



AIRPORT COMMITTEE AGENDA

Tuesday, March 08, 2016 - 2:00 PM

City Hall, Conference Room A, 169 SW Coast Highway, Newport, Oregon 97365

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF MINUTES

3.A. February 26, 2016 draft minutes

[Feb 26 2016 draft minutes.pdf](#)

4. DISCUSSION/ACTION ITEMS

4.A. Review of the Regional Airport Review Task Force Report

[Memo for Regional Airport Review Task Force Report 2-17-16.pdf](#)

[Report for the City of Newport Regional Airport Review Task Force 2-17-2016.pdf](#)

4.B. Report on City Council Action regarding the Feb. 26, 2016 Airport Committee recommendation on proposals for operating the Newport Municipal Airport.

[City Manager's Report and Recommendation --From Airport Committee.](#)

[Recommendations on Airport Operations RFP..pdf](#)

[Airport data for RFP.pdf](#)

[Email from Hodges.pdf](#)

[Newport Proforma Budget.pdf](#)

4.C. Report on Connect Oregon Grant Application

[COIV Letter.pdf](#)

[COIV Grant 2016 presentation.pdf](#)

[Connect Oregon Grant Powerpoint Presentation.pdf](#)

4.D. Report on AIP funding for land aquisition

[Capital Improvement Projects 2016 A.C.M March.pdf](#)

[Derrick Tokos cover memo.pdf](#)

[Airport Land Aquisition.pdf](#)

[Layout Plan 2004 Master Plan.jpg](#)

[County report.pdf](#)

[PAE proposal.pdf](#)

5. OPERATIONS REPORT

5.A. Monthly Operations Report

[Operations Report for March meeting 2016.pdf](#)

[OAMA Conference update 2016.pdf](#)

6. COMMITTEE COMMENTS

7. PUBLIC COMMENTS

8. DEVELOP NEXT AGENDA

9. ADJOURN

February 26, 2016

3:00 PM

Newport, Oregon

The City of Newport Airport Committee met on the above date in Conference Room A, Newport City Hall. In attendance were: Committee chair Jeff Bertuleit, committee members Ralph Grutzmacher, Susan Reese-Painter, and Ken Brown. Committee member Mark Watkins was not able to attend. Also in attendance were: City Manager Spencer Nebel, City Council liaison Ralph Busby, Airport staff Lance Vanderbeck, and Committee staff Bob Fuller (Public Works). Additionally, Tony Hahn of Infinity Air Services was also present

1. The meeting was called to order by committee chair Jeff Bertuleit at 3:00 PM.
2. Roll Call
3. Approval of Minutes:
 - a. Motion was made and seconded to approve the draft minutes from the February 9, 2016 meeting. The motion passed on a unanimous voice vote.
4. Discussion/Action Items
 - a. Consideration of RFP submissions
Nebel distributed a hand-out (attached) of financial comparisons of the three RFP respondents. He noted the "Operating Subsidy" reflects current subsidy and what it would be under the three proposals. He further noted the current staffing is 2.5 positions; the budget provides for 3 FT positions, which would include an airport manager position, and that is reflected in this document. A discussion of options ensued. Grutzmacher recommended stopping the RFP process at this point, none of the proposals were fully responsive bids, and he did not think it was going to get better. Reese-Painter agreed, and noted further that asking for additional RFP submissions would not get us any better responses. She said City Council should possibly look at how best to help current staff (Vanderbeck) with another management person. Brown agreed as well, and said we can fill that position and do better than the RFP responses and this would be more financially responsible.

A motion was made and seconded to reject all proposals. The motion passed on a unanimous voice vote.

Grutzmacher offered the next step would seem to be for City Council to consider budgetary issues, where to go and what path to take. After the

committee knows the budget, we can then make recommendations. Bertuleit suggested considering a contractual employee based on performance; Grutzmacher said he thought it best to have a city employee, not a temp, to help Vanderbeck with the airport and to buttress the operation.

5. Committee comments:

- a. The committee urged Tony Hahn of Infinite Air to continue to consider services at the airport (shuttle service, flight instruction, etc.).

6. Public comments:

- a. Greg Stanton asked Hahn what his business plan would be specifically to generate more income. Hahn replied that in the first two years he did not plan on making any money on the operation. The management fee would cover all expenses, and the income from fuel sales would be profit and would be re-invested into other services such as flight training, purchase of a fleet aircraft, getting a flight simulator, and possibly a shuttle service. He also advised his other company is a real estate investment firm and he would broker airport property for income. He said he has some ideas as to what to do with the land, but did not want to disclose at this time.

7. Adjourned at 5:45 PM. The next meeting will be March 8, 2016 at 2 PM.

DRAFT

**CITY OF NEWPORT, OREGON
AIRPORT FUND**

SCHEDULE OF REVENUES AND EXPENDITURES

ABSAviation, Inc. Career ServiceAir Center									
	2013-14Actual	2014-15Actual	2015-16Budget	2016-17Proposed Budget	2016-17Proposed Budget	2016-17Proposed Budget			
Revenues									
JET FUEL REVENUE	\$ 400,496	\$ 339,782	175,000	\$ 175,000	\$ -	\$ -			
AVGAS REVENUE	73,340	50,123	75,000	75,000	-	-			
OIL	663	348	520	520	-	-			
PILOT SUPPLIES	973	10,609	7,300	7,300	-	-			
FOOD CATERING	1,383	544	500	500	-	-			
TIE DOWN	137	122	100	100	-	-			
SERVICE PROVIDED FOR SEWER FND	30,704	30,704	30,704	30,704	30,704	30,704			
RENTS & LEASES	53,018	57,943	52,780	52,780	-	-			
CONCESSIONS	394	1,625	1,000	1,000	-	-			
INTEREST ON INVESTMENTS	2,600	1,036	561	561	-	-			
MISC. SALES & SERVICES	2,149	2,574	500	500	-	-			
TOTAL REVENUES	565,857	495,410	343,965	343,965	30,704	-			
Expenditures									
WAGES & SALARIES	\$ 100,370	77,425	116,195	\$ -	\$ -	\$ -			
OVERTIME	11,869	14,169	8,000	-	-	-			
ON-CALL	6,600	4,700	4,700	-	-	-			
INSURANCE BENEFITS	29,469	14,711	37,867	-	-	-			
FICA EXPENSES	9,014	8,028	9,860	-	-	-			
RETIREMENT	20,995	14,356	12,257	-	-	-			
WORKER'S COMPENSATION	2,748	2,852	3,179	-	-	-			
UNEMPLOYMENT INSURANCE	1,365	1,498	773	-	-	-			
PROFESSIONAL SERVICES	10,069	2,189	8,000	8,000	8,000	8,000			
FINANCIAL PROFESSIONAL SERVICE	15,485	10,525	10,000	2,000	2,000	2,000			
LEGAL PROFESSIONAL SERVICES	11,857	5,692	2,000	2,000	2,000	2,000			
EMPLOYMENT SERVICES	33,717	39,545	28,000	-	-	-			
OTHER PROFESSIONAL SERVICES	1,925	1,840	2,000	-	-	-			
UTILITIES - ELECTRIC	12,731	13,393	12,500	12,500	12,500	12,500			
UTILITIES - WATER & SEWER	0	644	6,600	6,600	6,600	6,600			
UTILITIES - OTHER	4,296	1,405	1,800	1,800	1,800	1,800			
BUILDING & GROUNDS EXPENSES	46,621	23,172	34,000	34,000	34,000	34,000			
PERMITS/LICENSES EXPENSES	2,405	4,222	3,800	3,800	3,800	3,800			
OTHER PROPERTY SERVICES	517	0	600	600	600	600			
CLEANING EXPENSES	6,858	5,102	5,000	5,000	5,000	5,000			
VEHICLE EXPENSES	16,626	6,090	13,000	13,000	13,000	13,000			
EQUIPMENT EXPENSES	11,444	39,960	31,000	31,000	31,000	31,000			
MAINTENANCE AGREEMENTS	5,615	5,120	5,000	5,000	5,000	5,000			
INFRASTRUCTURE EXPENSE	0	0	10,000	10,000	10,000	10,000			
LEASE EXPENSES	1,127	497	1,000	1,000	1,000	1,000			
RENTAL EXPENSES	3,146	3,488	4,500	4,500	4,500	4,500			
INSURANCE PREMIUM & EXPENSES	17,063	18,383	20,733	20,733	20,733	20,733			
COMMUNICATIONS EXPENSES	5,182	4,079	4,200	4,200	4,200	4,200			
ADVERTISING & MARKETING EXP	372	1,178	500	500	500	500			
PRINTING & BINDING	279	188	500	500	500	500			

	ABS Aviation, Inc.		Aviation, Inc. Career Service		Infinite Air Center
	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Proposed Budget	2016-17 Proposed Budget
TRAVEL & MEETING EXPENSES	430	3,255	3,500	-	-
MEMBERSHIPS, DUES & FEES	305	600	560	-	-
TRAINING	8,619	3,752	4,310	-	-
PROGRAMS & PROGRAM SUPPLIES	0	55	100	-	-
OTHER OPERATING EXPENSES	1,031	7,594	8,800	880	-
OFFICE SUPPLIES	6,703	9,683	12,000	12,000	-
BOOKS/PERIODICALS/DVD & VIDEO	0	600	600	600	-
POSTAGE/SHIPPING EXPENSES	323	403	400	400	-
CONCESSIONS & CATERING	2,134	2,753	1,500	1,500	-
AMMUNITION & FIREARMS	48	1,514	1,300	1,300	-
CLOTHING & UNIFORMS	297	495	500	500	-
GENERAL EXPENSES	3,409	3,025	2,700	2,700	-
SAFETY & HEALTH EXPENSES	31	6	0	-	-
NON-CAPITAL EQUIPMENT	12,980	0	0	-	-
FUEL	9,601	6,103	6,500	6,500	-
JET FUEL EXPENSES	315,215	168,236	105,000	105,000	-
AV-GAS EXPENSES	44,510	102,108	70,000	70,000	-
SERV PROVIDED BY GENERAL FUND	53,552	54,679	66,281	66,281	66,281
TOTAL EXPENDITURES	848,953	689,312	681,615	436,394	440,554
PROPOSED FEE				450,000 *	68,057 **
* 6 Month Adjustment for City's Personnel					303,084
**\$313,261 less \$381,318 equals \$68,057					
OPERATING SUBSIDY	(283,096)	(193,902)	(337,650)	(542,429)	(477,907)
					(400,098)

1 - (Undetermined)	
2 - (Undetermined)	
3 - ACS represents a 5% reduction in certain lines	(37,139)
4 - ABS overstated fee	(120,000)
5 - Infinite Air FBO Improvements	15,000

NOTES:

- Services provided by General Fund would be reduced based on the level of work required by Finance, with the most significant reduction occurring with the Infinite Air Center proposal and Aviation Career Service (ACS) proposal to a lesser extent. This would likely remain unchanged with ABS Aviation.
- City insurance cost would be reduced to same degree with all three proposals
- ACS sites a reduction in budget expenses for various line items equal to \$37,138.94 in fiscal year 2016-2017
- ABS indicated on January 15, 2016 that their costs are overstated by a \$10,000/month. The actual monthly rate is \$27,500, versus \$37,500. This was noted after the proposals were made public
- Infinite Air proposes that the City make \$15,000 improvements to the FBO



Spencer Nebel
City Manager
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DATE: February 17, 2016

TO: City of Newport City Council, Airport Committee, and the Airport Master Plan Planning Advisory Committee (PAC)

FROM: Regional Airport Review Task Force

SUBJ.: Report of the Regional Airport Review Task Force

The Regional Airport Review Task Force respectfully submits the Report of the Regional Airport Review Task Force to the Newport City Council, the Newport Airport Committee, and the Airport Master Plan Planning Advisory Committee for review, consideration, and use in future planning for the Newport Municipal Airport.

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Report from the City of Newport Regional Airport Review Task Force



A.J. Mattila – City of Depoe Bay Mayor

Don Williams- City of Lincoln City Mayor

Doug Hunt - Lincoln County Commissioner

Jamie Rand - at large member

John Lavrakas - representing economic development interests

Kevin Greenwood - Port of Newport General Manager

Lorna Davis –Greater Newport Chamber of Commerce Executive Director

Mark Fisher - at large member

Ralph Grutzmacher - Airport Committee Member

Susan Painter - Airport Committee Member

Ralph Busby - City of Newport Councilor

Sandy Roumagoux – City of Newport Mayor

February 17, 2016

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On July 24, 2014, the Newport City Council approved Resolution No. 3689, a resolution establishing a Regional Airport Review Task Force. The purpose of the Task Force was to review the role the Newport Municipal Airport (ONP) plays on the central coast. Furthermore, the City Council requested that the Task Force review various options for the long-term support and development of the airport facility in the best way to serve Lincoln County and the central coast. After the resolution was adopted, the Mayor and Council held off on making appointments to the Regional Airport Review Task Force until 2015. The Task Force consisted of A.J. Mattila, Mayor of Depoe Bay; Don Williams, Mayor of Lincoln City; Doug Hunt, Lincoln County Commissioner; Kevin Greenwood, General Manager of the Port of Newport; John Lavrakas representing economic development interests; Lorna Davis of the Greater Newport Chamber of Commerce; Jamie Rand serving as an at-large member; Mark Fisher serving as an at-large member; Susan Painter from the Airport Committee; Ralph Grutzmacher from the Airport Committee; Ralph Busby, City Councilor; and Sandy Roumagoux, Mayor. Please note that Mark Fisher replaced Dennis Reno who was originally appointed as an at-large member, but resigned from the Task Force when his schedule would not allow him to participate in Task Force meetings.

HISTORY OF THE NEWPORT MUNICIPAL AIRPORT

The Task Force reviewed the history of the Newport Municipal Airport which began on March 27, 1943 when the Civil Aeronautics Administration ordered a contract for the construction of an airport in Newport, Oregon. This work included two runways, each 5,080-feet long and 150-feet wide, and several taxiways each 50-feet wide. In order to build the airport, the contractor had to move 300 million cubic yards of sand and clay with 1.7 million cubic yards brought in as fill. This cut and fill project addressed a canyon that was 140-feet deep by re-grading the high points of the land into the canyon which ultimately led to 94-feet of fill being placed in a canyon over a length of about 1,100 feet. In order to properly drain the site, nine miles of concrete drain tiles were laid and small canyons and gullies were filled to create the necessary runways for the airport. The original contract for clearing and grading was \$1,064,472; the paving contract for the project was \$423,466. The project was plagued by rainy weather, saturated soils, and compaction issues. The aggregate for the project came from the quarry near Agate Beach. The May 1944 edition of the Pacific Builder and Engineer stated that this was ... “one of the hardest builds in airport history” (article from the Don Davis collection).

The Civil Aeronautics Administration constructed the airport on property provided in a land grant from the city. The airport and associated city property was turned back over to city ownership in 1947. Since that time, the airport has been under the city’s jurisdiction.

The next major renovation to the airfield occurred as part of the Airport Master Plan that was adopted in September, 1979 and completed by George Baldwin and Associates. Phase I of the plan called for land acquisition, clearing, road relocation, a runway lighting system, and lighted wind sock. This work was estimated to be \$333,334. Phase II of the project started out at \$1,234,444 and increased to \$1,466,555 and included reducing the NE/SW runway (2-20) from 5,080-feet long and 150-feet wide to 3,000-feet long and 75-feet wide. The north/south runway (16-34) was lengthened and overlaid. Phase III of the project included construction of taxiways utilizing a portion of the property that was formally occupied by the NE/SW runway which was shortened as part of Phase II.

From the 1970's until 2006 the airport was operated by city staff with a Fixed Based Operation providing aircraft services. The FBO agreements included Newport Flying Service, Inc. in 1974, Berteau Aviation in the mid 1980's, Aero Pacific Development, Inc. in 1994 and Central Oregon Coast Air Service, LLC in 1996.

The City of Newport acquired the assets of the fixed based operator on April 16, 2006, for \$250,000.

Since 1946 the Airport has been served at various times by commercial air services and charter services including Newport Air Service, West Coast Airline, Ports of Call, Skyworld Airlines and Harbor Air.

The last commercial passenger service was provided by SeaPort Airlines from March 15, 2009 to July 18, 2011. The City of Newport, jointly with the Port of Astoria, received a ConnectOregon and a USDOT grant to provide commercial air service to both communities. An RFP (Request for Proposals) for commercial air service providers had been issued, and the contract was awarded to SeaPort Airlines. Over a period of two years, SeaPort Airlines provided twice daily flights to and from Portland International Airport (PDX) to Newport (ONP) and Astoria (AST). When the subsidies expired, service continued for approximately six months at which time it was discontinued. Since that time, there has been no commercial air service to Newport. Through most of the airports history since the 1970's, air passage service has been more the exception than the rule in Newport.

Currently, FedEx and UPS provide daily air freight services for the Central Coast at the Newport Airport.

In 2014 and 2015, major reconstruction occurred at the airport costing \$9.7M. This work included a complete rebuild of the ILS Runway 16-34 north and south of the Runway 2-20 intersection. The FAA paid 90% of the costs of the project. A state grant from ConnectOregon also covered approximately half of the city's required local match for these projects.

Runway 16-34 was narrowed by 50 feet, requiring the installation of a new storm drainage system and new runway lights. Part of the reconstruction also included relocating the FAA navigational aids, a task which seems to be a work in progress as we collaborate with various departments of the FAA. The data for this work comes from the Airport Geographical Information Survey conducted as part of the overall project. Smaller project components included: a new emergency generator for the lighting system, relocation of the old emergency generator to support the Fixed Base Operation (FBO) building, a new ARFF (Airport Rescue and Fire Fighting) truck, an update to the Wildlife Hazard Management Plan, and reestablishment of access roads and removal of the old race track.

RECENT OPERATIONAL HISTORY OF THE AIRPORT

Since the purchase of the fixed base operations by the city, the city has operated the FBO and maintenance activities at the airport. The first manager of the FBO and airport was

Dennis Reno. As part of the fixed base operator system, fuel sales, hangar rental, car rental, and various services were provided. Following Dennis Reno, Gene Cossey was hired as Airport Manager. He was responsible for fixed base operations as well as general airport management. Following Gene Cossey's resignation as Airport Manager, City Manager Jim Voetberg elected to divide the Airport Manager position into two separate positions with Terry Durham managing the fixed base operations, and Lance Vanderbeck managing the airport maintenance activities. Both reported directly to the City Manager, Jim Voetberg. A full time lineman also worked for both the FBO Manager and Operations Manager. In addition, temporary employment services were utilized from Barrett Business Services to staff airport operations. During the past two years, Melissa Román, from the Public Works Department, has provided support for budgeting and project services, particularly relating to the major north/south runway reconstruction project as well as associated projects funded by the FAA.

During the past 18 months, the airport has undergone additional personnel changes: lineman Charles Norman left in March of 2014, and Terry Durham left in June of 2014. In addition to Lance, a temporary employee has been hired for the lineman's position and Lance Vanderback has obtained the Fuel Supervisor's Certification and has assumed the FBO responsibilities at the airport during this interim period.

