

Oregon State Aviation Board
Final Meeting Minutes

November 15, 2006

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 Committee, a meeting of the Oregon State Aviation Board was held November 15, 2006 at Redmond Fire Dept.

Board Members in attendance included: Board Chair Mike Burrill; Vice-Chair Chris Corich; Board member Steve Beckham, and Board Member Carrie Novick.

Employees in attendance included: Director Bob Hidley; State Airports Manager Larry Weber; Administration Manager, Jennifer Kellar; Board Secretary Jody Brewer. Department of Justice Attorney Lynn Rosik.

Presenters and Guests in attendance: Mead & Hunt's, Stephanie Ward, Kevin Mulcaster, and Damon Smith; ODOT's Teddie Baker and Julie Rodwell; AFA's Aron Faegre; Southend Airpark pilot, Ted Millar; Sportsman Airparks, Jerry Dale; Oregon Pilots Association John Cox; Bend Airport Manager, Greg Phillips; Pendleton Airport Manager, Larry Dalrymple.

Teleconferenced: Board Member Joe Smith and Christine Ruck (Agenda Item 9)
JOE SMITH SIGNED IN AT 9:20

1. Call to Order

Chair Burrill called the meeting to order at 9:00 a.m.

2. Information Item – Public Comments

Christine Ruck stated she was the individual who sent the letter considering insurance requirements, and is planning to discuss this at the time of the agenda item.

Board Member Carrie Novick stated that she discussed with the fire chief the fire service provided by the city. This service is 100% paid for by the airport. Several of these employees may work for the city, but their salaries are paid for by the Redmond airport.

3. Action Item - Agenda adjustments

Immediately following Agenda Item 4 we will

- Add Agenda Item 4a. Airport Growth Boundary
- Agenda Item 12 Tax Increment Financing to following Agenda 4a

6. Action Item - Approval of minutes. Board Member Beckham moved and Board Member Corich seconded approval of the September 2006 minutes. The motion passed unanimously.

4. Information Item - Mead & Hunt Presentation.

❖ MEAD & HUNT POWERPOINT PRESENTATION

Stephanie Ward gave a brief summary of the advisory committee meeting held on November 14, 2006 at the same location.

RECAPPED WORK EFFORTS:

- Collected additional economic information - on the economic impact study, they hope to have some preliminary numbers to present by the end of the year.
- Refining the performance criteria.
- Applied the criteria each individual airport to access what their deficiencies are and what their impact will be to the overall project.
- Beginning to develop individual reports.

❖ Sample report (Refer to Redmond's report as a sample)

Each Airport will be provided with an individual report to summarize all three of the studies, as well as having additional information about their site.

Chapter 1 – Summary of Studies. The primary item regarding this chapter is a change in title to emphasis criteria to provide a needs assessment as well as benchmarking for each different type of airport.

Chapter 2 – Summary of the existing facility. The description, location information, existing facilities, forecasted number of based aircraft (enplanements at commercial service airports) and general operational information. Summary of the various survey responses.

Chapter 3 – Summary of Recommendation. Mead & Hunt's needs assessment is based on performance criteria as well as individual items associated with each airport; role, performance criteria & benchmarks with minimum and maximum criteria; Funding & Development; Economic Impact Information.

Summary of Criteria:

Air Shuttle Concept – Received many responses to this concept. Six different categories were addressed. A brief summary of the responses:

- Factor Related to provision of service: Survey results in order were: costing, schedule, reliability, comfort, and then type of aircraft.

- Top Destinations: Listing in order: Portland, Salem, and following in combination were Bend and Eugene.
- Frequency of service: In order: Daily, Twice a week, and every other day. Challenge is the arrival times.
- Frequency of Arrival and Departure Time: Many interested to get to destination by 8 a.m. and leave by 6 p.m.
- Purchase of guarantee seats: Most answers were “unsure” or “no”
- Cost “willing to pay”: Around \$50 to \$100 round trip.

Board Member Chris Corich asked for clarification if the fee was one way or round trip. Stephanie Ward stated that it wasn't defined in the survey, however her assumption was the survey responders believed it was round trip.

In Conclusion: This type of service will not be open to the public. State agencies were interested and this should be researched.

