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# Oregon Department of Aviation

# 2001 Annual Report



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# Oregon

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# 2001 Annual Report





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## FROM THE DIRECTOR'S DESK

*Fiscal Year 2001 was the first year for the NEW Oregon Department of Aviation.*

On June 30, 2000, we held an open house at our office located on the Salem Airport. Pilots, airport managers, state-owned airport tenants, future members of the new State Aviation Board, friends from other state agencies – including the Oregon Department of Transportation – and other well-wishers joined us for cake and coffee. This event marked the culmination of all the planning and preparation for the initiation of the new agency and the beginning of our solo flight.

During our first year, the Department continued all existing programs: aircraft and pilot registration, airport safety and data inspections, airport registration and licensing, statewide airport aerial photography and pavement condition evaluation, land use planning, Financial Aid to Municipalities (FAM) Grant Program, and state-owned airport development. During this time we also introduced new programs. We launched the Statewide Airport Pavement Maintenance Program (PMP). We assisted the Federal government with their General Aviation Airports Entitlement grant program and began working to improve commercial air service in Oregon.

During our first year, the State Aviation Board was appointed by the Governor. This new governing body began their work with the Department and staff. The new Board quickly set a new direction for the agency by asking us to expand our focus to include aviation education and commercial air service development, as well as to promote Oregon's burgeoning aerospace industry.

It is noteworthy that such a small agency has been able to complete this transition, from being a small piece of one of the State's largest agencies to becoming an independent stand-alone department. What's more, the transition was nearly seamless, despite the fact that we were concurrently establishing important new programs and taking on new leadership and direction. It was during FY 2001 all this transition occurred. It is testimony to the professionalism and good work of my staff that very few "go arounds" occurred – publicly, anyway.

I speak for all the employees of the new Department of Aviation when I say that we are happy to be here, delighted to be given the opportunity to explore how the state can promote Oregon's aviation industry, and really glad to be past the transition phase!



A handwritten signature in cursive script, reading "Ann B. Crook". The signature is written in dark ink on a light background.

Ann B Crook, Director

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## OVERVIEW OF THE DEPARTMENT

The Oregon Department of Aviation (ODA) was originally founded in 1921 – proudly taking the position as the first government aviation agency in the history of the United States. In the mid-1970s it was brought into the Oregon Department of Transportation (ODOT) as one of several transportation divisions within that agency, the Division of Aeronautics. The 1999 Oregon Legislature once again separated the Department of Aviation from ODOT, creating an independent state agency governed by a newly appointed State Aviation Board.

### **MISSION AND GOALS**

ODA is dedicated to developing and improving Oregon's aviation system. Department goals include:

- Developing aviation as an integral part of Oregon's transportation network;
- Creating and implementing strategies to protect and improve Oregon's aviation system;
- Encouraging aviation-related economic development;
- Advocating for a safe and viable aviation system in Oregon;
- Supporting aviation education; and
- Increasing commercial air service and general aviation in Oregon.

In addition, ODA is committed to the development and realization of its strategic plan, encouraging consensus problem-solving processes to address statewide aviation issues, participating in multi-modal coordination, carefully coordinating and managing aviation-related legislation, and providing outreach to aviation constituents, airport owners/sponsors, and aviation system users throughout Oregon.



### **DEPARTMENT HISTORY**

Oregon Department of Aviation originated in 1921 as the Oregon State Board of Aeronautics. At the time of its creation there was no federal aviation agency of any kind. The Aeronautics Board was formed to test the competency of pilots and the airworthiness of aircraft. Later, when the federal government took over these functions, the duties of the Oregon State Board of Aeronautics were modified to deal with aviation-related matters of State concern.

The Oregon Legislature gave Aeronautics the responsibility to establish and maintain a program for air search and rescue (SAR) in 1947, following a private aircraft accident that killed Oregon's Governor, Secretary of State, and Senate President. Statewide coordination of Air SAR was a key focus of Aeronautics' activities until 1994.

**The Decade from 1950-1959:** Agency highlights during the 1950's included the formulation of a Master Search and Rescue Plan, the production and publication of an airport directory and state airways map, and an air marking plan that included a complete survey of the state.

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By the 1950's, there were 155 airports in Oregon – a number of which had been constructed by Aeronautics. Aircraft registrations numbered 1500, while total pilot registrations were 2800. A State Aviation Education Program was initiated. The Board became a member of the National Association of State Aviation Officials (NASAO).

**The Decade from 1960 to 1969:** The 1960's saw the Board award hundreds of thousands of dollars in grants to provide lighting systems and radios for Oregon's community airports. The inventory of state-owned airports tallied 26 during this decade. Aeronautics built the first heliport at a hospital in the Northwest and began promoting the development of additional hospital heliports. (Currently there are 36 such facilities statewide.)

**The Decade from 1970 to 1979:** The Oregon Department of Transportation was established in the 1970's, resulting in the dissolution of the Aeronautics Board and creation of an Aeronautics Division within the new agency. Multi-modal transportation systems were unified within ODOT in order to promote integrated transportation planning and development. By the end of that decade, the Aeronautics Division owned 36 airports and had licensed 110 Oregon public-use airports. Major areas of concern were airport and heliport development, as well as the education of both the general public and government agencies about the role of air transportation in the overall transportation system. The Division began its Statewide Aviation System planning efforts in 1978.

