



OREGON DEPARTMENT OF AVIATION

BIENNIAL REPORT

2006– 2008



JULY 1, 2006 THROUGH JUNE 30, 2008

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FROM THE DIRECTOR

Dan Clem

This document is a biennial report, intended to align with the department's two-year budget and planning cycle. As this agency has experienced dramatic changes within the past two years, it made sense to publish a two-year report; an annual report would have captured only the beginnings of what is entailed here. We are committed to completing the good works started previously and are striving to continue the tradition of providing leadership and coordination towards enhancing and preserving aviation for Oregon's communities.

Perhaps the most significant work over the past two years is the restructuring of the financial and fiscal controls of the agency. With almost twenty (20) months of extra time by staff of this agency and from the Department of Administrative Services, the re-balancing of accounts for federal and state grants going back to 1999 was completed. Current audits reflect satisfactory controls over all accounts and fiscal reporting processes. Leases at most airports have been updated, along with agreements for access and with Fixed-Based Operators (FBOs). As a result, the Oregon Department of Aviation is financially poised and ready to lead and assist Oregon's aviators and airports again.

With the completion of the 2007 Oregon Aviation Master and Systems Plans, we were able to republish these documents with the added features of alignment with the Oregon Transportation Plan and with an economic impact study for each community with a public use airport. These features provide a solid basis for determining priorities for construction and effort into the overall aviation system in Oregon, starting with the award of *ConnectOregon II* grants totaling \$26 million in 2008. The aggregate total of *ConnectOregon* funding for aviation is now over \$40M within the past three years. Oregon's lead in NextGen technology for safer, greener skies, with the Automated Dependent Surveillance-Broadcast, or ADS-B, system is functional awaiting the Federal Aviation Administration's (FAA's) full deployment of NextGen satellite-based, real-time weather and traffic controls in our airspace.

As aviation plays a critical role in each community's economy, we've continued to promote and enhance Oregon's pilot "Through-the-Fence" program, resulting in growth and benefits for the three pilot airports – Aurora State, Scappoose Industrial Airpark, and Baker City Municipal Airport. With the partnerships at each including the Department of Land Conservation and Development and the Economic and Community Development Department, we've been able to make solid progress in establishing orderly and equitable use of these airports for increased business opportunities and more stable airport funding through access fees. We've also played a strong supporting role for Oregon's aviation manufacturers, including amateur-built airplanes, in resolving regulatory issues and economic stimulus incentives directly with the FAA.

With the departure of commercial air service to a number of Oregon's rural communities, we were directed by the Governor to form an air service coalition and to negotiate with air service carriers for the restoration of routine commercial air service. Air service has now been restored or enhanced at Klamath Falls, North Bend/Coos Bay, Astoria, Newport, and Redmond. We will continue to work to restore service to Salem and enhance the commercial air service at Portland International Airport.

To further protect general aviation airports from incompatible land uses (as required in Oregon's Airport Planning Rule), we completed a 14-month coordination survey with cities and counties to determine compliance and barriers to implementation of the administrative rule. We've been able to assist land use planners in those jurisdictions and are forming legislation to encourage the completion of this requirement enacted into law in 1994. Additionally, in protecting airports from closure, we were able to add to state law a 180-day notification requirement to the agency. The agency has a partnership with the Port of Portland to operate and eventually assume ownership of the Mulino Airport (no longer needed by the Port as a reliever airport). By accelerating the construction and installation of twenty-six (26) new T-hangars and a stand-alone fueling system, we will be able to save this popular rural airport from closure.

Last, but not at all least, is our many efforts to better connect with pilots, aircraft owners, tenants, FBOs, and airport managers. We conducted a number of meetings at various Oregon airports with staff members from the FAA and the Transportation Security Administration (TSA) to provide information updates and to listen to their concerns and answer questions. Additionally, our AIRO Volunteer Program has yielded over twenty (20) volunteers on state-owned/operated airports to better maintain and improve our rural airports.

The balance of this report provides the details of our successes in maintaining pavements and improving safety and conditions at state-owned airports. We are proud of completing a record number of projects, on time, and under budget. With the strong leadership from the Oregon Aviation Board and the Governor's Office, we look forward to a bright and "blue-over-brown" future in Oregon's skies and communities.

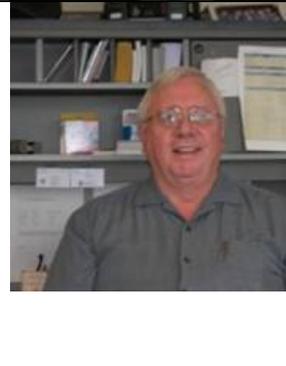
Thank you for allowing us to serve Oregon –

A handwritten signature in black ink, appearing to read "Dan Clem". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dan Clem

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 for providing policy guidance and oversight to the Department of Aviation.

	<p>Board Chair Mark Gardiner of Portland contributes 30 years of experience as an entrepreneur, financial and business advisor, public official and manager in a broad range of industries, including aviation. He is currently serving on the board of Quiet Flight LLC, which is commercializing a new FAA-certified noise cancellation system for aircraft, as well as serving on the board of AvroTec, Inc., a company involved with developing new aviation cockpit technologies.</p> <p>Additionally, Mark has been a pilot and aircraft owner for over 30 years. He looks forward to working on improving Oregon's aviation facilities and expanding Oregon's aerospace industry and employment.</p>
	<p>Vice Chair Chris Corich has 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 PDX and has responsibility for the Noise Office that handles 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.</p>
	<p>Stephen Beckham is a long-time Oregon resident now living in Aumsville and is 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.</p>
	<p>Larry Dalrymple currently works for the City of Pendleton as the Airport Manager and Economic Development Director and has been a member of Board since 7/1/07. As the Economic Development Director for Pendleton he has concentrated on industrial development and as the Eastern Oregon Regional Airport Manager his goal is to maintain commercial air service, provide excellent opportunities for local and itinerant general aviation, and to work on industrial development near and around the airport in conjunction with the City's recent expansion of their urban growth boundary and industrial land base. He served as the President of the Oregon Airport Manager's Association (OAMA) from October 05 to Sept 06, and has been a member for over 10 years.</p>

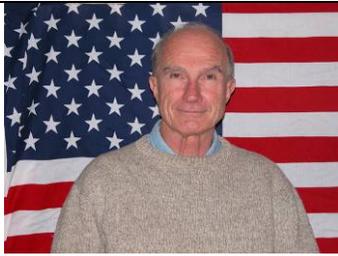


Nan Garnick is a lifetime resident of Central Oregon. Her aviation career began shortly before graduation from Redmond High School as a bookkeeper's assistant at Butler Aircraft. The explosive growth of aviation in Redmond and Central Oregon fostered Nan's aviation business acumen. In 2006, Nan and her pilot husband, Travis, fulfilled a longtime dream of a buyout of Butler Aircraft. As the VP/General Manager, Nan supervises the day-to-day operations of the FBO at Redmond, Roberts Field as well as the fire-fighting air tanker business.

Soon to be a licensed pilot and combined with 30-plus years of experience, she is a very strong and knowledgeable aviation advocate. Nan's balanced approach, common sense, and listening skills provide a strong platform for contributing to the ongoing growth of aviation in the Oregon.



