $6,000. Federal match of $190,000.

Orange County, Terminal Area Site Preparation Design, $40,000.

Orange County, Terminal Building Design, $94,672. And as a side note, Dr. Wagner found out that the square footage of that terminal building is approximately 8,600 square feet. About fifty percent

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office use.

The Front Royal-Warren County T-hangar site preparation, Phase 1 Construction, $432,533.84.

Orange County, Land Acquisition for Obstruction Removal, $15,000. Federal match of $475,000.

Front Royal-Warren County, Land Acquisition Services Environmental Form C, Increase, $600. Federal match of $19,000.

Luray Caverns, Land Acquisition, Obstrucvtion Removal Runway Object Free Area ,Part 77, Phase 2, $5,914.20. It has a Federal match of $187,283.

Winchester Regional, T-hangar Taxiway Rehabilitation Design, $24,000.

Luray Caverns, Maintenance Equipment Storage Building Design Construction, $25,000.

And Luray Caverns, Spill Prevention Control and Countermeasures Plan, $4,752.80.

The staff does not recommend funding for the following project:

Winchester Regional ,Terminal Building Renovation Design; Luray Caverns, Terminal Building Study. If you will move on to Page 78.

Staff does not recommend funding of the Gordonsville Municipal, Fuel Tank AvGas Replacement and

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Credit Card Reader.

And the Gordonsville Municipal ,Fueling System AvGas Tank Removal Project.

That's it for Region 3.

BOARD MEMBER: Mr. Chairman, I recommend adoption of the staff's recommendations for Region 3.

BOARD MEMBER: Second.

MR. OBERNDORF: All in favor?

BOARD MEMBERS: Aye.

MR. OBERNDORF: Opposed?

NOTE: No opposition voiced.

MR. OBERNDORF: The ayes have it for Region 3.

MR. FRANKLIN: Mr. Chairman, could we move to Region 7? Dr. Wagner may have to run out to save somebody's sight here in a minute.

BOARD MEMBER: That would be an oversight.

BOARD MEMBERS: Oh-h-h-h (Laughter (Board's remarks is not understood. Talking over top of each other.)

MR. SWAIN: Region 7. Starts at Page 167. The staff recommends funding of the following projects:

Chesapeake Regional, Obsruction Removal Wetlands Delineation and Cultural Resources Survey Form C Environmental Assessment, $9,473.68. That has a Federal match of $300,000.

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Chesapeake Regional, Terminal Area Site Preparation Construction, $314,292.48.

Chesapeake Regional, Terminal Building Expansion Construction -- Excuse me.

MR. BURNETT: Revisit that Chesapeake State Discretionary amount?

MR. SWAIN: Did I read the wrong amount?

MR. BURNETT: Please read that again.

MR. SWAIN: The Chesapeake Regional, Terminal Area Site Preparation Construction Project, $314,272.48.

Chesapeake Regional, Terminal Building Expansion Construction, $276,662.74.

The next page, the staff's original recommendation was not to fund the following projects at Hampton Roads the Wetlands Mitigation for Runway, Phase 1; the Terminal Building Design Project; and the Auto Parking Design Project. As we mentioned on, I believe it was yesterday, obstructions have been mitigated, and there are ample funds to fund this project.

BOARD MEMBER: Can you read the amounts?

MR. SWAIN: I can't. And I need to refer to -- Because one of those is not a typical 80 percent project. On page 176 the amounts requested for Auto Parking Design are $52,000. The Terminal Building Design $121,500. For the Wetlands Mitigation for

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Runway, Replacement Runway, Phase 1, $122,666.08. And the Federal match on that project is $3,884,426.

BOARD MEMBER: I will make my recommendations at the end **** cannot hear)

MR. SWAIN: Continuing on Page 169. The staff recommends funding the following projects:

Tangier Island, Runway, Taxiway and Apron Rehabilitation Construction, $96,000. Federal match of $3,040,000.

Accomack County, Environmental Assessment Future Development $3,150. Federal match of $99,750.

Suffolk Executive, Land Acquisition Runway Protection Zone, Phase 2, $8,011. Has a Federal match of $253,692.

Suffolk Executive, Land Acquisition Services, Runway Protection Zone, Phase 2, $3,440.85. Federal match of $108,960.50.

Suffolk Executive, Drainage Rehabilitation Design, $l,895. Federal match of $60,000.

