



Oregon

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From: Director, Oregon Department of Aviation

To: Legislative Assembly

Subj: SUBMISSION OF LEGISLATIVE REPORT ON HOUSE BILL 2075 (2015)

The Oregon Department of Aviation is pleased to provide the report on the House Bill 2075 implementation, as required by ORS 319.020(8)(b)(B).

For questions, please contact Mitch Swecker via email at mitch.t.swecker@aviation.state.or.us or via phone at (503) 378-2340, or you can reach Heather Peck via email at heather.peck@aviation.state.or.us or via phone at (503) 378-3168.

Mitch Swecker
Director



February 7, 2017

Executive Summary on HB 2075

The Oregon Department of Aviation (ODA) is pleased to submit this report under ORS 319.020 with details regarding applications for distributions of fuel tax revenues. A copy of this report may be obtained by contacting the Oregon Department of Aviation, and can also be found on the Department's website at: http://www.oregon.gov/aviation/Pages/Aviation_System_Action_Program.aspx.

BILL OVERVIEW

House Bill 2075 was introduced and passed in the 2015 Legislative Session. The measure amends ORS 319.020 by increasing aircraft fuel from nine cents to eleven cents per gallon and increasing jet fuel from one cent to three cents per gallon. The measure mandates ODA to distribute the revenue from the fuels tax increase for specific purposes. Per the legislation, five percent of the revenues will be appropriated to ODA for the costs to administer the program. In summary, the remaining ninety-five percent of the revenues shall be distributed as follows:

- (a) Fifty-percent shall be distributed to assist airports in Oregon with match requirements for Federal Aviation Administration Airport Improvement Program grants, emergency preparedness and infrastructure projects in accordance with the Oregon Resilience Plan, services critical and essential to aviation, aviation-related business development, and airport development for local economic benefit;
- (b) Twenty-five percent shall be distributed for the purposes of assisting commercial air service to rural Oregon, and;
- (c) Twenty-five percent shall be distributed towards state-owned airports for the purposes of safety improvements and infrastructure projects at public use airports.

The State Aviation Board shall establish a review committee composed of one member from each of the Area Commissions on Transportation (ACTs) who will review and recommend applications to the State Aviation Board. The State Aviation Board shall select applications following specific priorities per OAR 738-125-0035(3).

House Bill 2075 became effective January 1, 2016 and has a sunset date of January 1, 2022. The programs resulting from House Bill 2075 are solely funded through fuels tax and are not funded through bonds; therefore the Department must accumulate sufficient monies prior to the disbursement of grant funding.

AGENCY REPORTS

The following sections summarize the Department's progress the Aviation System Action Program Fund (ASAP) and the first cycle of the Critical Oregon Airports Relief Grant Program (COAR).

For more information about the Aviation System Action Program Fund, please visit link above.

COAR Grant Program: COAR is funded by the revenues described in section (a) of the Bill Overview section of this report. The timeframe to apply for grants through the COAR Program was from September 14th, 2016 through October 14, 2016.

http://www.oregon.gov/aviation/Pages/COAR_Critical_Oregon_Airport_Relief_Program.aspx

Applications submitted underwent a series of reviews completed by different committees as follows:

- **October 17 – October 21, 2016:** ODA reviewed the application packages for completeness and require appropriate changes from the applicant as needed. Staff reviewed 67 submitted applications. 55 were deemed acceptable and 12 were returned as not acceptable.
- **October 24 – December 23, 2016:** The 12 ACTs reviewed and graded applications for proposed projects within their corresponding ACT region. The ACTs used the Statutory Review Form

furnished by ODA to complete their reviews. ODA staff participated in all but 2 of the ACT meetings as a means to aid the ACTs in their process and provide program details as appropriate.

- **January – February 2017:** ODA compiled a list of all graded projects from each ACT and presented the collective list and appropriate review items to the Aviation Review Committee (ARC), which is composed of one member from each of the ACTs. On February 2, 2017, the ARC met and compiled a list of projects to recommend to the State Aviation Board, in accordance with OAR 738-125-0035.
- **March 7, 2017:** The State Aviation Board will review the ARC's prioritized list of projects and make a final selection of grant recipients. Intent to Award Letters will follow the Board's selection.