Discussion: Regarding alternatives to the shuttle service.

STATE AIRPORTS:

Number of airports the State owns was unique

Concern and suggestion was to have a more defined format for procurement of airports and divestment of airports.

Criteria/recommendations to consider in acquiring airports and keeping them functional

Additional automated weather reporting systems was a concern from managers

Increased security at remote airports and overall monitoring

Airport Directory is dated and should be updated, possibly just Web page

ADS-B implementation

State Agency Coordination

Tourism Information and Welcome Centers at airports

Emergency preparedness opportunities; identifying command centers

Travel/Transportation/Economic; directional signage improvements

Over the Next Several Months

Mead & Hunt will be finishing the individual airport report for draft recommendations

Presentation to staff/board in Jan/Feb 2007 for overall study

Summary of additional background will be available

Next Advisory Committee meeting will be late Feb, early March 2007.

Final publication late March, early April 2007

Discussion followed regarding other states and their procedures for the above and how to implement the study at the Oregon Airports.

Aron Faegre inquired of the forecast of improvements needed stated in chapter 2 and how this will relate to and/or supersede other studies. Stephanie explained this would be up to

the FAA. FAA will approve NPIAS obligated airports. Airports that are currently in a planning process were to share the process during the survey and this was used.

Concern was brought up regarding current airport plans vs Mead & Hunt's study. Board Chair explained the Board is not there to dictate to the other airports, but to give ideas with this study.

4a. Agenda Addition: Airport Growth Boundary

❖ Distributed Letter from Andy Andersen

Director Hidley attended the Oregon Pilots Association Meeting last Saturday. Andy Anderson was concerned of airport closures due to encroachment. The above listed letter explains his decision to promote airport growth boundaries.

Director Hidley and Chair Burrill attended NASAO's legislative conference last March and at this conference they had a meeting with the FAA administrator. At this meeting NASAO signed a MOA with the FAA to develop off airport land use procedures. Mead & Hunt's consultant Stephanie Ward was hired to draft the advisory circular.

Stephanie Ward explained they hope to have a draft document to the FAA by the first of the year. A challenge with the advisory circular is that obviously some tools and techniques are useable in some places, others are not. Also discussed different types of land use and how this can be compatible at some airports, yet not at others. She also stated Mead and Hunt was selected as the consultant to the Transportation Review Board. This project will be a two year project looking at noise issues, land use language, and aircraft accident statistics. The advisory circular will be finished in approximately one year.

Board member Novick explained advisory circulars are no longer advisory, they are now mandatory. Director Hidley concurred stating that if you received federal funds at your airport you must comply with the advisory circulars. Therefore, NPIAS and air carrier airports must comply with advisory circulars. Airports not receiving federal monies do not need to be in compliance.

Board member Corich asked Stephanie about the TRB project and if an advisory committee had been formed. Stephanie stated they will meet with the committee after the first of the year to go over the proposed work plan. Board Member Novick asked to be advised of the members on this committee.

Board Member Beckham asked Stephanie if she is aware of other states trying to clone Oregon's measure 37. He asked if there is awareness of this in the study. Stephanie stated the big challenge is the guidelines coming out regarding land use gets into property owner rights which are very delicate no matter where you are in the United States.

*Add Land use and Measure 37 to Board Pending List

Mike Burrill relayed ODA had submitted a legislative concept regarding disclosure notification by real estate companies as it relates to potential buyers in airport boundary

locations. This concept is being withdrawn pending further review and discussion by all affected parties.

Aron Faegre requests that SAB take a more active role towards measure 37. To make a statement to evaluate safety issues at airports that having developments around them, because measure 37 does not allow things that would be counter to public safety and welfare. He feels the Department of Aviation would be the one to respond to this statement.

*Chair Burrill suggests this item be put on the Pending List.

12. Information Item – Tax Increment Financing (Agenda adjustment)

Aron Faegre, Aviation Planner, presented tax increment financing, which may become proposed legislation.