James City County Proposed, Airport Feasibility Study, Phase 1, $4,957.17. Federal match of $156,977.

And Accomack County, Spill Prevention

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Control and Countermeasures Plan, $3,979.60.

The staff does not recommend funding for the Accomack County, T-hangar Site Preparation and Taxiway Design Project. And that is all for Region 7.

BOARD MEMBER: Mr. Chairman and the Board, I would like to move, given the understanding we have additional information on clarity of Hampton Roads Executive no longer being restricted by obstruction, ***** Terminal Building Design and Auto Parking Design as was read by you, along with the Department's other recommendation be approved *****.

BOARD MEMBER: Second.

MR. OBERNDORF: All in favor?

BOARD MEMBERS: Aye.

MR. OBERNDORF: Opposed?

NOTE: No opposition voiced.

MR. OBERNDORF: The ayes have it for Region 7.

MR. SWAIN: Mr. Chairman, may I just clarify for my benefit, all three projects for Hampton Roads were approved?

MR. OBERNDORF: That is correct.

MR. SWAIN: All right. Thank you.

So back to Region 4? I believe it is.

MR. OBERNDORF: Four.

MR. SWAIN: Page 115. Region 4. The staff

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recommends funding.

The Hanover County Municipal, Land Acquisition Services for Runway 34 Obstruction Removal, $145,895.

Next page, 116. The staff recommends funding of the following projects:

Middle Peninsula Regional, Runway 9-27 Rehabilitation and Extension Construction Increase, $30,641.45. With a Federal match of $882,813.

New Kent County, Master Plan and Airport Layout Plan Update, $4,737. Federal match of $150,000.

Tappahannock-Essex County, Access Road, Phase 2, Non-AIP Construction Increase, $142,428.

Middle Peninsula Regional, Wetlands Delineation, $20,730.40.

The staff does not recommend funding for the Tasppahannock-Essex County T-hangar Site Preparation, Phase 2 Design, Construction Project.

Does not recommend for the Lake Anna Runway Widening and Rehabilitation Design Project.

That's it for Region 4.

MS. RADCLIFF: At some point before the next Board meeting I was wondering if we could get together on the Tappahannock Airport, because this is one of

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those things where they cannot *** They are not eligible, ***** And I just want to see what we can do with something, how it is broken down or what we can do to locate, getting some money for that project before ***** I really applaud Essex County, particularly for how they ***airport, and how hard they have worked **** The last thing I want to do is give you any negative reenforcement on that. So I hope we will be able to get together on this. **** So given that, I would regrettably ask that we approve the staff's recommendation for Region 4.

BOARD MEMBER: Second.

MR. OBERNDORF: All in favor?

BOARD MEMBERS: Aye.

MR. OBERNDORF: Opposed?

NOTE: No opposition voiced.

MR. OBERNDORF: The ayes have it for Region 4. Region 5.

MR. SWAIN: Region 5 starts on Page 133.

The staff recommends funding of the following projects:

Danville Regional, Runway Protection Zone Land Acquisition, excuse me, it should be Land Acquisition for Runway Protection Zone Increase, $29,921. Federal match of $947,500.

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Brookneal-Campbell County, Apron and Taxiway Rehabilitation Design, $1,857.09. Federal match of $58,807.

Next page. The staff recommends against funding the following projects:

William M. Tuck, Fueling System Apron Construction.

Danville Regional, Runway 2-20 Rehabilitation Design.

William M. Tuck, Access Road and Parking Lot Design Construction.

William M. Tuck, Fueling System Relocation and Jet A Tank Construction.

That's it for Region 5.

BOARD MEMBER: Mr. Chairman, I move approval of the staff's recommendations for Region 5. Also, with the comment, I look forward to receiving proposals from William M. Tuck, particularly as they mitigate their Part 77 obstructions that they are working. So I do move the staff's recommendation for Region 5.

BOARD MEMBER: Second.

MR. OBERNDORF: All in favor?

BOARD MEMBERS: Aye.

MR. OBERNDORF: Opposed?

NOTE: No opposition voiced.

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MR. OBERNDORF: The ayes have it for Region 5. Region 6.

MR. SWAIN: Region 6. Page 144. The staff recommends funding:

Chesterfield County, Auto Parking for Clear Span Hangars Design, $98,856.80.

Next page. The staff recommends funding the following projects:

Mecklenburg-Brunswick Regional, Parallel Taxiway, Phase 2, Paving, Construction, Increase, Missed Opportunity Request, $2,264.40. That is a Federal match of $71,706.

