Civil Air Terminal
at Dover Air Force Base

Business Plan

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Delaware River and Bay Authority

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Civil Air Terminal at Dover Air Force Base
Draft Business Plan

1. INTRODUCTION

The purpose of this business plan for the Civil Air Terminal at Dover Air Force Base (also referred to as the CAT) is to assess the feasibility of a number of separate business proposals. Taken together, it is believed that the CAT could serve as a nexus for economic development in Dover, Delaware. To do this, the business plan will evaluate potential development as it is currently proposed.

1.1 Airport Mission Statement

The Civil Air Terminal is located adjacent to Dover Air Force Base. The Civil Air Terminal covers approximately 20 acres and features 6.5 acres of ramp, a 1,900 square foot terminal building, a jet fueling facility, and a 100 space auto parking lot. The CAT property is owned by the State of Delaware and is leased and operated by the Delaware River and Bay Authority (DRBA) under an agreement with the State and a joint use agreement with the United States Air Force. The Civil Air Terminal’s role has been that of an FAR Part 139 certificated airport. As such, it can accept both general aviation and scheduled airline activity. There is no specific mission statement for the CAT, but there is a mission statement for DRBA that has been adapted for the Airport as follows:

“The mission of Civil Air Terminal is to provide safe, efficient airport facilities while participating in economic development opportunities and providing outstanding service to its customers.”

There are a number of business initiatives that have been discussed for the CAT. These include potential air cargo operations, possible airline service operations, a proposed FBO operation, an overnight parking area, and continued NASCAR support. Each of these options can create economic development opportunities in Central Delaware. The final result is to help the CAT achieve greater financial and operational performance in support of Central Delaware’s economic development and air transportation goals and vision.

1.2 Civil Air Terminal Issues

Dover Air Force Base (FAA identifier DOV) opened in 1941 under the Army Air Corps and was converted to Dover Air Force Base in 1948. DOV is located approximately three miles east of the Dover central business district. The Airport features two runways: Runway 14-32 is 12,903 feet by 150 feet while Runway 1-19 is 9,602 feet. As such, the runway system can accept any size aircraft in the civil fleet. It is one of only seven airports in the U.S. that serve as landing facilities for the Space Shuttle.

The primary reason that the CAT is desirable to air cargo carriers serving Dover AFB involves certain provisions of their contracts with the military. Under present contracts with the
U.S. Military, air cargo transportation providers must load or unload all cargo within a five hour window from touchdown to take off. Once the aircraft has been loaded or unloaded within its specified five hour ground operations duty cycle, the aircraft and crew must (in accordance with the military contract) vacate DOV until which time another payload is ready for shipment. The military can waive these requirements at their discretion.

At the present time, air crews for both Evergreen and Atlas must ferry empty 747 aircraft to JFK Airport in New York. The current average expense to the airlines is approximately $30,000 per individual round trip. In addition, crews starting from JFK rather than from the CAT have additional time added to their day that may limit their ability to fly international missions. FAA allows a maximum 14.5 hour duty day for these pilots. As such, the opportunity to taxi a B-747 across the airfield, enter the CAT via a structurally reinforced taxiway, traverse a hardened ramp and park a number hours until another cargo load is ready for shipment for a reasonable fee would potentially save each airline hundreds of thousands of dollars annually. It would also provide more operational flexibility for their pilots. Parking and usage fees from this service would go a long way toward repaying costs necessary to development and construction of the required paved areas.

A number of other preliminary issues have been identified for this business plan including:

- **The Impact of Military Interaction and Security**: Because the CAT must rely upon the DOV airfield, it is entirely subject to the operational requirements of the military. As such, times of heightened security as occurred following 9/11/01 rendered the airside infrastructure of the DOV inaccessible to CAT civilian use for six months. Such a shut down in the future would present substantial logistical hurdles for civilian airline, air cargo, or other general aviation business operation. Secondarily, on a lesser but daily impact level, any expansions of the CAT (via acquisition of Kent County AeroPark property) requiring an increase in security fencing, the addition of an FBO and all necessary access points to these additions will require close communications, advice and approval from Dover Air Force Base.

- **Expansion and Strengthening of CAT Ramp Area**: There are a number of air cargo carriers currently serving the Base. Polar, Atlas, Evergreen all operate Boeing 747 jumbo jet cargo aircraft. Other than certain rare circumstances, these carriers do not overnight at the base and are required to fly to other civilian airports such as JFK for overnight parking. These carriers have approached the CAT operators for permission to park their aircraft overnight on the CAT ramp. This would require substantial strengthening of the ramp and the addition of a second taxiway from the DOV taxiway system. The second taxiway would need to provide heavy load baring capability and would offer more wingtip clearance for larger aircraft than is currently available.

- **Implementation of U.S. Customs Service screening to Accommodate International Air Cargo Shipments**: The proposed addition of international air cargo shipments (cut flowers) destined to new tenants of Kent AeroPark will require screening by the U.S. Customs Service. Adequate measures including the possible construction of a climate
controlled structure connecting the ramp area to the industrial park must be evaluated. Depending upon the business model used for the cut flower operation the CAT may benefit from Foreign Trade Zone (FTZ) designation. The CAT is not currently a designated FTZ or satellite FTZ, but it may be advisable to consider such designation. Users of the zone can avoid or delay payment of duties and fees on goods produced, processed, and/or stored in the trade zone.

- **Ability to React to Recruitment of a Commercial Airline:** In the event that efforts currently underway by the City of Dover and Kent County are successful to attract a commercial airline to Dover, some modifications to the CAT terminal building will be needed for TSA and security screening. In addition, there may be a requirement for increased auto parking areas. The ability of CAT sponsors and others to react to the new service will be important to its long term success.

- **Annexation of Adjacent Kent AeroPark Tracts:** To grow the footprint of the CAT, there may be a need to annex or otherwise acquire lots from the Kent County AeroPark. The need for this acquisition may be triggered by the attraction of an FBO or other general aviation operator to the CAT. As a part of this process, the security fencing around the CAT will need to be expanded, which will indirectly increase the perimeter fencing for DOV. Significant coordination will be needed with the military in this process. Discussions with State and County representatives indicate that this annexation could be transacted without payments changing hands.

- **Exploration of Public/Private Partnership Opportunities:** At one point, a private operator was interested in developing a large FBO operation at the CAT. That opportunity may have passed. However, the concept may still have validity and should be investigated in this business plan.

- **Use of State and DRBA Funding:** State monies have typically been made available for CAT development projects. This money has been used in the past to fund 100 percent of capital projects needed at the CAT. Since the DRBA has undertaken the operation and management of the facility, they have installed a 15,000 gallon jet fueling facility, along with other minor capital maintenance projects. For new initiatives to take place at the CAT there may be some “front-end” funding required. The availability of such funds from the State and DRBA will be examined, along with other sources of private funding from businesses that might use the CAT.

- **NPIAS Designation:** In order for the CAT sponsors to receive primary airport entitlement funding, the CAT must be included in the National Plan of Integrated Airport Systems. In the past, there was a brief window when the CAT enjoyed NPIAS inclusion. In this regard, an Environmental Assessment was performed with FAA funding for the aircraft apron expansion. Since that time, NPIAS designation has been withdrawn because of restrictions (prior permission for landing) at DOV regarding civilian aircraft operations. Some discussion will be needed with FAA on re-designating the CAT as NPIAS-eligible.
• **Improvements in Access Infrastructure:** The proposed additions of commercial air service, a new general aviation FBO, private hangar development, and increased air cargo activity each place increased surface traffic demands on the existing ground access capabilities of Horsepond Road, and its connectors Lafferty Lane and South Little Creek Road. Although the existing system may be adequate in the short term, a detailed impact study with appropriate recommendations is advisable for the long term. This is particularly true if increased truck traffic is anticipated at the CAT.

1.3 **Desired End Products**

The end products that are produced as a result of this analysis include the following:

- A description of proposed activities at the CAT
- A five-year projection of revenues and expenses at the CAT associated with the alternative scenarios.
- A well-formulated strategic plan for introducing and implementing each initiative.

1.4 **Report Outline**

In order to address the issues described above and to produce the desired end products, this report has been organized to include the following sections:

- **Section 1** - Introduction
- **Section 2** - Background and Proposed Business Initiatives
- **Section 3** - Business Plan Alternatives and Pro Formas
- **Section 4** - Recommended Plan
- **Appendix A** - Joint Use Agreement with Amendments and Standard Operating Procedures for Vehicular Access to Gate #8
2. BACKGROUND AND PROPOSED BUSINESS INITIATIVES

IN JUNE OF 1982, THE DELAWARE TRANSPORTATION AUTHORITY, and later known as the Delaware Transportation Corporation, entered into a joint-use agreement with Dover AFB. The purpose of the agreement was to enable the State to obtain property and to construct a facility to support regional airline service. A Civil Air Terminal facility was constructed and used briefly by a commuter carrier until December of 1984. Unfortunately, commuter traffic levels needed to support service did not materialize. As such, infrequent general aviation use became the primary activity at the CAT.

The original Joint-Use agreement with the Air Force imposed a number of restrictions. These restrictions included the following provisions:

- Multi-engine aircraft only
- 24 hour prior permission required
- $20 landing fee
- Maximum daily limit of 20 civil operations (an operation is either a landing or a takeoff)
- Only instrument certified aircraft and instrument rated pilots permitted

These restrictions, combined with the absence of any services available at the Civil Air Terminal contributed to the severe underutilization of the facility during the 1980s and 1990s. That original Joint Use Agreement was revised in 1997 and again in 2000. The latest Joint Use Agreement, with amendments and the SOP for Authorized Entry at Vehicular Gate #8, is presented in Appendix A of this report.

As the NASCAR racing phenomena began to grow, particularly in the 1990s, more and more of the race teams established flight departments and flew to racetracks with nearby airports for race weekends. Collectively, the aircraft associated with NASCAR events earned the nickname “NASCAR Air Force.” This mixed fleet ranges from Propeller driven Beech King Airs to 737s and 727s. Dover Downs sponsors two NASCAR events annually and has expanded their seating capacity to over 135,000 to meet rising demand. During this time, the NASCAR race teams increased their use of the Civil Air Terminal at Dover Air Force Base and other Delaware airports. NASCAR Race-related operations now make up the bulk of aircraft operations at the CAT. These operations occur over two extended weekends - one around early June and the other in September. The NASCAR Race aircraft operations grew steadily up until the events of 9/11/2001. From that date until March of 2002, Dover AFB was closed to civilian aviation activity. Upon reopening, a number of more restrictive conditions were imposed on the CAT users and its sponsor (these conditions are described in a following section).

2.1 Civil Air Terminal Facilities

The Civil Air Terminal is located three miles southeast of the center of Dover on the north side of Dover Air Force Base (AFB), adjacent to Taxiway "B," as depicted in Figure 1. Two-lane
access to the Civil Air Terminal is provided by Horsepond Road. Access to the facility from U.S. Highway 113 is via Lafferty Lane to Horsepond Road. An alternate route from U.S. 113 is via South Little Creek Road to Horsepond Road. State Highway 1 provides Dover AFB with a limited access, four lane highway that connects to Interstate 95 in northern Delaware.

