

Oregon State Aviation Board Meeting Minutes

April 22, 2010

Portland, 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 on April 22, 2010, at the Portland International Airport (PDX) Conference Center in the Multnomah room.

Board Members in attendance included: Board Chair Mark Gardiner, Vice-Chair Chris Corich, Board Members: Larry Dalrymple, Nan Garnick, Jack Loacker, and Joe Smith.

Department of Aviation employees in attendance include: ODA Director, Doug Hedlund; ODA State Airports Manager, Mitch Swecker; ODA Fiscal Manager, Cindy Pease, ODA Projects & Planning Manager, Chris Cummings; ODA State Airports Manager Assistant, Roger Sponseller.

Presenters and guests in attendance included: ODA Director, State Airports Manager, ODA Fiscal Manager and ODA Projects & Planning Manager. Terry Holt of Wilsonville and Chuck Sides of Salem.

CALL TO ORDER - INTRODUCTIONS

- The meeting started at 10:00 a.m. Self introductions were made.

ACTION ITEM – Approval of meeting minutes for February 2010 and March 2010 teleconference.

Before minutes were approved, Joe Smith questioned the wording in one item from the March 15, 2010 teleconference minutes stating that it would be “detrimental” for Oregon Department of Aviation (ODA) to contact local county officials regarding input towards the Aurora Tower project. Mr. Smith noted that this was a typo and that the word should have been “beneficial”, not “detrimental.” All board members agreed and the typo was corrected in the minutes.

Motion to approve amended minutes by Chris Corich

Motion 2nd by Joe Smith

Motion passed unanimously

Public Comments:

There were no comments from the public.

Budget Report:

Cindy Pease: First item presented was a report on projected cash flows. Cindy remarked that ODA did see some increases in aviation fuel sales but cautioned the board that there is an unusual trend going on and that we are in communication with Oregon Department of Transportation (ODOT) to find out why. For the last 3 months ODA has not had an adjustment in international flights. According to the fuel tax spreadsheet we haven't seen those credits for the last 3 months. So even though ODA has seen some tremendous jumps in March we are still cautious until Cindy gets some response from ODOT on whether that catch-up is going to hit us for revenue from AV Gas.

Second item presented concerned the ongoing task of validating agency information. Cindy remarked that she and Melody Taber are currently in the process validating all of the agency's leases and comparing the information with SFMS (State Financial Management System) for accuracy. Also, Cindy and Melody are validating the information in the AERO Pilot/Aircraft database that says we should have "X" number of pilots and "X" number of aircraft in Oregon and comparing those numbers to what the agency has actually brought in as far as revenue collected. Cindy said that as the agency progresses into the next 3 to 5 months, ODA will become more confident in knowing what is going on and how to best move forward. Cindy then presented and discussed two charts showing fuel tax revenue trends going back 5 years and pointed out that she will be getting together with our LFO analyst, Jim Carboni, to identify any trends in seasonal fuel sales so that the agency can better forecast incoming revenue. Currently, ODA is spending within its limitations and has no plans for expanding its spending until solid numbers on incoming revenue can be verified.

Cindy Pease then commented on some of the agency's duties that were being turned over to Shared Client Services (SCS) which is part of Department of Administrative Services (DAS). Cash Receipts were to be passed on to SCS in April and Billings were to be completed by May. ODA is also working with Treasury and ODOT to complete the AERO system upgrade that will allow auto-charge card services for pilot/aircraft registration renewals. Doug Hedlund remarked that this upgrade is a significant event and wanted, for the record, to thank Treasury and ODOT for all of their help.

The final item in the report concerned the building of ODA's 2011-13 budget. Cindy is currently working on personnel services and what they will look like in light of the recent lay-offs, Key Performance Measures (KPM's) and Legislative Concepts. The first documents for the budget are due in August.

