

Oregon State Aviation Board
Approved Meeting Minutes

July 11, 2001

Redmond, 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 Board, a meeting of the Oregon State Aviation Board was held in Redmond, Oregon on July 11, 2001.

Board members present included Bill Wilkins (Chair), Carrie Novick, Lisa Dahl and Mike Burrill. Also present were Oregon Department of Aviation (ODA) staff members Ann Crook, Daren Griffin, Marilyn Lorance and Doris Travis.

Attending by invitation was Lynn Rosik, Assistant Attorney General, and joining by conference telephone for a portion of the meeting were Rhonda Hollis and Loree Fogleman from Oregon Department of Administrative Services Risk Management Division.

Chair Wilkins opened the meeting at 9 a.m. by thanking Novick and the City of Redmond for hosting the meeting.

He continued with adjustments to the agenda. Adjustments included a brief break scheduled at 9:25 a. m. to connect Fogleman and Hollis with the meeting by conference telephone. Also, Jefferson County Commissioner Janet Brown's presentation was rescheduled for 10 a. m. Hearing no objections the agenda was adopted as revised.

The June 13, 2001 draft minutes were approved as published. Introductions followed.

Griffin reviewed changes to the non-commercial lease policy with the Board. Following discussion and a brief break the Board approved the following language changes drafted by Rosick:

- Page 19, Item 6.2.3, first paragraph, last sentence: the words "for the same periods provided to all prospective lessees under Section 6.2 (Lease Term)" were deleted. A new last sentence, "The term of the new lease will be determined by Oregon Department of Aviation, consistent with policies in 6.2 (Lease Term) and 6.2.1 (B, C & D)" was added.
- The words "or sublet" were deleted in section 5.1.2, first and second paragraphs.

Burrill moved to adopt the amended non-commercial lease policy. Dahl seconded. The vote to adopt was unanimous.

Wilkins moved next to the "Smart Airport Contracting" document. He advised those attending that Fogleman and Hollis from the Risk Management Division in Salem were standing by to join by conference telephone. Griffin then introduced Fogleman and Hollis. Griffin updated the Board regarding meetings held by ODA and Risk Management to review the Smart Airport Contracting document and advised the Board that a sub-committee, led by Dahl, was formed to review and discuss with Risk Management specific areas that need further review. Dahl continued the discussion and addressed her concerns with the current document. She commented that she shares ODA's concerns regarding the ramifications should the Board decide not to adopt Risk Management's recommendations. Hollis and Fogleman stated their concern to balance issues of affordability, normal versus hard market, and suitable protection of the state's interest. They recommended that the sub-committee continue to review the document

Chair Wilkins opened the meeting to public comments. Harry Bladow expressed concerns about the Smart airport contracting document, questioning the state's authority to impose such

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requirements only on tenants at state-owned airports while other aircraft owners who use the airports are not obligated to have such insurance.

Following the public comments, Wilkins moved to the next agenda item. Janet Brown, Jefferson County Commission Chair gave a presentation about the Madras Airport. Brown reviewed the history of the airport and their goals for its improvement. She also took the opportunity to thank ODA for the assistance they have provided and informed the Board that they would continue to seek assistance and direction from the department.

Returning from break the chair moved to public comment on the commercial lease policy. Comments were heard from Harry Bladlow, Joel Scoggins and Jim Higgins. Areas of concern addressed during the public comments included:

- Section 6.2 - length of the base term
- Impact of substantial new construction on base term
- Fair compensation and displacement issues
- Availability of documents referenced in Section 6
- Sec. 6.2.3 - sale of improvements and assignment of lease
- Potential for 1st right of refusal by lessee

Griffin and the Board then began a review of the commercial lease policy. A motion to change the draft language in section 6.2 and 6.2.3 to reflect the same language contained in the non-commercial lease policy was presented by Burrill and seconded by Dahl. The motion to pass was unanimous. Wilkins, referring to page 21, commented that an escalator clause was not contained in the commercial policy, as it was in the similar passage in the non-commercial policy. Griffin will add the clause to make consistent with the non-commercial lease policy.

Moving to the next agenda item, Lorance provided an overall review of the impact of the 2001 legislative session on the department. She then reviewed the final status of legislation with direct aviation impacts. A report is on file with the department.

- The Board then heard presentations from representatives of the Redmond, Bend and Prineville airports.

The board continued the meeting by setting the draft agenda for the August meeting. Items included in the agenda were:

- Board travel policy
- Commercial lease policy
- Smart airport contracting document
- Baker City Airport presentation
- Minimum standards discussion

There being no further business the meeting adjourned at 2:52 p.m.

Respectfully submitted
Doris Travis