



OREGON DEPARTMENT OF AVIATION

Presentation to the Joint Transportation Committee

on HB 2034

February 2, 2021

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HB 2034 and HB 3055

- HB 3055 is the **omnibus** 'fix-it' bill, including the elimination of the sunset provision on the aviation fuel tax.
- HB 2034 is a **stand-alone** version, with just the aviation piece.
- The aviation fuel tax increase (approved in the 2015 session) will **expire in 11 months** (Jan. 2022).
- 95% of the revenue from that increase goes to a grant program for capital improvements, equipment and certain studies at the public use airports.



We are almost out of time and runway to get this done.

HB 2034 versus HB 3055

- The elimination of the aviation fuel tax sunset is the only portion of the omnibus bill that **requires a 3/5th vote**, so if the JCT would like to separate it from the bill, HB 2034 will do that.
- HB 2034 also has some housekeeping items:
 - Shuts down the ROAR grant program, and moves those funds into the COAR grant program.
 - Allows priorities to be set by AR rather than statute.
 - Allow ODA to enter into longer term commercial leases at the state owned airports (50 vs 30 years).



Rogue Valley/Medford general aviation taxi lane rehab

Why are we closing the ROAR program?

- The fuel tax increase funds three grant programs:
 - COAR (helps fund local matching share on federal AIP grants, resiliency and economic development projects)
 - SOAR (funds repairs at the state owned airports)
 - ROAR (funds air service development efforts at commercial service airports)
- The FAA restricts the use of state aviation fuel tax revenues for air service development efforts. They cannot be used for airline subsidy or minimum revenue guarantees, and limits other uses. We believed a portion of our fuel tax revenues were grandfathered and not subject to the use restriction, but the FAA disagreed, and we must now restrict the program to an extent that makes it unusable.
- “The initial 1931 legislation and subsequent amendments enacted until December 30, 1987 require aviation fuel tax proceeds be used for aeronautical purposes. The State was not providing grants to be used as MRG’s on December 30, 1987. Therefore, initiating a new program for the use of aviation fuel tax proceeds for grants to local airport sponsors or other organizations does not fall within the parameters of your grandfathered authority for the lawful diversion of the proceeds from taxes on the sale of aviation fuels.”
 - August 29, 2019 FAA Office of Airport Compliance

COAR and SOAR Grant programs

- Airport infrastructure is expensive.
- 57 Oregon airports are eligible for federal funding thru a very generous FAA program called the Airport Improvement Program, which will fund up to 90% of a project cost.
- Many of our smaller communities struggle with the 10% local match. The state grant program can provide up to \$150K of the match.
- Revenues from the fuel tax have helped fund **109 projects at 49 airports to date**, and are about to fund another 27 projects at 23 airports later this week.

