



The City of Newport Airport Committee will hold a meeting at **2:00 P.M.**, on **Tuesday, August 26, 2014** in Conference Room A in the Newport City Hall, 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 541.574.0613.

The City of Newport Airport Committee reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the work session and/or meeting.

CITY OF NEWPORT
AIRPORT COMMITTEE MEETING AGENDA
Tuesday August 26, 2014
2:00 P.M.

- I. Call to Order
- II. Approval of Minutes from July 22, 2014 meeting
- III. Introduction of prospective new committee members Susan Reese and Debra Smith (their applications are included in this packet)
- IV. Operations Plan: Review and discuss
- V. Minimum Standards
- VI. Report on the Part 139 Inspection
- VII. Update on construction activities
- VIII. Airport Celebration
- IX. Monthly Report on Operations
- X. Committee comments.
- XI. Public comments
- XII. Develop next agenda items.
- XIII. Adjournment

July 22, 2014

2:00 PM

Newport, Oregon

DRAFT

The City of Newport Airport Committee met on the above date in Conference Room A of Newport City Hall. In attendance were Committee members Jeff Bertuleit (Committee Chair), Thomas Knott, Mark Watkins, Ralph Grutzmacher, and Ken Brown. Also in attendance were: City Manager Spencer Nebel, City Council liaison Ralph Busby, Engineering Technician/Airport Project Director Melissa Román, and Committee staff Bob Fuller (Public Works).

I. Call to order.

The meeting was called to order at 2:05 PM by Committee Chair Jeff Bertuleit.

II. Introduction of new members.

Chairman Bertuleit introduced new members Ralph Grutzmacher and Ken Brown.

III. Approval of May 8, 2014 minutes.

Motion was made and seconded to approve the minutes of the April 8, 2014 meeting, pending a clarification re: comment/question by Knott pertaining to fire extinguishers. Fuller will make the change. The motion passed on a unanimous voice vote.

IV. Discussion of Operations Plan draft

This item is moved to later in the meeting as the draft is being printed at this time.

V. Discussion: Grand Re-Opening Party

Emphasis should include engaging youth in flying airplanes. Airplane rides were suggested, depending on liability issues. Bertuleit suggested a "Young Eagles" program through EAA (Experimental Aircraft Association) as part of the program. City Manager Nebel advised now is the time to develop a group to plan the event; Román advised the project completion date of Oct. 15, 2014. The next Saturday would be Oct. 18th. The committee agreed this would be an appropriate date for the event. Knott will liaison with Román to coordinate event planning.

VI. Construction estimate and timeline for Landwaves water and sewer to connect to airport

Nebel advises the Landwaves issue is a long-term project. There is nothing concrete, no specific timeline from Landwaves Inc. Román advises that Civil West Engineering is working with Seal Rock Water District to design a pump station via a FEMA grant. The pump station would be used to supply water to Seal Rock in an emergency. If easements are approved by FAA, Seal Rock will pay the airport for the easement; she noted FAA has final approval for the pump station. The pump station would be located just south of the AARF station.

VII. City purchase of land at the end of runway 20.

Nebel advises nothing has been done or discussed at this time.

VIII. Options to deal with water run-off affecting hangars.

Román advises she is waiting for the architect to get drawings. Currently the plan under consideration is to extend the hangar roof so runoff does not go directly to foundation, then to create a valley gutter in the area in front of the hangars, with a maximum depth of about ½" - 1" and a width of 3-4'. The valley gutter would direct the runoff to a bio-swale and outfall. A discussion ensued regarding a trench; however, maintenance would be an issue as a trench will fill with dirt, plant material, etc. Nebel and Román emphasized this is only in the planning stage and other options can be looked at before anything is finalized.

IX. Committee comments

Project Director Román provided a construction project update: The project is on schedule. There will be a complete airport closure for ten days, from Aug. 18th-27th. NOTAMS will be issued by airport staff. USCG has their own rules/protocols re: landings.

Minimum Standards discussion: Knott advised the committee does not have the latest draft document as prepared by Doug Nebert. It is likely this document is on Nebert's personal computer. The committee agreed it would be appropriate to re-do their comments using the January 2014 draft. Chairman Bertuleit requested committee members have their comments sent to Fuller by Aug. 10th. (Fuller will convert the January 2014 draft pdf document to MS Word format this week, and email it to committee members to facilitate editing/commenting.)

Discussion of draft Operations Plan memo was resumed. (The draft memo is attached to these minutes.) City Manager Nebel gave a brief history of the preparation of the draft memo, and noted he interviewed 16 people at length from various backgrounds and interests; the issues and options

noted in the memo reflect a broad range of opinions and viewpoints. He would like feedback from the committee by next meeting (to be held Thursday, Aug. 21, 2014 due to scheduling issues). He also requested the committee focus on the issues noted in the draft memo, especially as regards to management issues and minimum standards. Nebel referred to the proposed Newport Airport regional task force mentioned in the draft memo, advising the task force should include two Airport Committee members. Busby noted there will be 14 members of the task force from various entities in Lincoln County. Mayor Roumagoux and he will be the City of Newport representatives.

Bertuleit asked new members Brown and Grutzmacher if they had any questions at this time. Grutzmacher said he just needed more information. Brown said he will need more information regarding the business plan and management involvement.

X. Public comments

The question was asked if businesses in Newport are required to follow codes and related rules and regulations like those proposed for the airport. Nebel advised the airport is in the City limits and there are many codes, rules, and regulations for all kinds of business. Some are unique to a particular business niche, such as taxi cabs, while others cover all business activities.

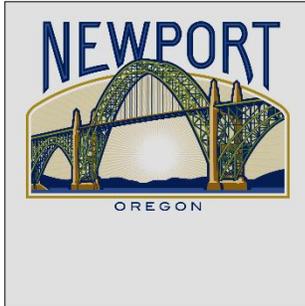
A concern was noted regarding the valley gutters proposed for the rainwater runoff mitigation proposal; would a person be able to push a plane up the incline? Román noted the incline would 1" or less spread over several feet, and that there is a greater incline at the box hangar entries which does not present a problem.

XI. Develop next agenda

Minimum standards.

Operations Plan

XII. The meeting was adjourned at 3:55 PM.



OFFICE OF THE CITY MANAGER
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MEMO

DATE: August 20, 2014

TO: Airport Committee

RE: August 26th Airport Committee Meeting

The Airport Committee will meet on Tuesday, August 26th at 2:00 P.M. in Conference Room A at Newport City Hall.

Perspective New Committee Members to the Airport Committee

The Airport Committee currently has two vacancies for City residents. The City has received applications from Susan Reece and Deborah Smith to fill those positions. Under the City Charter, the Mayor appoints, subject to the ratification of those appointments by the City Council. The City Council Rules provide an opportunity for the committee to make recommendations on any applications received to serve on advisory boards. We have invited Susan Reece and Deborah Smith as applicants to the Airport Committee to the August 26th meeting. The Airport Committee can make a recommendation to the Mayor as to their appointment to the Airport Committee. That recommendation, along with the applications, will be forwarded to the Mayor for the Mayor's consideration on the appointment.

Operations Plan for the Airport

Enclosed is an updated draft report on the operations of the Newport Municipal Airport. (This report is essentially the same as the first report with a cleanup of a few technical terms and typos).

The focus of this meeting is to determine whether the Airport Committee wishes to forward any comments to the City Council relating to the future operations of the airport. The key areas for comments are in the following areas:

- 1) What management structure would work best for the airport?

- A. Hire an Airport Manager, with that position being a Department Head position with the City, as done in the past, to operate the Airport and a Fixed Base Operator (F.B.O.)?
 - B. Utilize an Airport Maintenance Supervisor and seek proposals for a private F.B.O.?
 - C. Seek proposals for an F.B.O. to serve as F.B.O. to provide for maintenance and operations of all air field activities?
 - D. Seek proposals for private operators of the airport (slight variation from C.)
 - E. Operate the airport as part of the Public Works Department
- 2) The airport has used a variety of staffing levels in the past. After the Airport Manager position was eliminated, two years ago, the City hired an employee to oversee F.B.O. activities; and an employee to oversee maintenance operations, without other airport responsibilities being handled by the City Manager and Engineering. In addition, temporary help had been utilized to meet staffing requirements. To meet the current staffing schedule of seven days per week from 8:00 A.M. to 5:00 P.M., the current budget for the Airport reflects three full-time positions as a placeholder until a management plan is finalized for the Airport. The Airport Committee may want to provide input on staffing levels and hours of operation.
- 3) Other issues such as minimum standards, review of the business plan, participation in the development of a new FAA Master Plan, review of findings of the Regional Airport Task Force, and a few items of interest to the Airport Committee can be scheduled for review over the next 18 month period by the Airport Committee. We can discuss priorities and a possible schedule to tackle these issues.

Minimum Standards

I would suggest that this discussion be moved to a future meeting since there is some confusion as to the final draft version of the standards. Bob Fuller has enclosed the last version that we received from Doug Nebert for your review. With Doug's passing, there may be no way to obtain any changes made after this version.

For further background, the Airport Committee has been discussing the adoption of minimum standards for the Newport Municipal Airport. The minimum standards are suggested by the FAA to avoid favoritism or discrimination of any businesses or commercial operations, or any other aeronautical activities that can occur at the Airport. As a requirement of the funding received for various improvements at the Airport, the FAA encourages "public use airports" to develop such criteria in the development of minimum standards. The FAA indicates: "Airport sponsors must agree to make the opportunity to engage in commercial aeronautic activities available to any person, firm or corporation that meets reasonable minimum standards established by the Airport sponsor". The FAA suggests that the Airport sponsor establish reasonable minimum standards that are relevant to the proposed aeronautic activities.

