

2006

Annual Report

OREGON DEPARTMENT OF AVIATION



July 1, 2005 through June 30, 2006

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**From the Board Chairman
Michael Burrill**

The 2005 State Legislature passed two bills which impact the department and aviation in Oregon and this year we began implementing those bills;

SB 71, “Connect Oregon” allocates \$100 million to transportation projects statewide. The State Aviation Board reviewed 31 aviation related projects and selected 11 which received grants totaling \$23,094,310. Work is now underway to begin construction of these projects which will greatly improve Oregon’s aviation infrastructure.

SB 680, the “through the fence” bill, encourages economic development at the Aurora State airport and two other airports. This year the State Aviation Board adopted rules to implement the bill, the process is being developed at Aurora and work is underway to select the other two airports.

This was a productive year for our State Master Planning project. We traveled the state, holding numerous public meetings to receive input from community and business leaders and aviation professionals. Hundred’s of surveys were completed and the plan is now being written by our consultants. This will serve as Oregon’s aviation “roadmap” for the next several years and is critical to our aviation future. The plan will guide the Board in the allocation of monies and project funding. This will aid us in making the best possible decisions to spend funds wisely and appropriately.

The Department of Aviation has made much progress, this year by improving its staff, implementing airport development projects, awarding FAM and PMP grants, implementing ADS-B and continuing work on the state’s aviation master plan. Through cooperative efforts of many State agencies we are all working to improve the economy of the State of Oregon and create family wage jobs. With many State departments, Boards and Commissions working together to enhance economic development in Oregon I look forward to continuing successes in the future.



From the Director Bob Hidley

Much was accomplished during this year! Our system plan, economic impact study, air service improvements and state aviation master plan are well underway and should be completed by spring, 2007. Through a system of committees we met with business, community and aviation leaders from across the state and have completed all data collection. These studies will become the “roadmap” for us to follow to improve Oregon aviation.

ConnectOregon, a \$100,000,000 bill to improve transportation in Oregon was passed by the State Legislature and resulted in \$23,094,310 for eleven important aviation projects; including air cargo improvements, terminal, runway, apron, and other infrastructure improvements at nine airports. The State legislature passed Senate Bill 680 which will provide funding methods for rural Oregon airports.

Installation is currently underway for a total of nine Automatic Dependent Surveillance – Broadcast (ADS-B) ground stations in Oregon to be completed by spring 2007. Three funded by the FAA and six through a \$1,615,681 *ConnectOregon* grant. ADS-B is a new system that allows pilots in the cockpit and air traffic controllers on the ground to “see” aircraft traffic, display real time weather and other functions. It is currently being deployed nationwide to be complete by 2012. There will be nine stations in Oregon; Baker City, Burns, Eugene, John Day, Medford, North Bend, Pendleton, Redmond, and Salem.

The Lakeside State airport was transferred to the city of Lakeside; we are completing a management/transfer agreement with the Port of Portland regarding the Mulino airport, which will result in 20 new hangars and a fuel facility. Land acquisition is ongoing to build a new airport in Jordan Valley.

FAA entitlement grants totaling \$1,650,000 were received and used for projects at four state airports to install new beacons, runway/taxiway rehabilitation and environmental work. Planning is underway for projects in FY2007 totaling \$3,855,000 using both entitlement and discretionary funds including land acquisition and taxiway realignment at Aurora, fencing/lighting and RSA restoration at Cottage Grove, an AWOS at Joseph, ALP update at Independence and RSA relocation and PAPI’s at Lebanon.

Financial Aid to Municipalities (FAM) grants totaling \$299,296 were awarded to 19 airports and 15 airports received a total of \$865,000 for pavement maintenance projects.

All of these projects and more are contributing to economic development and job growth in Oregon. The progress will continue in 2007!

Mission Statement

Agency Mission: Enhance the well-being of the people of Oregon by advancing aviation in the state.

The Oregon Department of Aviation (ODA) is dedicated to developing and improving Oregon's aviation system.

The Department's goals include:

- Develop aviation as an integral part of Oregon's transportation network
- Create and implement strategies to protect and improve Oregon's aviation system
- Encourage aviation-related economic development
- Support aviation safety and education
- Increase commercial air service and general aviation in Oregon
- Enhance aviation's role in general economic development.

ODA is committed to the development and realization of its strategic plan, by encouraging problem-solving processes to statewide aviation issues. ODA participates in multi-modal coordination. ODA carefully coordinates and manages aviation-related legislation. ODA provides outreach to aviation system users throughout Oregon.

Oregon Department of Aviation History

1920-1930: The Oregon Department Aviation (ODA) was originally founded in 1921 as the Oregon State Board of Aeronautics. It was the first government aviation agency in the history of the United States. At its inception, the Oregon Board of Aeronautics tested the competency of pilots and airworthiness of aircraft. Later, when the federal government created the Federal Aviation Administration (FAA) and took over these functions nation-wide, the duties of the Board of Aeronautics were modified to deal with aviation-related matters of state concern.

1940: In 1947, the Oregon Legislature gave Aeronautics the responsibility to establish and maintain a program for Air Search and Rescue (Air SAR), 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 division activities until 1994.

