

Roseburg Regional Airport

FINANCIAL AND DEVELOPMENT PLAN

January 2005

PREPARED FOR:

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Appendix A: History of FAA Grants

Appendix B: Roseburg Regional Airport Five Year Capital Improvement Plan

1.0 Summary, Conclusion, and Recommendations

A major purpose of this study is to provide a record of events surrounding the airport's history. Much of the record of the airport is anecdotal and needed to be memorialized. This historic documentation serves as a guide for present and future proceedings. A thorough perusal of Roseburg Regional Airport practices and procedures indicates a current stable and healthy economic condition. The adherence to current standards and practices appears the most viable option for continued fiscal success.

This financial plan, contingent on the sale of Area 1, puts the Roseburg Regional Airport in the position to meet all Federal Aviation Administration (FAA) requirements for project funding. This will also facilitate completion of the 5-year Capital Improvement Plan in a timely manner. The ultimate goal of this plan, after the sale of Area 1, is to reduce the airport's reliance on external funding for operations and improvements. The recommendations outlined in this report will allow the realization of this goal.

Additionally, funding is available for the many needs of the airport facility. Essentially, the City should strive to sustain their positive relationship with the FAA. Likewise, the City should maintain the current level of staffing and use FAA funding for project related needs. These needs include:

- Administrative Management
- Construction Management
- Planning
- Property Acquisition
- Engineering
- Construction

In addition, the City should continue garnering FAA grants since project match incentives (5% City funding, 95% FAA funding) provide ample financial support.

2.0 INTRODUCTION

The City of Roseburg owns and operates a general aviation airport designated as the Roseburg Regional Airport (RRA). The airport is located near the northern edge of the city limits and is included in the Roseburg Urban Renewal Agency's North Roseburg District. The airport is bounded on the east by railroad tracks, the west by Interstate 5, the south by Stewart Parkway, and on the north by Edenbower Boulevard.

The City of Roseburg authorized MAP Engineering to prepare this report, which provides a history of airport operations, an implementation plan for project construction, and a financing plan to carry out the construction projects. Additionally, the report includes a detailed 20-year Federal Aviation grant project history.

To develop the airport history, MAP Engineering and its associates relied on documents previously compiled by the City, as well as City Council and Airport Commission minutes. Further secondary sources included grant agreements and resolutions adopted by the Council. The history provided is a general, rather than comprehensive, history of airport operations and it provides an overview of operations since the inception of the airport in 1928.

The construction projects recommended for the next five years were originally identified in the five-year capital improvement plan adopted by the City on March 10, 2003. Project phasing has been modified to meet the current needs at the airport and the availability of newly acquired land that will allow for the construction of the first federally funded project beginning this spring. Recommended projects consist of three phases. The first phase is coordinated with David Evans and Associates, the City's design engineering consultant for this project. Phases II and III may be modified slightly as airport priorities change, but should be constructed within the next five years. **Figure 2.0**, the aerial photo of the RRA, is a general overview.

Financial and construction phasing are the primary purpose of this report. Recommendations from this report allow the City of Roseburg to meet the timelines and to construct the recommended projects within the next five years.

ROSEBURG REGIONAL AIRPORT

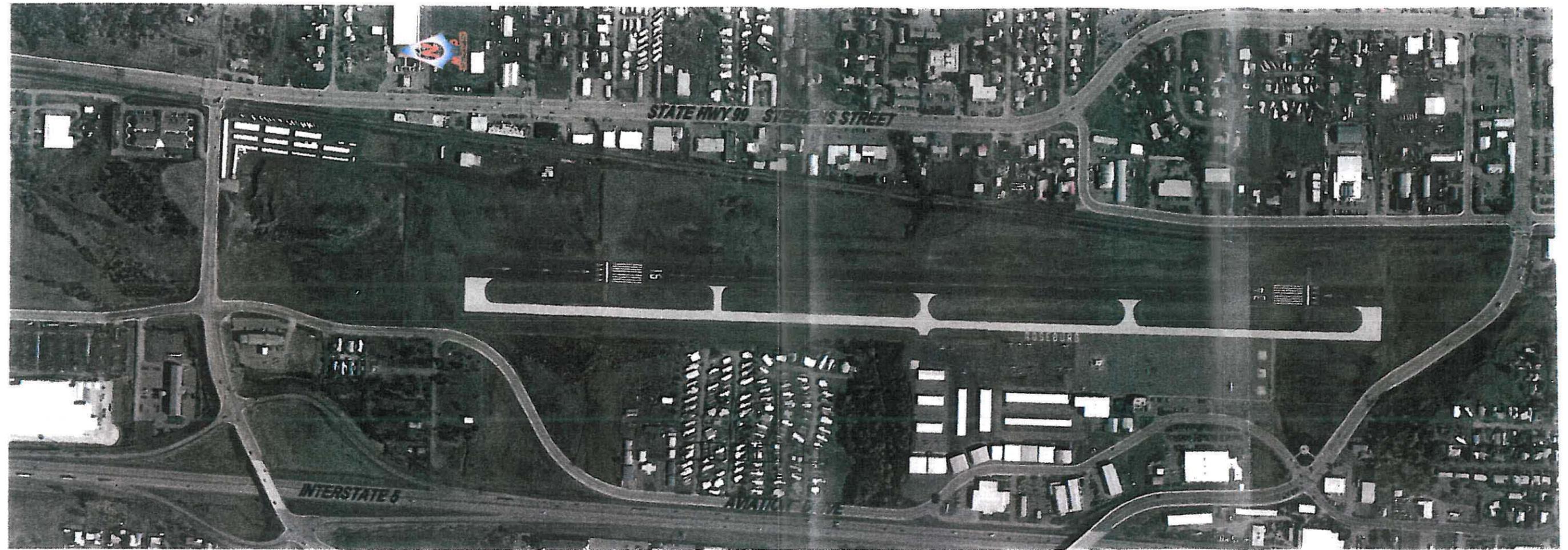


FIGURE 20

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3.0 History of Roseburg Regional Airport Operations

The original land acquisition for the establishment of the "Roseburg Aviation Park" occurred in 1928, with additional property purchased in 1929. This brought the airport and aviation park area to about 100 acres, with additional property made available for industrial development. Funding for the initial purchase was achieved through a successful bond initiative, spearheaded by the Umpqua Post of the American Legion. The bond measure provided \$25,000. Twelve thousand of this sum purchased the properties and thirteen thousand was used for hanger construction, drainage improvements, and the initial runway construction. The initial runway was approximately 3,800 feet in length. A portion of the original property was later sold to the State to construct Interstate 5 and a portion west of the future freeway was sold to an individual for future development. These funds were utilized for airport purposes.

In 1942, the runway was widened and graveled to accommodate landing and takeoff during more inclement weather conditions and to allow for different types of aircraft. The original airport services were located on the east side of the runway. Fixed Based Operator (FBO) services were provided as early as 1945.

The next significant airport purchase and construction occurred in 1950. At that time, the City of Roseburg issued bonds for \$200,000 to supplement a Civil Aeronautics Administration grant of \$246,000. The combined funding was used to purchase an additional 65 acres of property and extended the runway from 3,800 to 4,600 feet in length, paved the runway, and widened the runway to 100 feet. This paved the way for the current airport configuration.

In 1959, FBO services and general activities moved to the west side of the runway. This move provided easier access to facilities and fixed base operator services. In 1960, Roseburg Skyways took over the FBO operations and continued that business for almost 25 years. In 1963, Ordinance Number 1487 was adopted, creating an Airport Commission.

Later in 1963, the City acquired 15 additional acres from US Plywood. This land was located south of existing airport property. Much of this land became the south runway obstruction free area and a small portion, now south of Stewart Parkway, became part of the future airport industrial park. No additional airport property acquisitions (other than obstruction property) occurred until after the creation of the City of Roseburg Urban Renewal Agency in the late 1980s.

Between 1965 and 1985, a number of small grant related projects continued to provide needed improvements to the airport. Projects included the construction of a parallel taxiway in 1968, connecting taxiways, safety fencing, lighting, construction of a holding apron, and apron expansion. These projects totaled about \$600,000 over a twenty-year period and provided space for enhanced FBO services and the addition of privately

constructed airplane hangers. Also added during this period were a number of airplane tie-down spaces.

Other important events occurred during this period. In 1975, the City Council adopted an ordinance reestablishing the Airport Commission. They also accepted a grant from the FAA to prepare a new long-term airport master plan. At that time, concerns were expressed that the current location of the Roseburg Municipal Airport might not be appropriate. The City retained CH2M Hill to provide planning services. The master planning process determined the current location was adequate for community needs and that future service improvements should continue at the current site. This process took about two years to complete.