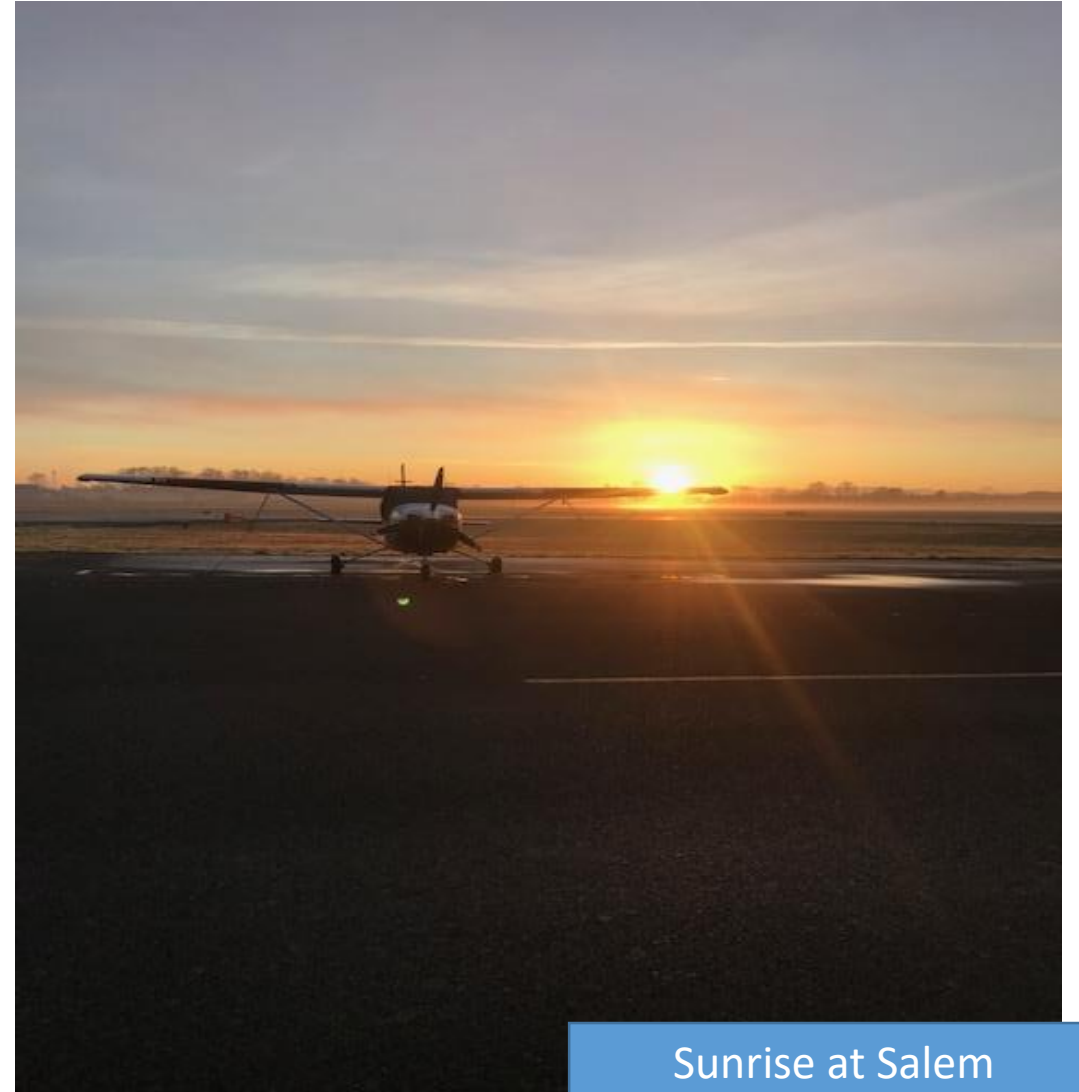


Redmond Runway rehab \$9.8M

How did we spend the money?

109 projects at 49 airports:

- COAR \$5.88M at 35 airports
 - SOAR \$3.3M at 14 airports
 - ROAR \$613K at 3 airports
-
- 2021 grants are about to be awarded
 - 27 grants at 23 airports, for a total \$2.5M, our highest annual award yet.
 - This years applications totaled \$5M, so we expect to be able to fund about half of the total requested.



Sunrise at Salem

Here are some of the projects the fuel tax revenues helped fund

Albany – taxiway & apron



Ashland – Master Plan & ALP

ASHLAND MUNICIPAL AIRPORT
AIRPORT MASTER PLAN

CITY OF ASHLAND, OREGON

JANUARY 2020



Baker City – Apron reconstruction



Bend – Master Plan and ALP



Brookings – Master Plan

BROOKINGS AIRPORT

Airport Master Plan

The City of Brookings, in cooperation with the Federal Aviation Administration (FAA), is in the process of updating the Brookings Airport Master Plan to address the airport's needs for the next 20 years. The updated Airport Master Plan will provide specific guidance in making the necessary improvements to maintain a safe and efficient airport that is economically, environmentally, and socially sustainable.

– Project documents are available by clicking the links below.