In preparing these minimum standards, it is important to avoid unreasonable standards by selecting elements that accurately reflect the nature of the aeronautical activity in question. There have been a number of issues that would have benefited from having an approved policy to clearly indicate any requirements (if any) for certain activities at the Airport. Former committee member, Doug Nebert, had worked on developing a draft policy for the Airport Committee's review. There would be some benefit in completing this process and forwarding a recommendation from the Airport Committee to the Newport City Council on establishing minimum standards at the Airport. Any minimum standards would also be reviewed by the FAA to assure compliance with the grant funds that have been received by the Airport.

Periodic Airport Certification Inspection for Compliance with 14CFR-Part 139

Lynn Deardorf, Airport's Certification and Safety Inspector for the Federal Aviation Administration, has completed the periodic Airport certification inspection for the Newport Municipal Airport. Please note there were two discrepancies as part of this comprehensive inspection indicated through this inspection. In both cases, these issues have been corrected. In discussing the inspection with Lynn Deardorf, she has indicated that the Airport has definitely shown a positive upgrade in the last three years with the determined goal towards safety and maintaining the Airport in compliance with Part 139. She was very complimentary of the Airport staff for making significant progress during the time that she has been conducting these inspections. The report also provides several recommendations and comments for future reference. Please note that Lynn Deardorf is working with Melissa and Lance to secure additional funding to consider all the markings at the Airport. These, in addition, would be done to the ones that will be addressed as part of the Airport Construction Project. This would really clean up the entire Airport, so we are hopeful that this additional funding will come through.

Celebration of Construction Completion

At the last Airport Committee meeting, the Airport Committee requested that Thomas Knott and Melissa Roman work on the details of a celebration of the completion of the new runway. Melissa, Lance and Thomas have had a variety of discussions as to what this might include. A preliminary report is attached regarding some of the potential elements for this celebration. There would be assistance needed from Airport Committee members in order to pull together some other aspects of this event. It would be appropriate for the Airport Committee to have a discussion on this celebration in order to fine tune it for the tentative October date that has been selected.

Construction Update

Melissa Roman will give a brief report on the significant progress that has been accomplished to date, including a cost breakdown of the construction that has occurred to date. Also, Melissa will discuss continuing concerns over the design of repairs to the F.B.O. building and the T-hangars.

Monthly Report

Attached is a monthly report on Airport operations from Lance Vanderbeck for the committee's review.

Sincerely,

Spencer Nebel, City Manager

Name: Susan Elizabeth Reese Painter
Address: 645 NW 11th Street
P.O. Box 763
Newport, Oregon 97365
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Employer: self - Susan Elizabeth Reese, LLC

Why do you want to serve on this committee/commission/board/task force, and how do you believe you can add value? I have long watched with interest as Newport's airport has struggled to be a community resource. I would like to see air service restored to the greater Newport community at large, and I would like to see the airport become an asset to all in the area, not just those fortunate enough to own airplanes. I believe my 40 years of practicing law provide a solid foundation for my ability to make decisions that will benefit Newport and assist in the work of this committee.

What is a difficult decision you have made concerning issues of bias and/or issues of conflict of interest? I had to fire a staff person for a personal relationship that staff member had which jeopardized the confidentiality requirement for clients of my firm; I had to withdraw from representing a client when I found that the client had lied to me and created a conflict of interest between us.

Describe the process of how you make decisions. I gather as much information as I can from all available sources; review it carefully, ponder the options on all sides, and then decide the best course of action and the reasons to justify that action.

What do you think about consensus decision making? What does the consensus decision making process mean to you? Consensus means cooperation, openmindedness, and thoughtful evaluation of all options and points of view. I believe consensus gives the participants a meaningful role in the decision making process and, as a result, the decisions may be firmly based and more easily implemented. I believe consensus decision making is at the core of our democracy. Juries come to consensus decisions all the time and and this process is vital to our government.

Describe all other pertinent information/background for this position. I have been in solo practice of law for over 40 years. I have participated in various law related committees and have both written and spoken on legal issues throughout Oregon. I have served on the Council of my church in Newport and currently serve on the Finance and Health ministry committees there. I would bring a curiosity and interest to this committee and a commitment to address the best interests of all of Newport if I am chosen to serve.

Name: Debra J. Smith
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Occupation: General Manager
Employer: Central Lincoln PUD

Why do you want to serve on this committee/commission/board/task force, and how do you believe you can add value? I've been in Newport for a little over a year and I'm interested in finding ways to support my new community. I'm an experienced manager with specific skills in planning, budgeting, and cost management. I think my skill set would be a benefit to the City of Newport and the Airport Committee.

What is a difficult decision you have made concerning issues of bias and/or issues of conflict of interest? I've been a public employee for over 18 years and I believe in the transparency of public process. I try to manage myself with the knowledge that anything I say or do could show up in the local newspaper. I've mostly been successful with that approach!

I met my husband when I was employed at the Eugene Water & Electric Board, and he was a consultant supporting a project I was leading. I dealt with the potential conflict of interest by being very open about the developing relationship and creating additional checks and balances about the financial transactions. As a result, Dale was able to continue working for the utility for many years in various capacities.

Describe the process of how you make decisions. I have a number of tools in my decision-making toolbox and the process I use is dependent on the amount of time that's available for the process and the relative importance of stakeholder buy-in. I am generally able to make a decision with whatever information is available and if more information becomes available, I'm able to step back and reconsider the outcome.

What do you think about consensus decision making? What does the consensus decision-making process mean to you? I'm a strong proponent of consensus decision making when the need for buy-in supports it and there is sufficient time for the process. For me, consensus means everyone has had an opportunity to be heard and to express themselves and all participants can "live with" the decision. It doesn't mean it was necessarily my first choice but I can represent and support it to others.

Describe all other pertinent information/background for this position. I'm excited about the opportunity and I believe I could be a strong contributor. Thank you for your consideration.



Spencer Nebel
City Manager
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DATE: July 24, 2014
TO: Airport Committee
FROM: Spencer Nebel, City Manager
SUBJECT: Revised Report on Newport Municipal Airport (2nd)

I will be compiling a report for the City Council's consideration on an operational plan for the airport. I would like to obtain direct input from the Airport Committee prior to completing this report so I am submitting a draft of the report and issues for the committee's review. I would like for the committee to focus on how the airport can best be managed in the future at the August meeting which has been rescheduled for Tuesday, August 26, 2014 at 2 P.M. It is my intent to present this report to the Council in September. Please note that this is the draft. I will provide future information prior to the next meeting with the Airport Committee.

HISTORY OF THE NEWPORT MUNICIPAL AIRPORT

On March 27, 1943 the Civil Aeronautics Administration ordered a contract for the construction of an airport in Newport, Oregon that would include two runways, each 5,080 feet long and 150, feet wide and several taxiways each 50 feet in width. 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 to fill. This cut and fill project addressed a canyon that was 140 feet deep by regrading 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 1100 feet. In order to properly drain the site, 9 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, with the paving contract for the project being \$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 of Newport. The airport was turned over to the 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 Association. 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 Two.

The city entered into a fixed based operator agreement with Berteau/Aviation, Inc. The city provided airport maintenance activities through the Public Works Department with Mike Eastman.

The city entered into an agreement with The Central Oregon Coast Air Services for FBO services at the airport.

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

RECENT OPERATIONAL HISTORY OF THE AIRPORT

Since the purchase of the fixed base operations by the City of Newport, the city has run the FBO and maintenance activities at the airport. The first manager of the airport was Dennis Reno. Dennis was initially hired by the last FBO, prior to being hired as the City's Airport Manager. Dennis was responsible for both fixed base operations as well as general maintenance activities of the facilities as a department of the city. As part of the fixed base operator system, fuel sales, hangar space rental, car rental, and various services were provided. Following Dennis Reno, Gene Cossey was hired by 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 at the airport and Lance Vanderbeck managing the airport maintenance activities. Both reported directly to the City Manager, Jim Voetberg. Furthermore there was a full-time lineman position that worked for both the FBO Manager and Operations Manager at the airport. In addition, temporary employment services were utilized from Barrett Temporary Services to man airport operations. During this past year, Melissa Román from the Engineering 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. [Note: Additional historic information will be added in the final report.]

During the past six months the airport has undergone additional personnel changes with lineman Charles Norman being placed on leave and then terminated in March, and Terry Durham resigning his position in June to relocate back to northern California. In addition to Lance, a temporary employee has been hired for the lineman's position and Lance Vanderbeck has obtained the Fuel Supervisor's Certification and has assumed the FBO responsibilities at the airport during this interim period.

In addition, to recent personnel issues at the airport, there have been several enforcement actions by the FAA with pilots with Lester LaCasse having his credentials revoked by the

Federal Aviation Administration for transporting passengers, without the approachment authorized, and intentional disabling of the air traffic control transponder to avoid detection. Furthermore, a six-member jury found Dean Battersby guilty of 19 misdemeanor counts of reckless endangerment, menacing, and prohibited operation of an aircraft. During the court testimony, it was indicated that tales of low flying exploits were common during the weekly airport BBQ for local pilots. Lincoln County Circuit Judge Paulette Sanders indicated that she was “disturbed” that pilots would condone this activity.

In discussing enforcement situations with FAA investigators, the FAA has indicated that they have had an unusually high number of complaints generated about aircraft operations in the Newport area with past complaints primarily generated by residents, with additional complaints coming from law enforcement, other pilots, and airport staff.

Relationships between the Mayor, City Council, City Manager, Airport Manager, Airport Staff and local pilots had been turbulent leading up to and following the termination of Airport Manager Dennis Reno. Furthermore, throughout the previous City Manager’s tenure, there was a heavy focus on personal issues which distracted from focusing on what is best for the airport and the citizens of Newport who financially support this operation. There needs to be a willingness of all stakeholders at the airport to focus on the future and not get buried in past issues. This is true for staff, pilots, and policy makers regarding the operation of this important regional asset.