Dinwiddie County. Airport Layout Plan, Update, $3,157.00. With a Federal match $100,000.

And Emporia-Greensville Regional, Airport Drainage System Rehabilitation Design, $37,600.

The staff recommends not funding the following projects:

Marks Municipal, Land Acquisition for the Marks Property, Multi-year request, $204,237.20. Excuse me. I'm not reading the unfunded requests.

Marks Municipal, Stormwater Pollution Prevention Plan and Spill Prevention Control and Countermeasures Plan,

Emporia-Greensville Regional, Spill

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Prevention Control and Countermeasures Plan Update.

And we have a couple more on Page 146.

The staff recommends not funding these following projects:

Farmville Municipal, Apron Expansion to Relocate the AWOS, Rotating Beacon and Electrical Vault.

Marks Municipal, Land Acquisition, U. S. Army Corps of Engineers Appraisals.

Farmville Municipal, Apron Expansion, Relocate Maintenance Equipment Storage Building.

Mecklenburg-Brunswick Regional, T-hangar Taxiways Design Project.

That's it for Region 6.

MS. RADCLIFF: Mr. Chairman, I would like to move that the Board approve the staff's recommendations.

BOARD MEMBER: Second.

MR. OBERNDORF: All in favor?

BOARD MEMBERS: Aye.

MR. OBERNDORF: Opposed?

MR. FRANKLIN: Mr. Chairman, let the record state, please, that I abstain.

MR. OBERNDORF: The ayes have it for Region 6.

MR. FRANKLIN: Mr. Chairman, if may I speak to the other projects in Region 6.

Mike, just a question. I want to bring

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up the Marks Land Acquisition Project, but I want to ask you first of all, obviously the FPCC project is not critical to that land acquisition, I wouldn't think.

MR. SWAIN: It's separate.

MR. FRANKLIN: Separate. And what about the other question I had, that I didn't have a chance to clarify with you or the sponsor what the impact of the Corps of Engineers appraisal. Is that tied to the property acquisition?

MR. SWAIN: I would defer to the planner on the Marks Municipal Project.

SUSAN SIMMERS: (Unable to hear)

MR. FRANKLIN: So that is tied to the land acquisition, I would think.

SUSAN SIMMERS: (Reply is not understood)

MR. FRANKLIN: So that is not critical to the land acquisition, would you say?

SUSAN SIMMERS: (Remarks are not heard and understood)

MR. FRANKLIN: I want to address, if that's the.

MR. SWAIN: And Mr. Ricks, if I could just confirm with Susan Simnmers. The SPCC, Mr. Franklin. Did I say Mr. Richs? Mr. Franklin, sir, the SPCC, SWTPD, does that have any relationship to the sponsor on either property?

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SUSAN SIMMERS: I don't think so.

MR. FRANKLIN: Mr. Chairman, as far as the land acquisition is concerned, I'm going to prepare to move to the staff's recommendation on everything except the Marks Municipal land acquisition project. And that is a couple hundred thousand dollars for the next -- They were requestined originally for two years. And they would have in fact with their score, if they have just financed it over three years because of that, they would have qualified for funding for this meeting; but they didn't. And so it isn't.

The interesting thing for the members of the audience that don't know the history of this, and it goes back many, many years, Clarksville, Marks Municipal, does not own its property. It sits on property that is owned by an estate of a well known, well connected family, that they really didn't want to go out and condemn property and make everybody mad. But finally after all the -- And one time the Department did, in fact, have the money and was willing to help them purchase the property, but they couldn't get the property owners to sell, which we can't make them do. Now, however, the estate is willing to sell, and the monies just, this project just didn't quite make it. And I believe when we deal with preservation of

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airports, that's the reason for this Board. I'm not going to say what I said one time about otherwise you could have a lot of monkeys up here. I'm not going to say that. But I will say that that's the reason for the Board to know the difference. Otherwise, the computer could just do everything. We just do the computer. And it does a great job based on as fair a system as we can have, I think.

But I think the reason, Mr. Chairman, that we have this Board is to be able to look at situations like this, and decide whether or not that is kind of a special situation. Personally, I feel like it is.

