

QUESTIONS RELATED TO
RFP FOR
OPERATION OF NEWPORT MUNICIPAL AIRPORT

1. How many employees work at the airport?

The city has one full-time permanent employee, one full-time temporary employee, and two full-time contracted employees from a local employment service.

2. What caused the decrease in jet fuel revenue over the past few years?

The United States Coast Guard repaired its fuel tank and consequently stopped purchasing jet fuel from the city.

3. What operating expenses would be paid by the city?

In reviewing the five-year financial statements, the following should be noted as to financial income or expenses that would be excluded from the contract:

Revenues. The contractor shall not receive the revenue for services provided for the Sewer Fund. The current amount of revenue anticipated in 2015/2016 is \$30,704. This revenue will continue to go to the city.

Expenditures. (1) Buildings and grounds, vehicle expenses and maintenance agreements would be subject to the \$5,000 on expenses for the contractor per incident. A detail of these expenditures is included for review. (2) The contractor would not be responsible for infrastructure expenses (in the 2015/2016 Fiscal Year, \$10,000 was appropriated). (3) The contractor would not be responsible for the services by General Fund expenses. In the 2015/2016 Fiscal Year, \$66,281 was appropriated. (4) The contractor would not be responsible for any of the city's insurance expenses. The amount appropriated in the 2015/2016 Fiscal Year is \$20,733. Please note that the contractor is required to provide, at the contractor's expense, insurance as required in the RFP.

See Attachment Question 3 for additional detail.

4. Can you provide additional detail on the revenue line item "Rents & Leases?"

Attached is the annual detail ledger report and one month's detailed transactions. Please note that some rents are paid monthly and some are paid on an annual basis, but this should provide some indication regarding the variety.

5. Can five years of historic information in the format provided in the RFP for three years be provided?

Attached is additional information for previous years for operating expenses.

6. Are YTD 2015 actuals available?

The city operates on a fiscal year beginning July 1. Attached is the latest financial report for the time period ending October 31, 2015.

7. Can additional insight be provided on the economic goals of the city? The RFP suggests a management fee is permissible, but who will cover the operating losses?

The intent of the RFP is to have the management fee cover all operating costs less revenues collected by the contractor from the operation, and factor in any profit with a monthly fee being paid by the city to the operator. Any financial risk or benefit is borne by the contractor.

8. Our review of the 2010 Business Plan finds it a thoughtful and comprehensive document, but execution appears not to have taken place or was unsuccessful with regard to airport financial results. Can you share which areas were not pursued and those that were, but to no avail?

The Airport Business Plan was developed in January 2010. The focus of improvements to the airport included with this plan were related to FAA funded activities including the reconstruction of the main runway, updates to navigational aids, and other similar projects. At the time the Business Plan was being written, the airport was operating under a ConnectOregon Grant to provide passenger service through SeaPort Airlines. This continued from 2009 until 2011 when funding ceased for this service. The airport and the city experienced management changes through this period with these management changes resulting in significant slowing of progress in investigating many of these options. The Business Plan is an aspirational document that should be revisited, particularly relating to the associated developments that could spur economic activity in the greater Newport area. Developing a stable management team for the airport is a priority for the city in addressing the potential development that could occur around the airport. A more detailed review of specific things that have been implemented after the Business Plan was approved will be posted to the city's website as a part of the final questions and answers from prospective proposers.

Attached is a report compiled by Lance Vanderbeck, Airport Operations and Administration Manager.

9. Has there been any public outreach and discussion with airport users and citizens at large regarding the city entering into a private management agreement for the airport?

Yes. This has been vetted by the Airport Committee and authorized by the City Council. The airport has been the subject of very constructive media reports and community conversations. The City Council has established a Regional Airport Review Task Force to review the role that the airport plays on the central Oregon coast. The city has also just initiated an update, with the FAA, of the Airport Master

Plan. A group of stakeholders will be working on this plan, with the consultant, over the next 18 months.

10. What is Newport's prior experience, if any, with regard to engaging private firms to assist with management of public assets?

The city currently contracts out parking enforcement and the cleaning of city facilities.

11. Would the city provide a copy of the lease templates used for leasing airport hangars?

Yes. The box hangar and t-hangar lease templates are attached.

12. Are leases discounted if paid annually?

No.

13. Would the city provide a copy of the draft minimum standards that are being developed for the airport?

Yes. The preliminary draft minimum standards are attached. The draft minimum standards were reviewed by the Airport Committee. The draft is currently being reviewed by the legal department and staff.

14. How were the minimum standards developed?

The minimum standards were developed by gathering copies of minimum standards from other airports and incorporating parts of other minimum standards that worked well for ONP. These have been reviewed by the Airport Committee and sent for staff and legal review.

No formal, or informal, airport rules have been adopted by the city.

15. Has a rate study for airport services been performed?

No.

16. Has the city employed a professional, and designated, airport manager?

In the past, the city has employed an airport director. Due to a series of management changes, these duties have most recently been delegated to the City Manager with assistance from existing airport staff managing the day-to-day operation of the airport.

17. When did the city purchase the FBO?

The city purchased the FBO, from the Central Oregon Coast Air Service (COCAS), in April of 2006.

18. Who is the city's Airport Master Plan consultant?

The city has recently undertaken an update of the Airport Master Plan. The consultant is W.H. Pacific.

19. Which city staff person is leading the Airport Master Plan update?

Melissa Roman, Engineering Technician, Newport Public Works Department.

20. Is there time, and an opportunity, for potential proposers to provide input into the update of the Airport Master Plan?

Yes. This is an 18-month process, and it is anticipated that public input will be solicited at the next meeting of the Planning Advisory Committee which is scheduled for March of 2016.

21. What sparked the privatization idea?

The city is looking for a reduced subsidy to the airport; expertise in managing an airport; increased/enhanced activities at/for the airport; economic development; public benefit; and emergency services.

22. Who responded to the Request for Expressions of Interest that the city issued earlier?

Loyd's Aviation; ABS Aviation; Aviation Management Group.

23. What were the past issues that were rectified?

Personnel issues divided the airport community and spilled into the community at-large. The City Council and the Airport Committee support the airport, and its continued constructive forward path. The previous personnel issues and management instability have been corrected.

24. Is the U.S. Coast Guard being charged a fuel flowage fee?

No.

25. Has an air service study been conducted?

Yes. There was a study by Mead Hunt in 2010. Copy is attached.

26. Have any local businesses expressed an interest in operating the airport?

No.

27. Could there be an alternate arrangement to the contractor being responsible for repairs of \$5,000 or less?

Proposers could propose alternate arrangement(s).

28. Who has to approve new airport businesses, fees, etc.?

The city would have to approve leases, but other entities may also have an approval requirement depending on the request, including: FAA, zoning, etc.

29. Does the City Council have to approve land leases?

The city will approve the leases, and as authorized by the Newport Municipal Code, the City Council may need to approve a lease.

30. Does the establishment of standard rates and charges have to be approved by the City Council?

Certain rates and charges may have to be approved by the City Council including typical airport charges such as landing fees, tie downs, fuel flowage fees, etc.

31. Does the city charge a fuel flowage fee?

The city can charge a fuel flowage fee, but has not imposed this fee.

32. Can the contractor approve fuel prices, or do they have to be approved by the city?

The contractor sets the fuel prices within a framework agreed to by the city. The contractor may propose periodic changes to this framework.

33. Can the contractor approve retail sales and services?

Yes.

34. Does the city own any de-icing equipment?

No. However, FedEx owns de-icing equipment that is used to de-ice its aircraft when needed.

35. Please clarify the types of things that would not be the responsibility of the operator.

The operator would not be responsible for the design, funding, and execution of capital improvements. These would be handled by the city's Public Works Department.

36. Would the city provide a detailed copy of the planned AIPs for the airport?

Yes, to the extent they are known; they are attached as a part of Attachment Question 8.

37. Is there a five-year capital improvement plan for the airport, and if so, is one available to potential proposers?

No.

38. What is the idea of a three year agreement with two one-year extension options?

The idea is to ensure that the contractor has sufficient time to become established in the operation of the airport, and to extend the agreement to five years before seeking new proposals for the operation of the airport.

39. What is confidential and non-confidential related to information that may be requested in a proposal?

Proposals are confidential until after the notice of intent to award a contract is issued. Thereafter, the city may withhold from disclosure those parts of a proposal of goods or services that qualify for exemption under any provisions of ORS 192.501 or 192.502. See Section E-2.3(c) of the Request for Proposals. RFP is attached.

40. Can proposers review the Airport Certification Handbook?

Yes. A copy is attached.

41. What is the responsibility of the operator for maintenance of the ARFF vehicle?

The proposer would be responsible for costs related to the maintenance and supplies for the 2013 Rosenbauer Airwolf ARFF vehicle.

42. Does the FAA know that there is no on-site ARFF support?

Yes. However, the ARFF vehicle is available 15 minutes before and after landing of any commercial service flights.

43. How is the purchase and maintenance of equipment handled?

Purchase and maintenance of equipment, in excess of \$5,000, is handled through the city appropriation process.

44. Is there an office for the Airport Manager?

Yes.

45. Is the FBO building ADA accessible, and would it have to be brought up to ADA standards?

The entire FBO building is not ADA accessible. Costs related to ADA accessibility would be borne by the city.

46. Current individual wages for the city's airport staff?

See Question 46 Attachment.

47. Breakdown of employment service fees, as well as per staff member for contracted airport staff?

See Question 47 Attachment.

48. Copy of fuel contract with World Fuel?

See Question 48 Attachment.

49. Is there a fuel discount?

There is a discount of ten percent off the pump price with a prepaid fuel card. A minimum of \$200 is required for loading the fuel card. Refer to Question No. 32 for any changes to this structure.

ATTACHMENT
QUESTION 3.

