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Subject: Public Comment for the April 2, 2026 Board Meeting
Date: Monday, March 23, 2026 8:27:11 AM
Attachments: [Assessment of Creswell Airport COAR Grant Acquisition and Management.pdf](#)

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To the Oregon Department of Aviation and the State Aviation Board:

Please find the attached report, "Assessment of Creswell Airport COAR Grant Acquisition and Management: Longitudinal Analysis and Institutional Risk Assessment," to be included in the public record and meeting materials for the State Aviation Board meeting scheduled for April 2, 2026.

This assessment provides a detailed review of Critical Oregon Airport Relief (COAR) grant applications submitted by the City of Creswell over the past ten cycles. The findings identify significant concerns regarding programmatic integrity and operational feasibility, including:

- **Programmatic Integrity:** The dual roles held by the Creswell Airport Manager as Chair of the state-level Aviation Review Committee (ARC) and the Airport Commission Chair as a primary private user of grant-funded EOC infrastructure raise critical ethics and FAA compliance concerns.
- **Dubious Technical Merit:** Claims regarding the "Reconnaissance Drone" (\$112,500) and Starlink systems for disaster-related "food drops" lack legitimate daily aeronautical utility and are currently restricted by federal UAS regulations.
- **Fiscal and Environmental Irregularities:** Documentation of a multi-year delay in the North Taxi Lane project due to an attempt to bypass National Environmental Policy Act (NEPA) requirements by proposing a turf taxi lane using geogrid. This strategy represents a lack of fiscal restraint, as it creates an immediate "funding grab" for a sub-standard surface that will require future public funds to replace and pave.
- **Budgetary Obfuscation:** Evidence that the city has miscoded legal fees related to the Meadowbrook Investments lawsuit (Case No. 24CV61064)—a liability in excess of half a million dollars—to the General Fund instead of the Airport Enterprise Fund.

*Please note that neither the author of this report nor the submitter is a party to the Meadowbrook litigation.

We respectfully request that the Board review these findings and consider holding pending grant awards for 77S in abeyance until an independent audit verifies the technical merit and compliance of these projects.

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Assessment of Creswell Airport COAR Grant Acquisition and Management: Longitudinal Analysis and Institutional Risk Assessment

The fiscal administration of state-level aviation infrastructure requires rigorous adherence to transparency, objective prioritization, and ethical governance. In the State of Oregon, the Critical Oregon Airport Relief (COAR) grant mechanism serves as the primary vehicle for supporting public-use airports.¹ This assessment provides a detailed review of the grant applications submitted by Hobby Field (Creswell, 77S) over the past ten funding cycles, focusing on programmatic integrity, technical merit, and the operational feasibility of specific projects identified in the 2024–2026 cycles.

I. Programmatic Integrity Assessment

Programmatic integrity ensures that public funds are distributed based on objective criteria rather than institutional influence or undisclosed interests. The forensic data reveals a pattern of "funding capture" by Hobby Field that coincides with significant governance irregularities.

1. Disproportionate Funding Success and Disadvantage to Stakeholders

The COAR program operates within a finite budget, typically awarding \$3M–\$4M per year. In Cycle 9 (2024–2025), Hobby Field was recommended for \$286,200 across four separate grants—nearly 8% of the total statewide allocation. This success rate occurred while the airport manager, Shelley Humble, served as Chair of the state-level Aviation Review Committee (ARC).⁶ Formal complaints allege that this concentration of funds disadvantaged other aviation stakeholders who did not have equivalent non-public insight into scoring criteria or deliberations.⁶

2. Conflict of Interest and Private Pecuniary Benefit

Integrity concerns are compounded by the nexus between grant-funded infrastructure and private commercial interests.

- **The ARC-Manager Feedback Loop:** As ARC Chair, Ms. Humble reviewed and ranked applications for her own facility. Forensic review of these applications shows she explicitly argued that security upgrades were "marketing tools" to attract more based aircraft—an action that provides a direct benefit to her family's private maintenance business, Viper Aviation, by expanding its potential customer base.⁶

- **EOC Infrastructure and Private Usage:** The city designated a specific hangar as an Emergency Operation Command Center (EOC) to secure grants for access roads, transfer switches, and Starlink systems. However, the primary daily user of this grant-funded infrastructure is Kyle Bushman, Chair of the Airport Commission, who leases the facility for his private aircraft restoration business.⁷ This raises significant FAA compliance issues regarding Grant Assurance 23 (Exclusive Rights) and Assurance 25 (Revenue Diversion).

3. Failure to Attract Private Investment

Historically, hangar construction at Hobby Field was privately funded.⁸ However, recent management has been marked by a failure to attract new private construction, leading to a reported drop in airport lease revenues. Instead of fostering private growth, the city has shifted toward city-owned, grant-funded construction (e.g., COAR-2026-77S-00049), stifling development and transferring financial risk from private developers to the state and local taxpayers.⁹

II. Funding Merit and Operational Feasibility Study

This study evaluates whether the requested assets serve a legitimate, daily aeronautical purpose and whether the proposed implementations are fiscally and environmentally sound.

