OREGON STATE AVIATION BOARD

April 4, 2019

(503)378-4880 3040 25TH STREET, SALEM, OR 97302 WWW.OREGON.GOV/AVIATION ORAVIATION

CONSENT AGENDA

APPROVAL

- February 12, 2019 Meeting Minutes (Audio and Action Agenda)
- Next Board Meeting – June 6, 2019 in Pacific City

PUBLIC COMMENTS

(Limited to 2 minutes per speaker)

DIRECTOR'S UPDATE

BETTY STANSBURY

AIRPORT UPDATE

MATTHEW MAASS

ADMIN. & FINANCE DIVISION UPDATE

MARY BUELL

PROGRAMS & PLANNING DIVISION UPDATE

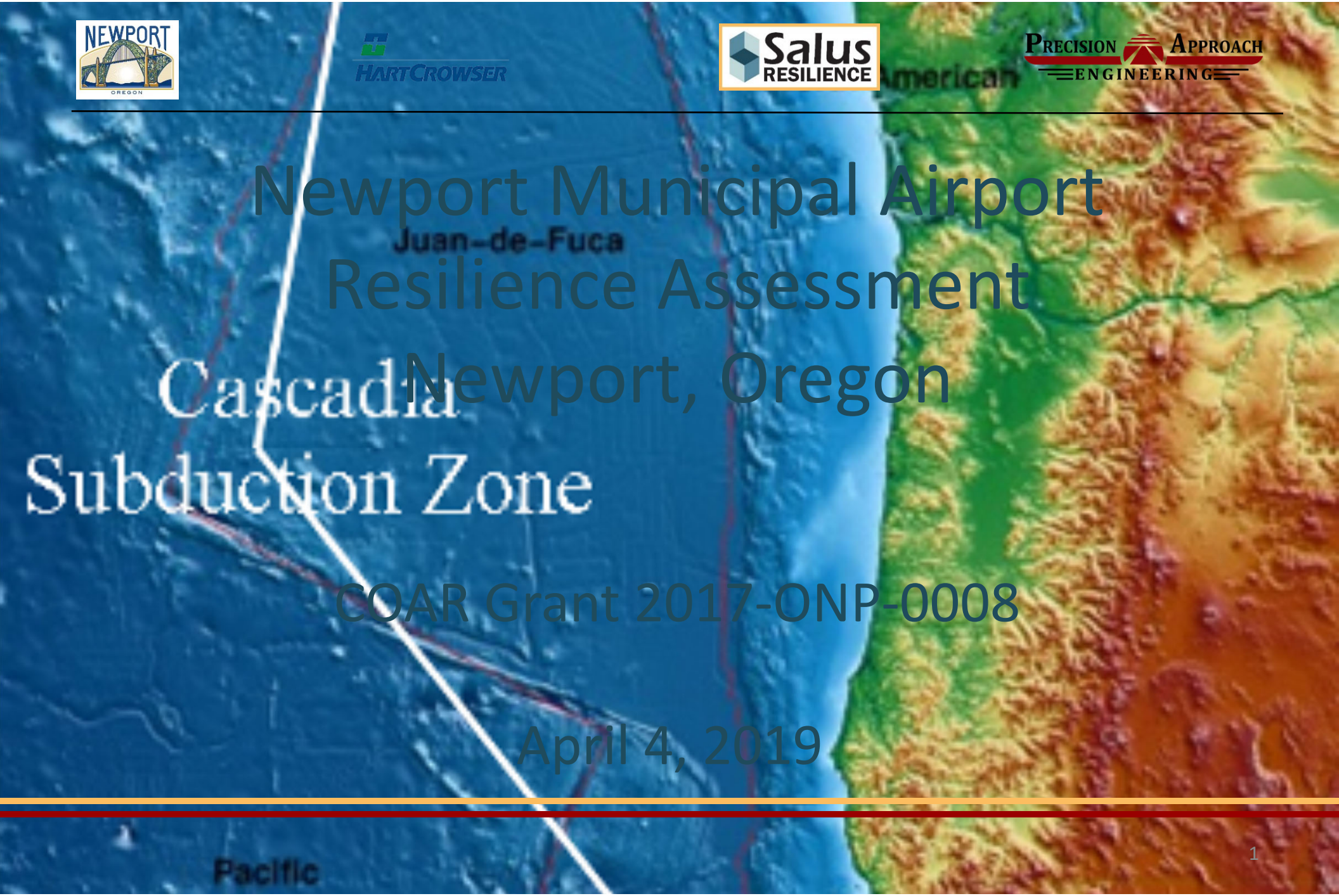
HEATHER PECK

PROGRAMS & PLANNING DIVISION UPDATE

HEATHER PECK

NEWPORT COAR PROJECT UPDATE

LANCE VANDERBECK



Newport Municipal Airport Resilience Assessment Newport, Oregon

COAR Grant 2017-ONP-0008

April 4, 2019

Introductions

Lance Vanderbeck
Newport Municipal Airport
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allison@salusresilience.com
(503) 758-6492

Corley McFarland, PE
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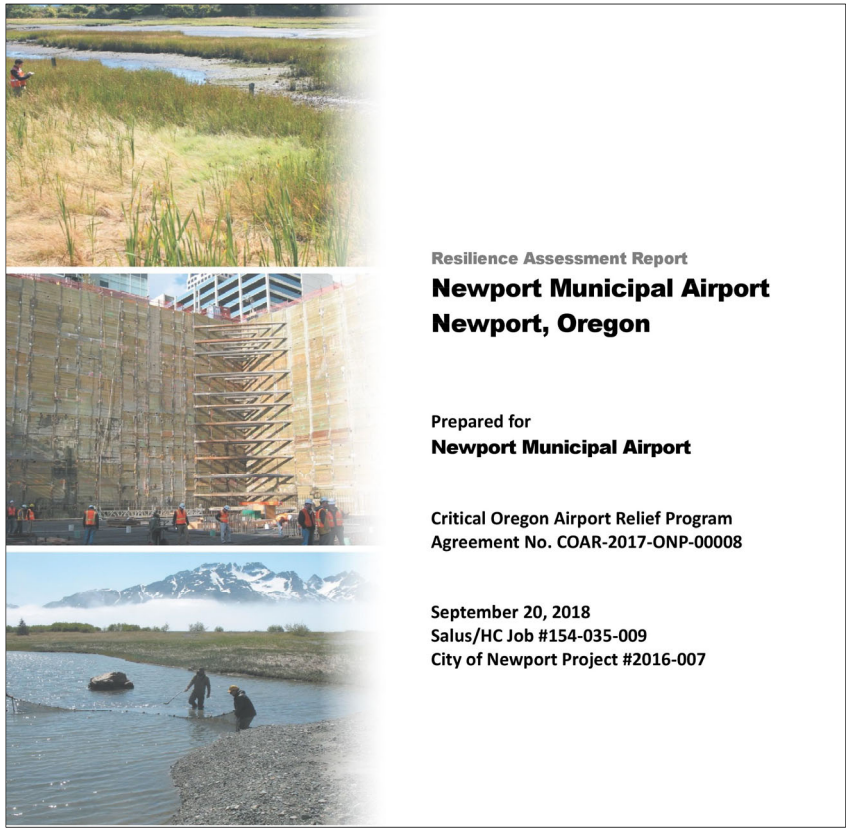
cmcfarland@preappinc.com
(541) 754-0043

Newport's Commitment to Resiliency

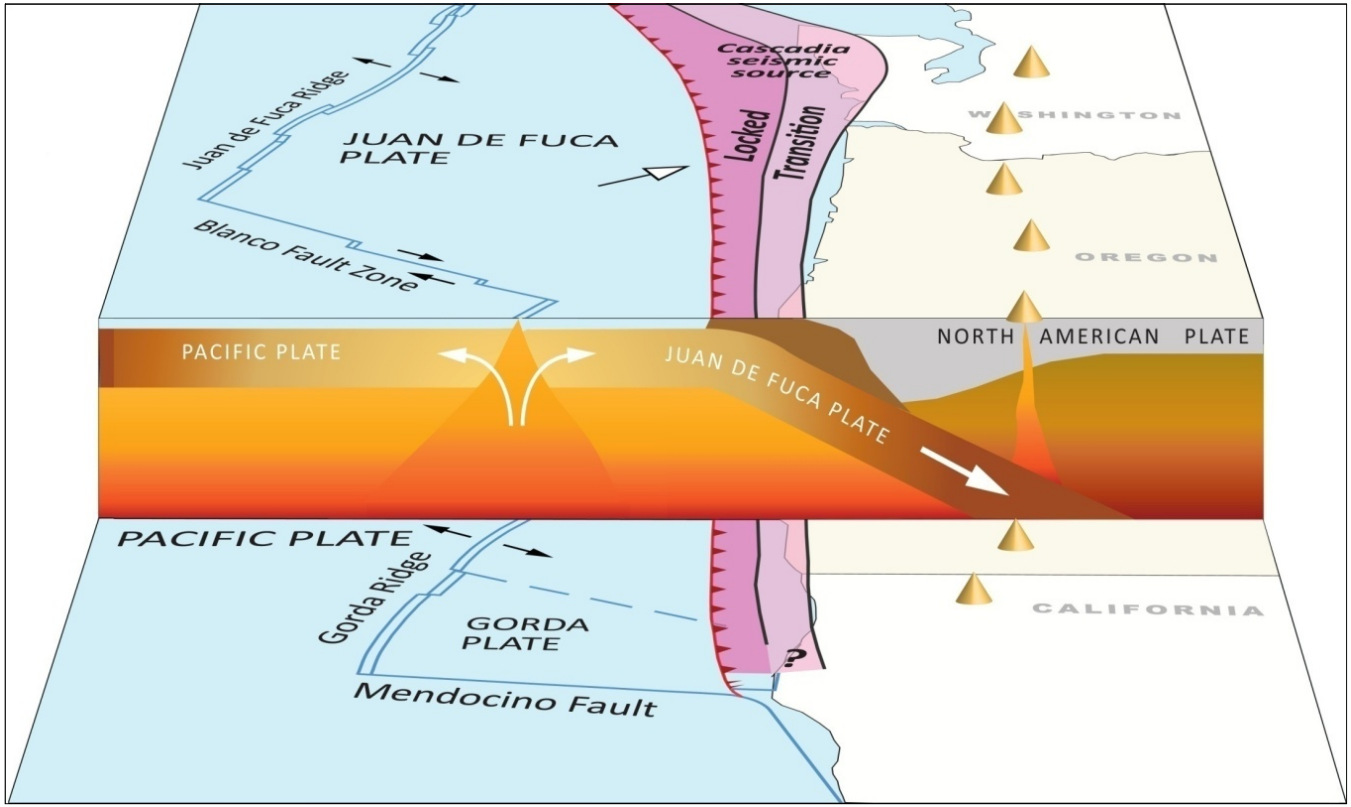
- Goals
- Airport's role in response and recovery