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
			FINANCIAL PROFESSIONAL SERVICE				
			07/01/2014 (00/14) Balance	220-4210-60200			.00
07/18/2014	CD	4	Ascent Aviation Group - Credit Card Bank Chg		46.00		
07/31/2014	CD	5	July 2014 - Credit Card Bank Chg		936.76		
07/31/2014	CD	16	JULY 2014 BANK CHARGES		23.22		
08/31/2014	CD	2	Airport CC & multi-service - Service Charges- A		868.72		
08/31/2014	CD	3	Airport CC - Cardlock FEE 8/3/2014 not previou		3.94		
08/31/2014	CD	16	AUGUST 2014 BANK CHARGE		8.35		
09/30/2014	CD	2	Airport CC & Multi-service charges - September		1,311.78		
09/08/2014	CD	8	September 2014 Airport Credit Card Bank Char		46.00		
09/30/2014	CD	19	SEPTEMBER 2014 BANK CHARGES		8.45		
10/31/2014	CD	1	Airport Credit card service charges - October 20		866.71		
10/10/2014	CD	6	October 2014 Airport Credit Card		46.00		
10/31/2014	CD	12	OCTOBER 2014 BANK CHARGES		11.92		
11/11/2014	CD	3	November 2014 Airport Credit Card Fee		46.00		
11/30/2014	CD	7	Air Credit Card service charges & Fees - 11/14		1,133.89		
11/30/2014	CD	12	NOVEMBER 2014 BANK CHARGES		7.29		
12/31/2014	CD	4	December 2014 Airport Credit Card Bank Chg		46.00		
12/31/2014	CD	15	Airport CC Fees- December 2014		973.90		
12/31/2014	JE	113	December 2014 Bank Charges Breakdown		7.82		
01/31/2015	CD	7	Airport CC Fees - January 2015		900.98		
01/11/2015	CD	8	January 2015 Fees in Lieu of Franchise Fees		46.00		
01/31/2015	JE	103	Adjust Umpqua Bank Airport CC Account and U		1.36		
01/31/2015	JE	105	January 2015 Bank Charges		9.76		
02/28/2015	CD	2	Airport CC Service chages - 02/15		574.21		
02/28/2015	JE	124	Cor Dept - Aug 2014 Cr Card Chg. posted to FB		46.00		
03/27/2015	AP	973	Ascent Aviation Group, Inc. **Inv. No: M142362 **Desc: March 2015 Monthly charge for Credit cards **Inv. Date: 3/27/2015 **Remit Name: Ascent Aviation Group, Inc. **Merchant Vendor Name: Ascent Aviation Group, Inc.		46.00		
02/01/2015	AP	1016	Ascent Aviation Group, Inc. **Inv. No: M140381 **Desc: Credit card Fee - February 2015 **Inv. Date: 2/1/2015 **Remit Name: Ascent Aviation Group, Inc. **Merchant Vendor Name: Ascent Aviation Group, Inc.		46.00		
03/31/2015	CD	11	Airport CC Service Charges - March 2015		492.62		
03/06/2015	JE	107	February & March 2015 Bank Charge Breakdow		18.22		
04/01/2015	AP	898	Ascent Aviation Group, Inc. **Inv. No: M143596 **Desc: Credit Card Refueler Fee - 04/15 **Inv. Date: 4/1/2015 **Remit Name: Ascent Aviation Group, Inc. **Merchant Vendor Name: Ascent Aviation Group, Inc.		46.00		
04/30/2015	CD	6	Airport Credit Cards Service Charges - 04/15		316.07		
04/30/2015	JE	108	April 2015 Bank Charges Breakdown		17.10		
05/01/2015	AP	717	Ascent Aviation Group, Inc. **Inv. No: M144896 **Desc: Credit Card Refueler Fee - 05/15 **Inv. Date: 5/1/2015 **Remit Name: Ascent Aviation Group, Inc. **Merchant Vendor Name: Ascent Aviation Group, Inc.		46.00		
05/31/2015	CD	5	Airport CC Service Charges - May 2015		272.22		
05/31/2015	JE	98	May 2015 Bank Charges Breakdown		5.19		
06/01/2015	AP	1147	Ascent Aviation Group, Inc. **Inv. No: M146128 **Desc: June 2015 - Credit Card Fees **Inv. Date: 6/1/2015 **Remit Name: Ascent Aviation Group, Inc. **Merchant Vendor Name: Ascent Aviation Group, Inc.		46.00		

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance			
06/30/2015	JE	42	June 2015 Bank Charges Breakdown		14.49					
06/30/2015	CD	1	Airport CC Service Charge 06/15		1,187.87					
YTD Encumbrance		.00	YTD Actual	10,524.84	Total	10,524.84	YTD Budget	10,000.00	Unexpended	(524.84)
BUILDING & GROUNDS EXPENSES			07/01/2014 (00/14) Balance	220-4210-61200			.00			
07/11/2014	AP	10	ProBuild Newport #609 **Inv. No: 69079193 **Desc: hinges for exit door **Inv. Date: 7/11/2014 **Remit Name: ProBuild Newport #609 **Merchant Vendor Name: ProBuild Newport #609		68.97					
07/09/2014	AP	350	Calhoun and DeJong, Inc. **Inv. No: P-64014 **Desc: Correct tank labling **Inv. Date: 7/9/2014 **Remit Name: Calhoun and DeJong, Inc. **Merchant Vendor Name: Calhoun and DeJong, Inc.		315.23					
07/10/2014	AP	395	F & W Fence Company, Inc. **Inv. No: 12101 **Desc: New security gates and access transmitters **Inv. Date: 7/10/2014 **Remit Name: F & W Fence Company, Inc. **Merchant Vendor Name: F & W Fence Company, Inc.		454.94					
07/31/2014	JE	21	Cor GL No. Aviation Laboratories Inc.		100.82					
08/07/2014	AP	619	NEWPORT AUTO PARTS, INC **Inv. No: 388114 **Desc: Hand pump for bottom sump **Inv. Date: 8/7/2014 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		224.00					
07/16/2014	AP	765	Aviation Laboratories Inc. **Inv. No: 0272117-IN **Desc: Hydro test kit **Inv. Date: 7/16/2014 **Remit Name: Aviation Laboratories Inc. **Merchant Vendor Name: Aviation Laboratories Inc.		151.59					
07/31/2014	AP	766	HGE Inc. **Inv. No: 28735 **Desc: Air Roof Replacement **Inv. Date: 7/31/2014 **Remit Name: HGE Inc. **Merchant Vendor Name: HGE Inc.		6,113.08					
04/03/2014	AP	938	Wise Steps, Inc. **Inv. No: 7357-14 **Desc: Mold tests for FBO **Inv. Date: 4/3/2014 **Remit Name: Wise Steps, Inc. **Merchant Vendor Name: Wise Steps, Inc.		1,385.00					
07/22/2014	PCCAR	199	Spill kit mounting bracket.		48.51					
07/18/2014	PCCAR	200	spill kit replacements Self-serve		252.06					
09/10/2014	AP	126	Fastenal Company **Inv. No: ORNEW103013 **Desc: Chem gloves **Inv. Date: 9/10/2014 **Remit Name: Fastenal Company **Merchant Vendor Name: Fastenal Company		17.99					
08/26/2014	AP	441	Sherwin-Williams **Inv. No: 8482-3 **Desc: Paint for picnic tables **Inv. Date: 8/26/2014 **Remit Name: Sherwin-Williams **Merchant Vendor Name: Sherwin-Williams		50.44					

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
09/08/2014	AP	492	Alistart Auto Electric, Inc **Inv. No: 49614 **Desc: AWOS back up batteries **Inv. Date: 8/8/2014 **Remit Name: Alistart Auto Electric, Inc **Merchant Vendor Name: Alistart Auto Electric, Inc		244.00		
08/08/2014	PCCAR	195	BARRELHEAD SUPPLY - Purchase		11.98		
08/13/2014	PCCAR	200	Light bulbs for FBO and after hour shelter		31.97		
08/14/2014	PCCAR	201	Paint and new FBO vacuum		64.94		
10/10/2014	AP	402	Sherwin-Williams **Inv. No: 0553-9 **Desc: Paint for FBO **Inv. Date: 10/10/2014 **Remit Name: Sherwin-Williams **Merchant Vendor Name: Sherwin-Williams		152.14		
10/13/2014	AP	403	Sherwin-Williams **Inv. No: 0634-7 **Desc: Paint for FBO **Inv. Date: 10/13/2014 **Remit Name: Sherwin-Williams **Merchant Vendor Name: Sherwin-Williams		53.54		
10/01/2014	AP	409	Sherwin-Williams **Inv. No: 9152-1 **Desc: Paint for picnic tables **Inv. Date: 10/1/2014 **Remit Name: Sherwin-Williams **Merchant Vendor Name: Sherwin-Williams		53.54		
10/02/2014	AP	803	F & W Fence Company, Inc **Inv. No: 12376 **Desc: Replace Fire station Key pad **Inv. Date: 10/2/2014 **Remit Name: F & W Fence Company, Inc. **Merchant Vendor Name: F & W Fence Company, Inc.		444.00		
10/13/2014	AP	844	Overhead Door Company **Inv. No: 105264 **Desc: Inspectin T-Hangar doors **Inv. Date: 10/13/2014 **Remit Name: Overhead Door Company of Salem **Merchant Vendor Name: Overhead Door Company		475.00		
09/19/2014	PCCAR	196	BARRELHEAD SUPPLY - Purchase		17.96		
09/06/2014	PCCAR	197	Hose repair		8.48		
10/30/2014	AP	495	NEWPORT AUTO PARTS, INC **Inv. No: 405831 **Desc: bolts for fuel farm **Inv. Date: 10/30/2014 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		2.69		
11/05/2014	AP	596	Lincoln Co Parole & Probation **Inv. No: 150 **Desc: Airport land clearing 10/20 - 10/22 **Inv. Date: 11/5/2014 **Remit Name: Lincoln Co Parole & Probation **Merchant Vendor Name: Lincoln Co Parole & Probation		1,650.00		
10/13/2014	PCCAR	246	FRED-MEYER #0227 - Purchase		21.65		
10/17/2014	PCCAR	275	SCIENTIFIC DISTRIBUTOR - Purchase		501.24		
11/14/2014	AP	408	Sherwin-Williams **Inv. No: 1710-4 **Desc: Paint for Picnic tables **Inv. Date: 11/14/2014 **Remit Name: Sherwin-Williams **Merchant Vendor Name: Sherwin-Williams		84.06		
12/05/2014	AP	566	Vern Wiles Construction **Inv. No: 1513 **Desc: rock at airport rd **Inv. Date: 12/5/2014 **Remit Name: Vern Wiles Construction **Merchant Vendor Name: Vern Wiles Construction		2,890.00		

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
11/27/2014	AP	755	Lincoln Co Parole & Probation **Inv. No: 157 **Desc: Airport land clearing **Inv. Date: 11/27/2014 **Remit Name: Lincoln Co Parole & Probation **Merchant Vendor Name: Lincoln Co Parole & Probation		550.00		
11/13/2014	PCCAR	197	Supplies to fix in Fedex building		95.92		
12/05/2014	AP	129	Valley Fire Control, Inc **Inv. No: 53954 **Desc: fire ext - Airport **Inv. Date: 12/5/2014 **Remit Name: Valley Fire Control, Inc **Merchant Vendor Name: Valley Fire Control, Inc		430.00		
12/24/2014	AP	130	Valley Fire Control, Inc **Inv. No: 53991 **Desc: fire ext - Airport **Inv. Date: 12/24/2014 **Remit Name: Valley Fire Control, Inc **Merchant Vendor Name: Valley Fire Control, Inc		90.00		
12/16/2014	PCCAR	167	BARRELHEAD SUPPLY - supplies to hang new		40.55		
02/06/2015	AP	399	Sherwin-Williams **Inv. No: 3647-8 **Desc: Paint for Picnic tables **Inv. Date: 2/6/2015 **Remit Name: Sherwin-Williams **Merchant Vendor Name: Sherwin-Williams		70.83		
02/28/2015	JE	102	Correct GL Code - 11/05/14 Lincoln Cnty Parole		675.23		
02/28/2015	JE	102	Correct GL Code - 11/05/14 Lincoln Cnty Parole			675.23-	
01/28/2015	PCCAR	207	bitharoom mats, TP, Hand towels, consesions		197.36		
01/28/2015	PCCAR	210	Built chock hanger station		24.81		
03/27/2015	AP	403	Sherwin-Williams **Inv. No: 5933-8 **Desc: Paint of upstaris conference room **Inv. Date: 3/27/2015 **Remit Name: Sherwin-Williams **Merchant Vendor Name: Sherwin-Williams		440.10		
03/27/2015	AP	406	Sherwin-Williams **Inv. No: 7211-1 **Desc: Paint for conference area **Inv. Date: 3/27/2015 **Remit Name: Sherwin-Williams **Merchant Vendor Name: Sherwin-Williams		50.67		
03/04/2015	AP	736	Lincoln Co Parole & Probation **Inv. No: 177 **Desc: Airport land clearing **Inv. Date: 3/4/2015 **Remit Name: Lincoln Co Parole & Probation **Merchant Vendor Name: Lincoln Co Parole & Probation		1,100.00		
03/31/2015	JE	102	Cor Dept - Aviation Laboratories chg to FBO in		100.80		
04/16/2015	AP	761	Hall-Brite, Inc. **Inv. No: 22600 **Desc: Obstruction light replacemnt box. **Inv. Date: 4/16/2015 **Remit Name: Hall-Brite, Inc. **Merchant Vendor Name: Hall-Brite, Inc.		797.75		
03/04/2015	PCCAR	260	Paint for hose reel rebuild		48.92		
02/27/2015	PCCAR	273	Ammo, bleach, ladder hooks, rid-x		131.03		
05/06/2015	AP	108	Platt Electric Supply **Inv. No: G761471 **Desc: parts for airprot light poles **Inv. Date: 5/6/2015 **Remit Name: Platt Electric Supply **Merchant Vendor Name: Platt Electric Supply		16.05		