As of February 2017, ODA has over \$1.7 million in available funding dedicated to the first COAR grant cycle. In total 55 applications totaling \$4,295,711 in requested assistance were accepted by staff as complete and forwarded for grading by the 12 Area Commission on Transportation (ACT). The requests for funding are further broken down as follows (for further information, please refer to Attachment 1):

Priority 1 (FAA AIP) – 24 applications totaling \$1,120,436

Priority 2 (Oregon Resilience Plan) – 4 applications totaling \$314,000

Priority 3 (Economic Development) - 27 applications totaling \$2,861,275

ROAR Program: The Rural Oregon Aviation Relief Program (ROAR) is funded by the revenues described in section (b) of the Bill Overview section of this report.

The agency has engaged in multiple planning meetings and outreach with diverse stakeholder groups including the aviation industry businesses, chambers of commerce, airport sponsors, and city managers, as well as members of the Legislature. As discussed with the State Aviation Board, the Department is in the process of moving forward with a study related to appropriate service areas for rural air service. The study will focus on rural market areas, potential public-private partnerships, customer base, and including but not limited to non-traditional air service models, and timelines for service delivery. Anticipated outcomes of the study will be to further define "...assisting commercial air service to rural Oregon."

SOAR Program: The State Owned Airport Reserve Program (SOAR) is funded by the revenues described in section (c) of the Bill Overview section of this report.

At the January 19th, 2017 Aviation Board Meeting, the Board approved a \$1,207,000 total budget for multiple projects at state-owned airports. Attachment 2 provides further information about the projects related to the SOAR Program.

Attachment 1
2016 COAR Grant Cycle - Priority I Projects

ARC Recommended					
Ranking	Application Number	Airport Name	Project Name	Priority	Requested Grant Amount
Beginning balance available for Priority I Projects:					\$1,737,029.00
1	C17-3S8-02-FAA	Grants Pass Airport	AIP-11 Match, East Side Parallel Taxiway, Grants Pass Airport	1	\$150,000.00
2	C17-3S4-02-FAA	Illinois Valley Airport	Airfield Lighting and Electrical Improvements and Apron Pavement Reconstruction - Phase 2 Construction	1	\$111,930.00
3	C17-TMK-01-FAA	Tillamook Airport	FAA Match_COAR 2016	1	\$5,693.00
4	C17-ONO-01-FAA	Ontario Municipal Airport	Ontario Municipal Airport Electrical Project AIP 13	1	\$74,712.00
5	C17-4S2-01-FAA	Ken Jernstedt Airfield (Hood River)	South Taxiway & Apron Rehabilitation Construction	1	\$103,500.00
6	C17-SO3-01-FAA	Ashland Municipal Airport	City of Ashland Airport Master Plan/ALP Update	1	\$27,000.00
7	C17-S33-01-FAA	Madras Municipal Airport	Madras Parallel Taxiway Reconstruction - Design	1	\$22,500.00
8	C17-S39-01-FAA	Prineville Airport	FAA Match for Prineville Airport Run-up Apron, Tie-Down Apron, & Airport Beacon Replacement	1	\$124,880.00
9	C17-S39-02-FAA	Prineville Airport	Match 2017 FAA AIP \$300,000 Grant for construction of a public use aircraft parking apron, connector taxiways, fencing, and public helipads	1	\$30,000.00
10	C17-9S9-01-FAA	Lexington Airport	Apron Construction	1	\$60,000.00
11	C17-LGD-01-FAA	La Grande/Union County Airport	Airport Beacon and Beacon Tower Improvements	1	\$20,000.00
12	C17-LGD-02-FAA	La Grande/Union County Airport	RW 16-34 & TW D Rehabilitation Predesign - Environmental (EA) and 30% design in support of the EA	1	\$20,000.00
13	C17-3S8-01R-FAA	Grants Pass Airport	AIP-010 Match W. Hangar Access Taxilane for Grants Pass Airport	1	\$85,500.00