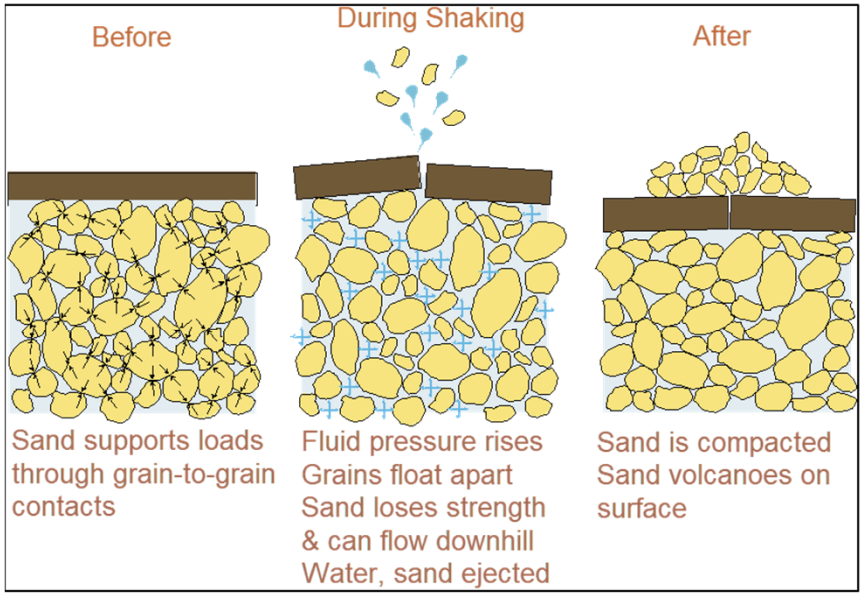
Resiliency Assessment

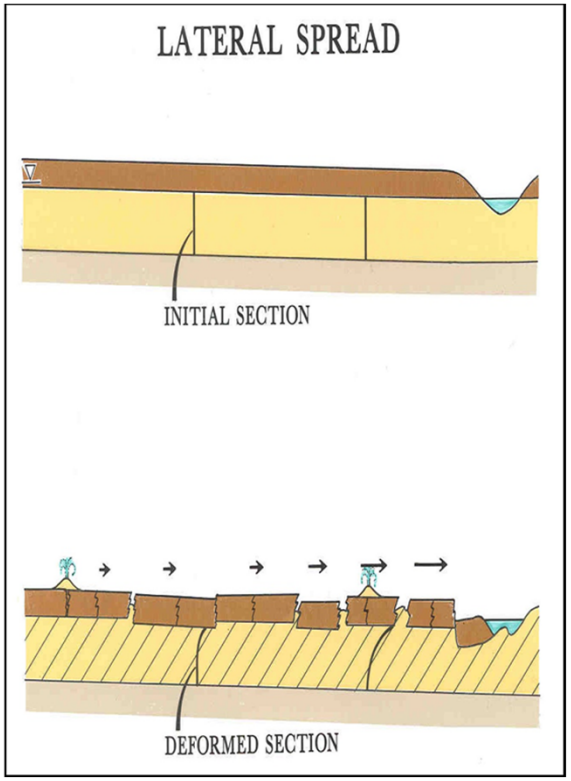
- Purpose
- Elements
- Statewide Issue
- Thank you ODA Board and Staff for support and funding

Cascadia Subduction Zone

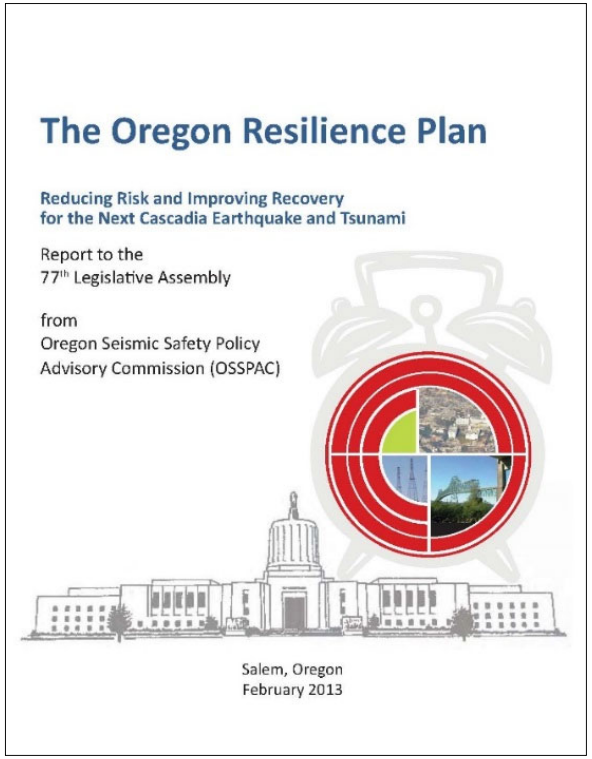


Liquefaction & Lateral Spreading





Oregon Resilience Plan



- 50 Year Plan for State
- Assessment of Current State
  - Coastal Communities
  - Business
  - Critical Buildings
  - Transportation
  - Energy
  - Communications
  - Water/Wastewater
- Months to Years of Recovery
- 1/5 of Oregon GDP Lost
- 10,000's Displaced

Oregon Resilience Plan

Critical Service	Zone	Estimated Time to Restore Service
Electricity	Valley	1 to 3 months
Electricity	Coast	3 to 6 months
Police and fire stations	Valley	2 to 4 months
Drinking water and sewer	Valley	1 month to 1 year
Drinking water and sewer	Coast	1 to 3 years
Top-priority highways (partial restoration)	Valley	6 to 12 months
Healthcare facilities	Valley	18 months
Healthcare facilities	Coast	3 years

Recommended Organization of Oregon Airports

Tier 1 (ISB, BSI, or Type 1 FSA)	Tier 2 (Type 2 FSA)	Tier 3 (Type 3 FSA **w/Airport**)
Redmond (RDM) FEMA	Tillamook (TMK) 4	Bandon (S05)
Klamath Falls (KLM) 6	Corvallis (CVO)	Siletz Bay (S45)
Portland International Airport (PDX)	Scappoose (SPB)	Independence (7S5) 11
Salem McNary (SLE)	Roseburg (5S1)	Grants Pass (3S8)
Newport (ONP)	McMinnville (MMV)	Myrtle Creek (16S)
Eugene (EUG)	Albany (S12) 10	Cottage Grove (61S)
Medford (MFR)	Aurora (UAO) 9	Creswell (77S)
Hillsboro (HIO)	Troutdale (TTD)	Brooking (BOK)
Cape Blanco State (5S6)		Florence (6S2)
Pendleton (PDT)		Portland Heliport (61J)
		Mulino (4S9)
		Lebanon State (S30)

Definition of Tier 1

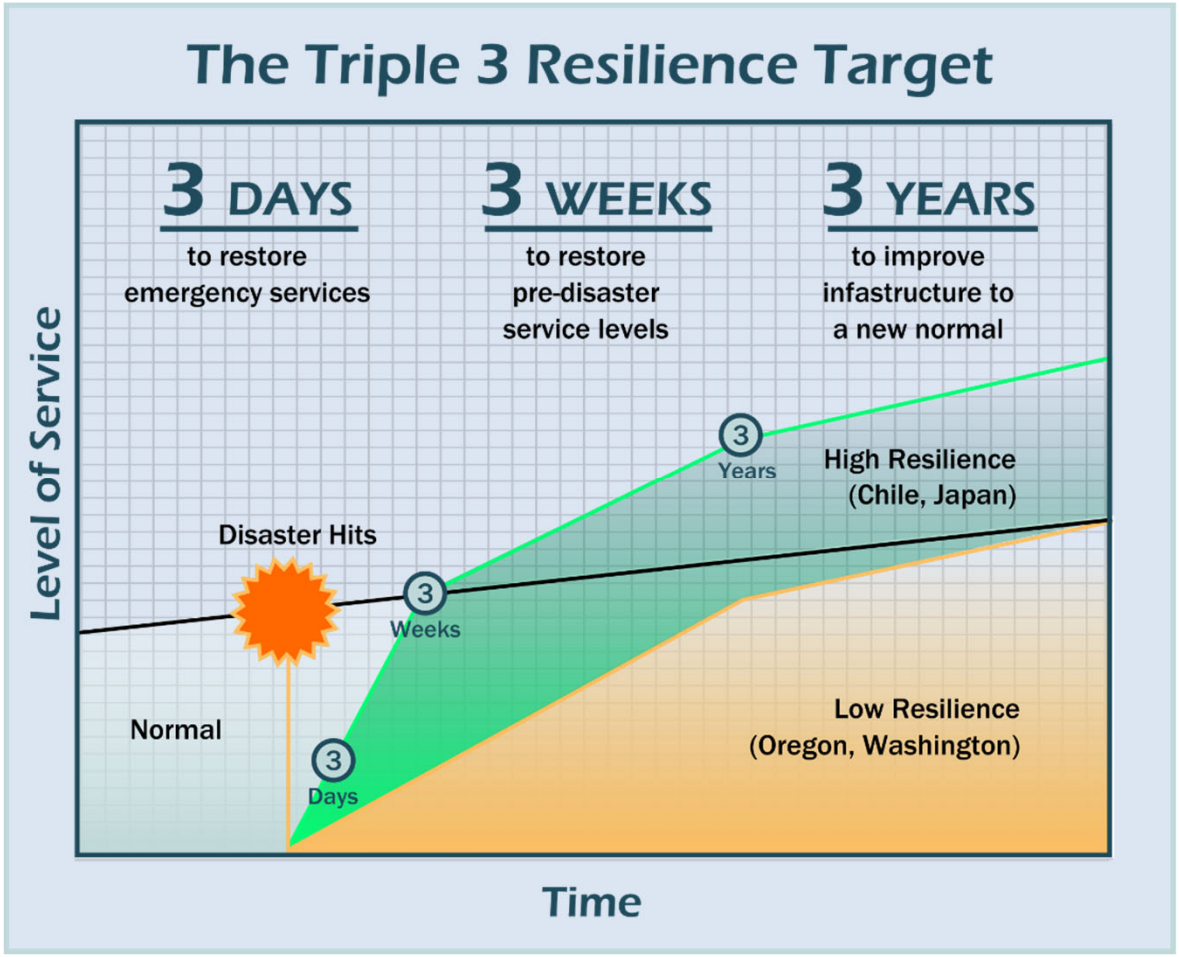
Tier 1 (ISB, BSI, or Type 1 FSA)

Based on existing airports, Tier 1 (T1) are also referred to as Incident Staging Bases (ISB)(FEMA), Base Support Installation (BSI)(DOD), Type 1 Federal Staging Area (FSA)(FEMA), National Guard Logistics Staging Base (NGLSB)(State), or State Staging Area (SSA)(State). These are functioning as Aerial Port of Embarkation / Departure (APOE/D) for the response and simultaneously Tier 3 resupply points. They are **capable of the full spectrum of response operations**.