According to the CH2M Hill 1977 master plan, passenger service was provided in Roseburg from 1951 continuously through 1969. During this time, West Coast Airlines and Hughes Airwest provided scheduled passenger service. Passenger boardings peaked in 1953 at just over 5,100 boardings. While service during this period was continuous, the frequency and reliability varied, thus affecting passenger boardings. Passenger boardings reached a low of 344 in 1965. Shortly thereafter, regular service changed to scheduled air taxi service. Some type of passenger service continued for many years, but never regained the popularity it had in the early 50s.

In 1980, the City of Roseburg entered into an agreement with Douglas County to construct and operate an industrial park adjacent to the airport. Over three hundred thousand dollars in federal grants helped with the construction of the industrial park. Significant infrastructure improvements accommodated future industrial developments, many of which also benefited from access to airport facilities. These improvements provided upgraded sewer and water infrastructure as well as street improvements immediately south and west of the airport property.

In 1984, the existing Fixed Base Operator discontinued a portion of their general services at the airport. In 1985, a new FBO purchased the operations and leases from Roseburg Aviation and started new operations as Western Wings. A maintenance hanger, a terminal facility with offices, and a number of t-hangers were constructed by Western Wings.

Additionally, in 1985, the first of the modern FAA Grants provided funds to update the airport master plan (**Appendix "A"** includes a grant history from 1985 to 2004, including all FAA grants 341-0054 numbers 1 through 14). The City contracted with Century West Engineering to prepare the updated plan. This planning process took almost four years to complete. Portions of the capital improvement plan were implemented before the adoption of the overall plan. Many of the improvements and land acquisitions recommended in the 1985 plan were completed with the aid of 12 additional FAA grants.

In 1988, the operator of Western Wings determined that he would no longer provide FBO services at the Roseburg Municipal Airport. The City purchased the physical assets located at the airport and another private individual purchased the business. Douglas

County provided loan funds for the purchase of the facilities. Four different operators have provided FBO services since 1988 from the primary maintenance facility. Ameristar Air Center, Inc provides current FBO services. FBO services include aircraft maintenance, fueling services, rental and aircraft storage. Additionally, flight training and emergency flight services are available at the airport.

Shortly after the purchase of the airport buildings, questions resurfaced regarding airport investment at its current location and the need for future improvements. In April 1990, W & H Pacific completed a site identification study determining if a viable alternative location was available within a twelve to fifteen mile radius of the City of Roseburg. It was concluded alternate locations did exist. The locations evaluated were primarily agricultural and forestland along ridge tops in Dixonville, Lookingglass, and Melrose. The preliminary cost estimates at that time ranged from about \$28,000,000 to over \$35,000,000. Due to significant costs, land use issues and other obstacles, it was determined that airport relocation was not feasible. The W & H Pacific report was not formally adopted by the airport commission or the City Council. No further action was taken relating to the site identification study.

In January 1992, the City Council adopted an ordinance officially renaming the airport the RRA to recognize the regional significance of the airport and to encourage regional investment. By that time a number of the industrial and commercial properties surrounding the airport were improved and the economic development potential of the airport was being recognized as essential to the community. A number of corporate hangars were constructed near the northwest boundary of the airport property south of Newton Creek and many corporate aircraft were based at the airport. In 1994, an Airport Master Plan Update Grant was received and W & H Pacific completed the master plan in 1996.

In 1996, to meet the needs of the Urban Renewal Agency and the Roseburg Regional Airport, a 16-acre site adjacent to the northwest end of the runway was purchased with Urban Renewal funds. Later that year, an FAA grant in the amount of \$950,000 was secured to purchase 12 acres of the property for airport purposes, the matching funds coming from Urban Renewal. The balance of the property was retained and Aviation Drive was realigned in conjunction with the construction of the North Roseburg interchange. This realignment provided better access to the existing airport infrastructure and also provided access to future improvements.

In August of 1998, the City Council adopted Ordinance #3028, renaming the airfield at the RRA "General Marion Carl Memorial Airfield" after General Marion Carl. A memorial was later constructed at the southwest end of the airport in Major Carl's honor.

In November of 1998, the City received approval from the FAA to subdivide and sell a portion of the property acquired in 1950 with proceeds from the City bond issue and the Civil Aeronautics Administration grant. The approval to sell a portion of the land was contingent on the City exclusively dedicating the proceeds to future improvements.

Shortly thereafter, a portion of the property was sold for use as a medical facility. Currently, the remaining lot is for sale.

To deal with potential environmental issues, the City discontinued the use of existing below ground fuel tanks and constructed an above ground fueling system. In 2002, the new system leased by the FBO, allowed for regular assisted fueling, as well as the installation of a card lock system enabling self-service.

The most recent property purchase occurred in 2002, likewise funded through an FAA grant, with matching funds initially provided through a loan from the Urban Renewal Agency. This purchase provided an additional 15 acres for future development including potential for airport business development. With the exception of some wetland property on the west edge of the airport, this acquisition completed the purchase of available property for direct airport operations. Railroad improvements now border the RRA property on the east and roadway infrastructure improvements border the other three sides. All future property acquisitions will be for obstruction removal, airport protection, or hazard mitigation, not for airport operations.

Additional airport planning began in 2004 in conjunction with State Aeronautics. The State hired Century West Engineering to update planning for a number of airports in Oregon under one contract. This is primarily funded by the State of Oregon.

The City of Roseburg is currently in the process of securing an additional Federal Aviation Administration grant to develop the recently acquired property and complete the additional projects adjacent to the taxiway (these projects were included in the 2003 Capital Improvement Plan). It is anticipated that this grant will be received in March of 2005.

4.0 Improvement Project Plan

The City of Roseburg is currently completing one of the largest purchase and relocation projects in Oregon since the construction of Interstate 5. The initial property purchase was completed in August of 2002 with funding provided by an FAA grant and a loan from the Urban Renewal Agency. A series of additional grants allowed for the relocation of 123 mobile home units. In addition, one of the grants will fund the demolition, cleanup, and restoration of the former mobile home park, allowing significant airport improvements. Once these grants were secured, a five-year capital improvement plan (CIP) was developed. The CIP was adopted in March 2003 and is attached as **Appendix B. Figure 4.0** of the RRA includes the remaining projects from the original CIP and identifies eight property areas discussed later in this report.

The plan outlined 16 separate projects for financing and construction over five years, in addition to park demolition and renovation. Additional construction projects and one additional property purchase are identified in this report. Remaining developable and marketable properties, as well as the retained properties for future airport development are delineated in the financing plan portion.