Under the Joint-Use agreement the Civil Air Terminal has access to the Dover AFB’s two runways: Runway 14-32 is 12,903 feet by 150 feet, Runway 1-19 is 9,602 feet by 200 feet. The Civil Air Terminal is located on 20 acres of State-owned property between Dover AFB and the Kent County AeroPark. There is a 1,920 s.f. terminal building located at the CAT (Figure 2). This building includes a pilot's lobby and unused commuter passenger facilities such as ticket counters, baggage claim, and waiting area, along with office space that was previously used by the Delaware Office of Aeronautics. Automobile parking is provided adjacent to the terminal building for 50 vehicles. Curb frontage exists to accommodate arriving and departing passengers. The surrounding area is mixed use that includes military airfield, industrial, residential, commercial, and agricultural.

Aircraft parking is available at the CAT on the Airport Operations Area (north side of the terminal building). Currently, there are 31,300 square yards of paved apron space (867 feet by 325 feet). The pavement load bearing capacity can accommodate aircraft up to 70,000 pounds, dual wheel on a regular basis. A drainage ditch runs along the eastern edge of the perimeter road along
Taxiway B of the Base. Additional drainage ditches flank the western fence line. Two riprap aprons are constructed between the north apron edge and the existing basin prior to the drop-off into the basin. A 3 by 4 foot storm water management release structure is positioned in the northwest corner of the basin.

The Delaware River & Bay Authority (DRBA) operates the CAT on a long term agreement with DelDOT. They provide building and grounds maintenance as well as the aircraft handling and paperwork processing. During NASCAR race weekends, the DRBA ensures the availability of Jet fuel, rental cars, and other ground transportation. Recently, DRBA installed one 12,000 gallon Jet A fuel tank at the CAT. There are no aircraft storage hangars available at the Civil Air Terminal.

Kent County Industrial AeroPark

The Kent County Industrial AeroPark is shown in Figure 3, adjacent to the CAT. The Industrial AeroPark is 115 acres and subdivided into 24 lots. There are 9 lots that are along the common border with the CAT that have been reserved specifically for use that may require access to the runway system at Dover AFB. Target industries include manufacturing, light assembly, and warehousing. All lots are either for sale or long-term land lease. This business plan proposes to use at least four of the lots adjacent to the CAT for air cargo and aircraft maintenance businesses.
Dover Air Force Base

Dover AFB comprises approximately 4,000 acres of land, including annexes, easements, and leased property. The AFB has two runways: Runway 14-32 is 12,903 feet by 150 feet, Runway 1-19 is 9,602 feet by 200 feet. There are approximately 1,700 buildings on the property including a hospital, PX, combined services mortuary, residence facilities, administration, and aircraft hangars. Dover AFB is home to the 436th Airlift Wing or “Eagle Wing” and the 512th Airlift Wing, called the “Liberty Wing.” The Eagle Wing is a subordinate of 18th Air Force and Air Mobility command, headquartered at Scott AFB, Illinois. The Eagle Wing consists of the operations, logistics, support, and medical groups; in addition to 14 divisions. The wing has over 4,000 active-duty military and civilian employees.

Aircraft used by the Eagle Wing and Liberty Wing in their mission include the C-5A and B model Galaxy and the C-17 Globemaster III aircraft. Other aircraft types use the Base but are not stationed there. The C-5 is the largest cargo aircraft in the U.S. inventory, with a wing span of 223 feet and maximum takeoff weight of 837,000 pounds. The C-5B is the predominate aircraft operating at Dover AFB. The C-17 is the newest and most flexible cargo aircraft to enter the airlift force. It has a wingspan of almost 170 feet and a maximum takeoff weight of 585,000 pounds.

Dover AFB is also the home for the largest military mortuary in the Department of Defense, and has been used for processing military personnel killed in both war and peacetime. The Department of Defense now pays for the families of fallen military personnel to come to Dover AFB to meet aircraft carrying the remains of their loved ones.

Civil Reserve Air Fleet

A unique and significant part of the military's mobility resources is the Civil Reserve Air Fleet (CRAF). Selected aircraft from U.S. airlines, contractually committed to CRAF, support Department of Defense airlift requirements in emergencies when the need for airlift exceeds the capability of military aircraft. The CRAF has three main segments: international, national and aeromedical evacuation. The international segment is further divided into the long-range and short-range sections and the national segment into the domestic and Alaskan sections. Assignment of aircraft to a segment depends on the nature of the requirement and the performance characteristics needed.

The long-range international section consists of passenger and cargo aircraft capable of transoceanic operations. The role of these aircraft is to augment the Air Mobility Command's (AMC’s) long-range intertheater C-5s and C-17s during periods of increased airlift needs, from minor contingencies up through full national defense emergencies. Most of the CRAF serving Dover AFB are long-range international aircraft. Medium-sized passenger and cargo aircraft make up the short-range international section supporting near offshore airlift requirements.

2.2 Air Cargo Activity

There are two heavy lift commercial air cargo operators that regularly serve Dover AFB, which include Atlas Air and Evergreen International Airlines. While there are other commercial air
cargo carriers that serve Dover AFB, Atlas and Evergreen are among the most frequent providers of supplemental air lift services for Dover AFB. Discussions with each of these carriers indicated that they have a significant potential for use of the CAT apron area for overnight parking. Because of prevailing Air Force regulations, commercial carriers cannot overnight their aircraft at Dover AFB. Instead, both Evergreen and Atlas ferry aircraft to JFK for overnight parking several times each month. Recent estimates of the cost of ferrying aircraft between Dover and JFK are roughly $30,000 per round trip. This operating structure has created a demand for overnight parking at the CAT to save significant operating and maintenance costs associated with fuel use and additional flight and engine cycles on the aircraft. Profiles of the carriers include the following:

- **Atlas Air**: Atlas Air has been the largest provider of commercial airlift in the wide-body cargo segment for the United States Air Mobility Command for the last seven years. The Air Mobility Command continues to depend on Atlas Air’s flexibility to provide essential airlift to the men and women defending our nation and its interests around the globe. In addition to providing world class airlift support, Atlas Air trains some of the Air Force’s most elite aircrews, such as the pilots and flight engineers of Air Force One and the flight crew members assigned to the E-4B National Airborne Operations Center.

- **Evergreen International Airlines**: Evergreen has extensive experience supporting military airlift needs. EIA has supported the US military throughout its history. Evergreen’s aircraft, training facilities, crew qualifications, maintenance procedures, quality control practices and financial status all meet the Department of Defense (DOD) inspection criteria. Evergreen has flown continuously for the Air Mobility Command (AMC) since 1975, providing rapid, global mobility for US armed forces and has continuously supported global humanitarian relief missions. Evergreen is also a Civilian Reserve Air Fleet (CRAF), supporting the DOD airlift requirements in emergencies when the need for airlift exceeds the capabilities.

In a previous study, direct contacts were made with FedEx, World Airways, Air Transport International, and Gemini Air Cargo. All of these airlines indicated that they would not need overnight aircraft parking facilities at the CAT. Except for FedEx, the other airlines contacted did not have Boeing 747 aircraft in their fleets. This limited the use of these carriers by the military due to a requirement that air cargo aircraft under contract have a 90-ton cargo capacity.

### 2.3 International Park of the Americas

Kent County AeroPark has received a proposal to develop the International Park of the Americas (IPA) in the vacated Sunroc facility. The IPA is a private sector initiative to build a “smart” Distribution Center in the United States. The IPA will be strategically located in Dover, Delaware, taking advantage of its tax benefits, location relative to major cities, highways and railroad systems, the ports near by, and the adjacent Air Force Base airport. IPA will target the primary market in the U.S. with a population in excess of 150 million. Its primary area of influence (under 8 hours of truck ride) includes the states of: New York, New Jersey, Connecticut, Massachusetts, Delaware, Maryland, Ohio, Pennsylvania, Indiana, Virginia, West Virginia, Kentucky, Vermont,
Rhode Island, North and South Carolina.

The IPA business opportunity is offered to all those companies in countries already doing business or currently having trade agreements with the U.S., such as Colombia, Peru, Costa Rica, and El Salvador. However, the core marketing effort will be focused on Colombian entrepreneurs and companies, since there are already 6,000 products duty-free-exported to the U.S. currently. The IPA will offer a logistic trade center with a vision center, a show room for marketing new products, conference rooms, offices for companies and brokers, customized warehouse space, a shipping containers courtyard, and state of the art data information technology and communications systems. Air cargo access would be offered through the CAT ramp and connecting taxiways.

Specifically, the IPA proposes to offer:

- 207,000 SF with 30 logistic warehouses and commercial offices. The offices will be provided within the warehouses.
- A central core of additional offices with conference rooms, a visitor center including an International Show Room for permanent exhibition and promotion of products.
- 15,000 SF of leasable office space available for smaller companies or individual brokers to facilitate their operations in an affordable manner.
- Future expansion of a new commercial-cargo terminal at the CAT via Dover AFB into a commercial complex that will ensure airplanes expedite their loading/unloading cargo operations by being directly adjacent to the property.
- Staff and visitor parking areas.
- A complete paved road system for heavy traffic.
- An open courtyard for container storage will allow small companies to temporarily store and manage their products conveniently, safely, and in a very cost efficient manner.
- A pair of loading docks will be provided to each warehouse larger than 7,000 SF. These loading docks are designed to ensure that 18 wheeler trucks can manage their loading/unloading operations in a timely manner.
- Two water retention ponds for stormwater management control will complement the landscape plan.

The first business opportunity that has been proposed for the IPA at the CAT involves the delivery of cut flowers and other perishables from Colombia via air cargo. In this regard, activity will likely include one or two flights per week by Boeing 747 aircraft. During the peak season (Mother’s Day, Valentine’s Day, and other holidays) up to three or four flights per day could be expected. It is estimated that each flight could fill roughly 10 tractor-trailer trucks for ground cargo traffic.

Key logistical considerations for DELDOT, DRBA, and the Base include:

- Transfer of selected tracts currently owned and managed by the County as part of the Kent AeroPark property to State ownership and DRBA management.
- Construct and expand reinforced paved taxiway and ramp areas to accommodate B-747 and other large air cargo traffic.
2.4 Potential Airline Service Operations

The City of Dover and Kent County are in the process of studying the feasibility of airline service in Dover. The focus of the analysis has been on some type of commuter airline service and on possible leisure/tour package service. The first type of service would involve a commuter carrier providing daily service to a hub. For Dover, the most likely hub would be Washington-Dulles Airport, with a carrier such as United. Other possibilities would involve a carrier like Cape Air serving BWI. For the leisure market, an carrier such as Allegiant Airlines has been considered as a possible match for Dover. Allegiant desires a market entry point far enough away from Philadelphia International and BWI to escape the low-fare passenger attraction of Southwest Airlines. By selecting Dover, DE, Allegiant would have a large catchment area that would fit their operating model. The Air Service Feasibility Study has not been completed as of this writing (6/09), but recommendations are expected by the fall of 2009.

The Civil Air Terminal is the only facility in Dover that could accept airline operations. As an FAR Part 139 certificated facility, the CAT can legally accommodate airline operations. Delaware Airpark, on the other hand, is not certified for such operations and does not have adequate facilities. Thus, the CAT is the focus of potential airline service initiatives in Dover.