Attachment 1
2016 COAR Grant Cycle - Priority I Projects

14	C17-RBG-02-FAA	Roseburg Regional Airport	Obstruction Removal/Lighting	1	\$27,000.00
15	C17-3S4-01-FAA	Illinois Valley Airport	Airfield Lighting and Electrical Improvements and Apron Pavement Reconstruction - Phase 1 Design	1	\$38,070.00
16	C17-SPB-01R-FAA	Scappoose Industrial Airpark	Future AIP 23 Match - Phase II Taxiway Relocation Design.	1	\$22,500.00
17	C17-HRI-01-FAA	Hermiston Municipal Airport	Master Plan Update 2017	1	\$30,000.00
18	C17-PDT-01-FAA	Eastern Oregon Regional Airport	Runway Hot Spot: Environmental and Design	1	\$27,805.00
19	C17-4S1-01-FAA	Gold Beach Municipal Airport	AIP Match Master Plan Update, Beacon, and AGIS Survey	1	\$42,403.00
20	C17-BOK-01R-FAA	Brookings Airport	BOK AIP Match AGIS	1	\$10,125.00
21	C17-RBG-01-FAA	Roseburg Regional Airport	Roseburg Master Plan/ALP Update	1	\$25,000.00
22	C17-EUG-01-FAA	Mahlon Sweet Field Airport (Eugene)	Alpha Rehab Deisgn	1	\$12,518.00
23	C17-RDM-01-FAA	Redmond Municipal Airport	Master Plan Study	1	\$25,000.00
24	C17-S12-01R-FAA	Albany	Taxiway extension/connectors, Apron Rehab, AGIS	1	\$24,300.00

Total Priority I Projects **\$1,120,436.00**

Remaining available balance for Priority II Projects: **\$616,593.00**

Attachment 1
2016 COAR Grant Cycle - Priority II Projects

ARC Recommended Ranking	Application Number	Airport Name	Project Name	Priority	Requested Grant Amount
			Beginning balance available for Priority II Projects:		\$616,593.00
1	C17-3S8-03-ORP	Grants Pass Airport	Airport Improvement Triple Play - New runway non-precision instrument approach markings; Jet-A fuel storage tank; auto-power transfer switches for the Grants Pass Airport emergency power generator	2	\$150,000.00
2	C17-RBG-03-ORP	Roseburg Regional Airport	Roseburg Runway Justification Study	2	\$54,000.00
3	C17-ONP-01-ORP	Newport	Resiliency Study for Cascadia Subduction Zone event	2	\$45,000.00
4	C17-RDM-02-ORP	Redmond Municipal Airport	Aviation Fuel System - Phase II	2	\$65,000.00
Total Priority II Projects					\$314,000.00
Remaining available grant balance for Priority III projects:					\$302,593.00