1950: The 1950's saw the Board of Aeronautics involved in formulating a Master Search and Rescue Plan, producing the first-ever Oregon Airport Directory state airways map, and creating an air marking plan that included a complete survey of the entire state. During this decade, 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).

1960: The 1960's brought the Aeronautics Board the ability to award hundreds of thousands of dollars in grants to Oregon's community airports to provide lighting systems and radios. The inventory of state-owned airports tallied 26 during this decade, and Aeronautics constructed the first-ever hospital heliport in the Pacific Northwest. This successful project resulted in Aeronautics promoting development of heliports at additional Oregon hospitals, ultimately resulting in 36 such facilities statewide.

1970: The Oregon Department of Transportation was established in the 1970s. This resulted in the dissolution of the Aeronautics Board and creation of an Aeronautics Division within the new transportation agency. ODOT worked to unify multi-modal transportation systems across the state. 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 across Oregon.

Oregon Department of Aviation History

1980: By the 1980s, Aeronautics was active in Oregon Airport Management Association, a professional association whose creation was encouraged by the Division. Aeronautics staff also oversaw preparation of the nationally-acclaimed “Airport Compatibility Planning Guide.” This publication provided recommendations for guidelines and procedures on land use planning and zoning for airports and was distributed to all airport owners and municipalities.

1990: In 1991, the Aeronautics Division of ODOT participated in the planning and organization of the first Oregon Air Fair, which continues as an annual aviation event 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 used to measure the condition of airport pavements in the state. Between 1994 and 1998, Aeronautics successfully transferred Air SAR responsibilities to the Oregon State Police, and the Office of Emergency Management (OEM), which manages all other search and rescue activities in Oregon. During 1998, the Division began work on development of the Oregon Aviation Plan. This statewide aviation policy document refined the goals and policies of the Oregon Transportation Plan, specifically, as they related to aviation.

2000: In 1999, the 70th Oregon Legislative Assembly passed legislation granting Aeronautics independent agency status. The Oregon Department of Aviation (ODA) came into being on July 1, 2000. The five-member State Aviation Board was created by Governor Appointment to provide policy direction to ODA’s Director and the Department. In early 2002, the State Aviation Board was expanded to a seven-member policy body.

OREGON AVIATION BOARD

The State Aviation Board was created by the 1999 Oregon Legislative Assembly through the Senate Bill 108. Seven members of the public serve on the Board by appointment of the Governor and are responsible to provide policy guidance and oversight to the Department of Aviation.



Board Chair, Michael Burrill, Sr. is an original member of the State Aviation Board. He is a southern Oregon native and president of Burrill Resources, Inc. in Medford. Due to his extensive involvement in local and state transportation issues, Burrill brings an interest in developing international trade in Oregon, as well as improving an air cargo system that would serve not only the state, but the broader Pacific Northwest Region.



Vice Board Chair, Chris Corich, comes to the State Aviation Board with over 22 years of aviation experience. He is currently employed by the Port of Portland as their General Manager of Long Range Airport Planning. In that role, he leads the planning efforts for the Port's four airports including Portland International, and also has responsibility for the noise office that works on noise issues for Port airports. At the Port, he has previously worked as the General Manager of Operations and Maintenance where he was responsible for the day to day operations of PDX including the Airport Fire Department, Airfield Operations, Maintenance, Parking, and the Noise Office and has also served as the Manager for the General Aviation Airports – Hillsboro, Troutdale, and Mulino. He has also worked as an airport planning consultant where he completed master plans, airport layout plans, environmental assessments, and management studies at eleven airports in the State.



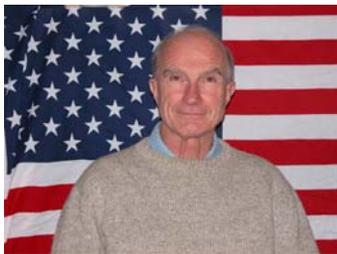
Board Member Carrie Novick has been the Airport Manager at Roberts Field-Redmond Municipal Airport for more than 10 years. In that capacity, she has successfully led that facility through a decade of growth that included construction of a new terminal building, installation of a new air traffic control tower and a dramatic increase in air service options. An original member of the State Aviation Board, Novick formerly served on the Statewide Aviation Advisory Committee in 1996-1997. She brings specific expertise regarding the development, preservation and professional management of public use airports.



Board Member Steve Beckham was confirmed by the Oregon Senate in November 2003. A long time Oregon resident now living in Aumsville, he works as Vice President, Government Affairs for Liberty Mutual/Liberty Northwest. Beckham brings 30-plus years of public policy and governmental affairs experience to the Board. He is passionate about aviation and is both a pilot and aircraft builder. He brings a vision for aviation to become a means to improve economic development in communities throughout the state and for Oregon to become a national aviation leader.



Board Member Jack Locker of Portland is retired from his own lawn practice and has served on the State Aviation Board since February 2002. He is a general aviation pilot who formerly served in the U.S. Air Force and Oregon Air National Guard. Locker is committed to ensuring that Oregon's general aviation airports thrive as they serve the broader communities in which they are located. Locker was appointed in correlation with expansion of the Board from five to seven members.