**The Decade from 1980 to 1989:** By the 1980's, Aeronautics was active in the Oregon Airport Management Association, a professional association whose creation had been encouraged by the Division. Aeronautics staff also oversaw preparation of the nationally acclaimed guide "*Airport Compatibility Planning*." This publication provided thorough recommendations for guidelines and procedures on the topic of land use planning and zoning for airports. The guide was distributed to all airport owners and municipalities across Oregon.

**The Decade from 1990 to 1999:** In 1991, the Division participated in the planning and organization of the first Oregon Air Fair, an annual event that continues to the present day. During that same year, Aeronautics helped to organize 24 different aviation organizations into an aviation advocacy group called the Oregon Aviation Alliance.

1993 saw the computerization of the program to measure the condition of airport pavements in the state.

From 1994 to 1998, Aeronautics transferred air search and rescue responsibilities to the Oregon State Police Office of Emergency Management (OEM), which is responsible for all other search and rescue activities in the state. Three state-owned airports were transferred to local ownership during that same window of time.

During 1998 the Division began development of the Oregon Aviation Plan. This statewide aviation policy document refined the goals and policies of the Oregon Transportation Plan as they related specifically to aviation.

Two significant aviation-related legislative proposals were passed during the 1999 Oregon Legislative Session:

- A constituent-driven effort proved successful, that removed the Aeronautics Division from Oregon Department of Transportation and created a separate Oregon Department of Aviation.
- The Aeronautics Division sponsored a proposal to create a statewide aviation pavement maintenance program, funded by a six-cent increase in the avgas rate and a half-cent increase in the jet fuel rate.

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**The Start of a New Millennium:** During Fiscal Year 2000, the newly emerging agency prepared for its official transition out of ODOT. Concurrently, staff prepared to implement the new statewide Pavement Maintenance Program and undertook co-sponsorship of an air service conference with Oregon State University. The conference, appropriately called “The Revolution in General Aviation,” highlighted significant developments in general aviation that were certain to impact the new Oregon Department of Aviation, as well as the entirety of Oregon and the nation, in the 21<sup>st</sup> Century.

## **STATE AVIATION BOARD**

The State Aviation Board was created by Senate Bill 108 (1999), to provide policy guidance to the emerging Oregon Department of Aviation. Five members of the public – all with specific aviation expertise – were appointed to the State Aviation Board by Governor John A. Kitzhaber, M.D., and subsequently confirmed by the Oregon Senate.

**FY 2000-2001  
STATE AVIATION  
BOARD**

**CHAIR:**

**Bill Wilkins, Ph.D.  
Corvallis, Oregon**

**VICE-CHAIR:**

**Mike Nelson  
Baker City, Oregon**

**GENERAL MEMBERS:**

**Michael Burrill, Sr.  
Medford, Oregon**

**Lisa Buswell Dahl  
Salem, Oregon**

**Carrie Novick  
Redmond, Oregon**

***Michael Burrill, Sr.***, is a southern Oregon native and president of Burrill Resources, Inc. in Medford. Due to his extensive involvement in local and state transportation issues, Mr. Burrill is interested in aiding in the development of international trade and air cargo throughout both the state and the region.

***Lisa Buswell Dahl*** is a corporate pilot who operated a fixed base operation (FBO) at Salem Municipal Airport for many years. She brings a solid background in general aviation and many connections in the corporate aviation industry.

***Michael Nelson*** is a former State Representative and current businessman from Baker City who owns his own realty company. Mr. Nelson’s legislative experience is of great benefit to the Board as they work to set policy and convince the Legislature of aviation priorities. Mr. Nelson is a proponent of a safe and efficient aviation system, with a focus on air service to rural communities. He is Board Vice Chair.

***Carrie Novick*** has been the Redmond Airport Manager for 10 years, successfully leading that facility through a decade of growth – including construction of a new terminal building, installation of a new air traffic control tower, and a dramatic increase in air service options. Ms. Novick served on the Statewide Aviation Advisory Committee in 1996 and 1997. She brings expertise regarding the development, preservation and professional management of public-use airports.

***Bill Wilkins, Ph.D.***, is Dean Emeritus of the OSU College of Liberal Arts and a former economics professor. Dr. Wilkins formerly served as the Associate Administrator for International Aviation and Policy with the Federal Aviation Administration (FAA) under appointment of President Jimmy Carter. He also served in the Air Force and Air Force Reserves, retiring as a Colonel. Dr. Wilkins hopes to see the Department broaden its scope to include all facets of the aviation industry, particularly the manufacturing industry. He serves as Chair of the State Aviation Board.

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## ***DEPARTMENT STAFF***

ODA Director Ann Crook serves the Department by appointment of the Governor. ODA is proud to employ a small, dedicated staff of 16 professionals. Among them are specialists in a variety of areas critical to the effective operation of a state agency: land use and zoning, airport management, general aviation, public relations, fiscal and budget management, policy writing, library sciences, legislative coordination, CAD design, reprographics, education and training, facilitation/mediation, and event coordination.

