

# Request to Initiate Rulemaking

## OAR 738-015-0020

### Proposed Revisions to OAR Chapter 738

- OAR 738-015-0020 (3) & (4) limit the Department of Aviation to lease terms of 30 years, with a base term of 25 years and one 5-year renewal term for commercial aeronautical leases.
- Many commercial aeronautical service providers require longer lease terms for significant infrastructure development on airports.
- It is common for airports to provide longer lease terms for tenants making significant investments developing at the airport and providing commercial aeronautical services.
- ODA desires to meet airport development needs and provide longer lease terms for commercial leases making significant investment at State-owned airports.
- Non-commercial leases will remain at 30 years.

# Request to Initiate Rulemaking

## OAR 738-015-0020

### Summary of Proposed Revisions to OAR Chapter 738

- 738-015-0020 (3): Change the base term for commercial aeronautical leases to not exceed **forty-five (45)** years, from twenty-five (5) years.
- 738-015-0020 (4): Change total lease term not to exceed **fifty (50)** years, from thirty (30) with one 5-year extension.

# Request to Initiate Rulemaking OAR 738-015-0020, cont.

## Proposed Permanent Rules

*ODA requests authorization from the Aviation Board to initiate permanent rulemaking process*

### **RULEMAKING ACTION**

*List each rule number separately (000-000-0000).*

**ADOPT:** N/A

**AMEND:**

738-015-0020 (3) The base term for commercial aeronautical leases shall be no longer than ~~twenty~~**forty**-five (~~20~~**45**) years.

738-015-0020 (4) If Lessee requests a renewal, the Department may agree to renew the lease, consistent with this rule, for one (1) five-year period, provided the total lease term does not exceed ~~thirty~~**fifty** (~~30~~**50**) years.

**SUSPEND:** N/A