Board Member Joe Smith's connection to aviation began in 1963 when, as A.A. to an Oregon congressman, he joined the Congressional Flying Club, and got his ticket flying out of Friendship Airport (now BWI). He then went to work for a law firm specializing in aviation law, and by the time he returned to Oregon had developed a keen interest in maintaining a healthy American aviation system.

Since then he's served as District Attorney for Umatilla County, Executive Assistant to the Speaker of the Oregon House of Representatives, Executive Director of the Pacific Northwest Regional Commission, and a short stint holding an interim position in the Oregon House of Representatives. Between 1986 and 2000, while maintaining an active private law practice, he was a senior consultant with what is now Franklin Covey Company, helping private and government organizations improve their efficiency and effectiveness. Joe was first appointed to the Aviation Board in 2001 by then Governor Kitzhaber, and after being off the Board due to his serving in the legislature was reappointed in 2005 by Governor Kulongoski. He was also named president-elect of the Oregon Pilot's Association in November 2005, and will become OPA president in the fall of 2006. He now lives in Portland with his spouse Meredith.

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Aviation in Oregon

Overview

Air transportation is an important part of Oregon's transportation system and airports are critical components of Oregon's transportation infrastructure. They support the state's economic and social well being and livability by enabling the quick, efficient, and safe movement of people and goods. As of 2006 there are 97 public use and over 350 private use airports in Oregon which provide a variety of different services to Oregonians, businesses and tourists.

Oregon's size, geography, and population distribution make air transportation more important for access, mobility, and connectivity than many other states. Air transportation plays a key role in connecting Oregon's rural populations with services and commerce in larger cities, and to the national and international air transportation system. This is particularly true in many areas outside of the Willamette Valley where access to the major commercial service airports is hours away. Oregon's urban and rural communities depend heavily on their airports.

Economic Importance

Oregon's system of airports plays an important role in economic development. The economic significance of Oregon's airport system is demonstrated by the following facts:

- More than three million visitors arrive each year at Oregon's commercial service and general aviation airports
- Spending by visitors and associated spin-offs account for a total annual benefit of approximately six billion to Oregon's economy
- Visitor spending supports over 135,000 jobs in Oregon with an annual payroll estimated at 2.4 billion
- Approximately 12,000 jobs are created by aviation-related tenants at Oregon's airports, and an additional 13,000 secondary jobs support tenant-related jobs
- Annual output or spending related to all tenants at Oregon's system of commercial and general aviation airports is estimated at 5.9 billion

Oregon's public-use airports play a key role in ensuring economic growth and maintaining high standards of livability throughout the state. Airline passengers, overnight mail, air cargo, air ambulance, forest fire suppression, crop spraying, military use, and aviation-related businesses all depend on an adequate network of airports.

Summary of State-wide Aviation Planning Projects

In late 2005, the Oregon Department of Aviation began an exciting project to address the needs of the entire state-wide aviation system. The Department contracted with Mead & Hunt, a nationally recognized aviation consulting firm, to provide professional planning services for three state-wide planning projects. These studies included an update to the State Aviation System Plan, an update to the Economic Impact Study for the aviation industry in Oregon and the creation of a State Aviation Master Plan. These three documents focus on various areas of importance with the aviation system of the State of Oregon and when completed, will provide very complimentary information between the three documents.

This year has been very busy with data collection and analysis for these three projects. Throughout the year, eight regional workshops were conducted, along with three meetings of the Advisory Committees for each study, providing public and professional evaluation of the studies as they progress through the planning process. For example, in January and February 2006, regional workshops were conducted throughout the state to solicit participation in the planning process from airport managers, airport owners, host communities, and local county officials, as well as local chambers of commerce and economic interest groups. These workshops provided the consultant team with information about the needs and roles these airports play in their local economy.

In the spring, Mead & Hunt was able to complete the site visits to all ninety-nine airports as part of the data collection process. During the summer months, an extensive survey effort was conducted to solicit information regarding the use of the aviation system. This included distribution of surveys to aviation related businesses, pilots, local host communities, airport managers, county governments and local chambers of commerce. These surveys were focused on collecting information on four areas of interest: overall airport facilities, potential economic development, community perception of the airport, and the feasibility of an intra-state air shuttle. The results of these surveys have been summarized and are being used to guide the development of specific recommendations for each airport, as well as the entire state. These surveys were further supplemented by an effort to identify the value of passengers spending at airports in the state. On-site passenger surveys were conducted at five commercial service airports which will provide the basis for an element of the economic impact analysis.

Into the fall, the findings of the air shuttle analysis were presented, as well as preliminary information related to the development of individual airport recommendations. This information will be further refined, based upon comments from the various advisory committees and will be presented in the first quarter of 2007 for review by the Department. The current planning process will be expected to reach completion in Spring 2007, providing the Department with a guide for existing and future development of the aviation system of the state.

NW Regional Air Service Initiative

Small Community Air Service Development

In cooperation with Washington Department of Transportation and with Oregon and Washington Airport Managers Association we have obtained a USDOT Grant to improve air-service

Phases developed:

- Phase 1 A tool kit and DVD for communities in Washington and Oregon to determine if they want to further evaluate the possibility of air service to their community. This includes a mentor program for communities that require further assistance. This phase has been completed.