Response to Federal Aviation Administration (FAA) Regarding Expenditure Limitations:

Chris Cummings: Discussed the letter from the FAA (Dave Roberts) regarding expenditure limitations. When the FAA learned of ODA's issues with expenditure limitations and our need to halt projects, the FAA was okay with it provided ODA got approval to do so by February. When the FAA learned that ODA had not received approval, they mailed us the letter stating how concerned they were. In the letter, the FAA reminded us of our obligation to pay our contractors to which we still have outstanding bills and the fact that we need limitations allocated towards grant applications. In other words, when ODA signs a grant application we have to make sure we have the funds available to match. Looking back, of course, we didn't. At the time it may have appeared that ODA had the funds but we didn't. ODA put together a response to Dave Roberts explaining why ODA cannot over-spend our limitation authority. Chris also presented a letter written by Chris Curry to Dave Roberts explaining more clearly why ODA cannot overstep its limitations. The letter included descriptions of the projects currently undertaken by ODA and why they had to be halted. Some of the projects are in what we call GA limitations. The smaller projects fall within Expenditure limitations and others are classified as Capital limitations. Some of our projects are still continuing (such as Bandon) because we still have limitations to finish the project. Other projects, like Lebanon, were over-expended on the limitation and we had to halt. ODA is in negotiations with the contractor to correct the contract and make it whole in the end. The short of it is, ODA gave Dave Roberts a description of where each project is and assured him that ODA will be going to the E-Board in May and that we hope to have approval although ODA can't guarantee it. We are currently awaiting his response.

FAA Conference Back-Brief

Doug Hedlund: Presented a back-brief regarding the FAA conference held in Seattle at the beginning of April. Doug began the briefing by discussing the Capital Improvement Plan (CIP) partnering with the FAA that Chris Corich spearheaded for the board. Doug remarked that he had hoped that CIP would be on the FAA conference agenda but it was not. However, it was briefly brushed-over at the state directors meeting that immediately followed the conference. But the meeting did not go into any real detail since there was no new information.

Chris Corich commented about what he took away from the FAA conference and state directors meeting where CIP process was discussed. Mr. Corich remarked that he came back with a great deal of information but that he had not had the time to go through the material and share with the other members of the board. In a nutshell, the whole issue with the FAA was how states are managing their entitlement money. Oregon is a little different because we have our own NIPIAS airports which have entitlements. You can collect entitlements, you can share entitlements between airports, but what is not completely clear was whether or not the state has ever given entitlement money back. There may be an opportunity to coordinate, on a state level, with other airport operators and make sure that money is not lost and, in fact, try to find a way to bring more money in to the state. Overall, the goal should be to bring in more money and make sure we use the money we have more efficiently.

Through-the-Fence (TTF) Issues

Mitch Swecker: Began the discussion by summarizing the TTF issue to date. Mitch started with the original letter from the FAA addressing residential TTF. That is the memo that explained the new FAA compliance manual, 5190.6B, which basically said that residential TTF is prohibited and started the subsequent firestorm from our airport commercial operators and tenants. Among other items reviewed was the letter from the board to the FAA which suggested that the TTF decision was, in the board's opinion, not good policy. A subsequent letter approved by the board regarding commercial TTF stating that the board took exception to the FAA's overall policy that even commercial TTF would be a bad thing. Also reviewed were two resolutions that the board was already familiar with. Since this issue began, there have been a number of meetings including one with Congressman Kurt Schrader's staff at Independence. Most recently was the town-hall meeting at Independence that Board Chair Mark Gardiner participated in.

Mark Gardiner commented on the meeting he attended in Independence. Also in attendance was the Mayor of Independence, Senator Betsy Johnson, Representative Burger and representatives of Senator Greg Wyden's office. The meeting was primarily at their request so they could thank the Aviation Board for trying to help them but also so they could pass on more information. The most relevant of the information was that Senator Johnson had engaged a lobbyist to work with senators, congressional staffs and other congressional members who also have a stake in TTF.

Feedback from the FAA indicates that the agency is trying to, and will continue to try to, kill TTF. The FAA has stated that they are opposed to the legislation. Apparently the reason they got the majority share of the Senate committee to reject the amendment to the authorization bill was based on safety related issues. The board agreed that this reason was bogus and without supporting evidence. Mark commented that the FAA keeps coming-up with reasons why they are against TTF. The most recent pretext was that TTF is bad for GA's (General Aviation's) reputation because it creates the perception that a group of fat-cats are getting a special deal subsidized by the federal government. First it was noise, then it was finance, then it was safety, and now its image.