Because of the significant changes that have occurred in staffing at the airport, the Airport Committee, with the blessing of the City Council, explored the possibility of privatizing the operation of the airport and the FBO operations. The Airport Committee issued an RFP and received three proposals for the operation of the airport. After extensive study and a meeting with each of the proposers, the Airport Committee recommended that the City Council reject each of the proposals for the private operation of the FBO and airport operation. The Airport Committee has asked the City Council for direction concerning implementation of the numerous suggestions contained in this report as well as additional review of management and operation decisions for the airport and the FBO. [Note: this action occurred at a special meeting of the Airport Committee held on February 26, 2016 following the last meeting of the Task Force. Since it is pertinent to this report, this action has been included in the Task Force Report.]

The City Council has also employed WH Pacific to update the Master Plan for the airport. The Master Plan will provide a 20-year road map identifying necessary airport improvements to serve current and projected aviation demand, comply with Federal Aviation Administration (FAA) standards, and address airport issues as identified by the airport users and other stakeholders. This planning process is estimated to be completed in approximately 18 months.

With these significant changes occurring, it was a very appropriate time to bring together a Task Force to review how the airport can best meet regional transportation needs in Lincoln County and the central coast and to help guide these other initiatives that are currently moving forward for the airport.

CURRENT AIRPORT OPERATIONS

The Newport Municipal Airport currently consists of two runways with 16-34 (N/S) being 5,398-feet long and 100-feet wide and 2-20 NE/SW being 3,001-feet long by 75-feet wide. The airport has a 2,400 square foot office building that is currently rented to FedEx. The FBO has two offices on the main floor, a ticket counter, pilot's lounge with refrigerator and counter space. There are three offices on the second floor, larger conference area, and bar with a small kitchen. In addition to the space rented to FedEx, one office space is rented in the FBO building, and a lease has been provided for a double-wide trailer to FedEx. An aerial view of the airport can be found in Attachment F. Other services currently provided:

- Fuel, Jet-A, Jet-A with additive, AV-Gas (100LL) truck and self-serve;
- Car rentals;
- Courtesy cars 3, plus 1 van;
- Oil for turbine and piston aircraft;
- Charts;
- Current newspaper;
- Catering, utilizing local vendors;
- ONP branded products, including shirts, sweaters, rain jackets, and hats for sale;
- Small selection of concessions - coffee, candy bars, chips, and soda;
- Free WIFI;
- After-hours shelter;
- Fax;
- Computer;
- Pilot lounge area;
- Tie-downs;
- Overnight hangar space, if available;
- Tug/ battery cart for aircraft towing and starting;
- Taxi arrangements;
- Hotel reservations.

Airport staff is also responsible for maintaining the following facilities/operations at ONP (Newport Municipal Airport):

- ILS (Instrument Landing System);
- Two runways and associated taxi ways;
- AWOS (Automated Weather Observation System);
- Lighted wind sock;
- Rotating beacon;
- ARFF (Airport Rescue and Fire Fighting Truck);
- Wildlife hazing;
- Field lighting/sign maintenance;
- Field security/ public security;
- Field maintenance.

The airport receives National Plan of Integrated Airport Systems (NPIAS) funding in the amount of \$150,000 per year. Please note that this money is held in an account by the FAA Airport District Offices and is spent directly for improvements by the FAA. The city does not receive or spend any of these funds. The funding is held for up to five years and can be consolidated on qualified improvements to the airport as determined by the FAA and local airport management.

The airport is certified under FAA regulations as a Part 139 airport. Part 139 prescribes the rules governing operation and maintenance of airports that serve scheduled air carriers utilizing aircraft with more than nine seats, or nonscheduled operators with more than 30 seats. The airport undergoes regular inspections and is provided a list of areas to address as part of that inspection for continued Part 139 certification.

In the 2013/2014 fiscal year, airport employees logged 6,289 operations at the airport. An operation includes a plane landing or taking-off. These counts do not include any landings and take-offs when the airport is not staffed or when the landing and/or take-off is not observed. The FAA estimates annual aircraft operations based on a combination of observed flights (which only occur when the airport is staffed and operation is observed) and an estimate of unobserved flights. The airport currently has two cargo carriers based at this facility, which include Empire and Ameriflight. In addition, the U.S. Coast Guard has a satellite air station at the airport, and recently added is an air tour operation. The current traffic at the airport is made up of corporate, recreational, charter, and military aircraft. Fueling services during the last three fiscal years have been 58,211 gallons of fuel in fiscal year 2011/2012; 49,476 gallons in fiscal year 2012/2013; and 98,226 in fiscal year 2013/2014.

The FBO is staffed seven days a week from 8:00 A.M. to 5:00 P.M., minus three holidays. The airfield is normally open 24 hours a day; seven days a week; 365 days a year.

REGIONAL AIRPORT REVIEW TASK FORCE MEETINGS

The first meeting of the Regional Airport Review Task Force was held on Tuesday, July 28, 2015. The Task Force met monthly after that time, except during the months of September and December, with the last meeting held on February 17, 2016.

During these monthly meetings, the Task Force was given an overview of the operation and history of the airport; elected City Councilor Ralph Busby as Chair of the Task Force; and elected Susan Painter to serve as a representative of the Task Force on the Public Advisory Committee that is being established to oversee the development of a new FAA-funded Airport Master Plan. The Task Force toured the entire airport facility as a group in a bus provided by the Lincoln County Transit Authority. The Task Force met with Mitch Swecker, Director of the Oregon Department of Aviation, to understand the state's perspective on the role that the Newport Municipal Airport plays as part of the state aeronautics system. The Task Force heard a report from Rainse Anderson, PE, Director of Aviation at WH Pacific, Inc., who described the transition of the North Bend Municipal Airport from a facility operated by the Port to one now operated by the Coos County Airport District. After reviewing the airport facilities, overall operations, reviewing the budget, and hearing from a number of other sources regarding the operation of other similar facilities,

the Task Force agreed to form subgroups focusing on five specific areas which have an impact on the long-term operations of the airport. The Task Force created subgroups with the following individuals taking responsibility for coordinating information on the following subject areas: Commercial Air Service - John Lavrakas; Governance - Kevin Greenwood; Financial - Ralph Busby; Marketing - Lorna Davis; Land Uses/ Development - Ralph Grutzmacher.

Task Force members were encouraged to forward information regarding the various subject areas to the appropriate contact persons, with those individuals then preparing a report for the January 26, 2016 Task Force meeting. At that time, the Task Force met as a group to hear the reports on the five areas identified for specific discussion and analysis. As a result of the reports, the Task Force has summarized these findings and makes the following recommendations to the Newport City Council, Airport Committee, and PAC Committee.

FINDINGS AND RECOMMENDATIONS

Over the course of the six meetings, the Task Force had an opportunity to look at a number of issues that are significant to maximizing the impact of the airport on transportation services in the central coast area. The following information summarizes the findings and recommendations of the Task Force to the City Council, Airport Committee, and Public Advisory Committee. The Task Force prioritized each recommendation as high, medium, or low.

A. Commercial Air Service

Commercial air service has been provided at different times during the history of the operation of the airport. Commercial passenger air services were last provided by Seaport Airlines, which received government subsidies to provide that service. Seaport offered twice daily flights from PDX to Newport and Astoria. Once the subsidies expired, the service was discontinued approximately six months later. There has been no commercial air service to Newport since Seaport discontinued service. Currently, the only coastal community receiving commercial passenger service is North Bend.

The Task Force discussed a number of factors that may affect the success of commercial passenger service. The destination golf resorts south of Coos Bay, for example, bring a substantial number of passengers to that airport. In addition, the challenges of traveling to one of the major hubs (i.e. Portland or San Francisco) is much greater for travelers to and from the Coos County area. Furthermore, Coos County has a population of 62,475 compared to 46,446 for Lincoln County. Even in Lincoln County, the value of flying out of Newport may be different for someone in the central or south part of the county from that experienced by those in the north part of the county where driving time to Portland is reduced.

With current security standards for passenger service flights, Newport would need to make significant investments to the terminal building in order to accommodate TSA requirements for passenger screening if passengers traveling from Newport wished to check their bags at Newport and pick them up at their ultimate destination after continuing on an

interconnecting flight. The alternative is for passengers to fly into PDX, collect their bags, and then check in through security at Portland to continue their flight. While this is not as seamless as clearing security at the originating airport, it is a way to accommodate air passenger travel without significantly increased overhead at the Newport airport.

Finally, the impact of other transportation improvements needs to be considered in any analysis of the feasibility of commercial passenger service at the airport. Even improvements such as construction on U.S. 20, which will eliminate a number of the curves and reduce travel time by 10 or 15 minutes, may have an impact on a person's decision to drive either to Portland or Eugene to catch a flight rather than one that would originate in Newport.

Nevertheless, providing commercial passenger air service into Newport would clearly be a significant tool to continue support of the marine research community, commercial fishing, and tourism economies in Lincoln County. Task Force member John Lavrakas compiled a report including the components that should be included in any air service study completed for the airport. These findings are included in Attachment A.

Recommendations:

- A.1 The City of Newport should conduct a study to determine the feasibility of implementing commercial passenger air service at the Newport Airport incorporating the guidelines as outlined in attachment A. Furthermore, a local steering committee should be established to work with the consultant selected to perform the feasibility study to assure that the findings are representative of the local community. The results of the study should be summarized and included in a package that could be used with any potential carriers. Priority: High

B. Governance

There are five distinct governance types operating airports in the State of Oregon. The 55 major public airports in Oregon are operated as follows:

PUBLIC AIRPORT BY GOVERNANCE TYPE			
City			22
State			12
Special District (ORS 198)			11
	Airport District (ORS 838)	1	
	Port of Portland (ORS 778)	3	
	Port District (ORS 777)	6	
	Park & Rec District (ORS 266)	1	
County			7
	County Department	7	
	County Service District (451)	0	
	Intergovernmental Agreement (ORS 190)		3
TOTAL NUMBER			55

40% of these airports are run by cities with the balance of the airports being operated by the state, counties, port districts, airport districts, a parks and recreation district. Three of the airports are operated through an intergovernmental agreement. Of these three airports, two have governmental entities extending over two states that operate the airport (Columbia River Gorge Airport and Border Coast Airport Authority) with one airport being operated jointly by the City of Prineville and Crook County.

The Newport Municipal Airport is one of the 22 airports that are owned and operated by a city. In reviewing data for Oregon port districts, it should be noted that over a quarter of the port districts operate airports.

There are a number of issues to consider in an analysis of modifying the governance/ownership of the airport. One important factor is to look at who is serviced by the airport and compare that with who is financially supporting the airport. There are obvious advantages from a financial standpoint if the airport is supported by a larger constituency (city versus county as an example). Furthermore, there could be advantages to some type of intergovernmental agreement that divides the governance of the airport among several governmental entities.

Finally, there could be some advantages in conducting a more detailed comparison of the airport with other airports having a similar impact in the state. Data from the 2014 Oregon Airport Aviation Plan Economic Contribution to the Oregon Economy by Airports, reveals that other airports that have a similar impact on the local economies of the regions they serve include Hermiston (city), Columbia Gorge (IGA), Tillamook Bay (port), Ashland (city), and Grants Pass (county). A more detailed review of these facilities may shed additional light on operation/financial and governance opportunities for Newport's airport.

The Task Force also discussed whether there would be any benefit to operating the airport in conjunction with Siletz Bay, Toledo, and Wakonda Beach State Airports. This issue was discussed with the Oregon Department of Aviation Director, Mitch Swecker. Director Swecker indicated that the state would be willing to discuss some sort of arrangement that made sense for the state.

Kevin Greenwood concluded that a specific governance type does not necessarily guarantee a successful airport operation. The issue of governance - or reorganization - boils down to the public's desire to subsidize an operation. With an increased tax base, a reorganization could result in new public tax revenue for capital investments (i.e. extending municipal utility service, new hangars, or leasable buildings) to cover operations or some mixture of both. The successful public airports in Oregon enjoy unique relationships either with private industrial parks or residential development nearby, centralized locations, a pre-arranged public partnership or adequate facilities for recruiting tenants. Some of those characteristics can be replicated in Newport; others will be more difficult. Consolidation of airport facilities may result in decreased operational costs that could make a regional special district, or county service district, an option. The question will be whether the public sees value in a publically operated airport and how a reorganization would result in increased benefits. Greenwood noted, significantly, that passing a struggling asset between local government units with similarly sized service boundaries will not significantly result in leaner operations or increased revenue.

For further information, see attachment B which is the report from Kevin Greenwood to the Task Force.

Recommendations:

- B.1 The Task Force recommends that the City of Newport explore discussions with the State of Oregon to see if there are any mutual benefits of collaborating on the operation of all airports in Lincoln County. Priority: High
- B.2 The Task Force recommends that further analysis be conducted of other similar sized airports to evaluate governance and organization issues relating to the operations of those airports. Priority: Medium
- B.3 The Task Force recommends that specific goals be identified for the future of the airport and determine whether any changes in governance/ownership of the airport would help the airport achieve those goals. The Task Force further recommends that continuing discussions occur with the Port of Newport, Lincoln County, or other local entities to determine whether there is any interest in pursuing a change in the governance/ownership of the airport. Priority: Low

C. Finance

The City of Newport provides a subsidy to the airport for its operation. While this subsidy varies from year to year, the current subsidy is in excess of \$300,000 which is the single largest source of income for airport operations. In addition to the city General Fund subsidy, the airport has projected fuel sales of up to \$250,000. The airport also obtains revenue from rents and leases of approximately \$52,000, and receives revenue from the sewer fund for disposal of sludge of approximately \$30,000. On the expense side, personnel costs account for approximately 33% of operational costs. Fuel for resale equals approximately 23% of the expenses. The city Budget Committee has established a goal of reducing the subsidy from the General Fund and Room Tax Fund for airport operations over the next three to five-year period. In order to accomplish this reduction, it is important for the city to review increasing revenue opportunities as well as reducing expenditures.

Recommendations:

- C.1 The Task Force recommends conducting a review and evaluation of similar sized airports to benchmark the revenues and expenses generated and incurred from the operation of the Newport Municipal Airport. Priority: High
- C.2 The Task Force recommends reviewing opportunities to generate additional revenues by increasing the customer base at the airport. Priority: High
- C.3 The Task Force recommends continuing the pursuit of a private entity to provide all or portions of the operations and FBO services. Priority: High
- C.4 The Task Force recommends reviewing all the fees to determine whether they are fair and adequate to cover expenses without having an adverse impact on consumers purchasing/using those services. Priority: Medium
- C.5 The Task Force recommends placing discussion on changes to the FAA Part 139 certification in "hold" status until the Master Plan evaluation of this issue is completed. Priority: Medium

- C.6 The Task Force recommends reviewing staffing levels to determine whether there are opportunities for savings relating to the operation of the airport. Priority: Low

D. Marketing

The Task Force reviewed opportunities to provide a better marketing of the airport. Certainly one of the benefits that resulted from convening the Task Force is that individuals in leadership positions throughout Lincoln County have gained a better understanding and awareness of the significant transportation infrastructure that is located in the heart of Lincoln County. The initial meeting of the Task Force illustrated a profound lack of understanding about various issues relating to the operation, ownership, and assets of the airport. One member acknowledged that he had not even been aware that Newport had an airport!

The airport has been subject to a number of controversies which dominated the public dialogue relating to these critical operations located in the city. With a number of recent initiatives, the City Council has been able to focus discussion on how the airport can best serve the citizens of Newport as well as the central Oregon coast.

Hand in hand with marketing the airport is the necessity to have user-friendly services available at the airport. It is important to utilize any available resources including websites, social media, and other forums to share what services are available there. Local hotels and other businesses could take opportunities to create packages for airport users. The city might want to consider renaming the airport to focus on its role as a regional airport versus a purely Newport Municipal facility.

One of the limiting factors at the airport is weather. Perhaps a formal relationship with the Toledo Airport could be explored; transportation or other services might be offered there for folks that are unable to fly into Newport as a result of weather conditions. There may be an advantage to the airport in contracting with a person or team to generate marketing information and to promote the use of the airport. There are also potential opportunities to provide additional business at the airport if properties around the airport could be developed for commercial, industrial, or even residential uses tied to the use of the airport. For additional details see the report submitted by Lorna Davis in attachment D.

Recommendations:

- D.1 The Task Force recommends exploring the possibility of contracting with a person/firm, or assigning this task to the Destination Newport Committee, to develop professional marketing information regarding the Newport Municipal Airport. Priority: High
- D.2 The Task Force recommends that once there is a clear understanding of what land, facilities, and amenities could be made available to prospective tenants as a result of the airport master planning process, that marketing information should be developed to promote the use of land and facilities by the appropriate developers utilizing the airport to enhance economic development in Lincoln County. Priority: High

- D.3 The Task Force recommends identifying various air services (i.e. instrument training, aircraft sales, tourist/recreational opportunities such as flightseeing), and develop marketing materials in order to attract services at the airport. Priority: High
- D.4 The Task Force recommends reviewing the user friendly services that are available at the airport and where those services are not in existence, explore implementing those new services. Priority: High
- D.5 The Task Force recommends exploring the possibility of renaming the airport to capture its role as a regional facility, or developing a plan to offer sponsorship-type naming opportunities for the airport. Priority: Low
- D.6 The Task Force recommends developing an operational plan utilizing other airports as back-ups when weather challenges occur. Low

E. Land Use Issues

The Newport Municipal Airport occupies a large land area in the City of Newport south of the Yaquina Bay Bridge. A significant amount of land surrounding the airport is currently undeveloped. The topography surrounding the airport has numerous challenges including a series of deep canyons separating areas of relatively flat land. Water service is available on the west side of the airport. There is no sanitary sewer service available at this time.

It is important that the airport master planning process take a close look at how airport boundaries are currently defined to determine whether boundaries should be adjusted in a way which does not have a negative impact on the airport but would promote development around the airport perimeter. Furthermore, it is important to look at the potential for long-term development around the airport that may relate directly or indirectly to the airport operation. Once the airport plan is completed, it will require review and incorporation into the city's Comprehensive Plan.

Significantly, the large parcels of property located to the south of the airport are zoned to accommodate a destination resort type facility. With the close proximity of the airport, a successful development of this property in the future could have a significant impact on traffic in and out of the airport.

The airport master planning process and a follow-up to the work of the Regional Airport Review Task Force should include connecting the majority of city, county, and regional residents to a recognition of the catalyst that the airport could be for future economic or business development. This will be critical in order to ensure that the appropriate financial resources are available to develop the necessary infrastructure to maximize the economic potential of this facility to the central coast. The airport, city, and its partners need to explore abilities to enter into economic development ventures or partnerships to encourage the development potential in and around the airport. For additional information see attachment E submitted by Ralph Grutzmacher on behalf of the Task Force.

