Oregon
Kate Brown, Governor

OREGON DEPARTMENT OF AVIATION

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August 22, 2016

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Tina Kotek, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

Nature of the Request

The Oregon Department of Aviation (ODA) requests an increase in expenditure limitation in Operations Federal Funds of $474,120 and $52,680 Operations Other Funds to complete Phase I of an update to the Oregon Aviation Plan (OAP).

Agency Action

ODA received approval from the January Ways and Means Committee to apply for a federal grant from the Federal Aviation Administration (FAA) which included Phase I of the OAP update. CFO and LFO recommended that the agency request expenditure limitation after the grant was awarded. ODA applied for this grant in July 2016 and received the award letter from the FAA in August 2016. The grant awarded includes $474,120 federal funds for Phase I of the update. The Federal grant dollars require 10% of project costs as a state match totaling $52,680, for a gross project cost of $526,800. The agency will support the state match dollars with Other Funds revenue from its Operations budget. Phase II of the OAP update was incorporated into the 17-19 Agency Request Budget as Policy Option Package 102. The agency anticipates applying with the FAA for the Phase II grant in the summer of 2017. The expected timeframe for completion of both phases of the update is approximately two years.

The Oregon Aviation plan is a fundamental part of the Oregon Transportation Plan that provides a comprehensive evaluation of Oregon's aviation system and serves as a strategy for future aviation development in the state. The state of Oregon has an extensive aviation system that provides valuable transportation options for the public, ranging from small emergency use airports in remote regions of the state to large commercial service airports. Ninety seven public use airports provide support to the economic health of Oregon and contribute to the quality of life for its citizens and visitors. The Oregon Aviation plan looks beyond the traditional state aviation system planning elements by combining three planning studies that assess the condition of the existing aviation infrastructure, the economic benefit of the aviation industry, and the national and state significance of each airport. Each of these components is necessary to create a systematic approach to meeting the improvements and development strategies of the aviation system.

This plan was last completely updated in 2007 and since then several changes have occurred within Oregon and the aviation industry which make updating the plan a priority for the agency. This priority is supported by the FAA. These changes include, but are not limited to, the following: state aviation infrastructure and facility improvements, businesses at public use airports, commercial air service, changes to functional categorical roles within the state aviation system, revisions to recommended future projects for airports within the state, and seismic improvements.

The scope of work for the completing both phases of the project includes updating 10 elements in the plan: introduction, inventory, forecasts of future aviation demands, airport functional roles, performance and recommendations, special considerations, funding, economic impact, and compliance. Each of these elements requires thorough analysis and revision by aviation experts. The department is contracting with a consultant to conduct a statewide aviation analysis and, in turn, update the plan. The federal grant and corresponding state matching dollars requested will support the contractual costs spent on phase I of the update.

ODA has sufficient revenue for the Other Funds matching portion of the federal grant.

Action Requested

The Department requests an increase in Operations Other Funds expenditure limitation of $52,680 and Operations Federal Funds expenditure limitation of $474,120.

Legislation Affected
Increase the Operations Other Funds expenditures limitation established by Chapter 329, (2015 Laws) Section 1, by $52,680 and increase Operations Federal Funds expenditure limitation established by Chapter 329, (2015 Laws),Section 2, by $474,120.

Sincerely,

Mitch Swecker
Director
Oregon Department of Aviation

Cc:
Policy and Budget Analyst, Office of Chief Financial Officer, Linnea Wittekind;
Senior Legislative Analyst, Legislative Fiscal Office, Gregory Jolivette