- Phase 2 Air service marketing analysis currently being conducted (Jan 07).

- Phase 3 Strategies to implement air service for communities identified in Phase 1 and Phase 2 as potential candidates. Requires additional USDOT Grant.

Oregon Dept of Aviation Website

VISIT THE OREGON DEPT OF AVIATION WEBSITE

<http://www.aviation.state.or.us>

REPORTS AND INFORMATION

- Management Control Program
- Annual Report
- Aviation Newsletter
- Calendar of Events

AIRPORT INFORMATION

- Airport Master Plans
- Links to Airport Websites
- Warning Airports
- Calendar of Events
- Projects

EMPLOYMENT INFORMATION

OREGON ADMINISTRATIVE RULES AND
REVISED STATUTES PERTAINING TO AVIATION

AIRCRAFT AND PILOT REGISTRATION FORMS

STAFF INFORMATION

BOARD INFORMATION

- Agenda & Minutes
- Biographies of the Board

The above information and much more can be found on the Aviation Website.

Pilot and Aircraft Registration

ODA is currently accepting credit cards over the phone to renew aircraft and pilot registrations. ODA is working towards an on-line registration. The public will be able to register aircraft or renew pilot certificates using the on-line service including, pay by credit/debt card, and making any necessary changes. After establishing a user name and password a person will be able to make changes or update information from the comfort of their computer. ODA is very excited about this new enhancement not only for our department, but for the public we serve. COMING IN 2007!!!

REGISTRATION NUMBERS **CALENDAR YEAR 2006**

PILOT REGISTRATION	5,058
AIRCRAFT REGISTRATION	7,875



2006 Financial Aid to Municipalities Grant Program

In 2006, ODA's Financial Aid to Municipalities (FAM) Grants provided a total of \$299,296 in assistance to 19 Oregon airports. Funding for FAM Grants comes from state taxes on all aviation fuel pumped in Oregon. Local match was required for successful grant recipients. Eligible projects focused on airport capital improvement projects and planning projects, or smaller airport projects which were often difficult to fund through other means. FAM Grants may also be used as part of the local sponsor match for FAA Airport Improvement Plan (AIP) grants. The following are the Airports awarded FAM Grants in 2006 with a description of the airport projects.

<u>Airport and Project Description</u>	<u>Grant Award Amount</u>
Albany Municipal Airport, City of Albany – New taxilane, continuation of security fencing and security lighting for main FBO and parking apron	\$15,000
Ashland Municipal Airport, City of Ashland – Vegetative obstruction mitigation – trimming of trees in violation of both object free area and obstacle free zone clearing standards	\$10,000
Brookings Airport, Curry County – Relocation of wind cone and Segmented circle on west side of airport, obstruction removal, security Fencing, surfacing near taxiway	\$10,000
Burns Municipal Airport, City of Burns – ALP update, new taxilane and water storage tanks for fire suppression	\$20,000
Columbia Gorge Regional Airport, City of The Dalles – 7'-tall security fence for closure of runway 2/20 per FAA requirements	\$15,000
Grant County Regional Airport, Grant County – Construction/rebuilding of taxilanes and seal coating of new ramp	\$20,000
Klamath Falls Airport, City of Klamath Falls – Rehabilitation of runway 7/25 and reconstruction of taxiway F	\$20,000
Lakeview Airport, Lake County Oregon – Construction/rebuilding of taxilanes and seal coating of new ramp	\$16,875
Ontario Municipal Airport, City of Ontario – Construction of run-up apron, runway 14 blast pad, taxiway A-1 South, center field taxiway and replacement of existing rotating beacon	\$18,421
Portland Hillsboro Airport, Port of Portland – Rehab of Taxiway A and shoulders and construction of perimeter road and security fencing	\$10,000

2006 Financial Aid to Municipalities Grant Program, cont.

<u>Airport and Project Description</u>	<u>Grant Award Amount</u>
Portland International Airport, Port of Portland – Taxiway B rehab/relocation and concourse A/B ramp reconstruction	\$10,000
Portland Mulino Airport, Port of Portland – Runway 32 obstruction removal, installation of rotating beacon, threshold relocation and T-hangar taxiway pavements	\$10,000
Portland Troutdale Airport, Port of Portland – Tree trimming and maintenance	\$10,000
Prineville Airport, City of Prineville – Construction of a new taxiway north of runway 10/28 and reconstruction of taxiway from fuel apron to runway 28	\$20,000
Roberts Field/Redmond Municipal Airport, City of Redmond – Environmental assessment, engineering, design and construction of beacon interrogator radar infrastructure	\$20,000
Rogue Valley International Airport, Jackson County – Installation of perimeter wildlife fencing, construction of new circulation roads, utilities and parking areas	\$14,000
Roseburg Regional Airport, City of Roseburg – Apron and taxiway improvements	\$20,000
Salem Municipal Airport, City of Salem – Rehab of taxiway Charlie and remove obstructions to the approach to ILS runway 31	\$20,000
Tillamook Airport, Port of Tillamook Bay – Taxilane asphalt overlay	\$20,000