This report is not intended to revisit the various “rights and wrongs” of previous decisions or occurrences at the airport, the complaints made by various parties at the airport about each other, or reflect past issues that have colored the overall operation of the airport. This report is intended to lay the ground work for the development of an operation plan for the future of the airport. While it is important to understand some of the past history and controversies regarding the airport operations, it is more important to develop a constructive plan for the future to assure that the airport is used to its full potential to provide air services to the central coast region.

CURRENT AIRPORT OPERATIONS

The Newport Municipal Airport current consists of two runways with 16-34 (N/S) being 5398 feet long and 150 feet wide and 2-20 being 3001 feet long X 75 feet wide. Please note that 16-34 is currently being reconstructed with the final dimensions being 5398 feet long and 100 feet wide. The airport currently 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, pilots 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 doublewide trailer to FedEx. 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 shirts, sweaters, rain jackets, and hats for sale
- Small selection of concessions- coffee, candy bars, chips, and soda machine
- 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

Furthermore, now Airport staff is responsible for maintaining the following facilities/operations at ONP:

- Full ILS runway
- AWOS
- Lighted wind sock
- Rotating beacon
- ARFF
- Wildlife hazing
- Field Lighting/sign maintenance
- Field security/ public security
- Field maintenance

The airport receives National Plan of Integrated Airport Systems (NPIAS) funding of \$150,000 per year. Please note that this money is held in an account by the ADO 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 management of the airport.

The airport is certified under FAA regulations (FAAR) as a Part 139 airport. Part 139 prescribes to rules governing operation and maintenance of airports that serve scheduled air carriers utilizing aircraft with more than 9 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 certification under Part 139.

The Newport Municipal Airport is currently undergoing reconstruction of its north/south runway (16-34). This construction is anticipated to be completed in the fall of 2014 at an estimated cost of \$6.7 million. In addition to the runway, other work includes replacement of portions of the existing storm sewers, constructing new storm sewer, new emergency power generator, and relocation of the existing generator, providing three new electrical circuits for runway lights and signs, new guidance signs throughout the airport, new power regulators, electric improvements, pavement marking, and miscellaneous improvements. This project will also include an expansion of the airport parking apron. A second project

that is being completed will include an airport Geographical Information Survey which will include all the new improvements, replacement of certain FAA-owned navigation aids that will be installed as part of the runway rehabilitation, a wildlife hazard assessment, and replacement of the Airport Rescue Fire Fighting (ARFF) truck for fire protection at the airport. The FAA is paying 90% of the project costs and a state grant from ConnectOregon covering approximately half of the city's local match for these projects.

In the 2013-14 fiscal year, airport employees logged 6,289 operations at the airport. An operation includes a plane landing or a take-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. Please note, the FAA estimates annual aircraft operations based on a combination of observed flights (which only occurs 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 includes Empire and Ameriflight. In addition, the US Coast Guard has a satellite air station at the airport. The current traffic at the airport is made up of corporate, recreation, charter, and military. Fueling services during the last three fiscal years have been 58,211 gallons of fuel in fiscal year 11-12, 49,476 gallons in fiscal year 12-13, and 98,226 in fiscal year 13-14. Please note that a significant portion of the increase in the current year was due to the failure of the US Coast Guard fueling station at their airport facility. Once this system is back on line it is anticipated that fuel sales will decline. Furthermore, with the airport construction underway, the sale of jet fuel is anticipated to drop in the current fiscal year due to the limitation on larger aircraft using the airfield.

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

Please note that during the review of the budget for the fiscal year beginning July 1, 2014, the Budget Committee established a goal of reducing the subsidy from the General Fund and Room Fax Fund for airport operations over the next three to five year period. This will need to be considered in the overall long-term planning for this facility.

DISCUSSION WITH AIRPORT STAKEHOLDERS

During the past six months, I have had the opportunity to speak with a number of stakeholders at the airport regarding concerns, issues, and comments regarding the overall airport operation. I have broken these comments down into several categories to facilitate review. The comments consist of both suggestions and statements that are intended to illustrate the range of opinions regarding the operation of the airport.

Please note that certain comments are in agreement with each other, while other ideas may be in conflict with other ideas. These statements do not represent the position of the City of Newport, but reflect the individual ideals expressed during the development of this report.

Operations - Manager Responsibilities

- Airport needs a designated Airport Manager

- The fixed base operator needs to be certified to train individuals in fueling planes since there is great liability associated with fueling planes.
- Airport Manager needs to be directly accountable for airport operations
- Airport Manger needs to be hands-on (from fueling planes to promoting the economic development of the airport area).
- Airport Manager needs to promote the expansion of services and businesses at the airport.
- Airport Manager needs to track and provide regular airport data to assist with future management decisions.

Operations Services

- The airport is being operated up to standards, being well maintained with resources available, and is meeting grant assurances.
- The airport should explore self-serve jet fuel.
- Adequate maintenance of airport equipment has been an issue.
- The airport should fully utilize internet for pilot information.
- The hangars need to be better maintained.
- The airport should be providing mechanical and flight instruction services.
- The airport should consider seasonal staffing level changes since the work load and the number of flights is reduced in the winter months compared to the summer months.
- The airport should post hours and avoid overtime for late flights or should charge a premium for afterhours fueling.

Staffing

- Look at other airports for clues about appropriate staffing levels for the airport.
- City owned FBO is good idea since the city may be eligible for loans to replace fuel systems and has adequate control for all aspects of the airport operation utilizing an FBO with Public Works for providing maintenance activities is the best management combination.
- The airport is too small to have separate operations for FBO and airport maintenance and operations. Having the manager be the FBO makes the most sense.
- Look at turning the airport over to the Port of Newport but do this cautiously.
- Three full-time people are too much staff at the airport.
- Two full-time people at the airport should be sufficient.
- The staffing should be one FBO/Manager and two maintenance personnel.
- Two people with support from Melissa Román is probably ok.
- Staffing needs to have adequate interaction with state and federal personnel as well as other airports to keep Newport's airport current.

Regulation

- The FAA is too involved in air space issues.
- Need to treat any business equally at the airport. It is important not to go overboard on regulations since this is a small airport serving a small community.

- The airport needs to review minimum standards and business license requirements as it impacts the airport.
- The city needs to clearly provide posted rules for those with access to the airport facilities.
- The airport lacks clear policies and procedures.
- Pilots have a tendency to be adverse to control and rule, which results in frustration occurring by creating rules that may exceed rules that are actually needed.
- Resident pilots need to fit into the organization structure better rather than continuing to go up the ladder until they get the answers they want.
- Uncertainty and lack of real authority can contribute to the conflicts between staff and residential pilots.
- Aircraft owners are customers who are entitled to use the services they choose without interference from airport staff.
- Mechanical services would be more available except for the city's requirements for insurance and business licenses.
- Use of the hangars should be better regulated to assure that they are being used for aviation purposes.

Part 139 Certification

- It is critical to maintain Part 139 Certification at the airport.
- The city needs to examine the cost of maintaining the Part 139 Certification for the airport.
- The loss of the Part 139 Certification would limit future options at the airport and could be difficult to re-obtain.

Planning

- The business plan for the airport is sound and should be followed.
- The airport has limited options to expand general aviation business at the airport.
- The airport business plan should be reviewed.
- It is important for the city to consider future extension of water and sewer utilities to foster growth in and around the airport.
- The city should pursue the development of a golf course or other acceptable uses in areas where air space needs to be controlled.
- The city should pursue industrial development in the vicinity of the airport site.
- The city needs to develop a common vision for how the community would like to see the airport look at some point in the future.
- Parts of the fueling system are reaching an end of their useful service life and the city will need to focus on a plan to replace the system.
- It will be important as part of the FAA Master Plan to carefully define the airport boundaries to facilitate other complementary developments next to the airport without burdening those developments with regulatory limitations.
- Corporate and industrial development should occur in conjunction with the airport.

Finance

- The city needs to review revenues and expenditures at the airport.
- The airport costs have increased over the past five years by 52%.

- The city should use Room Tax revenues for airport projects.
- Budgeting and finance is not well understood by operators.
- The city's process for collecting lease payments has been problematic.
- Regional support should be made available for the airport.
- There is no current fee schedule for the airport that is uniformly administered
- Landing fees have been charged in the past for aircraft in excess of 12,500 pounds.
- The airport needs to be collecting landing fees and tie down fees to offset operational expenses.
- The fuel card discount is too significant.
- Hangar rent does not support maintenance of hangars.
- The city needs to make sure it is getting an acceptable return on fuel.
- The FBO building should be generating more revenue. In the past the FBO revenues were enough to pay the mortgage.

General Comments

- Community education about the importance of the airport needs to be a priority.
- Current airport staff are focused on day-to-day operations, not long term development of the airport.
- Saturday picnics at the airport are important to build the local airport community.
- Communications have been a problem at the airport, such as gate lock changes with no notice or consultation with the users.
- Airport Committee needs clarification of role.
- The relationship between staff and some resident aircraft owners is not good.
- Commercial air services was botched by interference of elected officials (State and local), in the Cape Air vs. Seaport Airline discussions. Cape Air had an operation that would have worked better at the airport.
- Local pilots use resources while corporate travelers bring dollars into the community.
- There is an airport club mentality that can place the resident pilot's interests over attracting visitor traffic to the airport.
- Some pilots have moved to Newport especially because of the airport.
- Airport Manager Gene Cossey was successful in getting Federal and State funding for the airport reconstruction.
- Relationships with FedEx, Coast Guard, and Ameriflight are great.
- Pilots are "alpha" guys and getting collective action can be like herding cats.
- Is it the airport's responsibility to care about flying safety issues of private pilots?
- Maintenance of the airport is good with a lot of maintenance issues being caught up during this past year.
- Building maintenance has not been good.
- The staff does not have the ability to enforce rules without support of management.
- The economy has impacted almost all airports negatively as far as revenues and use.
- The relationship between staff, resident pilots, and Council members has been detrimental for the smooth operation of the airport.