Recommendations:

- E.1 The Task Force recommends providing sanitary sewer to the airport and completing the water distribution system. Priority: High

- E.2 The Task Force recommends that the airport master planning process identify specifically what land, facilities, and amenities could be made available to prospective tenants on and adjacent to the airport. Priority: High
- E.3 The Task Force recommends the master planning process evaluate the current boundaries of the airport to determine whether there are any lands included in the airport boundaries that could be excluded from the airport property in order to make them available for future compatible economic development. Priority: High
- E.4 The Task Force recommends identifying the existing permitted land uses around the airport as part of the airport master plan. Priority: High
- E.5 The Task Force recommends identifying areas within the airport that would be available for long-term leases to allow the construction of commercial or industrial facilities for airport bases to support businesses at the airport as part of the master plan process. Priority: High
- E.6 The Task Force recommends development of economic development incentives for businesses desiring to locate at the airport. Priority: Medium
- E.7 The Task Force recommends promoting the awareness of the destination resort property located at the southern end of the airport to foster development of a project that could generate additional activity at the Newport Airport as well as providing additional jobs in the tourism/service sector in the Lincoln County economy. Priority: Medium
- E.8 The Task Force recommends continuing obtaining buildable fill materials as available. Priority: Medium

F. Emergency Services

The Newport Municipal Airport is the only full services general aviation airport on the Oregon coast located above the tsunami inundation zone. In the event of a natural disaster, the airport could play a critical role in meeting the emergency needs of individuals on the central coast. This will be essential since it is likely that in a Cascadia Subduction Zone event, ground travel may be impossible for a number of weeks. Furthermore, the airport has the opportunity to serve as an emergency staging area, storage area, and a central response area for the central coast. The U.S. Coast Guard already houses a rescue helicopter at the airport. This facility is operated as part of the North Bend Air Station. Significantly, both the North Bend Air Station and the Astoria Air Station are located in tsunami inundation zones.

Recommendation:

- F.1 The Task Force recommends the city urge the U.S. Coast Guard to conduct an evaluation of the air facility hangar at the airport to determine its stability in the event of a major Cascadia event. Priority: Medium
- F.2 The Task Force recommends working with FEMA to establish an emergency supply depot facility. Priority: Medium
- F.3 The Task Force recommends that the master planning process fully evaluate the Newport Municipal Airport for its capabilities to respond to a regional emergency and to determine whether the existing facilities have the ability to withstand a seismic event. Priority: Low

CONCLUSION

The Regional Airport Review Task Force has completed a review of the role that the airport plays as a regional facility for Lincoln County and the central coast. The report and recommendations reflect the observations and findings of the Task Force developed over the past six months. The Task Force respectfully submits this report to the City Council, the Airport Committee, and the Planning Advisory Committee for the Airport Master Plan update for your information and consideration.

Respectfully submitted,
The Regional Airport Review Task Force

ATTACHMENT A

COMMERCIAL AIR SERVICE

Steps to implement Commercial Passenger Air Service Study for ONP
ONP Task Force
Contact: John Lavrakas

The City of Newport desires to learn what it will take to bring commercial passenger service to its airport (ONP). This document describes the elements that a commercial passenger air service study will contain, providing a way forward. It does not describe an implementation plan, but rather a plan to collect and analyze data and make recommendations. An implementation plan would come later to carry out the recommendations.

Observation: for this study to result in effective and actionable recommendations, it needs to be lead by someone who understands what is needed, and will ensure each phase of the work is done effectively, productively, and efficiently. Without this leadership, the city risks completing a study that is of little value.

Outline:

- Background Define Team
- Identify Current Needs
- Past Experience
- Similar Experience
- Other Investigations
- Analyze the data
- Propose recommendations

Background – explain the value of commercial air service to the central coast and what steps have been taken to date, including previous commercial air services (such as SeaPort) and the work of the Task Force.

Define Team

- Define team to collect the data and conduct the study. Combination of city personnel and volunteers. Tasks include personal contacts, creation and implementation of surveys, collating and analyzing data, and preparing reports. A strong leader needed who understands the purpose of this task, ensures the data collection and analysis are effectively and efficiently done, and will ensure the study results in a set of reasoned and appropriate recommendations.
- Assemble a steering committee of people representing the local community who are committed to the success of this task to oversee the work that is done. Such oversight can include guiding tasks to be performed, assessing the thoroughness of the work performed, and ensuring objectives are being met.

Identify Current needs

- Identify the driving needs (those that are at the top of the list that make the decisions as to whether to drive to Eugene, to PDX, to use one's car, to take a train, or to not travel

- Meet with key players in the region
 - Talk to major players in the central Coast who could use passenger air service. What is their need for air service, either as an organization or by their people? Identify possible usage, such as the number of flights per month from area airports (PDX, EUG), preferred days of week. Players might include NOAA, Hatfield Marine Science Center, Samaritan Hospital and Education Center, Salishan, Chinook Winds, OSU, Community College, etc.). Pay attention to the expansion of OSU to include up to 500 undergraduate students
 - Examine key sectors, including marine science, commercial fishing, tourism, health care, retirement, and any other deemed significant in size and scope
 - Examine reasons for travel, such as attending conferences, going golfing,
 - Survey the public as well
 - Consider travel in both directions. Why outsiders would fly here and why residents would fly to other destinations.
 - Identify current usage of air service by these players
 - Survey critical services (must haves) and beneficial services (desire to have), group into categories, and score each service across the users being interviewed
 - Find out the value of regular flights vs infrequent flights. Perhaps there could be twice weekly, or Mon/Wed./Saturday flights?
 - Survey which airports are used, and why the selections are made
 - Explore the importance of distance, time spent, how the travel costs are funded, what price is being paid for typical flights, how much money is spent for driving to airports and parking (actual costs).
 - Develop accurate enplanement estimates to provide to prospective providers.
 - Talk with other airports to explore the value of connecting ONP with their airports
- When talking with major players in the region, plan on multiple contacts. First to gather data, next to follow up to confirm results and get feedback, finally to confirm approaches. Look at this phase as one in building relationships that will be needed later when implementation begins.

Past Experience – examine data from past experience with airline service

- Examine city records, ONP records, News-Times Articles
- Gather up any records of value from prior air service (number of enplanements, flights per month, marketing efforts) and examine them for useful information.
- Retrieve accurate enplanement estimates to provide to prospective providers.

Similar Experience – talk with other airports similar in size and circumstance

- Identify other small airports (3-5) offering commercial passenger service and find out who their customer base is, what distinguishing features they provide with their air service, and their profitability
- Identify and contact operators who are currently providing this type of service.

Other investigations

- Contact flight training companies that might have an interest in co-pilot training in conjunction with a scheduled operator.
- Contact airlines that would consider a regional Central Oregon Coast market. The suggestions at the last meeting to link ONP to hubs other than Portland appears to be a promising idea. Perhaps linking up with Coos Bay/North Bend, Eugene, San Francisco, or Corvallis airports.
- Water and sewer needs to be available to the FBO and to the south end of the airport where an industrial park is waiting to blossom.

Analyze the Data.

- Examine the data from various perspectives, including over time, over multiple airports, over multiple sectors.
- Create various graphic representations of the data, including word clouds, pie charts, bubble charts, geographic maps. Anything it takes to let people have rapid and quick understanding of the data.

Propose recommendations

- Craft a marketing strategy (three or four key elements or thrusts, fewer is not enough, more is too many to take in) and have it reviewed by regional experts from a variety of sectors (business, recreation, personal travelers) and listen to their comments.
 - Investigate local businesses to partner, or provide integrated package deals.
 - Document the strategy in a Marketing Plan to be given to the Marketing team to implement
- Craft a strategy to entice air service providers
 - Provide clear answers to key questions
 - What is the return on investment?
 - What risks are there and what is being done to mitigate them?
 - What support can we expect from the city and the community?
 - Consider a contracted private FBO which includes the hangers. Evaluate the rental rates on the hangers and raise the rent amounts in accordance with the going rate with airports similar to ONP's size.
 - Develop a comprehensive package of what ONP will make available to a provider. Then advertise the opportunity.
 - Search for investors interested in this type of endeavor.
 - Research potential freight opportunities that could be linked to passenger service.
 - Create a package of relevant data that can be used by commercial air service providers in evaluating ONP as an airport they would service
 - Creation of a marketing kit for prospective commercial air service providers.

Deliverables

- ONP Marketing Kit – to be given to prospective commercial air service providers - describes the features and benefits of operating commercial air service out of Newport. Includes market description (types of flyers, key organizations with contact information), key statistics (expected enplanements, preferred days of week), flight and FBO services provided at ONP, and other relevant data necessary to determine suitability of ONP as an airport for their service.
- ONP Marketing Plan – to be used by ONP marketing team – identifies key goals and objectives, actions required to fulfill the goals and objectives with assignees, prioritization and notional timeline of carrying out the actions.

ATTACHMENT B

GOVERNANCE



REGIONAL AIRPORT REVIEW TASK FORCE

DATE: January 15, 2016
FROM: Kevin Greenwood, Task Force Member
TO: Ralph Busby, Task Force Chair
REGARDING: Governance and Ownership of Public Airports in Oregon

TASK

- A. **Governance and ownership of the airport.** Identify various ways airports of this size are owned and operated, and which ones run profitably.

GOVERNANCE

I compiled a spreadsheet of 55 public airports using resources found through the Oregon Aeronautics Division and Wikipedia. Spreadsheet includes the following statistics for all 55 airports: FAA Code and name of facility, the facility's role within the state inventory, and 2013 commercial boardings. Jobs, payroll and business output were pulled from a 2014 OAD report. Governance was obtained from the websites and/or phone interviews.

There are five distinct governance types operating airports in Oregon: cities, state, special districts, multi-governmental units utilizing intergovernmental agreements (IGAs) and counties.

PUBLIC AIRPORT BY GOVERNANCE TYPE		
City		22
State		12
Special District (ORS 198)		11
	Airport District (ORS 838)	1
	Port of Portland (ORS 778)	3
	Port District (ORS 777)	6
	Park & Rec District (ORS 266)	1
County		7
	County Department	7
	County Service District (451)	0
	Intergovernmental Agreement (ORS 190)	3
TOTAL NUMBER		55

The county airports are all departments of the county government. The Lake, Union, Grant, Jackson and Josephine airports are budgeted separately using enterprise funds. Grant and Morrow Counties track airport activity using special revenue funds. Oregon counties also have the ability to operate and fund airports using ORS 451.010(1)(h), public transportation service districts, similar to county bus agencies. The county commissions normally preside over special service district units, but variations do exist. There are no airports in Oregon operating through county service district statutes.

Three airports operate via ORS 190 intergovernmental arrangements. Brookings Airport is run by the Border Coast Airport Authority, a unique IGA that includes the City of Brookings, Ore., City of Crescent City, Calif., Del Norte (Calif.) County and the Elk Valley Native American Nation. The Columbia River Gorge Airport is operated through an IGA between the City of the Dalles, Ore. And Klickitat, County, Wash. Operations are centered in Dallesport, Wash. The Prineville Airport is operated jointly by the City of Prineville and Crook County.

It should be noted that there are numerous state facilities not included in this analysis. (ie. Wakonda, Nehalem Bay State Park, Toledo)

Based upon the 2014 Oregon Airport Aviation Plan Economic Contribution to the Oregon Economy by Airport, The City of Newport Airport supports 160 jobs through direct employment and surveys of airport tenants (2014 OAP, Pg. 5). Airports supporting a similar number of jobs include 107 at Hermiston (City), 159 at Columbia Gorge

(IGA), 159 at Tillamook Bay (Port), 172 at Ashland (City) and 215 at Grants Pass (County). Other airports that could be considered based upon payroll and business output would be Corvallis (City) and Independence (State).

FINANCES

Researching budget and financial data was limited to the following airports: Hermiston, Columbia Gorge, Tillamook Bay, Ashland, Grants Pass, Corvallis and Independence. I focused on the operational activities (personal service, materials and service, debt service and contingency) when assessing financial viability. Enterprise Funds are assumed to be self-supporting activities based upon operational income and generally do not rely on property taxes for operations. Special Revenue Funds have a specific revenue source earmarked for activities. The possible revenue sources for special revenue funds are wide ranging and could include specific fees or charges, revenue sharing from the state or operational levy income. General Fund activities are generally considered governmental services and may be reliant upon some subsidy from standing property tax.

Ashland Airport (City). The City of Ashland, which utilizes biennial budgeting, records airport financial reporting through a Special Revenue Fund. The 2015-17 budget shows service fees estimated at \$276,000 with "other financing sources" of \$270,000. Operating expenses (Materials & Service, Debt Service, and Contingency) total \$551,000. It doesn't appear that any transfers or property taxes are directed to this fund. This appears to be a break-even venture, though further inquiry should be made into the origination of the other financing sources. <http://www.ashland.or.us/Files/FINAL%20WEB%20BUDGET%2012-18-15.pdf>

Hermiston Airport (City). The City of Hermiston operates the airport as a department within the General Fund. For 2015-16, operational income is budgeted at \$210,000 and operational expenses is budgeted at \$209,640. Pretty much break even. Historically, however, the airport has been able to place \$20,000-80,000 of positive net operating income into a future capital reserve fund. This appears to be a more than break even operation. <http://www.hermiston.or.us/sites/hermiston.or.us/files/File/FinanceDepartment/1516-adopted-budget.pdf>

Columbia Gorge Airport (IGA). The airport is owned jointly by the City of The Dalles, Oregon, and Klickitat County, Washington. The City is the prime operator of the Airport via a management contract with Aeronautic Management and Gorge Aviation, two separate entities owned and operated by the same two partners. They also have an Airport Board made up of City and County members. The City Manager oversees the contract Airport Managers. All the Airport assets are owned 50% by the City and 50% by the County. They do consider the airport to be successful and future plans look very promising. <http://www.columbiagorgeairport.com/>

Tillamook Bay Airport (Port). The Port of Tillamook Bay (ORS 777) operates their airport as a department of the General Fund. For fiscal year 2014-15, POTB showed \$307,700 in operating revenue and \$422,593 in operating expense (personal services, materials and service, and debt service). This shows a negative net income of \$115,000. Other departmental activity, property tax and/or fund balances make up the operating deficit. http://www.potb.org/documents/Draft_Budget_2014-2015.pdf

Grants Pass Airport (County). Josephine County operates two airports (Grants Pass and Illinois Valley) an enterprise fund to track activity. The 2015-16 budget shows program revenue of \$634,000 and operational expenses of \$699,000 for the Grants Pass Airport. The beginning fund balance is \$150,000 and a budgeted contingency of \$100,000 in the fund that could apply to either airport. <http://www.co.josephine.or.us/SIB/files/Finance/I-Enterprise%20Funds%20Budget%202015-16.pdf>

Corvallis Airport (City). The City of Corvallis uses an Enterprise Fund to account for airport activities. For FY14-15, operational revenue is budgeted at \$500,000 and operational expense is set for \$459,000. Positive net income is transferred into a capital fund for future projects. This is a healthy fund and has cash reserves of over \$620,000. <http://archive.corvallisoregon.gov/0/doc/660859/Electronic.aspx>

Independence Airport (State). 60-acre facility. Matt Maas, airport manager, says that they generate about \$100,000 off “through the fence arrangements” with abutting private homeowners who utilize an easement directly onto the airport. Maas says that arrangement helps make Independence a profitable airport for the state.

RESOURCES

2014 Oregon Aviation Economic Update

http://www.oregon.gov/aviation/docs/system_plan/2014_Oregon_Aviation_Economic_Update_Executive_Summary.pdf

2014 Aurora State Airport Report

http://www.oregon.gov/aviation/docs/system_plan/Airport_Reports_2014/Aurora_State_Airport.pdf

Committee Member Input

Mayor Sandy Roumagoux

Ideas for governance and ownership of the airport: Because I am floundering in waters (really floundering instead of metaphorically on this stormy day) where I know not what I speak, I will just write what I have thought about. I do see the Port of Newport involved in the ONP. The large amount of acreage available especially at the south end of the airport is where an industrial park could flourish which could help increase the Port's available space. Of course, the catch is that water and sewer infrastructure needs to be available. Also, there would be room to accept the Port's dredgings.

Chair Ralph Busby

1. What are the goals to be accomplished by redesigning the ownership/governance?
2. Perform a cost comparison study of a variety of governance options utilizing existing public entities and/or creating a new one.
3. Look at the effect of combining various existing Lincoln County entities.
4. What would be the benefit of also assuming responsibility for the three state owned airports?
5. What benefits would a combination/restructure of existing organizations provide to other entities beside ONP (Ports, cities, etc.)
6. Identify new revenue sources that could be available with a different governance model
7. What is optimum regional base (County wide or?).
8. What additional leverages could be brought to bear with a regional organization?
9. What governance model best reflects the public's needs in a local airport/port organization?
10. Prepare and execute a survey of 20 or so airports in the NW that are comparable, obtaining ownership, management, lease policies, profitability, unique characteristics, marketing strategies, etc.

Statewide Input. I contacted the six port managers in Oregon and asked for their qualitative input about the “profitability” of their airport and airports generally. Following are brief summaries of their comments. (No response from the Ports of Gold Beach and Astoria.)

Gary Neal, Port of Morrow: Our facility has never had much other than a paved runway and rules from FAA that tend to not promote aviation activity. The Port's Airport has never had an FBO or any type of support facilities. FAA funds have not been allowed to be used to further usage, they require us to deal with safety only and the things that might enhance activity are not allowed to be on the list for their funds. We have made a conscious decision over the years to not self-fund the type of activities that might increase aviation activity. Maybe someday we will, but so far we have made investment in other activities. There are general aviation options in the area, 30 minutes away, so we have deferred the general use to that facility which is the City of Hermiston's airport. If you are looking at some successful operations that I think from the outside seem successful, I would contact Port of Benton in Richland Washington. They have to very active Airports, one in Richland and one in Prosser. As you know Mike McElwee has the Hood River Airport, Baker City has a municipal airport that is relatively busy, Pendleton's airport struggles and has always been a challenge. Port of Walla Walla has an active airport that seems to be working OK.

Michele Bradley, Port of Tillamook Bay: Our operations have been mildly successful. We always end up in the black, but not by very much – about \$20,000/year at the most. Some years it is \$5,000. All airport income has to be kept in the airport, so it's a constant struggle not to use it in other areas. We only have an airport office, self-service fuel (both AV gas and 100 LL), and about 35 T-hangars that we lease out, which are almost always full. It pretty much manages itself. We do not have a manned tower, so we get to steer clear of additional oversight by the FAA.

Paula Miranda, Port of St. Helens: Although we try to keep some general tally on our personnel cost on each of our properties/industrial parks, we don't maintain a direct personnel cost inventory that I am aware of. Our HR costs just come out of our general funds, which we use to manage all of our properties. We don't keep any full time employee at the airport. Our maintenance personnel work in all of our properties as needed and our airport manager also wears the hat of property and operations manager.