Should airline service prove feasible, there are physical improvements that may be needed at the CAT. This would include expanded/reconfigured terminal building space to accommodate TSA security screening, baggage handling, etc. In addition, more auto parking spaces may be needed to accommodate long-term parking demand.

2.5 Potential Fixed Base Operator

One proposal has been made to develop conventional aircraft hangars on Kent County AeroPark in support of a Fixed Base Operator (FBO). The proposal included 40,000 square feet of hangar space along with apron area and fueling service. The concept involved the recruitment of a large FBO that could perform aircraft maintenance on business jets and other large jet aircraft. This would include refurbishment of interiors as well as engine and airframe work. Development of the FBO space would require a public-private partnership for financing and use. The FBO would need a working relationship with Dover AFB and active negotiations with DRBA to determine which services would best be performed by either party at the CAT.

2.6 Existing Activity and Joint-Use Agreement Restrictions

The existing activity at the CAT is subject to the Joint-Use Agreement Restrictions on access
and operations. Existing activity includes the NASCAR race weekends and the various itinerant corporate aviation operations that occur throughout the year. Restrictions on the use of the Civil Air Terminal can impact activity and associated demand for services. In 1997, the Joint-Use Agreement was revised to provide for a second taxiway easement access to the Civil Air Terminal. In the revised Agreement, the Air Force took the opportunity to revise some other provisions of the original Agreement.

The most recent Joint-Use Agreement with Amendment 1 and Terminal Reopening Conditions have the following provisions:

- Multi-engine aircraft only
- 72 hour prior permission required (revised from 24 hour)
- Crew/Passenger manifests 24 hours prior to estimated time of arrival for random verification checks (new).
- $20 landing fee
- Maximum daily limit of 100 civil operations except during NASCAR race weekends when 300 operations per day for four days is authorized. (Revised from 37 and 50 operations respectively)
- Only instrument certified aircraft and instrument rated pilots permitted.

Appendix A presents a copy of the Joint Use Agreement with Amendments. In addition to the Joint-Use Agreement, a set of Standard Operating Procedures (SOP) has been developed for the authorized vehicular entry to Gate #8. This SOP is also included in Appendix A to this business plan. As currently structured, access to Vehicle Gate #8 must be authorized and provided by Dover AFB Security.
3. BUSINESS PLAN ALTERNATIVES AND PRO FORMAS

THE RECOMMENDED PLAN PROVIDES GUIDANCE FOR DECISION-MAKING for the potential development of the Civil Air Terminal and Kent County AeroPark. In this regard, two pro formas were developed - a baseline projection and an ultimate build-out projection. These forecasts project the ranges of possible activity associated with the various development proposals for the CAT. In addition, the timeline for development is presented, showing the steps needed in their approximate order.

- Ultimate Development Scenario
- Baseline Development Scenario
- Forecast of Revenues & Expenses

3.1 Ultimate Development Scenario

This business plan has considered two primary scenarios - a baseline projection and an ultimate development projection. Actual development will be based on a number of factors including the economy, the success of current proposals in gaining financing, and the ability of DelDOT and DRBA to respond in the development of facilities at the CAT. Thus, financial performance will occur between these high and low ranges.

It is easier to describe the Ultimate Development Scenario first and then remove various components for the Baseline Scenario than vice versa. Thus, the Ultimate Development Scenario (Figure 4) incorporates all of the existing and proposed development options presented to date to DelDOT and DRBA for the CAT. Components of this projection include the following:

- Air Cargo Parking
- International Park of the Americas
- Airline Service
- New FBO
- DRBA Base Revenues

Descriptions of the operating assumptions for each of these components has been presented previously.

Air Cargo Parking

For the Ultimate Development Option, air cargo parking for Military Airlift contract carriers would be developed. This would involve the development of two strengthened parking positions for B-747 aircraft. Operating assumptions for the financial pro forma included the following:
• **Apron/Taxiway:** A total of 34,000 square yards of strengthened apron and taxiway would be developed for these aircraft. Areas designated for the B-747 aircraft would be capable of accommodating up to 800,000 pound loads for dual tandem wheels.

• **Evergreen International Airlines (EIA):** It is assumed that this airline will be the “anchor” tenant for the CAT apron area development. EIA has indicated a willingness to pay $50,000 per month for the first right of refusal for parking space at the CAT. Thus, one strengthened parking position would be assigned to EIA, with a second position available for other carriers.

• **Atlas Airlines:** The Ultimate Development Scenario considers a strengthened position for Atlas that can be shared with other overnight carriers on a per-use demand basis. Parking fees could range from $3,000 per night. Because of the heavy use by Atlas at Dover AFB, it was estimated that at least 5 nights per month would be needed.

• **Other Airlines:** Other air cargo and commercial aircraft parking can be accommodated from time to time throughout the year. Revenue from these overnight parking fees was projected to total less than $50,000 annually.

Expenses associated with this scenario include the physical development of the second taxiway from Dover AFB to the CAT, along with two parking positions and maneuvering space for B-747 aircraft. Previous estimates have shown an approximate cost of $2.75 million per parking space for a B-747 (including the connecting taxiway). Thus, roughly $5.5 million in capital development will be needed to make this development possible. The analysis assumed that an internal rate of return of 5 percent is needed over a 10-year period to cover the cost of capital.

Operational costs for DRBA were not assigned specifically to this project, but instead, could be considered as the base cost for full-time operation of the CAT. This would include the following:

• **Personnel:** For the first year, two part time equivalent workers will be needed to cover the scheduled and on-call hours of operation. It was assumed that all salary and benefits associated with personnel totaled $60,000 for the first full year. For future years, $120,000 (inflated by 4 percent per year) was assumed for labor costs. Total personnel needs for the future years would include one full time equivalent worker and two part time workers.

• **Maintenance:** Maintenance costs would involve routine maintenance and repair of the existing terminal and ramp facilities (not capital maintenance). A total of $40,000 was allocated toward this expense item for the first full year. Maintenance will increase as the ramp size grows. A total of $60,000 was allocated for year two (inflated by 4 percent per year thereafter).

• **Utilities:** The cost of utilities includes water, electric, telephones, etc. A total of
$25,000 was allocated toward this expense item for the first full year (with 4 percent inflation factor for remaining years).

- **DRBA Cost Allocation:** An administrative cost allocation from DRBA was assumed for the CAT. This allocation was assumed to increase from the current level of near $5,000 to $20,000 for the first full year, based upon increased revenues. Once the air cargo ramp operation begins, the allocation was doubled to $40,000 per year, with cost escalations related to the rate of inflation.

- **Access Security:** To make the development of the CAT work, it will have to conform to the base-wide security procedures associated with access and egress. Because the private sector is driving the need to expand the CAT fence and provide convenient access for users, funding to provide security will necessarily come from the civilian side. In this regard, a manned guard house or gate will be needed to as activity increases. It was assumed that costs of personnel or subcontracting for this security will reach $120,000 per year under the Ultimate Development Scenario. For the Baseline Scenario, no additional security above and beyond the existing levels will be needed.

The cost of capital and internal rate of return on ramp expansion and strengthening are discussed in a later section.

**Airline Service**

The City of Dover and Kent County are jointly examining the feasibility of airline service to Dover. The feasibility study has outlined two possible scenarios. The first involves twice-weekly service to Florida by a leisure/vacation airline. Such traffic would involve medium-sized jet aircraft with capacities of either 130 or 150 passengers. The second option involves possible turboprop commuter service to a hub (between 9 and 34 seats). If airline service is attracted to Dover, revenues from this operation would include the following sources:

- **Fuel Sales:** It was assumed that fuel sales would be generated from the leisure airline, consuming an average of 5,000 gallons of jet fuel per week. Margins of $0.50 per gallon were assumed to be negotiated with the carrier. Net revenues on fuel sales of $130,000 were assumed for each year of the planning period.

- **Terminal Rent:** Terminal rent of $30,000 annually was assumed until the fifth year of the planning period. Assuming that the airline service is successful, an escalation of terminal rents by $20,000 annually would accompany the expansion of the terminal building after year five.

Perhaps the most important revenue gained by a successful airline would be a non-primary entitlement grant, assumed to be $1 million per year. This money could be used to expand the terminal building and improve auto parking at the CAT in year five of the plan. Because these
improvements would be conducted using grant money, no borrowing or internal rates of return (equivalent interest expense) on the capital were included in the analysis.

Expenses created by the passenger service would include the FAR Part 139 enforcement security provisions. Except for passenger security screening by TSA, those security provisions are in place with the current Part 139 Certificate at the CAT.

**International Park of the Americas**

While this business concept is somewhat speculative, the IPA developers have moved toward the purchase of the Sunroc facility for the implementation of their plan. When fully active (assumed to occur in year three), the facility will accommodate one-to-two flights per week during the regular season and up to four flights per day during their peak periods of Valentine’s Day and Mother’s Day. For the CAT, the following operating assumptions were made:

- **Ramp Fees:** It was assumed that the IPA would not be fully operational until the third year of the planning timeframe. Delays concerning financing and other facility development were incorporated. Once operational, it was assumed that the IPA would pay a flat monthly ramp fee of $15,000 which would cover the cost of access security and their use of the ramp for between 4 and 10 times per month.

- **Other Air Cargo:** Because of the proposed facilities at the IAP (30 logistic warehouses and offices with other space available for lease), other air cargo operators may take advantage of the hub. Evergreen International already commented that they may want to take advantage of IPA port facilities by diverting some of their commercial traffic from JFK to Dover. Even though this may add revenue for ramp fees, it was not included in the projections in order to remain financially conservative.

No costs from the IPA operation were assumed to impact the DRBA. Personnel already attending the terminal for airline service and air cargo operations could monitor activity at the IPA.

**New FBO**

The potential location of an FBO operation at the CAT was discussed in an earlier section. From a financial standpoint, the FBO would operate under a land lease with percentage-of-gross revenues fee structure. That is, a long-term land lease would be provided as an incentive to construct large hangars and appropriate apron area. In addition, a percent-of-gross-revenue lease agreement would be used such that the sponsor would not collect these fees unless the FBO was earning income. It was assumed that the new FBO would not be operational until year three of the pro forma.

- **Land Lease:** A minimum lease area of 244,000 square feet was assumed (Lot 7 and portions of Lot 7.02), beginning at $0.25 per square foot ($61,000 annually).
Depending upon negotiations and FBO investment amounts, the long term lease would revert ownership of any structures constructed on the property to Sponsor ownership after a set number of years.

- **Percent of Gross:** By charging a percent of gross revenues, the FBO would only pay these rents as they become successful. Different arrangements are possible including sliding scale percentages based upon volumes, exemptions under a certain dollar level, or a flat rate. For this plan, a 3 percent figure was used and applied to a growing business base. Fees show growth from the fourth year ($30,000) through the tenth year ($193,300).

The attraction of a new FBO is speculative at this point. However, it does reflect a proposal that was made to DelDOT in 2008. The downturn in the economy may postpone the integration of this option into the mix at the CAT. However, it is included in year three as a means of showing the financial impacts of the Ultimate Development Scenario. No costs were assumed to accrue to DRBA from a new FBO.