PRELIMINARY ISSUES IDENTIFIED FOR REVIEW

Management Issues

- 1During my first seven months on the job as City Manager, it is clear to me that the current management structure with the City Manager providing direct oversight for airport operations is not sustainable. With my responsibilities in providing oversight and coordination for all operations of the city, which include public works, fire, police, parks and recreation, finance, library, community development, IT, and the airport, a sustainable management model must be put in place for the long-term operation of the Newport Municipal Airport, which will provide that the City Manager provide general oversight but not direct departmental management of this operation.
- The airport needs to review the current hours of operation to determine whether any changes can be made either on a permanent or a seasonal basis to reduce costs at the airport.
- There is a perception of a dichotomy of service for transient customers versus the resident customers of airport services that needs to be addressed.
- The airport needs to have clear and understandable rules for those that are provided access to controlled areas of the airport, and with those rules, fair and reasonable enforcement needs to be provided.
- The role of the Airport Committee needs to be examined and utilized to a fuller potential than what has been the case in recent years.
- Management needs to review both revenue generating opportunities and control of expenses in order to address the goal as outlined by the Budget Committee to reduce the reliance on the General Fund and Room Tax Fund over the next three to five years.

Planning Issues

- As part of the decision making process it may be appropriate to commission a survey of similar airports to determine staffing levels, budgets, management structure, hours of operation, and other similar issues to help guide the city in these decisions.
- Complete the review and implementation of minimum standards for the airport.
- Determine a long-term vision for the airport and develop appropriate goals to move the airport in the direction to meet this vision.
- Reevaluate the role of the Airport Committee in providing advice to the City Council on airport operations.
- Participate in the task force established by the City Council to exam the regional role of the airport.
- Work with city staff planning professions and the FAA on the development of the Master Plan

- Review and update, where necessary, the business plan for the airport.

Management Options

Airports the size of the Newport Municipal Airport have a number of options as far as the management structure for operating that facility.

1. An airport manager is typically responsible for the daily operations of the airport. The airport manager directs, coordinates, and reviews all airport operations and maintenance of the airfield, buildings, community relations, and financial matters of the airport with the airport manager running the airport's FBO.
2. Same as #1, except a separate FBO is contracted with for running aircraft services.
3. In a small number of airports, the FBO serves as the airport manager. In these cases, the operations of the airport would be contracted out to a private FBO that would be selected through a Request for Proposals process.
4. Airport maintenance can be provided through the Public Works Department with a FBO in charge of aviation services at the airport. This is another model that could be considered for the operation for the airport.
5. The airport, including FBO, could be run as part of a larger department such as the Department of Public Works.

The guide for managing small airports sponsored by the FAA outlines a number of specific functions for an airport manager including being a "jack of all trades" that would include management skills, standardization of methods of operations, communication capabilities with governing entities, customers, tenants, regulatory agents, and the general public, building public good well, strategic planning and coordination, fiscal responsibility, legal responsibility, environmental stewardship, and public safety.

NEXT STEPS FOR THE AIRPORT COMMITTEE

It is my intent to lay out a schedule for the Airport Committee's review for proceeding with the next steps of this report. This would include a calendar with tasks that would be accomplished by the various entities (the Airport Committee, airport staff, city administration and City Council) for addressing the issues that need to be dealt with regarding the airport. It is my intention to have a revised draft of this report forwarded to the Airport Committee by August 1, 2014, in preparation for incorporating input from the Airport Committee regarding the development of a management operations plan. I apologize for having this report in somewhat rough condition however it will give the Airport Committee an opportunity to provide input on what should be included in the final report that will be forwarded to the City Council.

Please note that I am asking for the Airport Committee's participation in the development of my final report to City Council. If the Airport Committee has different opinions on aspects of my final report to the City Council, the Airport Committee will be able to forward their comments directly to the City Council at the same time my report is presented to the Council. Please note that I believe the most critical issue to be addressed at this point is the management plan for the airport as well as the completion of the review of the minimum standards for the airport. Many of these other items can carry on after that point, but I believe that those are the two most critical issues to be addressed over the short term with remaining issues being address in a longer period of time.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. Nebel", is positioned below the text "Respectfully submitted,".

Spencer R. Nebel, City Manager

DRAFT

Proposed Minimum Standards for Commercial Aeronautical Activities

Newport Municipal Airport
Newport, Oregon

Draft for Approval by Airport Committee

January 14, 2014 version

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1. Background

FAA Advisory Circular 150/5190-7, dated August 28, 2006, provides guidance regarding the development of Minimum Standards for Commercial Aeronautical Activities (Sections 1.1, 1.2). AC 150 provides instructions on developing minimum standards appropriate to the size and operations at a given airport, supporting safety and equal access to commercial entities. Minimum Standards have been created in accordance with City of Newport Municipal Code 9.40.005, 9.40.025 (A) and 9.40.025(B)(3).

Minimum Standards are intended to help meet the goals of the Newport Airport and promote fair guidelines concerning commercial operations relating to FAA grant assurances. Also to insure public areas, roads, taxiways, runways and aprons remain available and open for public aeronautical use.

Minimum standards are to provide the threshold entry requirements for the airport. The commercial aeronautical operator agrees to offer the described minimum level of services in order to obtain an agreement, permit or lease to operate at the Airport.

The implementation of minimum standards will assist the Newport Airport in the management of the airport by:

- Establishing uniform requirements and their application to all operators.
- Maintaining compliance with federal grant assurances.
- Maintaining the orderly and efficient development of the airport's commercial aeronautical services.
- Ensuring adequate services and facilities by FBO operators to meet the needs of the airport users.

1.1 Definitions

All definitions contained in this section apply to the Newport Municipal Airport Minimum Standards, Rules and Regulations, and Leasing Policies. Definitions are taken from the Newport Municipal Code, Oregon Revised Statutes, Federal Aviation Regulations, Federal Aviation Administration Advisory Circulars, U.S. Department of Transportation Aeronautical Information Manual, and other sources as appropriate.

(1) Airport - any and all of the properties owned and controlled by the City of Newport, Oregon, being used as a public airport and located within the boundary of the City of Newport, in Lincoln County, Oregon.

(2) Airport Committee - The Airport Committee is composed of five individual members. The mayor, the city manager and the airport director shall serve as non-voting ex officio members of the Airport Committee. One member may be a non-resident. Duties include: recommending rules and regulations for the Newport Municipal Airport, recommending

policies governing the use of airport property, reviewing and reporting to the Council on matters referred to it by the Council, making studies or reports relating to the Newport Municipal Airport, and promoting the Newport Municipal Airport.

(3) Airport Director - The person with the right to exercise all of the authority granted by the City Manager in the physical operation of the Airport for aeronautical purposes and the enforcement or application of these rules in the interests of the Airport users and tenants.

(4) City - the City of Newport, Oregon as governed by the City Council.

(5) Newport City Council - elected City officials who comprise the governing body of the City of Newport.

(6) FAA - the Federal Aviation Administration.

(7) FAR - the Federal Aviation Regulations, as published by the FAA.

(8) ODA - the Oregon Department of Aviation.

(9) Commercial tenant – any aeronautical activity with leased or owned space or facilities on Airport grounds.

(10) Aircraft - any contrivance used or designed for navigation or flight in the air including, but not limited to, an airplane, sailplane, glider, helicopter, gyrocopter, ultralight, balloon, or blimp.

(11) Aircraft Owner - a person or entity holding legal title to an aircraft, or any person having exclusive possession of an aircraft.

(12) Based Aircraft - an aircraft that the owner physically locates at the airport subject to a monthly tie-down, T-hangar, or box hangar tenant fee or lease.

(13) On-Demand Operation - any operation for compensation or hire as defined in FAR Part 119 for passenger and cargo services.

(14) Aeronautical Activity - any activity or service conducted at the Airport that involves, makes possible, or is required for the operation of aircraft, or which contributes to or is required for the safety of such operations. These activities include, but are not limited to, on-demand operations, aircraft fueling, aircraft storage, flight training, aircraft rental, aircraft sales, aircraft repair and aircraft maintenance.

(15) Airframe and Power Plant Maintenance - the commercial operation of providing airframe and power plant services, which includes any of the following: the repair, maintenance, inspection, construction, modification or alteration to aircraft, aircraft engines, propellers and appliances including the removal of engines for major overhaul.

(16) Commercial Activity - the conduct of any aspect of a business, concession, operation, or agency in order to provide goods or services to any person for compensation, for-profit or hire. An activity is not considered a commercial activity if the business is nonprofit, charitable, or tax-exempt.

(17) Commercial Operator (Operator) - a person, firm, corporation, or other entity conducting commercial aeronautical services or activities at the Airport for compensation or hire.

(18) Exclusive Right - a power, privilege, or other right excluding or debarring another from enjoying or exercising a like power, privilege, or right. An exclusive right can be conferred either by express agreement, by the imposition of reasonable standards or requirements, or by any other means.

(19) Flight Instructor - a person who is properly licensed and certified by the FAA to provide flight instruction.

(20) General Aviation - all civil aviation operations other than scheduled air services and non-scheduled air transport operations for remuneration or hire.

(21) Hazardous Material - any substance, waste, or material which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous, and is or becomes regulated by any governmental authority, agency, department, Committee, board agency or instrumentality of the United States, the State of Oregon, or any political subdivision thereof, and the presence of which requires investigation, removal and/or remediation.

(22) Minimum Standards - the qualifications or criteria established by the Newport City Council as the minimum requirements that shall be met by businesses engaged in on-airport aeronautical activities for the right to conduct those activities.

(23) Lease - the written contract between the City and a tenant person/business enterprise specifying the terms and conditions under which a person may occupy and operate from certain Airport facilities and/or property.