- Airfield Max Runway Strength 125K to 500K (see Appendices further detail)
- Identified now
- Preplan usage now
- Pre-coordinate design now
- Acts as all Tiers
- Provides distribution to local communities
- Responder Base Camp (RBC)
- Joint reception, staging, onward movement, and integration (JRSOI) / Relief in Place(RIP) Location

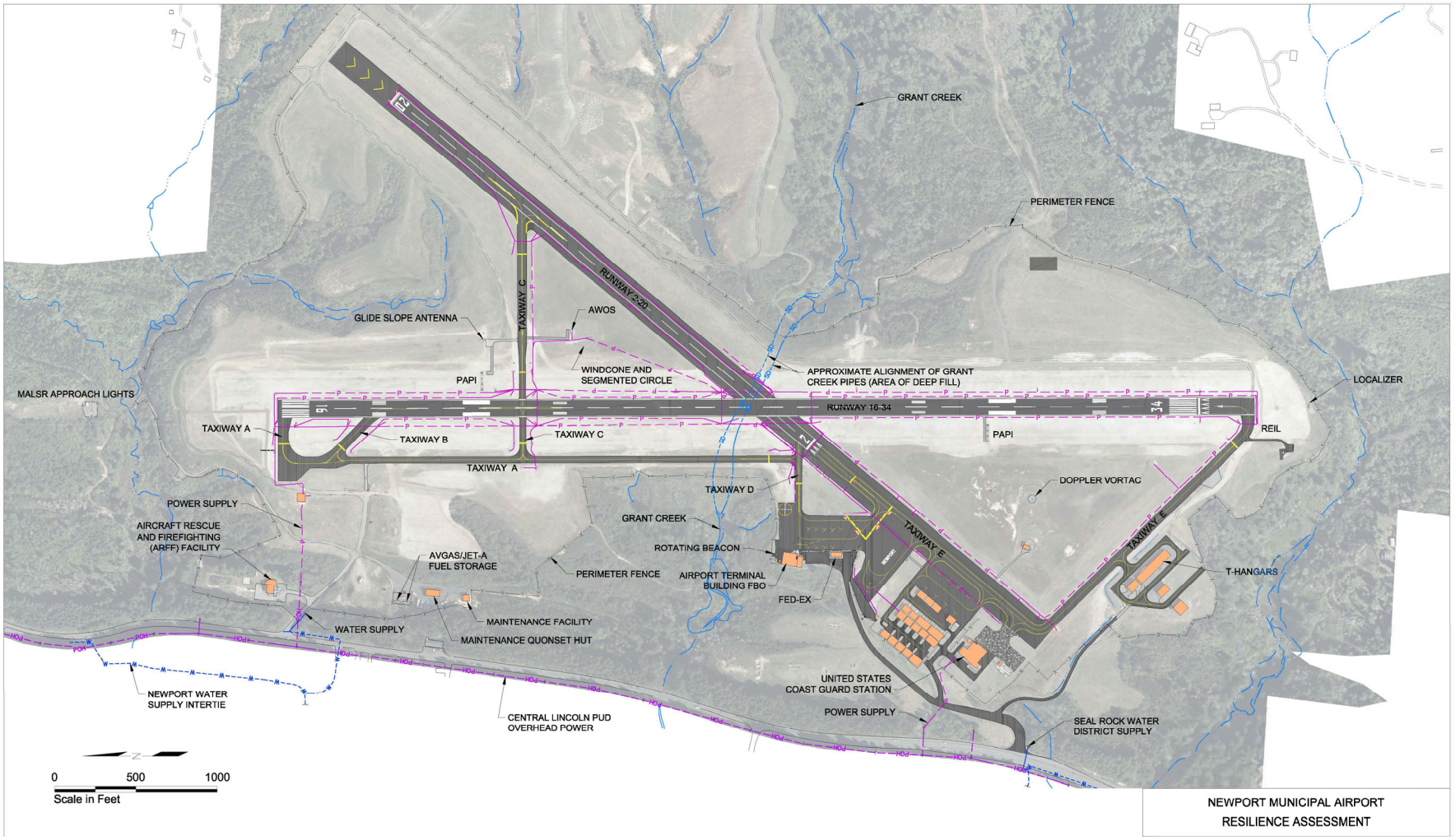
Resilience Planning

- Define Hazard
- Define Timelines
- Assess Risks
- Develop Cost/Benefit Analysis
- Prioritize
- Develop a Plan
- Incorporate Plan into Long Term Plans and Budgets


The Triple 3 Resilience Target
3 DAYS
to restore emergency services
3 WEEKS
to restore pre-disaster service levels
3 YEARS
to improve infastructure to a new normal
Level of Service
Disaster Hits
3 Years
High Resilience (Chile, Japan)
3 Weeks
Normal
Low Resilience (Oregon, Washington)
3 Days
Time

Assessment Process and Criteria

- Refine City's Goals
- Identified Assessment Needs
  - Infrastructure Resources
  - Personnel Resources
  - Equipment and Supplies
- Developed Inventory of Assets
- Evaluated Risk based on Cascadia Hazard (low/med/high)

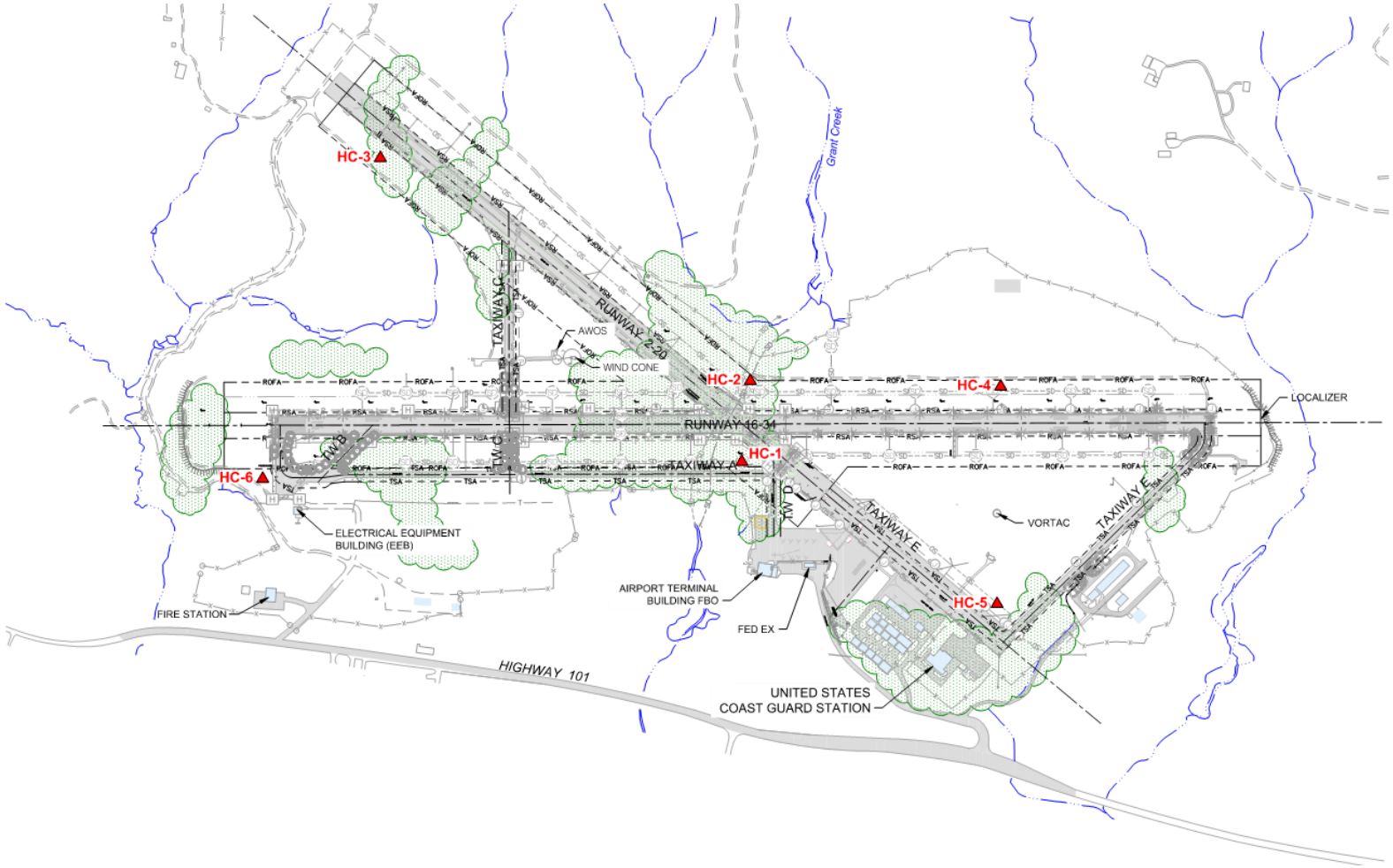

GRANT CREEK
PERIMETER FENCE
RUNWAY 2-20
TAXIWAY C
GLIDE SLOPE ANTENNA
AWOS
WINDCONE AND SEGMENTED CIRCLE
APPROXIMATE ALIGNMENT OF GRANT CREEK PIPES (AREA OF DEEP FILL)
PAPI
MALSR APPROACH LIGHTS
RUNWAY 16-34
LOCALIZER
REIL
PAPI
TAXIWAY A
TAXIWAY B
TAXIWAY C
TAXIWAY A
TAXIWAY D
DOPPLER VORTAC
POWER SUPPLY
AIRCRAFT RESCUE AND FIREFIGHTING (ARFF) FACILITY
GRANT CREEK
ROTATING BEACON
TAXIWAY E
TAXIWAY E
AVGAS/JET-A FUEL STORAGE
PERIMETER FENCE
AIRPORT TERMINAL BUILDING FBO
T-HANGARS
FED-EX
WATER SUPPLY
MAINTENANCE FACILITY
MAINTENANCE QUONSET HUT
NEWPORT WATER SUPPLY INTERTIE
CENTRAL LINCOLN PUD OVERHEAD POWER
UNITED STATES COAST GUARD STATION
POWER SUPPLY
SEAL ROCK WATER DISTRICT SUPPLY
0
500
1000
Scale in Feet
NEWPORT MUNICIPAL AIRPORT
RESILIENCE ASSESSMENT

Structures, Utilities, Communications, Resources

Element	Assessed Resilience Risk	Notes
Buildings	Medium – High	FBO and ARFF Facility are not expected to be operable
Utilities	High	Public utilities are vulnerable and back-up systems are limited
Communications	Medium	Some emergency capabilities are in place
Emergency Supplies & Equipment	Medium – High	Limited emergency supplies on hand
Materials for Reconstruction & Repair	High	Airport has a very limited ability to perform repairs

