

MINUTES
AIRPORT ADVISORY COMMISSION
Wednesday, July 16, 2008
Fire Station 6, EMS Division, 2742 25th Street SE
6:00 PM

Members Present	Members Absent	Guests
Tim Hay	James Nafziger	Gilbert Purdy
Jim Harr	Mark Renaud	Dennis Thompson
Kindra Jordan		Dan Reid
Mary Ann Lebold		Ron Peters
LTC Todd Farmer	Staff Present	Jim Hall
	Alan Alexander	Jim Wall
	Kathy Sime	James Wallace
		Janice Munsey

1. CALL TO ORDER

Chair Tim Hay called the meeting to order at 6:00 P.M.

2. Roll Call

Tim Hay - Here
 Mark Renaud - Absent
 LTC Todd Farmer – Here
 Kindra Jordan - Here
 Mary Ann Lebold - Here
 Jim Harr – Here
 James Nafziger – Absent

3. APPROVAL OF MINUTES

Mary Ann Lebold **made a Motion** to approve the June 18, 2008 Minutes with the noted correction. Kindra Jordan seconded the Motion and the **Motion passed with a unanimous vote.**

4. APPEARANCE OF INTERESTED CITIZENS

Dan Reid appeared before the commission. Mr. Reid stated that there is an area near the airport known as the Fairview area and an area south of the airport that are both zoned residential. He is concerned that if there are homes built in this area that there will be pressure on the airport to make some changes. He stated that there have already been issues with noise concerns.

Mr. Reid read some information from an AOPA website. That information is attached to these minutes.

Mr. Reid stated that if Fairview is developed there will be noise issues when homes are built and occupied. He would like to see wise land-use planning when that area is developed. He urged the commission to examine the issue and encourage the City to look into this matter. Alan Alexander stated that he recognizes the importance and offered to share information such as noise contours, traffic patterns, etc and only one developer picked up the information. Tim Hay asked if it was appropriate to make a recommendation to Council. Alan Alexander stated that it would be appropriate to go to the Planning Commission before going to Council. Tim Hay will draft a letter for next month's meeting.

Alan stated that there were some aviation easements in the area and there is a zoning overlay around the airport but it is for obstruction clearances which protects against building structures near the approaches.

5. REPORTS

a. Tower Chief Report

Tower chief Cindy Ford was unavailable. Alan Alexander gave the following report: Traffic count for June 2008 was 5,046 a decrease of 4,325 operations under June 2007. Total 12 month total through June 2008 was 80,720. The busy day was 294 operations.

b. Airline Update

Alan Alexander gave the following report: The total number of passenger departures for the month of June 2008 was 1975. The total number of passenger arrivals for the month of June 2008 was 1962 for a total passenger count of 3937.

Alan Alexander stated that the City was notified by Delta that they will discontinue service on October 10, 2008 due to high fuel costs. Alan stated that the market started very strong in June, 2007 and slowed down a little during the winter months, but the load factors lately have been strong.

Alan Alexander stated that City leadership is seeking alternatives and checking every possibility. Alan stated that ridership was loyal to Salem but it was not enough to

overcome the high fuel prices. The cost for operation was high because Salem operated only two flights a day and fuel prices were increasing. Due to the cost of operation, there was not enough revenue in our market. Alan stated that the City will continue to look for other opportunities.

Tim Hay stated that most airports are losing some of their service. Tim stated that even though we lost service, commercial air service was a success. The airport processed 50,000 passengers. Tim stated that SkyWest also provides service for the casino flights.

c. Connect Oregon II Update

Alan Alexander stated that on June 20 the Oregon Transportation Commission voted to fund both projects for the Salem Airport; the Runway Extension and the Terminal Expansion. Alan stated that the decision will be made by City Council whether to accept the grants as presented. Both projects will be paid by lottery funds, FAA funding and a small portion of airport funding. Alan stated that airports commitment is about \$47,500 for both projects.

Kindra Jordan inquired about the timeline to use the funds. Alan stated that the Connect Oregon II funds must be used within two years and FAA funds must be used within 3 years.

Mr. Reid asked about the parking fee. Alan stated that the paid parking could go into effect after Labor Day. Alan stated that the parking issue will probably not be enforced unless we are secure air service. Alan stated that the airport cannot use federal money to improve the parking lot but you can use federal money for the matching funds for other projects. Alan stated that nothing will be formally decided until Council decides whether or not to accept the grants.