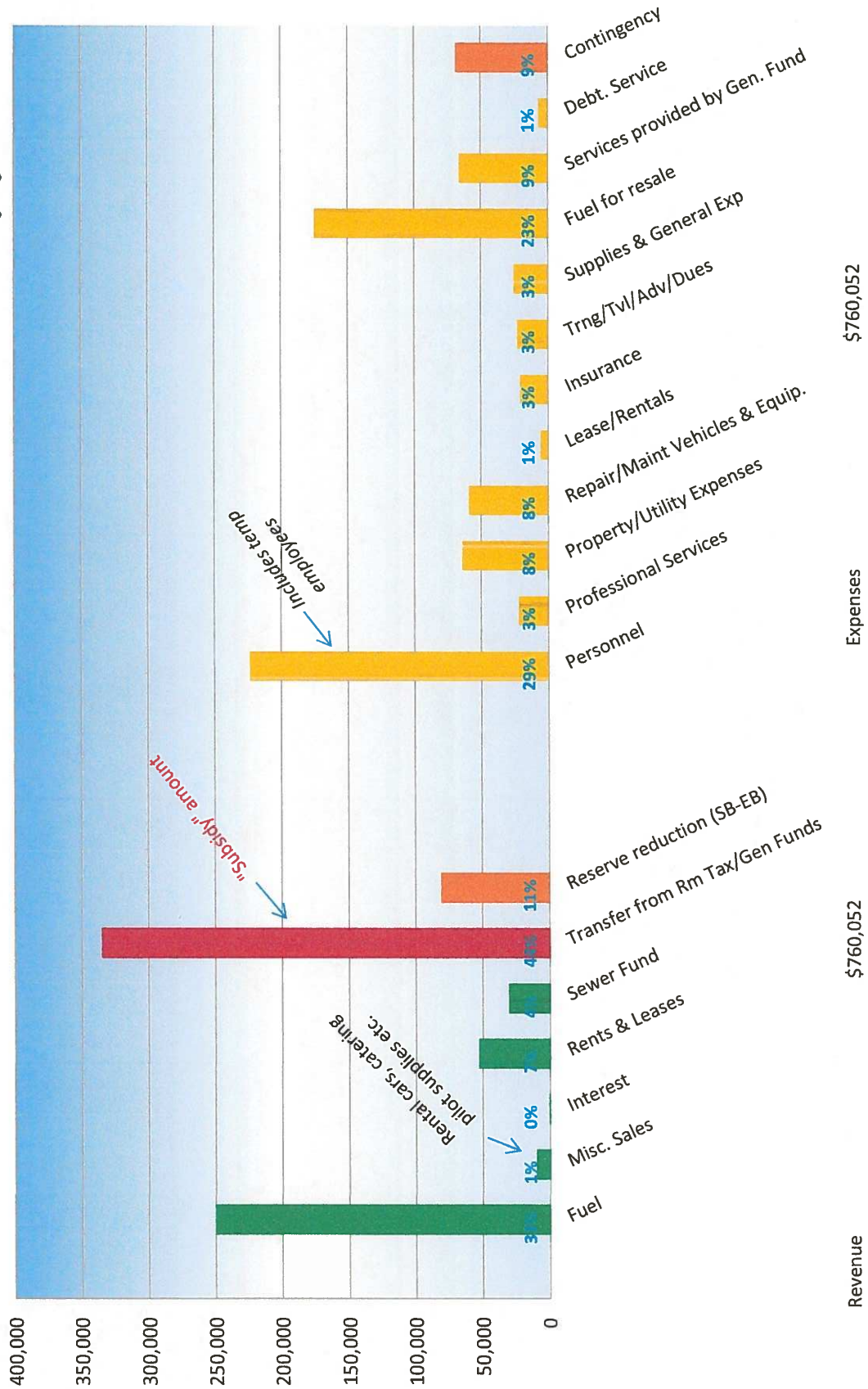
Michael McElwee, Port of Hood River: We've intended to take a good look at the Airport from a more rigorous financial standpoint for over two years. Just haven't gotten to it. We need to better isolate R&E for the Airport and then drive back through maintenance/management expectations to address T-Hangar lease rates to achieve break-even on operations. Just haven't done that yet. Our Airport operates at a small loss, bigger depending on capital spending. We get \$150,000 /yr. from the FAA but it requires a 10% match.

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ATTACHMENT C

FINANCE

ONP FY16 Budgeted Revenue & Expenses (Excludes Capital Projects and Purchases)



ATTACHMENT D

MARKETING

- D. **Marketing the use of the airport.** Identify the types of value-added services the airport can provide, determine which have the greatest cost-benefit, and develop an initial set of marketing approaches for those which are likeliest to bear fruit.
Contact: Lorna Davis

Here are some of the suggestions that were offered regarding this topic

1. Need to identify specifically what land, facilities and amenities could be made available to prospective tenants. This could come out of the master planning process.
2. Emergency services hub, and “side” services that could be attached.
3. Transportation hub, combined ground/air facility.
4. Group tour origination point.
5. Flight training; particularly instrument saturation training. Few airports have the amount of actual instrument weather conditions, coupled with the available instrument approach procedures and light traffic.
6. Aviation component manufacturing.
7. Agricultural use of airport property.
8. Establish a marketing person/team, (paid?).
9. Aircraft sales (advantages of Oregon tax laws)
10. Federal Gov’t. opportunities: DOD, NOAA, etc.
11. Work with the State/County/City to create a tax incentive package.
12. Identify developers interested in facilities development on the airport.
13. Redmond, Bend, and Aurora all have aviation manufacturing businesses on their airports. What do they offer that makes them attractive to these companies?
14. Have local hotels and other businesses create packages that could linked to an airline.
15. Rekindled the destination resort plans and the role of the airport within.
16. Museum? We almost got Erickson, there may be other opportunities.
17. Nature trails around the perimeter.
18. Infrastructure in place for development (water and sewer)
19. Have regular scheduled air service that connects to Portland, Eugene, Coos Bay, San Francisco, Vegas.
20. Rename airport Central Coast Regional Airport or something similar.
21. Build more hangars and market to the Bay area or other areas for rental space.
22. Work with Toledo airport if weather related challenges occur.

Here is some insights I came to when doing some research on other regional airports.

- A. Airport should have user friendly services available, ground transportation, Wi-Fi access, meeting space, business center, Coffee/Hot Water/Cups (waiting area) Wall mounted screen or large area to hand large maps or other documents, conference table and chairs.
- B. Food service
- C. Baggage assistance
- D. Have a website developed that is inclusive of Airport information and opportunities. There are too many to name here but Redmond Oregon is a great example:
<http://www.flyrdm.com/?Terminal-Information>

- E. Contract with or hire someone to assist in marketing rental space, services and other amenities in trade publications, online, via social media and other industry channels.

ATTACHMENT E

LAND USE ISSUES

Newport Airport Land Use Issues

TASK Identify land use and economic opportunities for airport property

Thank you to each person who contributed observations and suggestions regarding the non-traditional uses for land at the airport complex. Since several comments contained similar observations or ideas for use of the land, I have consolidated them for ease of consideration. There are opportunities as well as barriers to expanding revenue-producing activities at the airport that are laid out without compromise.

OPPORTUNITIES.

Be prepared to say ‘Yes’ to those who bring proposals for airport uses to the City.

Provide economic development incentives for businesses desiring to locate at the airport.

Explore the availability for Oregon funding of infrastructure (water/sewer/streets/storm drainage) required to accommodate construction of leased and owned buildings.

Master Planning processes should identify the existing permitted land uses around the airport.

Provide for agricultural uses by one or more farmers/ranchers.

Provide for storage of fishing gear (gear shed.)

Provide for storage of recreational vehicles.

Provide for active recreation (tracks and courses) and parks.

Provide for long-term leases to allow for the construction of commercial or industrial facilities (UPS/FedEx/Amazon/Google) that use air shipment of goods or delivery services.

Provide lease space for use by airport based support business (airframe paint shop/aircraft refurbishing/aircraft supply retailers and wholesalers/aircraft maintenance) that do not have walk-in customer traffic.

Improve the existing airport structures and civil engineering facilities to present a well maintained appearance.

Promote the airport's geographic features (high, dry, stable, cool) to attract pilots and businesses to use and locate at the airport.

BARRIERS

Water and sewer services are not available to support uses throughout the property.

Airport Master Planning and Newport Master Planning processes need to be completed before additional permitted or conditional use activities can take place.

Lack of significant joint venture or partnership business experience by the City for economic development projects.

Low levels of connection by majority of City, County and regional residents with the economic or business success of airport.



Coffman
Associates
Airport Consultants

Report of the Regional Airport Review Task Force

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CITY MANAGER'S REPORT AND RECOMMENDATION



Agenda #:7.E.
Meeting Date: 3-7-16

Agenda Item: From the Airport Committee, Recommendation on the Airport Operations Request for Proposals (RFP)

Background:

For the past year the Airport Committee has had a number of discussion regarding the possibility of using a private contractor for the operation of the airport and the fixed base operations. In February 2015, the Airport Committee, with the consent of the City Council, had issued Expressions of Interest for the operation of the airport. At that time, three firms submitted Expressions of Interest indicating interest in submitting a proposal for the operation of the Newport Municipal Airport. Based on this level of interest, the Airport Committee recommended, and the City Council concurred, that an RFP should be developed to give private operators the opportunity to bid on the operation of the airport. Beginning in the summer of 2015, the Airport Committee initiated review and revisions for a RFP for the operation of the Newport Municipal Airport. The proposals were structured with the operator keeping the revenues obtained from the operation of the airport and being responsible for the expenses of the airport. This put the risk/benefit onto the contractor who would be successful in receiving a contract to operate the airport. The RFP was issued with the response deadline of January 6, 2016. On January 6, the city received 3 proposals for the operation of the airport from the following companies:

1. ABS Aviation, submitter Michael A. Hodges, Tampa Florida
2. Aviation Career Services, submitter Eric L. Mercado, Chicago Illinois
3. Infinite Air Center, Tony Hann, Albany.

The three proposal and the RFP can be found in the Airport Committee Agenda Packet for February 9, 2016.

http://www.newportoregon.gov/citygov/comm/onp/agendas/Feb_9_2016_agenda_and_packet.pdf

The bids received from ABS Aviation and Aviation Career Services departed substantially from the RFP, placing the risk/benefit of operating the airport back to the city. The proposal that most closely met the originally intent of the RFP was from Infinite Air Center.

One of the stated objectives in the RFP was the reduction and or elimination of subsidy from the city's general fund over a three to five-year period for airport operations. Attached is an evaluation of what the city's revenues, expenditures and not expenditures would be with each of the three proposals received. Utilizing the 2015-16 budget as a base, the proposals submitted would cost the city more then what is projected in the 2015-16 budget with city operations. The increase in cost ranged from \$62,448 to \$240,769 over the cost of current city operations.

The other objectives of the RFP were to maximize reinvestment in public infrastructure, expand the commercial use of the airport, continue to exercise quality customer service, and facilitate local economic development by positioning the airport in surrounding property to be ready for development. While the firms submitting the proposals would

bring a certain level of value to the airport and could increase services at the airport, it was the Airport Committee's unanimous recommendation to the City Council that the three proposals be rejected. Furthermore, there was discussion from the Airport Committee that it was a very significant benefit to go through the RFP process to determine whether the airport could be operated much more economically through a contractor arrangement. Based on the proposals received, operating the airport with a private operator would not save the city money. The unanswered question is whether a private operator would be able to substantially increase activity at the airport. This remains an unknown.

Since the time of my predecessor, the airport has been operated with temporary staffing and with a temporary structure. I would like to work with the Airport Committee to determine a more permanent administrative structure and staffing for the operation of the airport as a continued department of the City of Newport, based on our inability to find a cost effective contractual operation of the airport. Finally, I would like to express my appreciation to Lance Vanderbeck and John Matherly who have done an excellent job of keeping the airport going in a positive direction during the discussions of privatization. Throughout this time both of these people have been professional and matter of fact regarding the potential impact on their jobs should the city choose to go forward with a private contractor. As part of the 2016-17 budget it will be my intent to layout an administrative structure for the airport going forward.

Recommendation:

I recommend that the City Council consider the following motion:

I move to concurrence with the Airport Committee recommendation to reject the three proposals for the operation of the airport and direct the City Manager to work with the Airport Committee to develop a permanent administrative structure for the operation of the Newport Municipal Airport.

Fiscal Effects:

None by this action.

Alternatives:

As suggested by the City Council.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "S. R. Nebel", is written over a faint, light blue circular stamp.

Spencer R. Nebel
City Manager

CITY OF NEWPORT, OREGON
AIRPORT FUND
SCHEDULE OF REVENUES AND EXPENDITURES

	2013-14 Actual	2014-15 Actual	2015-16 Budget	ABS Aviation, Inc.		Aviation, Inc. Career Service		Infinite Air Center
				2016-17 Proposed Budget	2016-17 Proposed Budget	2016-17 Proposed Budget	2016-17 Proposed Budget	
Revenues								
JET FUEL REVENUE	\$ 400,496	\$ 339,782	175,000	\$ 175,000	\$ -	\$ -	\$ -	-
AVGAS REVENUE	73,340	50,123	75,000	75,000	-	-	-	-
OIL	663	348	520	520	-	-	-	-
PILOT SUPPLIES	973	10,609	7,300	7,300	-	-	-	-
FOOD CATERING	1,383	544	500	500	-	-	-	-
TIE DOWN	137	122	100	100	-	-	-	-
SERVICE PROVIDED FOR SEWER FND	30,704	30,704	30,704	30,704	30,704	-	-	-
RENTS & LEASES	53,018	57,943	52,780	52,780	-	-	-	-
CONCESSIONS	394	1,625	1,000	1,000	-	-	-	-
INTEREST ON INVESTMENTS	2,600	1,036	561	561	-	-	-	-
MISC. SALES & SERVICES	2,149	2,574	500	500	-	-	-	-
TOTAL REVENUES	565,857	495,410	343,965	343,965	30,704			
Expenditures								
WAGES & SALARIES	\$ 100,370	77,425	116,195	\$ -	\$ -	\$ -	\$ -	-
OVERTIME	11,869	14,169	8,000	-	-	-	-	-
ON-CALL	6,600	4,700	4,700	-	-	-	-	-
INSURANCE BENEFITS	29,469	14,711	37,867	-	-	-	-	-
FICA EXPENSES	9,014	8,028	9,860	-	-	-	-	-
RETIREMENT	20,995	14,356	12,257	-	-	-	-	-
WORKER'S COMPENSATION	2,748	2,852	3,179	-	-	-	-	-
UNEMPLOYMENT INSURANCE	1,365	1,498	773	-	-	-	-	-
PROFESSIONAL SERVICES	10,069	2,189	8,000	8,000	8,000	-	-	-
FINANCIAL PROFESSIONAL SERVICE	15,485	10,525	10,000	2,000	2,000	2,000	2,000	-
LEGAL PROFESSIONAL SERVICES	11,857	5,692	2,000	2,000	2,000	2,000	2,000	-
EMPLOYMENT SERVICES	33,717	39,545	28,000	-	-	-	-	-
OTHER PROFESSIONAL SERVICES	1,925	1,840	2,000	2,000	2,000	2,000	2,000	-
UTILITIES - ELECTRIC	12,731	13,393	12,500	12,500	12,500	12,500	12,500	-
UTILITIES - WATER & SEWER	0	644	6,600	6,600	6,600	6,600	6,600	-
UTILITIES - OTHER	4,296	1,405	1,800	1,800	1,800	1,800	1,800	-
BUILDING & GROUNDS EXPENSES	46,621	23,172	34,000	34,000	34,000	34,000	34,000	-
PERMITS/LICENSES EXPENSES	2,405	4,222	3,800	3,800	3,800	3,800	3,800	-
OTHER PROPERTY SERVICES	517	0	600	600	600	600	600	-
CLEANING EXPENSES	6,858	5,102	5,000	5,000	5,000	5,000	5,000	-
VEHICLE EXPENSES	16,626	6,090	13,000	13,000	13,000	13,000	13,000	-
EQUIPMENT EXPENSES	11,444	39,960	31,000	31,000	31,000	31,000	31,000	-
MAINTENANCE AGREEMENTS	5,615	5,120	5,000	5,000	5,000	5,000	5,000	-
INFRASTRUCTURE EXPENSE	0	0	10,000	10,000	10,000	10,000	10,000	10,000
LEASE EXPENSES	1,127	497	1,000	1,000	1,000	1,000	1,000	-
RENTAL EXPENSES	3,146	3,488	4,500	4,500	4,500	4,500	4,500	-
INSURANCE PREMIUM & EXPENSES	17,063	18,383	20,733	20,733	20,733	20,733	20,733	20,733
COMMUNICATIONS EXPENSES	5,182	4,079	4,200	4,200	4,200	4,200	4,200	-
ADVERTISING & MARKETING EXP	372	1,178	500	500	500	500	500	-
PRINTING & BINDING	279	188	500	500	500	500	500	-
TRAVEL & MEETING EXPENSES	430	3,255	3,500	-	-	2,000	2,000	-

	2013-14	2014-15	2015-16	2016-17	2016-17	2016-17	Infinite
	Actual	Actual	Budget	Proposed Budget	Proposed Budget	Proposed Budget	Air Center
MEMBERSHIPS, DUES & FEES	305	600	560	-	560	-	
TRAINING	8,619	3,752	4,310	-	1,500	-	
PROGRAMS & PROGRAM SUPPLIES	0	55	100	-	100	-	
OTHER OPERATING EXPENSES	1,031	7,594	8,800	880	880	-	
OFFICE SUPPLIES	6,703	9,683	12,000	12,000	12,000	-	
BOOKS/PERIODICALS/DVD & VIDEO	0	600	600	600	600	-	
POSTAGE/SHIPPING EXPENSES	323	403	400	400	400	-	
CONCESSIONS & CATERING	2,134	2,753	1,500	1,500	1,500	-	
AMMUNITION & FIREARMS	48	1,514	1,300	1,300	1,300	-	
CLOTHING & UNIFORMS	297	495	500	500	500	-	
GENERAL EXPENSES	3,409	3,025	2,700	2,700	2,700	-	
SAFETY & HEALTH EXPENSES	31	6	0	-	-	-	
NON-CAPITAL EQUIPMENT	12,980	0	0	-	-	-	
FUEL	9,601	6,103	6,500	6,500	6,500	-	
JET FUEL EXPENSES	315,215	168,236	105,000	105,000	105,000	-	
AV-GAS EXPENSES	44,510	102,108	70,000	70,000	70,000	-	
SERV PROVIDED BY GENERAL FUND	53,552	54,679	66,281	66,281	66,281	66,281	
TOTAL EXPENDITURES	848,953	689,312	681,615	436,394	440,554	97,014	

PROPOSED FEE

* 6 Month Adjustment for City's Personnel
 **\$313,261 less \$381,318 equals \$68,057

	450,000 *	68,057 **	303,084
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OPERATING SUBSIDY

	(283,096)	(193,902)	(337,650)	(542,429)	(477,907)	(400,098)
1 - (Undetermined)						
2 - (Undetermined)						
3 - ACS represents a 5% reduction in certain lines					(37,139)	
4 - ABS overstated fee				(120,000)		
5 - Infinite Air FBO Improvements						15,000

NOTES:

- Services provided by General Fund would be reduced based on the level of work required by Finance, with the most significant reduction occurring with the Infinite Air Center proposal and Aviation Career Service (ACS) proposal to a lesser extent. This would likely remain unchanged with ABS Aviation.
- City insurance cost would be reduced to same degree with all three proposals
- ACS sites a reduction in budget expenses for various line items equal to \$37,138.94 in fiscal year 2016-2017
- ABS indicated on January 15, 2016 that their costs are overstated by a \$10,000/month. The actual monthly rate is \$27,500, versus \$37,500. This was noted after the proposals were made public
- Infinite Air proposes that the City make \$15,000 improvements to the FBO
- Infinite Air included a \$40,000 cap on their expenses