The policy of the State of Oregon is that TTF is a good thing. Our residential TTF airport is an icon we should be copying and our commercial TTF program is an example of how you can support an airport without using public capital. That is what the Aviation Board is pursuing along with our partners and legislative delegations who are fully on board.

Mitch Swecker remarked that the next step is the FAA compliance manual that is going to be revised. That will be the "tell" that indicates whether the FAA will accept residential TTF. As the manual is written now, TTF absolutely, positively, shall not be considered.

Mark Gardiner commented that what's clear from the body language and some of the actual language from the FAA is that the only way we can have assurance, long term, that TTF is not discouraged by the FAA is to have statutory language that requires them not to. That's what's in the current legislation being considered. "The FAA may not punish airport sponsors for having TTF agreements as long as they are responsible."

Larry Dalrymple stated that some past practices with TTF have not all been good. Airport managers, in the past, have allowed TTF that was cheaper than the costs. So FAA needed to come in to help equalize the situation; but now it seems they have swung too far the other way. They have gotten to the point where the FAA is saying “Well, we equalized the problem so now let’s get rid of it.” On the one hand they seem to be implying that maybe commercial aviation TTF is alright, but never residential.

Doug Hedlund commented that the gentleman from FAA compliance, Kevin Willis, pointed out in his presentation during the recent FAA conference that the compliance manual process is still underway. The FAA took comments regarding the issue up until March 31st. The existing language in the official FAA statement regarding incompatible land use in relation to residential TTF is not cast in stone. The FAA review team solicited comments and toured the U.S., including Oregon. They received 172 written comments from various states, associations and other interested parties. The FAA plans on officially addressing every one of those 172 comments in September; so the board shouldn’t expect to see any changes in the compliance manual until after that.

ACTION ITEM – ConnectOregon III: Newport Air Service status. Regional/Modal Committees review, Aurora tower.

Motion read by Chris Corich: Newport’s *ConnectOregon III* application lacks empirical information to review and the board does not support it on the basis of insufficient data. Also, if the Aviation Board did decide to support the application, it could provide an unfair advantage to the city of Newport and displace other applicants.

Motion 2nd by Joe Smith
Motion passed unanimously

Motion read by Chris Corich: We, the Aviation Board, do believe there is a need to review the data for subsidized commercial air service to the north Oregon coast and a review of existing data regarding current agreements with Astoria and Newport.

Motion 2nd by Larry Dalrymple
Motion passed unanimously

Motion read by Joe Smith: The Aviation Board should consider a third possibility of writing a letter to the Governor’s office and the legislative leadership pointing out the Newport issue and describing the need to consider a policy regarding the state subsidization of commercial air service in Oregon. The letter would also include a remark from the board reiterating the board’s commitment to help draft the policy.

Motion 2nd by Jack Loacker
Motion passed unanimously

Comments:

Chairman Mark Gardiner began the discussion by relating how Bob Noble and Mike Boggs requested that the Governor’s office get together with the Aviation Board and ODA to talk about air service in Oregon. There was a briefing in Salem evaluating air service operations for the last 5 years, including the relationship and operations of SkyWest. Mr. Gardiner remarked that we clearly have a challenge, still, in how we deal with community air service. In Salem there was a fairly strong sentiment that we didn’t really want to set-up a situation where we keep funding ongoing expenses for air service out of something like *ConnectOregon*. Mr. Gardiner’s reaction was “where else” are the funds going to come from?

Pragmatically, there is no where else to go. The board is already in a situation where they're a little uneasy about how they're doing this but they have been successful in figuring out alternative air service for Pendleton and Klamath Falls. So there is a precedent for getting air service to Astoria and/or Newport. Mr. Gardiner remarked that it may be expensive to accomplish and it may be coming out of the wrong pot of money, but it is definitely within our mission to keep trying to make air service work. This is what has led the board to the discussion about Newport today.