**DRBA Base Revenues**

Prior to any additional development or activity at the CAT, the DRBA has conducted operations to accommodate NASCAR race weekend traffic as well as regular corporate traffic to the area. Revenues from these activities have fluctuated, but have averaged near $30,000 annually. The addition of fuel sales to these regular customers is anticipated to double these base revenues over the period. Those increases are included in the projection of DRBA Base Revenues.

### 3.2 Baseline Development Scenario

The Baseline Development Scenario (Figure 5) reflects a “stripped down” version of the Ultimate Development Scenario. In this regard a number of the initiatives found in the Ultimate Development option drop out of this alternative. Programs not included in the Baseline are:

- **International Park of Americas:** Although this project seems very close to moving forward, there are a number of variables that could derail the proposal. To present a conservative forecast of revenues, this project was removed from the Baseline pro formas.

- **New FBO:** This is a speculative project that requires significant private sector investment. As such, it was removed from the Baseline pro formas.

Programs still included in the Baseline Scenario are:

- **Airline Service:** Airline service was still assumed to occur in the near term for the Baseline Development Scenario. However, to reflect a conservative revenue projection, it was assumed that the service will not achieve the 10,000 annual
enplanements necessary for the $1 million non-primary entitlement funding. After five years, it was assumed that this service is discontinued.

- **Air Cargo Parking:** This program is considered viable on a stand-alone basis. Even if Evergreen International Airline is the only airline served, the project can be considered financially feasible. For the Baseline pro forma, only Evergreen and Atlas were considered as potential revenue producers. Revenue from other potential users was not included.

- **DRBA Base Revenues:** These revenues have been accruing to DRBA without any additional ramp or terminal development. They represent the NASCAR race weekend traffic and corporate traffic that is intermittent throughout the year. These revenues would continue under the Baseline Development Scenario.

For the cost portion of the Baseline Development Scenario, several changes were made relative to the Ultimate Development Scenario. These included:

- **Access Security:** Given the intermittent schedule for both air cargo and airline operations, full time access security would not be needed. Essentially, the current set-up between DRBA and Dover AFB could be continued as is.

- **Full Time Personnel:** Another savings associated with limited use of the CAT would impact the need for full time personnel. In this regard, the air cargo operation may require access for pilot crews several times per week, while the airline operation (leisure) would be limited to four operations per week. For the Baseline Scenario, provisions for two part time equivalent staff positions at DRBA were included.

- **Maintenance, Utilities, DRBA Cost Allocation:** Given the lower cost structure for labor and the fewer hours of operation, all of the other cost factors were reduced in the Baseline Development Scenario.

- **Cost of Capital:** The cost of capital assumed the development of 34,000 square yards of B-747 capable apron and taxiway. The cost of $5.5 million was assumed to be spread over 10 years, using a 5 percent internal rate of return on the investment.

### 6.3 Forecast of Revenues and Expenses

For this business plan, two sets of pro formas have been developed, reflecting both high and low possible ranges of activity. Table 1 presents the revenue and expense pro forma associated with the Baseline Development Scenario, while Tables 2 and 3 present the Ultimate Development Scenario pro formas. A ten year planning horizon was included.
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<td><strong>Net Operating Revenues</strong></td>
<td>($340,600)</td>
<td>$444,260</td>
<td>$709,296</td>
<td>$764,696</td>
<td>$881,584</td>
<td>$941,943</td>
<td>$985,157</td>
<td>$1,031,227</td>
<td>$1,080,567</td>
<td>$1,133,404</td>
</tr>
<tr>
<td><strong>Net Revenues w/Debt Service</strong></td>
<td>($973,200)</td>
<td>($340,900)</td>
<td>$890,296</td>
<td>($90,004)</td>
<td>$489,284</td>
<td>$1,010,143</td>
<td>$1,011,757</td>
<td>$1,014,227</td>
<td>$1,017,667</td>
<td>$1,022,204</td>
</tr>
</tbody>
</table>
As shown in Table 1, the Baseline Development Scenario pays for its operating costs, but falls just short of covering all capital costs within a 10 year period. Only two revenue sources are available to the Baseline Scenario - Air Cargo Parking Fees and Airline Revenues. For this option, cumulative Net Operating Revenues total $5,239,000. Cumulative Net Revenues after debt service total -$261,000. It should be noted that in year 11 (not shown in the analysis), all negative cumulative net revenues after debt service would be paid and a surplus of over $350,000 would be available.

Table 2 presents a summary of revenues generated by the Ultimate Development Option. In this alternative, four sources of revenues are available to the CAT operator - Air Cargo Parking Fees, Airline Revenues, the IPA operation, and a new FBO. This table can be compared to Table 3, the summary of Ultimate Development Option Expenses. Cumulative Net Operating Revenues are $7.6 million, while cumulative Net Revenues after Debt Service are $5.0 million.
4. IMPLEMENTATION TIME LINE

To implement this plan, there is a stepwise procedure that should be adopted. By knowing there is an anchor tenant (EIA) and that revenues from that tenant will flow to the operator, it is feasible to proceed with at least the Baseline Development option. This would involve the construction of roughly 34,000 square yards of reinforced pavement for a new taxiway and ramp to accommodate overnight B-747 parking. Secondly, the possible entrance of an airline to the Dover area would create use of the CAT and associated revenues with very little initial investment. For new airline service additional auto parking would be needed at the CAT.

To accommodate the Ultimate Development Option, an additional 17,000 square yards of reinforced apron paving is needed to accommodate B-747 air cargo aircraft serving the International Park of Americas. A roadway, U.S. Customs and Department of Agriculture inspection facility, and new fence line would be required. In addition, the solicitation of a new FBO may bring development to the southwest portion of an expanded CAT facility (Lots 7 and 7.02 of the Kent County AeroPark). It was assumed that private investment would fund the development and operation of a new FBO at the CAT.

Listed below are the developmental time line and operational assumptions needed to implement this business plan.

Immediate

1. Financial Sources for Development: Prior to any action, the financial backing of the project must be secured. Assuming private sources are not available, the State may seek funding from its own sources, with the stipulation that these funds be repaid through the revenue generated by CAT activity. A more difficult option would be for DRBA to fund the development, since equal funding would be sought for projects at DRBA airports in New Jersey. If funding is secured, the next steps in the process can be undertaken.

2. Transfer Property to State: If this project is to move forward, some property along Starlifter Avenue that is currently owned by the County will need to be transferred to the State for inclusion in the CAT property. Because the State purchased the property for the County originally, this transfer should not be difficult for the County.

3. Environmental Clearance for Development of Taxiway: The current Joint-Use Agreement includes permission and right-of-way designation for the development of a new taxiway to the CAT ramp. The Air Force believes that the environmental reviews for construction of the taxiway can be accomplished fairly quickly through an in-house process.

4. Environmental Clearance for Development of Apron Area: While the environmental clearance for the taxiway can be accomplished strictly through the Air Force, the development of apron area outside the existing CAT boundaries will require other
environmental approvals. Since financing of the new apron area is likely to come from the State, the various environmental approvals needed for development of the ramp must be initiated. Stormwater drainage and erosion and sediment control are handled by the Delaware Department of Natural Resources and Environmental Control (DNREC) through its Division of Soil and Water Conservation. If there are utility issues, they may involve plan review for those utilities administered by the City. Impacts or additions to other City utilities (water, sewer, etc.) will require submittal and approval of the plan to the City. Also, the development must be in concert with the Airport Environments Overlay Zone (AEOZ), which is in the AeroPark.

The Kent County Division of Planning processes land use applications and site plans, reviews site plans and provides zoning information through enforcement of the Kent County Code and Delaware Preliminary Land Use Service. After a preliminary submittal, the developer is required to obtain all approvals and sign offs from the individual agencies (stormwater management, erosion & sediment control, fire marshal, etc.), then submit to the County for final plan approval. The County Division of Planning also acts in concert with DNREC.

Within the DNREC, the Division of Soil and Water Conservation regulates the Kent Conservation District through its Sediment and Stormwater Program. The Delaware Nonpoint Source Pollution Program operates through the Kent Conservation District, also. Sediment and Stormwater Management Plan Approval occurs after the following sequence of events:

- Application to DNREC for Plan Approval
- Owners Certification
- Design Certification
- Agent Authorization
- Successful Preapplication Meeting
- Submittal of Plans and Design Report to DNREC
- Submittal of the Sediment & Stormwater Plan Review Checklist
- Submittal of the Project Construction Specifications

Review and approval times vary, however a six month or longer time frame would be considered normal for the process. The Corps of Engineers will require a permit if wetlands are impacted, but there are no existing wetlands in the AeroPark lots being considered in this Plan.

August, 2009

5. **TSA Screening for Airline Passengers:** TSA requires at least 120 days to set up screening for airline passengers. This type of screening would be needed at the CAT if airline service is secured through the ongoing feasibility study process. To permit start-up operation by December, 2009, TSA would have to be alerted in August, 2009.
6. **Engineering Design of Taxiway and Apron:** An engineer must design the taxiway and apron to standards associated with B-747 aircraft. The design should be for fully loaded aircraft - up to 800,000 pounds gross weight. In addition, wingspans of 212 feet should be incorporated into the design. Coordination with the Air Force will be needed throughout this process.

7. **RFP for New FBO:** While the other items are ongoing, a Request For Proposal should be made to test the market for a possible FBO at the CAT. This would follow up on a previous private initiative to establish a major repair station for business jet aircraft at the CAT. With design underway for the taxiway and apron area, the timeframe would permit the solicitation for an FBO.

8. **Additional Auto Parking at CAT:** In order to accommodate airline service, an additional 50 to 60 auto parking spaces will be needed. There are currently about 50 parking spaces at the CAT. NASCAR race weekend users would also benefit from the additional parking, since they currently park on the grassy areas at the CAT.

December, 2009

9. **Initiation of Airline Service:** If leisure airline service is brought to Dover, the likely start-up time is November or December, 2009. This start-up would involve air operations two times per week and thus, could be accommodated with part time personnel from DRBA. Additional paved parking will be needed. This parking would be developed in front of the terminal building adjacent to existing parking. No other significant investment will be needed, with the possible exception of some minor work on the terminal building.

Spring 2010

10. **Relocation of Fence Line:** The fence line enclosing the CAT will require relocation due to the expansion of the ramp area. This expansion should incorporate any new FBO operation that successfully responds to the RFP.

Summer, 2010

11. **Construction of Taxiway and Apron Area:** The actual construction of the new taxiway and apron area should be undertaken simultaneously. This will involve the reconstruction of a portion of the existing ramp area to accommodate two B-747 aircraft. Engineering estimates have indicated the possible need for almost four feet of crushed base course and 11 inches of pavement. Air cargo users of this space desire a “power in, power out” configuration that does not require tugs. Figure 5 presents a schematic conception of such an apron area.

Fall, 2010

12. **Design of IPA Apron Area and Roadway:** Design for another B-747 parking space is needed for the International Park of Americas. This space would be adjacent to an
access gate and U.S. Customs inspection facility. In addition to the 17,000 square yards of reinforced apron area, a roadway will be needed to connect with Starlifter Avenue. It is assumed that funding for this design will come from private sources associated with the IPA.