I did notice, by the way, we have been talking about this is $400,000 and 3.2 million that is available to the Board, Mr. Chairman, this time. That there were two airports that took out almost a million dollars each this time, and I support those projects, because they are good projects. And I don't want to affect thos projects in what I'm about to say. There were also just a handful, several other airports that got three to four hundred thousand dollars, some comparable amounts. So the amount is reasonable, I think, for this purchase. And I believe it is a special circumstance, and I believe that we should give Marks

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Municipal, or what I call the Clarksville Airport, actually now it's the Clarksville-Boydton Airport Commission. They have established an airport commission, the towns have gotten together. They do have a way to obtain the local funding match, which isn't chicken feed, about a hundred grand on this one I think, or eighty, I guess whichever it is. But in any event I think this warrants being given special consideration by this Board, Mr. Chairman.

I would move that we make this project a priority, and also that there has been some concern about safety projects, like obstruction removal, and as many projects like that come up, that would be the only thing that the Board would consider on an individual basis that could take priority over this project.

BOARD MEMBER: For future funding?

MR. FRANKLIN: For future funding. Not at this meeting. Not to make it today, but in the future, after this funding.

BOARD MEMBER: Propose for three years?

MR. FRANKLIN: Three years. Yes. That includes the three year proposal.

MR. BURNETT: Point of clarification. Are you talking about recommending that we take the total cost of the property, divide it by three, and then each year

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spread that cost over evenly?

MR. BURNETT: Yes. The sponsor has financing through the VRA over three years.

MR. BURNETT: Mike, do you have a number on this?

MR. SWAIN: Yes. The state's fare over three years for each year is $136,158.13. That would be the 80 percent. $136,158.13.

MR. DIX: Mr. Chairman, I would like to just make a comment. If we happen to have a project that doesn't go through, and we get a sizable return this year, I would recommend we change that from a three year to take care of it this year. I hate to spend year's money next year and the year following. So if we get something in return, we should consider that.

MR. OBERNDORF: Do you want to add that, do you want to make that addition for the record?

MR. FRANKLIN: Well, it already has, Mr. Chairman. Excuse me. But I appreciate the gentleman's comment, but, Bob, it already has the, I think it has the intent by saying it will receive a priority; so any monies that would be available after this meeting, it would be eligible.

MR. DIX: Yes. But then we are talking specifically on the three year function.

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MS. RADCLIFF: If we get 136,000 roughly, a thousand each year for three years, we have projects that are multi-year funding, and that will make an impact on things that are more timely over the next three years. If we continue to pull that money forward, *** long time on --

BOARD MEMBER: I would, with all due respect, I think *** keeping it at a level of 136,000 a year, probably *** (Unable to hear and understand)

BOARD MEMBER: The sponsors are shaking their heads, so that is okay with them.

MR. SWAIN: Couple other clarifications. You know, if we pull back money throughout the year for different reasons, projects coming from unused balance, people not being able to move on their projects, and we pull it back ***** set that money aside, and when it gets up to 136,000 we will issue them a grant.

My only concern is, in the interim, as I'm collecting that money, working up to the 136, I do get a safety project. I guess we will bring this up to the Board meeting.

MR. FRANKLIN: To the Board, if we have to temporarily side track that enough --

MR. SWAIN: We will bring it to your attention.

MR. FRANKLIN: You know. The difference there,

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if you have a safety project that is a critical obstruction, that's one thing. But let's face it, a lot of these obstructions have been out there, and I know, I have been doing this awhile, and they have been out there for twenty or thirty years. I'm not talking about that kind of project necessarily. I think a project that actually impacts safety, I would think the Board should consider that.

MR. BURNETT: At subsequent Board meetings, we will bring it to your attention, others as well.

MR. FRANKLIN: Yes, sir. We don't, Mr. Dix had expressed a concern earlier, and I agree with him whole heartedly. We don't want to sacrifice safety at any airport, for any reason, for, you know, nor for that reason.

MR. BURNETT: I think I just have one other question.

MR. FRANKLIN: Yes, sir.

MR. BURNETT: When we multi-year fund a project, even like with Richmond for 37 million dollars over six years, they still had to compete with funds being available. There is always that, there is always in a multi-year funding agreement that has that --

MR. FRANKLIN: That's not the intent of the motion.

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MR. FRANKLIN: That's a catch phrase that is based on funding available. So in this case, what you are basically saying that this project, say we can't get to it in August, between now and August, next August. It will rise to the top and be inserted below all safety projects? Or do it right to the top?

