



The City of Newport Airport Committee will hold a meeting at **2:00 P.M.**, on **Tuesday, September 15, 2015** 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 September 15, 2015
2:00 P.M.

- I. Call to Order
- II. Roll call
- III. Approval of minutes from August 11, 2015 meeting
- IV. Continued: Discussion of RFP for Airport/FBO Operational Services
- V. Air charter service
- VI. Call for Airport Improvement Projects
- VII. Operations report
- VIII. Committee comments.
- IX. Public comments
- X. Develop next agenda
- XI. Adjournment

August 11, 2015

2:00 PM

Newport, Oregon

The City of Newport Airport Committee met on the above date in Conference Room A of Newport City Hall. In attendance were Committee members: Committee chair Jeff Bertuleit, committee members Susan Painter, Mark Watkins, Ralph Grutzmacher, and Gary Baker; Debra Smith has previously submitted her resignation from the committee due to time constraints and therefore was not in attendance, and Ken Brown was absent. Also in attendance were: City Manager Spencer Nebel, City Attorney Steve Rich, City Council liaison Ralph Busby, and Committee staff Bob Fuller (Public Works).

- I. Call to order.
The meeting was called to order at 2:00 PM by Committee chair Jeff Bertuleit.
- II. Roll call.
- III. Approval of July 14, 2015 minutes.
Motion was made and seconded to approve the minutes of the July 14, 2015 meeting. The motion passed on a unanimous voice vote.
- IV. Update-RFP for Operational Services
NOTE: The draft Request for Proposals (RFP) for the airport operations is included in the August 2015 meeting packet. City Council liaison Ralph Busby's comments and suggestions regarding the draft RFP are attached at the end of the draft minutes herein.

Nebel advised the FAA expressed interest in receiving a copy of the RFP. He said he would prefer to get any information they may have regarding omissions early on, even though it is not subject to FAA approval. Watkins noted he did not approve of the FAA getting a copy of the RFP. Bertuleit said the FAA could be cc'd on the RFP. The committee consensus was to send a copy of the RFP to the FAA.

A lengthy discussion ensued regarding questions and suggestions for changes and additions to the document. Suggestions and comments were noted by Nebel for possible revisions.

Following the discussion, Nebel advised he will return with a revised RFP document at the next committee meeting.

- V. Status of airport leases for the box hangars
City Recorder Hawker provided a memo summarizing the status of unsigned hangar leases. It was suggested by Bertuleit that the leases needed to be modified in some areas; City Attorney Rich said that would entail resigning of all leases and that it has taken significant time to get these leases signed. He noted all lease provisions are open to arbitration if a hanger tenant has issues with any provisions therein, and that no changes or modifications would be pursued.
- VI. Report on Airport Master Plan
Nebel advised the committee needs to appoint one member to be part of the citizens' committee. Bertuleit volunteered; a motion was made and seconded to have Bertuleit represent the committee; the motion passed on a unanimous voice vote.
- VII. Report on Regional Airport Review Task Force
Grutzmacher advised the task force meeting was fully attended. He said the challenge for the task force will be to focus on the regional aspect and the economic benefits of the airport.
- VIII. Operations Report
Airport staff was not able to be present to discuss the operations report. The report is included in the meeting packet posted on the City website.
- IX. Committee Comments
Bertuleit noted there is an upcoming air fair at the Albany Municipal Airport in two weeks. Baker commented that the Newport Flying Club is still intact and continuing to provide lessons; Bertuleit commented on the importance of maintaining flying clubs and keeping young people involved. Grutzmacher noted there is an interesting four-part series of articles in Popular Mechanics regarding a writer who is afraid to fly and his recent experience learning to fly and overcoming his fear of flying. Bertuleit also said a canopy is still needed to cover the BBQ area on the deck off the FBO break room area.
- X. Public Comment-None
- XI. Develop next agenda: Continue RFP discussion.