13. **Design of U.S. Customs and Department of Agriculture Facility:** The IPA cannot be used by foreign carriers unless a U.S. Customs clearing facility is available to clear the cargo. In addition, the U.S. Department of Agriculture must inspect the cut flowers and other perishables prior to their clearance into the former Sunroc facility. If any infestation is found, there must be a quarantine area sufficient to accommodate all infested produce or flowers. The facility shown in Figure 4 is only a prototype and dimensions for the actual building should be developed in coordination with U.S. Customs and Department of Agriculture.

**Summer, 2011**

14. **Construction of IPA Apron Area, Customs Facility, and Roadway:** It is assumed that construction of the IPA apron area and associated facilities will not occur until the third year of CAT development.

**January, 2012**

15. **Implementation of New Security for Ramp Access:** The need to access the IPA ramp on a regular basis will require the implementation of new security procedures for the CAT. This will possibly involve the contract hiring of a security firm to man the access gates at the CAT. Personnel from the security firm would be trained similarly to Dover AFB police and would report directly to Dover AFB police. Costs for this service will be recovered from fees charged to IPA and other users. Gate entry procedures outlined in Appendix A would be implemented for the new ramp access.

**Spring, 2012**

16. **Development of New FBO Area:** The final piece of the plan is the development of the new FBO area. A concept of this development was included in Figure 4. The actual development could be very different since it will be funded with private investment. Given that a security protocol would be in place at that time, an FBO would have much less difficulty doing business on the CAT. Given that employees would have access to hangars and ramp area, screening would have to be conducted. The FBO area may be the most speculative of the options available at the CAT, but it could generate a significant amount of general aviation business.

4.1 **Operational Assumptions**

There are a number of operational assumptions associated with the pro forma. These assumptions involve the management, staffing, and pro forma charges for each operational activity.

- **Rates & Charges:** Rates and charges for services rendered were assumed to conform
to the following list. It should be noted that some or all of these charges may change and thus materially impact the pro forma.

**Air Cargo Airlines**
- Air Cargo Aircraft Overnight Charge: $3,000
- EIA Monthly Overnight Charge (1 space guaranteed): $50,000

Services included in the overnight and monthly fees include:
- Towing/Marshaling
- Ground Power Unit
- Gaseous Oxygen/Nitrogen

**Passenger Airline Service**
- Fuel Service Margin per Gallon Sold $0.50
- Annual Terminal Rental (Years 1-5) $30,000
- Annual Terminal Rental (Years 6-10) $50,000

**IPA Air Cargo Ramp Charges**
- Monthly Overnight Charge $15,000

**New FBO Charges**
- Per Square Foot Lease $0.25
- Percent of Gross (Excluding First $1 Million) 3%

- **Management and Labor Costs:** It is assumed that DRBA will manage the Civil Air Terminal for all of the above activities in addition to its existing NASCAR and corporate aviation activities at the CAT. For the overnight air cargo operations, the DRBA will provide some ground handling services including marshaling of aircraft, ground power units, tow/tug operations, entrance stairs, and oxygen/nitrogen servicing capability. For the airline service, it was assumed that DRBA would manage the CAT access and terminal facilities.

- **Access Security:** When the IPA begins operations, it will trigger the need for access security. This cost (assumed to total $120,000 annually), while borne by the DRBA, will be recovered from users through their monthly fees.

- **Capital Costs:** No sponsor for the capital costs has yet been identified. There are only two logical alternatives: DRBA or DelDOT. Given that the project is not eligible for federal funding, if local sponsorship does not materialize, the project cannot occur. Therefore, it was assumed that a 10-year financing mechanism would be used to fund the improvements. Internal rates of return of 5 percent were used in developing the debt service estimates. Costs for each component of ramp expansion and strengthening were estimated as follows:
- Baseline Air Cargo Ramp Expansion: $5,500,000
- IPA Ramp Expansion: $2,500,000
  TOTAL $8,000,000

This represents the primary capital needed to implement the Business Plan.

4.2 Summary and Conclusions

In summary, the CAT Business Plan has found that the Baseline Development Option is feasible to construct, based upon the significant revenue stream available from Evergreen International Airlines. The Baseline Option would develop a new taxiway and reinforced apron area sufficient to park two B-747 aircraft. The Baseline Option relied upon information from Evergreen indicating that they would be willing to pay $50,000 per month for the first right of refusal on aircraft parking at the CAT. In addition, discussions with Atlas Air have indicated their desire to use the CAT for overnight parking of their B-747 aircraft. Because the economics of ferrying aircraft to JFK are roughly the same for each carrier (approximately $30,000 per round trip), there is a significant economic incentive to keep their aircraft at the CAT. Even so, the projections of revenue from Atlas were kept low in order to produce a conservative forecast of revenues.

In addition to the air cargo airline parking, there may be an airline operation starting up in Dover within the next 12 months. This operation would involve passenger jet aircraft flying two times per week to Florida destinations. Revenue from this operation would accrue to the DRBA through the sale of fuel and the rental of the terminal building at the CAT. Should this airline activity become successful (enplaning more than 10,000 annually), the CAT could earn its non-primary entitlement funding of $1 million per year from FAA.

Another option that is close to becoming a reality is the establishment of the International Park of the Americas. In this regard, the purchase of the former Sunroc facility by the IPA developer (July 1, 2009), has laid the groundwork for international air cargo from Central and South America. Revenues from ramp fees would help pay for access security and would support the estimated 200 jobs at the IPA facility. Since the development of a full international cargo port will require U.S. Customs and Agricultural Inspection, this proposal has been given several years before any revenues are incorporated into the Ultimate Development Option. If the IPA materializes, then the Ultimate Development Option is feasible.

Finally, the attraction of a large Fixed Base Operator could attract business jets to Dover for maintenance and other specialty work. There has been a previous proposal from the private sector for this type of an operation. An RFP process can be used to determine if there is still any demand in the private sector for such a proposal. Revenues from this Option would be derived primarily from a long term land lease and percent-of-gross arrangement with the FBO.
Appendix A:
Joint Use & Other Agreements
JOINT USE AGREEMENT

DOVER AFB, DELAWARE
AGREEMENT FOR JOINT USE

AT

DOVER AIR FORCE BASE, DELAWARE

This Joint Use Agreement ("Agreement") is made and entered into this \underline{14th} day of \underline{December}, 1997, by and between the Secretary of the Air Force, for and on behalf of the United States of America ("Air Force") and the Delaware Department of Transportation ("DELDOT"), a public body eligible to sponsor a public airport.

WHEREAS, the Air Force owns and operates the runway and associated flight facilities (collectively "flying facilities") located at Dover Air Force Base, Delaware ("DAFB"); and.

WHEREAS, DELDOT desires to continue using the flying facilities at DAFB to permit operations by civil aircraft jointly with military aircraft; and

WHEREAS, DELDOT has constructed a taxiway leading to the DELDOT air terminal on approximately 1.4256 acres of land on the west side of the main north-south runway at DAFB as described in Attachment A; and has an additional easement to construct another 75 foot wide taxiway from DAFB to the Kent County AeroPark; and

WHEREAS, the Air Force considers that this Agreement will be in the public interest and is agreeable to granting continued joint use of the flying facilities under this Agreement and an additional easement in a separate instrument;

NOW, THEREFORE, it is agreed:
1. **JOINT USE**

   a. The Air Force hereby authorizes DELDOT to permit scheduled commuter, commercial charters as approved by DELDOT and the installation commander, and general aviation aircraft with two-way radios for communicating with the DAFB Air Traffic Control Tower to use the flying facilities at DAFB, subject to the terms and conditions set forth in this Agreement and those Federal Aviation Regulations (FARs) applicable to civil aircraft operations.

   (1) Charter aircraft operations will be limited and authorized on a case-by-case basis. Organizations desiring to conduct charter operations at DAFB must receive approval in advance from DELDOT and the DAFB installation commander for each operation.

   b. The total number of civil aircraft operations shall not exceed 37 per day, except NASCAR race days, and no more than 13,500 per calendar year. Fifty (50) operations per day shall be authorized during NASCAR race days (two (2) weekends per year). Each landing is a single operation and each take-off is a single operation.

   c. Aircraft using DAFB under the authority granted to DELDOT by this Agreement shall be entitled to use the flying facilities at DAFB for landings, take-offs, and movement of aircraft but shall park only at the DELDOT air terminal ramp. If the parking area at DELDOT air terminal ramp reaches capacity, no further civil aircraft landings shall be permitted until parking space is available except as stipulated herein for NASCAR race weekends.

   (1) The ramp at the DELDOT air terminal has insufficient space to park the numbers of civil aircraft associated with NASCAR race weekends. Plans for the DELDOT/Kent County property include additional ramp space. Therefore, subject to
military mission requirements, civil aircraft may park on the Air Force ramps designated as compass rose and pad 4 on NASCAR race weekends with prior approval from the Commander, 436th Airlift Wing (AW), DAFB, until such time as additional ramp space is available on the DELDOT/Kent County property. Procedures for parking on the Air Force ramps will be established in a Local Operations Letter. Parking on Air Force ramps will cease no later than five (5) years from the effective date of this Agreement or upon construction of additional ramp space on the DELDOT/Kent County property, whichever is sooner.

d. All ground and air movements of civil aircraft using DAFB under this Agreement and movements of all other vehicles across Air Force taxiways shall be controlled by the DAFB Air Traffic Control Tower. Civil aircraft activity will coincide with the DAFB Air Traffic Control Tower hours of operation. Any additional hours of the DAFB Air Traffic Control Tower or other essential airfield management, or operational requirements beyond those needed by the Air Force, shall be funded (or reimbursed) by DELDOT. These charges, if any, shall be in addition to the charges specified in paragraph 4 of the Joint Use Implementation Plan (Attachment B) and shall be payable not less frequently than quarterly.

e. In the absence of DELDOT employees or their designated representatives to assist civil aircraft operators at the DELDOT air terminal, civil aircraft operations shall be suspended until such assistance is available.

f. All aircraft shall be provided air traffic control services on a first-come, first-served basis except for emergencies and military missions that require priority handling. The decision to implement military priority shall be made by the Commander,
436th AW, DAFB. Civil aircraft activity shall coincide with the DAFB Air Traffic Control Tower's hours of operations.

g. Civil aircraft shall not conduct training or practice flights at DAFB.

h. Civil aircraft transporting hazardous cargo must comply with applicable Federal Aviation and Air Force regulations.

i. Civil aircraft using DAFB on official government business, as provided in Air Force Instruction 10-1001, Civil Aircraft Landing Permits, are not subject to this Agreement.

j. The Joint Use Implementation Plan at Attachment C establishes procedures for aircraft movement, air traffic control, snow and ice removal, preventing foreign object damage, and other necessary operational and security measures.