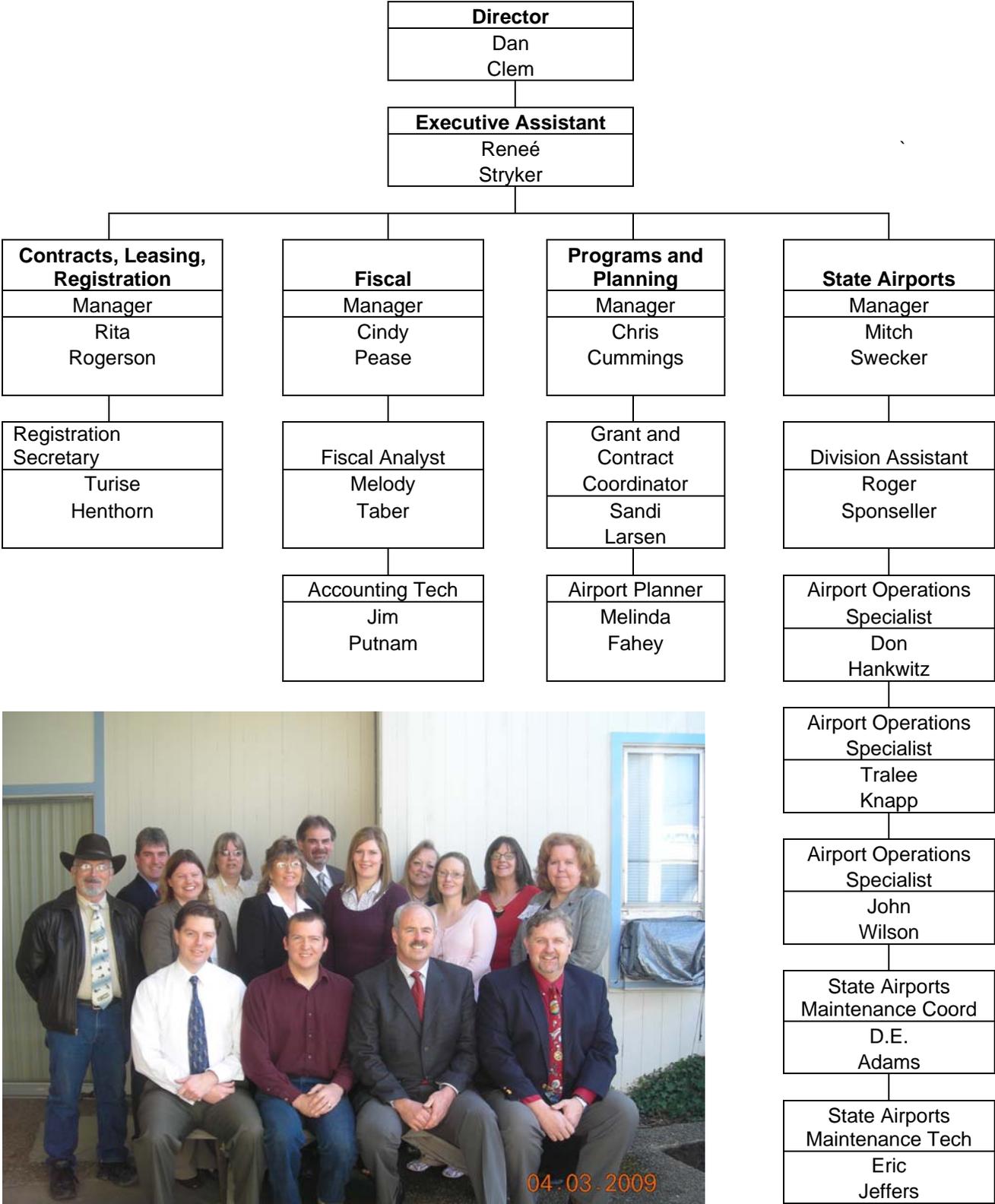
Jack Locker of Portland is retired from his own law practice and has served on the State Aviation Board since February 2002. He is a general aviation pilot who formerly served in the U.S. Air Force and Oregon Air National Guard. Locker is committed to ensuring that Oregon's general aviation airports 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.



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 and, after being off the Board while serving in the legislature, was reappointed in 2005. He also became president of the Oregon Pilot's Association in 2006.

ODA STAFF



AVIATION IN OREGON

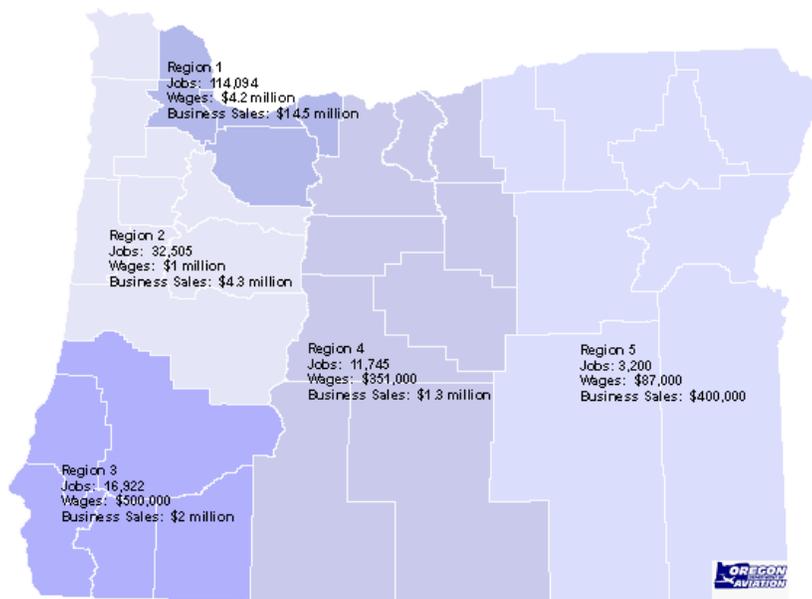
Overview

Aviation is an important component of Oregon’s transportation infrastructure. As of 2008 there are 97 public use and over 350 private use airports providing a variety of services across the state. Oregon’s urban and rural communities depend heavily on their airports. Our state’s size, geography, and population distribution make air transportation important for access, mobility, and connectivity. Aviation 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.



Economic Importance

Economic Value of Oregon Airports by Connect Oregon Region



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. Aviation contributes over 191,491 jobs to the state, paying an aggregate of \$6.6 billion in wages and accounting for \$23.7 billion in total business activity.

With the movement towards a global economy it is now recognized that aviation is no longer just another mode of transportation. It is a vital component of the economic engine that drives the state, regional and local economies and thus requires the continuous maintenance of adequate facilities and services.



AGENCY OVERVIEW

The 1999 Legislature created the Oregon Department of Aviation (ODA) as a standalone agency to advocate for the safe operation, growth and improvement of aviation in Oregon. Its goals include developing aviation as an integral part of the state's transportation network, including encouraging aviation-related economic development and increasing commercial and general air services. The seven-member State Aviation Board, appointed by the Governor, represents aviation interests from the public and private sectors.

The 16 members of the ODA staff conduct safety inspections, assist local governments with guidance, information and technical support with regard to airport ordinances, layout, land use laws, grant and entitlement programs, pavement maintenance and airport master plans. In addition, the agency owns/operates 28 state airports and registers all pilots and non-military aircraft based in Oregon.

ODA is supported entirely by Other and Federal Funds. The revenue is made up of approximately 27% fuels tax, 49% federal funds, a 12% beginning fund balance and 12% from other revenue sources such as registration fees, leases, search and rescue and local match.

Mission Statement

To Preserve and Enhance Aviation for Oregon's Communities.