COMMENTS ON DRAFT AIRPORT RFP

Aug. 11, 2015

Well done. I believe it conveys the intent of our discussions and is a viable document.

Specific comments:

Section A, para 2, line 6: “use” should be “used”

Section A, para 2, line 11: “coordinate leases”. Which leases will be with the City and which with the contractor? Consider having the contractor own the month to month leases.

Section A, para 2, line 14: Will the City be responsible for insuring all city owned structures? Hangar keeps insurance on the City owned “T” hangars and the FBO? This could be a show stopper, so think it through carefully.

Section A, para 2, last sentence: End after “proposals”.

Section C, para 1.8: What is the disposition of the accounting data?

Section C, para 1.10: “offer” should be “offered”. Is this a negotiated, non-competitive process? RFP should state so.

Section C, para 1.13: What is “acceptable to the City”?

Section C, para 2: What about certification and maintenance of the AWOS?

Section C, para 2.1: Might include a requirement for a price with and without part 139, as the City is considering dropping it, and this could affect that decision.

Section C, para 2.1.e: There is no equipment for snow removal. Would the contractor be required to furnish same? Not recommended given the once in 10 year need for a few hours.

Section C, para 2.1: No mention of mowing the grass, which though included through implication, should probably be mentioned as it is a major work item for the staff.

Section C, para 2.7: Suggest some discussion on incentives such as: “The City would entertain a proposal that provides for an incentive fee plan that recognizes additional services, revenue growth, and/or cost containment”.

Section C, para 2.11: last line should read “specifically outlined in this proposal”.

Section C, para 2.12: “existing” ... what happens when this equipment dies?

Section C, para 3.1: Should spell out that Avgas self serve be available 24/day and that Jet A be available 8-5 and by prior arrangement at other times.

Section C, 3.2: Should probably spell out the lease/own arrangements with the fueling equipment, and will the leases be novated etc.

Section C: If it’s the City’s intention to set all fees, then the RFP should clearly state same.

Section C, 7.2: last line should read “protecting their and their customer ‘s assets on city property”.

Section C, 7.3: and leases, tie down, other sales, etc.

Section C, 7.4: “,” after fees, in include “other” as well. 2nd line has one too many “part”

Section C, 7.5: “repairs” should read “repair”. (\$5,000 seems high)

Section E: Should probably include format and page limitations.

Section E, para 6: Check the paragraph numbering

Section E, section 6: Request the resume of the proposed on-site manager, and consider naming him/her as key personnel. (This would allow mandatory appearance and prior notification of change-out etc.)

Section E, section 6, line 2.5: “outline” should be “outlined”.

Section E, section 6, line 2.7: Should probably state this fee is in addition to the revenues generated through the operation of the airport.

Section E, part 6, line 2.9: Should also state who is authorized to negotiate on behalf of the submitter.

Section E, part 6 line 2.11: Should read, “All proposal costs are the responsibility of the offeror”.

Section E, part 6 line 2.12: I don’t know Oregon law, but in the federal world proposals are confidential until award and only then, the winning proposal is released with proprietary data redacted such as financial data. Releasing all data after submission eliminates a BAFO and would weaken negotiations. The last line of this section is missing the word “NOT”.

General comments:

Hold a bidders conference

What about the sublease of space, or subcontractors, for specified or additional services by the contractor?

The based pilots currently receive a fuel discount. Should this mandated in the contract?

Add provision for a Best and Final Offer (BAFO) after questions and clarifications.

Are there standard Terms and Conditions (T&C's) the City uses that will be attached to the RFP?

Email from Devinaire re: charter service:

From: Robert Walker <robert@devinaire.com>

Date: Sep 6, 2015 11:59 AM

Subject: Devinaire turboprop charter service

To: Lance Vanderbeck <L.Vanderbeck@NewportOregon.gov>

Cc: David Szymanski <D.Szymanski@NewportOregon.gov>

Hello Lance, our company has a charter flight stopping at ONP this afternoon and I want to use the opportunity to introduce ourselves. Devinaire is a part 135 on demand charter company that has been operating for more than a decade out of Seattle. We now have a base at Hillsboro Airport outside of Portland as well. We operate a King Air B100 as well as a Cessna 340A and soon we'll have a TBM 700B on our certificate too.