For more information:

Century West Engineering

5500 Meadows Road, #250 | Lake Oswego, OR 97035

503.419.2130

or by email at: MDane@centurywest.com

Columbia Gorge /The Dalles – Apron reconstruction



Crater Lake – Klamath Falls Master Plan, air service development and taxiway rehab



Creswell – taxiway repair and Emergency generator



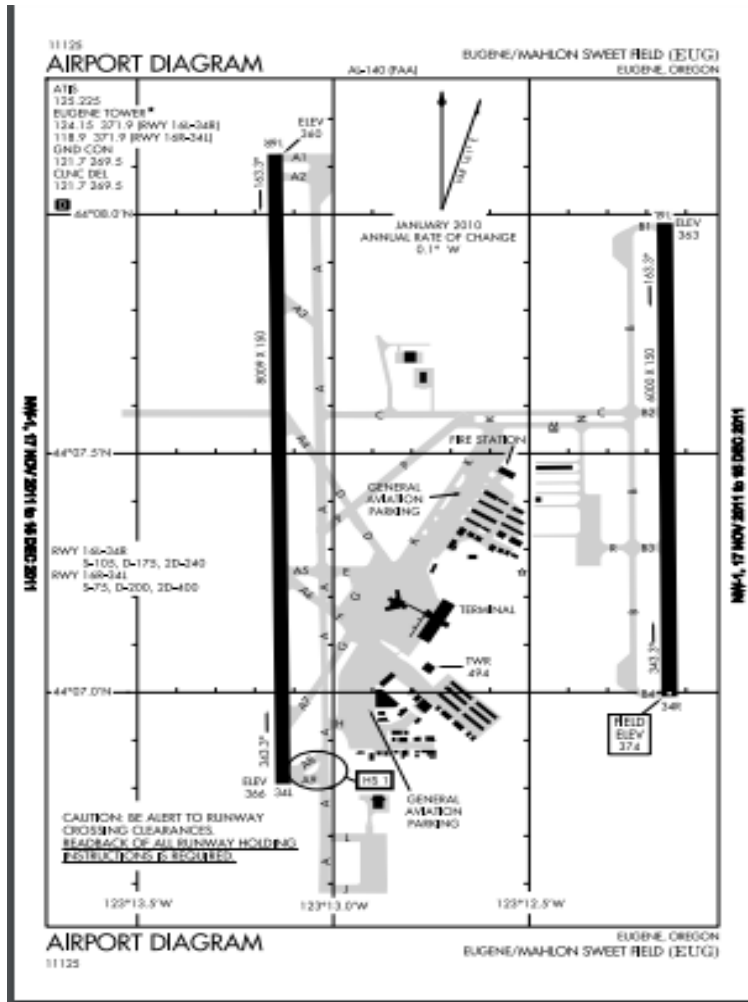
Eastern OR/Pendleton – runway rehab



Enterprise – runway lights



Eugene – taxiway rehab



Florence – rwy/twy rehab and lighting



Gold Beach – Master Plan & Beacon replacement



Grant County (John Day)- Apron reconstruction



Grants Pass – taxiway, master plan, resiliency study, Fuel tank replacement



Hermiston – Master Plan, apron rehab, land, road relocation



Hermiston Municipal Airport – Airport Master Plan

The City of Hermiston is updating the Airport Master Plan for Hermiston Municipal Airport (HRI) in cooperation with the Federal Aviation Administration (FAA) to address the airport's needs for the next twenty years. The Airport Master Plan will provide specific guidance in making the improvements necessary to maintain a safe and efficient airport that is economically, environmentally, and socially sustainable. The purpose of the Airport Master Plan is to define the current, short-term and long-term needs of the Airport through a comprehensive evaluation of facilities, conditions and FAA airport planning and design standards. The study will also address elements of local planning (land use, transportation, environmental, economic development, etc.) that have the potential of affecting the planning, development and operation of the airport.