Kindra asked if the terminal could be rented out if not used by an airline. Alan stated that we can rent any area that is not built by federal dollars. Alan stated that only 20% is federal dollars. The common areas such as restrooms could utilize federal funds which are improvements that would not be rented.

Alan stated that the construction will go to local contractors and will help sustain construction jobs.

Kindra Jordan made a Motion to write a letter to City Council encouraging them to go forward with the Connect Oregon II grants to fund the runway extension and terminal expansion. Jim Harr seconded the Motion and the Motion passed with a unanimous vote.

d. **Lease Rate Appraisals**

Alan Alexander stated that there are two parcels to be adjusted. An appraiser was chosen by Urban Development. One parcel is the industrial property on the West side of 25th Street. That piece was overdue for an appraisal. Alan asked that they look at the entire parcel because all developments are similar. Alan stated that the appraisal came back recommending a rate of \$.34 per square foot annually. Alan stated that the AAC reviews the information and makes a recommendation to Council and Council will make the final determination.

Alan stated that the other piece is on the East side of 25th Street, behind Val Avionics to include the new hangars on 25th Street. Alan stated that the property is zoned public service for airport and there is a 60-foot wingspan restriction. All parcels include approved street access. Alan stated that the appraisals came in at \$.50 per square foot. Alan provided a summary of the appraisal to the hangar owners for their information.

Jim Harr asked when the last time the industrial property was appraised. Alan stated that all of the leases have different terms. Jim asked if these lease adjustments will be shocking to the tenants. Alan stated that the adjustment would be a significant increase for the hangars on the East side of 25th Street. Alan stated that some of the property on the West side has caps, and even with an appraisal the increase on the West side is not as significant.

Mary Ann Lebold asked about the current lease rate in the East Side. Alan stated that some are \$.22 and some are \$.26 per square foot. Alan stated that the leaseholders were notified in advance.

Jim Wall asked if the appraisals were a matter of public record. Alan responded that portions of the appraisals were available.

Todd Farmer **made a Motion** to approve the appraisals as presented. Kindra Jordan **seconded the Motion**.

The **Motion dealing with the land on the west side was 25th street was unanimous**. The **Motion dealing with the land on the East side of 25th Street was unanimous**, with Jim Harr abstaining from the vote dealing with the land on the East side of 25th street.

e. **Other Reports**

Ron Peters indicated Diamond Days will be August 2 from noon to 5:00. Graham Aviation is organizing the event. There will be static aircraft on display, flights for a fee, museum displays, such as civil air patrol. He encouraged everyone to attend.

Alan Alexander stated that the Xtra Airways September flight is sold out.

Alan Alexander stated that he completed 4 hangar inspections this month. Alan further stated that the airport tries to schedule 10 inspections a month.

Pursuant to a request from last months meeting, Alan contacted Public works about he sign at 25th and Madronna. The sign is on Public works property. Public works stated that will check into it. Alan asked them to modernize the sign and bring it up to date.

Alan stated that SunQuest is still interested in leasing space for a sign, but they are now interested in a different location that he will be checking.

Alan stated that the first meeting of the Fueling Task Force was last week. The next meeting is scheduled for July 22 at 5:30 in City Manager's Conference Room.

Alan stated that two C-130 aircraft would fly in on July 31 and depart on August 1. They will be parked near the tower due to their size.

Dennis stated that Friends of Salem airport met and there is enough money to donate to file for non-profit status with the IRS. No activities are being planned at this time.

Dennis stated that there will need to be a street cleanup before the end of August.

6. ITEMS FOR COMMISSION DISCUSSION

Mary Ann stated that Gaylen Springer is living at the Mennonite home in Albany and she suggested that if anyone had the time, she encouraged them to visit.

James Wallace asked about the new hangar spots. Alan stated that contracts have been awarded for the construction and construction should begin in 30 days.

7. CHAIRS REPORT

Tim Hay stated that Todd Farmer is leaving for Iraq in 3 weeks. He will be missed. Major Mark Ulvin will take his place.

LTC Farmer stated that he has been on the Airport Advisory Commission for 11 years. He stated that his Battalion is going to Balad for one year. They will mobilize on August 6, 2008. LTC Farmer stated that 40 members will deploy now and the entire medivac company will deploy in January along with 12 blackhawks.

8. ADJOURNMENT

Chair Tim Hay **adjourned the meeting** at 7:05 P.M.

Date Approved: _____

Tim Hay, Chair
Airport Advisory Commission

Transcribed by Kathy Sime / Audio Recorded
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