**CITY OF NEWPORT, OREGON
AIRPORT FUND
SCHEDULE OF REVENUES AND EXPENDITURES**

**ABS
Aviation, Inc.**

	2013-14	2014-15	2015-16	2016-17
	Actual	Actual	Budget	Proposed Budget
Revenues				
JET FUEL REVENUE	\$ 400,496	\$ 339,782	175,000	\$ 175,000
AVGAS REVENUE	73,340	50,123	75,000	75,000
OIL	663	348	520	520
PILOT SUPPLIES	973	10,609	7,300	7,300
FOOD CATERING	1,383	544	500	500
TIE DOWN	137	122	100	100
SERVICE PROVIDED FOR SEWER FND	30,704	30,704	30,704	30,704
RENTS & LEASES	53,018	57,943	52,780	52,780
CONCESSIONS	394	1,625	1,000	1,000
INTEREST ON INVESTMENTS	2,600	1,036	561	561
MISC. SALES & SERVICES	2,149	2,574	500	500
TOTAL REVENUES	565,857	495,410	343,965	343,965
Expenditures				
WAGES & SALARIES	\$ 100,370	77,425	116,195	\$ -
OVERTIME	11,869	14,169	8,000	-
ON-CALL	6,600	4,700	4,700	-
INSURANCE BENEFITS	29,469	14,711	37,867	-
FICA EXPENSES	9,014	8,028	9,860	-
RETIREMENT	20,995	14,356	12,257	-
WORKER'S COMPENSATION	2,748	2,852	3,179	-
UNEMPLOYMENT INSURANCE	1,365	1,498	773	773
PROFESSIONAL SERVICES	10,069	2,189	8,000	8,000
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LEGAL PROFESSIONAL SERVICES	11,857	5,692	2,000	2,000
EMPLOYMENT SERVICES	33,717	39,545	28,000	-
OTHER PROFESSIONAL SERVICES	1,925	1,840	2,000	2,000
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UTILITIES - WATER & SEWER	0	644	6,600	6,600
UTILITIES - OTHER	4,296	1,405	1,800	1,800
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AV-GAS EXPENSES	44,510	102,108	70,000	70,000
SERV PROVIDED BY GENERAL FUND	53,552	54,679	66,281	66,281
TOTAL EXPENDITURES	848,953	689,312	681,615	437,167
PROPOSED FEE				450,000 *

OPERATING SUBSIDY	(283,096)	(193,902)	(337,650)	(543,202)
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* 6 Month Adjustment for City's Personnel

**CITY OF NEWPORT, OREGON
AIRPORT FUND
SCHEDULE OF REVENUES AND EXPENDITURES**

**Aviation, Inc.
Career Service**

	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Proposed Budget
Revenues				
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AVGAS REVENUE	73,340	50,123	75,000	-
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PILOT SUPPLIES	973	10,609	7,300	-
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OVERTIME	11,869	14,169	8,000	-
ON-CALL	6,600	4,700	4,700	-
INSURANCE BENEFITS	29,469	14,711	37,867	-
FICA EXPENSES	9,014	8,028	9,860	-
RETIREMENT	20,995	14,356	12,257	-
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TOTAL EXPENDITURES	848,953	689,312	681,615	437,167
PROPOSED FEE				392,940
OPERATING SUBSIDY	(283,096)	(193,902)	(337,650)	(799,403)

* 6 Month Adjustment for City's Personnel

** Letter advisor fee is

**CITY OF NEWPORT, OREGON
AIRPORT FUND
SCHEDULE OF REVENUES AND EXPENDITURES**

	Infinite Air Center			
	2013-14	2014-15	2015-16	2016-17
	Actual	Actual	Budget	Proposed Budget
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RETIREMENT	20,995	14,356	12,257	-
WORKER'S COMPENSATION	2,748	2,852	3,179	-
UNEMPLOYMENT INSURANCE	1,365	1,498	773	-
PROFESSIONAL SERVICES	10,069	2,189	8,000	-
FINANCIAL PROFESSIONAL SERVICE	15,485	10,525	10,000	-
LEGAL PROFESSIONAL SERVICES	11,857	5,692	2,000	-
EMPLOYMENT SERVICES	33,717	39,545	28,000	-
OTHER PROFESSIONAL SERVICES	1,925	1,840	2,000	-
UTILITIES - ELECTRIC	12,731	13,393	12,500	-
UTILITIES - WATER & SEWER	0	644	6,600	-
UTILITIES - OTHER	4,296	1,405	1,800	-
BUILDING & GROUNDS EXPENSES	46,621	23,172	34,000	-
PERMITS/LICENSES EXPENSES	2,405	4,222	3,800	-
OTHER PROPERTY SERVICES	517	0	600	-
CLEANING EXPENSES	6,858	5,102	5,000	-
VEHICLE EXPENSES	16,626	6,090	13,000	-
EQUIPMENT EXPENSES	11,444	39,960	31,000	-
MAINTENANCE AGREEMENTS	5,615	5,120	5,000	-
INFRASTRUCTURE EXPENSE	0	0	10,000	10,000
LEASE EXPENSES	1,127	497	1,000	-
RENTAL EXPENSES	3,146	3,488	4,500	-
INSURANCE PREMIUM & EXPENSES	17,063	18,383	20,733	20,733
COMMUNICATIONS EXPENSES	5,182	4,079	4,200	-
ADVERTISING & MARKETING EXP	372	1,178	500	-
PRINTING & BINDING	279	188	500	-
TRAVEL & MEETING EXPENSES	430	3,255	3,500	-
MEMBERSHIPS, DUES & FEES	305	600	560	-
TRAINING	8,619	3,752	4,310	-
PROGRAMS & PROGRAM SUPPLIES	0	55	100	-
OTHER OPERATING EXPENSES	1,031	7,594	8,800	-
OFFICE SUPPLIES	6,703	9,683	12,000	-
BOOKS/PERIODICALS/DVD & VIDEO	0	600	600	-
POSTAGE/SHIPPING EXPENSES	323	403	400	-
CONCESSIONS & CATERING	2,134	2,753	1,500	-
AMMUNITION & FIREARMS	48	1,514	1,300	-
CLOTHING & UNIFORMS	297	495	500	-
GENERAL EXPENSES	3,409	3,025	2,700	-
SAFETY & HEALTH EXPENSES	31	6	0	-
NON-CAPITAL EQUIPMENT	12,980	0	0	-
FUEL	9,601	6,103	6,500	-
JET FUEL EXPENSES	315,215	168,236	105,000	-
AV-GAS EXPENSES	44,510	102,108	70,000	-
SERV PROVIDED BY GENERAL FUND	53,552	54,679	66,281	66,281
TOTAL EXPENDITURES	848,953	689,312	681,615	97,014
PROPOSED FEE				303,084 *
OPERATING SUBSIDY	(283,096)	(193,902)	(337,650)	(369,394)

* Letter advisor fee is _____

Spencer Nebel

From: Michael A. Hodges <mhodges@absaviation.com>
Sent: Friday, February 26, 2016 6:24 PM
To: Spencer Nebel
Cc: Peggy Hawker; bthompson@absaviation.com; 'Randy Bisgard'
Subject: RE: Airport Committee
Attachments: Newport Proforma Budget.xlsx

As mentioned in my prior e-mail, after some final adjustments to our proposed budget, we are conservatively projecting a savings to the City of around \$30,000 in Year one, increasing significantly on an annual through our proposed contract term. The significance of our proposal is that it is built not only on reduced operating expenses, but also on increasing revenues through attracting more activity, and facilitating more sales from current and future customers. Moreover, it is significant to note that these revenue projections exclude anticipated revenues from an airshow that we intend to bring to the community, as well as our efforts to bring other aeronautical businesses to the Airport. Finally, once we have the opportunity to further refine the budget after we learn more about the operation's historic operating and management structure, I am sure that we can further reduce the City's annual subsidy.

I would sincerely appreciate your reconsideration of our proposal. We are confident that we can bring the operational and financial successes to the Newport Municipal Airport that we have yielded at all of our other management contracts.

Regards, Michael

Michael A. Hodges
 President/CEO
ABS Aviation, Inc.
 12950 Race Track Road, Suite 206
 Tampa, Florida 33626-1307
 Phone: (813) 855-3600
 Fax: (813) 200-1014
 Cell: (813) 317-3170
www.absaviation.com



From: Spencer Nebel [mailto:S.Nebel@NewportOregon.gov]
Sent: Friday, February 26, 2016 7:59 PM
To: 'thann@InfiniteAirCenter.com'; 'Eric L. Mercado'; 'Michael Hodges'
Cc: Peggy Hawker
Subject: Airport Committee

To: Tony, Eric and Michael:

The Airport Committee met today to review the proposals that were submitted for the operation of the airport. The Airport Committee recommended on a 4-0 vote that the proposals be rejected since none of the proposals demonstrated a savings in current airport costs. The Committee suggested that the City Council explore alternatives other than contracting the operation of the airport. I appreciate your efforts in submitting proposals for this work.

Spencer R. Nebel

City Manager

City of Newport, Oregon 97365

541-574-0601

s.nebel@newportoregon.gov

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CITY OF NEWPORT, OREGON AIRPORT FUND
SCHEDULE OF REVENUES AND EXPENDITURES

ABS AVIATION, INC. PROJECTED OPERATING BUDGET

	2013-14 Actual	2014-15 Actual	2015-16 Budget	Year 1	Year 2	Projected Year 3	Year 4	Year 5	Comments
REVENUES									
JET FUEL REVENUE	\$400,496	\$339,782	\$175,000	\$80,000	\$92,000	\$110,400	\$132,480	\$158,976	Revenues reflect gross profit
AVGAS REVENUE	\$73,340	\$50,123	\$75,000	\$15,000	\$16,500	\$18,150	\$19,965	\$21,962	Revenues reflect gross profit
OIL	\$663	\$348	\$520	\$800	\$840	\$882	\$926	\$972	
PILOT SUPPLIES	\$973	\$10,609	\$7,300	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155	
FOOD CATERING	\$1,383	\$544	\$500	\$1,500	\$1,575	\$1,654	\$1,736	\$1,823	
TIE DOWN	\$137	\$122	\$100	\$1,000	\$1,200	\$1,440	\$1,728	\$2,074	
SERVICE PROVIDED FOR SEWER FND	\$30,704	\$30,704	\$30,704	\$30,704	\$30,704	\$30,704	\$30,704	\$30,704	Unknown revenue source remaining fixed through projection period
RENTS & LEASES	\$53,018	\$57,943	\$52,780	\$60,000	\$66,000	\$72,600	\$79,860	\$87,846	
CONCESSIONS	\$394	\$1,625	\$1,000	\$1,800	\$1,890	\$1,985	\$2,084	\$2,188	
INTEREST ON INVESTMENTS	\$2,600	\$1,036	\$561	\$1,000	\$1,050	\$1,103	\$1,158	\$1,216	Increase at 5% per year
MISC. SALES & SERVICES	\$2,149	\$2,574	\$500	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039	
TOTAL REVENUES	\$565,857	\$495,410	\$343,965	\$204,304	\$224,884	\$252,698	\$285,111	\$322,954	Lower revenue than historic due to gross profit only on fuel
OPERATING EXPENSES									
WAGES & SALARIES	\$100,370	\$77,425	\$116,195	\$0	\$0	\$0	\$0	\$0	
OVERTIME	\$11,869	\$14,169	\$8,000	\$0	\$0	\$0	\$0	\$0	
ON-CALL	\$6,600	\$4,700	\$4,700	\$0	\$0	\$0	\$0	\$0	
INSURANCE BENEFITS	\$29,469	\$14,711	\$37,867	\$0	\$0	\$0	\$0	\$0	
FICA EXPENSES	\$9,014	\$8,028	\$9,860	\$0	\$0	\$0	\$0	\$0	
RETIREMENT	\$20,995	\$14,356	\$12,257	\$0	\$0	\$0	\$0	\$0	
WORKER'S COMPENSATION	\$2,748	\$2,852	\$3,179	\$0	\$0	\$0	\$0	\$0	
UNEMPLOYMENT INSURANCE	\$1,365	\$1,498	\$773	\$0	\$0	\$0	\$0	\$0	
PROFESSIONAL SERVICES	\$10,069	\$2,189	\$8,000	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	
FINANCIAL PROFESSIONAL SERVICE	\$15,485	\$10,525	\$10,000	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	
LEGAL PROFESSIONAL SERVICES	\$11,857	\$5,692	\$2,000	\$0	\$0	\$0	\$0	\$0	
EMPLOYMENT SERVICES	\$33,717	\$39,545	\$28,000	\$0	\$0	\$0	\$0	\$0	
OTHER PROFESSIONAL SERVICES	\$1,925	\$1,840	\$2,000	\$0	\$0	\$0	\$0	\$0	
UTILITIES - ELECTRIC	\$12,731	\$13,393	\$12,500	\$12,500	\$12,875	\$13,261	\$13,659	\$14,069	
UTILITIES - WATER & SEWER	\$0	\$644	\$6,600	\$6,600	\$6,798	\$7,002	\$7,212	\$7,428	
UTILITIES - OTHER	\$4,296	\$1,405	\$1,800	\$1,800	\$1,854	\$1,910	\$1,967	\$2,026	
BUILDING & GROUNDS EXPENSES	\$46,621	\$23,172	\$34,000	\$24,000	\$24,720	\$25,462	\$26,225	\$27,012	
PERMITS/LICENSES EXPENSES	\$2,405	\$4,222	\$3,800	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	
OTHER PROPERTY SERVICES	\$517	\$0	\$600	\$600	\$618	\$637	\$656	\$675	
CLEANING EXPENSES	\$6,858	\$5,102	\$5,000	\$1,200	\$1,236	\$1,273	\$1,311	\$1,351	
VEHICLE EXPENSES	\$16,626	\$6,090	\$13,000	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	
EQUIPMENT EXPENSES	\$11,444	\$39,960	\$31,000	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506	
MAINTENANCE AGREEMENTS	\$5,615	\$5,120	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	
INFRASTRUCTURE EXPENSE	\$0	\$0	\$10,000	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	
LEASE EXPENSES	\$1,127	\$497	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	
RENTAL EXPENSES	\$3,146	\$3,488	\$4,500	\$4,500	\$4,635	\$4,774	\$4,917	\$5,065	
INSURANCE PREMIUM & EXPENSES	\$17,063	\$18,383	\$20,733	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	Portion of insurance covered in management fee
COMMUNICATIONS EXPENSES	\$5,182	\$4,079	\$4,200	\$4,000	\$4,120	\$4,244	\$4,371	\$4,502	
ADVERTISING & MARKETING EXP	\$372	\$1,178	\$500	\$2,000	\$1,500	\$1,500	\$1,500	\$1,500	
PRINTING & BINDING	\$279	\$188	\$500	\$500	\$515	\$530	\$546	\$563	
TRAVEL & MEETING EXPENSES	\$430	\$3,255	\$3,500	\$0	\$0	\$0	\$0	\$0	
MEMBERSHIPS, DUES & FEES	\$305	\$600	\$560	\$500	\$515	\$530	\$546	\$563	
TRAINING	\$8,619	\$3,752	\$4,310	\$0	\$0	\$0	\$0	\$0	
PROGRAMS & PROGRAM SUPPLIES	\$0	\$55	\$100	\$0	\$0	\$0	\$0	\$0	
OTHER OPERATING EXPENSES	\$1,031	\$7,594	\$8,800	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126	
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BOOKS/PERIODICALS/DVD & VIDEO	\$0	\$600	\$600	\$600	\$618	\$637	\$656	\$675	
POSTAGE/SHIPPING EXPENSES	\$323	\$403	\$400	\$400	\$412	\$424	\$437	\$450	
CONCESSIONS & CATERING	\$2,134	\$2,753	\$1,500	\$1,500	\$1,545	\$1,591	\$1,639	\$1,688	
AMMUNITION & FIREARMS	\$48	\$1,514	\$1,300	\$1,300	\$1,339	\$1,379	\$1,421	\$1,463	
CLOTHING & UNIFORMS	\$297	\$495	\$500	\$500	\$515	\$530	\$546	\$563	
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SAFETY & HEALTH EXPENSES	\$31	\$6	\$0	\$0	\$0	\$0	\$0	\$0	
NON-CAPITAL EQUIPMENT	\$12,980	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
FUEL	\$9,601	\$6,103	\$6,500	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	
JET FUEL EXPENSES	\$315,215	\$168,236	\$105,000	\$0	\$0	\$0	\$0	\$0	No cost of sales due to revenues reflecting gross profit
AV-GAS EXPENSES	\$44,510	\$102,108	\$70,000	\$0	\$0	\$0	\$0	\$0	No cost of sales due to revenues reflecting gross profit
SERV PROVIDED BY GENERAL FUND	\$53,552	\$54,679	\$66,281	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	Unknown expense increased at 3% per annum
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PROPOSED MANAGEMENT FEE				\$330,000	\$339,900	\$350,097	\$360,600	\$371,418	
OPERATING SUBSIDY	-\$283,096	-\$193,902	-\$337,650	-\$301,096	-\$294,938	-\$282,494	-\$265,911	-\$244,374	

CITY OF NEWPORT, OREGON AIRPORT FUND
SCHEDULE OF REVENUES AND EXPENDITURES

ABS AVIATION, INC. PROJECTED OPERATING BUDGET

	2013-14 Actual	2014-15 Actual	2015-16 Budget	Year 1	Year 2	Projected Year 3	Year 4	Year 5	Comments
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PILOT SUPPLIES	\$973	\$10,609	\$7,300	\$10,000	\$10,500	\$11,025	\$11,576	\$12,155	
FOOD CATERING	\$1,383	\$544	\$500	\$1,500	\$1,575	\$1,654	\$1,736	\$1,823	
TIE DOWN	\$137	\$122	\$100	\$1,000	\$1,200	\$1,440	\$1,728	\$2,074	
SERVICE PROVIDED FOR SEWER FND	\$30,704	\$30,704	\$30,704	\$30,704	\$30,704	\$30,704	\$30,704	\$30,704	Unknown revenue source remaining fixed through projection period
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TOTAL REVENUES	\$565,857	\$495,410	\$343,965	\$204,304	\$224,884	\$252,698	\$285,111	\$322,954	Lower revenue than historic due to gross profit only on fuel
OPERATING EXPENSES									
WAGES & SALARIES	\$100,370	\$77,425	\$116,195	\$0	\$0	\$0	\$0	\$0	
OVERTIME	\$11,869	\$14,169	\$8,000	\$0	\$0	\$0	\$0	\$0	
ON-CALL	\$6,600	\$4,700	\$4,700	\$0	\$0	\$0	\$0	\$0	
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EMPLOYMENT SERVICES	\$33,717	\$39,545	\$28,000	\$0	\$0	\$0	\$0	\$0	
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SAFETY & HEALTH EXPENSES	\$31	\$6	\$0	\$0	\$0	\$0	\$0	\$0	
NON-CAPITAL EQUIPMENT	\$12,980	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
FUEL	\$9,601	\$6,103	\$6,500	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	No cost of sales due to revenues reflecting gross profit
JET FUEL EXPENSES	\$315,215	\$168,236	\$105,000	\$0	\$0	\$0	\$0	\$0	No cost of sales due to revenues reflecting gross profit
AV-GAS EXPENSES	\$44,510	\$102,108	\$70,000	\$0	\$0	\$0	\$0	\$0	Unknown expense increased at 3% per annum
SERV PROVIDED BY GENERAL FUND	\$53,552	\$54,679	\$66,281	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	
TOTAL OPERATING EXPENSES	\$848,953	\$689,312	\$681,615	\$175,400	\$179,922	\$185,095	\$190,422	\$195,910	
PROPOSED MANAGEMENT FEE				\$330,000	\$339,900	\$350,097	\$360,600	\$371,418	
OPERATING SUBSIDY	-\$283,096	-\$193,902	-\$337,650	-\$301,096	-\$294,938	-\$282,494	-\$265,911	-\$244,374	

COVI GRANT

CONNECT OREGON GRANT UPDATE MARCH 1, 2016 PRESENTATION

On March 1st I presented to the Oregon Aviation Board our Connect Oregon Grant we applied for. The Aviation Board which Re-prioritizes the projects after the initial review by Oregon Department of Aviation, ODOT, and Business Oregon Review and Scoring put our project at Tier 2 project number 20 for priority.