ODA owns and maintains a network of 30 public airports across Oregon. (*A complete list of all state-owned airports can be found on p. 15.*) In effectively managing this public portfolio of airports, the Department sets policies, negotiates and manages leases, performs regular maintenance and develops state-owned facilities. Daren Griffin is the State Airports Manager. (*“Who To Contact at Department of Aviation” can be found on p. 31 of this Report.*)



Several Department of Aviation staff are pictured meeting with members of the general public at one of the Aviation Town Hall meetings held quarterly each year throughout Oregon.

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## ***KEY PARTNERSHIPS***

ODA is fortunate to enjoy strong partnerships with key regional and national aviation, transportation and safety groups.

ODA's collaborative relationships with several key entities aided in the Department's effective establishment of its autonomy during FY 2001 and served to enhance the Department's effectiveness.

- ***Federal Aviation Administration (FAA)***

The relationship between ODA and the FAA is a crucial one. Not only do staff from ODA talk regularly by telephone with key contacts at the FAA offices in both Portland and Seattle, but key staff from both agencies meet in person on regular basis to review issues regarding Oregon's airspace, assistance to Oregon's public airports, aviation safety, airport security, and a variety of regulatory issues.

- ***Oregon Department of Transportation (ODOT)***

Aviation plays an integral role in Oregon's multi-modal transportation system – not only for the obvious purpose of effectively moving passengers to destinations within the state and beyond, but also with respect to freight transit. ODA's Director and one member of the State Aviation Board sit on ODOT's Freight Advisory Committee.

- ***Port of Portland & Portland International Airport (PDX)***

ODA enjoys a growing relationship with both the Port of Portland and Portland International Airport (PDX). The largest airport in the state, PDX and its capable staff are on the cutting edge of commercial aviation operations and safety. ODA values the opportunity to collaborate with the Port.

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## FY 2001 HIGHLIGHTS

FY 2001 was a landmark year for Oregon Department of Aviation in many ways. With the 1999 Oregon State Legislature creating the Department as well as the State Aviation Board, essential programs and policies were needed to carry out ODA's commitment to equity and accountability in the management of state-owned airports, and to the promotion and support of other aviation assets across Oregon. The following two pages provide a short list of the most memorable events of FY 2001.

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July 2000	<ul style="list-style-type: none"><li>- <b>7/1/00: Oregon Department of Aviation Effective Date</b> The Oregon Department of Aviation became "official." An open house was held to commemorate this memorable event.</li></ul>
August 2000	
September 2000	<ul style="list-style-type: none"><li>- <b>September 8, 2000: Original State Aviation Board Confirmed</b> The Governor appointed and the Senate confirmed four Oregonians to serve four-year terms as charter members of the first State Aviation Board. <i>(More information on the State Aviation Board can be found on p.4.)</i></li><li>- <b>September 16-17, 2000: Oregon Air Fair in Albany</b> The Oregon Air Fair was held at its new home – the Linn County Fair &amp; Expo Center in Albany.</li></ul>
October 2000	<ul style="list-style-type: none"><li>- <b>October 1, 2000: AIR-21 GA Entitlement Program Funded</b> This pavement maintenance program enabled qualifying airports to undertake preventive pavement maintenance and repair projects. <i>(More information on p.10.)</i></li><li>- <b>October 20, 2000: First Statewide Pavement Maintenance Program Completed</b> Pavement maintenance crews worked on a compressed time schedule during summer/fall 2000 to perform critical preventive maintenance at 22 airports across Oregon.</li></ul>
November 2000	<ul style="list-style-type: none"><li>- <b>November 17, 2000: Entire State Aviation Board Confirmed</b> The fifth and final member of the State Aviation Board is confirmed by the Senate.</li></ul>
December 2000	

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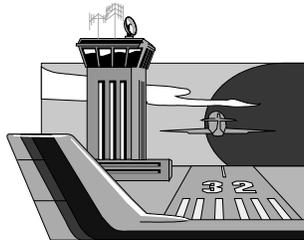
January 2001

- **January 24, 2001: ODA 2001-2003 Biennial Budget Approved by Ways & Means**  
ODA Director Ann Crook successfully garnered support of the Department's first biennial budget, with an allocation that actually approved \$7 million over request.

February 2001

- **February 19, 2001: New Aviation Project Specialist Position Added**

March 2001



April 2001

- **April 2-3, 2001: First Strategic Planning Intensive Work Session Takes Place**  
This two-day intensive work session included newly appointed Board members and ODA management staff, setting goals and discussing the future of the Department.
- **April 2, 2001: First Legislative Aviation Caucus Convened at Capitol**  
The 2001 Oregon Legislature organized and hosted the first-ever Legislative Aviation Caucus luncheon, attended by the State Aviation Board, ODA management staff, and legislators with a special interest in aviation.
- **April 11, 2001: First Board Meeting with Public Comments on Airport Policies**  
FY 2001 found ODA staff and the State Aviation Board wading through development of a variety of critical policy documents: operational minimum standards, rates and charges, and leasing at state-owned airports.

May 2001

- **May 25, 2001: Oregon Aviation Art Contest Awards Made**  
Six Oregon youth were selected as state winners in the 2001 International Aviation Art Contest, an event promoted by ODA to increase awareness of aviation in schools across the state.
- **May 29, 2001: Aviation Day at the Capitol**  
Aviation displays were set up on the front steps as well as the Capitol Galleria for this event, organized to highlight aviation as well as to announce the new Department of Aviation.