❖ TAX INCREMENT FINANCING PRESENTATION HANDOUT

Aron explained we are a rural state and have airports spread around the state. TIF is a proposed new source of revenue for Oregon's rural airports. He explained that tax increment financing is a system where you create a boundary around a specific area and freeze the property taxes within the area. Some portion of increases in taxes that occur after this time go into a special fund that can be used as a resource to sell bonds or to directly fund improvements in that district. For ex: Pioneer Square and the Convention Center in Portland are based on this funding method.

Aron continued the presentation to cover:

- Current Revenue sources for Airports
- Airport supporting the community and communities supporting their airports
- Governor's Economic Development Program for funding by developing jobs and economy for increased tax money.
- Focusing on Business Clusters
- Aviation Business Clusters: New innovative revenue sources

Airports are more than just a place to catch a plane. They house businesses, taxi's, hotels, etc. They contribute to the community.

- Oregon Urban Renewal Statutes are where urban areas get permission to use TIF's
- Some Oregon Airports use a specific tax exemption option, which would limit their ability to use TIF's.
- Public land and site improvements on airports pay no taxes, while all land, site improvements, and buildings on private land on airports do pay taxes.
- Utah's TIF was developed and is in use (may be able to use this as a Model)
- Oregon airport TIF Legislation in being planned Oregon session

Board Comments and Suggestions regarding the presentation:

Chair Burrill: Legislation must be created to authorize TIF

Board member Novick: Redmond's Airport currently has an urban renewal district. Why not include the Airport in the district?

Discussion followed: Unfortunately, most of Oregon's airports don't have an urban renewal district. There will need to be outreach education to the legislature and city officials regarding the need for TIF's at airports as it will be a win-win for the community.

*Add TIF to Board Pending List

Recommendation: Director and Aron Faegre to meet with OECD to gather information relative to their possible support of legislation to allow TIF use to promote economic development at rural airports.

5. Information Item - Board Activity Update.

Chair Burrill's activities included and will include:

- Attended the Historical Society Museum's Hall of Fame at the Columbia Pilot's Association Building in Aurora, Oregon.
- Will attend the Transportation, Tourism council meeting. The idea to recognize working with all transportation together and making a difference together.
- Will attend the SW Oregon Transportation Coalition meeting. Looking at all modes of transportation
- Will attend the Portland Transportation meeting with Oregon Business Plan to talk about the agenda for the legislative session.

Board Member Smith and Beckham attended Historical Society Museum's Hall of Fame induction in Aurora, Oregon.

Board Member Smith also attended the Oregon Pilot's Association meeting. Board Member Smith proposed the Board be advised of meetings that would be learning opportunities for Board Members. Chair Burrill explained many meetings are by invitation only and he will consider this request.

Due to weather conditions Board Member Beckham along with some audience members were excused from the meeting.

7. Information Item – Review of Pending List

Chair Burrill stated many years ago the Aviation Board put together a set of policies regarding rates and charges. Directory Hidley and Chair Burrill will put this information together to present at a future Board meeting.

Disclosure Laws: This has been drafted. Board Member Smith would like a copy.

FAR Part 135 Enplanement:

- ❖ Handout: Enplanement Committee Minutes.

Director Hidley explained currently all federally funded general aviation airports receive the same amounts of federal entitlement dollars regardless of size or activity.

- The committee was formed to review a concept of using FAR Part 135 enplanement numbers as a funding factor.

- ODA is now a member of a NASAO committee to review methods of reviewing aircraft operation counts
- FAA is now requiring NIPIAS airports to report “N” numbers of all based aircraft which may be used to determine funding levels at GA airports.

ODA determined it very difficult to obtain accurate enplanement data. Now going forward with operations counts and “N” numbers.

NASAO conference – Director Hidley explained the NASAO conference will be in Portland, Oregon Sept 8 – 12, 2007. He asked for a member from the Board to be on the committee.