2. MAINTENANCE AND CONSTRUCTION

a. Air Force-owned airfield pavements made available for use under this Agreement shall be for use on an "as is, where is" basis. In easement areas and DELDOT-owned areas, DELDOT shall be responsible for pavement maintenance at no cost to the Air Force.

b. Dust or any other erosion or nuisance that is created by, or arises out of, activities or operations by civil aircraft authorized use under this Agreement shall be corrected by DELDOT at no expense to the Air Force, using standard engineering methods and procedures.
c. The Air Force shall not be liable for any damage or destruction to civil aircraft or for personal injuries or death arising from bird or wildlife collision with civil aircraft.

d. DELDOT shall comply with the procedural and substantive requirements established by the Air Force, Federal, State, and local government agencies with respect to the control of air, water, and noise pollution; and hazardous and solid waste disposal on premises used in connection with this Agreement, including those available through easement and DELDOT-owned properties.

e. DELDOT shall be responsible for cleaning up fuel and hazardous waste spills and for controlling materials that could cause foreign object damage to aircraft in easement and DELDOT-owned areas. Such responsibilities shall be shared in the joint use areas if caused by civil aircraft authorized use under the terms of the Agreement. All such clean-ups shall be at no expense to the Air Force.

f. The Air Force shall be responsible for snow removal only as required for accomplishing the military mission. DELDOT shall be responsible for snow removal in easement and DELDOT-owned areas.

g. Coordination with the DAFB Base Civil Engineer is required for planning and construction of new structures or exterior alteration of existing structures that are owned by DELDOT to ensure compliance with airfield obstruction and clearance criteria. Further, billboards or signs of any nature shall not be erected on or adjacent to the airfield without prior written approval from the DAFB Base Civil Engineer. Construction of the new taxiway is subject to the standards and requirements set forth in Attachment C.
3. **DELDOT ASSIGNS**

DELDOT's obligations under this Agreement may be performed by a fixed based operator pursuant to a contract with DELDOT. Such fixed based operator shall have the right to use the flying facilities in accordance with the terms and conditions of this Agreement, subject to any limitations contained in its contract with DELDOT.

4. **PAYMENT**

DELDOT may collect landing fees and other fees and or charges from civil aircraft authorized use of DAFB under this Agreement. DELDOT shall reimburse the Air Force in accordance with the provisions set forth in Attachment B. Reimbursement shall be made whether or not fees are charged or collection efforts are successful.

5. **SERVICES**

DELDOT shall be responsible for providing services, maintenance, and emergency repairs for civil aircraft authorized to use DAFB under this Agreement, at no cost to the Air Force. Air Force assistance may only be provided when necessary to satisfy or protect the interests of the Air Force or otherwise authorized by law. If Air Force assistance is required to repair an aircraft, DELDOT shall reimburse the Air Force for all expense of such services. Any required reimbursement shall be not less frequently than quarterly. These charges are in addition to the charges specified in Attachment B.
6. FIRE PROTECTION AND CRASH RESCUE

a. The Air Force maintains the level of fire fighting and crash/rescue capability required to support the military mission at DAFB. Air Force fire fighting and crash/rescue equipment shall not be routinely parked on the airfield during non-emergency landings by civil aircraft. However, the Air Force agrees to respond to fire and crash/rescue emergencies involving civil aircraft outside the hangars or other structures on DELDOT/Kent County property within the limits of its existing capabilities, equipment, and available personnel, at the request of DELDOT or the pilot of an aircraft, subject to subparagraphs b, c, and d below. The senior fire official shall determine when the emergency is terminated.

b. DELDOT shall be responsible for installing, operating, and maintaining, at no cost to the Air Force, the equipment and safety devices required for all aspects of handling/support for aircraft on the ground in accordance with the FARs and National Fire Protection Association (NFPA) procedures and standards.

c. DELDOT agrees to release, acquit, and forever discharge the Air Force, its officers, agents, and employees from all liability arising out of or connected with the use of or failure to supply in individual cases, Air Force fire fighting and/or crash/rescue equipment or personnel for fire control and crash/rescue activities pursuant to this Agreement. DELDOT further agrees to indemnify, defend, and hold harmless the Air Force, its officers, agents, and employees against any and all claims, of whatever description, arising out of or connected with such use of, or failure to supply Air Force fire fighting and/or crash/rescue equipment or personnel.
d. DELDOT shall reimburse the Air Force for expenses incurred by the Air Force for fire fighting and/or crash/rescue materials expended in connection with providing such service to civil aircraft. The Air Force may, at its option, with concurrence of the National Transportation Safety Board (NTSB), remove crashed civil aircraft from Air Force-owned pavements or property and shall follow existing Air Force directives and/or instructions in recovering the cost of such removal.

e. Failure to comply with the above conditions may result in termination of fire protection and crash/rescue response upon reasonable notice to cure and/or termination of this Agreement under the provisions of paragraph 10 herein.

f. The Air Force commitment to assist DELDOT with fire protection shall continue only so long as a fire fighting and crash/rescue organization is authorized for military operations at DAFB. The Air Force shall have no obligation to maintain or provide a fire fighting, and crash/rescue organization or fire fighting crash/rescue equipment; or to provide any increase in fire fighting and crash/rescue equipment or personnel; or to conduct training or inspections for purposes of assisting DELDOT with fire protection.

g. DELDOT and its operating contractor or fixed base operator shall provide the DAFB Base Civil Engineer with an executed release and indemnification undertaking as specified in Air Force Instruction 32-2001, *The Fire Protection Operations and Fire Prevention Program*. DELDOT’s responsibility under such an undertaking is limited by paragraph 8 herein. DELDOT shall not permit any operations under this Agreement unless the responsible contractor or fixed base operator has such an undertaking in effect.
8. **DELDOT CONFINES**

Notwithstanding any other provision to the contrary contained in this Agreement, it is expressly agreed by the Air Force, and any assigns, that DELDOT's monetary obligations, including performance of any covenant requiring or resulting in the expenditure of money, under this Agreement, are expressly limited to the extent of appropriations made by the General Assembly or any applicable Federal appropriating body and nothing contained in any other paragraph of this Agreement shall be construed as creating any monetary obligation on the part of DELDOT beyond such current and specific appropriations. In the event that the General Assembly of Delaware or any appropriate Federal body fails to appropriate the specific funds necessary to continue this Agreement, the Agreement shall be terminated at the end of the last fiscal year for which such appropriation is available. In such event, all obligations of DELDOT requiring the expenditure of money shall cease. If a default has occurred by DELDOT hereunder, then DELDOT's obligations to pay any amounts due or perform any covenants requiring or resulting in the expenditure of money are expressly limited to the extent of the sum of the following: (a) specific appropriations made to fund this Agreement; (b) any other funds of DELDOT legally available to be applied to the payment or satisfaction of DELDOT's obligations hereunder, and nothing in this Agreement shall be construed as creating any monetary obligation on the part of DELDOT beyond the amount as set forth in this sentence.

9. **TERM OF AGREEMENT**

This Agreement shall become effective on the day immediately following the date of its execution by both parties hereto and shall remain in force and effect for a term of 25 years, unless otherwise renegotiated or terminated under the provisions of
7. LIABILITY AND INSURANCE

a. DELDOT shall assume all risk of loss and/or damage to property or injury to or death of persons by reason of civil aircraft use of DAFB under this Agreement, including but not limited to risks connected with the provision of services or goods by the Air Force to DELDOT or to any user under this Agreement. DELDOT further agrees to indemnify and hold harmless the Air Force against, and to defend at DELDOT expense to the extent allowable under Delaware law, all claims for loss, damage, injury, or death sustained by any individual or corporation and arising out of the provision of services or goods by the Air Force to DELDOT or to any user, whether the claims be based in whole or in part on the negligence or fault of the Air Force or its contractors or any of their officers, agents, and employees, or based on any concept of strict or absolute liability, or otherwise.

b. DELDOT shall carry a policy of liability and indemnity insurance satisfactory to the Air Force, naming the United States of America as an additional insured party, to protect the Government against any of the aforesaid losses and/or liability, in the sum of not less than six million dollars ($6,000,000) bodily injury and property damage combined for any one accident. The policy shall provide that: (1) no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least thirty (30) days after receipt of notice to the Commander, 436th AW, 201 Eagle Way, Room 101, DAFB, Delaware 19902-7209; (2) any losses shall be payable notwithstanding any act or failure to act or negligence of DELDOT or the Air Force or any other person; and (3) the insurer shall have no right of subrogation against the Air Force. The amount of coverage is subject to periodic review at the request of either the Air Force or DELDOT and shall be changed only by mutual agreement of both parties.
paragraph 10 herein, but in no event shall the Agreement survive the termination or expiration of DELDOT's right to use by easement of the land areas used in connection with joint use.

10. RENEGOTIATION AND TERMINATION

a. The Commander, 436th AW, DAFB, may suspend the civil aircraft operations authorized under the terms of this Agreement at any time for up to forty-five (45) days or for the duration of a military exercise or for contingency operations when required by military necessity. DELDOT shall be provided as much notice as feasible for any such suspension. The Commander, 436th AW, shall determine what constitutes "feasible notice."

b. DELDOT may terminate this Agreement at any time by giving ninety (90) days written notice to the Commander, 436th AW, DAFB.

c. Notwithstanding any other provision of this Agreement, the Air Force may terminate this Agreement (1) at any time by the Secretary of the Air Force, or (2) at any time during any national emergency, present or future, declared by the President or the Congress of the United States, or (3) in the event that DELDOT ceases to operate the civil facilities at DAFB for reasons other than lack of appropriated monies as cited in paragraph 8 herein for a period of one (1) year, or (4) in the event DELDOT violates any of the terms and conditions of this Agreement and continues and persists therein for thirty (30) days after written notification.
d. The failure of either the Air Force or DELDOT to insist, in any one or more instances, upon the strict performance of any of the terms, conditions, or provisions of this Agreement shall not be construed as a waiver or relinquishment of the right to the future performance of any such terms, conditions, or provisions. No provision of this Agreement shall be deemed to have been waived by either party unless such waiver be in writing signed by such party.

11. **SUPERSEDED AGREEMENT**

This Agreement supersedes and replaces the Joint Use Agreement between the Air Force and DELDOT, dated 18 June 1982, upon its execution by both parties hereto.
IN WITNESS WHEREOF, the respective duly authorized representatives of the parties hereto have executed this Agreement on the date set forth below opposite their respective signatures.

UNITED STATES AIR FORCE

Date: 12/18/97
By: JIMMY G. DİSHNER
Deputy Ass't Secretary of the Air Force (Installations)

DELWARE DEPARTMENT OF TRANSPORTATION

Date: 12/18/97
By: James P. Cambly
DESCRIPTION OF TAXIWAYS

Taxiway 1

Beginning at a point in the Northwesterly boundary of lands of the United States of America (Dover Air Force Base), said point being 26.26 feet Northerly of the intersection of said boundary line with the Northerly right-of-way line for lands of the State of Delaware (County Road Number 348, also known as Horsepond Road); thence by said boundary line North 11 degrees 27 feet East, a distance of 270.0 feet; thence South 78 degrees 33 feet East, a distance of 230 feet to the Westerly edge of the paved taxiway parallel to the Dover Air Force Base primary runway (01/19); thence along the edge of said taxiway South 11 degrees 27 feet West, a distance of 270.0 feet; thence North 78 degrees, 33 feet West, a distance of 230 feet to the point of beginning.