After the presentation our project was moved from Tier 2, number 20 to TIER 1, Project number 1!!! The projects will now go to the Regional Review Committee in April or May. Then on to Final Review Committee Meeting in June. There will be no presentations at these meetings, but we are heavily encouraged to attend. I will be going in case the Review Committee has any further questions about the project. I have attached a copy of my presentation that I gave to the board and the Final Board Rankings and Modal Allocation from that meeting.

Thank you for your time,

Lance Vanderbeck

City of Newport

Airport Operations & Administration Manager

Opening Slide:

1) Good morning, my name is Lance Vanderbeck and I am the Newport Municipal Airport Operations & Administration Manager. I am here to give a brief presentation on the grant the City of Newport has applied for and answer any questions you might have.

The Project – Ground Link & AWOS Ceilometer:

2) The City of Newport's project proposes adding a Ground Link for Pilots to have direct communications with Air Route Traffic Controllers and bringing the current AWOS Ceilometer to current tech standards.

3) The addition of the Ground Link will allow the pilot to have better situational awareness and add safety of aircraft movement, and increase the efficiency of the use of the surrounding airspace.

4) In addition to the Ground Link the needed update of the AWOS ceilometer will provide pilots with needed ceiling height for needed ILS landing during IFR weather.

The Project – Equipment:

5) The Ground Link installation is a very straight forward process. It will require mounting an antenna, running and connecting coaxial cable, then running attest on the equipment to insure it is working.

6) The Ground Link Company will fill out and file all required FAA 7460-1 and FCC application and have ready before installation. I will have Pioneer Telephone Company add a phone line in the electrical shed for Ground Link unit.

7) The AWOS Ceilometer CT25K will be unbolted and unwired by Vaisala Tech and new AWOS Ceilometer will be installed and test for calibration and put into service. There is no needed paper work to fill out for this project.

Regional Access to local development and safety:

8) The Newport Municipal Airport is a vital link to the Central Oregon Coast, HWY 101 and Lincoln County Transit systems, Medical and emergency transportation, Port of Newport, State Parks, and Newport's famous tourist destinations.

9) Locally the City is growing and expanding. OSU is moving all marine science programs to their Newport campus that will see a 500 student expansion.

10) Has you may be aware NOAA several years ago relocated to Newport, and currently has relocated their Atlantic fleet to the Pacific Fleet Headquarters too.

11) The Port of Newport is expanding its international docking area. OMSI has built a huge day camp for kids and will open this month on the 12th. It is a very exciting time for Newport.

Project improves system efficiency:

12) This project is very important to the Newport Municipal Airport and will improve efficiency to the use of airspace, provide pilots timely IFR clearances and adding better situational awareness prior to departure.

13) Updating the AWOS ceilometer will continue to provide accurate ceiling height reading to pilots for ILS landing.

14) Both pieces of equipment are needed to add another level of pilot safety and keeping the Central Oregon Coast connected during inclement weather conditions.

Funding:

15) The City Of Newport is 100% committed to the project and making sure the match funds are made available.

Funding asking for from Connect Oregon:

16) The City Of Newport is committed to 37.5% match on the grant. The total amount of the project is \$40,000, we are asking for \$25,000 from Connect Oregon and the City will match \$15,000, 37.5%

Conclusion:

17) Newport has a lot of very positive things happening right now that has set a very bright future ahead; and the goes the same for the Newport Municipal Airport.

18) The Airport has gained very positive support from City Council, newly formed Master Plan PAC, the Airport Committee, Regional Airport Task Force, and local residents.

19) It is important that we continue to expand airport services and continue to update obsolete tech for the safety of all national and State wide flying public that are flying into Newport.

20) On a more humorous note, I have reviewed the other request for funding; and the amount we are seeking would be considered nothing more than an accounting rounding error in those projects. However for us it is a very important project.

Thank you for your time:

21) Thank you so much for your time and consideration are there any question?

THE CITY OF NEWPORT MUNICIPAL AIRPORT'S CONNECT OREGON GRANT.

Presentation to the Oregon Department of Aviation.
March 1, 2016



The Project – Ground Link & AWOS Ceilometer

- The addition of a Ground Link for direct communications with Seattle ARTCC (Air Route Traffic Control Center).
 - The Ground Link adds to pilot situational awareness and safety.
- Replacing the Automated Weather Observation System (AWOS) ceilometer for continued accurate weather reporting.
 - Current AWOS ceilometer parts will become obsolete after 2016 and unserviceable.

The Project – Equipment.

- Ground Link will be installed in an electrical shed.
- Ground Link comes with antenna, coaxial cable.
- Tech will help fill out FAA 7460-1 and FCC application.
- Phone line will be put in by Pioneer Telephone.
- Outdated Ceilometer model CT25K will be replaced with current model CL31.
- Tech will install new and remove old.
- No additional wiring or trenching required.



Regional Access to Local Development and Safety.

- Critical Connection to the Oregon Coast
- Direct access to highway 101 & Lincoln County Transit system.
- Medical Supplies, Medical life flights, & other emergency transportation.
- Access to the Port of Newport & local fishing fleet
- OMSI Day Camp, OSU Hatfield expansion, NOAA Marine Operations Center, marine science industry.
- Access to Newport's tourist destinations – working Bay Front, Nye Beach shopping, Oregon Coast Aquarium, and several state parks.

Project Improves System Efficiency.

- Project Improves the efficient use of airspace.
- Timely obtaining IFR clearances.
- Adds pilot situational awareness.
- Continued to provide accurate cloud ceiling height needed for ILS landing.
- Both needed pieces of equipment will provide/improve safe connections for the Central Coast.





FUNDING

City of Newport's commitment to the project and project funding.

Funding for Proposed Connect Oregon Grant

Connect Oregon Funding

- AWOS Ceilometer - \$26,000
- Connect Oregon - \$16,250
- City Match - \$ 9,750 37.5%

Connect Oregon Funding

- Ground Link - \$14,000
- Connect Oregon - \$8,750
- City Match - \$5,250 37.5%

Total Funding amount

- Total amount of project - \$40,000
- Total Connect Oregon - \$25,000
- Total City Match - \$15,000, 37.5%


Conclusion

- Full support from The City of Newport.
- Review of airport operations by the Regional Airport Review Task Force.
- Current development of a new FAA Master Plan.
- Fiscal Year 2014-2015 saw an increase of 1,000 logged aircraft operations.
- Needed equipment.
- Expanding service with added Ground Link.
- Added pilot & air movement safety.
- Small amount of funding; huge impact.

Report
from the City of Newport
Regional Airport Review Task
Force

A.J. Mattila – City of Depoe Bay Mayor
Don Williams- City of Lincoln City Mayor
Doug Hunt - Lincoln County Commissioner
Jamie Rand - at large member
John Lavrakas - representing economic development interests
Kevin Greenwood - Port of Newport General Manager
Lorna Davis –Greater Newport Chamber of Commerce Executive Director
Mark Fisher - at large member
Ralph Grutzmacher - Airport Committee Member
Susan Painter - Airport Committee Member
Ralph Busby - City of Newport Councilor
Sandy Roumagoux – City of Newport Mayor

February 17, 2016



Thank you for your time.

Questions?

Lance Vanderbeck

City of Newport

Airport Operations & Administration Manager

541-867-7422

l.vanderbeck@newportoregon.gov

Capital Improvement Projects

CIP OVERVIEW & EXPLANATION

Three different CIP's

- Federal – FAA Capital Improvement Plan's
 - Projects are scheduled from the Airport Master Plan
 - Projects are only funded if they are on the Airport Layout Plan (ALP)
 - FAA sets forth the projects not much flexibility in choice of project.
- State – ODA, ODOT, Oregon Connect Grant
 - HB 2075 will help with granting for projects not on ALP.
 - Connect Oregon will also help with grant matching for some FAA projects.
- City of Newport CIP's
 - Projects that we can not get grants for, or small projects for structure, field, & equipment maintenance.

ONP's CIP list from FAA

- 2016 Land Acquisition & PMP
 - Properties on ALP identified during master plan to purchase for RPZ protection.
 - FAA State Apportionment portion of \$200,000 is project specific for this project.
- 2017 Rehabilitation of Taxiway Alpha
 - Phase one - design
- 2018 Rehabilitation of Taxiway Alpha
 - Phase two - construction
- 2019 Carry over
 - To handle any delays with last three years projects.
- 2020 Drainage improvements
 - Phase one - design
- 2021 Drainage improvements
 - Phase two – construction



2016 Land Acquisition Funding

• Year	Project Name	NPE	ST/DI	Total
2016	Land Acquisition	\$336,496	\$200,000	\$536,496
Non-primary Entitlement \$336, 496				
State-Discretionary funds \$200,000				
Total project FAA funds \$536,496 x 1.11 = \$596,107 Total project cost				
x <u>10%</u> For Local match				
\$59,611 Total local match				

5- year FAA CIP & Requested Funding

• Year	Project Name	NPE	ST/DI	Total
• 2017	Taxiway Rehab. Des.	\$150,000	\$0	\$150,000
• 2018	Taxiway Rehab. Cons.	\$150,000	\$1,500,000	\$1,650,000
• 2019	Carryover	\$0	\$0	\$0
• 2020	Drainage Impr. Des.	\$202,500	\$0	\$202,500
• 2021	Drainage Impr. Cons.	\$150,000	\$1,750,000	\$1,900,000

State of Oregon CIP's

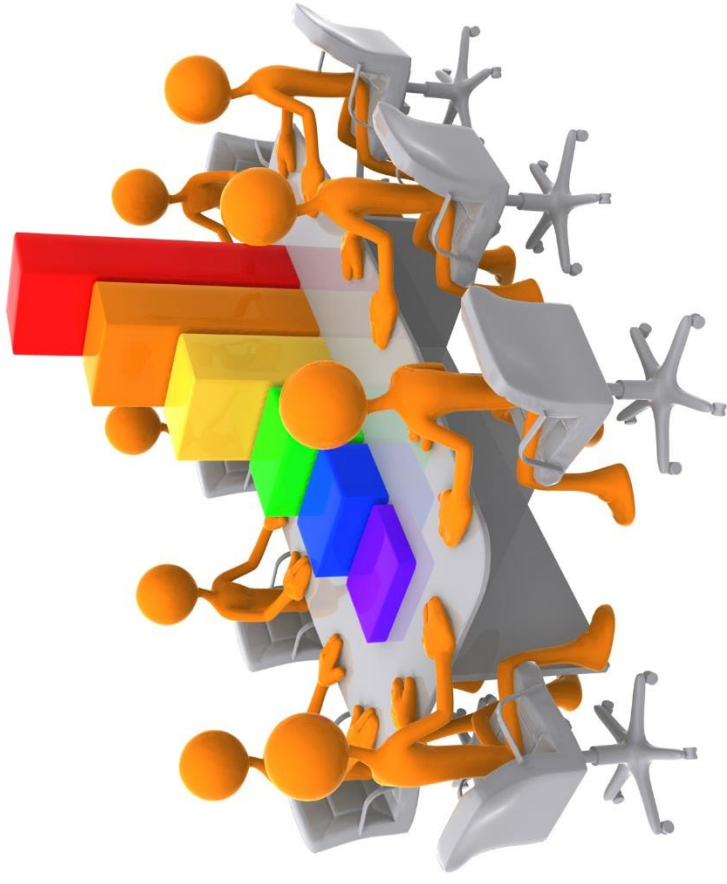
- 2016 – Connect Oregon VI Grant
 - Our project is moved to Tier 1, Project #1
- 2016 – 2017 HB 2075
 - Will help with funding projects that do not qualify for Federal funding
 - Will also help with matching funds for FAA AIP Grants, economic development, & emergency preparedness

City of Newport CIP's

- Projects more local to the field.
- Finished the FBO new roof, siding, wall, floor, and interior paint.

Possible 2016 City CIP projects

- Refurbishing main Hangar Doors
- Addition of Pavilion
- Refurbishing Fuel Farm
- Repairing FBO Hangar Doors
- Repairing T-Hangar roof & door weather stripping.



Thank you for your time.




LANCE VANDERBECK
CITY OF NEWPORT
AIRPORT OPERATIONS & ADMINISTRATION MANAGER

City of Newport

Community Development Department

Memorandum

To: Airport Advisory Committee

From: Derrick Tokos, Community Development Director 

Date: February 5, 2016

Re: Potential Acquisition of Property South of the Airport

The Federal Aviation Administration (FAA) has indicated that there is up to \$450,000 of Airport Improvement Program (AIP) funds available to the City next fiscal year to purchase real property identified for acquisition in the Airport Master Plan. The City match would be a maximum of \$50,000 meaning the total available for acquisition would be a half a million dollars.

The 2004 Airport Master Plan identifies two suitable properties immediately south of Runway 16/34. They are each about 25 acres in size. Both property owners have expressed an interest in working with the City on a potential sale.

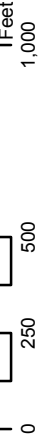
There are a number of steps that must be followed with these types of applications. Each is listed in a scope of services that Precision Approach Engineering, Inc. (PAE) has put together. The City can elect to utilize PAE's services or it can work directly with the FAA and property owners. PAE's services may be reimbursed if sufficient grant funding is available.

We would appreciate it if you could take a look at the properties and let us know at your February 9th meeting whether or not you believe that it is timely and appropriate for the City to pursue these acquisitions or if the AIP funding should be reserved for future eligible projects. This will help city staff in its effort to put together a budget for FY 16/17.

Thank you for your time and consideration.

Attachments

- Map of the Properties
- County Assessor Reports for the Parcels
- Layout Plan from 2004 Airport Master Plan
- Proposal from Precision Approach Engineering, Inc.



Newport Municipal Airport - Potential Land Acquisition

Image Taken July 2013
4-inch, 4-band Digital Orthophotos
David Smith & Associates, Inc. Portland, OR

City of Newport
Community Development Department
Phone: 1.541.574.0629
Newport, OR 97365
Fax: 1.541.574.0644



This map is for informational use only and has not been prepared for, nor is it suitable for, legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the City of Newport Community Development Department.

Lincoln County Property Report

Account # & Prop. Info		Account Details		Owner & Address	
Account #:	R448380	Neighborhood:		Owner and	STEEL STRING INC
Map Taxlot:	11-11-32-00-01602-00	SBNB		Mailing Address:	2712 SE 20TH AVE PORTLAND, OR 97202
Tax Map:	11s11w32	Property Class:	100	Site Address(es):	
Web Map:	View Map				
Info:	TWNShp 11, RNg 11, ACRES 19.99, MF232-0983				
Tax Code:	126				
Acres:	19.99				

Improvements	Value History			
	Year	Imp.Land	Total Market	Total Assessed
No Inventory	20140	90,920	90,920	90,920
	20130	165,800	165,800	116,430
	20120	180,170	180,170	113,040
	20110	125,480	125,480	109,750
	20100	191,990	191,990	106,560
	20090	148,660	148,660	103,460

Sales History			
No Sales Data			

Land				Related Accounts	Disclaimer
Description	Acres	Market Value	Special Use Value		
UNDEV RES	1.00	4,550			This report was produced using the Lincoln County assessment information. This information is maintained by the county to support its governmental activities. The County is not responsible for errors, omissions, misuse or misinterpretation. Tax data exported 10/2014.
HOMESITE					
RESIDENTIAL TRACT	18.99	86,370			

Today's Date: 02/05/2016

Lincoln County Property Report

Account # & Prop. Info		Account Details		Owner & Address	
Account #:	R450732	Neighborhood:		Owner and	STEEL STRING INC
Map Taxlot:	11-11-32-00-01604-00	SBNB		Mailing Address:	2712 SE 20TH AVE PORTLAND, OR 97202
Tax Map:	11s11w32	Property Class:	101	Site Address(es):	
Web Map:	View Map				
Info:	TWNShp 11, RNg 11, ACRES 5.03, MF232-0983				
Tax Code:	126				
Acres:	5.03				

Improvements	Value History		
	YearImp.Land	Total Market	Total Assessed
No Inventory			
	20140	126,670	126,670
	20130	137,880	137,880
	20120	162,380	162,380
	20110	89,460	89,460
	20100	98,450	98,450
	20090	112,820	112,820

Sales History			
No Sales Data			

Land				Related Accounts	Disclaimer
Description	Acres	Market Value	Special Use Value		
DEV RES					This report was produced using the Lincoln County assessment information. This information is maintained by the county to support its governmental activities. The County is not responsible for errors, omissions, misuse or misinterpretation. Tax data exported 10/2014.
HOMESITE	1.00	23,690			
SITE					
DEVELOPMENT		7,500			
RESIDENTIAL					
TRACT	4.03	95,480			

Today's Date: 02/05/2016

Lincoln County Property Report

Account # & Prop. Info		Account Details		Owner & Address	
Account #:	R416363	Neighborhood:		Owner and	WATTS LESLIE O &
Map Taxlot:	11-11-32-00-01601-00	SBNB		Mailing Address:	WATTS BETTY J
Tax Map:	11s11w32	Property Class:	400		17372 S HOLCOMB RD
Web Map:	View Map			Site Address(es):	OREGON CITY, OR 97045
Info:	TWNShp 11, RNg 11, ACRES 25.03, MF178-0890				
Tax Code:	148				
Acres:	25.03				

Improvements	Value History			
	Year	Imp.Land	Total Market	Total Assessed
No Inventory	20140	152,140	152,140	120,120
	20130	184,940	184,940	116,630
	20120	428,920	428,920	113,240
	20110	137,490	137,490	109,950
	20100	151,300	151,300	106,750
	20090	162,890	162,890	103,650
	Sales History			
	No Sales Data			

Land				Related Accounts	Disclaimer
Description	Acres	Market Value	Special Use Value		
UNDEV RES	1.00	6,080			This report was produced using the Lincoln County assessment information. This information is maintained by the county to support its governmental activities. The County is not responsible for errors, omissions, misuse or misinterpretation. Tax data exported 10/2014.
HOMESITE					
RESIDENTIAL TRACT	24.03	146,060			
Today's Date: 02/05/2016					

Derrick Tokos

From: Geoff Vaughn <GVaughn@preappinc.com>
Sent: Friday, January 29, 2016 1:45 PM
To: Lance Vanderbeck; Derrick Tokos
Subject: RE: ONP_Land Acquisition/RPZs
Attachments: ONP SOW_ Land Acquisition DRAFT_160129.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Good Afternoon,

Attached is a draft scope of work (SOW) for the land acquisition project for your review and comment. You'll see a few items in the SOW shown in **red**, these items will require further discussion w/ FAA. A preliminary cost opinion breakdown is provided below:

- PAE services as identified in SOW - \$20,000
- Land acquisition specialist/appraiser – \$17,000
- Appraisal Review - \$2,000
- Environmental Specialist (excludes wetland/cultural resource studies if required) – \$5,000
- Licensed Land Surveyor (if required) - \$6,500
- Negotiation Agent (if required) - \$5,000
- Total Preliminary Cost Opinion: \$55,500

Let me know after you've had a chance to review and we can set up a time to discuss any comments/questions/revisions you have. The SOW/fee provided is for PAE and our Subconsultants to perform all tasks identified, let me know if the City prefers to complete some of the items.