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
05/08/2015	AP	338	Halco Welding, Inc **Inv. No: 63586 **Desc: apron light poles **Inv. Date: 5/8/2015 **Remit Name: Halco Welding, Inc **Merchant Vendor Name: Halco Welding, Inc		2,004.00		
05/31/2015	JE	88	Cor GL No. Barrelhead Supply, posted in FBO i		57.65		
05/30/2015	AP	293	Sherwin-Williams **Inv. No: 8335-3 **Desc: Paint tool for conference area **Inv. Date: 5/30/2015 **Remit Name: Sherwin-Williams **Merchant Vendor Name: Sherwin-Williams		22.00		
06/02/2015	AP	752	Doug's Electric **Inv. No: C29244F **Desc: Work on FBO/After hours/ apron lights **Inv. Date: 6/2/2015 **Remit Name: Doug's Electric **Merchant Vendor Name: Doug's Electric		566.88		
08/30/2015	JE	46	Cor GL No - Doug's Electric Inv # C29492F		108.95		
05/18/2015	PCCAR	195	BARRELHEAD SUPPLY - Purchase		7.04		
05/22/2015	PCCAR	199	FRED-MEYER #0227 - Purchase		86.24		
05/18/2015	PCCAR	201	WM SUPERCENTER #1925 - Purchase		59.85		
06/10/2015	PCCAR	198	AIRPORT WINDSOCK CORP - Purchase		43.90		
06/09/2015	PCCAR	199	AIRPORT WINDSOCK CORP - Purchase		57.21		
06/19/2015	PCCAR	200	FRED-MEYER #0227 - Purchase		65.89		
06/08/2015	PCCAR	201	FRED-MEYER #0227 - Purchase		19.99		
YTD Encumbrance		.00	YTD Actual 23,172.21 Total 23,172.21	YTD Budget 21,500.00	Unexpended (1,672.21)		
VEHICLE EXPENSES			07/01/2014 (00/14) Balance	220-4210-63100			.00
07/10/2014	AP	188	Power Motors **Inv. No: F0CS166852 **Desc: Work on F250 motor **Inv. Date: 7/10/2014 **Remit Name: Power Motors **Merchant Vendor Name: Power Motors		872.66		
07/17/2014	AP	379	Halco Welding, Inc **Inv. No: 61830 **Desc: Rethreading 2" fuel pipes **Inv. Date: 7/17/2014 **Remit Name: Halco Welding, Inc **Merchant Vendor Name: Halco Welding, Inc		40.00		
07/11/2014	PCCAR	203	spill kit replacements		488.48		
08/08/2014	PCCAR	196	WM SUPERCENTER #1925 - Purchase		9.84		
08/04/2014	PCCAR	211	parts for Chevy tune up		185.56		
11/05/2014	AP	147	Alan Brown Tire Center **Inv. No: 72500114111 **Desc: Alignment and front work on F250 **Inv. Date: 11/5/2014 **Remit Name: Alan Brown Tire Center **Merchant Vendor Name: Alan Brown Tire Center		296.41		
10/30/2014	AP	494	NEWPORT AUTO PARTS, INC **Inv. No: 405788 **Desc: U-joints for AV-truck **Inv. Date: 10/30/2014 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		26.98		
12/02/2014	AP	183	Alan Brown Tire Center **Inv. No: 72500117861 **Desc: Front end work on 1997 crew car **Inv. Date: 12/2/2014 **Remit Name: Alan Brown Tire Center **Merchant Vendor Name: Alan Brown Tire Center		221.99		

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance			
12/19/2014	AP	185	Alan Brown Tire Center **Inv. No: 72500120392 **Desc: Tires- white crown vic **Inv. Date: 12/19/2014 **Remit Name: Alan Brown Tire Center **Merchant Vendor Name: Alan Brown Tire Center		381.08					
12/22/2014	AP	186	Alan Brown Tire Center **Inv. No: 72500120393 **Desc: Front tire for GO4 **Inv. Date: 12/22/2014 **Remit Name: Alan Brown Tire Center **Merchant Vendor Name: Alan Brown Tire Center		51.98					
12/29/2014	AP	187	Alan Brown Tire Center **Inv. No: 72500121040 **Desc: Van- tires, brakes, alignment **Inv. Date: 12/29/2014 **Remit Name: Alan Brown Tire Center **Merchant Vendor Name: Alan Brown Tire Center		586.02					
12/03/2014	AP	394	Power Motors **Inv. No: FOCS170779 **Desc: White crown vic **Inv. Date: 12/3/2014 **Remit Name: Power Motors **Merchant Vendor Name: Power Motors		451.19					
11/03/2014	PCCAR	196	interior cleaning of curt. van		200.00					
01/23/2015	AP	346	Power Motors **Inv. No: FOCS171474 **Desc: Transmission service and 4x4 service **Inv. Date: 1/23/2015 **Remit Name: Power Motors **Merchant Vendor Name: Power Motors		399.13					
02/12/2015	AP	379	Power Motors **Inv. No: CHCS171542 **Desc: parts fixed to make it road worthy for public **Inv. Date: 2/12/2015 **Remit Name: Power Motors **Merchant Vendor Name: Power Motors		715.45					
02/21/2015	AP	380	Power Motors **Inv. No: CHCS172096 **Desc: Tune up on chevy astro van **Inv. Date: 2/21/2015 **Remit Name: Power Motors **Merchant Vendor Name: Power Motors		505.44					
02/06/2015	AP	493	Rowley's Towing, LLC **Inv. No: 10103 **Desc: tow 08 chevy **Inv. Date: 2/6/2015 **Remit Name: AA Rowley's Towing, LLC **Merchant Vendor Name: Rowley's Towing, LLC		181.50					
04/08/2015	AP	536	Power Motors **Inv. No: FOCS172956 **Desc: dignoastic test **Inv. Date: 4/8/2015 **Remit Name: Power Motors **Merchant Vendor Name: Power Motors		49.50					
04/27/2015	AP	371	Power Motors **Inv. No: FOCS173549 **Desc: catalytic convertor for white crown vic **Inv. Date: 4/27/2015 **Remit Name: Power Motors **Merchant Vendor Name: Power Motors		426.86					
YTD Encumbrance		.00	YTD Actual	6,090.07	Total	6,090.07	YTD Budget	20,500.00	Unexpended	14,409.93

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
EQUIPMENT EXPENSES			07/01/2014 (00/14) Balance	220-4210-63200			.00
07/03/2014	AP	3	ProBuild Newport #609 **Inv. No: 69078689 **Desc: bolts for Jet truck ladder **Inv. Date: 7/3/2014 **Remit Name: ProBuild Newport #609 **Merchant Vendor Name: ProBuild Newport #609		7.98		
07/09/2014	AP	134	Alan Brown Tire Center **Inv. No: 72500095965 **Desc: fixed tire on Kubota **Inv. Date: 7/9/2014 **Remit Name: Alan Brown Tire Center **Merchant Vendor Name: Alan Brown Tire Center		330.64		
07/01/2014	AP	349	Calhoun and DeJong, Inc. **Inv. No: P-63979 **Desc: Jet truck single point parts **Inv. Date: 7/1/2014 **Remit Name: Calhoun and DeJong, Inc. **Merchant Vendor Name: Calhoun and DeJong, Inc.		294.74		
07/02/2014	AP	443	Mascott Equipment **Inv. No: 309383 **Desc: Parts for Self serve tank **Inv. Date: 7/2/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		113.97		
07/10/2014	AP	444	Mascott Equipment **Inv. No: 309852 **Desc: Parts for Self serve tank **Inv. Date: 7/10/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		25.01		
07/18/2014	AP	445	Mascott Equipment **Inv. No: 310456 **Desc: Parts for Self serve tank **Inv. Date: 7/18/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		349.12		
07/18/2014	AP	446	Mascott Equipment **Inv. No: 310459 **Desc: reclaim tanks **Inv. Date: 7/18/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		5,084.33		
06/06/2014	AP	574	Linn-Benton Tractor, Co **Inv. No: W12180 **Desc: Kubota/landpride mowerdeck repair **Inv. Date: 6/6/2014 **Remit Name: Linn-Benton Tractor, Co **Merchant Vendor Name: Linn-Benton Tractor, Co		1,960.60		
06/06/2014	AP	575	Linn-Benton Tractor, Co **Inv. No: W12181 **Desc: Kubota/landpride mowerdeck repair **Inv. Date: 6/6/2014 **Remit Name: Linn-Benton Tractor, Co **Merchant Vendor Name: Linn-Benton Tractor, Co		1,340.29		
08/18/2014	AP	659	Asea Bay Power Products **Inv. No: 167624 **Desc: repair chain saw **Inv. Date: 8/18/2014 **Remit Name: Asea Bay Power Products **Merchant Vendor Name: Asea Bay Power Products		101.30		
08/11/2014	AP	832	GOULET, RONALD R PLUMBING **Inv. No: 19296 **Desc: parts and intall of reclaim tanks **Inv. Date: 8/11/2014 **Remit Name: GOULET, RONALD R PLUMBING **Merchant Vendor Name: GOULET, RONALD		3,330.77		

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
R PLUMBING							
08/23/2014	AP	859	Mascott Equipment **Inv. No: 313543 **Desc: replacment filter housings **Inv. Date: 8/23/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		1,155.22		
08/22/2014	AP	860	Mascott Equipment **Inv. No: 313562 **Desc: replacement AV-tank hose **Inv. Date: 8/22/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		528.70		
08/22/2014	AP	861	Mascott Equipment **Inv. No: 313670 **Desc: replacement over wing hose for Jet truck **Inv. Date: 8/22/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		1,306.73		
07/22/2014	PCCAR	197	Cones for fuel trucks		206.02		
07/22/2014	PCCAR	198	pipe supplies		46.22		
09/18/2014	AP	580	Vaisala, Inc **Inv. No: 30205458 **Desc: FD12P Sensor **Inv. Date: 9/18/2014 **Remit Name: Vaisala, Inc **Merchant Vendor Name: Vaisala, Inc		347.00		
09/18/2014	AP	623	NEWPORT AUTO PARTS, INC **Inv. No: 397773 **Desc: AV truck door handle and cab light **Inv. Date: 9/18/2014 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		11.24		
09/20/2014	AP	625	NEWPORT AUTO PARTS, INC **Inv. No: 398188 **Desc: AV truck door handle and cab light **Inv. Date: 9/20/2014 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		37.03		
08/26/2014	AP	846	Aisea Bay Power Products **Inv. No: 168314 **Desc: repair chain saw **Inv. Date: 8/26/2014 **Remit Name: Aisea Bay Power Products **Merchant Vendor Name: Aisea Bay Power Products		95.90		
08/20/2014	AP	782	Complete Wireless Solutions **Inv. No: 86367 **Desc: Install ARFF radio **Inv. Date: 8/20/2014 **Remit Name: Complete Wireless Solutions **Merchant Vendor Name: Complete Wireless Solutions		788.95		
09/19/2014	AP	869	Mascott Equipment **Inv. No: 315577 **Desc: diesle fuel filter **Inv. Date: 9/19/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		6.82		
09/19/2014	AP	870	Mascott Equipment **Inv. No: 315788 **Desc: Parts for AV tank at fuel farm **Inv. Date: 9/19/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		48.61		