We are already flying to the Oregon coast with some frequency and want to work with you when there is demand for this kind of service out of Newport. I've included a brochure showing hourly rates, seating charts, etc. with this email. Also I have included links to recent articles about Devinaire in the Portland Tribune and Portland Business Journal. Please be in touch with any ideas about how we might work to bring more people into and out of Newport by air.

Best regards,
Robert

Portland Tribune article

<http://publications.pmgnews.com/fpubs/portland-tribune-business-090115/#p=6>

Portland Business Journal article

<http://www.bizjournals.com/portland/blog/2015/08/new-turboprop-plane-service-to-operate-out-of.html>

AIR TRAVEL ON DEMAND



Devinaire, a charter plane service based in Hillsboro, is convenient for corporate, medical, government and personal travel on demand.
TRIBUNE PHOTOS: JULES ROGERS

DEVINAIRE OFFERS FLIGHTS IN A TWO- TO THREE-HOUR RADIUS FROM PORTLAND

For travelers tired of spending hours in traffic only to get to the airport in time to pass through security, check luggage and spend hundreds of dollars on hotels and rental cars, a new charter plane service has moved to Portland providing on-demand travel.

Robert Walker, founder of Hillsboro-based airplane maintenance company Direct Avia, acquired Devinaire in March, adding a second plane and pilot to what had been a small charter service based in Seattle since 2003.

"The concept was these would be sister companies," said Walker. "The charter would benefit by having a maintenance facility to support the charter planes, and maintenance would benefit by having that level of aircraft serviced here."

Walker's Direct Avia hangar at the Hillsboro airport now harbors a Cessna 340A with six seats and a 10-seat Beechcraft King Air B100. He leases them for an undisclosed amount on a monthly basis, but the public can charter the planes for between \$900 and \$1,500 per hour.

BY JULES ROGERS

The planes move between Portland and Seattle, where they have another hangar.

Walker intends to add a third plane — a turboprop TBM700 — by the end of the year, pending FAA approval.

Devinaire flies about a three-hour distance, taking private individuals to vacation homes in Lake Tahoe or on trips to Las Vegas, Los Angeles, Salt Lake City or Billings, Montana. Since Devinaire has a Hazardous Waste Approval, they're also utilized by construction companies transporting hazardous materials like oil-based sealant for servicing tractors or chemotherapy radiation treatment, for example.

"My goal in developing this company is to develop more of that business traffic," said Walker. "I think there's a solid need for that among a number of firms: someplace that takes eight hours to drive to by car, or architecture firms going out to look at bidding on a potential project, maybe accounting companies



Robert Walker, founder of Direct Avia and owner of Devinaire, grew up in a small town on Mount Hood before studying philosophy, living in Russia for years, and earning his pilot's license on a whim that sparked his interest in aircraft business.

doing an audit somewhere."

About half the clients book charter for private use — vacations, ski trips or surfing — and half are businesspeople traveling to meetings and conferences or transporting medical or construction equipment.

"What we're doing right now is not widely available," said Walker. "The ability for certain companies to move all around Oregon and Washington and Idaho in the course of a couple hours could benefit their business very significantly."

So far, Walker schedules somewhere between a couple and several flights a week, hoping to ramp up business by developing a clientele

to where both planes are booked every day. Most clients book the charters between one and four weeks ahead of time.

A challenge with this flexibility is the pilots' schedules. Right now, Walker hires two pilots, aiming to hire another when he finds his third aircraft. He also hires three maintenance workers, one brought on specifically to support the new planes.

"We've been having one plane fly a couple times a week," said Walker. "It's realistic to expect revenue to go up several many times over from its current level."