(24) Agreement - the written agreement between the City and a Person specifying the terms and conditions under which the Person may conduct commercial aviation activities.

(25) Permit - the annual permit issued by the City to a Person for the execution of commercial aeronautical activities at Newport Municipal Airport.

(26) Person - any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.

(27) Fixed Base Operator (FBO) - a full-service commercial operator who engages in the primary activity of aircraft refueling, airframe and power plant maintenance, and a minimum of two (2) of the following secondary activities: flight training, aircraft rental, on-demand operations, avionics maintenance and sales, and aircraft storage/hangar rentals.

(28) Specialized Aviation Service Operation (SASO) - an aeronautical business that offers a single or limited service. Examples of a SASO include, but are not limited to: scheduled commuter air service, air ambulance, flight training, aircraft sales, avionics sales and maintenance, aircraft storage, propeller and/or aircraft accessory repair and sales, aircraft upholstery, aircraft painting, banner towing, and skydiving.

(29) Mobile Service Provider (MSP) - a person or entity who provides commercial aeronautical services on airport property but does not operate out of owned or leased property on the airport – a non-tenant commercial operator.

2. Authority for and Purpose of Minimum Standards

2.1 Compliance with Federal Law

The Airport is identified by the Oregon State Aviation Plan as a Class II airport, and it has been developed and improved with Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funds. The adoption of Minimum Standards for the Airport is intended to comply with federal law prohibiting the grant of exclusive rights to use an airport that has received federal funding through AIP funds. The adoption of Minimum Standards is highly recommended by the FAA as a means to comply with federal law and regulations concerning exclusive rights. The FAA does not require the adoption of Minimum Standards. The Newport City Council intends to comply with federal law and in particular with FAA Advisory Circular 150/5190-7 (Minimum Standards For Commercial Aeronautical Activities, August 28, 2006).

2.2 Commercial Activity Authorization

Terms of commercial tenant activity at the Airport shall be outlined in the lease that defines the obligations of the tenant.. Commercial tenant activities may be requested to provide the following information to the City related to their proposed activities:

(1) The impact of the new commercial activity on public safety and convenience. The Airport Administrator will impose conditions and restrictions necessary to ensure safety and to preserve unobstructed traffic patterns and runway approaches.

(2) The amount of space at the Airport, the customary use of the Airport, and the compatibility of the new commercial activity with present and planned development at the Airport.

(3) The degree to which the new commercial activity complies with federal, State and local laws and regulations, including land use regulations.

2.3 Operational Regulations

The Airport Certification Manual (ACM), required for Part 139 operations, provides guidance on airport operations and maintenance of interest to commercial operations at the airport. AIM Section 4.3 specifies airport operations applicable at all U.S. airports. Each commercial operator at the Airport shall abide by these rules and regulations for the safe, orderly, and efficient operation of the Airport.

2.4 Purpose of Minimum Standards

Minimum Standards are intended to help meet the Newport City Council's goals. These include developing aviation as an integral part of Oregon's transportation network, creating and implementing strategies to protect and improve Oregon's aviation system, encouraging aviation-related economic development, supporting aviation safety and education and increasing commercial air service and general aviation in Newport. In addition, the Newport City Council adopted these standards to ensure that:

- (1) Any commercial tenant operator shall compensate the Airport at fair market value (fair market rent) for such use and privileges.
- (2) No person receives a competitive advantage through free or less-than-fair market value (rent) to utilize Airport facilities when other comparable commercial operators are compensating the Airport at fair market value (rent) for the same use.
- (3) Airport public areas, roads, taxiways, runways and aprons remain available and open for public aeronautical use subject to Airport Rules and Regulations.

Minimum Standards are adopted to provide the threshold requirements for those persons desiring to provide commercial aeronautical services to the public at the Airport. The Minimum Standards are based upon the conditions at the Airport, the existing and planned facilities at the Airport, and the current and future aviation role of the Airport.

The prospective commercial operator shall agree to offer the described minimum level of services in order to obtain an agreement, permit or lease to operate at the Airport. All operators are encouraged to exceed the "minimum" in terms of quality of facilities and services.

The implementation of Minimum Standards will assist the Airport Administrator in the management of the Airport by:

- (1) Establishing uniform requirements and their application to all prospective operators.
- (2) Maintaining compliance with federal grant assurances.
- (3) Maintaining the orderly and efficient development of an airport and the Airport's commercial aeronautical services.

(4) Establishing a consistent level of entry into aeronautical service.

These Minimum Standards are established specifically for the Airport, a Class II airport located within the boundaries of the City of Newport in Lincoln County, Oregon. The Airport is an important component of the State's overall transportation network. The Airport supports economic activity, emergency services, and livability throughout the City and County.

3. Application of Minimum Standards

3.1 General Application Requirements

All commercial aeronautical activities at the Airport shall, as a condition of conducting such activities, comply with all the requirements set forth in these Minimum Standards. The Minimum Standards are deemed to be a part of each tenant's lease, license, permit or agreement, unless any such provisions are expressly waived or modified by the Airport Administrator in writing.

The mere omission of any particular part of these minimum standards in a lease, license, permit or agreement shall not constitute a waiver or modification of the standard unless the document expressly states that the City waives application of that standard.

An airport commercial use permit is required for commercial aeronautical services performed at the airport. See Section 7 for permit information.

3.1.1 Multiple Services

When a commercial operator conducts multiple activities pursuant to one lease, license, agreement or permit, the commercial operator shall comply with the minimum standards established for each separate activity or SASO. If the minimum standards for one activity are inconsistent with the minimum standards for another activity, then the minimum standard that is more restrictive or imposes a higher standard shall apply.

3.2 Activities Not Covered by Minimum Standards

Commercial activities with no specific minimum standard in this policy will be addressed by the Airport Manager on a case-by-case basis in the commercial operator's written lease, license, permit or agreement.

3.3 Waivers or Modifications

The Airport Manager may waive or modify any portion of these Minimum Standards when it is determined that such waiver is in the best interest of the public and will not result in unjust discrimination against other commercial operators at the Airport.

3.4 Application of Minimum Standards to “through-the-fence” Agreement Operators

The Airport does not currently allow any “through-the-fence” operations.

4. Minimum Standards for Fixed Base Operators

4.1 Primary Aeronautical Services

A Fixed Base Operator (FBO) has the option to also provide any of the following secondary FBO services: flight training, airframe and power plant maintenance, aircraft rental, and aircraft storage/hangars. An FBO may also provide staffed or unstaffed (self-fueling) aircraft fueling as described in Section 5.6. FBO operations require an annual Commercial Use Permit (with respect to a yet-to-be-defined city business tenant permit process).

Each FBO shall conduct its business and activities on and from the leased/assigned premises in a professional manner consistent with the degree of care and skill exercised by experienced FBOs providing comparable products, services, and activities from similar airports in like markets. Each FBO may subcontract or use third party operators to provide any services. Subcontractors and third party operators shall meet all minimum standards.

4.2 Leasehold Size

4.2.1 Buildings

FBOs are not required to lease or construct a public use terminal building on the leasehold property. Any building will comply with Newport commercial building requirements. If the FBO provides a self-fueling station, it must be readily accessible to customers, and be illuminated for nighttime operations.

4.3 Staffing and Employee Qualifications

4.3.1 Staffing

Each FBO shall employ and have on duty during the required hours of operation personnel necessary to meet the Minimum Standards for each aeronautical service provided. However, multiple responsibilities may be assigned to employees where feasible. Each FBO shall have at least one (1) employee on duty at all times during hours of operation, and provide to the Airport Director, and keep current, a written statement of names, addresses, and contacts for all personnel responsible for the operation and management of the FBO. In addition, the Airport Director shall be provided a point-of-contact with phone numbers for emergency situations.

4.3.2 Employee Qualifications

All FBO fuel handling personnel shall be trained in the safe and proper handling, dispensing, and storage of aviation fuels. The FBO shall develop and maintain Standard Operating Procedures (SOP) for refueling and ground handling operations and shall ensure

compliance with standards set forth in the Uniform Fire Code and FAA Advisory Circular 00-34A, Aircraft Ground Handling and Servicing. The SOP shall address bonding and fire protection, public protection, control of access to the fuel storage area, and marking and labeling of fuel storage tanks and fuel dispensing equipment. The SOP shall be submitted to the Airport Director no later than thirty (30) days prior to the FBO commencing fueling activities.

Additionally, the FBO shall comply with FAA Advisory Circular 150/5230-4A, Aircraft Fuel Storage, Handling, and Dispensing on Airports, Airport rules and regulations, and all other applicable laws related to aircraft fuel handling, dispensing and storage. Each FBO shall obtain all applicable fueling certifications and permits, and receive periodic refresher training as required. The Airport Director and/or the FAA may periodically conduct inspections of the FBO activities and facilities.

4.3.3 Insurance Requirements

Each FBO shall maintain the types and amounts of insurance as specified in the lease, permit, or agreement.

4.4 Primary FBO Services

4.4.1 Fueling

(1) Each FBO must provide the sale and into-plane delivery of ASTM rated aviation fuels, lubricants and other aviation petroleum products. In addition, the FBO shall provide, store, and dispense either 100LL-octane avgas, Jet A fuel or both. All equipment used for the storage and/or dispensing of petroleum products must meet all applicable Federal, State, and local safety codes, regulations and standards.

(2) Each FBO shall provide a stationary fuel storage system that meets all applicable Federal, State and Local regulations and standards. The system shall be designed and operated to meet Air Transport Association (ATA) 103 requirements and the requirements of AC 150/5230-4. The 100LL and Jet A fuel storage tanks shall each be a minimum of five hundred (500) gallon capacity, and the FBO shall also provide mobile or stationary dispensing equipment. Filter equipped fuel dispensers with separate dispensing pumps and meter systems for each grade of fuel shall be provided. All metering devices must be inspected, checked and certified annually by appropriate local and State agencies.