June 2001

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## 2001: YEAR OF BEGINNINGS



### ➤ **FIRST JOINT STRATEGIC PLANNING INTENSIVE WORK SESSION**

In early April 2001, the State Aviation Board and senior ODA staff spent two long days intensively working on the strategic roles and functions of the Board and the Department. The session was open to the public and facilitated by a professional on loan from the State Public Policy Dispute Resolution Program.

Board and staff worked to clarify Department “clients” and to set tangible, measurable goals for the future work of ODA. Included in two-days were discussions of the Department’s role in effective management of state-owned airports, as well as broader ODA services to locally-owned public airports, a vast array of Oregon airport users, and aviation-related services to the general public.

Time was devoted to creating a variety of initial strategies for both the Board and the Department that focused on the following primary first-year goals:

- To encourage and support aviation-related manufacturing
- To enhance outreach and aviation education in the State
- To support aviation-compatible land use planning
- To increase aviation safety

The intensive work session concluded with a discussion of critical policies necessary for development in the first fiscal year, to guide the Department in its many areas of responsibility.

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## ➤ **FIRST STATEWIDE AIRPORT PAVEMENT MAINTENANCE PROGRAM UNDERWAY**

The 1999 Oregon Legislature approved increases in the jet fuel and aviation gas taxes to provide a stream of revenue dedicated to maintaining our airport pavements. One-half cent for each gallon of jet fuel and six cents for each gallon of avgas provides around \$1 million per year for this program. Communities provide a local match of from 5 to 50 percent, depending on the size of the airport.

Since 1993, the Federal government has given ODA grants to conduct statewide airport pavement evaluations. The result of these evaluations is a prioritized list of essential projects toward which ODA can dedicate pavement maintenance dollars, based on both the life-cycle of the pavements and limited budgets. With the inception of the Statewide Airport Pavement Maintenance Program, these priorities can be met.

The Pavement Maintenance Program is not a grant program. Rather, ODA develops the scope of maintenance work to be done, designs the improvements on a statewide or regional basis, and hires one contractor to do the work. By contracting for all the work at once, the state is able to significantly lower costs, thereby doing more work for the money.

During FY 2001, 22 airports (both locally-owned and state-owned) participated in this program:



- |                    |                |
|--------------------|----------------|
| ✧ Albany           | ✧ Hermiston    |
| ✧ Ashland          | ✧ Hood River   |
| ✧ Astoria          | ✧ Lexington    |
| ✧ Aurora           | ✧ Madras       |
| ✧ Bandon           | ✧ McMinnville  |
| ✧ Bend             | ✧ Myrtle Creek |
| ✧ Christmas Valley | ✧ Newport      |
| ✧ Condon           | ✧ Ontario      |
| ✧ Creswell         | ✧ Prineville   |
| ✧ Florence         | ✧ Scappoose    |
| ✧ Grants Pass      | ✧ Wasco        |

## ➤ **FIRST GENERAL AVIATION ("GA") ENTITLEMENT PROGRAM**

Maintaining general aviation airport pavements has proven to be somewhat of a difficulty because in the past many airports – and the ODA – simply couldn't afford it. However, in FY 2001 the Federal Aviation Administration (FAA) amended some of their rules, allowing states to for the first time designate some of their federal Airport Improvement Program (AIP) apportionment to do repair and maintenance on GA runways, taxiways and ramps. Prior restrictions allowed the FAA to help build or rebuild a runway (capital construction projects), but prohibited use of funds for pavement maintenance. The result of the former federal restrictions was, unfortunately, consistent throughout the country. Many GA airport managers, many with little or no operating budgets, were forced to let their pavement deteriorate to the point that it could no longer merely be patched or repaired – but had to be rebuilt.

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In 1997, the FAA gained authorization from Congress to widen the scope of use for existing AIP funds and to implement a pilot program for pavement maintenance. Oregon successfully ranked as one of only six states selected to receive a GA Entitlement Grant in this pilot program. In order to qualify for funding, the grant assurances require that the airport sponsor must be unable to fund pavement maintenance using its own resources.

### ➤ **MODEL ORDINANCES MADE AVAILABLE TO THE PUBLIC**

Increased population density combined with increases in land values has become a threat to airports across the U.S. The 1995 and 1997 Oregon Legislatures passed bills to help protect our state's airports. To assist communities in implementing the new law, ODA worked with a land use specialist during FY 2000 to develop model land use ordinances for use by zoning authorities.

The model ordinances are available to the general public on ODA's web site. This model project is part of the ongoing efforts of the Department to protect airports and airways from encroachment. In addition to providing the downloadable model ordinances on-line, ODA staff reviews zoning ordinances on a case-by-case basis when requested and makes recommendations to local communities as they update their planning and zoning documents.

ODA shares with state and local governments the desire to preserve livability and enhance economic opportunities throughout Oregon. The new model ordinances are merely one more tool offered by ODA to help communities meet those goals.