As for choosing the Hillsboro airport as base, there are plenty of upsides to using the less crowded,

Devinaire

- Aircraft available to charter: King Air B100, Cessna 340A
- Where: 2020 NE 25th Ave., Hillsboro
- Phone: 971-999-1759
- Email: devinairecharters@gmail.com
- Web: devinaire.com

west-side runways. Parking in Hillsboro isn't an issue, and its proximity to West side businesses — it's literally across the street from Intel and only a few exits down from Nike in Beaverton — make it ideal to minimize travel time.

"We save people the need to cross the Willamette: to go from the West side to the East where PDX is, we might save them — without exaggeration — an hour and a half of driving time plus additional time to get situated at PDX to get to your flight in time, saving them three to four hours," said Walker. "We could literally fly from Hillsboro to Boise and back in that time; we could do someone's entire itinerary in that time, probably in the same time rush hour would take."

Besides saving driving time, chartering could lower the cost of rental vehicles, dinners and hotel rooms, a cost that multiplies with the number of team members a business sends traveling.

"It doesn't make sense for everybody, but in certain situations for a certain need, it very well makes sense," Walker said.

Check us out on the Facebook page to see all the awesome stuff that happens at ONP! We had a touch on go by the USCG in their C-130 and a Grumman Mallard to name a couple.

<https://www.facebook.com/Newport-Airport-196744863708385/timeline/>

Dana has called it a season! He ended with a great Labor Day weekend! He was a great addition for the airport and we have asked him to come back next season.

Put in an order for new ONP appeal and a lapel pin.

Bids for the engineering RFP to fix the FBO wall should be back this next week.

AWOS has had no issues this month.

We had an electrical issue with the generator power transfer switch; at the electrical building. When the Generator started for its Monday morning cycle the power transfer switch got stuck in neutral. Had to power off and manually reset it. Have had no other problems with it.

Still waiting for slower flying month to fix hose reel at self-serve.

Single point Jet-A nozzle and over wing Jet-A nozzle are back from repair.

AV-truck has no issues to report.

Jet-A truck had no issue to report.

Received a full load of AV-Gas.

New to us Crown Vic will be added to the crew car fleet. It is at Ford waiting to be painted per Police requirements.

No issues with operations truck.

No issues with Kubota.

No issues to report with gate operators. Continue lubing and tightening chains when needed.

New wiring was pulled through the apron light poles. Waiting for lights to be installed on poles and set in place when public works can schedule it in.

Was able to get a water sample for our 1200Z permit with DEQ and sent in for testing.

Wild life hazing still is continually busy with smaller birds. We had a 50lbs cougar on a coyote snare. OSP where called to dispatch and remove the animal.