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
09/23/2014	AP	871	Mascott Equipment **Inv. No: 315952 **Desc: Parts for Self serve tank **Inv. Date: 9/23/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		150.61		
08/06/2014	PCCAR	197	ALSEA BAY POWER PRODUC - Purchase		24.95		
08/20/2014	PCCAR	198	BRIM TRACTOR - Purchase		119.25		
10/01/2014	AP	598	NEWPORT AUTO PARTS, INC **Inv. No: 400233 **Desc: AV truck engine service **Inv. Date: 10/1/2014 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		35.54		
10/07/2014	AP	602	NEWPORT AUTO PARTS, INC **Inv. No: 401512 **Desc: AV truck engine service **Inv. Date: 10/7/2014 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		143.11		
10/09/2014	AP	604	NEWPORT AUTO PARTS, INC **Inv. No: 401957 **Desc: AV truck engine service **Inv. Date: 10/9/2014 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		14.93		
10/01/2014	AP	636	Alsea Bay Power Products **Inv. No: 171178 **Desc: 2 cycle oil,weed eater parts **Inv. Date: 10/1/2014 **Remit Name: Alsea Bay Power Products **Merchant Vendor Name: Alsea Bay Power Products		7.54		
10/10/2014	AP	833	GOULET, RONALD R PLUMBING **Inv. No: 19352 **Desc: Finished AV tank repairs and Jet hose **Inv. Date: 10/10/2014 **Remit Name: GOULET, RONALD R PLUMBING **Merchant Vendor Name: GOULET, RONALD R PLUMBING		2,477.00		
09/23/2014	PCCAR	198	BRIM TRACTOR - Purchase		206.58		
09/10/2014	PCCAR	199	HOMEDEPOT.COM - Credit			400.00-	
09/08/2014	PCCAR	200	Wrong blades sent			59.91-	
10/20/2014	AP	115	Valley Fire Control, Inc **Inv. No: 53862 **Desc: 2 - 20lbs. BC High Flow Extinguishers **Inv. Date: 10/20/2014 **Remit Name: Valley Fire Control, Inc **Merchant Vendor Name: Valley Fire Control, Inc		422.00		
10/29/2014	AP	145	Alan Brown Tire Center **Inv. No: 72500113216 **Desc: Tires for operations truck **Inv. Date: 10/29/2014 **Remit Name: Alan Brown Tire Center **Merchant Vendor Name: Alan Brown Tire Center		1,392.12		
10/31/2014	AP	146	Alan Brown Tire Center **Inv. No: 72500113574 **Desc: Two Steer Tires for tug **Inv. Date: 10/31/2014 **Remit Name: Alan Brown Tire Center **Merchant Vendor Name: Alan Brown Tire Center		55.96		
11/14/2014	AP	393	Power Motors **Inv. No: FOCS169883 **Desc: work on 1997 black crown vic **Inv. Date: 11/14/2014 **Remit Name: Power Motors **Merchant Vendor Name: Power Motors		446.52		

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
12/17/2014	AP	514	Newport Diesel & Marine Co Inc **Inv. No: 25175 **Desc: repaired jet truck brake **Inv. Date: 12/17/2014 **Remit Name: Newport Diesel & Marine Co Inc **Merchant Vendor Name: Newport Diesel & Marine Co Inc		946.09		
12/19/2014	AP	603	NEWPORT AUTO PARTS, INC **Inv. No: 414381 **Desc: engine and brake service on GO4 **Inv. Date: 12/19/2014 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		27.21		
12/05/2014	AP	890	Mascott Equipment **Inv. No: 322049 **Desc: Fuel filters **Inv. Date: 12/5/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		1,813.78		
01/27/2015	AP	342	Power Motors **Inv. No: 27584 VOID CASHED **Desc: recreate cashed void check #27584 **Inv. Date: 1/27/2015 **Remit Name: Power Motors **Merchant Vendor Name: Power Motors		446.52		
01/27/2015	AP	343	Power Motors **Inv. No: CREDIT CK # 27584 **Desc: Credit - cashed void check # 27584 **Inv. Date: 1/27/2015 **Remit Name: Power Motors **Merchant Vendor Name: Power Motors			446.52-	
01/27/2015	AP	558	NEWPORT AUTO PARTS, INC **Inv. No: 420737 **Desc: wrenches **Inv. Date: 1/27/2015 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		71.62		
01/23/2015	AP	786	Mascott Equipment **Inv. No: 325781 **Desc: jet truck parts, sump buckets, wing mat **Inv. Date: 1/23/2015 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		1,932.84		
02/23/2015	AP	82	Englund Marine Supply **Inv. No: 649565/6 **Desc: fueling gloves **Inv. Date: 2/23/2015 **Remit Name: Englund Marine Supply **Merchant Vendor Name: Englund Marine Supply		45.00		
02/06/2015	AP	381	Power Motors **Inv. No: FOCS170818 **Desc: work on 1997 black crown vic **Inv. Date: 2/6/2015 **Remit Name: Power Motors **Merchant Vendor Name: Power Motors		323.11		
02/06/2015	AP	619	NEWPORT AUTO PARTS, INC **Inv. No: 422124 **Desc: master switch for Jet truck **Inv. Date: 2/6/2015 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		44.29		
02/06/2015	AP	809	Mascott Equipment **Inv. No: 316470 **Desc: dry brake actuator **Inv. Date: 2/6/2015 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		71.96		

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
02/05/2015	AP	810	Mascott Equipment **Inv. No: 328945 **Desc: replacement tank hose **Inv. Date: 2/5/2015 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		434.92		
02/28/2015	JE	100	Correct GL Code - 09/19/14 Mascott Equipment		6.82		
02/28/2015	JE	100	Correct GL Code - 09/19/14 Mascott Equipment			6.82-	
02/28/2015	JE	100	Correct GL Code -10/01/14 Alsea Bay Power E		7.54		
02/28/2015	JE	100	Correct GL Code -10/01/14 Alsea Bay Power E			7.54-	
02/28/2015	JE	100	Correct GL Code -10/10/14 Goulet, Ronald Plu		2,477.00		
02/28/2015	JE	100	Correct GL Code -10/10/14 Goulet, Ronald Plu			2,477.00-	
02/28/2015	JE	100	Correct GL Code -10/20/14 Valley Fire Control		422.00		
02/28/2015	JE	100	Correct GL Code -10/20/14 Valley Fire Control			422.00-	
02/28/2015	JE	100	Correct GL Code -11/14/14 Power Ford		446.52		
02/28/2015	JE	100	Correct GL Code -11/14/14 Power Ford			446.52-	
02/28/2015	JE	100	Correct GL Code -1/23/15 Maxcott Equipment		1,932.84		
02/28/2015	JE	100	Correct GL Code -1/23/15 Maxcott Equipment			1,932.84-	
02/28/2015	JE	100	Correct GL Code - 2/28/15 Power Ford		323.11		
02/28/2015	JE	100	Correct GL Code - 2/28/15 Power Ford			323.11-	
02/28/2015	JE	123	Cor Dept - Newport Auto Parts, posted to FBO		95.02		
02/28/2015	JE	125	Cor Dept - Newport Auto Parts, posted to FBO		104.10		
02/27/2015	AP	78	Englund Marine Supply **Inv. No: 649725/6 **Desc: fueling gloves **Inv. Date: 2/27/2015 **Remit Name: Englund Marine Supply **Merchant Vendor Name: Englund Marine Supply		60.60		
03/27/2015	AP	588	NEWPORT AUTO PARTS, INC **Inv. No: 432159 **Desc: parts for van **Inv. Date: 3/27/2015 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		18.11		
03/30/2015	AP	587	NEWPORT AUTO PARTS, INC **Inv. No: 432493 **Desc: muffler for van **Inv. Date: 3/30/2015 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		44.12		
03/10/2015	AP	814	GOULET, RONALD R PLUMBING **Inv. No: 19482 **Desc: fuel farm work, Jet hose and av pipe **Inv. Date: 3/10/2015 **Remit Name: GOULET, RONALD R PLUMBING **Merchant Vendor Name: GOULET, RONALD R PLUMBING		193.75		
10/16/2014	AP	838	Mascott Equipment **Inv. No: 317988 **Desc: jet truck part returned **Inv. Date: 10/16/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment			242.00-	
10/16/2014	AP	839	Mascott Equipment **Inv. No: 317989 **Desc: jet truck part returned **Inv. Date: 10/16/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment			57.43-	
12/23/2014	AP	840	Mascott Equipment **Inv. No: 323620 **Desc: jet truck part returned **Inv. Date: 12/23/2014 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment			128.00-	

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
03/04/2015	AP	841	Mascott Equipment **Inv. No: 329438 **Desc: 1 1/2 " spout gasket **Inv. Date: 3/4/2015 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		21.15		
03/13/2015	AP	842	Mascott Equipment **Inv. No: 329567 **Desc: Av reel parts **Inv. Date: 3/13/2015 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		38.19		
03/23/2015	AP	843	Mascott Equipment **Inv. No: 330344 **Desc: Parts for AV truck **Inv. Date: 3/23/2015 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		38.19		
03/26/2015	AP	844	Mascott Equipment **Inv. No: 330776 **Desc: Fuel decals **Inv. Date: 3/26/2015 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		16.12		
03/31/2015	JE	101	Cor Dept - Newport Auto Parts chg to FBO in er		53.51		
04/02/2015	AP	222	F & W Fence Company, Inc. **Inv. No: 12927 **Desc: Fixing gate operator from closing on cars **Inv. Date: 4/2/2015 **Remit Name: F & W Fence Company, Inc. **Merchant Vendor Name: F & W Fence Company, Inc.		4,580.40		
04/01/2015	AP	247	Mascott Equipment **Inv. No: 331535 **Desc: Av reel parts **Inv. Date: 4/1/2015 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		55.44		
03/18/2015	AP	508	Halco Welding, Inc **Inv. No: 63298 **Desc: av truck reel blasting and coating **Inv. Date: 3/18/2015 **Remit Name: Halco Welding, Inc **Merchant Vendor Name: Halco Welding, Inc		159.00		
03/27/2015	AP	615	Linn-Benton Tractor, Co **Inv. No: W18945 **Desc: Annual Maint. & Repair - Tractor **Inv. Date: 3/27/2015 **Remit Name: Linn-Benton Tractor, Co **Merchant Vendor Name: Linn-Benton Tractor, Co		2,265.54		
03/27/2015	AP	616	Linn-Benton Tractor, Co **Inv. No: W18948 **Desc: Annual Maint. & Repair - Mower Deck **Inv. Date: 3/27/2015 **Remit Name: Linn-Benton Tractor, Co **Merchant Vendor Name: Linn-Benton Tractor, Co		2,426.81		
04/10/2015	AP	640	NEWPORT AUTO PARTS, INC **Inv. No: 434774 **Desc: tailpipem exten. pipe for van **Inv. Date: 4/10/2015 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		52.76		
03/25/2015	PCCAR	261	ENGLUND MARINE NEWPOR - Purchase		2.58		
03/23/2015	PCCAR	262	ENGLUND MARINE NEWPOR - Purchase		42.53		

