

Oregon State Aviation Board  
Approved Meeting Minutes

July 29, 2002

Salem, Oregon

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Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and mailed to persons on the mailing list of the Board, a meeting of the State Aviation Board was held at the Oregon Department of Aviation in Salem, Oregon, on July 29, 2002.

Board members present included Michael Nelson (Vice-Chair), Jack Loacker, and Joe Smith. Mike Burrill and Steve Schreiber were present by teleconference. Also present were Oregon Department of Aviation (ODA) staff members Ann Crook, Lindy Zimmerman, Rebecca Jasso, Carolyn Bolton and Carma Gale. The sign-in list of members of the public attending the meeting is on file at the Department of Aviation office.

Vice-Chair Mike Nelson called the meeting to order at 10:00 a.m.

He congratulated Novick, Burrill and ODA on the success of the Air Service to Oregon Communities Conference held in Redmond, Oregon, in June.

Introductions followed.

Loacker moved that the minutes of the June 17, 2002, meeting be approved as published. Smith seconded. The motion carried unanimously.

Crook reviewed a memorandum from Daren Griffin requesting approval from the Board to accept an offer from Mr. Denton Talbert to purchase Beaver Marsh State Airport. She noted the following:

- The Board approved the surplus and sale of the airport at its meeting in October 2001. Sale of the airport is contingent upon the property remaining a public use airport. If it did not remain a public use airport, ownership would revert to ODA.
- The Beaver Marsh State Airport was advertised for sale to the adjacent property owners.
- An offer to purchase the airport for \$10,000 was received from Mr. Talbert. His offer included a commitment to make improvements estimated at \$222,000. Crook stated that these improvements were more than the Department would do at the airport.

Since the appraised value of the airport was \$65,000 and the offer is less than that, the Department needs specific authorization from the Board to accept the offer. The Department sees this sale as a positive step for the airport and its users. ODA does not have specifics on what Mr. Talbert intends to do with the airport.

Lindy Zimmerman, Airports Property Coordinator, reported that ODA has not worked with Mr. Talbert previously. He is not a tenant on the airport. The Department of Justice is drafting a sale agreement and transfer documents. Those documents include his development commitment. Once ODA has an agreement with Mr. Talbert, ODA will publish a public advertisement once weekly for a duration of three consecutive weeks, giving two weeks for people to respond.

Burrill suggested that the motion give ODA staff the ability to negotiate the best possible deal.

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Smith moved that the Board authorize staff to accept Mr. Talbert's offer if, after appropriate advertising public opportunity, there is no other offer - but with the proviso that part of the consideration for Mr. Talbert's purchase will be his promised improvements totaling \$222,000. Further, if an offer higher than \$10,000 is received which does not include significant improvements comparable to Mr. Talbert's, the matter will be referred back to the Board for further consideration.

Loacker seconded. The motion carried unanimously.

Wayne Nutsch questioned why he wasn't included in the minutes of the June meeting when other private citizens and their comments were included. Bolton explained that Nutsch's testimony was part of the formal Administrative Rules Hearing, a formal proceeding completely separate from the Board meeting - although in this instance, held on the same day and in the same facility as the State Aviation Board meeting. Bolton indicated that Nutsch's testimony was being transcribed verbatim to file with the Oregon Secretary of State's Office with all other public comment on OAR 738-015 (Leasing for Aeronautical Activities at State-Owned Airport). Loacker pointed out in the minutes the gap in time that existed between adjournment of the Board meeting for Administrative Rules Hearing and reconvening of the Board meeting when the rules hearing concluded.

Crook introduced the 2003-2005 Agency Request Budget and offered to answer questions regarding the budget.

Burrill asked if the new building would be at the existing location or a new location. Crook responded that ODA is working with the City of Salem for a new site. The site has not been determined yet. The Capital Projects Advisory Board for the State of Oregon has been informed of the change. Jasso noted that the budget document will change during the review period conducted by ODA's budget analyst, and before the budget becomes the Governor's Recommended Budget that goes before the legislature.

Smith suggested that a one-paragraph memo be added stating that despite the references to the "existing" site, the Department is optimistic that the building will be located on another site on the airport through a property exchange with the City of Salem.