MR. FRANKLIN: Yes, sir. Right to the top. It goes to the top, but we are considering the different project that come up so we can fund those.

MR. BURNETT: I just want to -- And I hate to be, ask all these technical questions, but when we get back to the office, I just want to make sure we implement your request correctly.

BOARD MEMBER: Mr. Chairman, I thought Cliff's questions were good and necessary questions. This is a priority; it's not a guaranty, though. So, if we don't have the funds, I guess we won't have the funds.

BOARD MEMBER: This is if we have the funds.

BOARD MEMBER: If we have the funds. Right.

BOARD MEMBER: But in all likelihood there is very little chance that we won't have these funds over this period.

MR. BURNETT: If there are administrative increases above ten percent, we will bring it back to you, because this, you know, you get into land

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acquisition, you know, there is always a little --

BOARD MEMBER: Give and take.

MR. BURNETT: Shall we bring any increases above ten percent to you; otherwise, we would automatically raise the cost of ten percent has been the policy.

MR. FRANKLIN: I agree. They are good questions, and there are things that had to be addressed, but I think the intent of this motion, and I hope the Board's position, will be that we will make this a priority for the next few years to fund it.

Mr. Chairman, I call for the question if there is no other discussion.

MR. OBERNDORF: Do we have a motion?

BOARD MEMBER: I think it was moved and second.

BOARD MEMBER: Yes, sir. I made the motion.

MR. OBERNDORF: All in favor?

BOARD MEMBERS: Aye.

BOARD MEMBER: Opposed?

NOTE: No opposition voiced.

MR. OBERNDORF: The ayes have it.

BOARD MEMBER: Mr. Chairman, we read all the rest of them, and I move the approval of the rest of the Staff's recommendation regarding Region 6.

BOARD MEMBER: Second.

MR. OBERNDORF: All in favor?

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BOARD MEMBERS: Aye.

MR. OBERNDORF: Opposed/.

NOTE: No opposition voiced.

MR. OBERNDORF: The ayes have it for Region 6. Thank you very much.

We will have the public comment period. We will start it with the presentation of Tappahannock.

MEMBER OF AUDIENCE: While they are getting ready, I would like to thank you all so very much for your support today. We wouldn't be here where we are now. Thank you for your continued support. We can't wait to have you at our grand opening.

MR. LUMPKIN: While they are getting ready, Mr. Chairman, I would like to suggest that the Board unofficially adopt Cherry Evans as our sponsor.

NOTE: Board members make several comments which are not heard and understood.

MR. LUMPKIN: Board, thank you for a couple more minutes, and I just wanted to go back through, I have done this a lot, a couple Board meetings, where we are in the new airport, and glad to say this will be the last time, because we will be open at the next Board meeting. We are opening on September 8th. So to quickly go through this. This is the most recent photographs we have had. We have completed almost all

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the work. We have a couple minor issues, we are buckling up right now. Next slide.

This is the terminal building. It is complete. We have a couple of interior things we are dealing with. You can see we have all the lanscaping done. The parking lot is in place. We are ready to occupy this building here in the next week or two.

This is a view from basically the end of runway 10, looking back to the terminal building. It is fairly easy to see from the runway area, so everyone certainly knows where to go fairly quickly.

This is our fuel farm. You can see the vault and the beacon behind it. The tank was placed this week. It's in place now. This picture is about a week-and-a-half old and the tank was placed on Monday or Tuesday. They are working on wiring it up, getting all the piping in for self-serve AvGas. The tank containment area is on your left, and a fuel truck tender parking and also fuel off-load area is on your right-hand side outside the fence. And that's all for fuel containment.

This is our AWOS. Equipment is on site, and they are going to start installing equipment this week; so we will have a weather station on site which will help the approach minimums, which should be

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published in the October publication.

Give you an idea, coming into the airport. This is coming into, from 360. The terminal area is on your left. It's kind of hard to see the terminal building. The air field area is the clear area off to the right-hand side.

The access road looking out to 360. And sometimes it's easier when you go out and actually look at this. This is looking toward 360, both slides, and on the lower right-hand slide you can see a couple of vehicles right on 360, which is great. We have access off a major four lane road going between Richmond and Tappahannock. Next slide.