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
03/23/2015	PCCAR	263	FRED-MEYER #0227 - Purchase		91.17		
03/09/2015	PCCAR	264	fuel hose thread tape		10.13		
05/07/2015	AP	78	Englund Marine Supply **Inv. No: 652879/8 **Desc: parts for arpon light poles **Inv. Date: 5/7/2015 **Remit Name: Englund Marine Supply **Merchant Vendor Name: Englund Marine Supply		83.48		
04/29/2015	AP	87	Fastenal Company **Inv. No: ORNEW106422 **Desc: Bolst for bad boy mower **Inv. Date: 4/29/2015 **Remit Name: Fastenal Company **Merchant Vendor Name: Fastenal Company		8.90		
05/24/2015	AP	552	NEWPORT AUTO PARTS, INC **Inv. No: 443104 **Desc: fan belt **Inv. Date: 5/24/2015 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		16.11		
05/13/2015	AP	738	Mascott Equipment **Inv. No: 335249 **Desc: Fuel pump for fuel farm **Inv. Date: 5/13/2015 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		545.00		
06/08/2015	AP	85	Platt Electric Supply **Inv. No: G978114 **Desc: obstruction light bulbs **Inv. Date: 6/8/2015 **Remit Name: Platt Electric Supply **Merchant Vendor Name: Platt Electric Supply		32.16		
06/08/2015	AP	332	Allstart Auto Electric, Inc **Inv. No: 51386 **Desc: Battery for FBO generator **Inv. Date: 6/8/2015 **Remit Name: Allstart Auto Electric, Inc **Merchant Vendor Name: Allstart Auto Electric, Inc		146.00		
05/29/2015	AP	395	Linn-Benton Tractor, Co **Inv. No: P33234 **Desc: blade for mower **Inv. Date: 5/29/2015 **Remit Name: Linn- Benton Tractor, Co **Merchant Vendor Name: Linn-Benton Tractor, Co		68.15		
05/29/2015	AP	439	NEWPORT AUTO PARTS, INC **Inv. No: 444013 **Desc: fan belt **Inv. Date: 5/29/2015 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		18.57		
05/29/2015	AP	440	NEWPORT AUTO PARTS, INC **Inv. No: 444052 **Desc: fan belt **Inv. Date: 5/29/2015 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		10.45		
05/13/2015	AP	575	Mascott Equipment **Inv. No: 335249 **Desc: Ship Fuel pump for fuel farm **Inv. Date: 5/13/2015 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		27.42		
05/13/2015	PCCAR	198	BRIM TRACTOR - Purchase		141.66		
05/26/2015	PCCAR	197	ENGLUND MARINE NEWPOR - Purchase		51.00		
06/23/2015	AP	367	Mascott Equipment **Inv. No: 338318 **Desc: Swivel Seal **Inv. Date: 6/23/2015 **Remit Name: Mascott		27.80		

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance			
			Equipment **Merchant Vendor Name: Mascott Equipment							
08/26/2015	AP	368	Mascott Equipment **Inv. No: 338883 **Desc: ss tank gauge & swivel **Inv. Date: 6/26/2015 **Remit Name: Mascott Equipment **Merchant Vendor Name: Mascott Equipment		459.58					
06/01/2015	AP	408	Linn-Benton Tractor, Co **Inv. No: P33313 **Desc: Turn Buckle 1Bore **Inv. Date: 6/1/2015 **Remit Name: Linn-Benton Tractor, Co **Merchant Vendor Name: Linn-Benton Tractor, Co		117.74					
YTD Encumbrance		.00	YTD Actual	39,960.00	Total	39,960.00	YTD Budget	31,000.00	Unexpended	(6,960.00)
INSURANCE PREMIUM & EXPENSES										
			07/01/2014 (00/14) Balance	220-4210-65100						.00
07/01/2014	AP	473	PayneWest Insurance, Inc. **Inv. No: 136782 **Desc: Airport Insurance policy July 2014-June2015 **Inv. Date: 7/1/2014 **Remit Name: PayneWest Insurance, Inc. **Merchant Vendor Name: PayneWest Insurance, Inc.		10,175.00					
09/08/2014	CD	5	Fiscal Year 2015 Property/Liability Insurance		7,884.62					
09/08/2014	CD	5	Fiscal Year 2015 Property/Liability Insurance		323.00					
YTD Encumbrance		.00	YTD Actual	18,382.62	Total	18,382.62	YTD Budget	19,910.00	Unexpended	1,527.38
FINANCIAL PROFESSIONAL SERVICE										
			07/01/2014 (00/14) Balance	220-4220-60200						.00
08/11/2014	CD	6	August 2014 Airport Credit Card Charge		46.00					
02/28/2015	JE	124	Cor Dept - Aug 2014 Cr Card Chg. posted to FB			46.00-				
YTD Encumbrance		.00	YTD Actual	.00	Total	.00	YTD Budget	.00	Unexpended	.00
BUILDING & GROUNDS EXPENSES										
			07/01/2014 (00/14) Balance	220-4220-61200						.00
07/07/2014	AP	377	Aviation Laboratories Inc. **Inv. No: 0271866-IN **Desc: dice flash & dessicant cylinder **Inv. Date: 7/7/2014 **Remit Name: Aviation Laboratories Inc. **Merchant Vendor Name: Aviation Laboratories Inc.		100.82					
07/31/2014	JE	21	Cor GL No. Aviation Laboratories Inc.			100.82-				
12/11/2014	AP	739	Aviation Laboratories Inc. **Inv. No: 0275792-IN **Desc: dice flash & dessicant cylinder **Inv. Date: 12/11/2014 **Remit Name: Aviation Laboratories Inc. **Merchant Vendor Name: Aviation Laboratories Inc.		100.80					
03/31/2015	JE	102	Cor Dept - Aviation Laboratories chg to FBO in			100.80-				
05/26/2015	AP	28	Barrelhead Supply, Inc **Inv. No: 192412 **Desc: metal cutting blades and paint supplies **Inv. Date: 5/26/2015 **Remit Name: Barrelhead Supply, Inc **Merchant Vendor Name: Barrelhead Supply, Inc		57.65					
05/31/2015	JE	88	Cor GL No. Barrelhead Supply, posted in FBO			57.65-				

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
06/02/2015	AP	275	Doug's Electric **Inv. No: C29244F **Desc: Work on FBO/After hours/ apron lights **Inv. Date: 6/2/2015 **Remit Name: Doug's Electric **Merchant Vendor Name: Doug's Electric		566.88		
05/19/2015	AP	276	Doug's Electric **Inv. No: C29492F **Desc: Work on FBO/After hours/ apron lights **Inv. Date: 5/19/2015 **Remit Name: Doug's Electric **Merchant Vendor Name: Doug's Electric		106.95		
06/02/2015	AP	751	Doug's Electric **Inv. No: C29244F **Desc: Work on FBO/After hours/ apron lights **Inv. Date: 6/2/2015 **Remit Name: Doug's Electric **Merchant Vendor Name: Doug's Electric			566.88-	
06/30/2015	JE	46	Cor GL No - Doug's Electric Inv # C29492F			106.95-	
YTD Encumbrance		.00 YTD Actual	.00 Total	.00 YTD Budget	.00 Unexpended	.00	
VEHICLE EXPENSES			07/01/2014 (00/14) Balance	220-4220-63100			.00
YTD Encumbrance		.00 YTD Actual	.00 Total	.00 YTD Budget	.00 Unexpended	.00	
EQUIPMENT EXPENSES			07/01/2014 (00/14) Balance	220-4220-63200			.00
12/22/2014	AP	604	NEWPORT AUTO PARTS, INC **Inv. No: 414647 **Desc: front brake on GO4 **Inv. Date: 12/22/2014 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		104.10		
02/06/2015	AP	617	NEWPORT AUTO PARTS, INC **Inv. No: 421442 **Desc: lubricant refills and fuel filters **Inv. Date: 2/6/2015 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		95.02		
02/28/2015	JE	123	Cor Dept - Newport Auto Parts, posted to FBO i			95.02-	
02/28/2015	JE	125	Cor Dept - Newport Auto Parts, posted to FBO i			104.10-	
03/25/2015	AP	584	NEWPORT AUTO PARTS, INC **Inv. No: 431571 **Desc: bulb for av truck **Inv. Date: 3/25/2015 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		1.13		
03/26/2015	AP	585	NEWPORT AUTO PARTS, INC **Inv. No: 431821 **Desc: parts for AV truck **Inv. Date: 3/26/2015 **Remit Name: NEWPORT AUTO PARTS, INC **Merchant Vendor Name: NEWPORT AUTO PARTS, INC		52.38		
03/31/2015	JE	101	Cor Dept - Newport Auto Parts chg to FBO in er			53.51-	
YTD Encumbrance		.00 YTD Actual	.00 Total	.00 YTD Budget	.00 Unexpended	.00	
INSURANCE PREMIUM & EXPENSES			07/01/2014 (00/14) Balance	220-4220-65100			.00
YTD Encumbrance		.00 YTD Actual	.00 Total	.00 YTD Budget	.00 Unexpended	.00	

Number of Transactions: 240 Number of Accounts: 10

Debit Credit Proof

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance
Total AIRPORT:					106,986.39	8,856.65-	98,129.74
Number of Transactions: 240 Number of Accounts: 10					Debit	Credit	Proof
Grand Totals:					106,986.39	8,856.65-	98,129.74

**ATTACHMENT
QUESTION 4.**

Date	Journal	Reference Number	Payee or Description	Account Number	Debit Amount	Credit Amount	Balance		
RENTS & LEASES			07/01/2014 (00/14) Balance	220-4210-48002			.00		
07/31/2014	AR	7	Billings			4,653.84-			
07/31/2014	AR	14	Credit Memos		180.00				
07/31/2014	CRJE	11	July 2014 Airport Credit Card Revenue			30.00-			
08/31/2014	AR	8	Billings			5,186.43-			
09/30/2014	AR	12	Billings			4,562.16-			
10/31/2014	AR	12	Billings			5,077.07-			
11/30/2014	AR	10	Billings			4,562.16-			
12/31/2014	AR	6	Billings			4,563.52-			
01/31/2015	AR	9	Billings			4,955.75-			
02/28/2015	AR	11	Billings			4,319.89-			
03/31/2015	AR	12	Billings			4,971.25-			
04/30/2015	AR	13	Billings			5,083.15-			
04/30/2015	CRJE	16	Airport Credit Cards - 04/15			15.00-			
05/31/2015	AR	11	Billings			4,751.14-			
06/30/2015	AR	11	Billings			5,213.97-			
06/30/2015	JE	42	Adjust & Correct Acct Receivable with Gen Led			178.02-			
YTD Encumbrance	.00	YTD Actual	-57,943.35	Total	-57,943.35	YTD Budget	-52,500.00	Unearned	(5,443.35)