Key Roles and Functions:

- Promulgate and implement aviation policies established by the State Aviation Board
- Oversight and management of the Oregon Aviation Plan as an integral portion of the Oregon Transportation Plan
- Assist communities in all matters related to aviation (air service, land use, airspace planning, etc)
- Manage the statewide Pavement Maintenance and Financial Assistance to Municipalities aviation programs
- Manage, in coordination with Oregon Military Department, Oregon's Search and Rescue Program
- Conduct safety inspections of public use airports
- Register and issue permits for: aircraft dealers, public and private use airports, pilots, and aircraft
- Sponsor, protect, and enhance state-owned airports
- Manage initiatives/programs to enhance aviation: Public-Private Partnerships, Aviation Education
- Manage aviation and aviation-related land use administrative rules
- Support general public aviation associations
- Own and operate state airports and facilities

Six-Year Strategic Plan

Protect Public-Use Airports:

- Legislation to strengthen enforcement with Airport Planning Rule (APR); add more public use airports to current list
- Assist jurisdictions with attaining compliance with APR.
- Protect Independence State Airport through possible acquisition of adjacent developable land.
- Acquire property and construct public-use airport in Southeast Oregon.
- Assume ownership of Mulino Airport.
- Advocate for policies and funding favorable for Oregon airports.

Leverage Technology to Enhance General Aviation Programs:

- Implement web-based accessibility for registration programs.
- Develop and mature information systems (AERO, AIMS) into Oracle-SQL-based systems.
- Advance use of NextGen and satellite-based navigation, weather, and communications systems.
- Implement Electronic Airport Layout Plans, make accessible from agency website.

Support Communities through Economic Development:

- Legislation to allow Through-the-Fence/Public-Private Partnership Program at all non-commercial public-use airports
- Establish self-funding districts (airport or tax-increment) to fund improvements on public-use airports.
- Support retention and expansion of commercial air services.
- Support Oregon aviation-related jobs and businesses, as appropriate.

Improve Safety and Operating Condition of State-owned/operated Airports:

- Construct required safety improvement projects (Five-Year Capital Improvements Plan).
- Attain financial self-sustainability for each airport.
- Construct Control Tower at Aurora State Airport. Operate tower under Contract Tower Program.
- Maintain state-owned/operated airports efficiently and effectively (pre-positioned equipment, local agreements).
- Attain sufficient staffing levels for operations and maintenance.
- Improve security (accessibility, infrastructure) and safety (separation of vehicle/aircraft, no OE).

Protect and Enhance Aviation:

- Support higher-education and flight instruction in aviation disciplines.
- Assist airport sponsors/communities with construction of critical Airside Facilities per the State Aviation System Plan (runway lighting, instrument approaches, and weather stations “AWOS”).
- Publish and update statewide aviation aeronautical charts, airport directory, Master and Systems Plans, Economic Impact Study.
- Provide aviation consultation and services, including air flight and fleet management services for governmental agencies, consultation and assistance for emergency response services, and

coordination with Transportation Security Administration and Federal Aviation Administration, and departments of Transportation.

- Support aviation-related outreach, search-and-rescue programs, and other support programs.
- Advocate for availability of necessary aviation fuels.



AGENCY HISTORY



Barnstorming Jenny at Burns, Oregon 1920
Photo Courtesy of Thomas Robinson

1920s: The Oregon Department Aviation (ODA) was originally founded in 1921 as the Oregon State Board of Aeronautics -- 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. With added responsibilities over the years, its mission has been updated to advocate for aviation in Oregon, which includes: developing aviation as an integral part of Oregon's transportation network; creating and implementing strategies to protect and improve Oregon's aviation system; encouraging aviation-related

economic development; supporting aviation education; and increasing commercial air service and general aviation in Oregon.

1930s: Oregon was a haven for homebuilt airplane designers and builders. There were high-wing planes, low-wing planes, even one with no wings at all. The State Aeronautics Board issued licenses to airplanes built by experimenters and amateurs, some of which achieved national recognition. While Oregon supported the homebuilt community, the federal government did not. In 1938 the Civil Aeronautics Authority (later to become the FAA) began inspecting, regulating and registering aircraft – all except homebuilt, which could not be registered. In 1940 the Board and the CAA agreed to make a test case to determine whether the state or the CAA held jurisdiction over intra-state flying. However, in the face of World War II civilian aircraft slumbered in hangars, barns and garages and the test case was quietly dismissed in 1942.

1940s: After World War II, and in anticipation of the passage of the Federal Airport Act, the Board made plans to establish an engineering department to develop a state airport plan to be correlated with the national airport plan. The engineering department aided municipalities and private owners in the location and development of sites for future airports. When flight training was incorporated under the G.I. bill of rights, the board formulated regulations for the approval of flight schools which had to receive state approval. In 1947, 45 such schools were operating in Oregon with an enrollment of 1,500 students. An inspector was employed for school licensing and inspection.

In 1946 the CAA wrote a regulation that permitted amateurs to build their own airplanes and after inspection license them in an "experimental" category – very like the Oregon system.

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.

1950s: By 1954 the functions of the board were divided into four sections relating to administration, engineering, safety and inspection, and information. The Engineering Section provided a consultation service to municipalities and private owners regarding airport construction, zoning, and development. Airport master plan work specifications, legal advice, and federal aid information was part of the service. Responsibilities of the Safety and Inspection Section included the publication of a safety enforcement manual, editing of Oregon Air News, aircraft inspection, coordination of the search and rescue program, and flight training school inspection. The Information Section was primarily concerned with education programs and promotion of the aviation industry.

During this decade, there were 155 airports in Oregon – a number of which had been constructed by Aeronautics. Aircraft registrations numbered 1,500, while total pilot registrations were 2,800. A State Aviation Education Program was initiated. The Board became a member of the National Association of State Aviation Officials (NASAO).

1960s: The 1960s 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.

1970s: The Oregon Department of Transportation (ODOT) was established in the 1970s, resulting in the dissolution of the Aeronautics Board and creation of an Aeronautics Division within the new agency. ODOT worked to unify multimodal 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.

1980s: By the 1980s, Aeronautics was active in the 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.

1990s: 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.

2000s: 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.

In May 2002, an independent national noise consulting firm completed a critical noise mitigation study for Aurora State Airport. Working closely with the consultants was a local public advisory board who named themselves "DECIBEL." The resulting report represents the culmination of months of on-site noise monitoring, a survey of all based aircraft owners to ascertain the types of aircraft that regularly utilize the airport, and hours of examination and discussion by DECIBEL. Ultimately, all data was synthesized into the FAA Integrated Noise Model to calculate the unique noise contours being generated at the airport - and unique suggestions formulated to minimize noise issues in this historic Oregon colony.

Updates to the Airport Land Use Compatibility Guidebook were approved by the State Aviation Board in January 2003. It serves as a primer on airports and compatible land uses and is a critical first step in providing understanding and information in the developing area of land use compatibility in the airport environs.

In 2004 the FAA presented ODA with an award for “exemplary leadership in fostering innovative programs to plan and address the aviation needs of Oregon’s airport system.”

In response to declining levels of air service in the Pacific Northwest, the Northwest Regional Air Service Initiative (NWRASI) program was created by the Oregon Department of Aviation, Washington Department of Transportation – Aviation, Oregon Airport Management Association, Washington Airport Management Association, and the Federal Aviation Administration. The purpose of the program is to assist small communities in Oregon and Washington with local air service issues.

The 2007 Oregon Aviation Plan applies general policies from the state’s multimodal Oregon Transportation Plan to the public-use aviation system – calling for a system marked by efficiency, accessibility, environmental responsibility and connectivity among places and among modes of transportation, enhancing safety, security and financial stability.



Aurora State Airport, April 2005

AIRPORT INFORMATION REPORTING FOR OREGON (AIRO)

Mission Statement

“To promote operational excellence at Oregon’s airports through active participation in public-private partnerships. We will work together to support Oregon Department of Aviation’s mission by embracing the values of high ethical conduct and fiscal responsibility with a safety-first approach.”