Illinois Valley – Lighting, rwy rehab



Hood River – taxiway and apron rehab



La Grande – Beacon and Tower, sewer rehab, EA, rwy rehab design



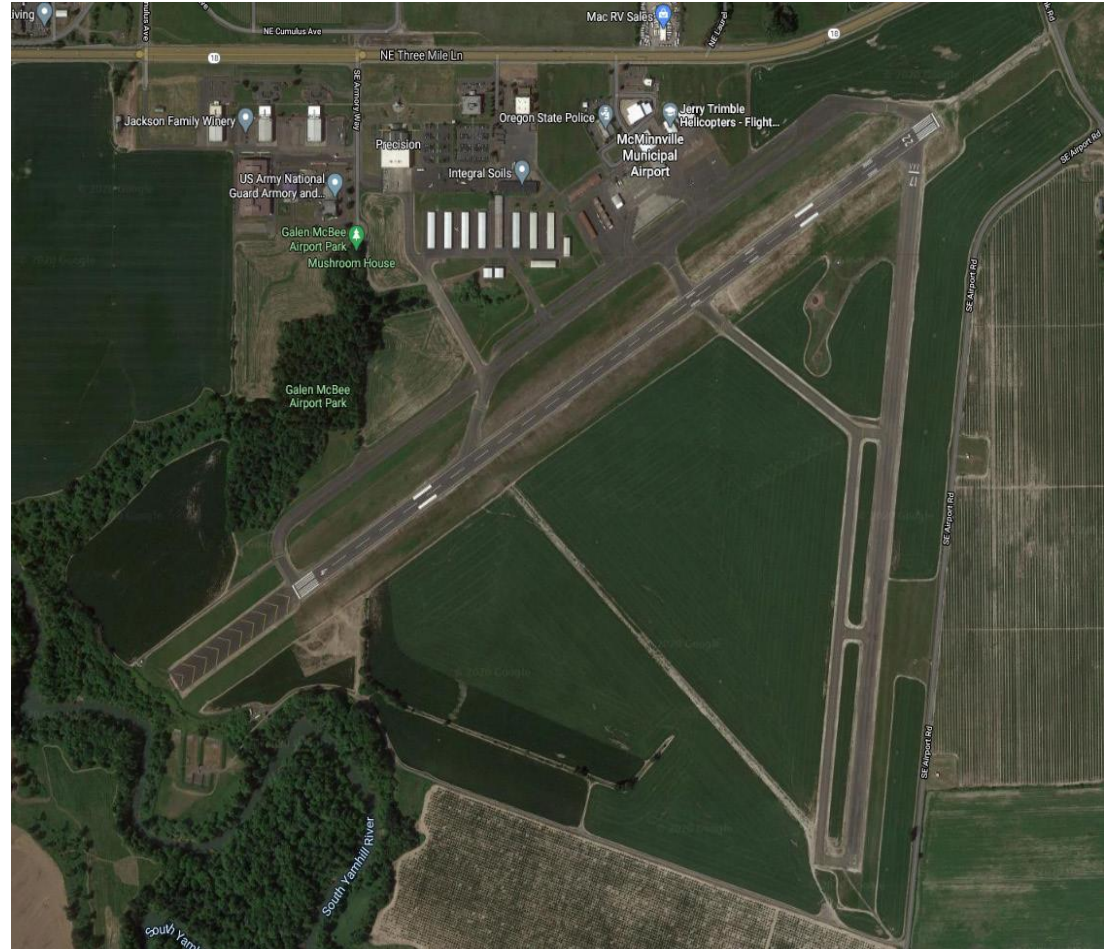
Lexington – Apron construction



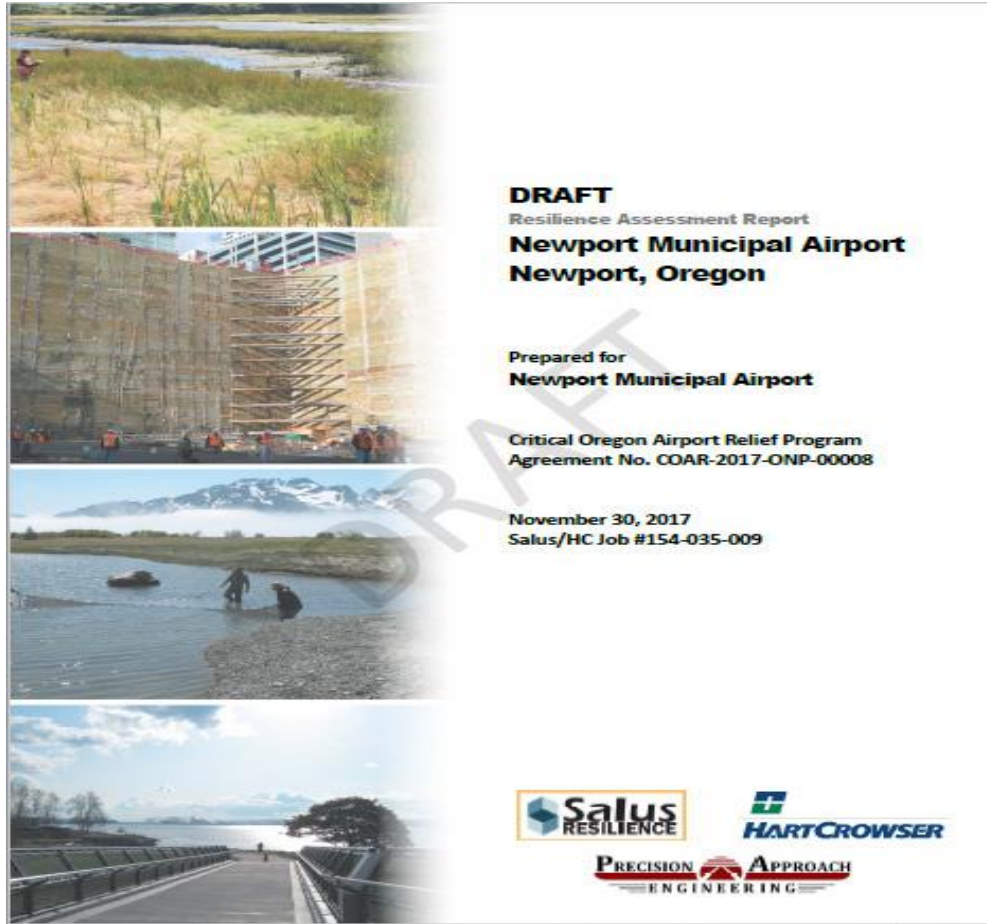
Madras – Master Plan, taxiway rehab



McMinnville – EA for rwy rehab



Newport – Resiliency study, Environmental & Predesign for storm pipe rehab






DRAFT
Resilience Assessment Report
Newport Municipal Airport
Newport, Oregon

Prepared for
Newport Municipal Airport

Critical Oregon Airport Relief Program
Agreement No. COAR-2017-ONP-00008

November 30, 2017
Salus/HC Job #154-035-009

Ontario – electrical, fence, taxilane design



Port of Astoria – twy relocation, ramp rehab



Prineville – Apron and run-up area, environmental for rwy rehab



Redmond – fuel system replacement, rwy rehab, master plan, apron expansion, snow removal equipment building



Rogue Valley/Medford – taxilane rehab, acquire snow removal equipment, loading bridge, master plan, wildlife hazard plan



Roseburg – lighting, obstruction removal, master plan



Salem – runway rehab, apron rehab, air service development



Scappoose – taxiway relocation, resiliency study



SW OR Regional/North Bend – Environmental Assessment, Air Service development, lighting, signage



Sunriver – taxiway relocation



Tillamook – equipment, apron rehab, weather reporting system equipment replacement