Number of Transactions: 16 Number of Accounts: 1

Total AIRPORT:

Number of Transactions: 16 Number of Accounts: 1

Grand Totals:

Debit	Credit	Proof
180.00	58,123.35-	57,943.35-
180.00	58,123.35-	57,943.35-

Report Criteria:

Types Selected: Invoices

Customer Type: Customer type = "Airport Hanger Leases"

Name	Customer Number	Type	Invoice/Reference	Description	Applied To Invoice	Check Number	Amount	Category
Invoices								
09/01/2014								
Ameriflight LLC	85	Invoices	1380	Monthly Landing Fees			169.00	Airport
Bums, Stephen	12	Invoices	1350	Hangar Lease - Hangar B			22.50	Airport
Busby, Ralph	91	Invoices	1382	Monthly Lease - Hangar N			30.75	Airport
Clark, Patrick	14	Invoices	1353	Monthly Lease - Hangar T4			180.00	Airport
Cochran, Irene	16	Invoices	1359	Airport Hangar T5			180.00	Airport
Dean Sawyer	1	Invoices	1345	Airport Hangar "A"			29.25	Airport
Domas, David A.	92	Invoices	1383	Monthly Lease - Hangar T-			180.00	Airport
Fed Ex Corp	22	Invoices	1360	Airport Office Lease			1,352.64	Airport
Figenshu, Richard	93	Invoices	1384	Monthly Lease - Hangar O			46.75	Airport
Grassley, Jim	94	Invoices	1385	Monthly Lease - Hangar M			37.62	Airport
H William Frank	149	Invoices	1355	Monthly Lease-Hangar Ma			240.00	Airport
Hahn, Douglas	27	Invoices	1362	Monthly Lease - Hangar A5			30.75	Airport
Kenney, Michael	29	Invoices	1363	Monthly Lease - Hangar C			28.71	Airport
Knott, Thomas	96	Invoices	1386	Monthly Lease - Hangar T-			180.00	Airport
Krahenbuhl, Edward	30	Invoices	1364	Monthly Lease - Hangar T-			180.00	Airport
Lacasse, Les	31	Invoices	1365	Main Hangar			180.00	Airport
Lacasse, Les	31	Invoices	1366	Monthly Lease - Hangar T7			180.00	Airport
Lacasse, Les	31	Invoices	1367	Suite D			108.00	Airport
Lawson, Paul & Sha	34	Invoices	1369	Monthly Lease - Hangar I			37.40	Airport
Martin, Terry	38	Invoices	1371	Monthly Lease - Hangar 2			37.62	Airport
Monden, Gene	97	Invoices	1387	Monthly Lease - Hangar L			29.25	Airport
Nichols, David B.	44	Invoices	1372	Monthly Lease - Hangar G			30.75	Airport
Old Town Properties	135	Invoices	1352	Monthly Lease - Hangar C			45.47	Airport
Parker, Toby	117	Invoices	1349	Airport Hangar T3			180.00	Airport
Props Inc	100	Invoices	1347	Monthly Lease - Hangar D			31.39	Airport
Reno, Dennis	101	Invoices	1348	Monthly Lease - Hangar H			29.25	Airport
Schuster, Steve	53	Invoices	1374	Monthly Lease - Hangar M			240.00	Airport
Stanton, Greg	57	Invoices	1375	Monthly Lease - Hangar A-			37.62	Airport
Stanton, Greg	57	Invoices	1376	Monthly Lease - Hangar T-			180.00	Airport
Terhaar, Ron and W	59	Invoices	1377	Monthly Lease - Hangar E			37.62	Airport
Wayne K Larson	147	Invoices	1354	Monthly rental fee			195.00	Airport
Wellman, David	62	Invoices	1378	Monthly Lease - Hangar 1			37.62	Airport
Wiese, Chuck	63	Invoices	1379	Monthly Lease - Hangar A1			57.20	Airport
Total 09/01/2014:							4,562.16	
09/22/2014								
Ameriflight LLC	85	Invoices	1403	Av-Gas 45014 (1967) 09/0			593.01	Airport
Empire Airlines	2	Invoices	1404	Jet-a w/prist 965FE 09/05/			99.00	Airport
Total 09/22/2014:							692.01	
Total Invoices							5,254.17	
Grand Totals:							5,254.17	

ATTACHMENT
QUESTION 5.

**CITY OF NEWPORT, OREGON
AIRPORT FUND
SCHEDULE OF REVENUES AND EXPENDITURES**

Revenues	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget
JET FUEL REVENUE	\$ 291,583	\$ 173,859	\$ 400,496	\$ 339,782	175,000
AVGAS REVENUE	87,283	104,427	73,340	50,123	75,000
OIL	204	624	663	348	520
PILOT SUPPLIES	675	3,585	973	10,609	7,300
FOOD CATERING	1,483	261	1,383	544	500
TIE DOWN	164	604	137	122	100
SERVICE PROVIDED FOR SEWER FND	30,704	30,704	30,704	30,704	30,704
RENTS & LEASES	39,144	52,586	53,018	57,943	52,780
CONCESSIONS	405	279	394	1,625	1,000
INTEREST ON INVESTMENTS	-	1,471	2,600	1,036	561
MISC. SALES & SERVICES	20,985	7,989	2,149	2,574	500
Total revenues	472,630	376,389	565,857	495,410	343,965
Expenditures	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Budget
WAGES & SALARIES	\$ 147,050	\$ 148,515	\$ 100,370	77,425	116,195
OVERTIME	6,756	7,203	11,869	14,169	8,000
ON-CALL	0	0	6,600	4,700	4,700
INSURANCE BENEFITS	48,147	61,680	29,469	14,711	37,867
FICA EXPENSES	14,154	11,812	9,014	8,028	9,860
RETIREMENT	25,837	25,956	20,995	14,356	12,257
WORKER'S COMPENSATION	4,438	3,513	2,748	2,852	3,179
UNEMPLOYMENT INSURANCE	943	901	1,365	1,498	773
PROFESSIONAL SERVICES	15,225	8,885	10,069	2,189	8,000
FINANCIAL PROFESSIONAL SERVICE	19,090	18,870	15,485	10,525	10,000
LEGAL PROFESSIONAL SERVICES	0	0	11,857	5,692	2,000
EMPLOYMENT SERVICES	0	0	33,717	39,545	28,000
OTHER PROFESSIONAL SERVICES	0	945	1,925	1,840	2,000
UTILITIES - ELECTRIC	0	0	12,731	13,393	12,500
UTILITIES - WATER & SEWER	0	0	0	644	6,600
UTILITIES - OTHER	0	0	4,296	1,405	1,800
BUILDING & GROUNDS EXPENSES	21,337	20,761	46,621	23,172	34,000
PERMITS/LICENSES EXPENSES	17,681	16,853	2,405	4,222	3,800
OTHER PROPERTY SERVICES	0	0	517	0	600
CLEANING EXPENSES	0	0	6,858	5,102	5,000
VEHICLE EXPENSES	1,423	6,544	16,626	6,090	13,000
EQUIPMENT EXPENSES	34,283	24,389	11,444	39,960	31,000
MAINTENANCE AGREEMENTS	0	0	5,615	5,120	5,000
INFRASTRUCTURE EXPENSE	342	250	0	0	10,000
LEASE EXPENSES	0	248	1,127	497	1,000
RENTAL EXPENSES	0	0	3,146	3,488	4,500
INSURANCE PREMIUM & EXPENSES	0	0	17,063	18,383	20,733
COMMUNICATIONS EXPENSES	0	16	5,182	4,079	4,200
ADVERTISING & MARKETING EXP	467	4,358	372	1,178	500
PRINTING & BINDING	0	0	279	188	500
TRAVEL & MEETING EXPENSES	9,135	8,210	430	3,255	3,500
MEMBERSHIPS, DUES & FEES	0	0	305	600	560
TRAINING	8,408	2,543	8,619	3,752	4,310
PROGRAMS & PROGRAM SUPPLIES	8,411	11,108	0	55	100
OTHER OPERATING EXPENSES	0	0	1,031	7,594	8,800
OFFICE SUPPLIES	0	0	6,703	9,683	12,000
BOOKS/PERIODICALS/DVD & VIDEO	3,541	3,766	0	600	600
POSTAGE/SHIPPING EXPENSES	0	0	323	403	400
CONCESSIONS & CATERING	0	0	2,134	2,753	1,500
AMMUNITION & FIREARMS	0	0	48	1,514	1,300
CLOTHING & UNIFORMS	0	0	297	495	500
GENERAL EXPENSES	3,259	6,411	3,409	3,025	2,700
SAFETY & HEALTH EXPENSES	0	174	31	6	0
NON-CAPITAL EQUIPMENT	0	0	12,980	0	0
FUEL	6,487	8,650	9,601	6,103	6,500
JET FUEL EXPENSES	132,545	250,276	315,215	168,236	105,000
A-V-GAS EXPENSES	72,198	61,310	44,510	102,108	70,000
SERV PROVIDED BY GENERAL FUND	53,955	51,203	53,552	54,679	66,281
	655,112	765,350	848,953	689,312	681,615
OPERATING SUBSIDY	(182,482)	(388,961)	(283,096)	(193,902)	(337,650)

ATTACHMENT
QUESTION 6.

**CITY OF NEWPORT, OREGON
AIRPORT FUND
SCHEDULE OF REVENUES AND EXPENDITURES**

	2015-16 Actual thru 10/31/15
Revenues	
JET FUEL REVENUE	\$ 42,063
AVGAS REVENUE	25,482
OIL	529
PILOT SUPPLIES	9,429
FOOD CATERING	1,016
TIE DOWN	177
SERVICE PROVIDED FOR SEWER FND	10,235
RENTS & LEASES	22,119
CONCESSIONS	647
INTEREST ON INVESTMENTS	366
MISC. SALES & SERVICES	334
Total revenues	<u>112,397</u>
Expenditures	
WAGES & SALARIES	\$ 26,164
OVERTIME	2,630
ON-CALL	1,400
INSURANCE BENEFITS	8,268
FICA EXPENSES	2,235
RETIREMENT	876
WORKER'S COMPENSATION	2,420
UNEMPLOYMENT INSURANCE	276
PROFESSIONAL SERVICES	4,588
FINANCIAL PROFESSIONAL SERVICE	2,122
LEGAL PROFESSIONAL SERVICES	0
EMPLOYMENT SERVICES	15,022
OTHER PROFESSIONAL SERVICES	0
UTILITIES - ELECTRIC	3,167
UTILITIES - WATER & SEWER	3,095
UTILITIES - OTHER	448
BUILDING & GROUNDS EXPENSES	1,808
PERMITS/LICENSES EXPENSES	875
OTHER PROPERTY SERVICES	0
CLEANING EXPENSES	1,008
VEHICLE EXPENSES	1,329
EQUIPMENT EXPENSES	24,063
MAINTENANCE AGREEMENTS	1,280
INFRASTRUCTURE EXPENSE	654
LEASE EXPENSES	0
RENTAL EXPENSES	864
INSURANCE PREMIUM & EXPENSES	21,657
COMMUNICATIONS EXPENSES	1,211
ADVERTISING & MARKETING EXP	0
PRINTING & BINDING	537
TRAVEL & MEETING EXPENSES	29
MEMBERSHIPS, DUES & FEES	105
TRAINING	75
PROGRAMS & PROGRAM SUPPLIES	0
OTHER OPERATING EXPENSES	210
OFFICE SUPPLIES	15
BOOKS/PERIODICALS/DVD & VIDEO	0
POSTAGE/SHIPPING EXPENSES	66
CONCESSIONS & CATERING	1,010
AMMUNITION & FIREARMS	0
CLOTHING & UNIFORMS	0
GENERAL EXPENSES	2,140
SAFETY & HEALTH EXPENSES	0
NON-CAPITAL EQUIPMENT	0
FUEL	1,459
JET FUEL EXPENSES	18,596
AV-GAS EXPENSES	22,841
SERV PROVIDED BY GENERAL FUND	22,094
	<u>196,637</u>
OPERATING SUBSIDY	<u>(84,240)</u>

**ATTACHMENT
QUESTION 8.**

Accomplishments and overview of the January 2010 business plan.

