

Oregon State Aviation Board

Meeting Minutes

January 27, 2011 Portland, Oregon

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 Committee, a meeting of the Oregon State Aviation Board was held on January 27, 2011, at Portland International Airport (PDX) in the Port of Portland's Headquarters Building, in the Chinook room.

Board Members in attendance included: Chair Mark Gardiner, Vice-Chair Chris Corich, Board Members: Steve Beckham, Nan Garnick, Jack Locker, Joe Smith and Larry Dalrymple.

Department of Aviation employees in attendance included: ODA Director, Doug Hedlund; ODA State Airports Manager, Mitch Swecker; ODA Projects & Planning Manager, Chris Cummings; ODA Fiscal Manager, Jenny Wilfong; ODA Administrative Assistant, Roger Sponseller.

Presenters and guests in attendance included: ODA Director, ODA Projects & Planning Manager, ODA Fiscal Manager. Ethan Hasenstein, DOJ; Gregg Schroeder, OMD; David Gamble, Mulino AP; Vince Nartker, Mulino AP.

CALL TO ORDER – INTRODUCTIONS

- The meeting started at 10:10 a.m.

ACTION ITEM – Approval of minutes from December 16th board meeting and the revision of the October 28th minutes.

Motion to approve by Joe Smith

Motion 2nd by Nan Garnick

Motion passed unanimously

Public Comments:

David Gamble: Commented to the board on several points. First, Mr. Gamble remarked that ODA's performance survey wasn't due until the 31st of January; why was the board talking about it now? Second, there could be a liability issue with the beacon at Mulino not being operational. Third, there are six empty hangars at Mulino and no FBO. Fourth, the Oregon Department of Aviation's website could be better utilized.

Director's Update:

Doug Hedlund: Director Hedlund brought the board up-to-date on several issues. Topics covered by Director Hedlund included:

- Rules update/revision
- Search & Rescue funding with the Oregon Military Department.
- OAMA Conference (ODA wishes to be involved).
- Unmanned Aerial Systems (UAS) testing in central Oregon. Will meet with board members Nan Garnick and Joe Smith.
- Customer survey update (34% return rate so far).
- Legislative Ways and Means preparations.

Budget Review:

Jenny Wilfong: Ms. Wilfong briefed the board on the agency's current financial standings. Issues covered by Ms. Wilfong included:

- Revenue Sources (handout)
- Revenue of AV/Jet Fuel Tax (handout)
- Actual Revenues (handout)
- Operations Cost Drivers (handout)
- Actual Operating Expenditures (handout)
- Search and Rescue (handout)
- Aircraft Registration (handout)
- Pavement Maintenance Program (handout)
- Cash and Limitation Balances (handout)
- Aurora State Airport Profitability Statement (handout)
- Mulino State Airport Profitability Statement (handout)
- Oakridge State Airport Profitability Statement (handout)
- Cape Blanco State Airport Profitability Statement (handout)
- Bandon State Airport Profitability Statement (handout)
- Pacific City State Airport Profitability Statement (handout)
- Upcoming Timeline – Budget Process and Focuses (handout)

The board discussed.

Legislative Update (handouts):

Jenny Wilfong: Ms. Wilfong gave a brief overview of several Senate and House bills currently being considered by the legislature. These bills include:

SB 537 – Helicopter Growth

Summary: Permits local government to limit growth at airports when growth is related to helicopters.

SB 310 – Amends 308.558 Tax Exemptions for Aircraft

Summary: Creates and adjusts sunset dates for certain exemptions to property taxation. Adjusts certain other dates relating to exemptions to property taxation. Takes effect on 91st day following adjournment sine die.

SB 54 – ODA Civil Complaint Bill

Summary: Permits Director of Oregon Department of Aviation to impose civil penalties for violations of aviation laws, rules or orders.

SB 55 – Economic Development Revenue Bonds

Summary: Authorizes Director of Oregon Department of Aviation, as authorized by State Aviation Board, to approve and forward applications for issuance of economic development revenue bonds to Oregon Business Development Commission.

HB 2248 – Removes Secretary of State Audit Requirement

Summary: Removes requirements for Secretary of State to audit Governor-elect's expenses before Governor takes office, audit expenses of Oregon Department of Aviation and audit claims against Oregon War Veteran's Bond Sinking Account. Allows Secretary of State discretion to conduct such audits.

Supplemental Budget Letter (handout):

Jenny Wilfong: Ms. Wilfong presented to the board, for the board's approval, ODA's Supplemental Budget Letter request. The nature of the request involved three aspects.

The first aspect involves the Aurora air traffic control tower (Policy Option Package 102). Specifically, the action requested includes an increase in the 2011-13 Aurora Capital Construction expenditure limitation (POP 102) to total \$350,000 Other Funds, \$0 Federal Funds as well as making it effective no later than April 1, 2011.

The second aspect concerns the Joseph airport runway (Policy Option Package 101). Specifically, the action requested is to approve the Joseph Airport Runway Capital Construction project (POP 101) submitted by ODA in the 2011-13 Agency Request Budget and to be effective no later than April 1, 2011.

The third aspect involves adding a Capital Construction Policy Option Package to place the remaining \$2,345,200 Other Funds coming from ODOT *ConnectOregon III* grant fund for the Aurora Tower construction phase. These funds will not be spent until the design phase is complete.