ODA offers volunteers an opportunity to contribute their aviation expertise to assist with reporting on the safety, security and maintenance conditions at state-sponsored airports. The Airport Information Reporting for Oregon (AIRO) program is a unique approach to supporting Oregon’s airports. It capitalizes on partnership with individuals who appreciate the value of Oregon’s state-owned airports and who volunteer to help maintain them for the enjoyment of all aviation enthusiasts. Their contribution as eyes, ears and light cleanup enhance the safety and improve the physical condition of public use airports.

Currently the AIRO program has 15 volunteers who provide regular inspections on their assigned airports and report to ODA staff. There is significant synergy in their efforts for ODA. With two maintenance personnel and three Operations Specialists to cover 28 state-owned or managed airports, it is difficult for ODA staff to get to the airports as regularly as the AIRO volunteers. Their insights and reports allow our limited staff to focus and prioritize workload based on AIRO volunteer reports.

Until recently, the lead AIRO volunteer was Norm Farb out of Independence State Airport. Norm did a tremendous job and was recognized for his extraordinary and unselfish service in a ceremony at the ODA office. Norm was also recognized for his service in a feature article in ODA’s quarterly newsletter, FlightLines.

After individuals apply and are accepted as AIRO volunteers they receive training on how to properly conduct an airport inspection and given a session on airport safety. ODA requests that the volunteers conduct monthly inspections of the airport they are assigned to. The inspections are reviewed and any outstanding items are noted and placed on ODA’s maintenance pending list, which is then reviewed for scheduling repairs or reported to TSA, FAA or law enforcement.

ODA believes this program is very valuable to helping maintain the state airports. Developing this partnership with volunteers is vital to the success and safe operations at our airports.



STATEWIDE AVIATION PLANNING

Oregon Aviation Plan 2007 (OAP 2007)

Begun in late 2005, the Oregon Aviation Plan 2007 was completed in 2007. It is a comprehensive evaluation of Oregon's aviation system and will serve as the guide for future aviation development. This study looks beyond the traditional system planning elements by combining three studies that assess 1) the economic benefit of the aviation industry, 2) the national importance and state significance of each airport, and 3) the condition of the existing aviation infrastructure. Each of these components is necessary to create a systematic approach to meeting recommended improvements and development strategies.

Oregon's public use airports are essential components of the state's transportation system, providing over \$23 billion to the state's economy as well as an estimated 200,000 jobs. The OAP 2007 projects that demands placed on the Oregon airport system will continue to grow and will require a significant investment to support this growth. The state must protect the system by ensuring the necessary amenities are in place and functioning, by installing navigational aids and adequate lighting where needed and by maintaining or upgrading general facilities.

Working together, ODA, the FAA and airport sponsors throughout Oregon can implement OAP 2007 to build a well-developed, successful aviation system.

Zoning and Land Use Inventory

In 2007 ODA developed an inventory of the comprehensive plans and zoning documents of Oregon cities and counties to identify where airport zoning controls exist and to determine which city and county jurisdictions in the state have complied with Oregon's Airport Planning Rule (OAR 666-013). The inventory of existing zoning controls was documented, summarized, and compiled in a format allowing for practical reference use by ODA and FAA, as well as county and city planners, developers and consulting firms. This information assists ODA with protecting airports in that it:

- Enables the agency to appropriately respond to development questions;
- Allows the agency to effectively track non-compliant jurisdictions and encourage compliance;
- Presents the agency with the opportunity to review current legislation and suggest changes;
- Supplies information for future GIS mapping;
- Facilitates assistance to local jurisdictions with the development and adoption of ordinances and airport zoning plans.

2008 Unit Cost Estimate Update

In 2008 ODA updated statewide unit costs for construction elements as part of the Oregon Continuous Aviation System Plan. The purpose of this update is to provide ODA and airport sponsors with a tool to estimate construction project costs throughout the state.

PILOT AND AIRCRAFT REGISTRATION

ODA is required by ORS 837 to charge a fee for Oregon pilots and civil aircraft. The pilot fees go to search and rescue efforts and the aircraft fees support maintenance expenses and support match for FAM grants when available.

As of June 30, 2008 ODA has registered 90.25% of the pilots and 89.58% of the aircraft.

JULY 1, 2006 TO JUNE 30, 2008

Total Oregon Pilots	Registered		Total Oregon Aircraft	Registered	
5,732	5,173	90.25%	9,360	8,385	89.58%



AIRPORT IMPROVEMENT PROJECTS

Summary

The FAA's Airport Improvement Program (AIP) provides grants for airport planning and development projects at airports included in the National Plan of Integrated Airport Systems (NPIAS). Eligible projects consist of improvements related to enhancing airport safety, capacity, security and environmental concerns. The state owns 11 of these NPIAS airports and receives an aggregate of \$1,650,000 (or \$150,000 per airport) annually. These funds can be "banked" for up to four years in order to accumulate enough to pay for larger improvement projects. FAA grants cover 95% of total project costs, with ODA picking up the remaining 5%.

During federal fiscal years 2007 and 2008 the following projects were funded by the FAA AIP.

	<u>Federal Share</u>
Aurora Land Acquisition and Taxiway Relocation	\$4,365,089
Cottage Grove Security Fencing and Bank Stabilization	\$ 899,000
Independence Airport Layout Plan Update	\$ 31,000
Phase 1 of Joseph Beacon, Tower and Automated Weather Observation System and Airport Layout Plan Update	\$ 125,621
Lebanon Runway Rehabilitation, Runway Safety Area Improvements, Installation of Precision Approach Path Indicators, Runway Lighting Replacement	\$1,216,510

Additionally, ODA assumed operation of the Mulino airport in 2007, currently owned by the Port of Portland. With funding from the Port a fuel tank was installed and new construction of two new buildings housing 26 T-hangars was largely completed in 2008 for a combined cost of \$1,441,319.