### ➤ **FIRST AIR SERVICE DEVELOPMENT ACTIVITY**

During the summer of 2000, ODA began focused work to improve the level of commercial air service throughout Oregon. By spring, both Newport and Corvallis were struggling to maintain daily Harbor Air flights to Portland. Harbor Air needed help from the communities in the form of market analysis and, possibly, community financial support. ODA converted Financial Aid to Municipalities grants to the two communities into an actual contract for Air Service Development Services. This program produced a solid market analysis for both communities, which revealed that commercial service with small aircraft to Portland was a reasonable expectation and that an airline could actually make money on these routes, given adequate community participation. Unfortunately, Harbor Air was already struggling as a company. Despite the market research conducted through ODA, Harbor Air's flights to Corvallis and Newport were terminated in November 2000, and Harbor Air ceased all operations a few months later.

Nevertheless, this effort produced reliable market data that can now be used by Corvallis and Newport to talk to other airlines about commercial service. The project also showed ODA and airline executives that there can be solid benefits to evaluating air service markets on a network basis, rather than merely community by community.

This focused project led to the development of an approved ODA budget proposal to perform a statewide Air Service Development Action Plan. It was envisioned that this plan would produce the same type of market data for the whole state and provide: (1) an evaluation of infrastructure needs to enable support of airline service; and (2) a list of strategies for improving the number and frequency of routes, the destinations, and the type of aircraft that would best serve Oregon communities. This request was included in the agency's 2001-2003 budget and approved by the Legislative Assembly.

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## ➤ **FIRST YEAR OF LEGISLATIVE REPRESENTATION**

The 2001 Legislative Session was a positive one for ODA specifically, as well as the aviation field in general. The Department – independent only six months, since July 1, 2000 – for the first time created in-house staff capacity to analyze and monitor key legislative bills pending before the Oregon House of Representatives and Senate.

Several aviation-related bills were successfully passed by the 2001 Legislative Assembly:

- **SB 2** added two members to the State Aviation Board and reduced required board meetings to quarterly. *(Signed by the Governor on March 5, 2001 and effective January 2002.)*
- **SB 106** permitted the installation of self-service aviation fueling facilities at Oregon airports. *(Signed by the Governor on June 4, 2001.)*
- **HB 5002**, ODA's budget bill, was among the first budget bills to receive a hearing during session – and passed with an additional \$7 million beyond Department request. *(Signed by the Governor April 4, 2001 and effective FY 2002.)*
- **HB 5029**, the budget bill for various state agencies' capital construction projects, approved work that included projects at Aurora, Condon, Joseph, and Chiloquin State Airports. *(Signed by the Governor on July 27, 2001.)*

## ➤ **SETTING POLICY FOR STATE-OWNED AIRPORTS**

FY 2001 found the ODA continuing to work with Airport Business Solutions (ABS) to study, make recommendations for, and draft policy documents focused on helping the Department improve its state-owned airport management practices in three ways:

- developing operational minimum standards for state-owned airports;
- studying the rates and charges being assessed at state-owned airports and recommending appropriate revisions; and
- developing standard leasing policies and leasing documents for aeronautical activities at state-owned airports.

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## ***Minimum Standards Policy***

Minimum standards are set, as standard airport industry practice, to regulate commercial activity on airports. They are developed to provide threshold entry requirements for those who seek to provide commercial aviation services to the public at an airport. An airport's minimum standards are based upon three main factors: (1) conditions at the individual airport or class of airport; (2) the airport's existing and planned facilities; and (3) the airport's current and future aviation role.

Minimum standards are a tool to help ensure nondiscriminatory and effective airport management. They also allow airport operators to meet several regulatory requirements, including federal grant obligations and FAA Advisory Circular 150/5190-5, *Exclusive Rights and Minimum Standards for Commercial Aeronautical Activities*. The *Exclusive Rights* section of this Advisory Circular requires operators of airports that have accepted federal grant funds to offer opportunities for any person, firm or corporation that meets reasonable minimum standards to engage in commercial aeronautical activities at that site. Development of state-owned airport minimum standards will allow ODA to meet this obligation as well (as an airport sponsor).

Operational minimum standards also require that each provider of aeronautical services is qualified and licensed to provide the stated service and that each commercial operator is adequately insured. These requirements ultimately assist in protecting the people who seek to utilize the services of on-airport businesses.



Crescent Lake State Airport

## ***Rates and Charges Policy***

On behalf of the Department, independent consultants conducted a study of rates and charges at state-owned airports. The rates and charges in effect at the onset of the fiscal year were written into Oregon Administrative Rule back in 1981 (OAR 738-10-010), and were clearly outdated after the passing of two decades. During the 20-year period from 1981 to 2001, the level of activity and development at airports around Oregon has risen steadily – in fact, in some instances it has risen dramatically. Since ODA's rates and charges had not been updated to reflect current conditions throughout the state, they were substantially lower than those at locally-owned airports.

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Rates and charges at any airport are a significant factor when a business decides where to locate. Since ODA's rates and charges were below market standard, local airport owners purported that ODA was competing unfairly for business – since aviation-related businesses could actually locate at state-owned airports at much less cost than at locally-owned airports. As stewards of a portfolio of unique public assets, ODA is also responsible to operate with fiscal prudence. ODA's consultants:

- evaluated ODA's current rates and fees (originally set in 1981);
- set a rates-and-charges methodology that would allow for changes in the market over time;
- recommended necessary revisions to the current Oregon Administrative Rules accordingly; and
- recommended a time frame, as well as process, for reviewing state-owned airport rates and charges.