The Board directed Crook to add language to clarify the location issue. Crook agreed to add a memo at the front of the back-up information for the budget.

Smith noted that ODA had agreed to give up the new building if budget cuts became necessary. He asked what ODA would chose to give up as a second choice. Jasso stated that ODA has created a list of prioritized cuts. As part of HB3182, ODA is required to list a cut of 10 percent. ODA listed a total of \$950,000 in cuts, which does not include the new building, the rest of the policy packages for the T-hangars, the Financial Aid to Municipalities (FAM) grant increase, and all of the line item increases that ODA wanted to make. It also included taking \$200,000 from the facilities maintenance budget. Beyond that, ODA would be required to cut into day-to-day activities. She noted, however, that ODA was in a fortunate position at 10 percent cuts, since general fund and lottery fund agencies have been requested to list 30 percent cuts. Crook stated that she didn't anticipate having to make any cuts.

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Schreiber questioned the \$1 placeholder for Bandon State Airport. Jasso and Crook explained that the \$1 placeholder is there for several reasons:

- ODA has just begun a master plan at the Bandon State Airport. The master plan will indicate what the development project will be. At this time, ODA is not sure what the project is going to be or if there will be a project.
- Griffin needs to do some negotiating with the FAA.
- ODA is also negotiating possible transfer of ownership of that airport.
- The \$1 placeholder allows ODA to go to the E-Board when it knows exactly what the project is and the cost of the project.
- The placeholder allows ODA to inform the FAA that it is planning to do a project at Bandon and would like to have some funds scheduled for the project.

Nelson asked if there were further comments.

There were none.

Loacker moved that the 2003-2005 Agency Request Budget be accepted with the memorandum stating that we are optimistic we will be able to do a property trade with the City of Salem for relocation of the Department's new building.

Nelson asked that Crook forward the memorandum to the Board members this week.

Schreiber seconded. The motion carried unanimously.

Nelson opened the meeting to public comment.

Mr. Nutsch thanked the Board for acknowledging he was at the meeting in Redmond.

Smith asked for an update from Burrill on the multi-state conference. Burrill stated that money has been included in the Department's budget for the conference.

Bolton briefed the Board on the arrangements for the next meeting to be held August 16, 2002, at the Hillsboro Airport Operations and Maintenance Facility Conference Room. Items on the agenda include:

- Decision on OAR 738-005 and OAR 738-015
- Preliminary review of the OAR 738-010 (Rates and Charges Policy)
- Presentation on the Portland Rose Festival Air Show by Lila Ashenbrenner, Air Show Chairman, and Dick Clark, Director
- Chamber of Commerce luncheon
- Presentation on the Hillsboro-Portland Airport by John Newell, Airport Manager
- Tour of the airport in conjunction with the Thunderbirds' practice session
- Distribution of courtesy tickets for the Air Show
- Distribution of the Final 2003-2005 Agency Request Budget

Future meeting details were reviewed:

- September 18, 2002, Board meeting will be held at UPS Aviation Technologies at the airport in Salem
- Evening of September 17, 2002, the Board will hold an Aviation Open House at J James Restaurant in downtown Salem

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- Evening of September 18, 2002, Town Hall meeting at the National Guard hangar. The Salem Airport Advisory Committee is very enthusiastic about the Town Hall
- October 16, 2002, meeting will be in Baker City at the Best Western Hotel
- November 20, 2002, meeting will most likely be held at the Evergreen Aviation Museum in McMinnville.

Burrill reminded the Board that at the last meeting it had voted a \$10,000 match with Economic Development for an aviation program. He noted there should be close to \$20,000 for the program. He attended a meeting with the Oregon Economic & Community Development Commission and had expressed the Board's desire to continue to work with that commission and the agency in developing aviation-type businesses in Oregon, to help them identify those businesses and to work with local communities.

Nelson thanked him and asked him to give a brief report on the meeting at the next Board meeting.

There being no further business, the meeting was adjourned at 10:30 a.m.

Respectfully submitted,  
Carma Gale, Office Manager

*Copies of meeting materials and written public comments are on file at the Department of Aviation in Salem, Oregon.*