2006 Airport Improvement and Non-Primary General Aviation Entitlement Programs

The Non-Primary GA Entitlement Program (NPEP) provides ODA up to \$1,650,000 annually, or \$150,000 per National Plan of Integrated Airport System (NPIAS) airport, based on each airport's Capital Improvement Program (CIP). ODA administers this FAA funding program at the state level for use in safety, maintenance and capital improvement projects. The following projects at three state-owned airports were initiated during 2006:

Bandon State Airport – Improve runway 16/34 safety area, including obstruction removal (design only phase 1)	\$60,000
Cottage Grove State Airport – Environmental assessment and design for improvement of runway 15/33 safety area (phase 1)	\$50,000
Lebanon State Airport – Improve runway 16/34 safety area, including design and runway end relocation (phase 1)	\$80,000

NPEP funding remains available to ODA for up to four years from grant inception. Unprogrammed funds can be “banked” in order to pay for larger projects in subsequent years. All of ODA's remaining monies are obligated for projects to be initiated in 2006, 2007 and 2008, including major improvements to Aurora, Bandon and Lebanon airports, as well as a number of smaller projects at other airports.

Airport Projects Funded by ODA

Independence State Airport – Install waterline for fire suppression system	\$176,444
Pacific City State Airport – Waterway Restoration Project	\$6,224

2006 Airport Planning and Development

Airport Layout Plan Development

The Multiple Airport Layout Plan (MALP) and Report Project are used to update Airport Layout Plan (ALP) for smaller airports that may not otherwise be able to independently develop their own master plan. Typically, three airports are included in each project year to create cost savings through economies of scale. Selection of project airports is a joint effort of the FAA and ODA, based on a variety of criteria and factors that include: level of need, age of existing master plan or lack of same, growth issues, and the need for a Capital Improvement Plan (CIP). During FY 2006 Airport Layout Plans were completed for:

Ashland Municipal Airport
Lebanon State Airport
Roseburg Municipal Airport

Jordan Valley Airport Development

In 2002-03, a team headed by W&H Pacific conducted a site selection process for a new airport near Jordan Valley, Oregon. The process continued through the development of an Airport Layout Plan and an environmental fatal flaw assessment. For a number of reasons, the project was placed on indefinite hold. Recently, local property owners have expressed an interest in pursuing the development of the airport in the proposed location.

The objective of this project is to prepare the necessary environmental documentation, permit applications, land use actions, property acquisitions and an Airport Layout Plan update to allow the proposed Jordan Valley Airport to move forward. This project includes a review of the ALP and revision to the runway orientation from 12-30 to a more east-west orientation, as identified in the previous study. This project also builds upon the previous wetland delineation and biological community inventory, to address the new runway alignment.

The Airport requires five land use actions to move forward, including zoning and comprehensive plan amendments and an exception to statewide planning goals.

Finally, the project includes preparation of an Environmental Assessment to FAA requirements.

Project Cost **\$284,663**

2006 Pavement Evaluation Program

Through the Pavement Evaluation Program (PEP), the ODA provides pavement condition information to owners of eligible airports throughout the state that assists them with pavement maintenance planning. The state is divided into three geographic regions and pavement inspections are done at each airport in the program once every three years. The pavement evaluation service is provided at no cost to the airport since the FAA funds 90 percent of the program and ODA provides the remaining 10 percent. ODA dedicated \$79,800 to evaluate pavement conditions at the following airports in 2006:

Baker City Municipal	Joseph State
Bend Municipal	La Grande/Union County
Boardman	Lexington
Burns Municipal	Madras City-County
Cascade Locks State	Monument Municipal
Columbia Gorge Regional/The Dalles	Ontario Municipal
Condon State	Prineville
Enterprise Municipal	Sisters Eagle Air
Hermiston Municipal	Sunriver
Ken Jernstedt Airfield	Wasco State
Grant County Airfield	



2006 Pavement Maintenance Program

ODA dedicates funds derived from state aviation fuel tax revenue to preserve pavements at eligible airports throughout the state. The Pavement Maintenance Program (PMP) divides the state into regions just as the PEP does. For any given year the PMP addresses maintenance issues that were identified during the previous year's PEP. Airport sponsors participate with local match, which can be provided by FAA GA Entitlement, other funds, or a combination thereof. A summary of the 2006 projects follows.

<u>Airport and Project Description</u>	<u>Project Cost</u>
Albany Municipal Airport – Rehab runway 16/34, including apron (crack seal)	\$108,231
Astoria Airport – Rehab runway 13/31 (crack and fog seal), rehab runway 8/26 (fog seal)	\$156,219
Corvallis Municipal Airport – Rehab taxiways and apron (crack seal)	\$28,646
Lebanon State Airport – Rehab runway 16/34 (crack seal)	\$31,176
McMinnville Municipal Airport – Rehab runway 4/22 including taxiway (fog seal)	\$180,947
Portland Mulino Airport – Rehab taxiway (crack and fog seal)	\$131,190
Nehalem Bay State Airport – Rehab runway 15/33 including crack seal and slurry seal,	\$ 50,610
Newport Municipal Airport – Rehab runway 16/34, including crack seal and apron	\$ 34,065
Pacific City State Airport – Rehab runway 14/32 and apron, including crack seal and fog seal	\$ 29,308
Salem Municipal Airport – Rehab taxiway and apron (crack seal)	\$ 15,512
Scappoose Industrial Airpark – Rehab runway 15/33 including taxiway (fog seal)	\$144,658
Seaside Municipal Airport – Rehab taxiway, runway 16/34 and apron (crack and slurry seal)	\$ 93,303
Tillamook Airport – Rehab runway 13/31, runway 1/19 and taxiway (crack seal)	\$ 93,422