## ***Leasing Policies***

Finally, ODA secured services of independent consultants to conduct a detailed study of existing ODA leasing policies for aeronautical activities at state-owned airports. That study evaluated the Department's current leases for content, consistency and cost, with a focus on providing: (a) recommended standard leasing policies for commercial and non-commercial activities; (b) recommended standard leasing documents that conformed with the proposed policy; and (c) recommended Administrative Rule language on leasing at state-owned airports.

## ***Board Review & Direction of New Policies***

In April 2001, ODA presented the draft policies on operational minimum standards, rates and charges, and leasing for commercial and non-commercial aeronautical activities on state-owned airports to the State Aviation Board for their review. The Board directed ODA to seek additional input from state-owned airport tenants. The remainder of FY 2001 was spent forming and working with tenant user groups on the leasing and operational minimum standards policies. These groups worked closely with ODA staff to refine and clarify policy language to meet not merely the needs of the Department, but also the concerns of airport tenants.



# OREGON DEPARTMENT OF AVIATION 2001 ANNUAL REPORT

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Joseph State Airport

## OREGON'S STATE-OWNED AIRPORTS

Oregon Department of Aviation owns and is responsible for managing 30 public airports, most located in small communities around the state. Many of these airports are located in remote areas of the state and have no based aircraft. Some have very low levels of utilization. These facilities, nevertheless, fulfill an important role in Oregon's integrated aviation network:

- ⊕ Alkali Lake State Airport
- ⊕ Aurora State Airport
- ⊕ Bandon State Airport
- ⊕ Beaver Marsh State Airport
- ⊕ Cape Blanco State Airport
- ⊕ Cascade Locks State Airport
- ⊕ Chiloquin State Airport
- ⊕ Condon State Airport
- ⊕ Cottage Grove State Airport
- ⊕ Crescent Lake State Airport
- ⊕ Independence State Airport
- ⊕ Joseph State Airport
- ⊕ Lake Billy Chinook State Airport
- ⊕ Lakeside State Airport
- ⊕ Lebanon State Airport
- ⊕ McDermitt State Airport
- ⊕ McKenzie Bridge State Airport
- ⊕ Nehalem Bay State Airport
- ⊕ Oakridge State Airport
- ⊕ Owyhee Reservoir State Airport
- ⊕ Pacific City State Airport
- ⊕ Pinehurst State Airport
- ⊕ Prospect State Airport
- ⊕ Rome State Airport
- ⊕ Santiam Junction State Airport
- ⊕ Siletz Bay State Airport
- ⊕ Toketee State Airport
- ⊕ Toledo State Airport
- ⊕ Wakonda Beach State Airport
- ⊕ Wasco State Airport

# OREGON DEPARTMENT OF AVIATION 2001 ANNUAL REPORT

## ***MAINTENANCE OF STATE-OWNED AIRPORTS***

ODA appreciates its small but excellent maintenance team, who are responsible to effectively maintain this state-wide system of public airports. The State's three turf runways (*Lakeside, McKenzie Bridge and Wakonda Beach*) were fertilized early in spring. A larger group of airports were sprayed for weeds and mowed at least once during 2001 (*including Bandon, Cape Blanco, Cascade Locks, Condon, Lakeside, Nehalem Bay, Pacific City, Toledo, Wakonda Beach, and Wasco*). Willamette Valley airports are more likely to be mowed twice a year due the lush growth characteristic of this region (*such as Aurora, Cottage Grove, Independence, Lebanon, McKenzie Bridge and Santiam Junction*). In addition to these activities, Airport Maintenance Supervisor Dan Evey and his able crew – long-time ODA employees Robert E. Lee and Jim Johnson – coordinated critical maintenance projects in FY 2001 that protected critical airport infrastructure.

## ***FY 2001 CONSTRUCTION ON STATE-OWNED AIRPORTS***

### ***Aurora State Airport***

Received an AIP Grant in the amount of \$150,000 to install perimeter fencing and gates. Phase I of this project will be completed through a public-private partnership with funding through the FAA, ODA, and private property owners at the Aurora State Airport.



Aurora State Airport



Independence State Airport

### ***Independence State Airport***

Received an AIP Grant in the amount of \$360,613 to acquire 18.12 acres of land for the Runway Protection Zone (RPZ); rehabilitate the access road and taxilanes; install apron lighting; and construct north and south run-up areas.

### ***Siletz Bay State Airport***

Received an AIP grant in the amount of \$497,086 to overlay the runway, to rehabilitate the apron and entrance roadway, to complete an Environmental Assessment for the proposed shift and extension of Runway 17 to the south, and to construct a full parallel taxiway as recommended in the 1995 Airport Layout Plan.