Have a great weekend,

Geoff

From: Derrick Tokos [mailto:D.Tokos@NewportOregon.gov]
Sent: Wednesday, January 20, 2016 5:17 PM
To: Geoff Vaughn <GVaughn@preappinc.com>; Lance Vanderbeck <L.Vanderbeck@NewportOregon.gov>
Subject: RE: ONP_Land Acquisition/RPZs

Geoff,

Thanks for the maps. We are working with the existing runway protection zones, but it looks like the acquisition will help us either way.

Derrick I. Tokos, AICP
 Community Development Director
 City of Newport
 169 SW Coast Highway
 Newport, OR 97365

ph: 541.574.0626 fax: 541.574.0644
d.tokos@newportoregon.gov

From: Geoff Vaughn [<mailto:G.Vaughn@preappinc.com>]
Sent: Wednesday, January 20, 2016 3:28 PM
To: Lance Vanderbeck <L.Vanderbeck@NewportOregon.gov>; Derrick Tokos <D.Tokos@NewportOregon.gov>
Subject: ONP_Land Acquisition/RPZs

Lance/Derrick,

I sketched in the existing and potential future runway protection zones (RPZ) on the exhibit you sent me last week, see attached. The "existing" exhibit shows the RPZ for the Runway's current design standard (Runway Design Code (RDC) B-II-4000), the "future exhibit" shows the dimensions if the visibility minimums lower to under $\frac{3}{4}$ mile, but not lower than $\frac{1}{2}$ mile visibility (RDC B-II-2400).

As part of the Runway 16-34 Rehabilitation project a predesign study was performed to provide the City and FAA the information necessary to select the most viable runway rehabilitation for Runway 16-34 and provide options for bringing non-compliant portions of the runway environment into compliance with FAA standards. Other decisions made at that time were to maintain a 100-foot Runway width, grade safety areas (where possible), and install stormwater system improvements compatible with RDC B-II-2400 standards (future). These improvements would protect for the potential future of the airport obtaining approach visibility minimums of less than $\frac{3}{4}$ mile, but not lower than $\frac{1}{2}$ mile.

I believe the purpose of this land acquisition project was to acquire the land to meet current standards (existing exhibit) but I want to verify that is the City's intent. Let me know if you would like to discuss anything further.

Thank you,

Geoff Vaughn, PE
Civil Engineer

PRECISION APPROACH ENGINEERING, INC.
Ph 360.733.1567 | Fax 360.733.1207



SCOPE OF SERVICES

PRECISION APPROACH ENGINEERING, INC. CITY OF NEWPORT

NEWPORT MUNICIPAL AIRPORT RUNWAY 34 RPZ LAND ACQUISITION

PROJECT DESCRIPTION

This project consists of the land acquisition of two parcels located at the south end of the Newport Municipal Airport. The properties to be acquired encompass a portion of the Runway 34 Approach Runway Protection Zone (RPZ). The City of Newport (City) has made a determination to pursue the purchase of the properties in order to maintain compatible land use of the property to protect the Runway 34 RPZ.

The property owners have expressed interest in selling the parcels to the City and the City is interested in acquiring fee title to the properties. The Federal Aviation Administration (FAA) has determined that the property acquisition is eligible for FAA reimbursement and the City plans to seek FAA funds for the acquisition and expenses. The acquisition process will therefore follow FAA procedures outlined in FAA AC 150/5100-17, change 6 to assure conformance to FAA requirements.

The owners are interested in selling voluntarily and after initial review by FAA, it is assumed that the acquisition meets the criteria of a *voluntary transaction* as outlined in FAA AC 150/5100-17 change 6, section 1-3 (b).

CONSULTANT ELEMENTS OF WORK

The Consultant will provide professional services as listed in the Scope of Services below. The property acquisition services will follow applicable FAA standards and guidelines outlined in FAA AC 150/5100-17, change 6.

Additional services will be provided by subconsultants listed below and will follow applicable FAA standards and guidelines outlined in FAA AC 150/5100-17, change 6.

1. Land Acquisition Specialist/Appraiser

Provide qualified Land Acquisition Specialist/Appraiser familiar with FAA and State of Oregon property acquisition requirements and procedures.

2. Environmental Specialist

Provide qualified Environmental Specialist to complete a Level 1 Environmental Due Diligence Audit (EDDA) in conformance with FAA Order 1050.19B.

3. Appraisal Reviewer

Provide independent qualified appraisal reviewer to complete required appraisal review in conformance with FAA AC 150/5100-17, change 6.

4. Licensed Land Surveyor

If required, provide Land Surveyor Licensed in the State of Oregon to complete a property survey in resolution of any property encumbrances identified during the acquisition.

5. Negotiation Agent

If required, provide independent qualified Negotiation Agent to provide negotiation services in conformance with FAA AC 150/5100-17, change 6.

SCOPE OF SERVICES

1. Project Administration/Management

Precision Approach Engineering, Inc., (PAE) will manage internal project efforts, coordination with the City of Newport, Federal Aviation Administration, and subconsultants. PAE's specific responsibilities/activities consist of:

- a) Client communications and information exchange
- b) FAA communications and coordination
- c) Assist City with preparation and coordination of FAA-required property-owner notices
- d) Provide coordination and management of subconsultants:
 - Land Acquisition Specialist/Appraiser
 - Appraisal Reviewer
 - Environmental Specialist
 - Surveyor (if required)
 - Purchase Negotiation Agent (if required)
- e) Development and execution of Prime Contract
- f) Development and execution of Subconsultant Contracts
- g) Provide project schedule to FAA and City
- h) Project Setup
- i) In-house file and network management
- j) Project invoicing
- k) Prepare and submit FAA Quarterly Progress Reports

Deliverables

- Project schedule
- Monthly invoices
- FAA Quarterly Progress Reports

2. Project Progression Meetings

PAE will coordinate and attend meetings and conference call meetings to review the status of the project with the City, the FAA, and Subconsultants. PAE's specific responsibilities/activities consist of:

- a) Coordinate and attend project kickoff meeting
- b) Coordinate additional meetings after kickoff meeting to facilitate project progression and completion, including meeting preparation
- c) Coordinate and attend conference call meetings with FAA and/or City as required to discuss project progression and review, including meeting preparation

Deliverables

- Project kickoff meeting minutes (if requested)
- Project progression meeting minutes (if requested)
- Conference call meeting minutes (if requested)

3. Notification of Intent to Purchase

Provide notification to the property owner of *Intent to Purchase* including FAA's required submittal of *Land Acquisition for Public Airports* brochure.

- a) Develop and provide to the City *Notification of Intent* to purchase including *Land Acquisition for Public Airports* brochure for City submittal to property owner

Deliverables

- Written *Notification of Intent to Purchase* including *Land Acquisition for Public Airports* brochure

4. Property Acquisition Tasks (in accordance with FAA AC 150/5100-17 change 6)

Property Acquisition services will include elements of work necessary for fee title property acquisition as outlined in the *Airport Land Acquisition: Land Project Checklist* found at http://www.faa.gov/airports/environmental/relocation_assistance/land_acquisition_under_aip/land_project_checklist/ in preparation for utilization of FAA AIP funds for property purchase. PAE's specific responsibilities/activities consist of:

Task 1 – Exhibit A Property Map (Upcoming Airport Master Plan project will complete this task)

Task 2 – Airport Layout Plan (Upcoming Airport Master Plan project will complete this task)

Task 3 – Environmental Requirements

- a) Coordinate with FAA and City to determine environmental requirements associated with this property acquisition.
- b) Per FAA determination, required Environmental action required for this property acquisition are as followed:
 - National Environmental Policy Act (NEPA) – **TBD**

- Environmental Site Assessment (ESA) - **TBD**
- Hazardous Materials Audit – Complete a Phase 1 Environmental Due Diligence Audit (EDDA) in conformance with FAA Order 1050.19B and report of findings for submittal to City and FAA

Task 4 – Property Survey and Plats (PAE Subconsultants)

- a) Acquire and review existing surveys and plats for proposed property acquisition
- b) Provide Licensed Land Surveyor (if required)
 - Complete property survey for resolution of any property plat items or encumbrances
- c) Review of survey findings

Deliverables

- Property surveys (if required)

Task 5 – Preliminary Title Search (PAE Subconsultant)

- a) Acquire Preliminary Title Report (PTR) to confirm ownership and encumbrances on property title
- b) Review PTR and resolve any title issues and any existing property encumbrances

Task 6 – Acquire Qualified Appraiser and Appraisal Reviewer (PAE Subconsultants)

- a) Provide Qualified Appraiser for property appraisals
- b) Provide Qualified Appraisal Reviewer (See Task 11b)

Task 7 – Acquire Environmental Site Assessment - Hazardous Materials Audit (Phase 1 Environmental Due Diligence Audit) (PAE Subconsultant)

- a) Provide Environmental Specialist to perform Phase 1 EDDA (See Task 9)

Task 8 – Land Acquisition Specialist/Appraiser (PAE Subconsultant)

- a) Provide Land Acquisition Specialist/Appraiser
- b) Coordinate selection of title and escrow company
- c) Order Preliminary Title Report (PTR)
- d) Review PTR and resolve title issues/encroachments associated with existing fencing. Property survey will be performed if required to resolve title issues/encumbrances due to fencing

- e) Provide support for FAA and State of Oregon acquisition conformance of Intent to Purchase, FAA brochure to City, appraisal review, acquisition negotiation(s) and closing of property acquisition

Task 9 – Conduct Environmental Site Assessment – Phase 1 EDDA (PAE Subconsultant)

- a) Conduct Phase 1 EDDA
- b) Prepare and submit EDDA report of findings

Deliverables

- Report of EDDA findings for submittal to City and FAA

Task 10 – Relocation Plan for Displaced Persons – N/A

- a) The property has no occupants and assumption of *Voluntary Transaction* has been determined, therefore no Displaced Persons are anticipated

Task 11a – Perform Property Appraisal (PAE Subconsultant)

Perform property appraisal in conformance with FAA AC 150/5100-17, change 6.

- a) Prepare property appraisal reports for submittal to Appraisal Reviewer
- b) Resolve any appraisal issues with Appraisal Reviewer (as required)

Deliverables

- Property appraisals for submittal to Appraisal Reviewer
- Property appraisals revised to reflect resolution of any issues during appraisal review

Task 11b – Appraisal Review (PAE Subconsultant)

- a) Conduct desk review of appraisal to assure conformance with FAA requirements
- b) Resolve needed appraisal revisions, corrections or issues with original appraiser and prepare documentation of resolved items
- c) Prepare appraisal review report for submittal to City and FAA

Deliverables

- Report of resolved items
- Appraisal review report

Task 12 – Submit Appraisal and Appraisal Review Reports

- a) Review and submit revised appraisal and appraisal review reports to City and FAA for review

Deliverables

- Revised appraisal report
- Appraisal review report

Task 13 – Submit Written Offer - It is anticipated that PAE will prepare and submit initial Written Acquisition Offer to City for City submittal to the property owner

- a) Prepare initial Written Acquisition Offer and submit to City for review and Offer submittal to property owner.

Task 14 – Negotiation(s) Agent (PAE Subconsultant) – If required, PAE Subconsultant will provide Qualified Negotiation Agent to perform the following tasks:

- a) Contact property owner(s)
- b) Prepare and present written offer(s)/counteroffer(s)
- c) Negotiate any required purchase agreement offer(s) or counteroffer(s)
- d) Consider appraisal data and other information presented by owner
- e) Make recommendations regarding settlements
- f) Obtain executed documents
- g) Document contacts
- h) Provide signed affidavit stating no conflict of interest
- i) Provide executed documents for submittal to City and FAA
- j) Prepare report of negotiations for submittal to City and FAA

Deliverables

- Written acquisition offer
- Executed purchase agreement documents
- Executed offer(s)/counteroffer(s)
- Negotiation Report

Task 15 – Closing (PAE Subconsultant)

- a) Open escrow account
- b) Manage closing
- c) Review title report
- d) Review closing documents
- e) Resolve closing or title issues
- f) Prepare written recommendation for payment
- g) Prepare closing report including executed closing documents

Deliverables

- Recommendation for payment
- Closing report

Task 16 – Complete Relocation Assistance for Displaced Persons – N/A - The property has no occupants and assumption of *Voluntary Transaction* has been determined, therefore no displaced persons are anticipated

Task 17 – Clear property for project use – N/A - The property has no occupants or no structures and no project is planned at this time, therefore property clearing is not required in association with this project

Task 18 – Prepare and Furnish Project Application Report

a) Provide project application items:

- Included
 - Land acquisition cost breakdown sheet
 - Certification of environmental site assessment (as required)
 - Certification of titles
 - Sponsor certifications for real property
- Not Included:
 - Exhibit A Property Map (See Task 1)

Deliverables

- Project application report including items identified above

Task 19 – Execute Grant Agreement – It is anticipated that City will complete this task with support services from PAE if requested.

a) Provide support services for completion of the grant application

Task 20 – Final Outlay Report - It is anticipated that City will complete this task with support services from PAE if requested

a) Provide support services for preparation of Final Outlay Report and Project/Grant Closeout

Exclusions

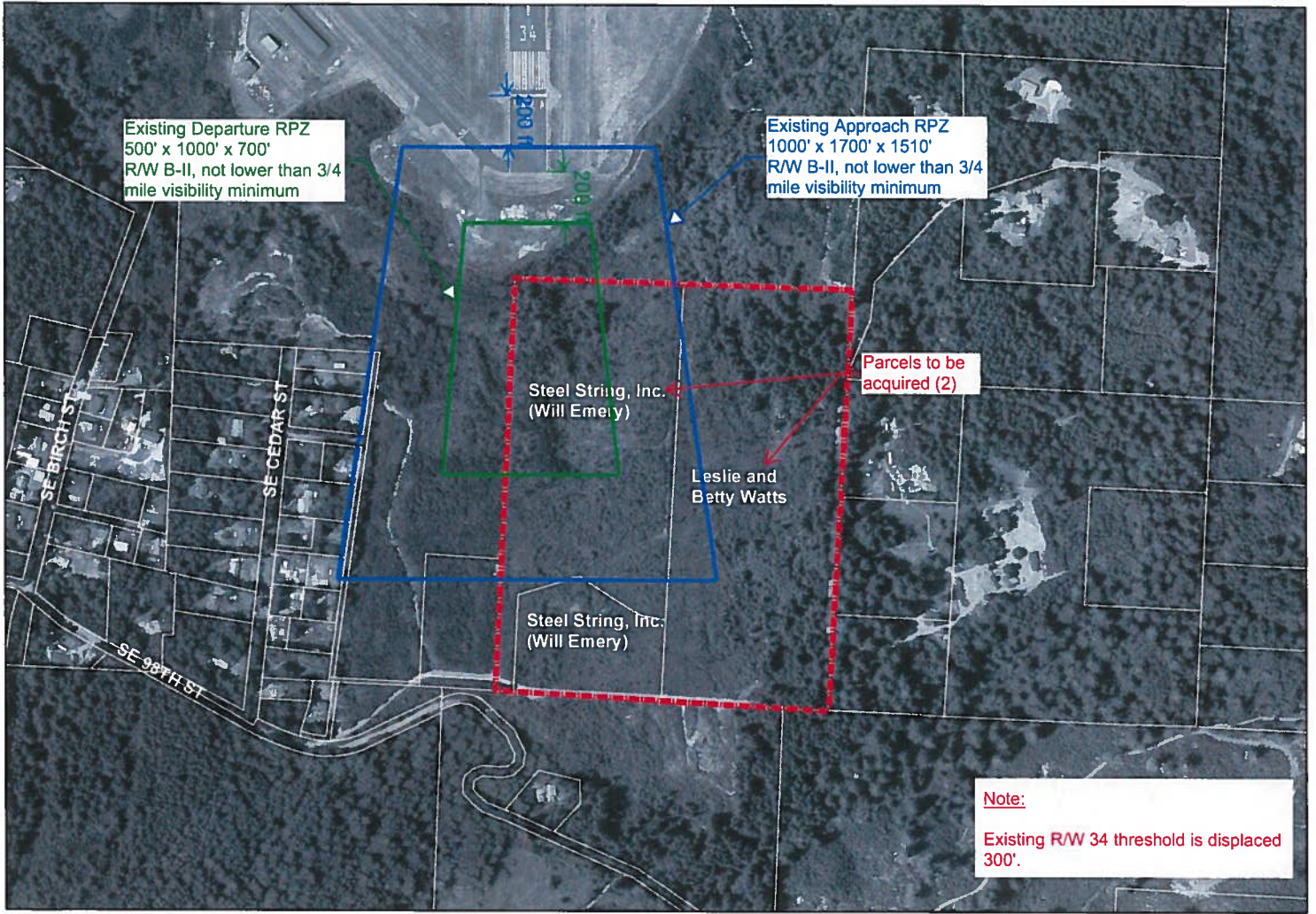
This Scope of Services is completed with the submittal of the Final Outlay Report and Grant Closeout.

This scope of services does not include performance of any further special studies or services beyond those specifically stated. Should the project be found to require further studies or services, a revised scope of services and fee proposal will be required.

The following items are specifically excluded from this scope of services:

- Exhibit A Property Map
- Airport Layout Plan
- Any additional NEPA or ESA action
- Services associated with Displaced Persons or Relocation of Displaced Persons
- Services associated with Property Clearing
- Hazardous Materials Evaluation beyond Phase 1 EDDA
- Survey Services beyond required Property Survey and Plat

c:\users\gvaughn\desktop\newport misc\land acquisition\onp sow_ land acquisition draft_160129.docx



City of Newport
Community Development Department
188 SW Coast Highway
Newport, OR 97365
Phone: 1 541 674 8829
Fax: 1 541 674 9844

Newport Municipal Airport - Potential Land Acquisition

Image Taken July 29/13
4-inch, 4-band Digital Orthophotos
David Smith & Associates, Inc. Portland, OR

0 250 500 1,000 Feet



This map is for informational use only and has not been prepared for, nor is it suitable for, legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use, and users of this information are cautioned to verify all information with the City of Newport Community Development Department.

1/29/2016

FBO Floor is stained and sealed. Waiting for the sealant to fully dry.

Added additional counter and viewing area upstairs.

Sanded and re-stained upstairs railing.

AV-tank has had no issues this month.

Jet-A truck has had no issues this month.

No issues to report with the crew cars.

Operations truck had no issues this month.

Kubota had no issues this month.

Two Storm water samples must be taken before June 30th.

Continue lubing and tightening chains when needed on all other gate operators.

Airport Beacon is OTS. Will hopefully be operational in two weeks.

Wild life hazing still is continually busy with smaller birds. We will be rebuilding our bird trap soon to help with this growing problem.

Mowing season has kicked off.