Chris Cummings then presented a brief history on the situation regarding Newport's *ConnectOregon* applications. Chris described the process in which ODA staff received *ConnectOregon* applications, reviewed them for eligibility and made their recommendations. The applications were then forwarded to ODOT so they're staff could repeat the process and make their own recommendations to their director as to which projects should move forward. When ODA received Newport's initial application, it was, as ODA read and understood it, a continuation of the air service to Portland. ODA's recommendation was that the request was not eligible because it was a continuation of Newport's *ConnectOregon II* grant application. ODA forwarded our recommendation to ODOT staff and they're review committee concurred. ODOT then wrote a letter to Newport informing them that, under *ConnectOregon* rules, they could appeal the decision. The director of ODOT decided to move forward with this process and gave Newport a week or so to update their application and resubmit it to move it forward. By the time ODA received the updated application, ODA had already gone through its modal review for *ConnectOregon III*. The new application is for air service to Salem and Seattle. Chris then put before the board the question of whether or not the Aviation Board wanted to evaluate the application the same way as the others, using the same criteria, or just let it go on and not address it. As Chris understood the process, as clarified by ODOT, ODA is not compelled to address the application. The application simply goes back into the region's pool for consideration by the final review committee. ODA's refusal to address the application does not lower Newport's score, nor does it raise it.

Mitch Swecker added that modal and regional considerations, including the air service project from Salem to Klamath Falls and North Bend, which in Region 2 and Region 3 were considered. It came up at the very top of Region 3, and at the top of the subset of Region 2, where there are three different sections that are being considered with about 20 different projects. They were in with the same one with the Aurora tower and they broke-out as number one of eight projects. Also, the Salem, Klamath Falls and North Bend subsidy gets considered again in all of Region 2 on the 29th of April. So these things have already been considered by the regions at least once, possibly twice, and may be considered again.

Larry Dalrymple asked if the applications were supposed to be on their way to Super A.C.T. Mitch Swecker responded that they were. That was what the closing date of April 29th was for.

Joe Smith summed-up the discussion by saying that the board's action boils down to essentially three options: Take no action, take some kind of formal action, or it could just be a matter of instructing our representatives. Mr. Smith's feelings were that the board should instruct our representatives that Salem's air service is a "pie-in-the-sky" and what does Seattle have that Portland doesn't and why is that good for Oregon.

Mark Gardiner remarked that after discussing the issue with the governor's office, he felt that it would be detrimental to the future success of community air service to include in the discussion airports like Salem which are in the passenger-shed area of a major airport (Portland International Airport – PDX) already. Mr. Gardiner stated that he understood the people from Salem think it would be great for their community to have air service. But as aviation supporters, and part of our mission is to promote the aviation system, his personal opinion is that it is a mistake. Salem is served by Portland. Trying to promote air service to communities that are less than an hour by road to a major airport is actually detrimental to aviation. Mr. Gardiner then asked why anyone would want to keep the connection between Newport and Seattle for National Oceanic and Atmospheric Administration (NOAA), from an Oregon economic development point of view, when Oregon is in a war with the Washington congressional delegation over the NOAA base in Newport. So leaving an umbilical cord for the NOAA people from Newport to Seattle makes no sense at all. It's not exactly an aviation issue but it is an issue related to the development of the community and the support of air service which Oregon already subsidizes from Newport to Portland. Mr. Gardiner then

remarked that he is happy to have the guidance of the Aviation Board on this matter and encourages all board members speak-up and give their opinions. However, Mr. Gardiner remains opposed to any air service to Salem, from anywhere, because of its proximity to Portland. He also stated that he is definitely against Oregon supporting any air service from Newport to Seattle.

Joe Smith remarked that people from Salem actually have two options for air service. They can either go to Portland or drive down to Eugene which isn't much further.

Mitch Swecker stated that of the projects that did get in, Salem, Klamath Falls and North Bend air service were ranked number one in two regions. The problem was that there was also a money issue. They needed match money and North Bend and Klamath Falls didn't have any. Salem did.