Total Cost = \$1,097,287

ConnectOregon Initiative

In 2005 the Oregon Legislative Assembly approved the lottery-bond-based *ConnectOregon* initiative, which dedicates \$100 million for investment in air, rail, marine and transit infrastructure. Its focus is on improving the connections between the highway system and the other modes of transportation to better integrate the components of the system, improve flow of commerce and remove delays. *ConnectOregon* will attract and sustain business and jobs in Oregon, and ensure Oregon is connected to world markets.

During the 2006 fiscal year, procedures were established and applications for *ConnectOregon* grants were solicited, reviewed and awarded. Out of a total of 47 grants awarded across the state, 10 of them are aviation projects, listed below. Actual construction will take place during the 2007 fiscal year.

<u>Airport and Project Description</u>	<u>Grant Amount</u>
Bend Municipal Airport, City of Bend – Relocate/construct runway 16/34	\$350,000
Coos County Airport District – Runway, apron and air freight facility	\$640,000
Eugene Airport, City of Eugene – Air cargo facilities improvement	\$4,103,461
Grant County Regional Airport, Grant County – Runway extensions to 9/27 and 17/35	\$1,875,368
Klamath Falls Airport, City of Klamath Falls – Jet factory service center	\$1,000,000
LaGrande/Union County, Sky Highway, Inc. – Air charter service	\$85,000
Lexington Airport, Morrow County Public Works – Fuel and terminal	\$118,000
Rogue Valley International/Medford Airport - Multi-modal Airport	\$4,766,400
Ontario Municipal Airport, City of Ontario – Runway extension	\$1,040,000
Roberts Field, City of Redmond – Terminal expansion	\$7,500,000
Sensis Corporation – ADS-B ground-based transceivers (auto dependent surveill broadcast)	\$1,615,681
Total Aviation Awards	\$23,094.31

2006 Aurora State Airport Runway rehab

Project Summary

This project included rehabilitating asphalt runway 17-35 (mill and inlay 2.5", overlay 3"), upgrading the runway lighting, and modifying the taxiway to serve as a temporary runway at Aurora State Airport. The bulk of the project was completed during four "weekend" runway closures. Three of the weekends were long weekends, Friday evening to Wednesday morning, and the fourth was a standard weekend. The taxiway was open as a temporary runway whenever the main runway was closed during daylight hours only.

The consultant on the project was W&H Pacific, Inc. and the contractor was J.C. Compton Company dba Salem Road and Driveway. The Oregon Air National Guard provided and manned a temporary control tower to direct air traffic, facilitate communication, and increase the level of safety during construction.

Normally a project such as this would require a runway being closed for a minimum of 60 days, however this would be extremely detrimental to our airport tenants so we derived an innovated schedule utilizing 6 weekends.

The project was scheduled for six weekends. Using a system of contractor incentives the work was completed 14 days ahead of schedule and \$76,764 under budget.

Project Budget

Engineering – Design and Inspection	\$ 562,109
Equipment – Closure X's, Light Base Cans, Regulator	\$ 50,024
Construction	\$1,954,906
ODA Admin – 3%	\$ 77,011
Total	\$2,644,050

Project Funding

2004 AIP Grant	\$1,445,140
GA Entitlement	\$1,066,708
Total Federal Funds Required - 95%	\$2,511,848
State Funding – 5%	\$ 132,203
Incentives - 2 weekends early @ \$35k bonus	\$ 70,000
Disincentives – 6 weekdays @ \$8k liquidated damages	(\$ 48,000)
Total State Funds Required	\$ 154,203

Tall Structures Evaluation

During FY 2006, ODA staff reviewed and commented on approximately 305 proposed new tall structures in Oregon. Staff also continued to monitor approximately the same number of existing structures. With the cellular industry experiencing exponential growth, the existing system of cell towers is simply inadequate to handle the call volume. Not only has the relative cost of cell service become so affordable that many have discontinued traditional telephone service altogether, but many businesses are turning to mobile data transmission devices. The result is a staggering system capacity overload. To date, the only solution proposed by the cell phone industry itself is to increase the number of towers situated in urban areas as quickly as possible. All of these structures pose potential safety concerns to air navigation. As a result, evaluation and monitoring of cell tower structures will continue to be a focused effort for ODA, as staff work to preserve airports and protect air system safety.



5010 Master Record Inspections

The purpose of 5010 Master Record Inspections is to verify airport data and update and or correct the elements as necessary. It is important to report the conditions of the airport to the airport owner. During these inspections an update of the airport layout sketch is done to show any changes at an airport, the results are used to update flying publications.