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## ***CLOSEOUTS SUBMITTED TO AND APPROVED BY THE FAA DURING FY '01:***

**Independence State Airport.** The 1999-2000 Independence Airport Improvement project was completed in September 2000 and a grand reopening ceremony was held at the airport. Closeout of the project has been completed. The project included obstruction removal; runway shift to the north for safety purposes; a runway overlay; overlay of a portion of the parallel taxiway and reconstruction of the balance of the taxiway; reconstruct and expansion of the apron; installation of medium intensity runway lights, precision approach path indicators and construction of a new beacon tower. Total project cost was \$1,629,478. The FAA funded \$1,446,103 and ODA funded \$170,175.



Independence State Airport

**Cottage Grove State Airport.** Closeout of the multi-year (1997-2000) Cottage Grove Airport Improvement Project was completed in August 2000. The project included obstruction removal; shift and extension of the runway to the north for safety purposes; slurry seal to the existing runway pavement; rehabilitation and extension of the apron; installation of medium intensity runway lights, installation of precision approach path indicators, relocation of segmented circle and wind cone, and construction of a new beacon tower; and acquisition of aviation easements. Total project cost was \$1,460,230. The FAA funded \$1,314,207 and ODA funded \$131,420.



Cottage Grove State Airport

# OREGON DEPARTMENT OF AVIATION 2001 ANNUAL REPORT

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**John Day State Airport.** The FAA approved closeout of the Airport Improvement Project completed prior to the transfer of the airport to Grant County in August 2000. Runway 17-35 and the parallel taxiway were reconstructed, and improved NAVAIDS were installed. The apron area was expanded and reconstructed, and a slurry seal was applied to Runway 9-27. Total project cost was \$1,547,325. The FAA funded \$1,393,152, and ODA and an economic development grant to Grant County funded the balance of \$154,173.



Joseph State Airport

**Joseph State Airport.** The FAA approved closeout of the 1998-1999 Airport Improvement Project in July 2000. The total project was \$739,837. The project included reconstructing the apron and existing taxiway, obstruction removal, roadway realignment, and installation of segmented circle and lighted wind cone. The FAA funded \$665,854 and ODA funded \$73,983.

**Aurora State Airport Master Plan.** Update of the Aurora State Airport Master Plan was completed in October 2000. The total project cost was \$131,127. The FAA funded \$90,000 and ODA funded \$31,127.



# OREGON DEPARTMENT OF AVIATION 2001 ANNUAL REPORT

## ***FY 2001 CONSTRUCTION ON NON-STATE-OWNED AIRPORTS***

<b>Astoria Regional Airport</b>	Received AIP Grant in the amount of \$661,179 to install perimeter (wildlife) fencing and construct a T-Hangar taxilane.
<b>Eugene – Mahlon Sweet Field</b>	Received AIP Grant in the amount of \$2,500,000 to improve the terminal building by installing a covered walkway to B Gate, improve airfield drainage, extend taxiway and ramp, construct a helipad (2) and update the Airport Layout Plan (ALP), complete with as-builts.
<b>Florence Municipal Airport</b>	Received AIP Grant in the amount of \$97,500 to install a new Automated Weather Observation System (AWOS) and refurbish the airport beacon.
<b>Hillsboro Portland Airport</b>	Received AIP Grant in the amount of \$5,650,000 to improve Runway 12/30 safety areas, including acquiring two parcels of land.
<b>Klamath Falls Airport</b>	Received AIP Grant in the amount of \$3,700,000 to improve Runway 32 safety area, including realignment of channel, land acquisition, improvements to access road, installation of fencing, rehabilitation of west-side apron, and modifications to the MALSR approach lighting system.
<b>McMinnville Municipal Airport</b>	Received AIP Grant in the amount of \$787,500 to improve the safety areas, construct new taxiway, rehabilitate/reconstruct taxiway, install a new segmented circle and relocate the wind cone.
<b>Medford – Rogue Valley International Airport</b>	Received AIP Grant in the amount of \$3,866,611 to construct taxiway A, including realignment.
<b>Myrtle Creek Municipal Airport</b>	Received AIP Grant in the amount of \$565,200 to acquire land for development, including removal of old modular home and demolition of the foundation; installation of medium intensity runway lights (MIRLS); installation of runway end identifier lights (REILs) and precision approach path indicators (PAPIs) on runway 03; installation of rotating beacon, segmented circle and lighted wind cone; rehabilitation of runway lighting vault; installation of runway guidance signs, taxiway reflectors, apron reflectors; and update of the Airport Layout Plan (ALP).

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<b>Newport Municipal Airport</b>	Received AIP Grant in the amount of \$259,000 to install perimeter (wildlife) fencing (phase two) and remove obstructions in the approach to Runway 16/34.
<b>North Bend Municipal Airport</b>	Received AIP Grant in the amount of \$1,468,499 to improve Runway 31 safety area, including wetland mitigation, fencing, pavement marking and seawall construction; and to improve Runway 13 safety area, including relocation of runway threshold and runway end identifier lights (RIELs).  Also received a separate AIP Grant in the amount of \$308,027 to acquire a new airport rescue and fire fighting (ARFF) vehicle and ARFF safety equipment.
<b>Pendleton – Eastern Oregon Regional Airport</b>	Received AIP Grant of \$585,000 to install distance remaining signs, Runway 7/25; acquire SRE (show blower/plow); improve terminal building (furnishings)
<b>Portland International Airport</b>	Received AIP Grant of \$14,768,223 to construct a deicing containment facility (detention basin, holding tank, pump stations and piping); install taxiway lights (SMGCS), taxiway/runway lights (flush), and relocated Localizer, RW3.
<b>Redmond – Roberts Field</b>	Received AIP Grant of \$8,925,889 to rehabilitate the terminal apron, including Phase 2 construction to taxiway F; install distance-to-go markers on RW 10; install REILS on RW 4; remove line of sight obstructions.
<b>Salem – McNary Field</b>	Received AIP Grant of \$1,343,360 to rehabilitate apron; rehabilitate taxiways A, F, G, H, J and K and taxilanes S-12 and S-13, including slurry sealing taxilanes and compass rose.
<b>Scappoose Industrial Airpark</b>	Received AIP Grant \$150,000 to install beacon (replace pole); install perimeter fence.
<b>Troutdale Portland Airport</b>	Received \$370,000 to install perimeter fencing (approx. 14,400 l.f.); rehabilitate apron (marking).