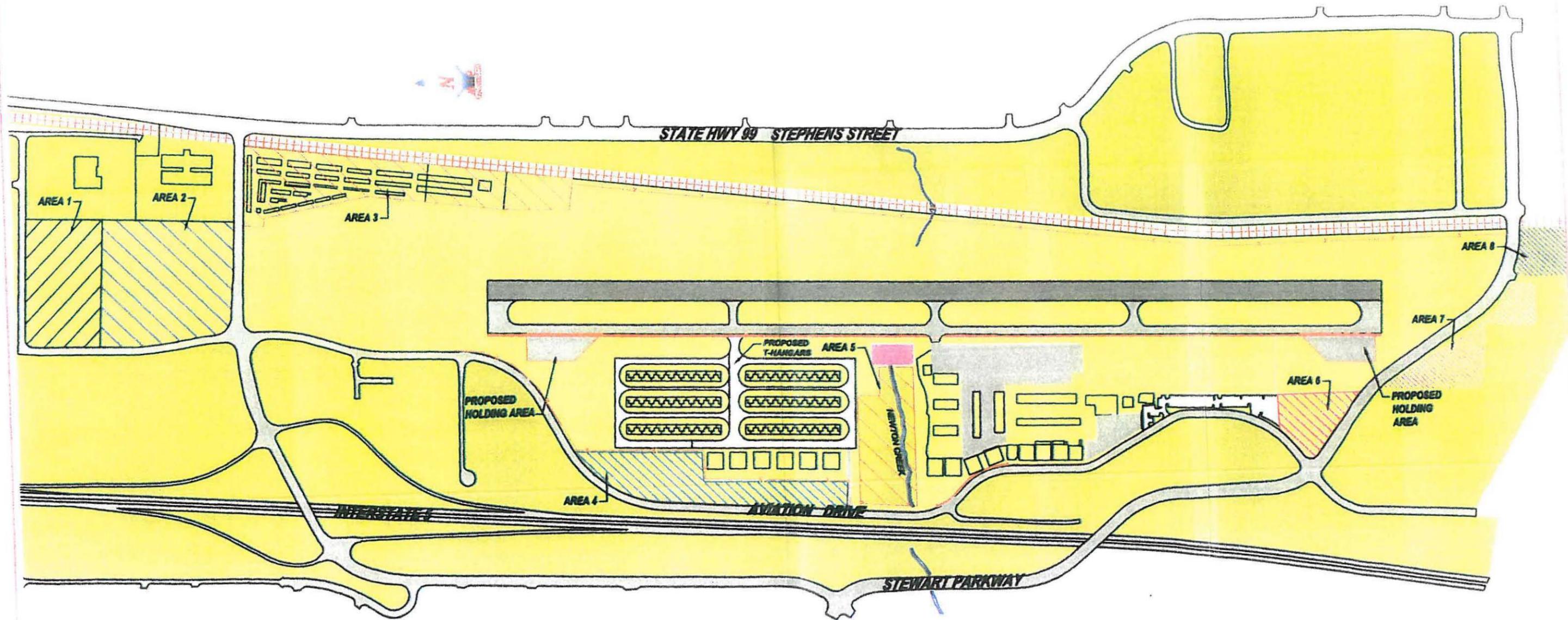
Of the 16 projects, five are "City" projects, thus not eligible for FAA funding. The remaining 11 are FAA eligible. The first three City projects are complete. Project 1 consisted of the demolition and removal of two aging wooden hangers immediately south of the existing maintenance hanger. Project 2 included removing the buried aviation fuel tanks west of the maintenance hanger. These projects, completed in 2004, provide space for future automobile parking and lease space for additional FBO services. Project 8 was identified as improving the entrance to the northeast end of the airport from Edenbower Blvd. This project, completed in 2003, was completed as part of the development requirements of an airport lease tenant.

In addition to the remaining two City projects identified in the CIP, staff determined a need for construction of 12 to 18 t-hangers. This project, initially identified as the highest priority, was added to the five-year plan and requires 100% City funding. The other two projects (CIP Numbers 10 and 16) can be constructed anytime during the five-year period, once all funding has been secured. Estimated cost of the hangers is about \$16,500 per unit, therefore the cost range is between \$200,000 and \$300,000, depending on the final number of hangers constructed. Funding for this project will be available and construction is recommended to proceed after apron area development.

The purchase of Area 5 (outlined in **Figure 4.0**) is another recommended City funded project. While this purchase is not essential for current operations, it would allow the City to control all property within the airport boundary. Furthermore, the recommendation is to utilize storm drainage funds for the original purchase of this property, ensuring no initial financial impact to the airport. This report later includes a thorough delineation of this scenario.

The remaining 11 projects, including the demolition and cleanup of the recently acquired property, are all FAA grant eligible. The projects have been grouped into three distinct phases for grant purposes and for evaluation of available City matching funds.

ROSEBURG REGIONAL AIRPORT



LEGEND

AREA 1		AIRPORT PROPERTY	
AREA 2		PRIVATE PROPERTY	
AREA 3			
AREA 4			
AREA 5			
AREA 6			
AREA 7			
AREA 8			

FIGURE 40

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4.1 PHASE I

The first phase consists of the demolition and cleanup project currently funded through grant agreement number 13 with a combination of six CIP projects identified in 2003. These projects, (see **Figure 4.1**) in some variation, were discussed with the FAA. In July 2004, the City received a potential commitment for full or partial funding of this improvement project in an AIP grant project number 3-41-0054-14. The City Council recently approved a contract for engineering design services for this project. Modifications to the original scope of work were requested during the initial staff consultation. When bids are received, the City of Roseburg and FAA will determine if funding is available for the total scope of work.

In addition to finishing the AIP 3-41-0054-13 grant for the demolition and cleanup, the first phase will include:

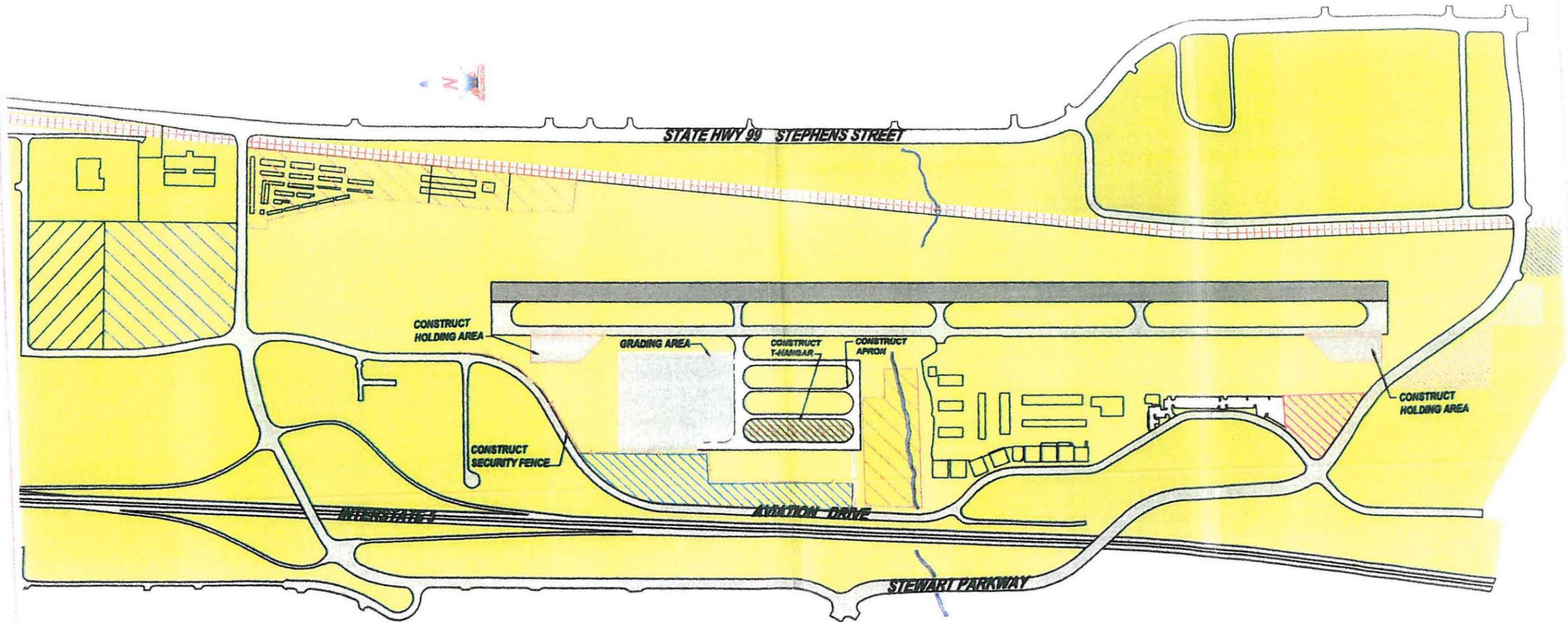
- CIP 6
Initial Parallel Taxiway and Taxilane Separation
- CIP 7
Initial Apron Development
- CIP 11
Aircraft Run-Up Area
- CIP 14
New Apron Site Development
- CIP 15
Remaining Apron Development – Pavement

Please reference **Appendix B** for detailed CIP information.

The initial development also includes removal of the hill immediately north of Runway 16, which will be used as fill for the apron development. The overall project includes grading and drainage necessary to construct the final apron area, as well as the area for future t-hanger construction. Finish grading and pavement construction of taxilanes and other pavement areas associated with the remaining apron area development are also included. This improvement will allow for the construction of additional t-hangers by the City and for land leases for corporate hanger use along the west side of the improvement. An additional access, fencing, and a retaining wall that will maintain future development property are also part of Phase I.

This phase is estimated to cost between \$2,500,000 to \$3,000,000. The AIP 13 Grant requires a 10% local match and the AIP 14 Grant requires a 5% local match. At the higher level of \$3,000,000 the City's portion will be approximately \$200,000. If the financing plan is approved, money will be available in the Airport Fund for immediate construction.