Geotechnical Evaluation

- Completed Field Explorations for Fill Areas
- Liquefaction Susceptibility (5-12 inches)
- Preliminary Slope Evaluation

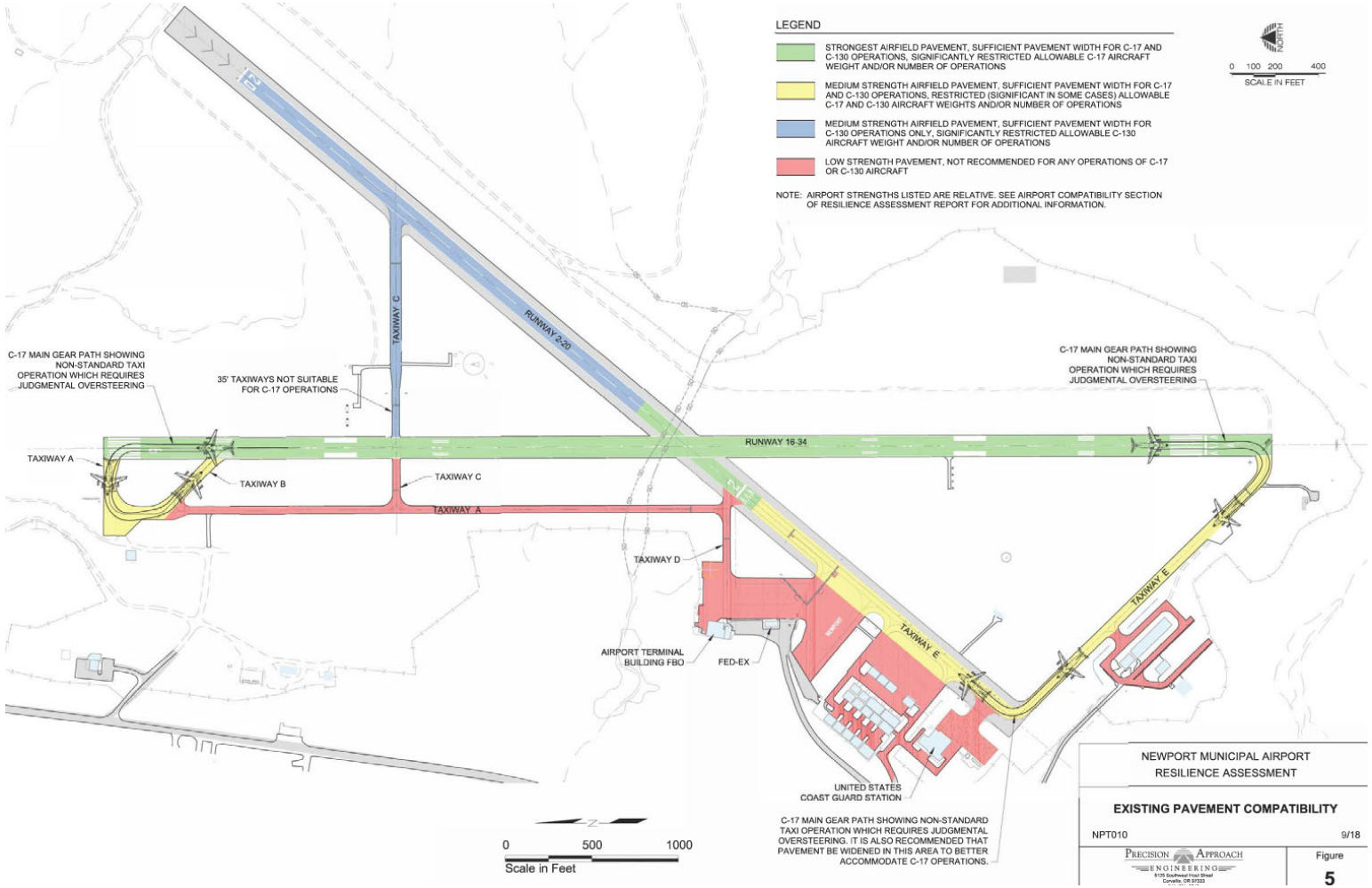

HC-3
HC-2
HC-4
HC-1
HC-6
HC-5
RUNWAY 2-20
RUNWAY 16-34
TAXIWAY A
TAXIWAY C
TAXIWAY D
TAXIWAY E
TAXIWAY E
TW B
TW C
TW D
AWOS
WIND CONE
LOCALIZER
VORTAC
Grant Creek
ELECTRICAL EQUIPMENT BUILDING (EEB)
AIRPORT TERMINAL BUILDING FBO
FED EX
FIRE STATION
HIGHWAY 101
UNITED STATES COAST GUARD STATION

Geotechnical Results

Element	Assessed Resilience Risk	Notes
Soil Stability	High	• Deep fills susceptible to liquefaction • Pavement repairs needed prior to use • Failures of perimeter slopes likely

Airfield Facilities & Aircraft Compatibility

Element	Assessed Resilience Risk	Notes
Airport Compatibility with Planned Response Aircraft	High	• Response aircraft exceed pavement strength • Pavement geometry limitations
Airfield Equipment & Navigation Structures	Medium – High	• Equipment is not secured or braced • FAA requirements for frangibility
Fuel Storage	High	• Minimal on-site storage • Tanks are not secured • Distribution issues


LEGEND
STRONGEST AIRFIELD PAVEMENT, SUFFICIENT PAVEMENT WIDTH FOR C-17 AND C-130 OPERATIONS, SIGNIFICANTLY RESTRICTED ALLOWABLE C-17 AIRCRAFT WEIGHT AND/OR NUMBER OF OPERATIONS
MEDIUM STRENGTH AIRFIELD PAVEMENT, SUFFICIENT PAVEMENT WIDTH FOR C-17 AND C-130 OPERATIONS, RESTRICTED (SIGNIFICANT IN SOME CASES) ALLOWABLE C-17 AND C-130 AIRCRAFT WEIGHTS AND/OR NUMBER OF OPERATIONS
MEDIUM STRENGTH AIRFIELD PAVEMENT, SUFFICIENT PAVEMENT WIDTH FOR C-130 OPERATIONS ONLY, SIGNIFICANTLY RESTRICTED ALLOWABLE C-130 AIRCRAFT WEIGHT AND/OR NUMBER OF OPERATIONS
LOW STRENGTH PAVEMENT, NOT RECOMMENDED FOR ANY OPERATIONS OF C-17 OR C-130 AIRCRAFT
NOTE: AIRPORT STRENGTHS LISTED ARE RELATIVE. SEE AIRPORT COMPATIBILITY SECTION OF RESILIENCE ASSESSMENT REPORT FOR ADDITIONAL INFORMATION.
NORTH
0 100 200 400
SCALE IN FEET
RUNWAY 2-20
TAXIWAY C
C-17 MAIN GEAR PATH SHOWING NON-STANDARD TAXI OPERATION WHICH REQUIRES JUDGMENTAL OVERSTEERING
35' TAXIWAYS NOT SUITABLE FOR C-17 OPERATIONS
RUNWAY 16-34
TAXIWAY A
TAXIWAY B
TAXIWAY C
TAXIWAY A
TAXIWAY D
AIRPORT TERMINAL BUILDING FBO
FED-EX
TAXIWAY E
TAXIWAY E
C-17 MAIN GEAR PATH SHOWING NON-STANDARD TAXI OPERATION WHICH REQUIRES JUDGMENTAL OVERSTEERING
UNITED STATES COAST GUARD STATION
C-17 MAIN GEAR PATH SHOWING NON-STANDARD TAXI OPERATION WHICH REQUIRES JUDGMENTAL OVERSTEERING. IT IS ALSO RECOMMENDED THAT PAVEMENT BE WIDENED IN THIS AREA TO BETTER ACCOMMODATE C-17 OPERATIONS.
0 500 1000
Scale in Feet
NEWPORT MUNICIPAL AIRPORT
RESILIENCE ASSESSMENT
EXISTING PAVEMENT COMPATIBILITY
NPT010
9/18
PRECISION APPROACH ENGINEERING
Figure
5

Short-Term Recommendations (5 Years)

Element	Order of Magnitude Cost Opinion
Ensure that Airport remains a priority CSZ response airport and that funding is made available	Minimal
Additional geotechnical explorations, evaluation, and liquefaction and settlement mitigation analysis	$100,000 - $200,0000
Continued emergency planning, training, and preparation	$100,000 - $900,000
Planning for Phase I taxiway pavement strength and geometry improvements	$1,200,000 - $3,400,000
Immediate infrastructure improvements	$100,000 - $1,200,000
Total Cost Short-Term Recommendations	**$1.5 – $5.7 million**

Medium & Long-Term Recommendations

- Retrofit critical buildings
- Geotechnical mitigation
- Airfield upgrades
- Cost $41 to $93 Million

Moving Forward

- Items implemented to date
- Next steps
- Questions?


NO SMOKING
AVGAS 100LL
F921
1203
FLAMMABLE
NO SMOKING


LIFE FLIGHT


3162

ROAR PROJECT PRESENTATIONS

Crater Lake Klamath Regional Airport

Rogue Valley International – Medford Airport

Salem Area Chamber of Commerce

Oregon Aviation Industries

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CRATER LAKE
KLAMATH
REGIONAL AIRPORT