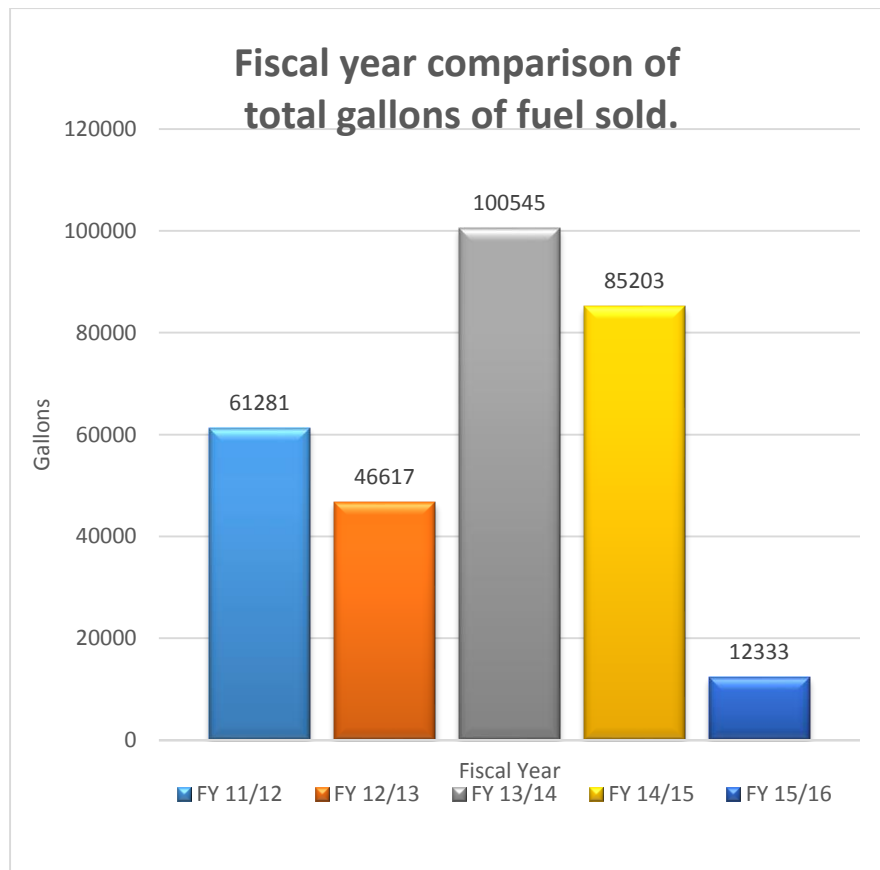
Night inspections found a slipping belt and metal shavings in rotating beacon. Corrected belt, greased bearing, and put back in service. Pulled old rotating beacon out of shed and was able to get working but needs some parts. Parts are on order and I will rebuild both and we will have two working beacons for \$2500.

Rebuilt south wind sock after wind storm blew it over. Looks beautiful at night now the all lights are working and it is not on the ground.

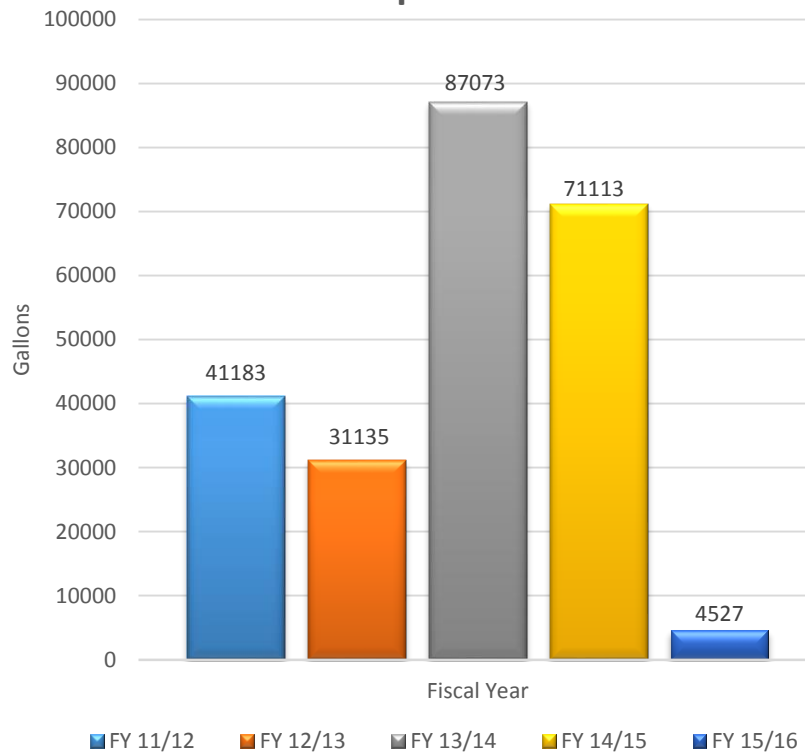
16 PAPI has had no issues to report.

Following is how we finished the month and June and our Fiscal year 2014 -2015 by the numbers.