Taxiway 2

Beginning for an aircraft access easement at a property corner for the lands of the United States of America, Dover Air Force Base, as described in Deed Book W-33 at page 317; said corner being common to the aforementioned lands of the United States of America, Dover Air Force Base, and the lands of the State of Delaware, as described in Deed Book D-35 at Page 65; said corner also being the intersection between the North 11 degrees, 27 feet East 1224 feet line and the North 78 degrees, 33 feet West 450.11 feet line on the aforementioned boundary of Dover Air Force Base; running thence from said point of beginning, across said lands of Dover Air Force Base, the following courses: South 78 degrees, 33 feet East 230 feet to a point on the westerly edge of the paved taxiway that runs parallel to the paved main runway.
JOINT USE IMPLEMENTATION PLAN

This plan implements the Agreement for Joint Use of DAFB between the Air Force and the Delaware Department of Transportation (DELDOT). It establishes procedures governing civil aircraft use of the flying facilities at DAFB and provides specific instructions concerning civil aircraft operations, emergencies, facility maintenance, and other matters.

1. Operations

   a. Civil aircraft operations at DAFB shall be pursuant to the Joint Use Agreement and DAFB Regulation 55-1, which is hereby made a part of this document by reference. Copies of the regulation shall be provided to DELDOT and its representatives.

   b. Individuals entering DAFB without proper authority and civil aircraft taxiing without approval from ground control are subject to disciplinary action as outlined in Air Force and DAFB security directives. All personnel and vehicles entering or exiting the DELDOT air terminal complex shall be by use of Horsepond Road. Roads on DAFB shall not be used for employee or passenger convenience or for servicing at the air terminal or of civil aircraft. Except for taxiing aircraft, entry to the DELDOT air terminal complex from DAFB is strictly limited to emergency dispatch of security personnel, the fire department, and medical and disaster response teams. DELDOT or its representatives shall be responsible for the security of the civil facility.
(01/19) for Dover Air Force Base; thence, with said westerly edge of the paved taxiway, South 11 degrees, 27 feet West 320 feet to a point; thence, departing said westerly edge of the paved taxiway, continuing across the lands of Dover Air Force Base, North 78 degrees, 33 feet West 230 feet to the aforementioned property line separating the lands of Dover Air Force Base from the lands of the State of Delaware; running thence, with said property line separating Dover Air Force Base from the lands of the State of Delaware, North 11 degrees, 27 feet East 320 feet to the point of beginning; containing 73,600 square feet, or 1.68962 acres; subject to conveyances, covenants, easements and/or restrictions of record.
c. DELDOT shall be responsible for the maintenance of its taxiway and apron lighting. The Air Force shall operate runway and taxiway lights and maintain lighting on its runways and taxiways.

d. DELDOT or its representatives shall be responsible for monitoring aircraft parking capacity at the DELDOT air terminal complex and for requesting that DAFB Base Operations take action to temporarily suspend civil landings when capacity has been reached. Civil aircraft landings shall remain suspended until DAFB Base Operations receives notification that space is again available for civil aircraft parking.

e. DELDOT shall be responsible for arranging for removal of civil aircraft that become inoperable for any reason, including aircraft accidents, while on the Air Force runways or taxiways. However, the Air Force reserves the right to remove such aircraft, if required, as stipulated in paragraph 6d of the Joint Use Agreement. Removal operations shall not begin without approval from DAFB Base Operations and such activity shall be under positive radio control at all times.

f. DELDOT or its representatives shall provide DAFB Base Operations with commuter flying schedules on a quarterly basis. Timely notification of anticipated schedule changes is also required.

g. DELDOT shall provide DAFB Base Operations a list of approved, potential general aviation users, to include aircraft type and Federal Aviation Administration registration numbers. DELDOT shall update the list as required. It is understood that use may be denied to general aviation operators if their aircraft are not on the DELDOT list.
h. DELDOT shall advise eligible general aviation operators that prior permission is required from DAFB Base Operations before landing and that operators failing to obtain final approval from DAFB Base Operations may be denied landing.

i. DELDOT or its representatives shall coordinate with DAFB Base Operations concerning non-flying activities at the DELDOT air terminal that may impact on DAFB or its operations.

2. **Emergencies**

   a. DELDOT or its representatives shall notify DAFB Air Traffic Control Tower of all emergencies as soon as possible.

   b. DELDOT or its representatives may contact DAFB Air Traffic Control Tower for assistance in responding to an aircraft fire or explosion. Assistance for all other fire emergencies, including automobile fires, shall be provided by local community fire departments. DELDOT or its representatives shall provide the Fire Department at DAFB with a fire rescue plan for the aircraft types that shall be using the DELDOT air terminal facilities.

   c. Medical assistance from the hospital staff at DAFB shall not be provided for illness occurring in the facilities at DELDOT air terminal or on a civil aircraft. However, medical assistance shall be provided as follows:

      (1) On-scene emergency medical care at aircraft accidents that occur on DAFB. If required, a patient shall be taken to the hospital at DAFB for stabilization. When stabilized, the patient shall be transported to a civilian hospital by ambulance.
(2) On-scene emergency medical care if requested and directed by civil authorities at aircraft accidents that occur outside the boundaries of DAFB, if approved by appropriate military authority. Normally, victims of off-base accidents shall not be treated at the DAFB hospital.

d. Wreckage removal is addressed in paragraph 1e herein.

e. DELDOT or its representatives shall immediately notify DAFB Air Traffic Control Tower of aircraft hijackings, bomb threats, or other criminal activities that pose a threat to personnel, operations, or facilities on DAFB. Procedures set forth in FAA Handbook 7110.65, Air Traffic Control, and appropriate Air Force and DAFB directives shall be used in responding to such incidents.

f. Media inquiries concerning aircraft accidents/incidents shall be handled by Public Affairs at DAFB if it involves military aircraft and by DELDOT or its representatives if it involves civil aircraft. DELDOT shall direct all inquiries on military aircraft accidents/incidents to the DAFB Public Affairs Office and advise the DAFB Public Affairs Office of its response to inquiries on civil aircraft accidents/incidents.

3. Maintenance

a. DELDOT or its representatives shall coordinate all snow removal or other maintenance activities with DAFB Base Operations prior to entering DAFB. Maintenance must not interfere with use of the DAFB perimeter security road or taxiway.
b. DELDOT or its representatives must notify DAFB Base Operations of any potential hazard to military operations by foreign objects attributable to DELDOT or civil aircraft activities.

4. Payment

DELDOT's payment obligation shall be calculated on the actual number of civil operations conducted under the terms of this Agreement. DELDOT shall be charged $20.00 for each civil aircraft landing. On the first workday of January, April, July, and October, DAFB Base Operations shall compute the number of civil aircraft landings for the previous quarter. Computations shall be coordinated with DELDOT or its representatives, certified, and billed to DELDOT. Payment is due thirty (30) days from receipt of the bill and shall be sent to 436 AW/FC, Dover AFB DE 19902. Such charges are subject to review and renegotiation as determined by the Air Force.

5. Communication

a. Questions, complaints, or inquiries concerning joint use shall be directed to DAFB Airfield Operations Flight Commander.

b. Complaints concerning aircraft noise shall be directed to the Public Affairs Office at DAFB. DELDOT assistance and coordination shall be required in responding to noise complaints associated with civil aircraft operations.
CONSTRUCTION STANDARDS AND REQUIREMENTS FOR TAXIWAY

1. Subject to the approvals required herein, and granting of an easement for a new 75 ft runway, the Delaware Department of Transportation (DELDOT) is authorized to construct, on the land granted in easement, a single taxiway, approximately 75 feet wide, from DAFB to the DELDOT air terminal.

2. All taxiway construction shall be accomplished at no expense to the Air Force.

3. Prior to commencement of taxiway construction, all plans, drawings, specifications, and sitings must be submitted to and approved by the DAFB Base Civil Engineer.

4. The taxiway, taxiway lighting, markings, and other appurtenances must be constructed to Air Force standards.

5. Construction is subject to inspection by representatives of the Federal Aviation Administration and Air Force to ensure compliance with approved plans and specifications and the terms of this Agreement.

6. To ensure minimum interference with military activities during construction, DELDOT must obtain written approval for the construction schedule from the DAFB Base Civil Engineer prior to execution of the construction contract. DELDOT shall require its contractors to adhere to the approved schedule and to perform work at such times and in such a manner as not to unnecessarily interfere with military facilities or operations.
7. The Commander, 436th AW, DAFB, shall have the right to temporarily suspend work if necessary for mission requirements and or safety considerations. The contractor may be required to temporarily vacate the premises. In such instances, DELDOT, its agents, or contractors shall have no claim of any character on account thereof against the Air Force, or any officer, agent, contractor, or employee thereof.
AMENDMENT 1
TO
JOINT USE AGREEMENT
BETWEEN
DELAWARE DEPARTMENT OF TRANSPORTATION
AND
UNITED STATES AIR FORCE

This Agreement made and entered into this 15th day of MAY 2000, by and between the Secretary of the Air Force, for and on behalf of the United States Government ("Air Force"), and the Delaware Department of Transportation (DELDOT),

RECITALS:

The parties hereto entered into an agreement for joint use of the runway and certain associated flight facilities at Dover Air Force Base (DAFB), Delaware, dated December 18, 1997 ("Joint Use Agreement"), in order to permit the operation of civil aircraft jointly with military aircraft;

The parties desire to amend the Joint Use Agreement to change the description of the second taxiway and increase the number of civil aircraft operations authorized on NASCAR race days and other days;

AGREEMENT

NOW, THEREFORE, the parties do hereby mutually agree as follows:

1. The Joint Use Agreement is hereby modified in the following particulars, but no other:

   a. The text of the third "WHEREAS" is deleted and the following inserted in its place:

   "WHEREAS, DELDOT has constructed a taxiway leading to the DELDOT air terminal on approximately 1.4256 acres of land on the west side of the main north-south..."
runway at DAFB as described in Attachment A; and has
requested an additional easement to construct another 75
foot wide taxiway from DAFB to the civil air terminal; and"

b. The text of paragraph 1b is deleted and the following inserted in its
place:

"b. Civil aircraft operations are limited to 100 per day
except during two NASCAR race weekends when 300
operations per day for four days shall be authorized;
however, the total number of operations per calendar year
shall not exceed 13,500. Each landing is a single
operation and each take-off is a single operation."

c. The description of Taxiway 2 in Attachment A is deleted and the
following inserted in its place:

"Beginning at a point in the northwesterly boundary of
lands of the United States of America (Dover Air Force
Base), said point 26.25 feet northerly of the Intersection of
said boundary line with the northerly right-of-way line for
lands of the State of Delaware (County Road Number
348, also known as Horse Pond Road); thence by said
boundary line north 11 degrees 27 feet east, a distance of
929.5 feet; thence south 78 degrees 33 feet east, a
distance of 242.72 feet to the westerly edge of the paved
taxiway parallel to the Dover Air Force Base primary
runway (01/19); thence along the edge of said taxiway
south 11 degrees 27 feet west, a distance of 185.0 feet,
then north 78 degrees, 33 feet west a distance of
242.72 feet to the point of beginning."