ROSEBURG REGIONAL AIRPORT



PROJECT 1

LEGEND	
AREA 1	
AREA 2	
AREA 3	
AREA 4	
AREA 5	
AREA 6	
AREA 7	
AREA 8	
AIRPORT PROPERTY	
PRIVATE PROPERTY	
HANGER APRON	
NEW T-HANGERS	

4.2 PHASE II

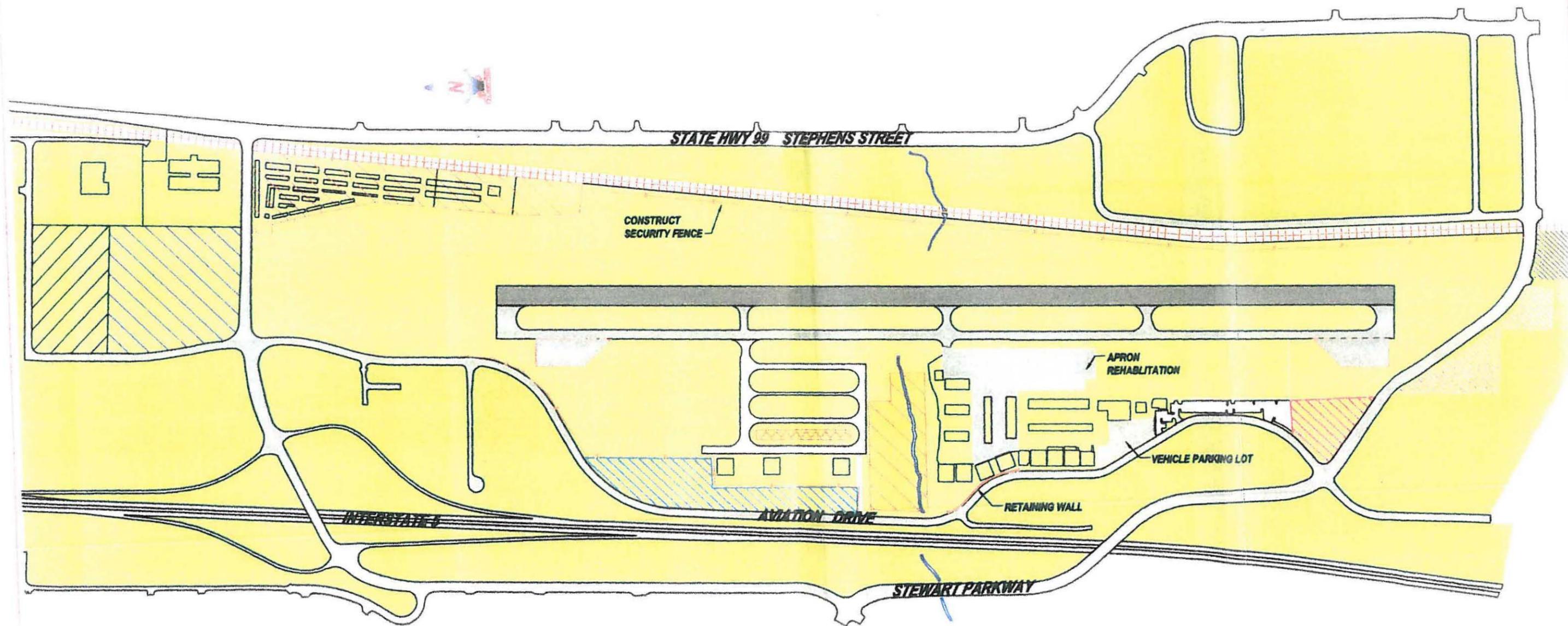
Phase II includes significant apron area rehabilitation and safety fencing along the east side of the airport (see **Figure 4.2**). These tasks are identified as Projects 3, 4, and 9 in the five-year CIP. The apron rehabilitation consists of pavement rehabilitation and reconstruction. Portions of this project can be completed through crack sealing and construction of an asphalt overlay. In more deteriorated areas, the pavement requires removal and reconstruction with new base rock and asphalt before overlay. Associated work consists of drainage structure adjustments, tie-down anchor replacements, and pavement marking. Reconfiguring the aircraft routing and parking positions to improve the flow of aircraft traffic will also be accomplished during this phase of work.

The fencing project includes removal and replacement of substandard safety fencing with a new seven-foot fence. This new fence consists of six feet of chain link fabric and three strands of barbed wire on top. The estimated cost of the apron rehab and fencing replacement project is approximately \$1,250,000. These projects are eligible for 95% grant funding from FAA, leaving a City match of \$62,500. Funds should be available in years two and three to complete these projects. Timing depends on successful completion of the Phase I project in 2005.

Construction of the airport automobile parking lot should be considered during Phase II. This is the higher priority of the remaining City funded projects. The estimated cost of the vehicle parking lot is between \$80,000 and \$100,000. The project consists of drainage work, lighting, pedestrian gates, and paving the existing gravel lot behind the FBO facilities.

Depending on available funding from the airport or other funding sources (Urban Renewal or Streetlight/Sidewalk Fund), the construction of the retaining wall along Aviation Drive (south of Newton Creek) could be constructed as part of Phase II or delayed until Phase III. This project is cosmetic in nature and a lower priority than grant eligible projects and the parking lot. The estimated cost of this project is approximately \$100,000.

ROSEBURG REGIONAL AIRPORT



PROJECT 2

LEGEND

AREA 1		AIRPORT PROPERTY	
AREA 2		PRIVATE PROPERTY	
AREA 3			
AREA 4			
AREA 5			
AREA 6			
AREA 7			
AREA 8			

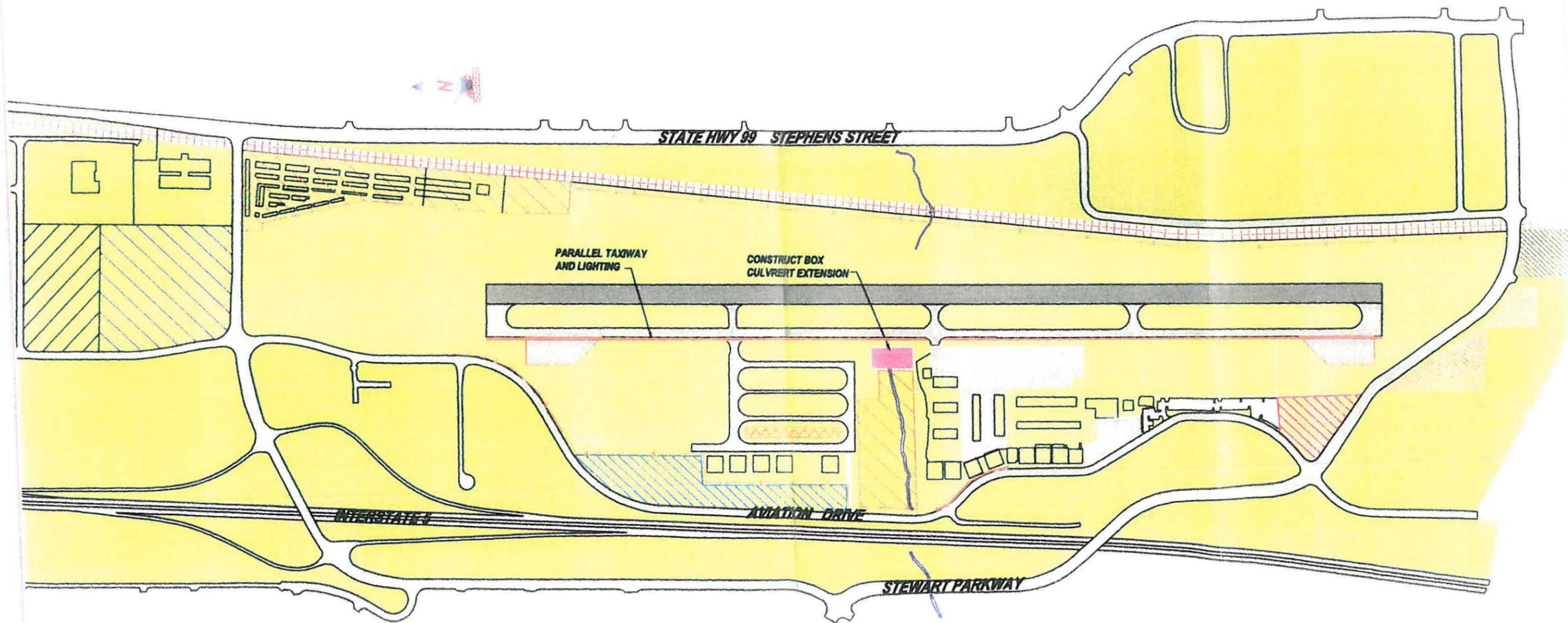
FIGURE 4.1

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PROJECT NO. 140 150

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PROJECT 3
LEGEND

AREA 1		AIRPORT PROPERTY	
AREA 2		PRIVATE PROPERTY	
AREA 3			
AREA 4			
AREA 5			
AREA 6			
AREA 7			
AREA 8			

5.0 Financial Plan

Carrying out the Capital Improvement Plan proposed in this report is contingent on generating sufficient funds through either airport operations or external funding. The intent of this plan is to make the airport less reliant on external funding; therefore, plans for external funding are not included in this report. If this financing plan is not adopted, external funding will need to be addressed. Historically, funds from the General Fund, Economic Development Fund, and the Urban Renewal Agency have been essential in providing grant matching funds and operational funds.