The Crater Lake – Klamath Regional Airport

ROAR Grant Application Presentation
April 4, 2019

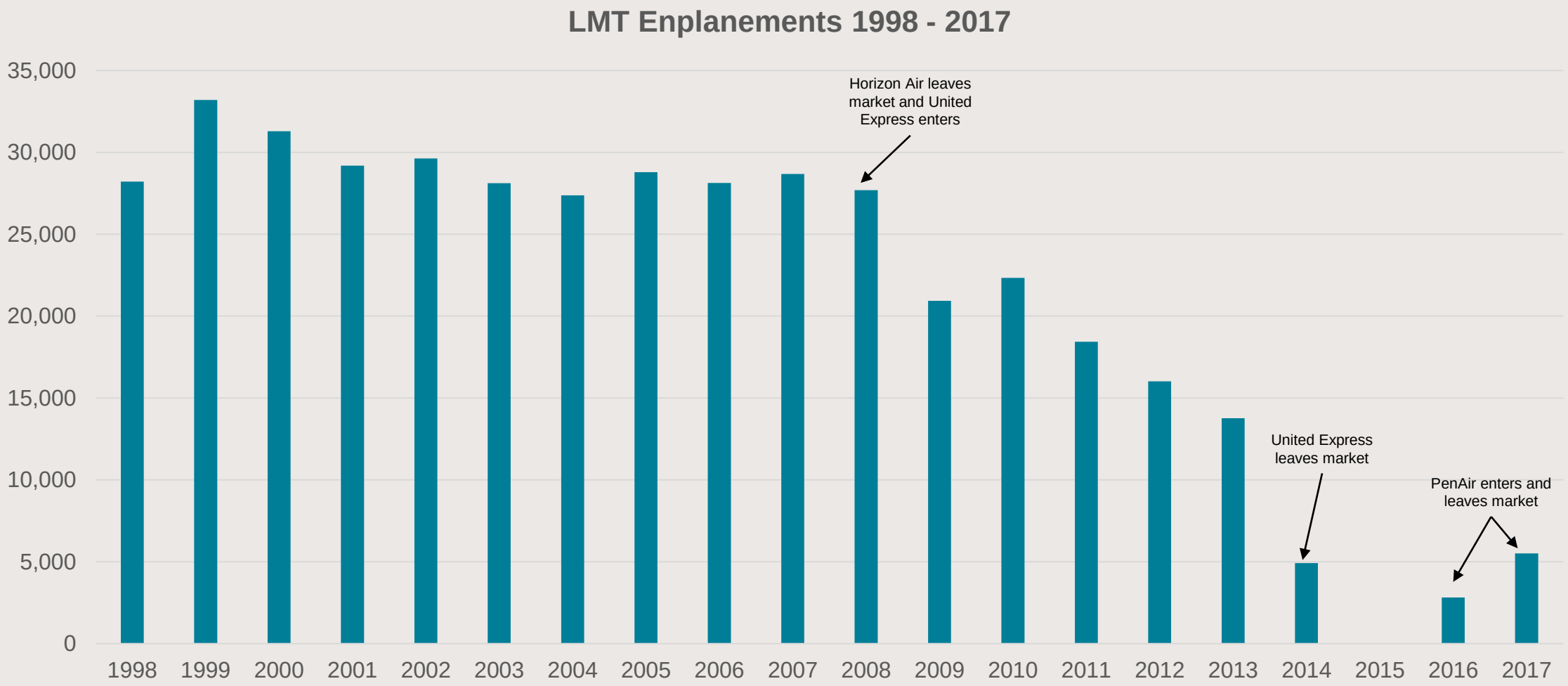
EXECUTIVE SUMMARY

- The Crater Lake – Klamath Regional Airport is requesting a $500,000 ROAR grant to match $500,000 of local funds to provide a revenue guarantee to attract a commercial air carrier.
- The grant is necessary to offset the risk of starting new air service in a market that has been without service for almost two years. The Airport and local Klamath community hope to regain commercial passenger service to San Francisco via SkyWest Airlines.

BACKGROUND

- Klamath Falls has had commercial air service since 1947.
- The Airport was in the Essential Air Service (EAS) program in the 1990s but didn't need the EAS program from 1998 - 2014.
- The Airport lost air service in June 2014.
- PenAir flew to/from Klamath in October 2016 and declared bankruptcy in August 2017.
  - PenAir wanted to serve the market in 2015, but TSA was unwilling to re-federalize the Airport.
  - A law (TSA Fairness Act) had to be passed forcing the TSA to return to Klamath and several other cities.

HISTORICAL PASSENGER ENPLANEMENTS



RECENT AIRLINE MEETING

- Airline agreed to meet several times – this is a big deal.
- Airlines are not your typical business – highly regulated.
  - Although deregulated in 1978, FAA controls many business aspects of airline operations.
  - Many Federal subsidies to rural communities have been created over the years (e.g.) to help compensate them for deregulation.
    - Small Community Air Service Development Program (SCASDP) Grant – provided by DOT
    - Essential Air Service (EAS) – provided by DOT
  - Klamath Falls is unable to utilize EAS program due to a 2012 law that revoked our eligibility. Senators Merkley and Wyden along with Rep. Walden are working on a change to the Federal law to fix this situation.

RESULTS OF MEETING

- Crater Lake – Klamath Regional Airport (LMT) is in a good position for future airline expansion.
  - Community/business need recognized
  - Expanding tourism industry support
- Airline is considering service in 2019 but is waiting on the results of the ROAR grant application process.
- Long pole in the tent – pilot shortage
  - Airline is working on pilot shortage through various education programs, assistance from federal, state and local governments, and other system changes.

PROBABILITY OF SUCCESS OF NEW SERVICE

- **Advantages:**
  - 50-seat jet aircraft
  - SFO as connecting hub
  - Legacy air carrier
    - Streamlined reservation process, more users (i.e., federal agencies including the ANG), etc.
- **Disadvantages:**
  - Larger aircraft is harder to fill
  - SFO has potential congestion and weather issues
  - Potential incentive cost is high

Why does an airline need an incentive?
RISK!

OPERATING COSTS = HIGH RISK

- It will cost an airline millions to operate in the Klamath Falls (LMT) market
- Airline operating costs vary depending on aircraft type used, stage length and other factors

Estimated Costs:
Canadair Regional Jet
Available seats = 50
# of flights = 1 roundtrip
Cost per segment = ~$3,560
Cost per day = ~$7,700
Cost per year = ~$2.8 million
Note: This does not include the airline's cost beyond the hub.

TOP PRIORITY FOR AIRLINE MEETING – AIR SERVICE INCENTIVE PACKAGE

- Why provide an incentive package to an airline?
  - Smaller market air service initiatives are risky – most airlines will require incentives to offset risk.
  - Shortage of aircraft and airlines in smaller markets
  - Competition for air service
  - Airlines do not put a lot of effort into making small markets successful = rely on local marketing
  - Air service is part of the economic foundation of the community

Successful air service initiatives in smaller markets depend on the support of federal, state, local governments, and the business community.

GRANT REQUEST

- $500,000 ROAR grant to match existing $500,000 local funds for a total of $1M towards a revenue guarantee.
- Additional $500,000 grant request to the Small Community Air Service Development Program (SCASDP) may be submitted in 2019.

THANK YOU!

John T. Barsalou, A.A.E.
Airport Director
Crater Lake – Klamath Regional Airport
6775 Arnold Ave.
Klamath Falls, OR 97601
jbarsalou@flykfalls.com
(541) 883-5373

EXAMPLES OF COMMUNITY AIR SERVICE INCENTIVE/SUPPORT PROGRAMS

Community	Klamath/ North Bend, OR (OTH)	Redmond, OR (RDM)	Redmond, OR (RDM)	Eugene, OR (EUG)	Spokane, WA (GEG)	Sun Valley, ID (SUN)
Airline and destination	OO SFO	AA LAX	AA PHX	AS SJC	DL LAX	AS PDX (seasonal)
# of trips (equipment)	2 (EM2)	1 (CRJ)	1 (CR7)	1 (Q400)	1 (CR9)	1 (Q400 - less than daily)
Start date	07/08	06/13	06/16	11/15	06/13	12/16
Revenue Guarantee	$400K	$600K	$600K	$455K	$1,000K	$500K
Marketing (cash only)	$150K	$225K	$75K	$91K	$200K	$170K
Fee waivers (1 to 2 years)	Y	Y	Y	Y	Y	Y
Cash Total	**$550K**	**$825K**	**$675K**	**$546K**	**$1,200K**	**$670K**

Revenue guarantees typically range from $500k to $1 million depending on the riskiness of the service.

Note: All amounts are public information from SCASDP applications and may not reflect final agreement terms.

ROAR PROJECT PRESENTATIONS

Crater Lake Klamath Regional Airport

Rogue Valley International – Medford Airport

Salem Area Chamber of Commerce

Oregon Aviation Industries

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Crater Lake Klamath Regional Airport

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Salem Area Chamber of Commerce

Oregon Aviation Industries

MFR ROAR GRANT

April 4th 2019

JACKSON COUNTY
Airport Authority

Proposal Summary

- The Rogue Valley International-Medford Airport is looking to expand its Air Service to keep pace with economic growth of Southern Oregon. We are seeking a grant in the amount of $500,000 to match with airport and local community funds to provide a Minimum Revenue Guarantee to attract new air service.

Alaska® allegiant® Travel is our deal.™ American Airlines™

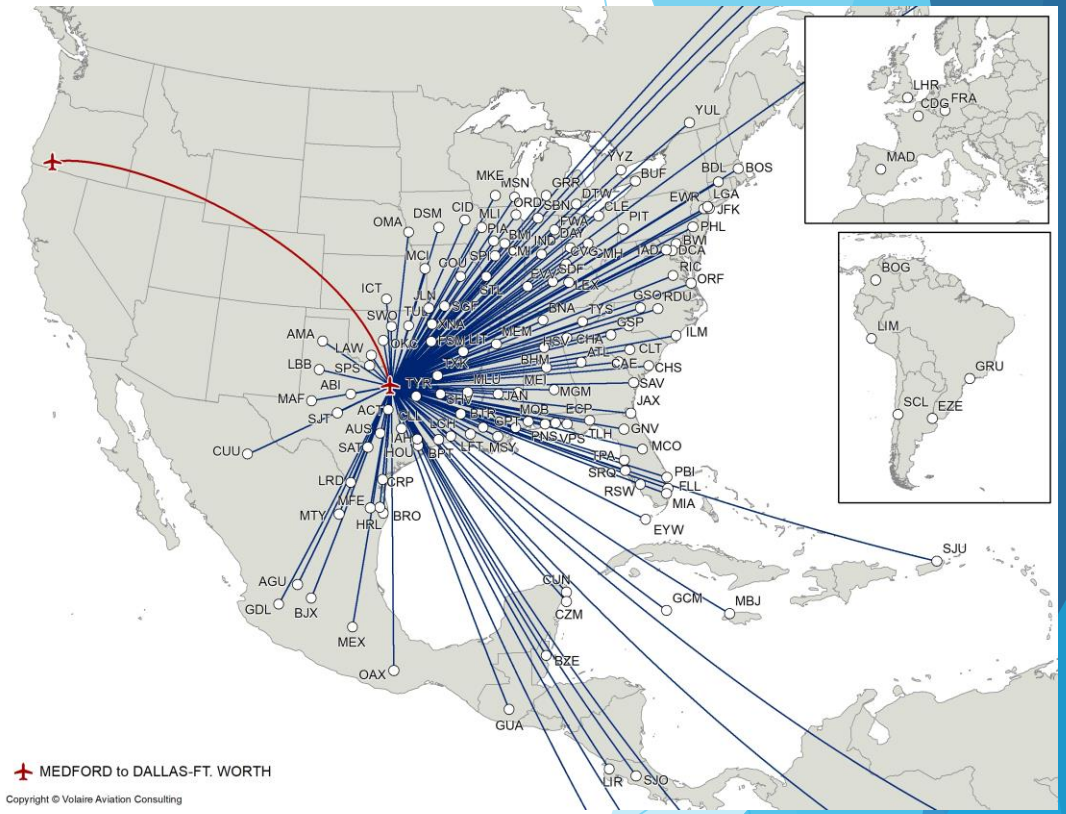
UNITED DELTA

OREGON DEPARTMENT OF AVIATION

JACKSON COUNTY Airport Authority

Background

- As our local economy and tourism industry continues to grow, the **accessibility** of our region becomes very important to sustain growth.
  - Tourism provides $1.1 Billion to Southern Oregon and 5,630 jobs in Jackson County alone, and 12,100 jobs total for the region.
  - Service to Dallas-Fort Worth with American and Chicago with United would open up 100 new one stop locations on domestic flights and 16 new international locations.
- One stop options are key for retaining and recruiting business to Southern Oregon.
- Both United (Chicago route) and American (Dallas-Fort Worth route) have said that MFR would move up the list for service with a Minimum Revenue Guarantee.



