



Oregon Pilots Association

Preserving General Aviation in Oregon



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Airport: The Good

1. Good pavement: Runway & Taxiways
2. Reasonable fuel price; However, single fuel supplier

Airport: The Not-So-Good

1. Poor pavement: Interior roads & taxi lanes
2. Chronic deferred maintenance of hangars and other city-maintained improvements
3. Chronic years-long waiting list for aircraft storage
4. No transient parking; No visitor lobby
5. Inadequate snow removal capability
6. No airport cafe

Airport: The Bad

1. Bend Economic Development leadership is poor and produces faulty work and is not accountable
2. High rents, particularly in light of limited services:
 1. No precision instrument approach
 2. No control tower; Heavy training activity
 3. Difficult to obtain aircraft maintenance services
 4. Difficult to rent quality aircraft; A few flight-training "Beater" aircraft available

June 30th: Appraisal **Faulty** Conclusions & Recommendations Leads to Unreasonable Rent Increase

T-Hangar Rental Comparisons

Airport		2020 Appraisal			2015		
		Pg 41 Hgr Rent- \$/SF	Actual Rent	Difference	Appraisal	5 yr Appraisal Diff	5 yr actual diff
UAO	Aurora	0.475	0.385	1.23	0.295	1.61	1.31
CVO	Corvallis	0.164	0.166	0.99			
EUG	Eugene		0.225				
RDM	Redmond		0.23		0.195		1.18
HIO	Hillsboro	0.39	0.36	1.08	0.435	0.90	0.83
TTD	Troutdale	0.275	0.28	0.98	0.27	1.02	1.04
BDN	Bend	0.36	0.345	1.04	0.25	1.44	1.38
ALW	Walla Walla	0.2	0.182	1.10	0.155	1.29	1.17
S39	Prineville	0.27	0.25	1.08			
DLS	The Dalles		0.325				
SLE	Salem		0.275				
BDN	Bend NEW	0.45	0.356				
S12	Albany		0.26				
S33	Madras		0.2				
4S9	Mulino		0.325				
SPB	Scappoose		0.23				
7S3	Twin Oaks		0.28				
S50	Auburn, WA (Seattle)		0.422				
LVK	Livermore, CA		0.382				
OAK	Oakland, CA		0.28				
STS	Sonoma Co, CA		0.162				
SMX	Santa Maria, CA		0.234				
	Oregon Region Average		0.275				
	Oregon Local Average		0.227				
	Most Sim Av per Aprsl	0.307	0.273	1.124			
	Total Average	0.305	0.280	1.090			

Faulty Work

Tee Hangar Category	A - B	D - H	I - J
August, 2020	\$250.00	\$400.00	\$450.00
August, 2018 (FY19)	\$207.00	\$283.00	\$345.00
September, 2017 (FY18)	\$201.00	\$275.00	\$335.00
August, 2014 (FY15)	\$199.00	\$272.00	\$332.00
August, 2012 (FY13)	\$196.00	\$267.50	\$326.75
March, 2011 (FY11)	\$192.20	\$262.10	\$320.34

High-Level Cost of Operation Review

- Lawsuit-related expenses being charged to airport users

	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Cash Flows from Operating Activities					
Cash received from customers	\$874,003	\$914,573	\$895,972	\$933,877	\$913,158
Cash received from interfund services provided	\$0	\$0	\$0	\$0	\$0
Cash paid to employees for services	(\$294,493)	(\$265,908)	(\$278,231)	(\$243,193)	(\$201,243)
Cash paid to suppliers for goods and services	(\$1,118,927)	(\$652,352)	(\$243,633)	(\$91,554)	(\$167,646)
Cash paid for interfund services used	(\$238,301)	(\$221,214)	(\$257,804)	(\$350,645)	(\$299,165)
Net Cash From Operating Activities	(\$777,718)	(\$224,901)	\$116,304	\$248,485	\$245,104

Next step: Submit public information request to obtain staff time to address questions, obtain more detailed financial information and obtain lawsuits details

Volunteer Needed!