(3) Each FBO shall have a fuel storage system designed in accordance with all EPA regulations including proper fuel spill prevention features and containment capabilities. In addition, each FBO shall provide a current copy of their fuel spill prevention control and countermeasures plan to the Newport Airport. Fuel inventories will be monitored in accordance with current EPA standards and copies shall be provided to Newport Airport. Fuel inventories will be monitored in accordance with current EPA standards and copies shall be provided to Newport Airport when requested.

(4) After receiving prior written permission from the Newport Airport, and FBO may provide self-fueling (card-reader or card-lock) equipment. Self-fueling equipment must be in compliance with State and local building codes and standard fueling equipment requirements.

(5) Each FBO shall conduct the lawful, sanitary, and timely handling and disposal of all solid waste, regulated waste, and other materials including, but not limited to, sump fuel, used oil, solvents, and other regulated waste. The piling and storage of crated, boxes, barrels, containers, refuse, and surplus property is not permitted upon the FBO premises.

(6) Each FBO shall provide an adequate supply of properly located, type, size and operable fire extinguishers and other safety equipment in accordance with the Uniform Fire Code. All fire extinguisher certifications must be current.

4.4.2 Aircraft Line Services

Aircraft line service is not required, however, these services may be provided with a written agreement from Newport Airport.

4.4.3 Pilot Services and Concessions

A FBO is not required to lease or construct a building, but if a FBO operator chooses to do so it shall provide services and concessions inside their main building as approved by the Newport Director.

5. Minimum Standards for Specialized Aviation Service Operations

5.1 General Requirements

As per the definition of Specialized Aviation Service Operations (SASO), a SASO is an aeronautical business that offers a single or limited service. The specific SASO services described in this section are not meant to be an exclusive list of SASO services, but rather to clearly indicate the Minimum Standards that those particular services must meet.

Each SASO operating at Newport Municipal Airport requires an annual Airport Commercial Use Permit.

5.1.1 Compliance

SASOs provide a single or limited number of commercial aeronautical activities. SASOs providing the same or similar services shall comply equally with all applicable Minimum Standards.

5.1.2 Leased Space

Each SASO that requires space or facilities at the Airport shall lease or construct space appropriate to accommodate the services being offered, be accessible to those requiring the service, and be marked with appropriate external signage. Any construction shall be conducted in accordance with city building code.

5.1.3 Responsible Personnel

Each SASO shall provide the Airport Director, and keep current, a written statement of names, addresses, and contacts of all personnel responsible for the operation of the SASO.

5.1.4 Insurance Requirements

Each SASO shall carry liability insurance appropriate to the commercial activity being conducted and provide evidence of such insurance to the City of Newport in conjunction with its lease, permit, or agreement.

5.2 Flight Training

SASOs providing aircraft dual and solo ground and flight instruction necessary to complete the written examination and flight check for any category of pilot certificate or rating shall meet the following minimum requirements:

- (1) Employ and make available at least one (1) or more FAA-certified flight instructor necessary to meet the flight training demand and schedule requirements.
- (2) Provide one or more properly maintained and equipped aircraft to accomplish the services offered.
- (3) Provide a facility to conduct a professional classroom teaching and learning environment.

5.3 Avionics Maintenance and Sales

SASOs providing avionics services, which include the maintenance, repair, and installation of aircraft avionics, radios, instruments, and accessories, and includes the sale of such equipment, shall:

- (1) Operate the service in a heated and ventilated office or shop space able to accommodate one (1) aircraft on the Airport.
- (2) Employ and have on duty at least one (1) trained and certified technician.
- (3) Hold the appropriate FAA certificates and FCC licenses required for the types of services offered and keep copy on file with the Airport Director.

5.4 Aircraft Restoration, Painting, and Refurbishing

SASOs providing the restoration, painting and refurbishing of aircraft structures, propellers, accessories, interiors, exteriors, and components shall:

- (1) Employ and have on duty at least one (1) qualified person who has certificates appropriate for the work performed.
- (2) Keep premises open and services available during appropriate business hours as recorded with the Airport Director.
- (3) Meet all requirements of the Uniform Fire Code and Environmental Codes.

5.5 Specialized Flying Services

SASOs providing specialized commercial flying services such as agricultural spraying or seeding, non-stop sightseeing tours, aerial photography or surveying, power line or pipeline patrol, firefighting or fire patrol, air ambulance, airborne mineral exploration, banner towing, and other air transportation operations specifically excluded from FAR Part 135 shall:

- (1) Employ and make available at least one (1) person who holds a current FAA commercial pilot certificate and medical certificate with ratings appropriate for the operator's aircraft.
- (2) Have established business hours recorded with the Airport Director.
- (3) Own or lease at least one (1) airworthy aircraft.
- (4) If operator performs aerial agricultural applications or other services involving commercial use of chemicals, the operator shall provide a centrally drained and paved area of not less than ten thousand (10,000) square feet for aircraft loading, washing and servicing. This area shall meet all current requirements of State, federal, and local agencies. The agricultural operator shall also provide for the safe storage, handling, and containment of materials and equipment.
- (5) Ensure that pilots and aircraft are in compliance with the Airport Rules and Regulations and Minimum Standards.

6. Mobile Service Providers

6.1 General Requirements

6.1.1 Compliance

Mobile Service Providers (MSP) are non-tenant persons or entities that provide commercial aeronautical services on Newport Airport property. An MSP may provide any aeronautical service and related activities. Examples of MSP's include but are not limited

to: aircraft detailers, flight instructors, airframe and powerplant mechanics, dynamic prop balancers, and mobile oil recyclers. Each MSP performing recurrent services on the field shall provide an annual letter to the Airport Director confirming adherence with the following Minimum Standards.

6.1.2 Responsible Personnel

Each MSP shall provide to the Airport Manager, and keep current, a written statement of names, addresses and contacts of all personnel responsible for the operation and management of the MSP.

6.1.3 Certification Requirements

Each MSP must hold a current license appropriate to the task being performed and may be requested to provide evidence of such certification to the Airport Manager.



U.S. Department
of Transportation
Federal Aviation
Administration

Northwest Mountain Region
1601 Lind Ave, S.W., Suite 315
Renton, WA 98057-3356

July 29, 2014

EIR Number: 2014NM800062

Mr. Lance Vanderbeck
Airport Manager
Newport Municipal Airport
135 SE 84th
Newport, OR 97365

Dear Lance Vanderbeck:

Letter of Correction

The Periodic airport certification inspection of Newport Municipal Airport was concluded on 7/24/2014. The inspection was conducted to determine compliance with 14 CFR Part 139, the Airport Certification Manual, and the Airport Operating Certificate. The inspection revealed the airport was not in compliance with all of the requirements of Part 139. The following discrepancies to Part 139 were noted during the inspection, and those that are unresolved must be corrected by the dates indicated:

139.321G-Operations: Handling and Storing of Hazardous Substances and Materials.

Corrective action showing date of completions was not documented on discrepancies that were observed during 3 month inspection.

Correction Date: 7/31/2014

*corrected
7/24/14*

139.341A1-Operations: Identifying, Marking, and Lighting Construction and Other Unserviceable Areas. During night lighting inspection a couple of barricades had some lights that were not lighted or inoperable.

Correction Date: 7/23/2014

*corrected
7/24/14*

Please advise in writing when the unresolved discrepancies are corrected, but no later than 15 days after the correction date. These dates were mutually agreed to. If you are unable to meet these dates, please notify me as soon as possible. We will expect your future compliance with the regulations.

Sincerely,

Lynn Deardorff
Airport Certification and Safety Inspector

Attachment

Cc: Andrew Edstrom, SEA-638

RECOMMENDATIONS / COMMENTS
AIRPORT CERTIFICATION INSPECTION
Newport Municipal Airport
July 24, 2014

The following recommendations/comments are provided as a result of the Airport Certification Inspection:

1. Airport is undergoing complete painting of airfield during reconstruction project of runway 16/34. Develop a marking and sign maintenance program for painting and replacement of signs on an annual basis not just when markings have faded beyond visibility. Due to the project that is underway, marking was able to be done. However, marking and sign replacement are maintenance items and usually not funded with AIP.
2. Current sign and marking plan needs update before approval for Airport Certification Manual.
3. Refer to Letter of Correction dated May 7, 2012 relocation of hold sign on 2/20 for runway 16/34.
4. Runway 20 threshold with blast pad had failing pavement. Unable to maintain marking on deteriorating pavement in current condition. A couple of options would be to remove old pavement or continue to allow vegetation to grow and keep mowed. Pavement that is still viable (approximately 40') is not long enough for required chevron.



5. Runway 20 threshold lights are currently installed outboard. Consider future realignment of threshold lights to inboard location since lighting system is MIRL and runway is basic/visual for correct design standard.
6. Runway 20 designation numbers should be 20' from threshold bar starting at inward side of threshold bar.
7. Advise marking training course for operations staff responsible for markings. Suggest Sightline Marking Course. Offers training on correct removal of markings and proper application of paint and glass beads for a superior marking.
8. Additional training for operations is ASOS class. One upcoming in Eugene. Promotes smooth and safe day to day operations in accordance with Part 139.
9. Currently Lance Vanderbeck is striving to keep the airport in good operable condition for safe operations in and out of the airport as required under FAR Part 139. He is diligently educating himself in airport operations for the betterment of the airport. He is maintaining the airport considerably well with limited staffing. As mentioned in prior inspection the airport has come a long way in the condition and the improvements that have been made.