Attachment 1
2016 COAR Grant Cycle - Priority III Projects

ARC Recommended Ranking	Application Number	Airport Name	Project Name	Priority	Requested Grant Amount
Beginning balance available for Priority III Projects:					\$302,593.00
1	C17-LGD-03-E	La Grande/Union County	Union County Airport Sewer Rehabilitation	3	\$150,000.00
2	C17-TMK-02-E	Tillamook	Equipment Match/Equipment	3	\$29,893.00
3	C17-S21-01-E	Sun River	Taxiway Reconstruction	3	\$150,000.00
4	C17-7S3-02-E	Twin Oaks	Taxiway rehabilitation	3	\$112,682.00
5	C17-8S4-01-E	Enterprise	Enterprise Municipal Airport Runway Light Replacement	3	\$133,000.00
6	C17-S49-01-E	Miller Memorial Park	Miller Memorial Airpark Parking Area and Taxi Way Phase 1	3	\$142,500.00
7	C17-LMT-01-E	Crater Lake	Airport Wayfinding/Signs Update	3	\$80,000.00
8	C17-LKV-01-E	Lakeview Airport	Emergency generator installation	3	\$150,000.00
9	C17-1S8-01-E	Arlington	Runway 6-24 Paving and Parking Apron - Phase I	3	\$120,650.00
10	C17-TMK-03-E	Tillamook	Preliminary Hangar Development	3	\$54,000.00
11	C17-4S1-02-E	Gold Beach	Fuel Tank Replacement	3	\$150,000.00
12	C17-3S4-04-E	Illinois Valley	Airport Equipment/Maintenance Building Upgrades	3	\$90,000.00
13	C17-6K5-04R-E	Sisters	Infrastructure for Growth - Jet A Fuel Tank	3	\$150,000.00
14	C17-6K5-02R-E	Sisters	Infrastructure for Growth - Water Project	3	\$150,000.00
15	C17-GCD-01-E	Grant County	Helicopter Concrete Parking Pads	3	\$45,000.00
16	C17-6K5-05R-E	Sisters	Infrastructure for Growth - Hangar Space	3	\$150,000.00
17	C17-EUG-02R-E	Eugene	Access Control Upgrades	3	\$150,000.00
18	C17-7S3-01R-E	Twin Oaks	Back up electrical generator	3	\$51,000.00
19	C17-16S-01-E	Myrtle Creek	2016 Hangar and Sweeper Project	3	\$84,015.00
20	C17-6K5-01R-E	Sisters	Infrastructure for Growth - Electrical & Sewer	3	\$150,000.00
21	C17-AST-01-E	Astoria	Airport Maintenance Equipment	3	\$28,875.00
22	C17-6K5-03R-E	Sisters	Infrastructure for Growth - GPS Approach & Maintenance Equipment	3	\$150,000.00
23	C17-5S5-01R-E	Lake Billy Chinook	Runway chip seal Runway 16/34	3	\$35,910.00
24	C17-4S7-01-E	Malin	Malin Airport secure fencing and chip seal project	3	\$142,500.00
25	C17-RDM-03-E	Redmond	Airport Airfield Combination Sweeper/Blower	3	\$150,000.00
26	C17-2S2-01-E	Beaver Marsh	Safety widening and lengthening	3	\$23,750.00
27	C17-UAO-01-E	Aurora	UGB Analysis	3	\$37,500.00
Total Priority III Projects:					\$2,861,275.00

Attachment 2

SOAR Project List				
Project Name	Airport	Contractor	Expenditures	Project Budget
Seasonal & Temporary Workers	For use at multiple state-owned airports	N/A		\$134,830.00
Contingency Fund for Small Projects	For use at multiple state-owned airports	N/A	\$5,622.00	\$50,000.00
Tractor Flail Mower Replacement	For use at multiple state-owned airports	Pape` Machinery	\$17,600.00	\$82,600.00
Lights & Radios for Operations Vehicles	For use at multiple state-owned airports	Auto Additions	\$1,892.00	\$12,000.00
Ramp Light Repairs	Aurora State Airport	Team Electric	\$13,495.00	\$13,000.00
Master Plan Update	Aurora State Airport	N/A		\$70,000.00
Obstruction/Gorse Removal	Bandon State Airport	Precision Approach Engineers, Inc.		\$20,000.00
Gate and Fencing Project	Cape Blanco State Airport	N/A		\$13,000.00
Restroom Removal	Cascade Locks State Airport	Precision Approach Engineers, Inc.		\$5,000.00
Sacrificial Anodes & Complete Tank Inspection	Cottage Grove State Airport	Petroleum Compliance Services	\$962.50	\$25,000.00
Minor Repairs to Runway (in order to open the airport)	Crescent Lake State Airport	Precision Approach Engineers, Inc.	\$5,873.99	\$7,000.00
Reconstruct Runway	Crescent Lake State Airport	Precision Approach Engineers, Inc.		\$810,000.00
Obstruction Removal	Crescent Lake State Airport	Precision Approach Engineers, Inc.		\$45,000.00
Install 2 Automatic Gates	Independence State Airport	JIMCO Fence		\$37,000.00
Drainage Improvements	Independence State Airport	Precision Approach Engineers, Inc.	\$14,909.59	\$40,000.00
Obstruction Removal/Easements	Nehalem Bay State Airport	Precision Approach Engineers, Inc.		\$40,000.00
Obstruction Removal	Prospect State Airport	Precision Approach Engineers, Inc.		\$60,000.00
Sweep & Repair Access Road/Taxilane	Wasco State Airport	N/A		\$35,000.00
			Total	\$60,355.08
				\$1,499,430.00