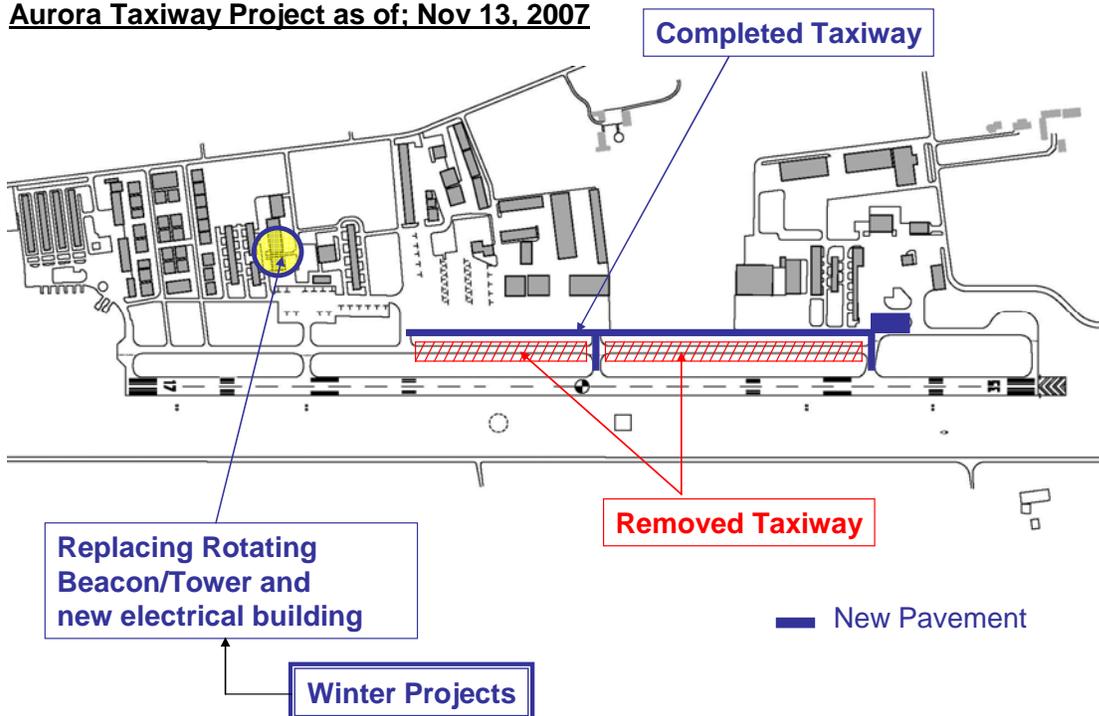


Capital Construction Project Descriptions

Property Acquisition and Runway 17/35 Parallel Taxiway Relocation

In August 2007 with a grant from the FAA ODA completed purchase of four parcels of land totaling 168,643 square feet for the purpose of relocating the parallel taxiway. A majority of the taxiway was located 200 feet off the centerline of the 5,000-foot runway. The project provided a new 35-foot-wide taxiway located 300 feet off the runway centerline that is designed for 60,000-lb. dual-wheel loading. Upgrade improvements for the taxiway system include new edge lighting with power/controls and airfield guidance signage. Construction was phased to provide continuous aircraft access to the runway with minimal back-taxi requirements. The existing taxiway was removed as materials from the pavement section were recycled and reused in construction of the new taxiway. Construction is scheduled for completion in 2009.

Aurora Taxiway Project as of: Nov 13, 2007



Cottage Grove Bank Stabilization and Security Lighting/Fencing

Two projects were undertaken during this period with grants from the FAA. In 2006 an environmental assessment was begun by David Evans and Associates for improvements to the runway safety area. The riverbank was eroding and encroaching on the RSA, creating a safety hazard. In 2007 design work commenced on bank stabilization. Design also began at this time on security lighting and fencing for the airport. Construction of both projects was scheduled for fiscal year 2008-09.



Lebanon Runway Rehabilitation, Runway Safety Area Improvements, Installation of Precision Approach Path Indicators, Runway Lighting Replacement

This multiphase project involved the relocation of drainage ditches from within the runway safety area (RSA) to outside the RSA and runway widening. Included also was the removal of the existing VASI units and replacing them with PAPI units. The existing VASI units were old, a high maintenance item and parts were difficult to acquire.



During fiscal year 2006-07 the consultant, David Evans and Associates (DEA), completed the federally-mandated environmental assessment and preliminary design (phase 1). In 2008 phase 2 began with design for widening runway 16/34 (2,877 feet) from 50 feet to 60 feet to meet FAA standards. Improved airport lighting was also included in the design. Construction (phase 3) commences in fiscal year 2008-09.

Installation of a new rotating beacon/tower and electrical vault was also completed in fiscal year 2006-07.

2006-08 PAVEMENT EVALUATION PROGRAM (PEP)

Through the Pavement Evaluation Program (PEP), ODA provides pavement condition assessments to sponsors of eligible airports throughout the state to assist with pavement maintenance planning. The state is divided into three geographic regions and pavement inspections are done annually on a rotating schedule, one region per year. The FAA funds 95 percent of the program and ODA provides the remaining 5 percent. In 2007 a total of \$111,741 was expended to evaluate the following airports in the northwest region:

Albany	Newport
Astoria	Pacific City
Aurora	Salem McNary
Corvallis	Scappoose
Country Squire	Seaside
Hillsboro	Siletz Bay
Independence	Sportsman Airpark
Lebanon	Starks Twin Oaks Airpark
Lenhardt Airpark	Tillamook
McMinnville	Toledo
Mulino	Troutdale
Nehalem Bay	Valley View

The evaluations of these airports were further reviewed for inclusion in the 2009 Pavement Maintenance Program.

In 2008 the following airports in the southern region were evaluated:

Ashland Municipal	Klamath Falls
Bandon State	Lake County
Brookings	McDermitt State
Cape Blanco State	Myrtle Creek Municipal
Chiloquin State	North Bend Municipal
Christmas Valley	Oakridge State
Cottage Grove State	Paisley
Crescent Lake State	Pinehurst State
Creswell Municipal	Prospect State
Florence Municipal	Rogue Valley International-Medford
Gold Beach Municipal	Roseburg Regional
Grant Pass	Sunriver
Illinois Valley	

These airports will be considered for pavement maintenance in 2010.

PAVEMENT MAINTENANCE PROGRAM (PMP)

When the 1999 Oregon Legislature approved an increase to jet fuel and aviation gas taxes, ODA gained an additional revenue stream dedicated to addressing pavement deficiencies identified through the FAA-funded Pavement Evaluation Program (PEP). Preventive maintenance at airports extends the life of pavement by many years and thus postpones the cost of larger repairs. Currently \$1 million annually is allocated to the PMP Program.

Pavement maintenance projects are addressed by region on a rotating basis that repeats every three years. Each airport sponsor must contribute local match, with the level of the match varying based upon the airport's category as designated in the Oregon Aviation Plan 2007. This method of regional contracting significantly reduces overall costs both for the state and for airport sponsors.

FY2006 Southwestern Region

Airport	Breakdown by funding source				Total Project Cost
	PMP	FAA	State self-match	Sponsor Match (non-state)	
Ashland	\$66,552.48	\$7,394.72			\$73,947.20
Bandon State	\$64,767.85	\$3,598.21	\$3,598.21		\$71,964.28
Cape Blanco State	\$62,590.45		\$3,294.23		\$65,884.68
Chiloquin State	\$8,082.81	\$449.05	\$449.05		\$8,980.90
Christmas Valley	\$93,879.00	\$4,941.00			\$98,820.00
Cottage Grove State	\$35,362.19	\$1,964.57	\$1,964.57		\$39,291.32
Creswell/Hobby Field	\$81,920.32	\$9,102.26			\$91,022.58
Florence	\$19,576.89			\$2,175.21	\$21,752.10
Grants Pass	\$40,965.11			\$4,551.68	\$45,516.79
Lake County	\$244,049.59			\$27,116.62	\$271,166.21
Oakridge State	\$35,720.70		\$1,880.44		\$37,600.74
Pinehurst State	\$68,097.21		\$3,584.06		\$71,681.27
Prospect State	\$121,137.89		\$6,375.68		\$127,513.57
Roseburg	\$38,166.65			\$12,722.22	\$50,888.86
Totals	\$980,869.13	\$27,449.80	\$21,145.84	\$46,565.73	\$1,076,030.50

FY2008, Eastern Region

	Breakdown by Funding Source				Total Project Cost
	PMP	FAA	State self-match	Sponsor (non-state)	
Baker City Municipal	\$100,739.29	\$11,193.25			\$111,932.54
Bend Municipal	\$56,282.11			\$18,760.70	\$75,042.81
Burns Municipal	\$87,848.58			\$9,760.95	\$97,609.53
Columbia Gorge Regional	\$16,887.12	\$1,876.35			\$18,763.47
Condon State	\$1,427.26	\$13,559.97	\$13,559.98		\$28,545.21
Enterprise Municipal	\$77,536.26			\$4,080.86	\$81,617.12
Grant County Regional	\$39,840.47			\$4,426.72	\$44,267.19
Hermiston Municipal	\$31,645.29			\$3,516.14	\$35,161.43
Joseph State	\$911.24	\$8,656.73	\$8,656.74		\$18,224.71
Ken Jernstedt Airfield	\$59,125.92	\$6,569.55			\$65,695.47
LaGrande/Union County	\$39,008.67			\$4,334.30	\$43,342.97
Lexington	\$55,195.35			\$6,132.82	\$61,328.17
Madras City-County	\$187,786.58	\$20,865.18			\$208,651.75
Prineville	\$19,621.94			\$2,180.22	\$21,802.16
Sunriver	\$22,877.14			\$2,541.90	\$25,419.04
Wasco State	\$5,381.76	\$51,126.73	\$51,126.73		\$107,635.22
Totals	\$802,114.98	\$113,847.76	\$73,343.45	\$27,212.96	\$1,016,519.15