Date & Time: Oct 18th, 11 am to 2 pm

Grand Opening

Theme: Newport Municipal Airport: Linking into the Security, Safety and Supply Lanes of the Central Oregon Coast

Ribbon Cutting Ceremony

Emergency Uses of Airport

Speech by FEMA Rep - **Thomas**

Speech by Fed Ex & UPS - **Thomas**

National Guard - **Thomas**

Governor Kitzhaber – **Thomas**

David Gomberg - **Melissa**

Advertisement

Give Out ONP Stickers

Parking

Volunteers – Security, set-up, clean-up, parking guidance

Displays

Static Airplane Display – Local Pilots and a few from outside the community

Bi-plane Rides – **Owner already confirmed; weather depended; Owner has insurance**

Apex Helicopter – **Lance & John Checking availability**

Coast Guard Helicopter Static Display – **Lance & John Checking**

Historic Display of Airfield - Upstairs

ARFF Trucks

Rich Figenshu – A330 Cockpit Display - **Thomas**

Vendors/Booths

Young Eagles – Nation Wide youth program; **Lance & John Checking availability**

Hillsboro or Aurora – Show type of available services; Cater to Pilot Services; **Lance & John Checking**

BD Micro Jets – Local Vendor, **Lance Checking**

Civil Air

Props, Inc – Jeff Bertuleit

Sales Booth – Hats, Shirts, Jackets, **Lance Ordering**

Activities

Paper Airplane competition for Youth in Hangar – With Prizes; Needs Exploring

Food & Beverages – Food Handlers Card, Class “C” Kitchen

Music – DJ or Radio Station

Equipment

Projector for Presentation

Planning Responsibilities

Thomas will plan Ribbon Cutting Ceremony Presentations

Airport Crew will plan displays and activities

Operations Report for July and August 2014

Had my second annual 139 cert inspection from FAA, we passed, again! Lynn Deardorff has sent cert letter summarizing the inspection. In her words, "Currently Lance Vanderbeck is striving to keep the airport in good operable condition for safe operations in and out of the airport as required under FAR Part 139. He is diligently educating himself in airport operations for the betterment of the airport. He is maintaining the airport considerably well with limited staffing. As mentioned in prior inspection the airport has come a long way in the condition and the improvements that have been made." I must say I fell pretty proud of that.

Replaced lights in main wind sock for night operations. Greased and lubed moving components and rust-treated pole.

AV-Gas and Jet-A Storage tanks were rust-treated.

Re-claim tanks have been installed at fuel farm. Bottom sump on AV-tank has been fixed; along with one threaded steel hose. Waiting for second threaded steel hose to come in and two filter vessels.

Two fueling hoses expiring in the next few months. One on the AV-tank and on the jet truck (the over wing hose). Both are on order.

Installed fuel stick port on Self-serve AV-tank along with new leak detector.

Clutch in air conditioning unit in F-250 seized. Took to Ford dealer to have fixed. It is back up and running.

Did tune-up on 1989 Chevy operations support truck.

Replaced door hinges on the side exit door of the main FBO hangar.

Cleaned out main airport drain inlets of debris and the beaver deceiver on access road.

Mowed south field by T-hangar road, front entrance fields, VOR hill during FAA scheduled outage, MALRS hill on north end, and North West field outside fence. Also in the North West field removed obstacles that were in the part 77 air surface approach area. Working on removing all obstacles in the Part 77 area on runway 16 in the approach and threshold areas.

Did several minor servicing to AWOS on field. Dust was causing problems with ceiling indicator, distance indicator, and field condition monitor.

Lubed and inspected all 5 auto gate operators. Made minor chain adjustments and gear checks.

Washed the Jet truck, AV truck, Kubota, Operations truck, four courtesy cars, Chevy ops truck, and four support vehicles. Along with topping off fluids and maintenance checks.

FBO report

Ran monthly Millipore test on Jet-A truck and checked the prist calibration; both passed.

Completed nozzle filter screen check on all fueling nozzles, and monthly inspections on Jet A, Av-Gas, and fuel storage tanks.

Put on necessary new labeling on Self-serve, Fuel farm, and refueling trucks.

Took down all 70 ceiling can light covers/rings in FBO. Cleaned them and painted them back to white. Replaced five burnt out lights during the same project.

Restocked FBO concessions three times between July and August.

Straightened and reorganized FBO foyer, front counter, pilot lounge, and bathroom area. Moved the pilot supplies from corner of pilot lounge to shelving in the foyer. This will put FBO products in the open and not tucked away.

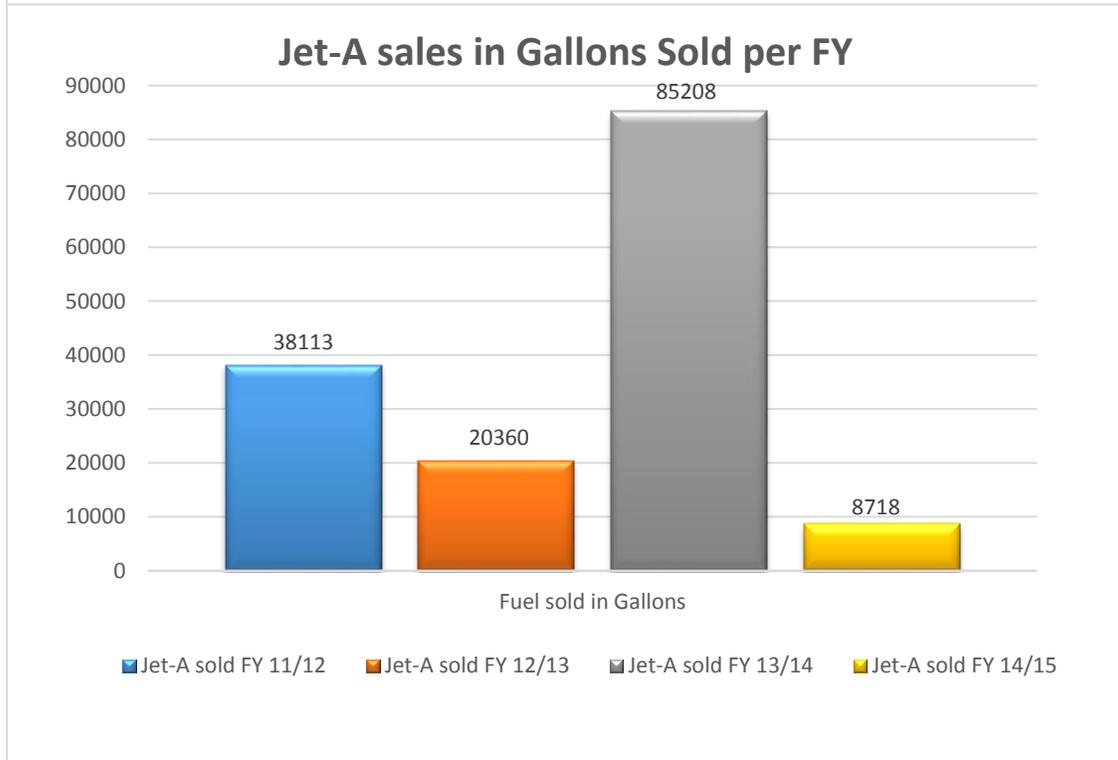
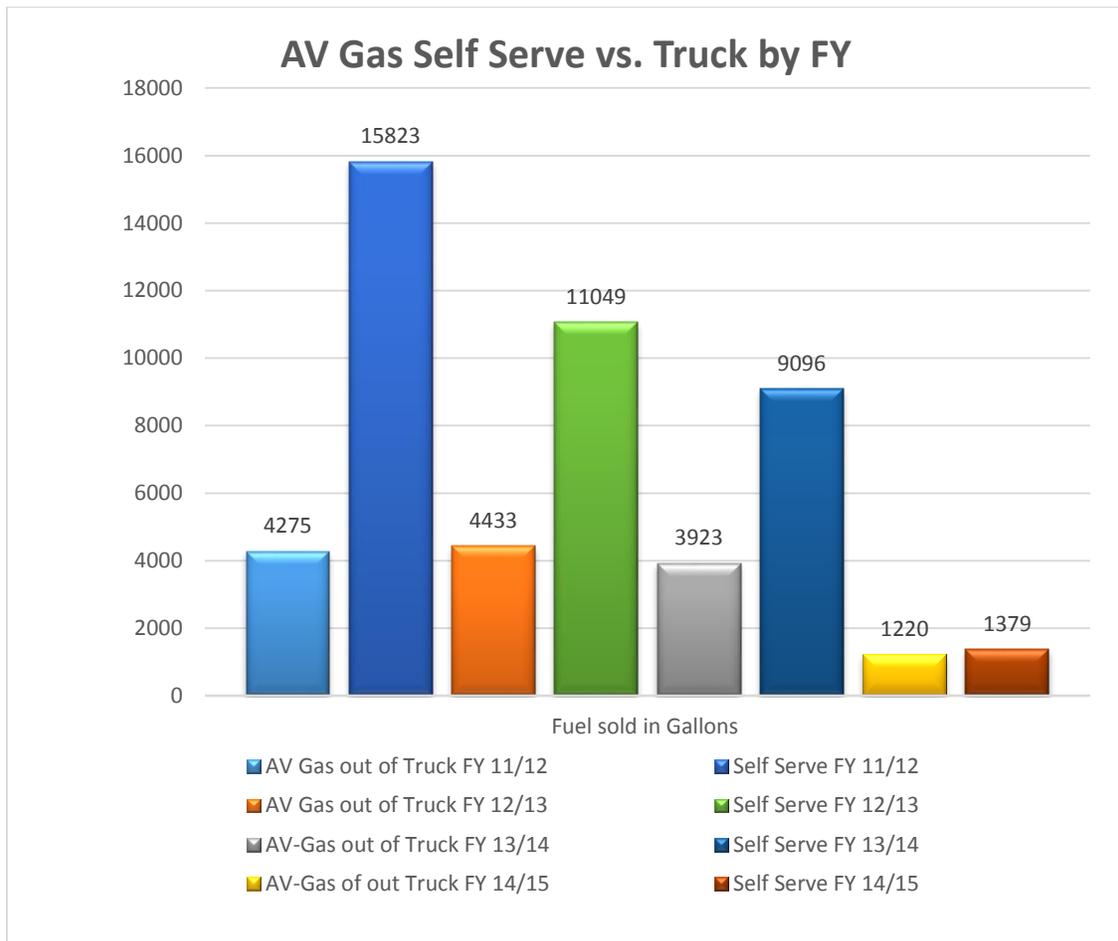
I have placed a small order for some aircraft products to sell at the FBO. Wash Wax All aircraft cleaning products, Corrosion X, LPS, aircraft fuel testing cups, ordered sectionals, log books, current flight guide, new Oregon Airport directory, and a few other items. If there are other products that might be good to have in stock, I would appreciate your input.