Twin Oaks – taxiway rehab



Aurora – ramp lights, obstruction easement survey, constrained ops study

**AURORA STATE AIRPORT
CONSTRAINED OPERATIONS RUNWAY JUSTIFICATION STUDY**



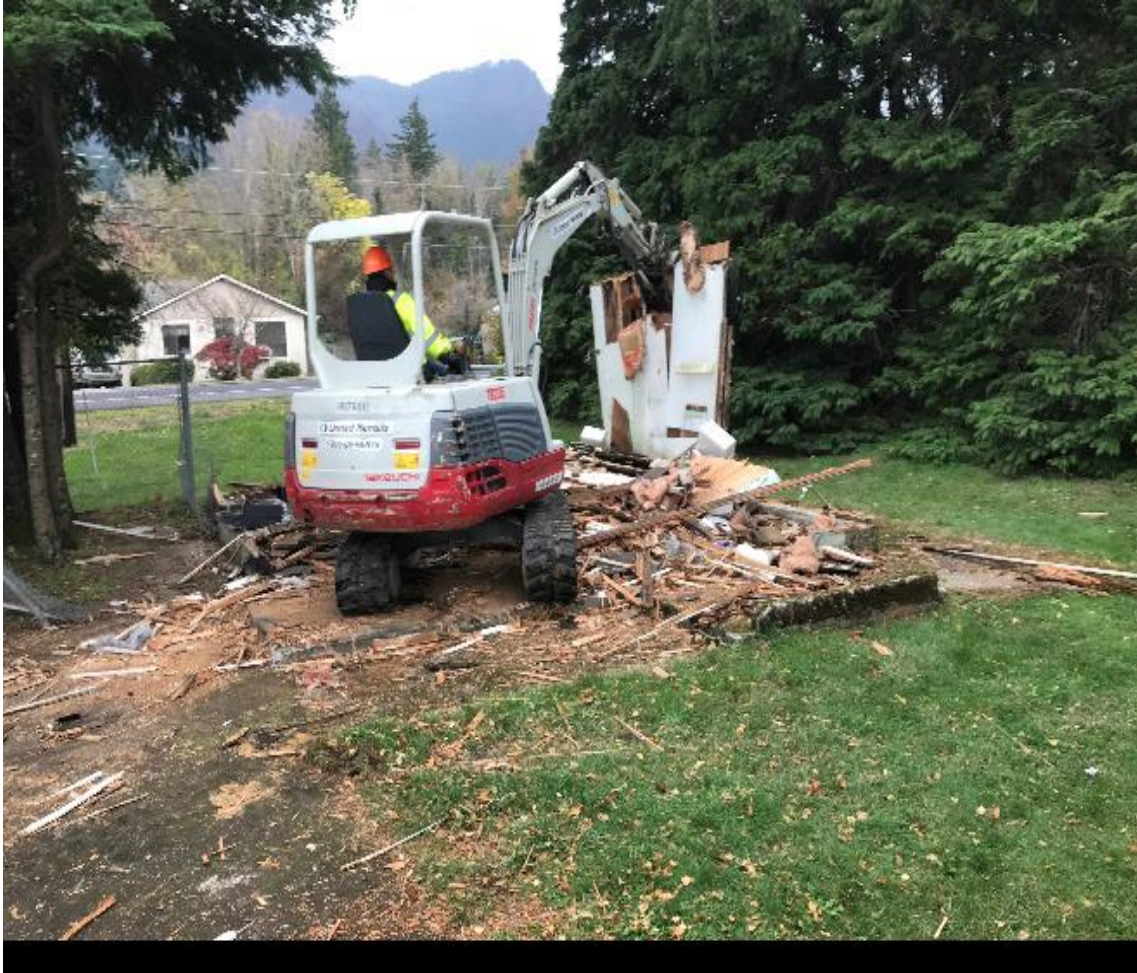
Bandon – Gorse removal, land



Cape Blanco – fencing, ALP, obstruction removal



Cascade Locks – restroom removal



Cottage Grove – fuel storage system replacement



Crescent Lake – rwy reconstruction, obstruction removal



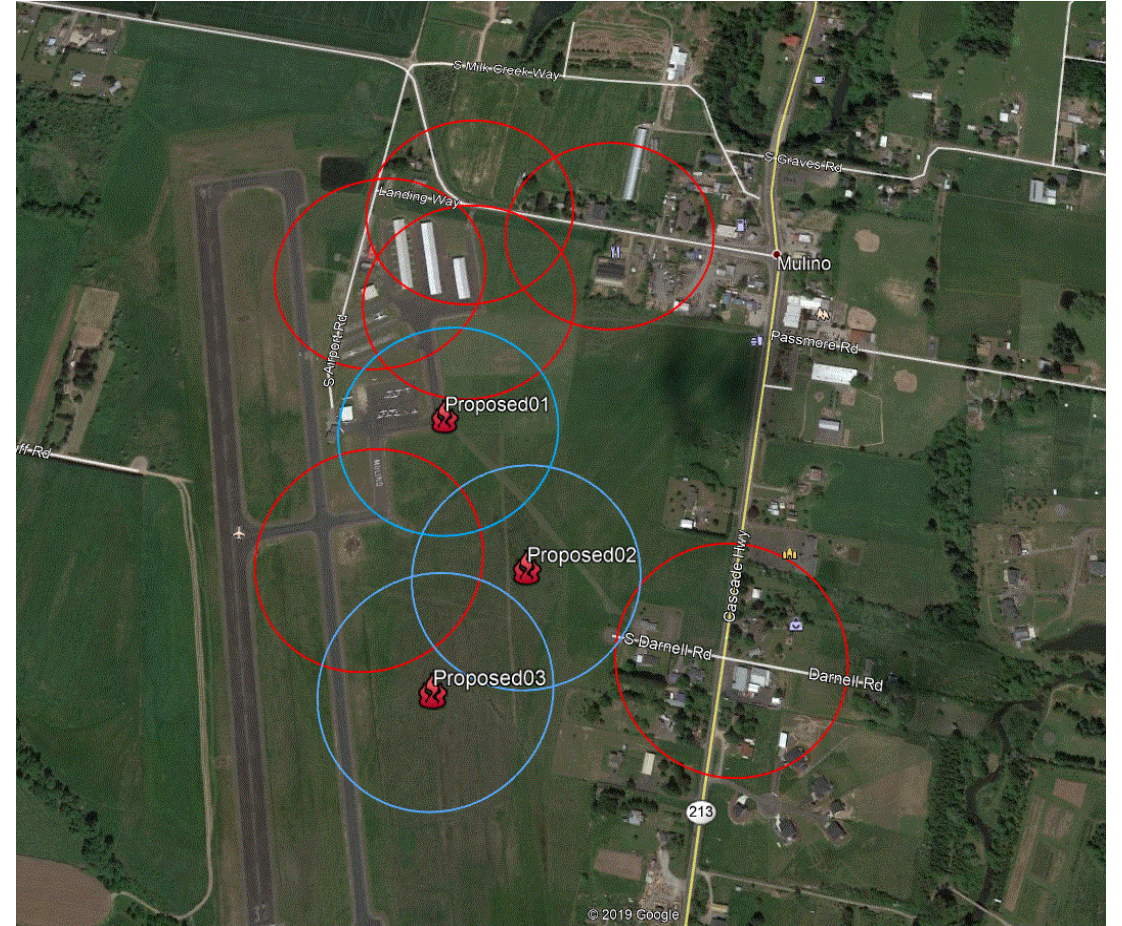
Independence – drainage, automatic gates



Joseph – card reader replacement



Mulino – water/fire suppression, obstruction easement survey



Nehalem Bay – obstruction removal



Pacific City – obstructions, ditch cleanout, flood gate repair, land acquisition



Prospect – obstruction removal



Wasco – taxilane and access road repair



The future without the fuel tax

- No other source of state funding for airport infrastructure preservation.
- If communities can't come up with the local match, federal funds won't come. (Mostly a 90/10 split, so 10 cents on the dollar is a pretty good deal...)
- OR Dept. of Aviation gets no general funds or lottery funds, so not only will the grant program go away, but ODA will have further staff reductions.
- While fuel tax revenues are down significantly during the pandemic, they will eventually recover. Until then, if we are allowed to shut down the ROAR program, the remaining uncommitted funds will be moved into the COAR program, and we will have sufficient funds for one more year of grants in 2022.

We are almost out of time and runway to get this one done...

**Failure to preserve existing infrastructure =
Closed runways, taxiways and aprons**



QUESTIONS?