CONNECTOREGON INITIATIVE

In 2005 the Oregon Legislature authorized \$100 million for Oregon’s Multimodal Transportation Fund to invest in air, rail, marine, and transit infrastructure. Oregon Laws 2005, Chapter 816, lists the kinds of projects that were eligible for funding through this first authorization, also known as *ConnectOregon I*. The legislation established five regions across Oregon counties and required that at least 15 percent of the proceeds be allocated to each of the five. *ConnectOregon I* funded 41 projects. Of these, 10 are aviation projects totaling \$22,809,910.

ConnectOregon I

Region	Applicant	Project Description	Total CO I Funds
2	City of Eugene	Air Cargo Facilities Improvements. The improvements expand the existing cargo ramp area to accommodate larger aircraft and add a new air cargo warehouse/office building.	\$ 4,103,461
3	Coos County Airport District	Runway, Apron and Air Freight Facility. Construction of an air freight/cargo handling area, with equipment and portions of a new apron and runway extension area for passenger and air freight accommodations.	\$ 640,000
3	Rogue Valley Int’l – Medford Airport	Multimodal Airport Improvement Project. Improve freight, logistical support, utility and security infrastructure as well as accessory infrastructure to support small parcel freight deliveries.	\$ 4,766,400
4	City of Klamath Falls	Jet Factory Service Center. Design and development of a jet aircraft maintenance facility. The prospective tenant estimates the need for 16 full-time, local employees when the project is completed and the facility is opened for operations.	\$ 800,000
4	City of Bend	Relocate/Construct Runway 16/34. Meet FAA safety and design standards and to meet the needs of current and future aircraft fleet mix at the Bend Municipal Airport.	\$ 350,000
4	City of Redmond	Airport Terminal Expansion. Final phase of a four-phase improvement project of the terminal area at Roberts Field that was initiated in 2000.	\$ 7,500,000
5	City of Ontario	Airport Runway Extension. Extend the existing runway to a length of 5,000 feet. Extend the required taxiway and connecting taxiway, install storm drains, add the required lights, move the runway end lights, replace visual approach slope indicators (VASI), install fencing, and apply required markings.	\$ 1,040,000
5	Grant County	Runway Extensions. Extend runways 09/27 and 17/35 to the maximum available lengths and construct the associated parallel taxiway. Construction includes modern approach and runway lighting systems.	\$ 1,875,368
5	Morrow County Public Works	Lexington Airport Fuel and Terminal Upgrade. Upgrade fuel system to card lock system. Rebuild pilots lounge and AWOS computer center. Add a covered vehicle parking for security.	\$ 118,000
Multi-Region	Sensis Corporation	ADS-B Ground-Based Transceivers. Deploy Automatic Dependent Surveillance-Broadcast (ADS-B) ground-based transceivers at six airports to enable the broadcast of real-time traffic and weather data to aircraft flying throughout the state of Oregon.	\$ 1,615,681
	Total		\$22,808,910

In 2007 the Oregon Legislature continued the *ConnectOregon* initiative by approving a second \$100 million for *ConnectOregon II*, building upon the success of the first authorization in 2005. Over 70 applications were reviewed and 30 projects were funded. Of those 30, 10 were aviation projects totaling \$26,905,916.

ConnectOregon II

Region	Applicant	Project Description	Total CO II Funds
1	Port of Portland	PDX North Runway Extension – Extend the north runway of Portland International Airport from its current length of 8,000 feet to 9,827 to provide consistent airfield operational capability.	\$6,300,000
2	City of Salem/McNary Field	McNary Field Passenger Terminal Expansion – Expand the terminal waiting area to allow improved baggage processing, additional restrooms, expanded passenger drop-off/pick-up areas and additional parking.	\$1,200,000
2	City of Salem/McNary Field	McNary Field Runway/Safety Area Extension – Extend the primary runway/safety area for aircraft by up to 1,000 feet. Runway extensions give a greater margin of aircraft safety and growth capacity, making the airport a more viable option for travelers and businesses.	\$2,600,000
2	City of Newport and Port of Astoria	Coastal Oregon Air Service – Scheduled passenger air service will provide important connections from two major coastal communities to the PDX. It will reduce travel time and costs for people needing to get to and from Oregon’s northern and central coast.	\$3,600,000
3	Coos County Airport District	Air Traffic Control Tower- Southwest Oregon Regional Airport (North Bend) – Support the effort to construct and equip an air traffic control tower that is vital to meet the needs of the area, which is experiencing growth in tourism, air freight and business needs.	\$ 624,000
3	Rogue Valley International-Medford Sky Air Cargo, LLC	Medford - Multi-Modal Express Air Cargo Expansion –Improve Rogue Valley International’s small parcel freight handling capabilities by rehabilitating the existing air cargo apron areas, adding parking and upgrading utilities.	\$4,760,000
4	City of Madras	Heavy Aircraft and Engine Maintenance Facility – A new heavy aircraft and major engine maintenance facility will support businesses in this rapidly growing area. A new 30,000-square-foot hangar and associated infrastructure will bring on-demand air carrier service to Madras, providing transportation options for community businesses.	\$2,157,749
4	Redmond Airport/City of Redmond	North Side Cargo Ramp & Development – A new aircraft ramp and development area solely for cargo companies, enhancing security and safety and offering potential new companies incentives for using the airport’s cargo services.	\$1,500,000
5	Grant County	Airport Terminal Building – Replace the aging airport terminal facility with one designed to meet the needs of pilots, visitors and airport operations, as well as the needs of the U.S. Forest Service as it improves its Fire Base facility.	\$4,064,167
5	City of Vale	Miller Memorial Airport – A more viable airstrip, increasing the airport’s usefulness as a community resource and enhancing its appeal to businesses. Pave the longest runway, which is currently graveled.	\$400,000
	Total		\$26,905,916

TALL STRUCTURES EVALUATION



During the 2007-08 fiscal year 533 tall structure determinations were made. Through this process ODA ensures that proposed structures do not encroach upon or negatively impact airports. A high percentage of structures evaluated are cell towers. The ever-increasing demand for cell phone corresponds with an increased demand for cell towers to provide coverage. 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.

Another controversial vertical structure extending into airspace is the wind turbine. In efforts to “go green” Oregon has begun installing many wind turbines in areas that generate vast amounts of wind and thus energy. For the state this is a great opportunity to eliminate greenhouse gases. However, remote airports often exist in the same areas where the turbine farms are emerging, compromising air navigation safety. ODA is monitoring this new technology and working with local jurisdictions to maintain airport integrity.



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.

Sixty-five airports were inspected from January 2007 to December 2008. ODA was reimbursed \$500 per 5010 airport inspection in 2007-2008, or \$32,900 for

the calendar year. Twenty-nine airports were selected for inspection in 2008-2009 with the FAA reimbursing at \$550 per 5010 inspection, or \$15,950.