OREGON DEPARTMENT OF AVIATION

JACKSON COUNTY Airport Authority

Project Description

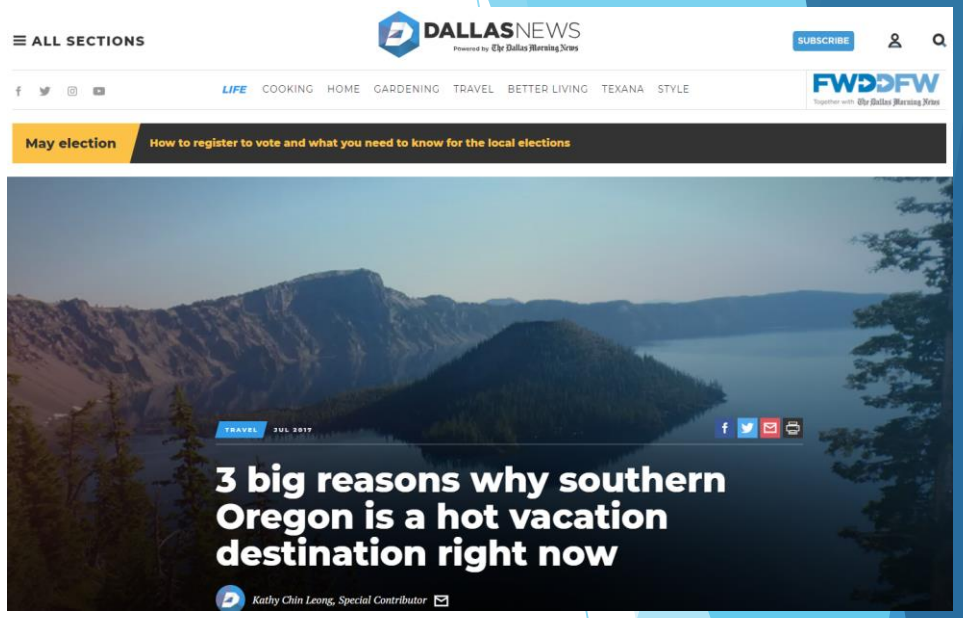
- The project is very direct in nature, however, it will be flexible enough to meet the needs of both airport and airline (Options A, B, and C).
  - A: MFR Acquires the SCASD Program Grant from USDOT and has a $1.5 Million MRG
  - B: MFR Acquires the SCASD Program Grant from USDOT, has a $950K MRG and a $550k Marketing incentive
  - C: MFR does not acquire the SCASD Grant. With the ROAR Grant funds of $500k combined with proposed Airport funds of $200K and $50K proposed community funds MFR would have a $750K MRG

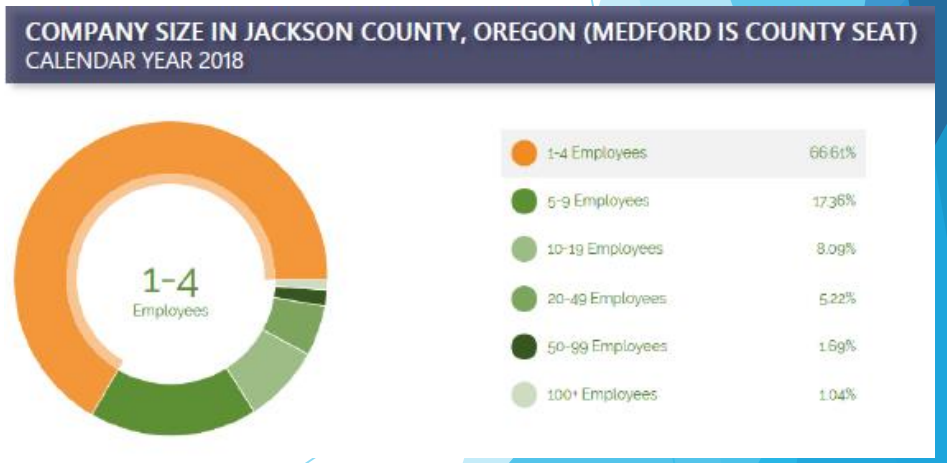
OREGON DEPARTMENT OF AVIATION

JACKSON COUNTY Airport Authority

Why It Will Work

- MFR passenger traffic has grown 60% since 2013.
- MFR load factors currently average 80% despite more available seats we are still filling flights.
- The Demand for Southern Oregon as a tourism hot spot is strong.
  - Dallas Morning News “3 Big Reasons why Southern Oregon is a Hot Vacation Destination Right Now.”
  - Travel Channel top 10 wine destinations Forbes top 12 wine destination
  - $1.1 Billion dollar tourism industry
- Increasing number of Tech and Consulting firms averaging 1-10 employees over 250 in Southern Oregon.
- We have Community Support: Businesses and Individuals are behind MFR, and passenger traffic shows it.
- Very little leakage thanks to increasing route options.





OREGON DEPARTMENT OF AVIATION

JACKSON COUNTY Airport Authority

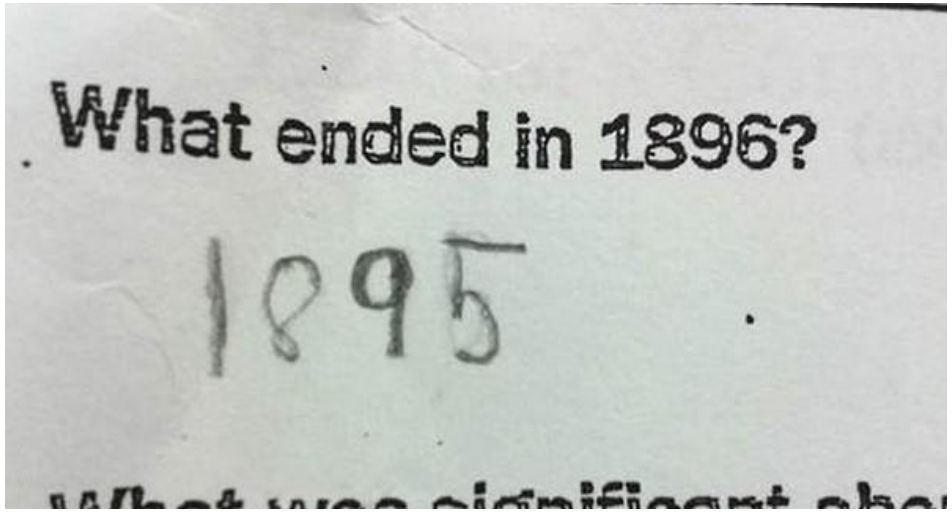
Community commitment so far

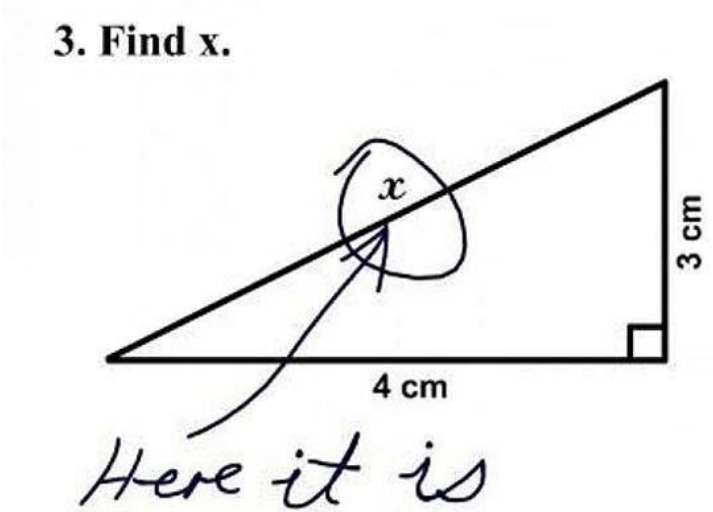
- Companies who have Committed money to the Community matching funds
  - Harry and David $10,000
  - Rogue Valley Microdevices $5,000
  - Quantum Innovations $5,000
  - Reveil Marketing $2,500
  - Cornerstone Property Management $1,000
  - Lithia Motors $10,000
  - Asante Health $10,000
  - Neuman Hotel Group $5,000
  - Travel Southern Oregon (Marketing co-op commitment)
  - BBSI $1,500 (Tentative)
  - Travel Medford (TBD)
- Organizations and municipalities who have contributed letters of support for new air service
  - City of Medford
  - Travel Medford
  - City of Grants Pass
  - Travel Grants Pass
  - City of Ashland (Verbal)
  - Oregon Shakespeare Festival
  - Southern Oregon University
  - Medford/Jackson County Chamber of Commerce (Verbal)

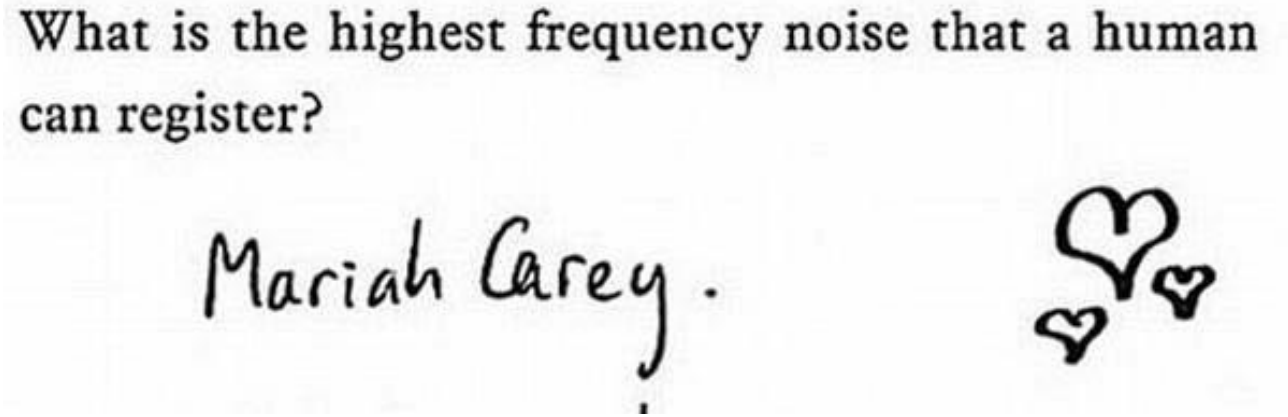
OREGON DEPARTMENT OF AVIATION

JACKSON COUNTY Airport Authority

Questions? "Answered by Kids"







OREGON DEPARTMENT OF AVIATION

JACKSON COUNTY Airport Authority

ROAR PROJECT PRESENTATIONS

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Salem Area Chamber of Commerce