Goals:

1. To operate as a financially self-supporting general aviation airport:
With fueling the USCG the airport became the closes to being finical stable than in previous years.
2. To attract and retain a base of personal and business/corporate aircraft:
The City Of Newport attracted summer Bi-plane rides. That went out on over 115 flights, from Mid-July to Mid-September
3. To promote the airport future by transient and business, private and corporate aircraft operations:
The City Of Newport was successful in attracting Devainare air charter services to offer charter service to and from Newport. They have been thinking of starting commercial flights out of Newport.
4. To implement the airport's "Twenty Year Capital improvement Plan":
We have implemented several of AIP/CIP on the current master plan, putting in a runway 2 approach, new rotating beacon, runway 16/34 rehabilitation, restriping entire airfield, cargo apron expansion, new wild life plan, and started new master plan. Following it the list of the future CIP projects.
2015 – Airport Master Plan
2016 – Land Acquisition
2017 – Taxiway Rehab (phase I – design)
2018 – Taxiway Rehab (phase II – Construction)
2019 – PMP
2020 – Storm Pipe Rehabilitation Design
2021 – Storm Pipe Rehabilitation Construction
5. Support the City of Newport's economic development goals:
The Newport Municipal Airport has supported the City of Newport's economic goal since 2013; by sending 367 rental cars and 474 crew cars into the City Of Newport. Those pilots and passengers spend money at local businesses.

Recommendations:

1. Aggressively seek funding to develop water and sewer services to the airport for immediate growth of both aviation and non-aviation businesses and hangar expansion:
The City expanded water service to the North half of the airport; by adding a pump station at the ARFF entrance. The airport is closer to being able to be independent of the Seal Rock Water District than ever before. Sewer has been talked about and look at a few times with the City of Newport engineering department to develop the best plan of attack
2. Implement, under the management of the airport director, and aggressive CO-OP advertising campaign to insure that KONP has a presents on all forms of media with the:
 - a. Newport Chamber of Commerce
 - b. Destination Newport
 - c. Yaquina Bay economic foundation
 - d. News media

- e. And Local business:
The City of Newport held a very successful grand re-dedication of the airfield with over 300 locals in attendance. Airport management worked with the Chamber of Commerce, school district, and local radio stations to promote the event. Next the Oregon Pilots Association held their annual meeting at ONP. They had over 100 people in attendance and had 50 planes parked on the apron at one time. Finally, the Washington Pilots Association flew in for the Fourth of July to attend the first annual salmon feed hosted by the Port of Newport. They flew in 30 people with 16 aircraft.
3. Hire a part time .75 FTE customer service agent from May thru September to
 - a. Answer the phone when airport staff is unavailable.
 - b. Assist airport visitors in travel and Newport accommodations and general tourists related needs.
 - c. Generate and atmosphere of friendliness and customer service:
The City has hired two full time contract employees to keep up with the demand of increased air traffic. The airport has logged 1,000 more operations than in any previous year.
 4. Negotiate a contract with a Rental Car company for "on site" service that is competitively priced with reasonable operating hours:
The City Of Newport has negotiate with Toby Murray to house four rental cars at the airfield for the flying public use. It has paid off in a huge way, (refer to goal section #5). The City also added one more crew car to our fleet. Which has had a big impact on easing pilots wait time to get into Newport for lunch, shopping, going to the Aquarium, Bay front and Nye beach areas, and other Newport destinations.
 5. Utilize the resources of a 501-C3 volunteer organization to assist in daily airport activities and supporting the airport manager with meaningful projects:
The City has not yet work out the volunteer program for the airfield at this time. It has been tried in the past, but lack of interest stop its progression. On a positive side local pilots did form the Newport Flying Club.
 6. Ensure that the stated projects within the "20 year Newport Airport Improvement Plan" are annually reviewed and implemented by the airport manager and airport committee:
The City of Newport has ensured the participation of the Airport Committee with the AIP projects listed under section – Goals, #4.
 7. Upgrade of taxiway south to runway 34—16, to eliminate back taxi restrictions.
Taxiway "Echo" is fully upgraded, there is no reason to back taxi unless the pilot choose too.

Service Description and responsibilities:

Newport Municipal Airport is part of the National Plan of Integrated Airport System (NPIAS). The City is maintaining our 139 cert and adhering to the ACM on file with the FAA, the Wildlife Management plan, and FAA AIP Grant assurances. Airport management works very close with the Oregon Department of Aviation (ODA) through their pavement maintenance program, SCIP, and Connect Oregon Grants.

At the Federal level Airport management also works very close with FAA and their different internal departments, ADO, Cert Inspections, Planning, field maintenance crews, etc. Including a relationship with the USCG Airmen, and several other military and governmental agencies, USDA, FBI, NTSB, and TSA.

Airport management has built a very good working relationship with of City of Newport's internal departments. Including fostering a great working relationship with Oregon State Police, Lincoln County Sheriff's office, and the District Attorney's office.

Target market Segments:

Airport management has taken advantage of several opportunities to help bring more revue to the airport. With the addition of concessions, pilot's supplies, FAA charts, and ONP branded shirts, hats, pull overs and lapel pins. Including taking and handling of catering orders with local venders, agreement with Enterprise rent a car to hand out their rental cars to their customers when needed, working with flight booking agents to suggest Hotel accommodations, food, sight-seeing, local events that might be happing, fishing charters, etc. A reminder of the bi-plane rides this past summer and what a great success it was.

Oxygen system servings, deicing, lab services, are very rarely asked for. It is costly getting the equipment and training for the employee's that would take a long time to make any return on investment. Same with Flight training, plane rentals, on field mechanic. At this time there is not a large enough demand to support a steady enough business to be successful.

Finally, the airport has remained steady on our fuel pricing; by keeping it around the average point according to Airnav, compared to surrounding airfield fuel prices. The Local General Aviation folks that fly in normally don't need fuel. They fly in for lunch, day visits, or weekend getaways. It's the corporate, military, and out of State travels that come in and need fuel. The City has not started on a marketing plan at this time. The airport's only advertising is by word of mouth, selling ONP branded shirts, hats, and lapel pins, and our Facebook page.

Thank you for your time,

Lance Vanderbeck

Airport Operations & Administration Manager

ATTACHMENT

QUESTION 11.

**NEWPORT MUNICIPAL AIRPORT
HANGAR SITE LAND LEASE AGREEMENT**

BETWEEN: The City of Newport, an Oregon Municipal Corporation **(Lessor)**

AND: **(Lessee)**

EFFECTIVE DATE:

RECITALS

- A. The Newport Municipal Airport (Airport) is operated by and under the jurisdiction of Lessor. In accordance with sound Airport management practices, the Airport rules and regulations and the Airport Plan of Development, as updated and amended from time to time, and other relevant policies of Lessor, certain areas of the Airport are reserved for each of the several types of activities that occur.
- B. Lessee desires to construct and maintain a hangar at the Airport in an area designated for such facilities, and Lessor is willing to Lease the land to Lessee for the purpose of constructing and maintaining such a hangar in accordance with the terms and conditions set forth in this Agreement.
- C. The following are attached and incorporated as part of the Lease:

Exhibit A - Description and Map of Leased Premises (land only).

AGREEMENT

- 1. Lease. For the purpose stated in this Agreement and on the other terms and conditions stated herein, Lessor leases to Lessee the land as described on the attached Exhibit A, consisting of xxxx square feet (Leased Premises).
- 2. Initial Term for a New Lease. The period of the Lease will be fifteen (15) years, commencing (insert date), and expiring (insert date), subject to earlier termination in accordance with the terms of this Agreement.
- 3. Extension Term. Provided Lessee is not in default in the performance of any term or condition of this Lease, Lessee shall have the option to extend this Lease for two (2) additional terms of five (5) years per term, commencing with the expiration of the first or additional term, upon the following conditions:
 - 3.1 The extension option may be exercised at any time between 360 and 60 days prior to the expiration of the initial term, or any extension term, with written notice given to Lessor by the Lessee. If not exercised within such period and in such manner, the option to extend shall be void. Even if

exercised timely, the granting of the option is conditional upon the provisions in this Paragraph 3.

- 3.2 Within sixty (60) days after receipt of Lessee's notice of exercise of the extension option, Lessor shall cause the improvements to be inspected by the Building Inspector for the City of Newport. The inspection shall be for the purpose of determining the condition of the improvements.
 - 3.3 Following the inspection, Lessor shall notify Lessee of the inspection results, including a list of any necessary repairs. The additional term shall be contingent upon Lessee's completion of any necessary repairs and/or resolution of code compliance issues.
 - 3.4 Additionally, Lessor may require as a further condition to Lessee's right to continue the Lease for an extension term, that Lessee make such alterations, improvements, or repairs Lessor deems necessary or appropriate for the good of the Airport, taking into consideration the state of repair and condition of other similar and newer improvements located at the Airport, and the overriding desire to maintain clean, safe, and attractive facilities for other users of the Airport. Items considered for improvement shall include, but shall not be limited to, structural integrity of the hangar, exterior finish, condition and operation of doors, and condition of roof. To effectuate any such additional conditions, Lessee's right to continue the Lease during the extension term shall be subject to a supplemental document between Lessor and Lessee, setting forth a reasonable time, determined by Lessor, in which such alterations and repairs will be made, and providing that upon Lessee's failure to make such alterations and repairs within that period, the extension term shall immediately terminate, in which event the provisions of Paragraph 18 shall apply.
 - 3.5 As used herein, the Building Inspector is the individual occupying that position or similar position at the time the inspection is made, or that person's designee or agent, or the individual occupying a similar position in a successor agency or governmental unit having building code jurisdiction over the Airport facilities.
 - 3.6 Upon the expiration of the two (2) additional terms of five (5) year extensions, and provided Lessee is not in default in the performance of any term or condition of this Lease, the Lessor agrees to negotiate a successor agreement with the Lessee.
4. **Basic Rent.**
- 4.1 Basic rent is \$0.22 per square foot of ground space per year. Basic rent shall be due and payable on a monthly basis, prorated to the first day of the month following signing, and due on the same day of each month thereafter.

- 4.2 Any payments or partial payments not made under this Lease shall bear interest at the rate of twelve percent (12%) per annum until paid.