Larry Dalrymple stated that he agreed with Mark Gardiner that air service to Salem should not be supported; but that the board should do everything it can to support service to Klamath Falls and North Bend. If there comes a time when direct service between Newport and Seattle is necessary it needs to be funded by a different source. Mr. Dalrymple felt that it is a crime that the board can't find a way to help for one more year on the existing service because he is afraid it will slowly fade and die and it will be an impossibility to get it started again.

Jack Loacker commented that one of the questions the board needed to look at was what they were going to do with this application. Mr. Loacker's suggested that the board shouldn't do anything with this specific application. Let it go through on its own merits and let the other people decide on it. The board can disagree on the issue and place the application at the bottom of the list for consideration. But what is the point of ranking the application, out of 20 projects, at number 20 when only the top 6 or 7 applications are approved anyway?

Joe Smith felt that Oregon could have the best of both worlds if the board decided not to erase the project but to express the sense of the board that we expect our representatives in the legislature to address the issue themselves.

Larry Dalrymple commented that the original Newport/Astoria request went out of the money. It wasn't the Aviation Board that got the funds but the A.C.T. Mr. Dalrymple also stated that he agreed with board member Jack Loacker that the Aviation Board should do nothing with the application at this point.

Chris Corich made the point that the mechanisms in *ConnectOregon III* are not really geared for this kind of project. If the State of Oregon wants to subsidize air service then the legislature needs to put the system in place to do so. Mr. Corich also stated that there is absolutely no real data to support the establishment of air service between Newport and Seattle. There seems to be plenty of support from locals in the area, but there is no empirical data showing that such a service is even economically feasible; even if it is subsidized. Mr. Corich then suggested that perhaps a motion could be considered to write the appropriate parties stating that using *ConnectOregon* is a bad way to fund air service.

Mark Gardiner commented that there is no doubt that air service between Newport and Portland (PDX) is important for the NOAA relocation. Because it's important economical development, by extension it becomes an important aviation/transportation issue. But if the board has a problem with that, then it needs to look hard at the north coast situation as a whole. Because the practical reality is that Astoria is not working and Newport is, or can. Mr. Gardiner then remarked that from his perspective (the aviation industry side), the board should be pushing to recognize that fact and to redirect those resources to maintaining the Newport service and cut Astoria off, or at least cut it back.

Joe Smith remarked that if he understood Chris Corich's motion correctly, since it was not articulated clearly, is to write the appropriate parties, first calling attention to the fact that there is absolutely no R & D data or other supporting justifications to merit considering this action and for that reason the board has not considered it; nor does the board believe that it should be. Second, that the board feels Oregon should seriously consider ongoing assistance towards air service to communities in Oregon that should be looked at by the Governor's office, the state legislature and the Board of Aviation.

ACTION ITEM – Legislative Concepts: Civil penalties, Port status for State owned airports, Airport self-contained communities, Energy efficiency project authorization.

Doug Hedlund: Presented a short briefing on the Legislative Concepts being considered by the Aviation Board.

Legislative Concept #10900/001 – Granting ODA Complaint Authority Under the APA.

Problem: ORS 837.100 conveys authority to the Director of the Department of Aviation and any employee designated by the Director to issue citations for violations established in ORS 837. In order to write a citation for any such offense the violation must occur in the presence of the Director or his designee. More often than not, the Director does not observe the violation directly but comes to be aware that the violation occurred after the fact.

Proposed Solution: The Oregon Department of Aviation needs to acquire statutory authority to commence a civil complaint action under the Administrative Procedures Act in order to prosecute violations made under ORS 837 that the Director did not necessarily observe but is able to otherwise document through satisfactory evidentiary means.

Legislative Concept #10900/002 – Economic Self Sufficiency / Airport Port Status Designation.

Problem: Convey port status to state owned airports so that revenue bonds can be issued that are non-recourse to the state or to the airport based purely on the good faith and credit of the tenant. Obviously, the state will want to attract tenants with exceptional credit. Concept is submitted in conjunction with two other proposals, 10900/003 and 10900/004.

Proposed Solution: Leverage the state airport property so as to maximize the return on assets in order to promote economic development and promote general aviation. Enhances Self Sufficiency of State Owned Airports. Promotes Oregon General Aviation.