29 airports were inspected in 2006. The ODA was reimbursed \$500 per 5010 airport inspection in 2006. The FAA 2006 fiscal year ODA will receive \$14,500 from the 5010 inspections. 31 airports were selected for inspection in 2007 and the FAA 2007 fiscal year ODA will receive \$500 per 5010 inspection, totaling \$15,500 in 2007.



2006 Budget

2005-07 Legislatively Adopted Budget

Agency Wide Revenues Summary

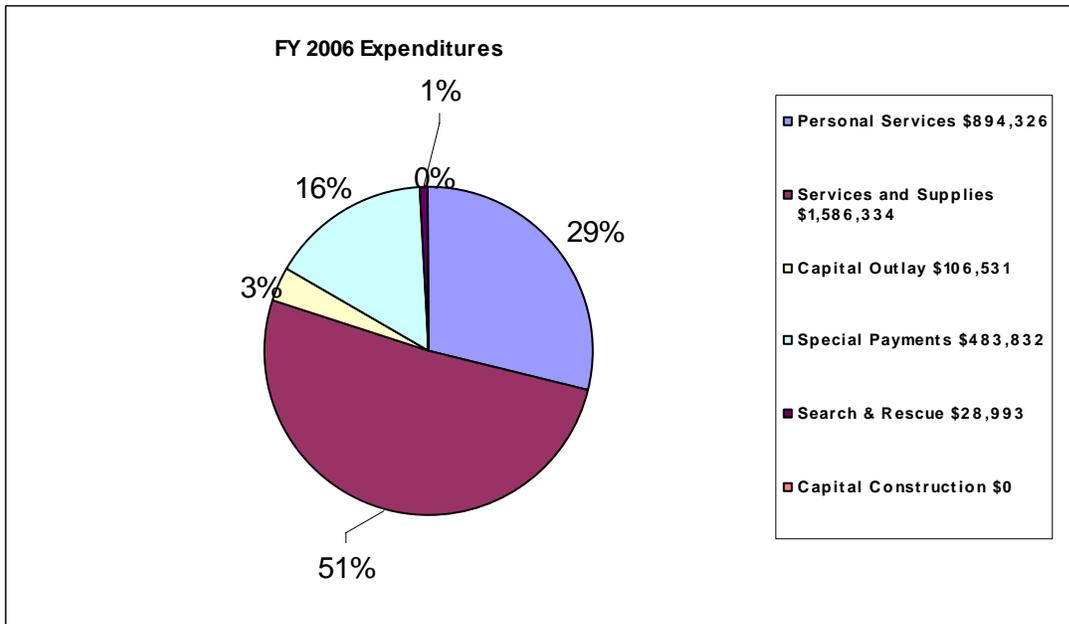
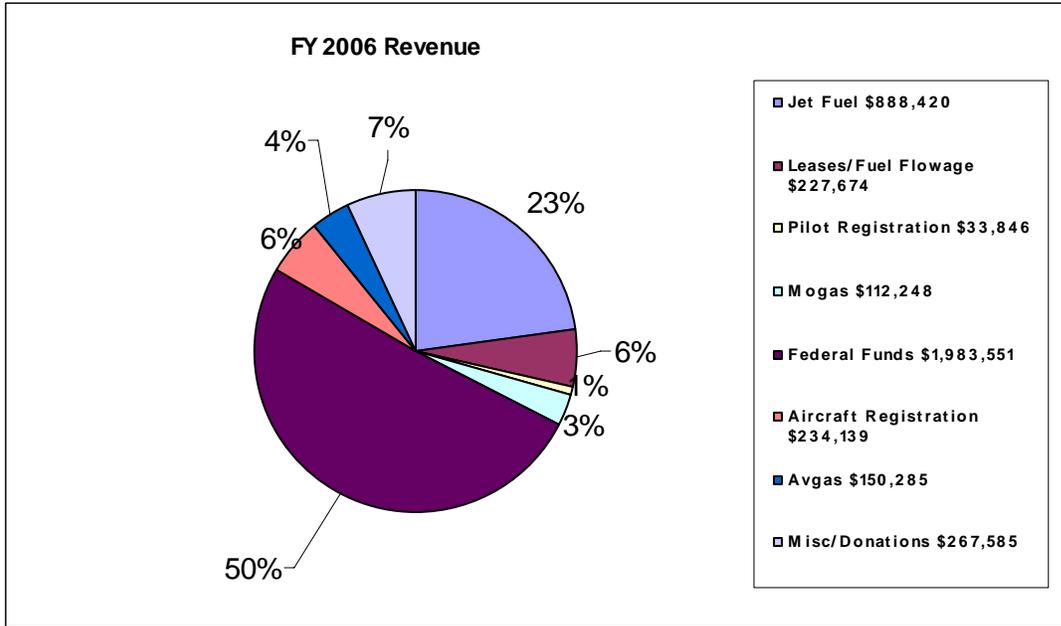
Beginning Balance	\$999,033
Revenue Categories	
Motor Fuels Taxes	4,372
Licenses & Fees	610,500
Federal Revenues	10,510,000
Fines & Forfeitures	25,000
Rents & Royalties	1,105,000
Donations	15,000
Other Revenues	721,634
Transfer In – Intra-fund	391,116
Transfer From Transportation Dept	5,385,464
Transfer Out – Intra-fund	-391,112
Transfer to Police, Dept of State	-83,128
Total Available Revenues	\$ 19,292,879