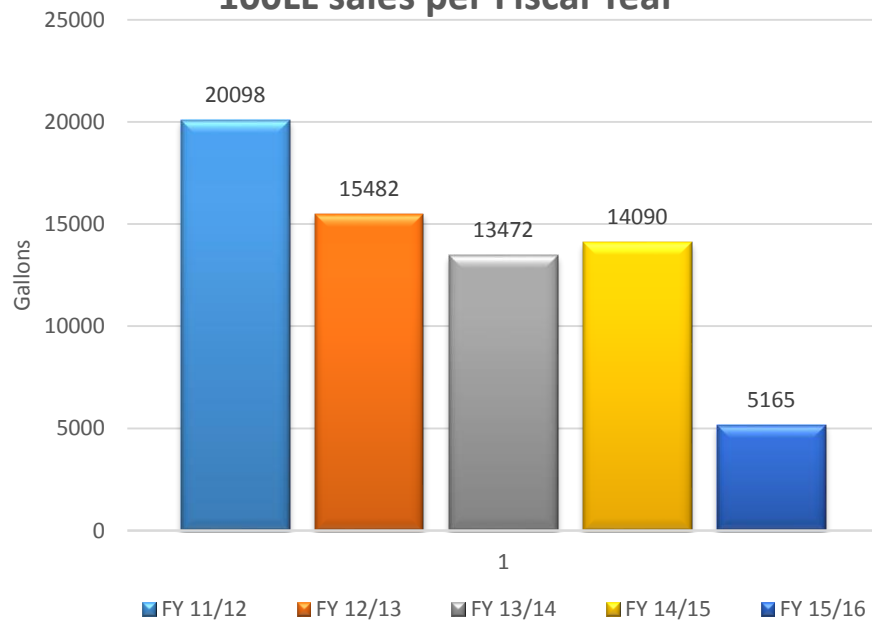
Aircraft Quantity				Fuel Consumption			
Month	IN	OUT	Tot.A.O	Jet A	Av Gas	Self Serve	Total
July	519	512	1031	3186	1411	1041	5638
Aug	490	492	982	3265	890	1065	5220
Sept	152	155	307	717	563	255	1535
Cur. FY	1161	1159	2320	7168	2864	2360	12393
FY 14/15	3675	3560	7235	71113	5985	8103	85201
FY 13/14	3175	2896	6071	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	3243	3161	6404	60792	4581	11271	76644