I will also be restocking our ONP apparel in the next week. I am open to proposals for possible alternate pieces of clothing that may be good to put the ONP logo. Right now we have a hot pink T-shirt with black ONP lettering, a black T-shirt with green ONP lettering, a yellow and blue wind breaker with black ONP stitched on it, a grey zip-up sweater with white ONP stitching, and a blue and tan hat.

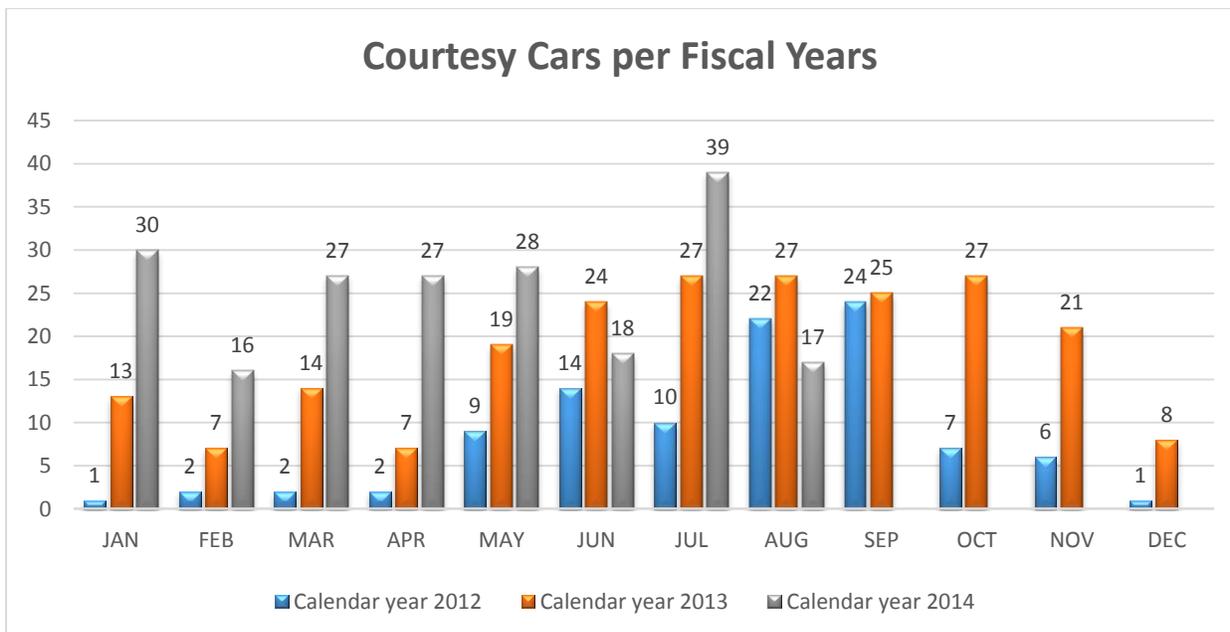
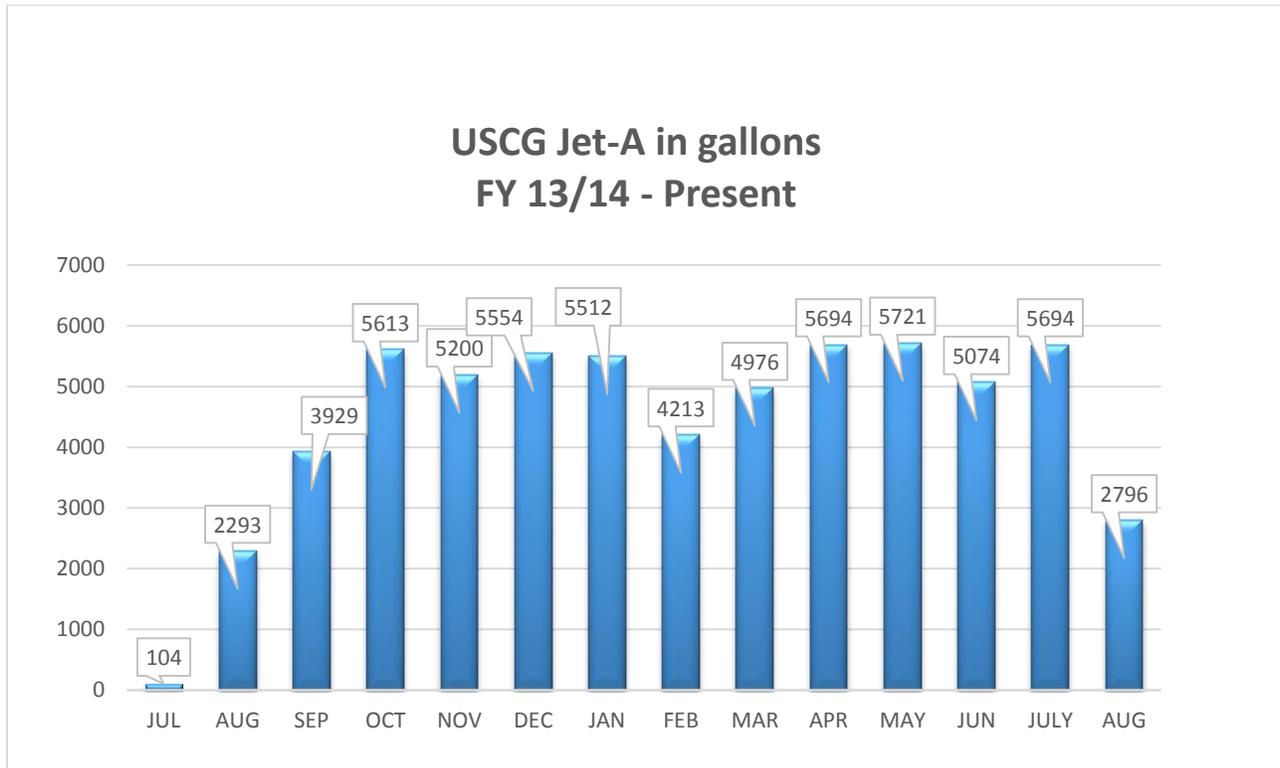
Here are the numbers for the FBO for July and to the 20th of August.

Aircraft Quantity				Fuel Consumption in gallons sold			
Month	Out	IN	Total A.O	Jet A	Av Gas	Self-Serve	Total
July	264	278	542	5532	975	919	7426
Aug	93	106	199	3186	245	460.0	3890.5
Cur. FY	357	384	741	8,718	1,220	1,379	11,317
FY 13/14	3,114	3,175	6289	85,208	3,923	9,096	98,227
FY 12/13	3,083	3,121	6204	31,135	4,430	11,049	46,614
FY 12/11	3,181	3,219	6400	41,183	4,275	15,823	61,281
FY 10/11	3,085	3,023	6108	73,458	4,119	12,004	89,581
Average	2,564	2,584	5,148	47,940	3,593	9,870	61,404

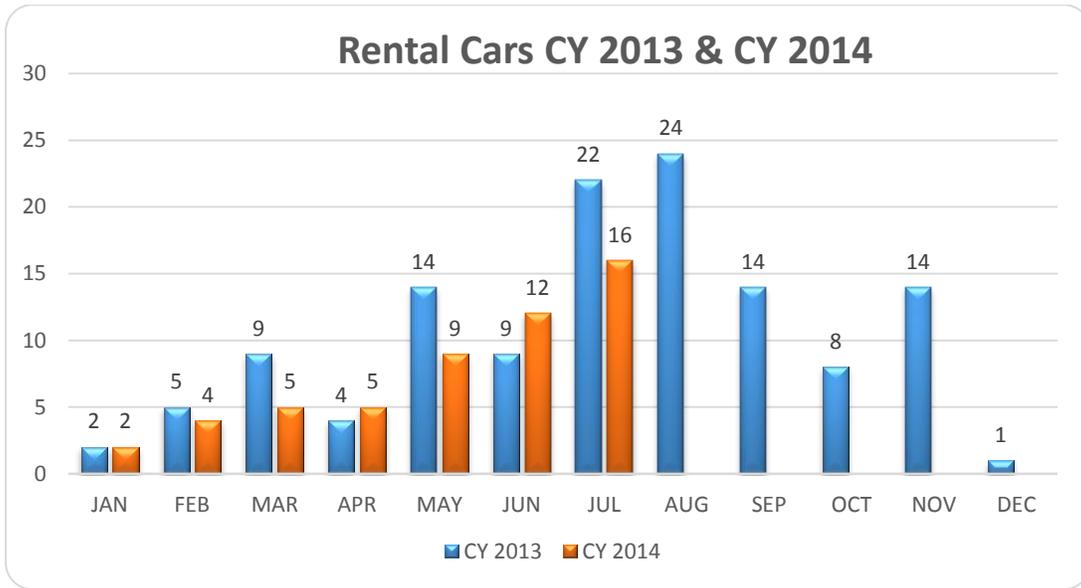
Continued numbers for the FBO for July and to the 20th of August.



Continued numbers for the FBO for July and to the 20th of August.



Continued numbers for the FBO for July and to the 20th of August.



Thank you for your time,
Lance Vanderbeck
Operations Manager