Oregon Aviation Industries

ROAR PROJECT PRESENTATIONS

Crater Lake Klamath Regional Airport

Rogue Valley International – Medford Airport

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Gale 'Jake' Jacobs
Executive Director

Mark Gardiner
Board Chairman

Rural Air Service

For **ALL** of Oregon

We Fly Higher Together

Gale 'Jake' Jacobs
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www.oravi.org

Lessons from Oregon's rural air service experience – what *won't* work

- **Conventional Air Carrier Service**
  - 76-seat minimum
  - Moving (again) to jets
  - Airline pilot shortage
  - Aircraft optimization oriented to high-volume hub-and-spoke routes
  - Fixed, daily schedules
  - TSA-related capital & operating cost

- **Essential Air Service (EAS)**
  - No likelihood of increased Federal subsidies
    (in fact, constantly at risk of reduction/elimination)
  - High $/seat-mile
  - "Ecosystem" not oriented to lowest possible cost

ORAVI

Lessons from Oregon's rural air service experience – what *won't* work

- **Conventional Charter Service**
  - Cost structure based on corporate & high-net-worth customers
  - High capital & operating cost turbine aircraft
  - Relatively low aircraft utilization rates
  - Pricing has to recover all those costs + empty seats + back-hauls

- **"Island" Service**
  - SE Alaska, San Juans/Gulf Islands, Caribbean/Gulf, New England coast
    - VFR operations over water – many single-engine
    - Low(er) capital cost aircraft
    - High-demand driven by destination tourism
    - Only alternative: slow boat
  - **Interior Alaska**
    - Literally no other way to get there

ORAVI

Lessons from Oregon's rural air service experience – what ***won't*** work

- **Past Experiments in State-subsidized Service**
  - State subsidies to a small number of individual airports/operators
    - Competition between/among Oregon airports
    - Competition between operators
  - State subsidies on a per-flight (vs. per-seat) basis
  - Attempts to transplant Island and/or mini-EAS service/business models
  - Studies don't fill seats or reduce $/seat-mile

- **Basic challenge for Oregon Rural Air:**
  - Not enough filled seats
  - High $/seat-mile

ORAVI

What *will* work? ORAVI's Rural Air Oregon

- **Network effect:**
  - Integrated system of airports/communities and aircraft operators
  - Impartial non-profit system administrator
  - Cooperation NOT competition
    - Any airport with demand can participate
    - Any Oregon Part 135 operator can provide seats
    - Business model designed to share the benefits of the network effect

- **Result:**
  - More filled seats
  - Higher aircraft utilization – lower $/seat-mile
  - Affordable multi-node intra-state air travel
  - Efficient and effective use of Oregon ROAR funds
  - Per-seat/mile vs. per-flight subsidies

Rural Air Oregon – Deliverables of Phase 1 ROAR Grant

Steps to implementation of air service

1. Cooperating airports and communities
2. A Provider Pool of qualified aircraft operators
3. Subsidies per seat flown to keep the price affordable
4. An online system and app for on-demand scheduling
5. Establish non-profit 501C3 management entity

Rural Air Oregon – Participating Airports*

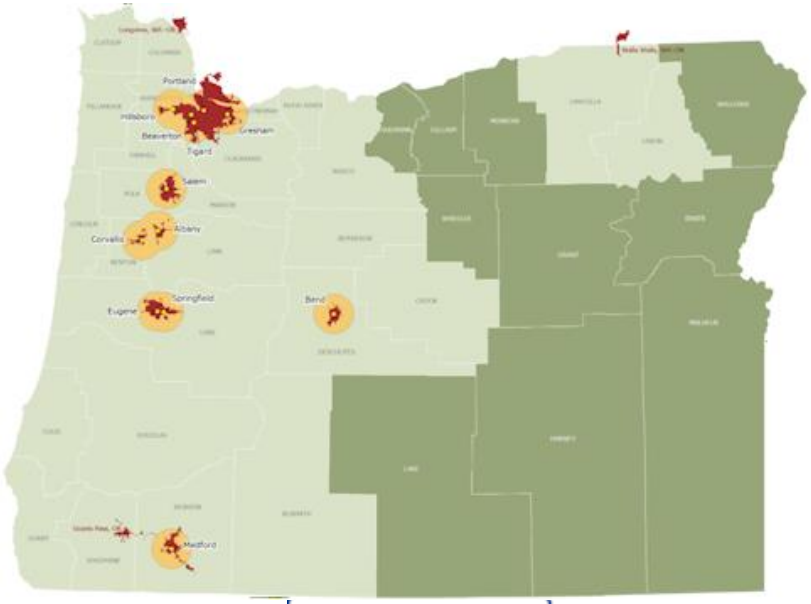
- **Astoria**
- **Burns**
- **John Day**
- **Hood River**
- **Madras**
- **Prineville**
- **The Dalles**

*More participating airports in process

+ TacAero Part 135 operator

Frontier and Rural Communities

Oregon Rural Health Map



OREGON OFFICE of RURAL HEALTH ORH

Unserved

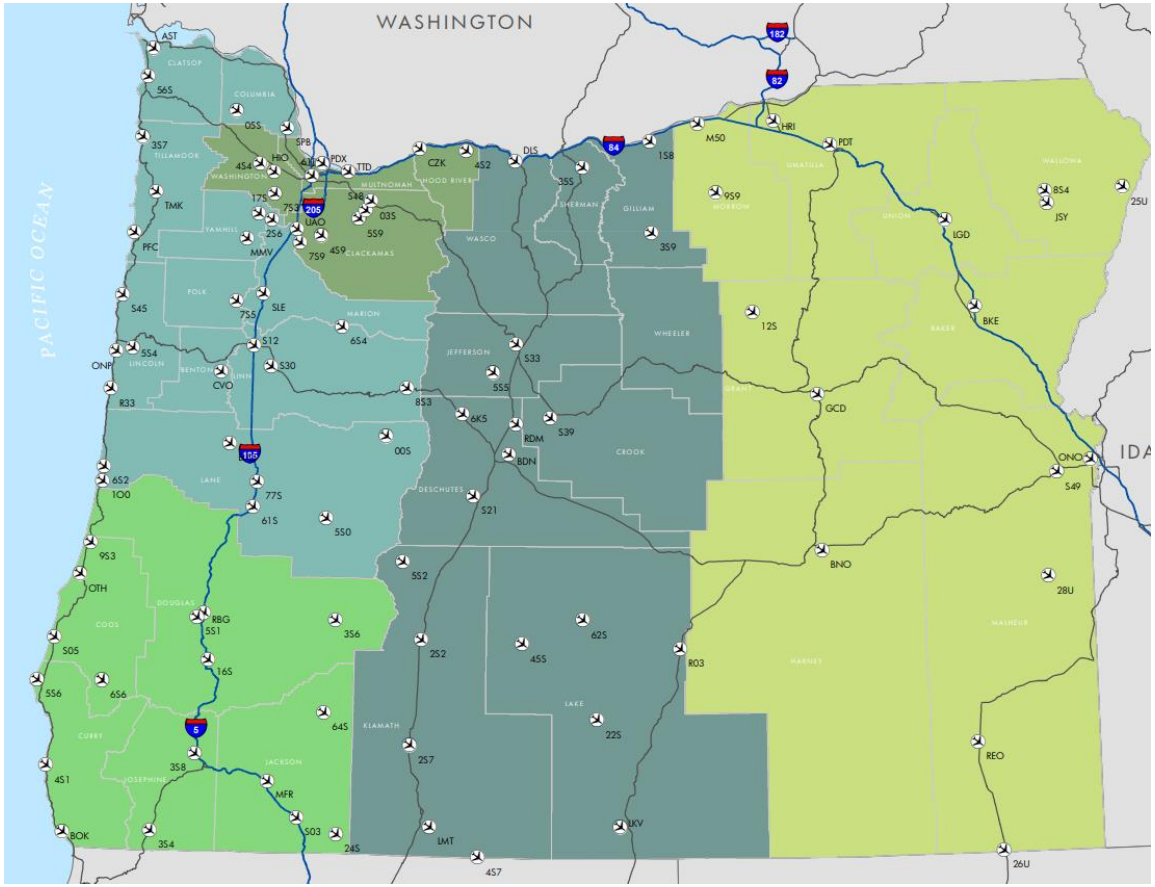
- ORH Rural (>10 miles from center of 40,000 or more)
- Frontier (counties with 6 or fewer people per square mile)

Urban

- 2010 Census Urbanized Areas
- ORH Urban Areas (<10 miles from center of 40,000 or more)

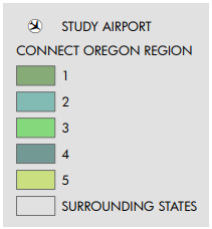
ORAVI

Oregon Airports



- 97 Public use airports
- 4,000 aircraft
- No pilot shortage

Connect Oregon Regions



ORAVI

Future Service
to More Oregon Communities

New Aircraft Will Dramatically Lower $/Seat-mile

- Electric / Hybrid
- Pure electric
- 100+ companies developing technology
- Many oriented to “regional” mission profiles

Dufour aEro2

MagniX Electric

AND – it’s sooner than we thought:

- Harbour Air – converting fleet of Beavers by 2022

Airbus Vahana

Boeing PAV

Bell Nexus Air

Kittyhawk Cora

Oregon Aviation Industries

Rural Air Oregon

Ready for Takeoff

- **5 years invested**
- **<2 more years and $500K to launch service**

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ROAR PROJECT FINAL DISCUSSION

Backcountry Aviation

Crater Lake Klamath Regional Airport

Rogue Valley International – Medford Airport

Salem Area Chamber of Commerce

Oregon Aviation Industries

ROAR PROJECT APPROVAL

NOHEMI RAMOS & MATT LAWYER

ROAR PROJECT APPROVAL

AGENDA

- Process
- Presentation by ARC representative
- Application considerations and voting
  - Backcountry Aviation
  - Crater Lake Klamath Regional Airport
  - Rogue Valley International – Medford Airport
  - Salem Area Chamber of Commerce
  - Oregon Aviation Industries

ROAR PROJECT APPROVAL

INTERNAL COMPLETENESS REVIEW

- Staff has determined that the applications are complete and recommended convening the ARC after each member conducted a statutory review of the applications for funding.

ROAR PROJECT APPROVAL

APPLICATION MATERIAL REVIEWED

Request for Application Response:

I. Proposal Summary
II. Organization Description and History
III. Background
IV. Project Description (Program / Project Narrative)
V. Timeline
VI. Budget

ROAR PROJECT APPROVAL

APPLICATION MATERIAL REVIEWED

Policy Questions

Applications shall include detailed descriptions of:

1. Rural airport(s) or routes proposed to be served and how.
2. The proposed start date for service, project or program.
3. Total amount of grant request, including proposed month by month drawdown of grant.
4. Additional funds being provided by community being served, business or other sources (including but not limited to any other grant funds).
5. Total expected budget (for the proposed program, project or service, showing all expected sources of revenue and expenses).