Response From FAA Airports District Office, Seattle

I have determined that your submittal is not consistent with the process for a complaint filed under Federal Aviation Regulation (FAR) Part 13, FAA Investigative and Enforcement Procedures (14 CFR 13) and will not be investigating your submittal as outlined in 14 CFR Part 13, and the FAA Order 5190.6b.

I do want to provide insight into the **FAA position regarding the establishment of fees** as they relate to the leasing issue described in your email. Some important points for consideration:

- The **FAA is not a party to these negotiation** and does not approve leases or become involved in negotiation of leases.
- The FAA will not ordinarily investigate the reasonableness of an airport's hangar fees absent **evidence of a progressive accumulation of surplus aeronautical revenues**. Some airports may have sufficient market power to charge fees that exceed total airport costs. Reasonable reserves and other funds to facilitate financing and to cover contingencies are not considered revenue surpluses.
- **For the purposes of the assurances, reasonable fees does not necessarily mean an affordable, cheap, or inexpensive price.**
- **Having the highest fee of a survey of airports doesn't necessarily support an allegation of an unreasonable fee.** There are many factors that need to be considered when evaluating an Airport's rate setting methodology.
- **Any complaint must substantiate a violation of a grant assurance.** The most likely assurances that are associated with airport fees are:
 - Grant Assurance #22, Economic Non-Discrimination
 - Grant Assurance #24, Fee and Rental Structure
 - Grant Assurance #25 Airport Revenues
- To summarize, the FAA's role is to ensure that Sponsor actions are consistent with the grant assurances. Allegations that do not articulate how an Airport Sponsor has violated an assurance will most likely be dismissed. Although **the claims you cite about airport management are unfortunate**, they do not in itself substantiate a violation of grant assurances.

New **Faulty** Hangar Leases

1. Actually, month-to-month rental agreements
2. 3% annual increase
3. Unreasonable \$2M liability insurance policy

More Faulty Work

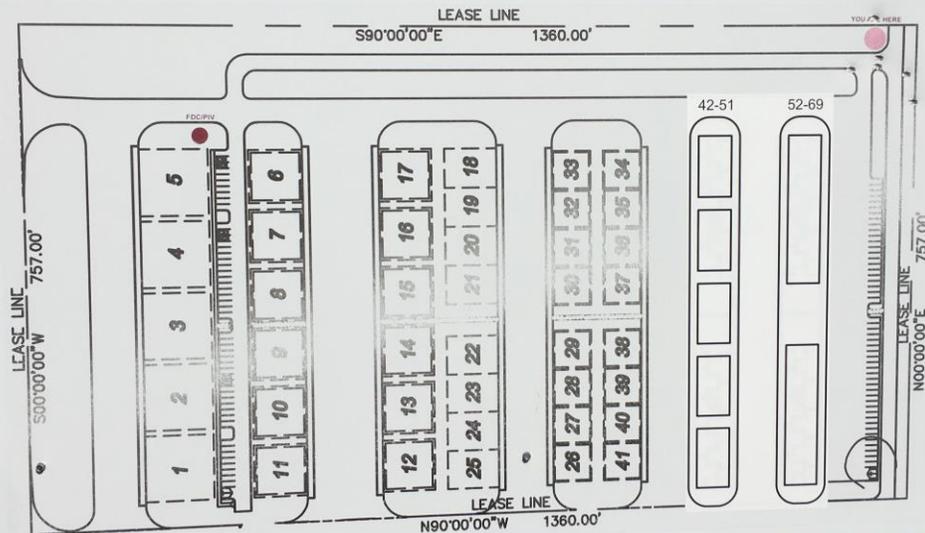
The underlying issue is the potential liability of the city for damage to property in the hangar. For there to be any claim against the city, the property would need to have been damaged due to the negligence or other fault on the part of the city. This potential liability is strictly limited under the Oregon Tort Claims Act.