For the last five years, the airport operations have generated sufficient funds to provide for all day-to-day operations at the airport. The revenues are generated from a number of sources. These sources include aviation related leases for t-hangers, corporate hanger land, the FBO maintenance hanger lease and the Learjet hanger lease. In addition, two land leases that are not aviation related, the mobile home sales area and the mini-storage area, generate large amounts of annual revenue. In total, current sources generate revenues of approximately \$205,000

The Airport Fund currently has a budget to expend about \$175,000 of these revenues on operations. These expenditures include all utilities and insurance related to the airport, as well as general, building, and grounds maintenance. It also includes slightly over \$70,000 paid to the General Fund for staff related and legal and audit services. These City services include management services of \$5,250, finance services of \$21,000, public works services of \$33,600, and secretarial services \$5,250. Legal and audit services are budgeted at \$6,000. The public works services include engineering & management services as well as maintenance staff services. There is also a budget for contracted services of up to \$25,000, but historically this amount has not been spent.

To continue airport operations at the current high level, it is essential that the operational and lease revenues keep pace with the operational expenses. There is currently positive operating revenue of about \$30,000, which can be utilized to keep the service at its current level. It is not recommended that staff be hired out of the airport fund. Instead, a careful evaluation of the services provided by General Fund staff should be made to ensure that the airport is paying its appropriate share. Significantly increasing the cost of airport services for operations could impair the Airport Fund's ability to provide matching funds for future projects. It is therefore imperative that operational costs be balanced with the need for matching money for future FAA grants.

As of November 2004, the Airport Fund assets included available cash of \$299,000, a grant receivable of \$104,000, and additional grant funds receivable of about \$70,000 that had not been requested for a total of about \$473,000. Current liabilities were about \$51,000 with a loan payable to the Urban Renewal Agency for \$700,000. This leaves the airport in a negative current operating position of about \$277,000. The key element in procuring additional resources and providing the Airport Fund the ability to repay the

loan, is the sale of a portion of the remaining airport properties and development of lease arrangements for the rest.

Figure 5.0 identifies four separate property areas considered for sale or lease, three for runway protection and one that should be acquired. Areas 1 and 2 are part of a subdivision created in 1998 to allow for the sale of property no longer necessary for airport operations. Area 2 must be retained to protect airport operations. It provides an FAA required runway obstruction free area (ROFA) at the north end of the runway after runway extension through the displaced threshold. It also contains mitigated wetland areas that cannot be developed. While this property must be retained, limited use of the property could be accomplished in conjunction with other municipal uses recommended for Area 1.

Area 1 is the remaining lot available for sale by the airport. As outlined in the airport history, the Airport Fund must retain proceeds from the sale. Recent sales in the area and an appraisal performed by Duncan and Brown indicate a value of almost \$1,700,000 if the entire 5.5 acres is available for use and fully mitigated of wetlands. Previous wetland delineations indicated that a portion of the property would not be developable without significant mitigation expense. Additionally, a portion of the property was recently used for wetland mitigation as part of a previous agreement for Urban Renewal purposes. Based on the review of available property, it appears that under 4 acres of the property remains. The property still requires wetland mitigation if used for commercial development. This mitigation will further diminish the property value.

The recommendation is for the property to be sold to the Urban Renewal Agency for \$1,100,000. This will allow the airport to repay the Urban Renewal Agency loan and provide \$400,000 for future operations and improvements. This is the key element of the financing plan. We further recommend that the Urban Renewal Board consider utilizing this property for park purposes in conjunction with the City's Comprehensive Plan and the City's 10-year Parks Master Plan. By obtaining this 4-acre parcel, the City could utilize these four acres and the approximate 15 acres of extended ROFA outlined in Area 2. A number of relatively passive park uses are compatible with the ROFA restrictions and meet the City's needs for a park in North Roseburg. Arrangements could probably be made with the National Guard to share parking if parking lot improvements are part of the overall future development. Park use will require a zone change for Area 1.

Alternatively, the Urban Renewal Agency could buy the property, mitigate any remaining wetlands, and place the property on the market for resale. In an effort to protect any further encroachment on the airport, we encourage the park option over this option. If it is determined that the property should be sold for development purposes then an aviation easement should be retained. In either case, sale of this property to the Urban Renewal Agency is our highest priority recommendation.

This property is zoned mixed use and has few local development restrictions. Any proposed development will require FAA approval. The primary FAA restrictions relate to building height and number of occupants.

The only other possibility for airport funding stability is for the Urban Renewal Agency to consider forgiving the loan. Again, the recommendation is proceeding with the property sale. If this is not a viable option, it will not be feasible to repay the Urban Renewal Loan. Provisions made in the original loan allow for this action in the event that funding in the Airport Fund did not materialize. The land sale is the only way to generate sufficient funding to make the repayment. If the land is not sold, the City funded projects will be jeopardized.

Area 3 is currently being leased and a portion has been developed as mini-storage facilities compatible in the long term with airport operations. The lease currently generates the equivalent of \$79,000 annually, \$26,000 in cash, and \$53,000 in development credits. The lease will convert to all cash in 2008, providing an additional \$53,000 in annual funding for future operations and grant matching funds. The lease includes market evaluation rate reviews every five years beginning in 2010.

A portion of Area 4 is currently being leased on a short-term basis for mobile home sales. This lease generates about \$30,000 per year and includes openers for rate adjustments periodically. Area 4, after the first improvement project, will also include property adjacent to Aviation Drive available for short-term or potentially long-term leasing. This will be very valuable property and could generate significant future lease revenue for the airport. Evaluation of the highest and best use of this property should consider the lease dollar value, as well as development potential. Since this property is adjacent to airport operations, the recommendation is leasing this property rather than selling it. This allows the City to control encroachment and eliminate any conflicts.

Area 5 is primarily wetland property with under one acre of developable property. Since this is the last remaining property not under City ownership, the recommendation is that the City continue to pursue acquisition of this property. An additional recommendation is that the City utilize Storm Drainage Fund revenues to purchase this property. This property provides riparian habitat on both sides of Newton Creek and is part of the City's drainage system. Purchase by the City directly, without grant funds involved, streamlines the process and allows the City to control any future development. If later the property can be utilized for airport purposes, that portion could be purchased by the airport fund. While this acquisition is important to the airport, it is not the highest priority.

Area 6 is a highly valuable property. Its location at the southwest end of the airport is not readily accessible from the airport facilities without significant improvements to make it accessible from the taxiway and apron. For that reason, the recommendation is that this property be marketed for lease. The Carl Memorial is constructed on the westerly tip of this property. A market analysis of this property should be undertaken immediately to determine its marketability.

Area 7 was acquired as part of the 1963 transfer from US Plywood. This property is located just south of Stewart Parkway and is not attached to the airport property. This property consists of a narrow rocky strip adjacent to the road and the rock bluff just to the

south. Additional residential property south of this area has been identified in the long-range plan for future acquisition and protection. To avoid airport conflicts, as well as transportation conflicts, this property should be retained by the airport and remain undeveloped.

Area 8 is also owned by the City through its Economic Development Fund. The property is in the direct approach path. It is currently leased to a local business and has been since 1984. The property is almost fully developed and is not currently in conflict with airport operations. The lease includes a provision that requires the owner to remove any business facilities if they are determined to be in conflict with FAA regulated airport operations. For this reason, we recommend that the City continue with this lease arrangement and not consider sale of this property. It is paramount that no further encroachment on the airport be allowed.