2. All other terms and conditions of the Joint Use Agreement shall be and remain
the same.

3. This Amendment shall be effective immediately.
IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

UNITED STATES OF AMERICA

By:  
JIMMY G. DISHNER  
Deputy Assistant Secretary of the Air Force  
(Installations)

DELWARE DEPARTMENT OF TRANSPORTATION

By:  
ANNE P. CANBY  
Secretary
Colonel Scott E. Wuesthoff  
436 AW/CC  
201 Eagle Way  
Dover AFB DE 19902-7209

Mr. Nathan Hayward III  
Secretary  
Delaware Department of Transportation  
P.O. Box 778  
Dover, DE 19903

Dear Mr. Hayward

Due to previous world events, I was regretfully forced to suspend use of the Civil Air Terminal (CAT) at Dover Air Force Base (DAFB), based on the provisions of the 18 Dec 97 Joint Use Agreement between the Air Force and the Delaware Department of Transportation. Despite increased operational tempo and force protection measures, I believe we can support the CAT reopening provided the airport manager abides by the conditions stipulated in the attached.

I sincerely look forward to reestablishing the outstanding relationship DAFB and the CAT have enjoyed for over 20 years now. For any questions you may have on security issues dealing with reopening the CAT, my point of contact is Lt Col Stan Contrades, Commander, 436th Security Forces Squadron, at (302) 677-6651. If you have any questions or concerns regarding this matter or the Joint Use Agreement, please contact me at (302) 677-4360 or Mr. Bill Whitman, Chief, Wing Logistics Plans and Programs, at (302) 677-3337.

Respectfully

[Signature]

SCOTT E. WUESTHOFF, Colonel, USAF  
Commander

Attachment:  
CAT Reopening Conditions
CIVIL AIR TERMINAL REOPENING CONDITIONS

Changes to existing Force Protection conditions may warrant closure of the Civil Airport
Terminal by the Commander, Dover Air Force Base, under the provisions of the Joint Use Agreement.
The below conditions are necessary and will be enforced to ensure the safety, security and well-being of
all personnel and resources located on this installation as determined by Base Threat Working Group.

Condition (1): The Civil Airport Terminal (CAT) Manager will grant landing authorization only to civil
pilots who are on an established "Entry Authority List" (pilots the CAT Manager can personally vouch
for). In addition, the CAT Manager will have direct oversight of each arrival and departure.
1.1. Require a 72-hour advanced notice of both the arrival/departure times.
1.2. Require Crew/Passenger manifests to be provided at least 24 hours prior to ETA to allow for random
verification checks.
1.3. Issue "DE Numbers" for landing approval (N-Number must match the DE Number).

Condition (2): The CAT Manager will ensure all civil pilots are thoroughly briefed that RWY 14 will not
be used for civil aircraft landings.
2.1. The CAT Manager will ensure Base Gates 8, 9 and 10 are closed and locked immediately after each
entry or exit.
2.1.1. Exception: May be opened to accommodate civil aircraft entering the terminal gate or vehicles
departing for the City of Dover.

Condition (3): The airport manager will ensure all pilots are aware they are responsible for the security
of the contents and people on their aircraft.
3.1. The Pilot-in-Command of the aircraft using the CAT is responsible for screening and matching
passengers and baggage prior to arrival and departure from Dover Air Force Base.
3.2. Perform a comprehensive aircraft check prior to their leg into DAFB.
3.2.1. Check aircraft and cargo or baggage compartments for stowed weapons, firearms,
explosives or other hazardous material (biological, chemical or nuclear, as much as practical).
3.3. Establish positive identification of any passenger they do not personally know.
3.4. Lock or secure their aircraft if left unattended on the leg prior to arriving at DAFB.
3.5. Aircraft is locked/secured while on the ramp, if they remain overnight.
3.6. Prior to using the CAT, all pilots and crew will be briefed on and provided with a copy of the
conditions of this letter.

Condition (4): All civil pilots, as users of the CAT, must be advised that they, their passengers,
cargo/luggage and aircraft are subject to random inspections by Air Force security forces personnel and
military working dogs while on the installation.

Any deviation from the intent of these conditions by any person or persons associated with the
CAT directly or indirectly as an employee, customer or vendor may result in closure of the CAT.

Agreed to this day:

NATHAN HAYWARD III
Secretary
Department of Transportation

SCOTT E. WUESTHOFE, Colonel, USAF
Commander, 436th Airlift Wing
LETTER OF AGREEMENT
FOR
TEMPORARY CIVIL AIRCRAFT EXPANDED PARKING
AT
DOVER AFB, DELAWARE

This letter of agreement established polices, responsibilities, and procedures for expanded parking for civil aircraft during two NASCAR race related weekends each year (usually in May/June and September) at Dover AFB, Delaware for a period of three (3) years. Military requirements will take precedence over civil aircraft operations. Should a conflict arise between civil and Air Force operational procedures, Air Force procedures will apply.

AUTHORIZED USERS

During the two NASCAR race related weekends, a maximum of twenty-four (24) civil aircraft authorized to land at Dover AFB subject to the requirements and procedures below, may park on Taxiway “C”, Compass Rose, Pads 4, 5, and 6. Specific procedures for parking on the Air Force ramps will be established in a Local Operations Letter.

REQUIREMENTS/PROCEDURES

The Delaware Department of Transportation (DELDOT), or their designated representative, agrees to:

1. Comply with force protection and FAA security stipulations and conditions contained in the Civil Air Terminal Re-Opening letter dated 1 April 2002.
2. Maintain 10 feet of wingtip separation between aircraft parked on Dover Air Force Base.
3. Ensure provided departure fire bottles are positioned near aircraft (1 bottle per 2 aircraft).
4. Develop departure procedures to ensure departure flow control of no more than 8 aircraft per 15-minute period.

5. Limit parking to no more than 24 civil aircraft on Dover Air Force Base at any one time.

6. Provide all liability and insurance requirements for DELDOT identified in the Joint Use Agreement at Dover Air Force Base between the Secretary of the Air Force and DELDOT.

7. Jointly, with Dover Air Force Base (Logistics Plans and Airfield Management), conduct an annual review of DELDOT progress on efforts to alleviate reliance on Dover Air Force Base to provide Civil Air Terminal NASCAR race-weekend related overflow aircraft parking.

SECURITY
The installation commander will exercise administrative and security control over both civil aircraft and passengers on Dover AFB.

LIABILITY AND INDEMNIFICATION
The Air Force shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the use of Dover AFB under this agreement, or for damages to the property of or injuries to the person of civil aircraft operators or passengers. DELDOT or their designated representative agrees to assume all risks of loss or damage to property and injury or death to persons by reason of or incident to the use of Dover AFB under this agreement and expressly waives any and all claims against the United States for any such loss, damage, personal injury, or death caused by or occurring as a consequence of such use. DELDOT, or their designated representative, further agrees to indemnify, save, and hold the United States, its officers, agents, and employees harmless from and against all claims, demands, or actions, liabilities, judgments, costs, and attorneys fees, arising out of, claimed on account of, or in any manner predicated upon personal injury, death or property damage resulting from, related to, caused by, or arising out of the use of Dover AFB under this agreement.
FEES

Landing and parking fees will be charged in accordance with the current Joint Use Agreement, dated 18 December 1997. Charges will be made in accordance with the appropriate Air Force Instructions for any services or supplies required from Dover AFB. The Dover AFB Airfield Manager, in coordination with the Civil Air Terminal Manager, will be responsible for consolidating all charges which will be billed by the Accounting and Finance Office to DELDOT no later 30 days after the NASCAR event.

IN WITNESS WHEREOF, the respective duly authorized representatives of the parties hereto have executed the Agreement on the date set forth below opposite their respective signatures.

UNITED STATES OF AMERICA

By:       08APR03
FRED W. KUHN
Deputy Assistant Secretary of the Air Force (Installations)

DELAWARE DEPARTMENT OF TRANSPORTATION

By:       14 APR 03
NATHAN HAYWARD II
Secretary, Delaware Department of Transportation
Introduction

The Delaware River and Bay Authority’s (herein referred to as DRBA) Dover Civil Air Terminal has a 6 acre aircraft parking apron. Approved vehicle access onto the apron must be obtained by the use of **Vehicle Gate #8**, located to the northwest side of the terminal building. Because Vehicle Gate #8 is an element of the Dover AFB perimeter fencing system, access through the gate is maintained by the US Air Force Security Forces.

Procedures

When authorized access to Vehicle Gate #8 is required, the following procedures shall be followed for the security of the Dover AFB installation and users of the Dover Civil Air Terminal

1. Dover AFB Security Forces maintains all keys to the installation perimeter vehicle gate locks.

2. When requesting entry through Vehicle gate #8, authorized DRBA employees will contact the Security Forces Control Center one (1) hour prior to needed entry to allow proper response time. The following phone number(s) are to be used to contact Security Forces:

   **Main:** (302) 677-6664  
   **Alternate:** (302) 677-6666

4. Entry through Vehicle Gate #8 will be allowed with DRBA credentials and approved status on **Authorized Entry List** (attached). **Entry will be denied without DRBA issued identification badge and/or approved status on the Authorized Entry List.**

Securing of Vehicle Gate #8

1. Security Forces personnel are unable to remain at Vehicle Gate #8 for an extended period of time. To secure entry to Vehicle Gate #8, the following procedures must be followed:

   - If Vehicle Gate #8 must remain opened for extended periods of time, the DRBA will provide an armed Police Officer to cover the opened gate.
   - If an armed Police Officer is not available, Security Forces will close and secure the gate after entry.
   - Vehicle Gate #8 may remain open for short periods of time without an armed Police Officer only when the Civil Air Terminal entrance gate is closed and secured.
2. After needed use of Vehicle Gate #8, DRBA personnel shall close and secure the 
gate. Security Forces Control Center must be called and informed of the gate’s 
secure status. Security Forces Control center may be reached at the following 
phone numbers:

Main: (302) 677-6664
 Alternate: (302) 677-6666

NASCAR Event Access

Due to the high demand for vehicle/equipment access through Vehicle Gate #8 during the 
NASCAR race events, the following procedures apply for entry of vehicle Gate #8 during 
NASCAR race events only.

1. Prior to NASCAR Race Weekend events, Security Forces will issue DRBA armed 
Police Officers a key to Vehicle Gate #8.

2. DRBA will have clearance to enter through the gate until all activities associated 
with NASCAR are completed.

3. The day following the NASCAR race event, the Civil Air Terminal Manager will 
contact Security Forces and make arrangements to return the gate key.

Authorized Entry List

Authorized DRBA employees and contractors must be listed on an approved Authorized 
Entry List to access Vehicle Gate #8. The DRBA will be responsible to maintain current 
information on the Authorized Entry List and provide a copy of the current list to 
Security Forces. The following are procedures to update/change the approved list:

1. The Civil Air Terminal Manager is the only person allowed to authenticate the 
Authorized Entry List and submit to Security Forces.

2. All changes to the Authorized Entry List must be submitted seventy-two (72) 
hours in advance to Security Forces prior to the list becoming authenticated.

3. Submittal of the Authorized Entry List to Security Forces may be by electronic or 
hard copy.