This is the entrance off 360. I think it's of all four of these views. The one in the upper right-hand corner, actually Linda was, instituted this with VDOT. We were able to get VDOT to approve a waiver on the cross-over, so we have a correct left turn or right turn into the main road into the airport; versus what VDOT had originally looking at was a U-turn. You had to come back, and sort of a, not having a very pleasant entrance. You have to go about three quarters of a mile out of your way, so that was a great thing that VDOT allowed us to do. We got a waiver on how close we could put these left-hand turns going towards

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Richmond.

BOARD MEMBER: Are you going to put up a new sign?

MR. LUMPKIN: Yes. Actually, the only thing that is missing here and hopefully this week we do have signs indicating where the airport is, and all that good stuff coming in this week. The contractor is actually manufacturing those as we speak.

Next slide. It was sort of fun to be out there about a week-and-a-half ago. FAA brought in their Lear 60 and they did all their flight checks, lights, beacons, and everything else. It was fun to watch the jet come over about 50 feet off the deck several times coming by the airport. It was sort of fun to see that.

And just some aerial views. We took our own plane up and just did a couple of 360s around the airport, gives you an idea. The markings are obviously down. 360 is in the upper left-hand corner. Gives you an idea of where we are. Runway 10 is the runway you can sort of see up in the left-hand side. The next one.

This is runway 2-8 end, with the turn around. The old tea pot handle we used to call them. It's the turn around at the far end.

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Just a couple more aerial views, mainly focusing on the terminal building which is obviously going to be the focal point for the airport, the terminal building with the red roof and cedar siding. It really looks great when you get out there and see it.

And just a couple of additional views.

And finally, what we have for opening day, which will be September 8th, and the grand opening is early October, we got runway 10-28, 4300 by 75 feet, so it meets that air taxi things that was presented earlier, so we will be able to fall into that category. Partial parallel taxiway, meeting the propensity of runway license fee, the FAA has accepted those and approved those. We do have some taxiway reflectors, rotating beacons, the reels, and everything else you need to see up there. Next slide.

And some things still in the works. The GPS approach. Again, October publication from what the FAA says they should be out by than. The T-hangars are going up now and looking for a large hangar site preference in 2008. We have had several inquiries about building a corporate sized hangar on the airport. And we are working with Vernon and his group to get a security audit a complete and look at the security plan. And again, September 8th is when we plan on opening for

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the general public, and grand opening celebration is planned for early October. That's it.

MR. BURNETT: Do you have an idea what the total cost is?

MR. LUMPKIN: Cliff had asked, our total cost right now, we are actually working up the final numbers, is about 13,000,000 with all pots of money coming together.

BOARD MEMBER: When will the old airport close?

MR. LUMPKIN: The old airport will close as soon as we have the hangars up. There are a couple of aircraft that are cloth, airfact cloth wings and they want it to stay under roof. And once the hangars are up we can move them over. What we are going to do on September 8th is that airport is going to become private use. Based aircraft only, non-itinerants. We are not going to have people getting mixed up on them, and we are going to turn the lights off, so during the night time you won't two airports. And everyone on that airport seems to be okay with that.

MR. OBERNDORF: What is the three letter designation on the new airport?

MR. LUMPKIN: XSA. Essex County Airport. Although Tappahannock is part of it, we worked with the FAA. The Tappahannock intersection is so close, we

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couldn't get CAP. They were concerned about inter-mixxing some of that kind of stuff up.

MR. OBERNDORF: I think it's really a contrast between this and Lee County. Really, really, tremendous. Thank you very much.

BOARD MEMBER: Airport opening.

BOARD MEMBERS: (Talking over top of each other)

MR. OBERNDORF: This is really nice. It's going to be ******

MS. RADCLIFF: (Unable to hear her remarks) ***I think I heard some rumors, are we considering going up there for the October Board meeting? Is that something we can consider?

MR. BURDETTE: The October Board meeting may not coincide, but we are looking to see if the governor is available, but since it was real --

MS. RADCLIFF: Not necessarily suggesting that it had to coincide with the grand opening. I think Tappahannock --

MR. BURDETTE: We can, I believe

MR. OBERNDORF: Are there any other public comments at this time? Hearing none. No other Board comments? Any Board members have any further comments? Thank you very much.

And we have door prizes. We will do

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that before we adjourn.

NOTE: At this point, door prizes are drawn.

MR. OBERNDORF: I would like to add the Board's thanks for the conference. Everything has been great. And on behalf of the City of Virginia Beach we are very happy to have you here, and hope you come again soon.

Hearing no other comments, the meeting stands adjourned.

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