1. Dubious Technical Claims: The Reconnaissance Drone

Application COAR-2025-77S-00047 requested \$112,500 for a package including a "Reconnaissance Drone" for "possible food drops to citizens".³

- **Feasibility Issues:** Standard quadcopters used for reconnaissance have negligible lift capacity for food logistics.³ Furthermore, FAA Part 107 regulations strictly regulate dropping objects to prevent hazards and it does not appear that the City of Creswell has appropriately certified staff who are trained in public use drone operation, aerial data acquisition nor processing and compliance with State and Federal regulations.³
- **Regulatory Restrictions:** An ODAV white paper reveals that federal security restrictions have effectively grounded 95% of Oregon's state drone fleet.³ Investing in new uncrewed aerial systems (UAS) assets under these conditions is technically precarious and lacks daily operational utility.

2. Environmental Practice and Fiscal Restraint: The North Taxi Lane Project

The North Taxi Lane project (COAR-2025-77S-00037 match) provides a case study

in prioritized "funding grabs" over sound engineering and environmental practices.¹¹

- **The NEPA Workaround:** Records indicate the project was delayed because the city sought a workaround for National Environmental Policy Act (NEPA) requirements. The city's proposed solution was to construct a turf taxi lane using a geocell/geogrid surface, which they verbally represented to the FAA as a "Modification of Standard" (MOS).⁷
- **Fiscal Implications:** While the turf/geogrid option was presented as a viable emergency path, the city's stated intent is to later convert the surface to asphalt.⁴ This represents a fundamental lack of fiscal restraint: the city is seeking grant funds for a temporary "cheap" fix that will inevitably require additional public funds for replacement and paving at a later date. This strategy prioritizes immediate grant capture over long-term, sustainable infrastructure planning.

3. Equipment Suitability: Gator Procurement

Previous funds were utilized to purchase a John Deere Gator for debris removal. Critics allege the administration proceeded with this purchase despite being advised the vehicle was ill-suited for the heavy-duty demands of the Oregon Resilience Plan.⁵ This subsequently required unbudgeted expenditures for attachments and additional recovery equipment in Cycle 10 (COAR-2026-77S-00043).¹³

III. Fiscal Transparency and Management Irregularities

The City of Creswell's Airport Fund, which must be a self-sustaining Enterprise Fund, is in a state of chronic deficit.¹⁴

1. General Fund Bailouts and Account Miscoding

The General Fund provides an annual \$150,000 "bailout" to cover airport operational shortfalls, a subsidy that was reported exhausted just halfway through the fiscal year.¹⁴ To hide the true cost of airport-related issues, the city has miscoded legal expenses.

- **Miscoding of Montoya Law Invoices:** Nearly \$30,000 in legal fees for the Meadowbrook Investments lawsuit (Case No. 24CV61064) have been coded to General Fund Administration rather than the Airport Fund.¹⁴
- **Budget Obfuscation:** If properly attributed to the airport's \$2,500 legal budget, that line item would be overspent by more than 1,100%.¹⁴ This "category roll-up" bypasses the public hearing requirement for a supplemental budget

resolution under ORS 294.471.¹⁴

2. Litigation Liability: The Meadowbrook Case

The Meadowbrook lawsuit, initiated without a formal public vote by the City Council, represents a potential liability in excess of half a million dollars.¹⁴ This litigation reportedly involves two separate leases, including a dispute over a land lease specifically intended for the construction of a new 60x65 hangar. The aggressive cancellation of commercial leases and subsequent eviction proceedings have further destabilized the airport's commercial ecosystem.¹⁴

IV. Conclusions and Findings

The assessment of Creswell's grant acquisition identifies a systemic disregard for programmatic integrity and established environmental practices.

1. **Exploitation of Resiliency Narratives:** The "EOC" and "Food Drop Drone" claims appear to be vehicles to acquire general municipal equipment and improve assets for private tenants under the guise of emergency preparedness.³
2. **Lack of Fiscal Restraint:** Proposing a turf tax lane as a NEPA workaround demonstrates a tactical choice to secure immediate funding for a sub-standard surface that will require future public expenditures to rectify and avoidance of complying with environmental regulations.
3. **Governance Failure:** The dual role of the Airport Manager as ARC Chair created a feedback loop that steered a disproportionate share of state funds to a facility plagued by commercial litigation and fiscal mismanagement.³

Recommendations

- **Abeyance of Awards:** The State Aviation Board should suspend Cycles 9 and 10 awards for 77S until an independent audit verifies the technical merit and FAA compliance of the requested projects.⁶
- **Asset Standardization:** ODAV should restrict Priority 2 (Resiliency) grants to standardized, daily-use aviation assets to prevent the "reconnaissance drone" from becoming a precedent for municipal revenue diversion.³

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