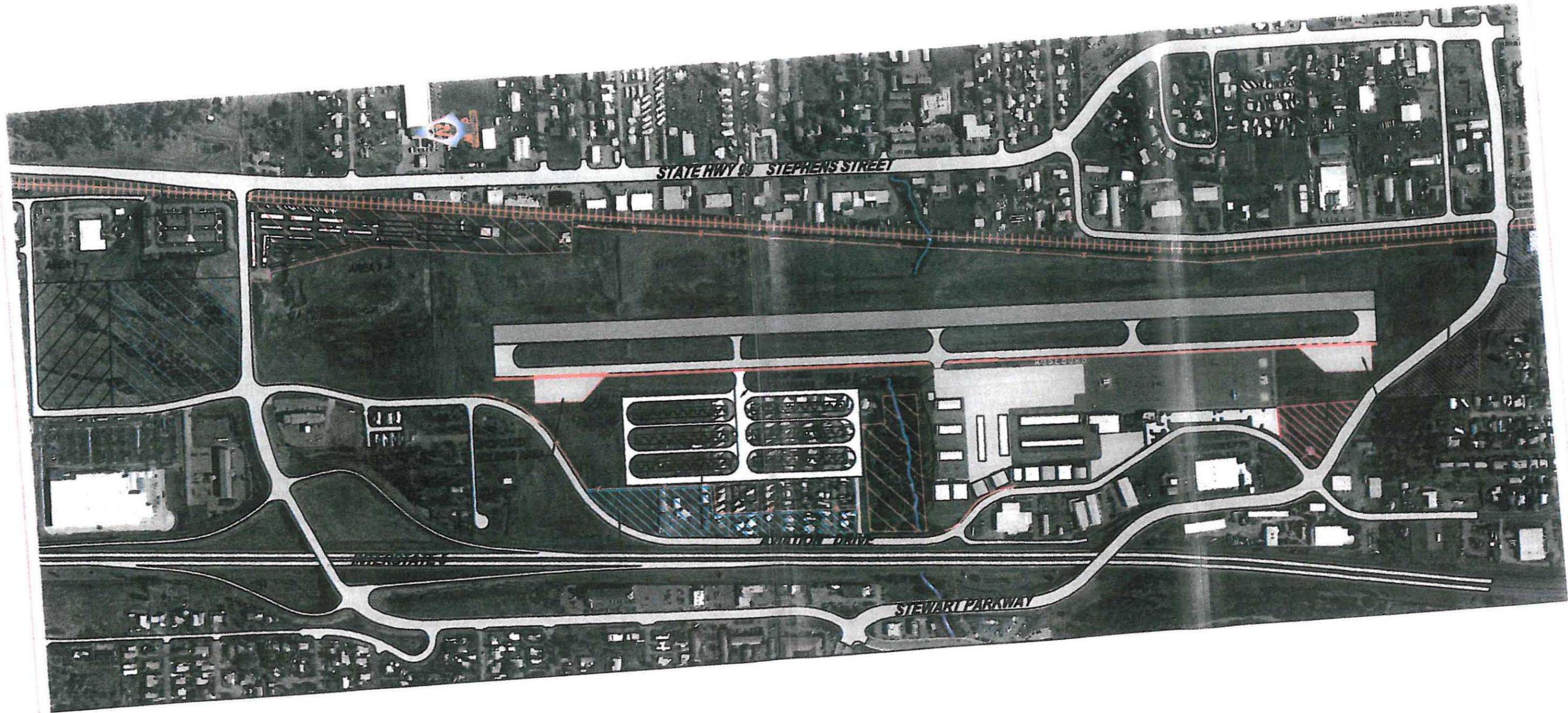
Based on this information, it appears that the airport can provide funding for the five-year plan, current operations, and future matching funds. Current operations are funded from lease revenues. There is \$30,000 annually in available funds to enhance current operations, if needed. Starting in 2008, the Area 3 lease will generate an additional \$53,000 which could be utilized for operations and matching funds. Also, additional t-hanger lease revenue of over \$35,000 will be available annually if 18 t-hangers are constructed and rented. Corporate hanger land lease could also generate \$12,000 annually during this planning period.

If the Area 1 property is sold for \$1,100,000, the sale will allow the Airport Fund to repay the Urban Renewal Agency Loan and provide an additional \$400,000 for project related expenses. As outlined previously, the total grant eligible project costs are estimated to be between \$5,100,000 and \$5,630,000, requiring about \$300,000 to \$350,000 in local match. Existing net current assets in excess of \$420,000 could allow the City to complete all grant related projects if the loan from Urban Renewal is paid off with proceeds of the property sale. The additional \$400,000 generated from that sale could also fund the hanger construction and potentially the vehicle parking lot.

Additional lease revenues should be available by the third year of the plan from the lease of Area 4 and Area 6. These revenues and the additional revenue provided from the lease on Area 3, the new corporate land leases, and the new t-hanger lease revenue should allow the City to fund the final 100% project, which is the retaining wall along Aviation Drive just south of Newton Creek.

This is a very achievable project timeline and the financial plan, contingent on the sale of Area 1, puts the Roseburg Regional Airport in the position to meet all FAA requirements for project funding and also to complete the five-year Capital Improvement Plan in a timely manner. The goal of this plan was to reduce the airport's reliance on external funding for operations and improvements, and if implemented, this plan will achieve that goal.

ROSEBURG REGIONAL AIRPORT



LEGEND

AREA 1	
AREA 2	
AREA 3	
AREA 4	
AREA 5	
AREA 6	
AREA 7	
AREA 8	

Appendix "A"

Grant Number	Project Name/Description	Year Awarded	Grant Amount	Match Amount	Source of Match	Year Completed
341-0054-01	North Apron Expansion Match provided by in kind survey by City and County, DCIDB and EDC funds	1985	\$ 242,000	\$ 27,000	EDC/DCIDB	Aug-86
341-0054-02	Airport Master Plan- (Century West, URCOG and Shannon Davis) Match provided by in-kind staff work, URCOG staff, airport fund cash match	1985	\$ 28,300	\$ 3,100	Airport	Jan-89
341-0054-03	Obstruction removal, Taxiway construction, and Runway rehabilitation project Match provided through airport fund cash and a General Fund contribution	1987	\$ 240,000	\$ 28,000	Airport and General Fund	Dec-87
341-0054-04	Taxiway overlays and tack/slurry seal aircraft parking areas Match provided through Economic Dev. cash contribution, Airport and General Fund	1990	\$ 560,000	\$ 62,000	Airport/EDC and General	Nov-92
341-0054-05	Runway overlay 16-34 Match provided through Economic Dev. cash contribution, Airport and General Fund	1992	\$ 361,000	\$ 40,000	Airport/EDC and General	Aug-93
341-0054-06	Airport Master Plan (W & H Pacific) Match provided through airport funds	1994	\$ 65,000	\$ 7,000	Airport Funds	Mar-96
341-0054-07	Property Acquisition (Cycan property) 12.08 acres at northwest side of existing airport Match provided through urban renewal tax increment financing	1996	\$ 950,000	\$ 105,000	Urban Renewal	Mar-97
341-0054-08	Rehab central apron, taxi lanes and install PAPI and obstruction lighting Match provided primarily through urban renewal with some airport funds	1998	\$ 1,024,000	\$ 114,000	Urban Renewal	Feb-00
341-0054-09	Central apron area rehab- addition to the 08 project to complete necessary work Match provided through urban renewal	1998	\$ 297,000	\$ 33,000	Urban Renewal	Feb-00
No grant	Above ground fuel storage tank installation All funds provided through Airport funding and \$75,000 through urban renewal	2000		\$ 200,000	Urban renewal and airport funds	Jan-01
341-0054-10	Property acquisition (Town and Country) Purchased approximately 15 acres for future airport expansion Match provided through and urban renewal loan to the airport fund	2002	\$ 3,680,000	\$ 400,000	Urban renewal Loan	Aug-02
341-0054-11	Mobile home purchase and relocation phase II of overall project completed 49 homes Match provided through and urban renewal loan to the airport fund	2002	\$ 1,000,000	\$ 111,000	Urban renewal Loan	Mar-03
341-0054-12	Mobile home purchase and relocation phase III of overall project including additional 70 homes and relocations	2003	\$ 1,605,000	\$ 178,000	Urban renewal Loan	Current
**	This grant is still in process. Additional work includes mobile home park demo and cleanup as well as north hill removal and park fill					
341-0054-13	Complete mobile home purchase and relocation This grant completed the purchase and relocation	2003	\$ 130,000	\$ 14,000	Airport funds	Apr-04
341-0054-13	New run-up areas, apron expansion in to newly acquired property, safety fencing Match provided by Department of Aviation FAM grant and Airport funds or urban renewal	2005	Estimate \$ 2,500,000	\$ 125,000	FAM Grant, Airport funds	
ODA grant	Oregon Department of Aviation grant to provide multi-year airport layout	2005	\$ 50,000	\$ 5,000	Airport funds	
	Total grant and matching funds 1985-2005		\$ 12,732,300	\$ 1,452,100		

APPENDIX B

ROSEBURG REGIONAL AIRPORT

FIVE YEAR CAPITAL IMPROVEMENT PLAN

**ROSEBURG REGIONAL
AIRPORT**

***FIVE YEAR CAPITAL
IMPROVEMENT PLAN***



Adopted March 10, 2003

**ROSEBURG REGIONAL AIRPORT
FIVE-YEAR CAPITAL IMPROVEMENT PLAN**

This Capital Improvement Plan describes proposed improvements at the airport for approximately the five-year period of 2003-2007. This does not mean that the improvements will all occur within that period of time or follow the sequences indicated in the plan. Due to many factors, the plan is usually modified during the forecasted period.