Legislative Concept #10900/003 – Economic Self Sufficiency / Airport Self Contained Communities.

Problem: Declare that state owned airports are in fact self contained “communities” that are unincorporated by definition solely for the application of LCDC rule. Net effect is that potential developers only need deal one time with one deliberative body (County Commission) to pursue development on state owned airport property. LCDC has already ruled that in unincorporated communities only a majority vote of the County Commission is required to approve development. Concept is submitted in conjunction with two other proposals; 10900/002 and 10900/004.

Proposed Solution: Leverage the state airport property so as to maximize the return on assets in order to promote economic development and promote general aviation. Enhances Self Sufficiency of State Owned Airports. Promotes Oregon General Aviation.

Legislative Concept #10900/004 – Economic Self Sufficiency / Net Metering Projects.

Problem: Oregon Department of Aviation intends to seek additional legislative authority and/or direction to attract net metering projects for state airports. Purpose is to enhance financial self sufficiency and develop green energy alternatives at Oregon state owned airports. The FAA requires all improvements at federally funded airports be aviation related. At all state owned airports, net metering projects will produce electricity on site that will be used to support airport operations and aviation businesses. Example: Identify and encourage businesses to build facilities

to burn garbage, develop solar or wind resources to create energy. Two meters are on site recording how much energy is being consumed by airport tenants and airport operations and how much extra energy is being fed back into the grid. Concept is submitted in conjunction with two other proposals; 10900/002 and 10900/003.

Proposed Solution: Leverage the state airport property so as to maximize the return on assets in order to promote economic development and promote general aviation. Enhances Self Sufficiency of State Owned Airports. Promotes Oregon General Aviation

Motion read by Joe Smith: Move to support the Legislative Concepts as written.

Motion 2nd by Jack Loacker

Motion passed unanimously

Comments:

Doug Hedlund then introduced Chuck Sides, a private developer, to help with the discussion on port status and how this helps with economic development and making state airports economically self-sufficient. Mr. Sides pointed-out that certain events in other states can drive funds to Oregon. A prime example is California's carbon tax. Mr. Sides made three recommendations to the board. The first is understanding the turf, or location, of the development. Unincorporated cities, for example, don't have to go through the same political process that bigger municipalities do. Second is financing. Bonding issues (port vs. city or county) can be huge, but beneficial depending on the project. Third is affordable power. A Net-metering bill would allow the construction of emission-free "cookers" (vs. burners) of garbage to convert waste into energy for sale back to the power companies. This in turn will provide cheap utility prices to help attract new businesses.

Joe Smith asked for clarification regarding the "cookers"; do they produce electricity?

Chuck Sides replied that the "cookers" burn/process old tires, plastic and wood. The "cooker" then produces a bio-diesel / petroleum based product that in turn powers a jet turbine to create electricity.

Mark Gardiner commented that these are some of the concepts being considered by the department (ODA) to help with airport self-sufficiency. Mr. Gardiner then urged the board to look at all options available and to consider the current ideas being submitted to the board as "placeholders" pending action from the board to move forward. Mr. Gardiner also remarked that it would be helpful if the board could get the legislature or Governor's office involved to help with the program.

Jack Loacker remarked that with the amount of open space associated with airports, perhaps something like solar panels or wind turbines should also be considered. Mark Gardiner replied that the board definitely needs different options.

ACTION ITEM – Aurora Intergovernmental Agreement (I.G.A.) Review. (See hand-outs)

Motion read by Jack Loacker: Move to support Aurora Intergovernmental Agreement

Motion 2nd by Nan Garnick

Motion passed unanimously

Comments:

Mitch Swecker presented an update on the agency's intergovernmental agreements concerning the mowing at state airports and contract/leasing functions being taken over by Department of Administrative Services

(DAS) and Shared Client Services. Mitch Swecker remarked that the mowing I.G.A. with ODOT has gone well so far. It was signed on the first of April and that at the end of the day (April 22nd), three airports will have been mowed (including Aurora) in less than a day and a half.