ROAR PROJECT APPROVAL

APPLICATION MATERIAL REVIEWED

Policy Questions
Applications shall include detailed descriptions of:

6. For programs that include air service, applicant shall provide:
   - Probable customer air fares for the service and basis for calculating the fares.
   - Projected aircraft to be used.
   - Type of FAA certificate operations will be conducted under.
   - Discussion of how applicant will maximize filling of seats.
   - Method for scheduling of service.
   - Projected draw down of grant funds, month by month, for initial 24 month period.
   - Projection of anticipated passenger loads by month for initial 24 month period.

ROAR PROJECT APPROVAL

APPLICATION MATERIAL REVIEWED

Policy Questions
Applications shall include detailed descriptions of:

7. Key milestones, deliverables, and measurements of program or project.
    - Provide in separate documents:
    - Proposed Business Plan
    - Proposed Safety Plan
    - Proposed Operations Plan
    - Marketing and Communication Plan (if application contains no marketing plan, the applicant must address why it is not needed).
    - Local companies and government agencies who have expressed interest in or commitments to support.

Using ORS 367.084:

(6) In selecting transportation projects the commission shall consider:

(Qualitative considerations)

(a) Whether a proposed transportation project reduces transportation costs for Oregon businesses or improves access to jobs and sources of labor;

(b) Whether a proposed transportation project results in an economic benefit to this state;

(c) Whether a proposed transportation project is a critical link connecting elements of Oregon's transportation system that will measurably improve utilization and efficiency of the system;

(Quantitative considerations)

(d) How much of the cost of a proposed transportation project can be borne by the applicant for the grant from any source other than the Connect Oregon Fund;

(e) Whether a proposed transportation project is ready for construction; and

(f) Whether a proposed transportation project has a useful life expectancy that offers maximum benefit to the state.

(g) Whether a proposed transportation project is located near operations conducted for mining aggregate or processing aggregate as described in ORS 215.213 (2)(d) or 215.283 (2)(b).

Qualitative Considerations: Meets the Standard + 10 Points

The applicant responded yes and provided a narrative that:

- Demonstrated through their response, with evidence and clarity that the project meets the statutory consideration;
- Provided thorough evidence, specificity of facts, specific examples and true figures;
- Provided accurate and detailed citations related to the attachments to their application that support their response.

Qualitative Considerations: Somewhat Meets the Standard +0 Points

The applicant responded yes and provided a narrative that:

- Demonstrated through their response, with some or very little supporting evidence and some or very little clarity that the project meets the statutory consideration;
- Provided some or very little evidence, some or very little specificity of facts, some or very little specific examples and some or very little true figures;
- Provided references with some or very little specific citations to attachments to their application that support the statutory consideration.

Qualitative Considerations: Does Not Meet the Standard -10 Points

The applicant responded no.

OR

The applicant responded yes and provided a narrative that:

- Demonstrated through their response, very little or no supporting evidence and very little or no clarity that the project meets the statutory consideration;
- Provided very little or no evidence, very little or no specificity of facts, very little or no specific examples and very little or no true figures;
- Provided very little or no explanation regarding how attachments cited within the response support the statutory consideration.

Quantitative Considerations

Project Funding
How Much of the cost of the proposed transportation project can be borne by the applicant for the grant?
0% - 25% = -5 Points
26% - 50% = 0 Points
51% - 75% = 5 Points
76% - 100% = 10 Points
Project Readiness
Is the proposed transportation project ready for construction or implementation?
Describe any unique construction-readiness, project implementation issues, or possible delays.
0 – 6 months = 10 Points
7 – 12 months = 5 Points
13 – 18 months = 0 Points
19 – 24 months = -5 Points
Over 24 months = -10 Points
Life Expectancy
Does the proposed transportation project have a useful life expectancy that offers maximum benefit to the State? If yes, provide a short explanation.
0 - 5 years = -10 Points
6 – 10 years = -5 Points
11 – 15 years = 0 Points
16 – 20 years = 5 Points
Over 20 years = 10 Points

Points

- ARC members complete a grading form to review the statutory considerations.
- Maximum of 60 points can be awarded to an application.

- The ARC determined the following breakdown:

Meets The Standard	40-60
Somewhat Meets	21-39
Does Not Meet	0-20

Process

Each application was discussed and a consensus was given to each of the three questions. The ARC would use these to assist in forming their recommendation.

- Question 1: Does the application assist commercial air service to rural Oregon?
  - Discussion
  - Consensus
- Question 2: Does the responses in the statewide impact form satisfy the criteria established by the ARC; Meets, Somewhat Meets or Does Not Meet the standard?
  - Discussion
  - Consensus
- Question 3: Do the applicant's responses in the application material, RFA response answer the ROAR Policy questions?
  - Discussion
  - Consensus

Process

- The ARC had the following as potential recommendations to the board:
  - o Recommend for funding as is
  - o Recommend for funding with modifications as follows: _____
  - o Recommend the State Aviation Board remand to applicant for additional information*

    **All additional information must be elements contained within the ROAR policy and RFA guidelines and cannot include elements not requested of the applicant.*
  - o Recommend no funding

ARC Representative

Backcountry Aviation, Inc.

Scheduled Service for Rural Oregon Areas

Summary:

Proposed Project is to provide scheduled Air Service to Rural Oregon Areas utilizing Piston Twin Aircraft two to three times per week. The proposed project will benefit local and regional areas with reliable scheduled air service benefiting tourism, local businesses, and residents.

Backcountry Aviation, Inc.

Total Project Cost	$555,000.00

Project Funding Breakdown

Provide the funding source and the amount of funding from that source.

Source of Match Funds *	Amount	Date Available
FAA grant funds	$0	
Project Sponsor's Funds	$55,500.00	11/01/2018
Total Match Funds:	**$55,500.00**	**10 %**

Aviation Project Funding Request to ODA *		
Amount requested from ODA:	$499,500.00	90 %

Project Budget Summary		
Total applicant matching funds:	$55,500.00	10 %
Funding request to ODA:	$499,500.00	90 %
Total Project Cost:	**$555,000.00**	**100 %**

Board discussion and vote

Crater Lake Klamath Regional

2019 Air Service Revenue Guarantee

Summary :

ROAR grant funds will be used to augment $500,000 in local funds for the establishment of a revenue guarantee for proposed air service by SkyWest dba United Express. While the Crater Lake - Klamath Regional Airport has not yet received a commitment from SkyWest to begin service, discussions with the company have been ongoing and there is a potential for service starting in the summer of 2019.

Crater Lake Klamath Regional

Total Project Cost	$1,000,000.00

Project Funding Breakdown

Provide the funding source and the amount of funding from that source.

Source of Match Funds *	Amount	Date Available	
FAA grant funds	$0		
City of Klamath Falls	$250,000.00	04/01/2019	++
Klamath County	$250,000.00	04/01/2019	++
			++
Total Match Funds:	**$500,000.00**	**50 %**	

Aviation Project Funding Request to ODA *		
Amount requested from ODA:	$500,000.00	50 %

Project Budget Summary		
Total applicant matching funds:	$500,000.00	50 %
Funding request to ODA:	$500,000.00	50 %
Total Project Cost:	**$1,000,000.00**	**100 %**

Board discussion and vote

Rogue Valley International

Minimum Revenue Guarantee / Marketing

Summary:

The Rogue Valley International-Medford Airport is looking to expand its Air Service to keep pace with the economic growth of Southern Oregon. We are seeking a grant in the amount of $500,000 to match with airport and local community funds to provide a Minimum Revenue Guarantee, and potentially a marketing plan to attract new air service.

Rogue Valley International

Total Project Cost $1,500,000.00

Project Funding Breakdown

Provide the funding source and the amount of funding from that source.

Source of Match Funds *	**Amount**	**Date Available**	
FAA grant funds			
Proposed Airport Matching Funds	$200,000.00	07/01/2019	++
Goal of Community Matching Funds	$50,000.00	04/15/2019	++
USDOT SCASDP Grant Application	$750,000.00	07/31/2019	++
			++
Total Match Funds:	**$1,000,000.00**	**67 %**	

Aviation Project Funding Request to ODA *		
Amount requested from ODA:	$500,000.00	33 %

Project Budget Summary		
Total applicant matching funds:	$1,000,000.00	67 %
Funding request to ODA:	$500,000.00	33 %
Total Project Cost:	**$1,500,000.00**	**100 %**

Board discussion and vote

Salem Area Chamber of Commerce

Air Service Recruitment KSLE

Summary:

Salem Area Chamber of Commerce (Chamber) and its partners are strong, committed, and in immediate need of grant funds to get through the commercial airline service recruitment effort. We need $500,000 to pay for professional consultant recruiting services for up to 2 years, and a 2- year marketing effort to ensure regional awareness and boost to sustainable utilization of the new routes. New aviation transportation service will serve huge areas of rural Oregon in addition to its capital city.

Salem Area Chamber of Commerce

Total Project Cost	$2,220,000.00

Project Funding Breakdown

Provide the funding source and the amount of funding from that source.

Source of Match Funds *	**Amount**	**Date Available**	
FAA grant funds			
Local Minimum Revenue Guarantee funds, consultant fees paid, studies, community events	$970,000.00	04/24/2019	++
US DOT SCASD grant (requested)	$750,000.00	05/01/2019	++
			++
Total Match Funds:	**$1,720,000.00**	**77 %**	

Aviation Project Funding Request to ODA *		
Amount requested from ODA:	$500,000.00	23 %

Project Budget Summary		
Total applicant matching funds:	$1,720,000.00	77 %
Funding request to ODA:	$500,000.00	23 %
Total Project Cost:	**$2,220,000.00**	**100 %**

Board discussion and vote

ORAVI

ROAR Rural Air Service-ORAVI

Summary:

Oregon Aviation Industries will organize the capability to provide on-demand and scheduled air service to rural airports across Oregon. The aircraft will operate under FAA Part 135 commercial air service regulations utilizing existing operators. An online flight request system will be developed. Travel Bank subsidies funded by ROAR per-seat-flown would enable affordable pricing. A 501(C)(3) non-profit organization will be established to manage matching flight requests to flight operators.

ORAVI

Total Project Cost	$556,000.00

Project Funding Breakdown

Provide the funding source and the amount of funding from that source.

Source of Match Funds *	**Amount**	**Date Available**
FAA grant funds	$0	
Oregon Aviation Industries (ORAVI) beginning monthly upon program launch	$56,000.00	05/01/2015
Total Match Funds:	**$56,000.00**	**10 %**

Aviation Project Funding Request to ODA *		
Amount requested from ODA:	$500,000.00	90 %

Project Budget Summary		
Total applicant matching funds:	$56,000.00	10 %
Funding request to ODA:	$500,000.00	90 %
Total Project Cost:	**$556,000.00**	**100 %**

ADJOURN