Name of Airport	Date completed	Name of Airport	Date completed	Name of Airport	Date completed
Albany Municipal	3/18/2008	Hobby Field	7/31/2008	Pinehurst	12/15/2008
Alkali Lake State	7/15/2008	Hood River	7/10/2007	Portland Downtown HP	5/15/2008
Arlington Municipal	7/14/2008	Independence State	5/6/2008	Powers	12/9/2008
Ashland	10/15/2008	Lake Billy	7/9/2007	Rome	3/26/2007
Bandon	12/8/2008	Lake Woahink	6/8/2008	Roseburg Regional	8/26/2008
Beaver Marsh State	5/21/2008	Lakeside	12/8/2008	Sandy River	2/2/2007
Bend Municipal	3/20/2008	Lakeview	4/30/2007	Santiam Junction	5/1/2007
Boardman	6/19/2007	Lebanon State	3/18/2008	Seaside Municipal	4/2/2008
Brookings State	6/10/2008	Lexington	6/19/2007	Siletz Bay State	4/3/2008
Cape Blanco State	6/10/2008	Madras	7/9/2007	Silver Lake	7/15/2008
Cascade Locks	7/1/2008	McDermitt	3/27/2007	Sisters	3/28/2007
Chehalem	12/31/2008	McKenzie Bridge	6/25/2007	Skyport	2/14/2007
Chehalem	2/21/2007	McMinnville	8/9/2007	Sportsman	6/5/2008
Christmas Valley	7/15/2008	Monument	6/18/2007	Sunriver	3/14/2007
Condon	5/22/2007	Mulino	2/27/2007	The Dalles	7/10/2007
Corvallis	7/26/2007	Myrtle Creek Municipal	8/26/2008	Tillamook	4/2/2008
Cottage Grove State	5/28/2008	Nehalem Bay	9/30/2008	Toketee State	5/22/2008
Florence Municipal	6/8/2008	Nehalem Bay	3/13/2007	Troutdale	7/1/2008
George Felt	8/26/2008	Oakridge State	7/31/2008	Valley View	4/2/2007
Gold Beach	3/19/2007	Pacific City	9/30/2008	Vernonia	2/12/2007
Hermiston Municipal	6/8/2008	Pacific City	3/13/2007	Wasco	5/22/2007
Hillsboro	9/30/2008	Paisley State	7/15/2008		

2007-09 LEGISLATIVELY APPROVED BUDGET

Beginning Balance	<u>\$898,873</u>
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Agency Wide Revenues Summary

Revenue Categories

Motor Fuels Taxes	\$3,048
Licenses & Fees	\$889,643
Federal Revenues	\$10,443,166
Fines & Forfeitures	\$36,863
Rents & Royalties	\$746,831
Donations	\$100
Other Revenues	\$3,148,673
Transfer In - Intra-fund	\$1,371,450
Transfer From Transportation Dept.	\$5,364,447
Transfer Out - Intra-fund	\$1,402,081

Total Available Revenues	<u>\$21,501,013</u>
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Agency-Wide Expenditure Summary

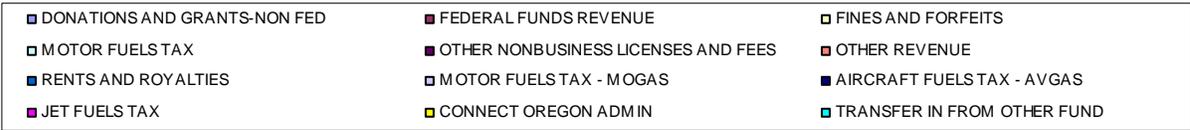
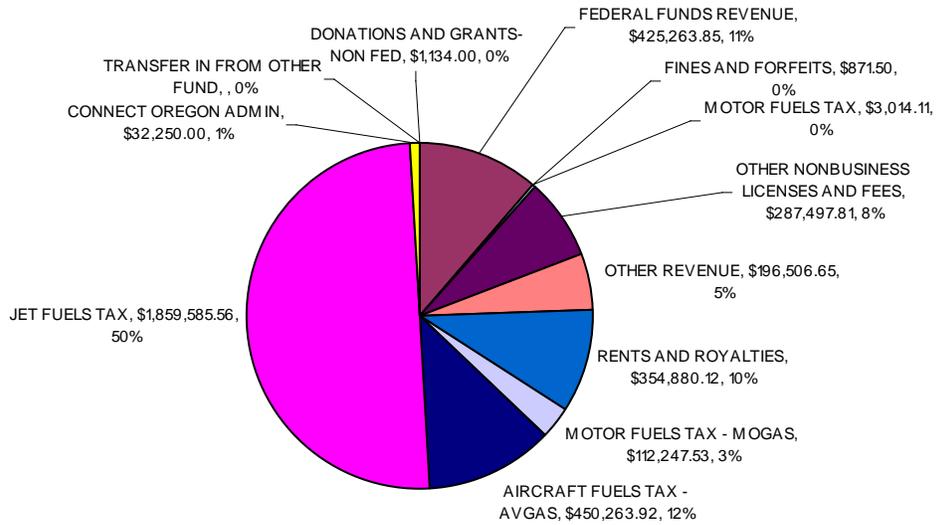
Expenditure Program Units

Operations	\$6,987,869
Search & Rescue	\$58,783
General Aviation Entitlement Program	\$943,770
Capital Improvements	
Capital Construction	\$11,884,293

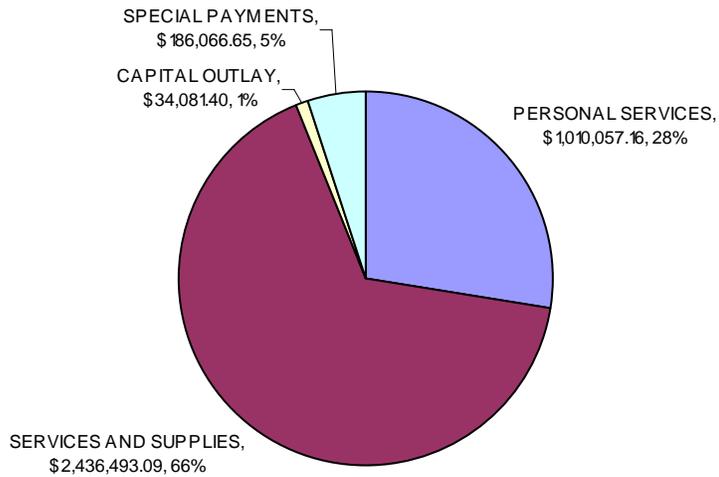
Total Expenditures	<u>\$19,874,715</u>
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Ending Balance	<u><u>\$1,626,298</u></u>
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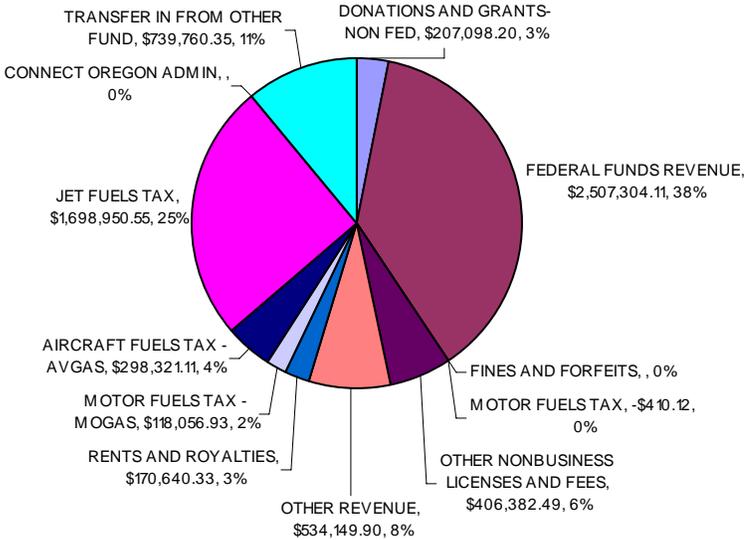
2007 Revenues