*CONCLUSION: Board Member Novick volunteered to be on NASAO host committee

8. Information Item – Current Topics

- Mulino Airport Negotiations - A series of meeting have been held with the Port of Portland and ODA. Draft is being completed and presented to the Port Commission on December 13, 2006 and this should take into effect on January 1, 2007.
- ADS-B - Installation of three ground stations is complete, waiting for radar feeds to be installed. Six additional stations will be funded through ConnectOregon grant. Julie Rodwell, ODOT, explained bond sales will be complete in February and will cover private sector applicants. Director Hidley explained he will send out a letter to the six additional sites explaining the process. Installation of remaining six stations will begin after funds are available.
- Board member Novick informed the Director that on December 6, 2006, Redmond Airport will have their pre-construction meeting for the radar site. Possibly ADS-B site could be the same.
- Senate Bill 680 Implementation - Series of meetings with Aurora committee are being held to develop an operations plan. Once this is complete we will have all tenants sign a contract. Applications have gone out to all public airports to apply to be a pilot site. Applications are due by December 20, 2006. Next step will be Board review process.
- ODA New building - Currently meeting with FAA and City of Salem. FAA is in agreement with concept and are willing to allow for transfer of current property to the city and receive a lease payment credit for new site.
- TSA General Aviation Conference – TSA hosted a conference on security for general aviation airports.
- Oregon Pilot Association Board Meeting – OPA, TSA, and AOPA would like to combine the AIRO program and the Adopt an Airport program. A checklist has been developed. Waiting for AOPA’s approval.
- FAA Airport District Office Meeting – Aurora airport master plan has not been adopted due to Columbia Helicopters building location in the RPZ. It is determined

an ILS will not be installed at Aurora. The RPZ area can be reduced to area outside of Columbia Helicopter's buildings. Accordingly the master plan can now be adopted by Marion County.

- TSA Grant – TSA has a grant available for security. They will offer five Oregon Airports security cameras. List was forwarded to TSA with suggested airports.

Flightlines – A copy was distributed to Board members.

Director Hidley referred to the Nahalem Bay article. ODA held a meeting with the Park and Recreation Department (OPRD) to discuss the issue. OPRD's intent may be to close the airport and use for campsites. ODA will be on the advisory committee. Director Hidley stated that if pilots are concerned about this they should contact Ron Campbell, OPRD.

Chair Burrill stated we need to review the lease we have on the property and discuss our rights. Discussion arose regarding airports open in the vicinity.

- **Motion: Board Member Smith moved the Board go on record opposing the closing of Nahalem Bay airport and the Director be directed to write a letter to the Parks Department expressing the concern of the Board with a potential closure. Board Member Novick seconds the motion. The motion passed unanimously**

Additional Suggestions for the letter:

- Board Member Corich added the letter should describe the critical nature of the airport in our system of airports and the fact that it is very important. We support their need to develop the park, but not at the expense of the airport.
- Board Member Novick stressed that we add what a critical airport it is for safety and emergency purposed. Safety being first.
- Copies should be sent to key legislative people along the coast, OPA, mayor and county commissioners, and wherever else may seem appropriate. Also point out recent Hwy 18 closure as a result of a windstorm, etc.

NW REGIONAL AIR SERVICE HANDBOOK – E-mail regarding grants was distributed. US-DOT grant for NW Regional Air Service phase one is complete which is listed in the handbook. Director distributed a copy of the NW Regional Air Service Initiative Handbook for review. Now beginning phase 2.

9. Information Item - Insurance requirement. Director Hidley explained a hangar tenant was concerned regarding insurance requirements for people who lease land from ODA and have their own private hangar on the land.

❖ SEE HANDOUT – SMART AIRPORT CONTRACTING

ODA's attorney Lynn Rosik presented the explanation of this handout. There is a long history and there have always been requirements for insurance. This document lists everything in writing. Historically the leases have backed up this policy by having indemnification requirements and insurance requirements. Attorney Rosik explained it

would be very imprudent for a state agency to not support this issue. ODA should be consistent to require this, although it is not a law.

Chair Burrill clarified by stating the issue at hand is the requirement by the state of Oregon to be named on the insurer's policy. Attorney Rosik explained, the name of the insured is an important additional protection for the State. This makes it a requirement that the state is informed should the policy be changed or cancelled. Attorney Rosik stated that it is important to be sure that all tenants have this to be fair to all tenants as well as the state.

Attorney Rosik stated if someone fails to give us the documentation, ODA's only follow through is to contact the insurance company directly or to issue notice of default on the lease.

Board Member Smith stated he understood we must have requirements, but can we make it possible to lower the burden without increasing the risk to the State.