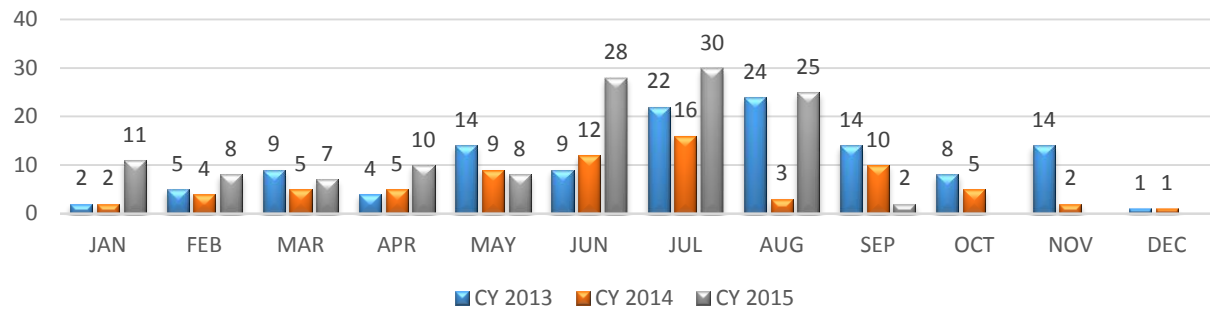
Jet-A sales per Fiscal Year



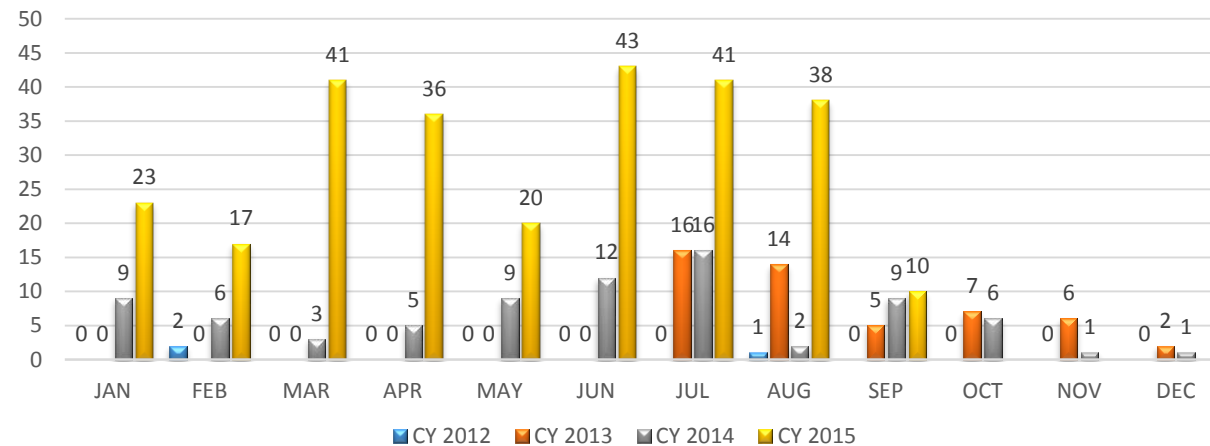
100LL sales per Fiscal Year



Rental Cars CY 13-14



Courtesy Cars per Fiscal Years



Thank you for your time,
Lance Vanderbeck
City Of Newport
Airport Operations 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

\$3.30—\$5.08

Average \$4.16

KONP Newport Municipal Airport Newport, OR

Newport Municipal Airport Phillips 66 FS \$4.28

KCVO Corvallis Municipal Airport Corvallis, OR

Corvallis Aero Service EPIC FS \$4.50

6S2 Florence Municipal Airport Florence, OR

Florence Airport Volunteer Group SS \$4.04

KEUG Mahlon Sweet Field Airport Eugene, OR

Atlantic Aviation

EPIC FS \$5.08

KSLE McNary Field Airport Salem, OR

Salem Aviation Fueling @ Salem Air Center

EPIC FS \$4.51

KTMK Tillamook Airport Tillamook, OR

Tillamook Airport Phillips 66 PS \$3.89

KMMV Mc Minnville Municipal Airport Mc Minnville, OR

Cirrus Aviation

Ascent FS \$3.30

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 \$3.90

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

100LL

\$4.69—\$5.93

Average \$5.11

KONP Newport Municipal Airport Newport, OR

Newport Municipal Airport Phillips 66 SS \$5.16 FS \$5.26

KCVO Corvallis Municipal Airport Corvallis, OR

Corvallis Aero Service EPIC SS \$4.99 FS \$5.50

6S2 Florence Municipal Airport Florence, OR

Florence Airport Volunteer Group SS \$4.87

7S5 Independence State Airport Independence, OR

Nutsch Aviation Phillips 66 SS \$4.75

Independence Aviation LLC SS \$4.99

S12 Albany Municipal Airport Albany, OR

Infinite Air Center, LLC EPIC SS \$4.69

KEUG Mahlon Sweet Field Airport Eugene, OR

Atlantic Aviation EPIC SS \$4.96 FS \$5.93

S30 Lebanon State Airport Lebanon, OR

LebanAir Aviation independent SS \$4.80

KSLE McNary Field Airport Salem, OR

Salem Aviation Fueling @ Salem Air Center

EPIC SS \$4.99 FS \$5.

KTMK Tillamook Airport Tillamook, OR

Tillamook Airport Phillips 66 SS \$4.99

KMMV Mc Minnville Municipal Airport Mc Minnville, OR

Cirrus Aviation

Ascent SS \$5.15 FS \$5.30