2007 Expenses

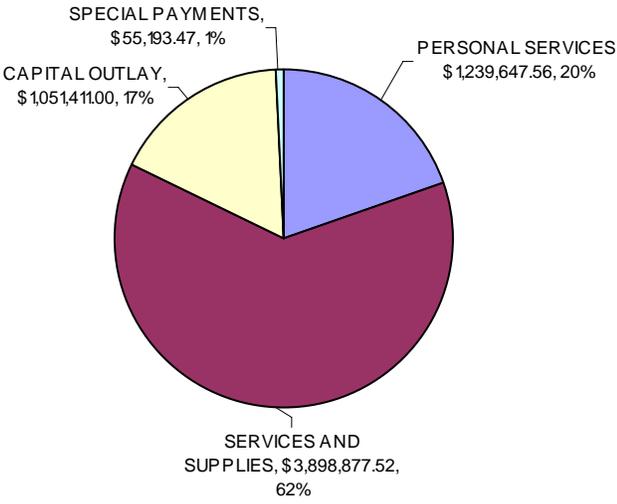


2008 Revenue

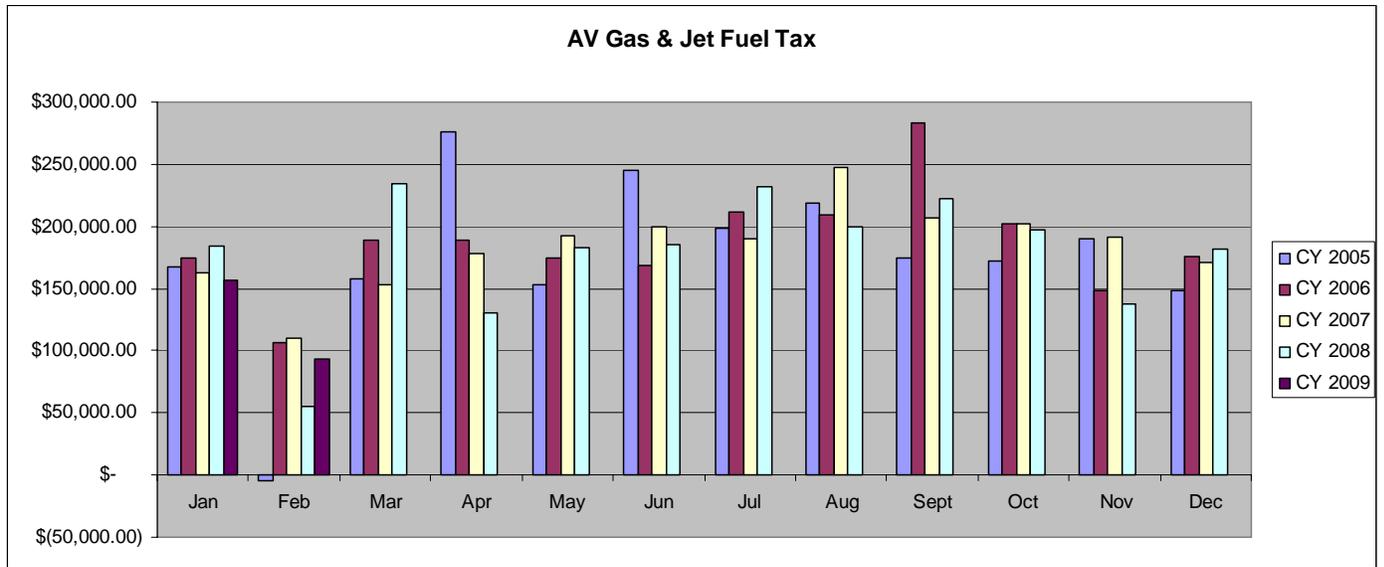


■ DONATIONS AND GRANTS-NON FED	■ FEDERAL FUNDS REVENUE	□ FINES AND FORFEITS
■ MOTOR FUELS TAX	■ OTHER NONBUSINESS LICENSES AND FEES	■ OTHER REVENUE
■ RENTS AND ROYALTIES	■ MOTOR FUELS TAX - MOGAS	■ AIRCRAFT FUELS TAX - AVGAS
■ JET FUELS TAX	■ CONNECT OREGON ADMIN	■ TRANSFER IN FROM OTHER FUND

2008 Expenses



■ PERSONAL SERVICES	■ SERVICES AND SUPPLIES	■ CAPITAL OUTLAY	■ SPECIAL PAYMENTS
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	Total received		Average
2005	\$2,097,943.02		\$174,828.59
2006	\$2,231,337.37		\$185,944.78
2007	\$2,205,794.45		\$183,816.20
2008	\$2,142,591.87		\$178,549.32
2009			

2007-2008 State Airport Costs

LOCATION	2007 Y-T-D Expenditures	2008 Y-T-D Expenditures
ALKALI LAKE STATE AIRPORT (AL)	\$735.69	\$1,179.11
AURORA STATE AIRPORT (AR)	\$77,198.50	\$73,360.68
BANDON STATE AIRPORT (BD)	\$10,720.47	\$17,779.85
CAPE BLANCO STATE AIRPORT (CB)	30,654.51	\$13,332.48
CASCADE LOCKS STATE AIRPORT (CL)	\$4,609.67	\$10,990.55
CHILOQUIN STATE AIRPORT (CH)	\$6,682.80	\$16,426.87
CONDON STATE AIRPORT (CO)	\$8,368.83	\$8,851.45
COTTAGE GROVE STATE AIRPORT (CG)	\$12,811.76	\$25,162.33
CRESCENT LAKE STATE AIRPORT (CL)	\$585.19	\$1,347.17
INDEPENDENCE STATE AIRPORT (IN)	\$42,976.87	\$32,546.36
JOSEPH STATE AIRPORT (JO)	\$82,983.45	\$96,374.56
LAKESIDE STATE AIRPORT (LK)		
LEBANON STATE AIRPORT (LB)	\$16,181.14	\$27,392.60
MCDERMITT STATE AIRPORT (MD)	\$3,539.50	\$10,350.28
MCKENZIE BRIDGE STATE AIRPORT (MB)	\$1,259.15	\$1,162.70
NEHALEM BAY STATE AIRPORT (NB)	\$2,435.83	\$4,856.85
OAKRIDGE STATE AIRPORT (OK)	\$4,833.21	\$5,508.09
OWYHEE RESERVOIR STATE AIRPORT (OR)	\$350.70	\$882.56
PACIFIC CITY STATE AIRPORT (PC)	\$6,938.95	\$2,651.06
PINEHURST STATE AIRPORT (PH)	\$3,941.29	\$4,515.24
PROSPECT STATE AIRPORT (PR)	\$13,142.98	\$18,707.27
ROME STATE AIRPORT (RM)	\$302.98	\$1,168.61
SANTIAM JUNCTION STATE AIRPORT (SJ)	\$559.05	\$239.86
SILETZ BAY STATE AIRPORT (SB)	\$8,381.32	\$15,600.02
TOKETTEE STATE AIRPORT (TK)	\$701.27	\$1,636.59
TOLEDO STATE AIRPORT (TO)	\$1,393.26	\$3,244.06
WAKONDA BEACH STATE AIRPORT (WB)	\$1,415.36	\$2,325.54
WASCO STATE AIRPORT (WS)	\$4,812.04	\$8,623.77
TOTAL FOR ALL AIRPORTS	\$348,515.77	\$406,216.51