The CIP is intended to be a guide that provides approximate costs for proposed developments, as well as indicating the areas at the airport that will be impacted during the development process. The CIP is a useful tool for forecasting development costs, which enables the City to schedule and request grant assistance from the FAA, as well as budget for their necessary matching grant funds.

The drawing included in this CIP, entitled "Roseburg Regional Airport, Airport Improvement Projects" shows the approximate work areas and the configuration of the proposed improvements. These improvements are divided into 15 separate work items, as shown on the drawing.

Table 1, attached, is a cost summary that provides a yearly breakdown of the elements of work and costs associated with the developments. This summary table contains the projects intended to be included in the FAA Airport Improvement Program (AIP) which are eligible to receive grant assistance, as well as those projects which would be funded solely by the City of Roseburg.

The following is a description of each work element item:

ITEM NO. 1 - REMOVE EXISTING HANGARS

Two existing hangars on the apron, south of the existing Fixed Based Operator (FBO), are in poor condition. It is proposed to remove these hangars. Replacement hangars could be constructed closer to the apron area, near the building restriction line, which would place the front of the new hangars in-line with adjacent buildings. The available area created by removing the existing hangars would be developed into vehicle parking for users and tenants at the airport. (See Item No. 16)

ITEM NO. 2 - REMOVE BURIED FUEL TANKS

Three existing underground fuel tanks located west of (behind) the existing FBO building will be abandoned and removed. This area will be regraded and developed into vehicle parking for users and tenants at the airport. (See Item No. 16)

ITEM NOS. 3 & 4 - APRON REHABILITATION

The existing apron pavement is in poor condition. Area 3 is in worse condition than Area 4. Rehabilitation of the apron areas will primarily consist of crack sealing and constructing an asphalt overlay on top of the existing pavement. Due to the deteriorated condition, some existing pavement areas will require removal (digout) and reconstruction with new base rock and asphalt prior to overlay. Testing will be done to determine the best method for rehabilitation. Associated work will be drainage structure adjustments, aircraft tiedown anchor replacements, and pavement marking. Reconfiguring the aircraft routing and parking positions to improve the flow of aircraft traffic will also be accomplished during this phase of work.

ITEM NO. 5 - BOX CULVERT EXTENSION

Newton Creek flows through a box culvert under the existing runway and taxiway areas at the airport. The existing Newton Creek box culvert will need to be extended westward in order to accomplish construction of the taxiway and associated grading of the taxiway safety area. Environmental

considerations applicable to construction and access within the creek bed will apply. Wetland mitigation is probable.

ITEM NO. 6 - INITIAL PARALLEL TAXIWAY AND TAXILANE SEPARATION

As indicated in the Airport Master Plan, the location of the existing parallel taxiway does not meet current recommended FAA minimum separation distance standards from Runway 16-34. Improvements to taxiways and taxilanes are intended to meet separation standards recommended by the FAA in Advisory Circular 150/5300-13. Future airport improvements provide for relocating the existing parallel taxiway westward approximately 40 feet to meet the standard separation distance from the runway.

Work in this item is the first of phased construction to build only a portion (approximately 1,100 feet) of the parallel taxiway and new taxilane meeting the recommended standards for separation and grading. Associated work will include pavement sections, earthwork, grading, taxiway lighting, guidance signs, and pavement marking. Temporary connectors and other facilities will be constructed as necessary to provide aircraft access and transition between new and existing facilities during the development process.

ITEM NO. 7 - INITIAL APRON DEVELOPMENT

As in Item 6, the new apron area is proposed to be built in phases. This item will include earthwork and drainage improvements necessary to provide approximately 9,000 square yards of area available for future hangar apron development. Fill material is needed for development of the apron area. Borrow material is available within the airport property, north of Runway 16. Pavements for taxilanes, within the new apron area, compatible with future hangar building locations will also be constructed.

See Items 14 and 15 for associated work in this development area.

ITEM NO. 8 - NEW NORTH ENTRANCE

Access at the north end of the airport from Edenbower Blvd. will be relocated to allow for development in the northeast corner of the airport property. Excess excavation generated from this development will be available for fill elsewhere on the airport.

ITEM NO. 9 - REPLACE FENCE-EAST SIDE

Portions of the existing security fencing, along the east side of the airport, is substandard and in poor condition. This item of work will remove the existing chain link fence and replace it with new galvanized chain link fencing. The new fence will be 7 feet tall, consisting of 6 feet of chain link fabric with three strands of barbed wire on top.

ITEM NO. 10 - RETAINING WALL EXTENSION

Existing terrain from the back of hangar buildings to Aviation Drive, in the vicinity of the automated vehicle gate at the northwest end of the airport apron, is very steep. Continuation of an existing retaining wall adjacent to the sidewalk along Aviation Drive is necessary in order to provide adequate grades for fencing and prevent erosion behind the existing hangar buildings.

ITEM NO. 11 - AIRCRAFT RUN-UP AREA

Two aircraft run-up areas, one at each end of the runway, west of the new parallel taxiway, will be constructed. A run-up area resembles a small apron area that provides pilots a location to perform their preflight run-up without blocking the taxiway.

ITEM NO. 12 - NORTH PARALLEL TAXIWAY AND LIGHTING

This item will provide the phase of work for reconstructing the northern portion of the parallel taxiway with the appropriate grading and separation standards from Runway 16-34 (see Item 6 for additional information). Related work will include realignment of the taxiway in the main apron area, drainage structures, taxiway lighting, guidance signs, and pavement marking.

ITEM NO. 13 - SOUTH PARALLEL TAXIWAY AND LIGHTING

This item involves the phase of work for reconstructing the southern portion of the parallel taxiway with the appropriate grading and separation standards from Runway 16-34 (see Item 6 for additional information). Related work will include realignment of the taxiway in the main apron area, drainage structures, taxiway lighting, guidance signs, and pavement marking.

ITEM NO. 14 - NEW APRON SITE DEVELOPMENT

This work includes providing the fill, grading, and drainage necessary to construct the base for the remaining apron improvement area. Fill material needed for this work will be taken from the borrow area located north of Runway 16. Other work related to this item includes the removal of existing fencing, where necessary, and construction of new security fencing.

ITEM NO. 15 - REMAINING APRON DEVELOPMENT-PAVEMENT

This work includes the finish grading and pavement construction of taxiways and other pavement areas associated with the remaining apron area development. Related work will include drainage structures, electrical improvements, possible fencing and gate access, and pavement marking.

ITEM NO. 16 - AIRPORT VEHICLE PARKING LOT

This work includes providing a paved vehicle parking lot for users of the airport. Related work items will include drainage structures, lighting, pedestrian gates, and fencing modifications.