Agency Wide Expenditures Summary

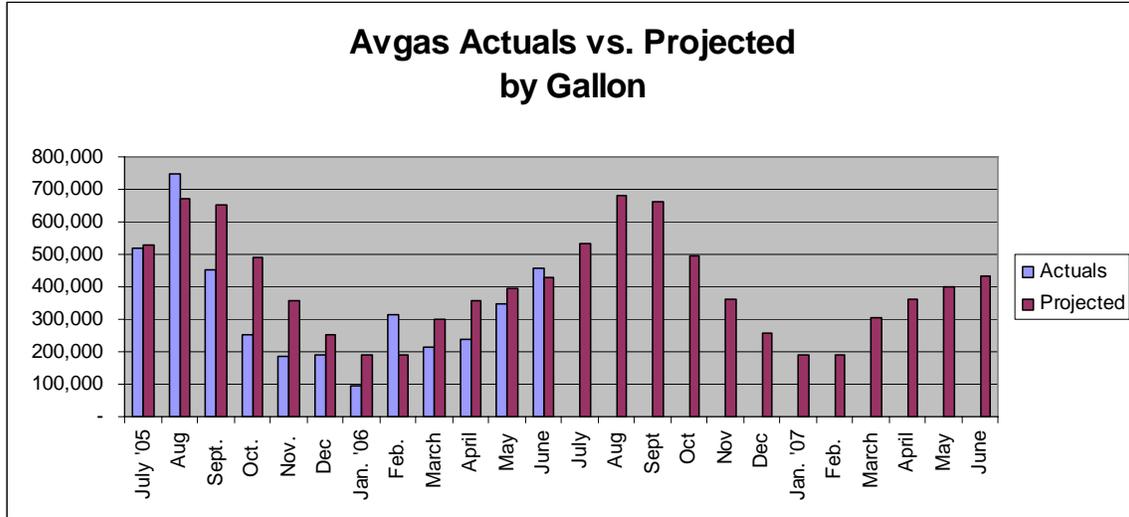
Expenditure Program Units

Operations	\$7,280,284
Search & Rescue	107,035
General Aviation Entitlement Program	9,736,842
*Capital Improvements	0
*Capitol Construction	0
*Placeholders for possible projects	
Total Expenditures	17,124,161
Ending Balance	\$ 2,168,718

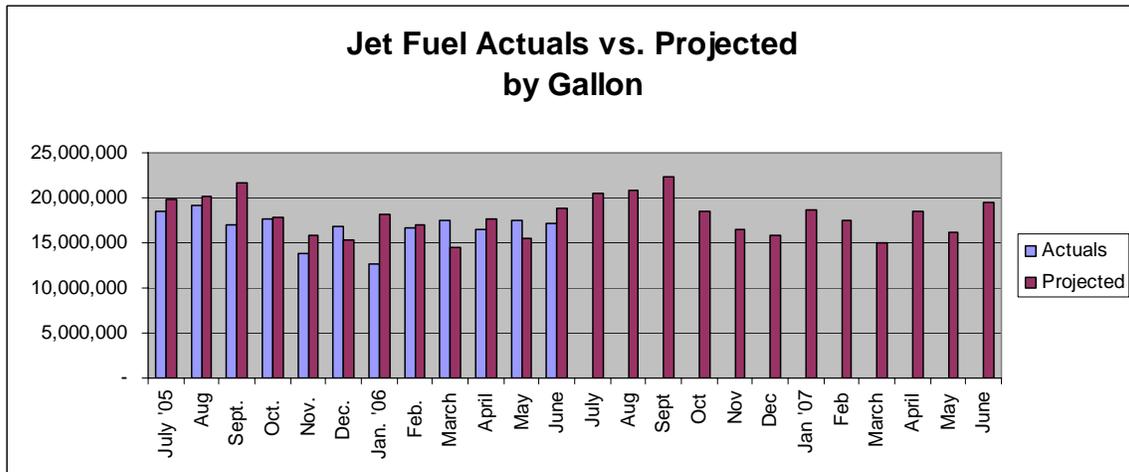
2006 Budget



2006 Avgas



2006 Jet Fuel



2006 State Maintenance Costs

<u>LOCATION</u>	<u>Y-T-D EXPENDITURES</u>
Alkali Lake	\$777
Aurora	40,936
Bandon	17,714
Cape Blanco	7,615
Cascade Locks	4,329
Chiloquin	7,450
Condon	8,957
Cottage Grove	11,832
Crescent	927
Independence	77,256
Joseph	44,089
Lakeside	9,460
Lebanon	10,483
McDermitt	3,018
McKenzie Bridge	2,847
Nehalem Bay	3,013
Oakridge	4,056
Owyhee Reservoir	506
Pacific City	12,104
Pinehurst	2,078
Prospect	7,629
Rome	652
Santiam Junction	473
Siletz Bay	10,469
Tokettee	1,364
Toledo	2,320
Wakonda Beach	1,467
Wasco	6,177
TOTAL FOR ALL AIRPORTS:	\$299,998

