

City of Creswell
Joint City Council/Airport Commission Work Session
April 15, 2010

The Joint City Council/Airport Commission Work Session was called to order at 6:30 PM by Mayor Bob Hooker.

Council Present:

Jack Gradle
Jean McKittrick
Jane Vincent

Bill McCoy
Bob Millam
David Case

Staff Present:

Mark Shrives
Roberta Tharp
Shelley Humble

City Administrator
City Recorder
Airport Manager

Airport Commission Present:

Larry Lowenkron
Mark Stroble

Alan Pointer
Ed Weeks

Planning Commission Present:

Gary Ludke
Lloyd Safley

Alan Pointer

Council Absent: 0
Airport Commission Absent: 0

Press: 1- Creswell Chronicle - Ed Gunderson

Audience: 7

1. History and Background of Creswell Airport

Airport Manager Shelley Humble gave a short powerpoint presentation on the history of the Creswell Airport (Hobby Field). In June 1962 a group of Creswell businessmen appealed to the State Aeronautics Board for help in acquiring a piece of property near Creswell for an airport. With no funds available for grants from the state, the group formed Creswell Airport Inc. and donated the money to the City for the purchase of the property. Under the agreement, the City would lease the property back to them to operate the Airport. In September, 1963, the State Highway Department approved the sale of 29.6 acres to the City of Creswell for \$8,800.00. On July 14, 1966 Creswell Airport opened for operation under the management of Creswell Airport, Incorporated. The original lease between Creswell Airport Inc. and the City was signed December 10, 1963 with many amendments and lease renewals made until March 2000 when the City assumed management of the Airport.

By 1970 the Airport was running out of space and needed to expand. November 1986 to April 1987 the City purchased land from various property owners for the runway realignment project with FAA (Federal Aviation Administration) AIP (Airport Improvement Project) funds.

The 1990's brought operational challenges for the Creswell Airport. Underground storage tanks were removed and new dual walled fiberglass tanks and associated equipment were installed as per DEQ (Department of Environmental Quality) requirements at a cost of \$170,000.00. There were also FAA Grant Assurance Compliance Challenges regarding the lease agreement between City of Creswell and Creswell Airport, Incorporated.

Ms. Humble provided the Council and Airport Commission with a detailed list of improvements made to the Airport since the City assumed management. In 2003 the Fire Marshall placed a moratorium on building at the Airport until the completion of a fire suppression line. The installation of the line is in its final stage and talks are ready to begin in lifting the moratorium in order for the City to construct additional hangars. Scheduled improvements for 2011 under the Pavement Maintenance Program (PMP) are reconstruction of the asphalt concrete patching, apply slurry seal, fog seal, complete some asphalt patching and repaint the runway markings. The estimated cost for this project is \$193,175.00 of which PMP will pay ninety percent or \$173,857.50, AIP will pay ten percent or \$18,351.62 and the City will be

responsible for five percent of the AIP match or \$965.88. Ms. Humble said if the Connect Oregon grant continues, it would pay the City's five percent match of the project.

2. Presentation of Draft Creswell Airport Market Feasibility Study and Business Plan (Elesco Limited – Leland Smith)

Mr. Shrives introduced Lee Smith a consultant for Elesco Limited who is conducting the Market Feasibility Study and Business Plan for the Airport. The feasibility study and business plan is being funded with a RBEG (Rural Business and Economic Development Grant) from the USDA (United States Department of Agriculture). The grant was a 50/50 match funded by using State Revenue Sharing dollars.

Mr. Smith addressed the council and commissions giving a brief bio of his aviation background. Mr. Smith said his number one objective of this project is to see if there are ways to increase the revenues of the Creswell Airport, make it financially viable so that the airport can be protected for a long time.