TABLE 1 - COST SUMMARY

CITY OF ROSEBURG FUNDING:

YEAR	ITEM #	DESCRIPTION	CONST. COST	ENGINEERING	TOTAL COST
2003	8	NEW NORTH ENTRANCE	\$ 130,664.35	\$ 32,666.09	\$ 163,330.44
	10	RETAINING WALL EXTENSION	\$ 76,000.00	\$ 19,000.00	\$ 95,000.00
2003 TOTAL:			\$ 206,664.35	\$ 51,666.09	\$ 258,330.44
2004	1	REMOVE EXISTING HANGARS (2)	\$ 62,500.00	\$ 15,625.00	\$ 78,125.00
	2	REMOVE BURIED FUEL TANKS (3)	\$ 16,250.00	\$ 4,062.50	\$ 20,312.50
2004 TOTAL:			\$ 78,750.00	\$ 19,687.50	\$ 98,437.50
2005	16	AIRPORT VEHICLE PARKING LOT	\$ 64,000.00	\$ 16,000.00	\$ 80,000.00
2005 TOTAL:			\$ 64,000.00	\$ 16,000.00	\$ 80,000.00
CITY OF ROSEBURG TOTAL:			\$ 349,414.35	\$ 87,353.59	\$ 436,767.94

FAA AIP GRANT FUNDING:

YEAR	ITEM #	DESCRIPTION	CONST. COST	ENGINEERING	TOTAL COST
2004	3 & 4	APRON REHABILITATION	\$ 872,397.01	\$ 218,099.25	\$ 1,090,496.26
	11	AIRCRAFT RUNUP AREA (2)	\$ 325,213.00	\$ 81,303.25	\$ 406,516.25
2004 TOTAL:			\$ 1,197,610.00	\$ 299,402.50	\$ 1,497,012.51
2005	5	BOX CULVERT EXTENSION	\$ 581,666.67	\$ 140,416.67	\$ 702,083.33
	6	INITIAL PARALLEL TW AND TL SEPARATION	\$ 446,304.02	\$ 111,576.00	\$ 557,880.02
	7	INITIAL APRON DEVELOPMENT	\$ 231,918.10	\$ 57,979.52	\$ 289,897.62
	9	REPLACE FENCE ALONG EAST SIDE	\$ 104,625.00	\$ 26,156.25	\$ 130,781.25
2005 TOTAL:			\$ 1,344,513.78	\$ 336,128.45	\$ 1,680,642.23
2006	12	NORTH PARALLEL TW AND LIGHTING	\$ 376,302.46	\$ 94,075.61	\$ 470,378.07
	13	SOUTH PARALLEL TW AND LIGHTING	\$ 165,310.90	\$ 41,327.72	\$ 206,638.62
	14	NEW APRON SITE DEVELOPMENT	\$ 704,198.10	\$ 176,049.53	\$ 880,247.63
2006 TOTAL:			\$ 1,245,811.46	\$ 311,452.86	\$ 1,557,264.32
2007	15	REMAINING APRON DEVELOPMENT, PAVEMENT	\$ 172,685.19	\$ 43,171.30	\$ 215,856.48
2007 TOTAL:			\$ 172,685.19	\$ 43,171.30	\$ 215,856.48
AIP FUNDED TOTAL:			\$ 3,980,820.43	\$ 990,155.11	\$ 4,950,775.53

ROSEBURG REGIONAL AIRPORT

CIP ESTIMATE

CITY/AIP	YEAR	ITEM #	DESCRIPTION	ITEM	COST/ITEM	RAW COST	CONTINGENCY (20%)	CONST. COST	ENGINEERING	TOTAL COST
CITY	2004	1	REMOVE EXISTING HANGARS (2)	DEMOLITION SITE RESTORATION	\$ 35,000.00 \$ 15,000.00	\$ 50,000.00	\$ 12,500.00	\$ 62,500.00	\$ 15,625.00	\$ 78,125.00
CITY	2004	2	REMOVE BURIED FUEL TANKS (3)	REMOVE TANKS BACKFILL AND PARKING LOT	\$ 10,000.00 \$ 3,000.00	\$ 13,000.00	\$ 3,250.00	\$ 16,250.00	\$ 4,062.50	\$ 20,312.50
AIP	2004	3 & 4	APRON REHABILITATION	COMPLETE AIP 3-41-0054-08/PHASE III REHAB FROM PHASE III NORTHWARD	\$ 442,708.18 \$ 256,209.45	\$ 697,917.61	\$ 174,479.40	\$ 872,397.01	\$ 218,099.28	\$ 1,090,496.28
AIP	2005	5	BOX CULVERT EXTENSION	ENVIRONMENTAL ASSESSMENT MITIGATION STRUCTURE EXCAVATION PROPERTY ACQUISITION	\$ 20,000.00 \$ 60,000.00 \$ 390,000.00 \$ 4,333.33 \$ 15,000.00	\$ 449,333.33	\$ 112,333.33	\$ 561,666.67	\$ 140,416.67	\$ 702,083.33
AIP	2005	6	INITIAL PARALLEL TW AND TL SEPARATION	EXCAVATION BORROW EXCAVATION PAVEMENT REMOVAL PAVEMENT SECTION LIGHTING DRAINAGE/CULVERTS	\$ 26,394.66 \$ 126,289.63 \$ 16,600.00 \$ 133,669.03 \$ 40,000.00 \$ 16,000.00	\$ 307,043.21	\$ 69,290.80	\$ 446,304.02	\$ 111,576.00	\$ 557,880.02
AIP	2005	7	INITIAL APRON DEVELOPMENT	BORROW EXCAVATION PAVEMENT SECTION DRAINAGE/CULVERTS	\$ 164,330.78 \$ 16,203.70 \$ 5,000.00	\$ 185,534.48	\$ 46,383.62	\$ 231,918.10	\$ 57,979.62	\$ 289,897.72
CITY	2003	8	NEW NORTH ENTRANCE	REMAINING EXCAVATION PAVEMENT SECTION DRAINAGE/CULVERTS FENCING SIDEWALK	\$ \$ 28,421.48 \$ 10,000.00 \$ 68,110.00 \$ 10,000.00	\$ 104,531.48	\$ 26,132.67	\$ 130,664.35	\$ 32,666.09	\$ 163,330.44
AIP	2008	9	REPLACE FENCE ALONG EAST SIDE	NEW FENCE FENCE REMOVAL	\$ 69,750.00 \$ 13,950.00	\$ 83,700.00	\$ 20,925.00	\$ 104,625.00	\$ 26,156.25	\$ 130,781.25
CITY	2003	10	RETAINING WALL EXTENSION	NEW FENCE FENCE REMOVAL STRUCTURE	\$ 22,600.00 \$ 4,500.00 \$ 33,600.00	\$ 60,600.00	\$ 15,200.00	\$ 75,800.00	\$ 19,000.00	\$ 94,800.00

ROSEBURG REGIONAL AIRPORT

CIP ESTIMATE

CITY/AC	YEAR	ITEM # DESCRIPTION	ITEM	COST/ITEM	RAW COST	CONTINGENCY (10%)	CONST. COST	ENGINEERING	TOTAL COST
AP	2004	11 AIRCRAFT RUNUP AREA (2)	LIGHTING EXCAVATION PAVEMENT SECTION	\$ 60,000.00 \$ 31,657.02 \$ 168,313.38	\$ 260,170.40	\$ 65,042.60	\$ 326,213.00	\$ 61,303.25	\$ 408,516.25
AP	2008	12 NORTH PARALLEL T/W AND LIGHTING	EXCAVATION BORROW EXCAVATION PAVEMENT REMOVAL PAVEMENT SECTION LIGHTING DRAINAGE/CULVERTS	\$ 27,851.44 \$ 131,258.80 \$ 17,000.00 \$ 77,534.72 \$ 32,000.00 \$ 16,000.00	\$ 301,041.96	\$ 75,260.49	\$ 376,302.46	\$ 84,078.61	\$ 470,378.07
AP	2008	13 SOUTH PARALLEL T/W AND LIGHTING	EXCAVATION BORROW EXCAVATION PAVEMENT REMOVAL PAVEMENT SECTION LIGHTING DRAINAGE/CULVERTS	\$ 3,299.32 \$ 16,661.20 \$ 26,066.67 \$ 17,621.63 \$ 49,000.00 \$ 10,000.00	\$ 132,248.72	\$ 33,062.18	\$ 165,310.90	\$ 41,327.72	\$ 208,638.62
AP	2008	14 NEW APRON SITE DEVELOPMENT	FENCING BORROW EXCAVATION	\$ 37,500.00 \$ 826,658.48	\$ 663,358.48	\$ 140,639.82	\$ 704,198.10	\$ 176,048.63	\$ 880,247.63
AP	2007	15 REMAINING APRON DEVELOPMENT, PAVEMENT	PAVEMENT SECTION DRAINAGE/CULVERTS	\$ 123,148.16 \$ 16,000.00	\$ 139,148.16	\$ 34,637.04	\$ 172,685.19	\$ 43,171.30	\$ 215,856.48
CITY	2006	16 AIRPORT VEHICLE PARKING LOT	PAVEMENT SECTION DRAINAGE FENCING	\$ 40,000.00 \$ 7,700.00 \$ 3,600.00	\$ 51,200.00	\$ 12,600.00	\$ 64,000.00	\$ 16,000.00	\$ 80,000.00
TOTALS							\$ 4,310,034.76	\$ 1,077,508.69	\$ 5,387,543.47