Board Member Novick stated that the Redmond Airport Risk Manager will periodically review with their insurance company that the requirements are up to date.

Teleconference Guest Chris Ruck asked if the Board had a chance to review her letter that brought the issue to the agenda. She stated her concerns were not to eliminate insurance requirements, she wanted the board to be aware she is concerned about the requirement of the "name insured" on the certificate. Her second issue was "how the ODA employees were handling the requirements". Staff personnel contacted her agent directly.

Chair Burrill stated, had the ODA employee not made that call, she would have been into default. Chris Ruck stated that her carrier refused to renew the policy. Chair Burrill explained there are a variety of procedures that have changed throughout the years, and now ODA is performing the follow through appropriately.

Board member Smith discussed current laws on insurance and felt we should seek legislation that would set a standard of care as a landlord which does not enable the plaintiffs' attorney to join the state in the situation.

*Review the insurance liability limits and add to the pending list.

13. Information Item – ConnectOregon Update

❖ ConnectOregon Powerpoint Presentation

ODOT's Julie Rodwell presented the Status Update of *ConnectOregon*.

Eleven aviation projects. Everything is signed or on it's way to be signed.

Overview included:

- Jobs created
- Projects created
- Public sector and private sector numbers

Julie then delivered a presentation pertaining to *ConnectOregon* and Aviation Projects.

Chair Burrill inquired of any progress know on the Sky Highway project. Julie explained how each agreement has performance requirements and milestones. Director Hidley will be included on updates regarding the aviation projects.

Julie then discussed the proposed process for *ConnectOregon 2*. ODOT has tracked procedural problems that have arisen in the first phase to alleviate those in the second phase.

14. Information Item – 2007 Meeting Dates and Location

❖ See Handout for proposed dates and location.

Discussion regarding the proposed meeting dates. The Board agrees with the proposed handout. Make appropriate adjustment to November date. The Board felt July would be a good time to hold a meeting in Pendleton.

❖ Board Attendance – See Spreadsheet Handout

Chair Burrill stated the document was created to check to see if there was a trend in attendance and/or lack of that tied into the location of the meeting. Chair Burrill encouraged the Board Members to attend meetings. Chair Burrill expects to meet with the governor's office and discuss filling the current Board vacancy. Upon expiration of her term Board Member Novick would like to see her vacancy filled with another Commercial Airport Manager.

10. Information Item – Land use Protection for airports.

Attorney Rosik elaborated on the following subjects and how they affect Aviation:
Land Use Protection Law and Measure 37

Airport Growth Boundary issue: New regulations and zoning will be subject to measure 37 claims.

Measure 37 and the land use protection are in direct disagreement of one another and it may be appropriate for the agency to be an advocate of a liberal interpretation of the land use protection act.

Attorney Rosik will receive all DOJ paperwork to review that relates to an airport or involves an airport. She will be careful to review any that will be of interest to the agency.

Exceptions to Measure 37 that apply to airports:

- Does not apply to Land Use Regulations that restrict or prohibit activities for the protection of public health and safety such as; fire and building codes, health and sanitation regulations, solid or hazardous waste regulations, and pollution control regulations. Therefore, protecting a safety zone for the airport could fall into this category. (ex: cell phone tower – safety) and the other.

- To the extent the Land Use Regulation is required to comply with Federal Law. Therefore, apply this to an airport with the question “what is it about airport related regulations that is actually REQUIRED by Federal law.

Discussion arose regarding Measure 37 and how it will apply to Aviation and specifically Apple Valley Airport.

Attorney Rosik explained the Apple Valley case will be worth watching to see how these laws are applied and what rights the airport owner does have. It is a state policy to protect airports.

The Board continued to discuss the subject.

15. Information Item - Public comment

Guest and Airport Manager Larry Dalrymple would like to see the department continue having meetings around the state.

Guest John Cox asked for a list of all airport affected by the Airport Land Use Protection Law.

Teleconferencing guest Chris Ruck - Questioned the timeliness of information available on website.

Board Member Novick thanked everyone for coming to Redmond.

Chair Burrill and Director Hidley both thanked Carrie for all of her hard work.

❖ INDICATES HANDOUTS/PRESENTATIONS