We cleared several more trees on the south end

Still waiting for the other trees to be removed for 34 PAPI.

Night inspections have found lighting failure on runway 2 threshold. Lights replaced and runway 2 threshold is back to 100% operational.

AWOS passed it quarterly inspection.

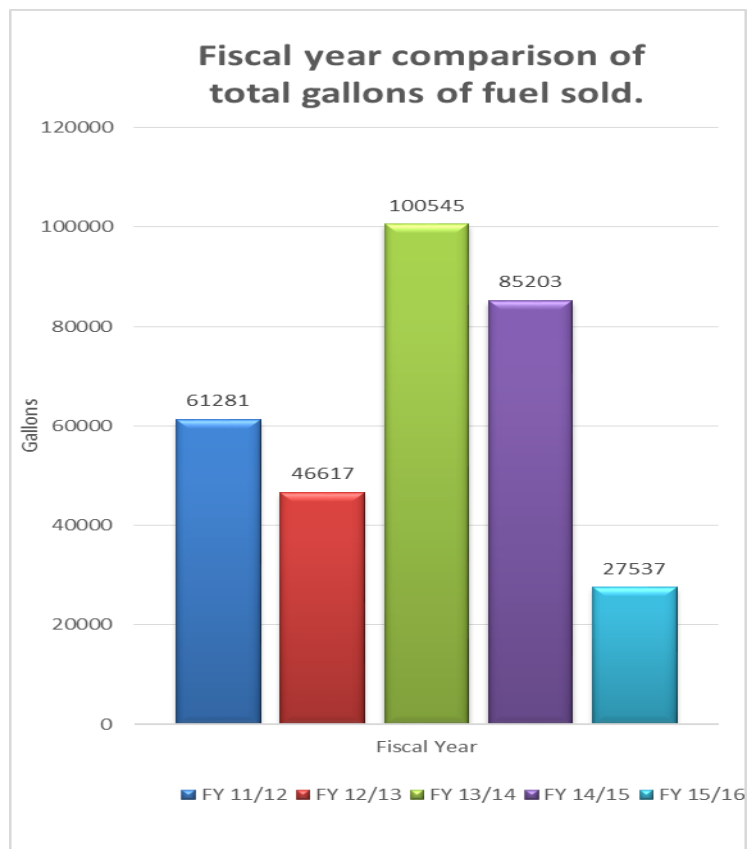
16 PAPI has had no issues to report.

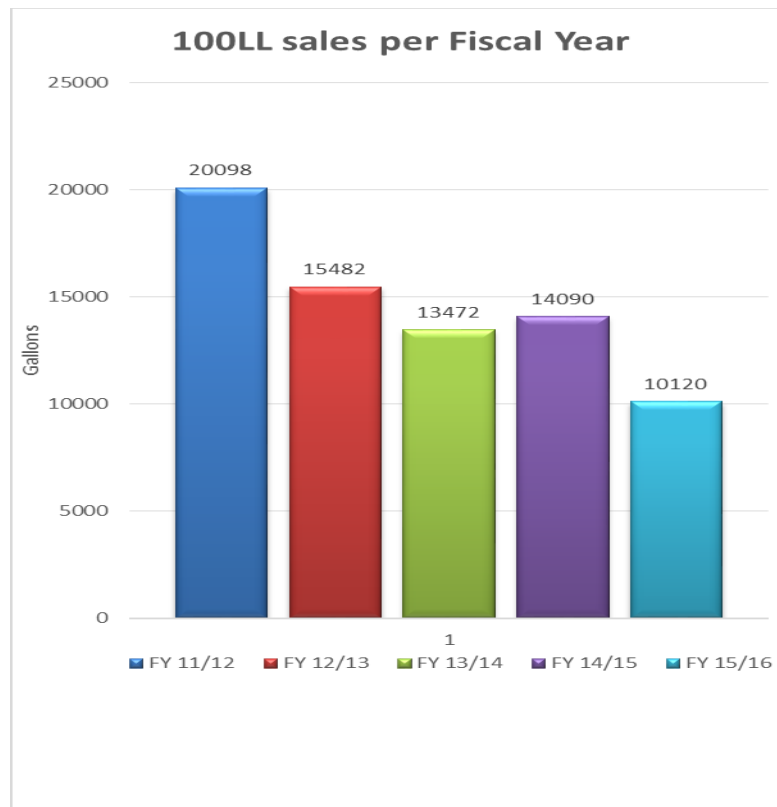
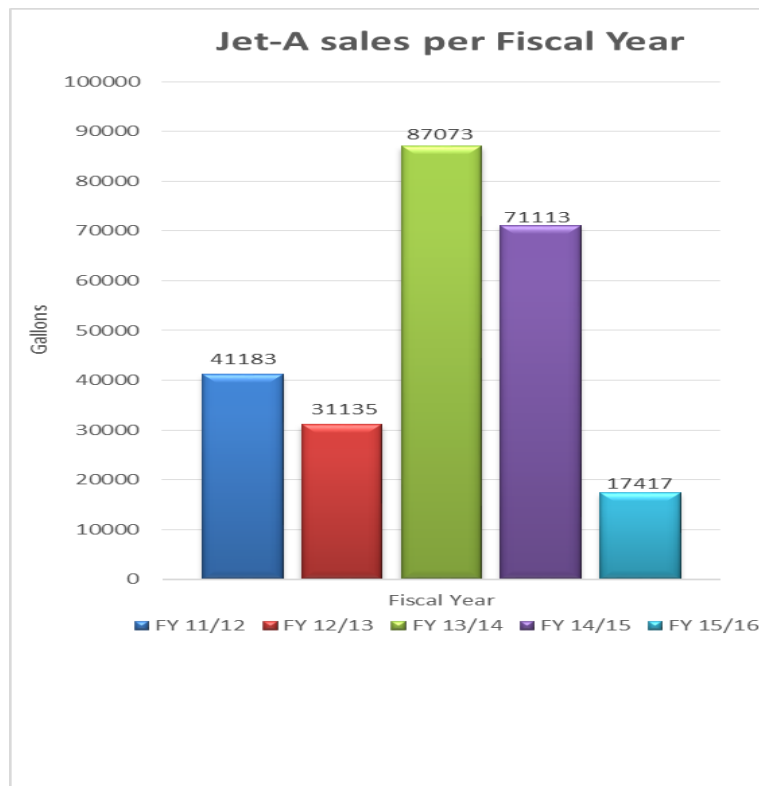
No issues with approach lighting (MALSR). FAA did rebuild on the light pars on the first MALSR pole.

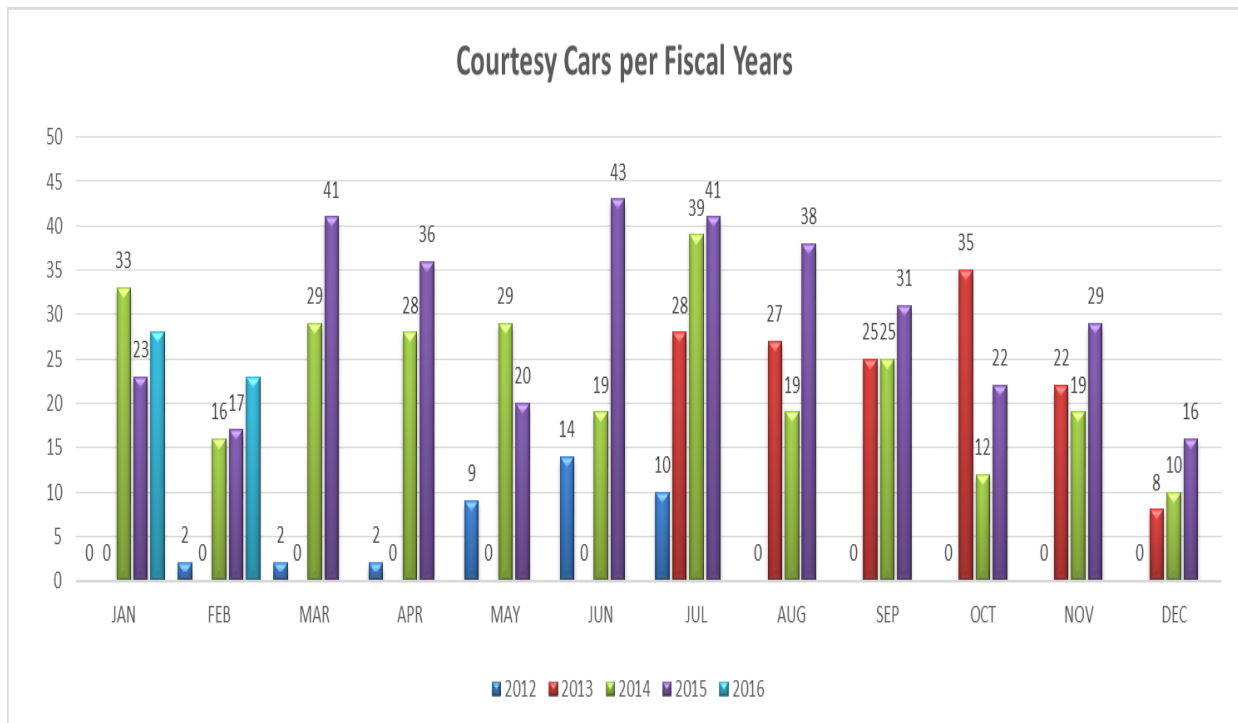
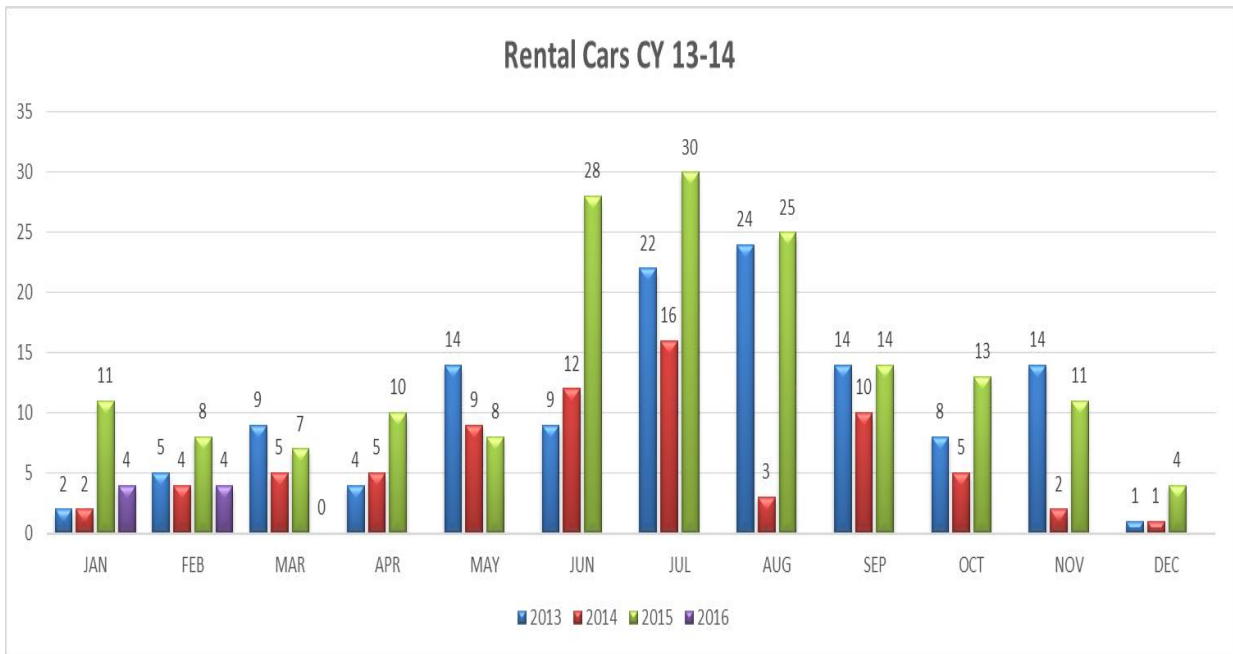
Captain Alex Fugate of the 270 ATCS/CATCO will be coming to the April meeting to talk about why they are coming; what they will be doing, and have a brief presentation.

Following is how we finished the month of February.

Aircraft Quantity				Fuel Consumption			
Month	IN	OUT	Tot.A.O	Jet A	Av Gas	Self Serve	Total
July	519	512	1031	3186	1411	1041	5638
Aug	490	492	982	3265	890	1065	5220
Sept	439	435	874	1110	1351	953	3414
Oct	296	298	594	1417	473	613	2503
Nov	328	328	656	2705	298	509	3512
Dec	217	215	432	876	255	173	1303
Jan	288	286	574	4245	79	217	4541
Feb	246	247	493	533	274	519	1326
Mar	28	26	54	80	0		80
Apr							
May							
Jun							
Cur. FY	2851	2839	5690	17417	5031	5089	27537
FY 14/15	3686	3572	7258	71113	5985	8103	85201
FY 13/14	3199	2914	6113	87073	4098	9374	100546
FY 12/13	3121	3083	6204	31135	4430	11049	46614
FY 12/11	3219	3181	6400	41183	4275	15823	61281
FY 10/11	3023	3085	6108	73458	4119	12004	89581
Average	3250	3167	6417	60792	4581	11271	76644







Courtesy Cars Loaned Out					
	2012	2013	2014	2015	2016
JAN	0	0	33	23	28
FEB	2	0	16	17	23
MAR	2	0	29	41	0
APR	2	0	28	36	
MAY	9	0	29	20	
JUN	14	0	19	43	
JUL	10	28	39	41	
AUG	0	27	19	38	
SEP	0	25	25	31	
OCT	0	35	12	22	
NOV	0	22	19	29	
DEC	0	8	10	16	
Total	39	145	278	357	51

Thank you for your time,

Lance Vanderbeck
City Of Newport
Airport Operations & Administration Manager

I have attached our local area's fuel prices for Jet-A and 100LL.

Jet-A prices within 65 miles of Newport, OR 97365

Jet A

\$2.55—\$4.46

Average \$3.61

KONP Newport Municipal Airport Newport, OR

Newport Municipal Airport Phillips 66 FS \$3.90

KCVO Corvallis Municipal Airport Corvallis, OR

Corvallis Aero Service EPIC FS \$3.60

6S2 Florence Municipal Airport Florence, OR

Florence Airport Volunteer Group SS \$3.20

KEUG Mahlon Sweet Field Airport Eugene, OR

Atlantic Aviation

EPIC FS \$4.46

KSLE McNary Field Airport Salem, OR

Salem Aviation Fueling @ Salem Air Center

EPIC FS \$3.45

KTMK Tillamook Airport Tillamook, OR

Tillamook Airport Phillips 66 PS \$3.39

KMMV Mc Minnville Municipal Airport Mc Minnville, OR

Cirrus Aviation

Epic \$2.55

77S Hobby Field Airport Creswell, OR

Creswell Airport Phillips 66 SS \$4.20

17S Chehalem Airpark Newberg, OR

Precision Helicopters PS \$3.89

2S6 Sportsman Airpark Newberg, OR

Sportsman Airpark independent FS \$3.45

100LL Avgas prices within 50 miles of Newport, OR 97365

100LL

\$3.79—\$5.35

Average \$4.62

KONP Newport Municipal Airport Newport, OR

Newport Municipal Airport Phillips 66 SS \$5.00 or with pre-paid fuel card. \$4.50 FS \$5.10

KCVO Corvallis Municipal Airport Corvallis, OR

Corvallis Aero Service EPIC SS \$4.70 FS \$5.200

6S2 Florence Municipal Airport Florence, OR

Florence Airport Volunteer Group SS \$4.60

7S5 Independence State Airport Independence, OR

Nutsch Aviation Phillips 66 SS \$3.79

Independence Aviation LLC SS \$4.55

S12 Albany Municipal Airport Albany, OR

Infinite Air Center, LLC EPIC SS \$3.89

KEUG Mahlon Sweet Field Airport Eugene, OR

Atlantic Aviation EPIC SS \$4.57 FS \$5.05

S30 Lebanon State Airport Lebanon, OR

LebanAir Aviation independent SS \$4.59

KSLE McNary Field Airport Salem, OR

Salem Aviation Fueling @ Salem Air Center

EPIC SS \$4.85 FS \$5.35

KTMK Tillamook Airport Tillamook, OR

Tillamook Airport Phillips 66 SS \$4.79

KMMV Mc Minnville Municipal Airport Mc Minnville, OR

Cirrus Aviation

Epic SS \$3.80 FS \$4.15







OAMA CONFERENCE

OREGON AIRPORT MANAGERS ASSOCIATION CONFERENCE FEBRUARY 16TH - 17TH

Oregon Airports Managers Association Conference – February 16th – 17th I attended the OAMA Spring Conference in Salem. ODA Director Mitch Swecker talked about several new piece of legislation that will be coming out soon.

House Bill 2075 - Increases aircraft fuel taxes by 2 cents for both aviation gasoline, jet fuel and mo-gas starting 1/1/2016. Allows the department of Aviation to retain 5% of the revenue for administration. Establishes different dedications and allowable uses for the new revenue. Established process, mechanism and criteria for distributing the new revenue. Sunsets the increase on 1/1/2022. Requires reports form the Department of Aviation. What those funds will go toward is 50% goes to grants for aviation projects and match for FAA grants. Priority for projects with a higher amount of contribution. Grants for emergency assistance. 25% for creating and maintaining commercial air service linking rural communities with commercial hubs. 25% for state Airports use on safety and infrastructure projects.

I had very brief conversations with Heather Peck from the ODA and this house bill could pick help found a seismic study of our airfield. Which Heather and I believe that Newport would be a great airport to start the seismic study. I then talked with our engineers PAE and they have already put packages together with pricing to do this type of study. It will be important to put together e road map of what we need to do to insure the airfield will still be useable after such an event.

HB 4066 - A person commits a Class A misdemeanor if the person intentionally, knowingly or recklessly operates an unmanned aircraft system that is capable of firing a bullet or projectile or otherwise operates an unmanned aircraft system in a manner that causes the system to function as a dangerous weapon as defined in ORS 161.015. This came from an incident in Colorado when a Drone was flown into a prison yard with a gun, drugs, and cell phone attached to it.

FAA Presentation – Presented an over view of position changes at the Seattle Airport Division Office. Provided a legislative update. Current extension through March 31, 2016. They have heard they may be at least two part program for grants. The FAA has requested a carryover early to prepare for grants, what that means to us is to be patient and flexible, get grant paperwork in on time. For us that is Before April 1 if we want to move forward with next AIP grant.

They discussed new Obstacle Action Plans to establish and maintain clear approach and departure surfaces based on the 20:1 surface. The source of obstruction data will come from the Airport Layout Plan (ALP), airport GIS, obstruction surveys, pilot reports, and operations inspections. There are 32 airports in the State of Oregon that will be getting a Magnetic Variation, we are not one of them so our runway numbers will not need to change yet. The FAA reps also talked about the funding for Crosswind runway improvements. Crosswind is eligible if wind coverage is less than 95% for aircraft forecast to use the airport, and eligible to standards of aircraft needing crosswind coverage (i.e. 10 knots for A-1 and B-1 aircraft.)

Later this month I will be attending the annual FAA conference in Seattle.

Thank you for your time,

Lance Vanderbeck
City of Newport
Airport Operations & Administration Manager