# OREGON DEPARTMENT OF AVIATION 2001 ANNUAL REPORT

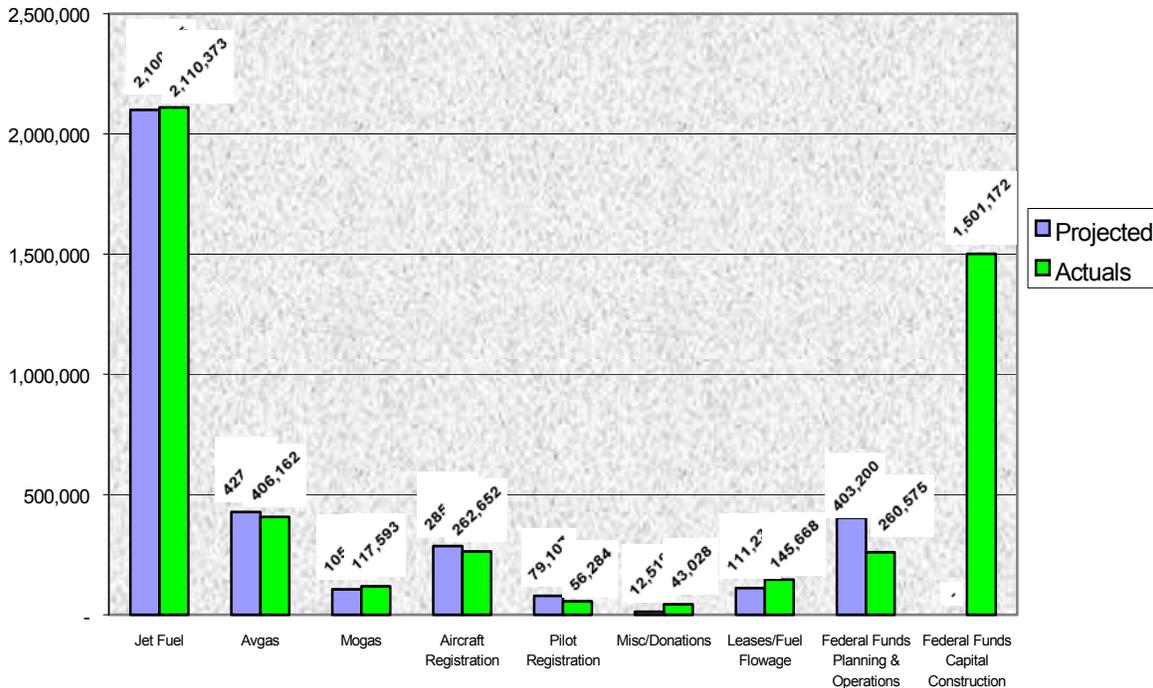
## FY2001 DEPARTMENT BUDGET

FY 2000-2001 BUDGET OVERVIEW	
▪ Projected Revenues	\$ 3,524,354
▪ Projected Expenses	\$ 6,955,271
▪ Actual Revenues	\$ 4,903,507
▪ Actual Expenditures	\$ 4,588.857

### REVENUE

One hundred percent (100%) of ODA's revenue comes from user fees, enabling the Department to operate completely independent from the need for General Fund allocations. Primary revenue sources include jet fuel tax, avgas tax, annual Oregon aircraft registration fees, proceeds from leases and agreements on state-owned airports, and other miscellaneous fees (including aircraft dealers' licenses, airport license fees, site investigation fees, etc.). All net proceeds from pilot registration fees go directly to the Oregon State Police Office of Emergency Management for dedicated Search & Rescue activities.

**FY 2001 Projected vs. Actual Revenues**  
July 1, 2000 - June 30, 2001



# OREGON DEPARTMENT OF AVIATION 2001 ANNUAL REPORT

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## ***EXPENDITURES***

Oregon Department of Aviation operates on a biennial budgeting cycle. The 2000-2001 Fiscal Year marked not only the first year the 2001-2003 Biennium, but also the first time that ODA's budget operated independently of ODOT in nearly three decades – since aviation had become a division in the Oregon Department of Transportation's fiscal management during the mid-1970s. The base budget for FY 2001 was carry-forward figures from the prior biennium's budget for ODOT's Aeronautics Section:

### FY 2001 ACTUAL EXPENDITURES