Under the Oregon Tort Claims Act, the limit of liability of a local public body for property damage is \$126,200 for a single claimant, and a total of \$630,800 for multiple claimants arising from the same event.

The request that airport tenants obtain \$2M in liability insurance for the property in their hangars is not only impossible to obtain, it is absurd.

New Hangars Under Construction on the East Side

63205 GIBSON AIR RD



A Flying Club at the Bend Airport is Forming!

For Details Contact:

Thomas Wright wright.thomas@yahoo.com

Jeff Stolasz jstolasz@yahoo.com

What We Learned

The City of Bend Economic Development Department has not been a good steward of the airport

- An \$8.5 Million Dollar Heliport, developed in 2017, and justified as a safety improvement was never used, and is aging by the day. A valuable asset is wasting away, and airport users are paying to maintain it,
- The city botched a development agreement with Aero Facilities and paid-out nearly \$2M in professional fees and damages. Airport users are now being charged by faulty work done by non-airport city hall staff,
- Economic Development staff took over operational management of the airport in late 2019, and quickly changed the relationship with airport users from collaborative to adversarial.



**Lots and Lot of Expensive
Faulty Work**

No Accountability; No Oversight

**Very Adversarial Relationship
With Airport Users**

What's Next

This probably won't be good for airport users.....

PUBLIC HEARING – AMENDMENT TO DESCHUTES COUNTY CODE

The purpose of the amendment is to 1) Streamline the county review of personal-use hangars; 2) Revise outright permitted uses to include 'customary and usual aviation-related activities'; 3) Adopt Oregon Revised Statue definition of 'customary and usual aviation-related activities'; and 4) Adopt Federal Aviation Administration (FAA) definitions of 'fixed-base operator (FBO)' and 'hangar'.

The Hearing is September 15, at 6:00 PM. To participate in this Zoom meeting, please contact the staff planner, Anthony Raguine at anathony.raguine@deschutes.org or (541) 617-4739 before September 14, 2020 at 5:00 PM.

Next Steps Summary

Airport Budget Analysis

- Obtain answers to questions from high-level review
- Obtain lawsuit settlement details & evaluate
- Obtain detailed historical & current budget data
- Perform in-depth analysis of financials and lawsuit(s)
- Formulate conclusions
- Move lawsuit charges to the city hall budget

Correct the Faulty Appraisal

- Establish strategy to demand revision to correct faulty conclusions and recommendations

Correct the Faulty Leases

- Eliminate 3% annual increase
- Change liability insurance requirement to \$1M

Advocacy & Accountability

- Advocate for airport leadership change
- Promote transparency & accountability
- Active participation in Airport Master Planning project

Establish User Organization

Organization for Action: How to best organize, specialized knowledge requirements, resources required

- We now need a formal organization to represent tenants and other airport stakeholders
- This cause requires a strategy, action plan, persons with specialized knowledge and skills, and other resources

“Bend Airport Users Group”: Proposed Charter

This group perpetually oversees the Bend Municipal Airport and promotes accountability, prudent management, and realistic long-term planning for the benefit of all airport users, including pilots, aircraft owners and airport businesses.

The organization operates as an Oregon-registered legal entity, is governed by a board of directors, and performs the following functions:

- Continuously monitors airport finances, and ensures airport revenues and expenses are for the benefit of airport users,
- Continuously monitors airport operations and holds airport operations staff, city staff and city council accountable,
- Continuously monitors capital improvement projects and holds airport staff accountable for prudent management and investment results, and
- Ensures airport users are completely informed on a timely basis; “No surprises”.

Formation: First Steps

1. Finalize charter
2. Elect a board of directors
3. Establish legal entity
4. Establish & recruit staff for support functions (Membership, website/social media, treasury, etc.)

Volunteers Requested: Bend Airport Users Group Formation

1. David James
2. Kim Muinch
3. _____
4. _____
5. _____