Comments:

Joe Smith remarked that if the board and the state are going to implement SB-54, that perhaps the board could consider offering a one-time amnesty (no late fees) for pilots and aircraft owners who are willing to bring their much-delinquent registrations up-to-date within a reasonable amount of time. Mark Gardiner replied that they would have to check the statutes to make sure that option was possible.

Chris Corich had an issue with the date of the board's approval. The letter stated that the board approved on the 28th when it was actually on the 27th.

ACTION ITEM – Approval of Supplemental Budget Letter

Motion to approve by Jack Loacker

Motion 2nd by Larry Dalrymple

Motion passed unanimously

At 11:10 am, as per ORS 192.660.2a & 192.660.7, the Oregon Aviation Board went into Executive Session.

At 12:00 pm, normal session was resumed.

Planning Update (handouts):

Chris Cummings: Mr. Cummings briefed the board on several projects currently being addressed by Planning. These projects include the *ConnectOregon III* Aurora tower contract, *ConnectOregon III* rural airports funding, Through-The-Fence report, Bandon land donation and the Cape Blanco divestment.

COIII Aurora Tower Contract

1. Tower Site Selection – Scheduled for April 2011 in Pomona, New Jersey. Coordination teleconference will be in mid-February.
2. Tower Design & Construction – Expect to release Request for Proposals (RFP) for Environmental/Architectural/Engineering services by mid-February.
3. ConnectOregon III Grant – Director to sign ODOT agreement next week and department is seeking expenditure authority.
4. Master Plan – Fourth Planning Advisory Committee (PAC) meeting to be held on February 17, 2011 at a location yet to be determined. This meeting will focus on Airport Development Alternatives such as no-build, RW extensions, approaches, etc.

COIII Rural Airports (CORA)

1. Round II – ODA and ODOT will proceed with a second round of CORA to award remaining funds.
2. Funds Available – Approximately \$275,000 available to support over \$5 million in FAA funds.
3. Timeline – Sponsor application is due by May 2, 2011. The board will review in June of 2011 and the OTC review and final approval will be in August of 2011.

Through-The-Fence (TTF)

1. ODA Reporting – Per OAR 738-014-0035 ODA is required to prepare annual written evaluations and present to the Aviation Board annually at first meeting after July 1 of each year.
2. Sponsor Cooperation – Per OAR 738-014-0035 participating airports are required to cooperate with ODA with the aforementioned evaluation and provide necessary information. ODA will resume previously scheduled Through-The-Fence working group meetings to assist with the annual report and other actions.
3. Upcoming TTF Activities – Rules updates to address legislative changes made in 2009. Addition of three additional airports as included in 2009 legislation.

Bandon Land Donation

History – ODA was recently approached by a land owner with an offer to donate approximately 10 acres of land in Bandon's approach.

Land Information:

- Land is landlocked, no available access.
- ODA currently owns an easement on approximately 1/3 of the property.
- Property contains trees that are necessary for removal to achieve a 20:1 slope.
- Property has been recently appraised at \$95,000.

Actions Necessary:

- Due Diligence is approximately \$20,000 (Environmental Investigation, Survey, Administration, Legal, etc.)

FAA Funding Possible:

- Minor update to ALP
- Additional environmental work.
- Total estimate approximately \$30,000 - \$35,000.

Cape Blanco Divestment

History – Oregon Department of Aviation was recently approached by Curry County with an offer to permanently take over and operate Cape Blanco airport.

OAB State Ownership of Airports Task Force (May 2004)(handout)

Policy: Own and operate those airports that fulfill an important role in the system that are not in local ownership.

Actions:

1. Transfer a State airport to local ownership when local authorities present a viable business plan for the operation of the airport for a minimum 20 years.
2. Assist local interested parties which are taking over State-owned airports manage those airports during a transition period.

2007 Oregon Aviation Plan

Policy: Own and operate those airports that fulfill an important role in the system but that ODA cannot transfer to local ownership.

Actions:

1. Minimize, through transfer, the number of airports maintained and operated by ODA.
2. Assist interested local governments to take over state-owned airports.

Next Steps:

1. Curry County is completing Application for Airport as found in Appendix B of the 2004 State Ownership of Airports Task Force Report.
2. Curry County will attend February 2011 OAB meeting to present proposal.
3. March/April Board direction.
4. Ongoing ODA administration Public Lands Advisory Committee (PLAC).

The board discussed.

Airports Briefing:

Mitch Swecker (handout): Mr. Swecker briefed the board on current airport issues. These issues included:

1. Leasing Update –
 - ODA has gone from holding and managing 306 leases down to 295. Of these leases, 140 are currently in the process of being updated with 38 completed so far.
2. Appraisal at Mulino airport is in process.
3. Evaluation of Mulino building conditions.
4. Meetings / Outreach –
 - City Manager at Independence.
 - Aurora Mayor / Marin County Commissioner.
 - Albany airport sponsors (light-post issue).
5. Customer Survey Results (handout)
6. UAV Proposal for Central Oregon –
 - Want to use Juniper North / South MOA. Restricted vice TFR.
 - Meeting held at ODA on January 5, 2011.
 - Some objections from GA pilots.
 - EDCO met with OPA at Bend.
7. Customer Survey Results (handout)

The board discussed.

The next board meeting will be held on March 31st in conjunction with the OAMA conference in Salem.

Meeting adjourned at 1:30 pm.