Doug Hedlund then commented on the different aspects of the Aurora I.G.A. The agreement is between ODA, Marion County and the city of Aurora. The three groups will cooperate with each other to share information about what is happening in each of the group's jurisdictions in relation to Aurora airport. Doug and Mitch met with Commissioner P. Milne to consider Marion County's participation in the new IGA with ODA. The new agreement will include Wilsonville and Clackamas County for notification but not for signatures.

Larry Dalrymple inquired as to how Clackamas County and Wilsonville responded to the proposal. Mitch Swecker replied that he had not heard back from them yet.

Mark Gardiner remarked that to include them in the agreement could cede Marion County's land use issues under their jurisdiction. However, Marion County and the local city of Aurora are our partners in this IGA and this is their desired approach.

Mulino RFP / Wooden Hangar Teardown

Chris Cummings: ODA is currently working on a draft for a Request for Proposal (RFP) that will seek input or ideas from outside individuals regarding aviation related development at Mulino. Once the RFP is closer to being finalized, Chris will bring it to the board for comments and approval.

Chris then commented on the removal of the old wooden hangar at Mulino that is scheduled to be demolished. All the utilities have been, or soon will be, removed from the structure and all of the tenants have already moved out.

ACTION ITEM – Capital Projects: Joseph Runway Rehab/Delay, Lebanon.

Motion read by Larry Dalrymple: Move to delay ODA's Joseph airport capital project until next summer.

Motion 2nd by Jack Loacker
Motion passed unanimously

Comments:

Chris Cummings commented that Lebanon airport is currently on hold. The main sticking point of negotiations with the contractor is the cost of remobilization and demobilization from last year and the time needed to finish the work. Right now we're looking at a two week closure this summer to finish-up. We still have to put the MIRL's in and do some work on the taxiways. Hopefully ODA be able to finish without too much cost to the department because any additional cost at this point is the burden of ODA, not the FAA.

The other note on the subject was regarding Joseph State's runway rehabilitation. Chris remarked that it had been ODA's intention this year to rehabilitate the runway at Joseph as well as some of the apron and taxiway. Total project costs, including engineering, is \$2.5 million. The reason this has been brought before the board is because ODA would like to request, for various reasons, to delay the project until summer of next year. Some of those reasons include the fact that ODA still has projects from last year that are not finished. Also, ODA has less staff now and we want to be sure the project process is done correctly and accurately. Chris had spoken to the engineers and they assured ODA that the runway will hold up for another year. We will have to close some connectors because at this point they have essentially turned to

gravel. Carol Suomi (Manager, FAA's Seattle Airports District Office) does not have any problems with ODA delaying the project until next year. Neither does Stan Sieg (FAA Regional Deputy Director). The reason Chris felt it was necessary to get FAA approval was because ODA would have to take our entitlement money and carry it forward a year.

New Business

Joe Smith: Briefed the Aviation Board on a concept (first presented to the board seven years ago) he has been developing with several citizen advisory committees (CNAC, Beyond 65 GML Work Group) concerning property locations within close proximity to airports. The concept, if adopted by the legislature, would require that when a piece of property within a defined geographic area is inevitably going to be influenced by aircraft noise, that the purchaser of the property be notified of that fact by the realtor (Full Disclosure). Most realtors, as expected, are not supportive due to the fact that such disclosures may cost them property sales. However, the neighborhood associations Mr. Smith's group spoke to support the idea. Mr. Smith would like to get either the Governor's office or the legislature involved.

Mark Gardiner remarked that statutes relating to disclosure have been enhanced over the years. Is it necessary to get the legislature involved?

Mr. Smith replied that while there are statutes that cover some aspects relating to noise issues and disclosure from realtors, there is nothing definitive.

Mark Gardiner then asked if Mr. Smith could come back next month with a workable concept that can be presented to the board for consideration.

The meeting was adjourned at 2:00 p.m.

The next OAB teleconference is **May 13, 2010**, from **2:00 p.m. to 3:00 p.m.**

The next OAB meeting will be held **May 20, 2010**, from **10:00 a.m. to 3:00 p.m.** at PDX Conference Center.