Mr. Smith outlined areas of this project he would be looking into:

- Define market area and existing conditions
- Identify and prioritize airport market
- Define market trends
- Conduct Budget Analysis
- Define implementation steps with which to pursue prioritized markets

Over time as improvements are made to the Creswell Airport, its role as a Community General Aviation Airport is inching towards becoming more of a Regional Airport. Currently, one hundred twenty-nine aircraft are based at Hobby Field, of those; forty are registered to owners with a Creswell address the remaining owners are from the Eugene-Springfield area.

Mr. Smith provided data from a 2007 State of Oregon Aviation Department survey showing that Hobby Field is contributing to the local economy. Hobby Field serves as a base for many different services for aircraft such as emergency services, aircraft mechanical services and a skydiving operation with a designated off-airport landing area. The primary service market area lies within a forty mile radius of Hobby Field, which is mainly Lane County.

Trends in the national general aviation fleet show a large decrease in Piston Single Engine Aircraft as the Jet Market has increased. Mr. Smith feels with a 500 foot extension to the runway, Hobby Field would easily be able to accommodate these aircraft. The Airport needs to look towards growth and in his opinion; Mr. Smith said the Light Sport Aircraft (LSA) is going to boom.

Mr. Smith defined the issues he will be working on -

- Character of the Airport – Personal/Recreational vs Business use
- How to protect values of the Airport as it changes
- What services to provide and what are equitable shares of costs
- What mix of hangars and offices on the Airport
- How will the runway extension affect the Airport

Mr. Smith said he will be looking at a progressive approach by maximizing home base capability by building out hangars and tie downs and advertising the space as they become available. This will increase Airport Revenue.

Other ways to increase revenue would be to increase transient activity such as sponsoring events and fly-ins, as well as providing recreational packages such as golf and motel, and expanding the airside facilities by making the heavy capital expenditures after the revenue has built up and the demand justifies it. The most critical thing would be to recruit new service businesses as the demand for them grows.

A discussion ensued regarding GPS and AWAS (Automated Weather Reporting System) bringing in transient pilots, how to increase revenues and will hangars alone bring in enough extra revenue to complete additional capital projects. Mr. Smith said there is no fast answer, this situation needs to work it self out by raising revenues before putting in capital improvements.

Mr. Hooker asked about hangar priority on the list of FAA funding. Ms. Humble said at this point the hangars are still AIP eligible but the FAA has gotten stricter. At the last Airport Managers conference Ms.

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Humble attended, Carol Sumi of the FAA spoke to the fact that one of the questions the FAA will raise is; If the City is going to spend money on hangars, there had better not be anything needed on the air side such as runways or taxiways.

Discussion ensued about the placement of new hangars and developing the water and sewer systems at Hobby Field.

Airport Manager recapped the types of existing business at Hobby Field and Mr. Smith said the biggest demand for business is aircraft maintenance.

Further discussion ensued regarding advertising, hospitality, and ground transportation for transient pilots.

Mr. Smith said he will be working up some scenarios to show what it will mean to the Airport if additional hangars are constructed, get additional airplanes at the airport and ways to attract more transient pilots who fly in and purchase fuel and other services. Once that process is completed then the Airport Commission and City Council will need to look into using those revenues to accomplish other projects.

3. Discuss future work session agendas and meeting dates

A. Previous draft agenda topics prepared by City Administrator

A discussion ensued regarding the number of future meetings to be held and the topics to be covered. Each member of the group gave their input as to discussion topics for future meetings. Topics suggested included GPS Approach, potential revenue generators, budget and what goes into it, role of Airport Commission, and ongoing issues/projects. Mr. Shrives suggested for the next meeting, the group discuss the budget for the airport, grants and where the money from those grants has been used, along with the role of the Airport Commission. A tentative date of May 27, 2010 was set for the next meeting.

B. Topics and timeline proposed by Councilor Case

Included in the packet was an email response to Mr. Shrives request from David Case with his Airport Work Session – Suggested Agenda.

Mayor Bob Hooker adjourned the meeting at 8:25 PM.

4. Adjournment

Robert A. Hooker, Mayor

Roberta J. Tharp, City Recorder