5. Adjustments to Basic Rent.

- 5.1 **Maintenance Fee.** An annual maintenance fee may be added to the basic rent established for the hangar lease sites at the Airport in accordance with the procedure adopted by the City Council of the City of Newport. The procedure for adjustment may include a share of the costs for city utilities used at the Airport, repairs, maintenance, insurance, licenses, cleaning and costs of labor, and any property taxes or assessments attributable to the Airport premises. The procedure shall include a provision that all such costs included as part of the adjustment are to be directly related to the Airport or use of Airport property. The proposed adjustment shall be presented to the Lessee by Lessor thirty (30) days prior to the effective date of the assessment. Cost to the Lessee shall be determined as a fraction of total cost, the numerator of which is the total square footage of Lessee's leased property, and the denominator is the total rented and Lessor-used square footage, including property used by the Newport Municipal Airport.
- 5.2 **CPI Adjustment.** The basic rent provided in Paragraph 4 shall be increased each year by a percentage equal to the percentage change in the Consumer Price Index statistics published by the United States Bureau of Labor. Comparisons shall be made using the index entitled, "U.S. City Average/All Items and Major Group Figures for all Urban Consumers Portland Area (1982-84 = 100)," or the nearest comparable data on changes in the cost of living, if such index is no longer published. The change shall be determined by comparison of the figure for the previous January 1, with that of January 1 of the current year. In no event shall this calculation cause a reduction in base rent below that payable during the preceding year. The proposed adjustment shall be presented to the Lessee by the City thirty (30) days prior to the effective date of the assessment.
- 5.3 **Challenge.** Lessee may give Lessor notice, within thirty (30) days of the notice of rental adjustment, challenging Lessor's figures. If any such challenge is not made within thirty (30) days, Lessee's challenge to the figures presented by Lessor shall be deemed waived. The challenge shall be restricted to Lessor's calculations of increases relating to Lessee and, if not resolved by the parties, will be referred to arbitration as described in Paragraph 23.
6. **Taxes.** Lessee shall pay when and if levied, any taxes on the Leased Premises, as well as any taxes on improvements and fixtures constructed and maintained on the Leased Premises. If any taxes on the Leased Premises are levied against

the Lessor, they shall be reimbursed to the Lessor within thirty (30) days of written notice from Lessor to Lessee.

7. **Pre-Approval of Plans.** Lessee shall construct and maintain upon the Leased Premises an aircraft hangar which shall in all respects comply with applicable laws, rules, regulations, ordinances, and resolutions of all governmental entities, including Lessor. The plans and specifications of the hangar shall be subject to approval by Lessor. Lessee shall submit such plans and specifications to the Airport Manager. The Airport Manager may withhold approval of Lessee's plans and specifications when, in Manager's reasonable judgment, the proposed development is not consistent with the plans, policies, rules, regulations, standards of quality, and practices at the Airport. No site preparation or construction shall be commenced without first obtaining the written approval of Lessor.
8. **Construction of Improvements.** Lessee shall construct its planned facilities and install therein all necessary fixtures, equipment, and accessories, all of which shall be in accordance with the terms and conditions of this Agreement and any applicable city code or FAA requirements. Lessee shall complete construction of the new improvements within one (1) year after the Effective Date of this Agreement. Existing improvements shall be deemed to have been appropriately constructed so long as they are well-maintained and meet all applicable city code and FAA requirements. It is expressly understood that upon the expiration of the lease agreement, all hangar improvements shall become property of Lessor.
 - 8.1 Lessee agrees to reimburse Lessor for the apportioned costs of roadway improvements including, but not limited to: excavation, paving, drainage, and fencing required for all extensions of the access road to the Leased Premises. Lessee shall be responsible for the cost of all extensions, as applicable, of all water, sewer, and other utilities to the Leased Premises, as well as any fees for obtaining service. Lessee shall be responsible for payment at the time improvements are completed. Lessee shall remit payment to Lessor within thirty (30) days from the date of invoice.
 - 8.2 Lessee agrees to construct, at Lessee's expense, aircraft access improvements, including without limitation driveways, taxi lanes, aprons, and ramps to its planned facility. Construction and location of the access improvements shall comply with specifications set forth by Lessor at the time of plan's approval. Lessee understands that those portions of the constructed Airport access improvements situated outside the boundaries of the Leased Premises shall become, immediately upon their completion to Lessor's satisfaction, the property of Lessor. All construction and any connections to the runway of any apron or taxi lane shall in addition be governed by any rules or regulations regarding Airport operations and must be approved of and overseen by Airport management. Constructed facilities shall not be occupied until access is completed and accepted by Lessor.

- 8.3 Upon completion of improvements, Lessee shall provide an 8 ½" x 11" site plan detailing a scaled drawing of the Leased Premises, hangar foot print, office area, parking, landscaping, and any other improvements.
 - 8.4 The provisions provided above do not relieve Lessee from compliance with all applicable building code requirements and acquiring all necessary licenses and permits from any governmental authority.
 - 8.5 If the aircraft hangar or other improvements on the Leased Premises are damaged or destroyed, Lessee shall do whatever is necessary to repair, rebuild, or restore the structure and other improvements to substantially the same condition existing prior to the damage or destruction within 180 days of the date of destruction. Upon written request from Lessee, Lessor may extend the 180-day timeline to the extent reasonably necessary due to conditions beyond the control of Lessee.
9. **Use of the Leased Premises.** Use of the Leased Premises is limited to aeronautical uses. The Lessee may use the Leased Premises for the following purposes and for no other purpose (including commercial use) without the prior written approval of the Airport Manager:
- 9.1 Construction of an aircraft hangar for private use by the Lessee in accordance with Airport rules and regulations;
 - 9.2 Storage of aircraft;
 - 9.3 Supplies, equipment, and other ancillary items necessary for the safe operations and maintenance of the Lessee's aircraft;
 - 9.4 Construction, maintenance, and repair of Lessee's aircraft by Lessee or by a person or firm in accordance with current and applicable future Airport rules and regulations.
10. **Lessee's Additional Use Rights.** Lessee shall have the use of Airport facilities and navigational aids for the purpose of landing, taking off, and taxiing of Lessee's aircraft, and related rights of ingress and egress 24 hours a day, subject to the current or any amended laws, rules, regulations, ordinances, and resolutions of applicable governmental bodies, including Lessor.
11. **Restriction on Assignment and Sublease.** Lessee shall not assign this Lease, or any interest herein, or sublease the Leased Premises without the prior written consent of Lessor. As a condition of any consent to assignment, Lessor may require one or more of the following:
- 11.1 **Updating Lease.** Lessor may require or allow Lessee and/or the assignee to execute Lessor's then current form of hangar site Lease, or a partial or

complete amendment of this Lease to incorporate the terms and provisions of Lessor's then current form of hangar site Lease.

- 11.2 **Environmental Assessment.** If Lessor reasonably believes that there is a question regarding hazardous materials or other environmental issues that relate to Lessee's use of the premises, Lessor may require, as a condition of assignment, an environmental assessment. Such assessment would be at Lessee's expense, as a condition of approval of assignment.
 - 11.3 **Assumption.** The assignee shall expressly assume Lessee's obligations under this Lease, as may be modified in accordance with Paragraph 11.1. Any approval of assignment is not a release from any and all obligations of Lessee under the Lease Agreement, except to the extent that Lessor specifically, in writing, releases Lessee from such obligations. This provision does not apply to any of assignor Lessee's obligations as set forth in Paragraph 12.6.
 - 11.4 As a condition of approval, Lessor may require any improvements to the property to bring it into compliance with rules or regulations of the Airport.
12. **Specific Obligations of Lessee.** In connection with Lessee's occupancy and use of the Leased Premises, the following specific conditions shall apply:
- 12.1 **Utilities.** Lessor shall not be obligated to furnish any utilities or utility services to the Leased Premises. If, upon Lessee's request, Lessor agrees to provide utility services to the Leased Premises as a condition of providing service, Lessee shall be responsible for all costs of installation of such service, including transmission lines, connection fees and utility service charges. Prior to construction, a payment agreement in a form acceptable to the Lessor shall be entered into between the parties. If payment includes costs of any transmission lines that have the potential for use by other lessees, there would be included a repayment schedule to the original paying Lessee as other parties apply for service. Such reimbursement agreement shall not exceed ten (10) years in length.
 - 12.2 **Maintenance.** Lessee shall, at its own cost, keep and maintain the Leased Premises, including hangar building, grounds, and all other improvements in good condition and repair. In determining whether or not the Leased Premises are in proper condition, the Airport Manager shall take into consideration the appearance and character of other similar improvements at the Airport which are in good condition and repair. It is specifically acknowledged that the condition or repair includes appearance and improvements of the Leased Premises, and therefore the condition of paint or other exterior finish. Lessee shall not store parts, equipment, or other materials outside the hangar structure. Lessee shall not permit any refuse or debris to be deposited or to accumulate on the Leased Premises. Lessee shall not permit any bird nesting or attractants on the Leased

Premises. Failure to maintain the Leased Premises shall be deemed a breach of this Lease.

- 12.3 **Taxi Lane.** The cost of construction of the taxi lane shall be an obligation of the Lessee. Such construction shall be subject to the approval of the Lessor. Once constructed, the Lessor shall be responsible for maintenance and repair of the taxi lane.
- 12.4 **Compliance with Laws.** Lessee shall comply with all applicable laws, ordinances, rules, and regulations of any governmental bodies having jurisdiction over the Airport with respect to Lessee's activity in relation to the use and occupancy of the Leased Premises, and of the Airport in general. Any act or failure to act by Lessee or by any subtenant, employee, invitee, or agent of Lessee in violation of any such laws, ordinances, rules, and regulations shall be deemed a violation of this Lease.
- 12.5 **Airport Rules and Regulations.** Lessee's obligation under Paragraph 12.4 shall include, but not be limited to, the rules and regulations of the Airport. Lessor reserves the right to adopt additional rules and regulations and amend existing and future rules and regulations which govern the Leased Premises and the facilities at the Airport used by the Lessee in connection with the Leased Premises. Lessee agrees to observe, obey, and abide by all such rules and regulations currently existing or hereafter adopted or amended. Any action or failure to act by Lessee or by any subtenant, employee, invitee, or agent of Lessee which is in violation of such rules and regulations shall be deemed a violation by Lessee of this Lease.
- 12.6 **Environmental Laws.** Lessee's obligations under this Lease specifically include, but are not limited to, strict and timely compliance with all environmental laws. Lessee shall ensure that all operations on the Leased Premises comply with all environmental laws and orders of any governmental authorities having jurisdiction under any environmental laws. Lessee shall exercise extreme care in handling hazardous substances and shall undertake any and all preventive, investigatory, or remedial action (including emergency response, removal, containment, and other remedial action) which is either required by any applicable environmental laws or orders of any governmental authority having jurisdiction under such laws, or necessary to prevent or minimize property damage, personal injury or damage to the environment or threat of any such damage or injury, by releases of, or exposure to, hazardous materials in connection with the Leased Premises or operations thereon. Lessee shall immediately notify Lessor upon becoming aware of any leak, spill, release or disposal of hazardous substances on, under, or adjacent to the Leased Premises. In the event Lessee fails to perform any of Lessee's obligations under this paragraph, Lessor may, but shall not be required to, perform such obligations at Lessee's expense. In performing any such obligations of

Lessee, Lessor shall at all times be deemed the agent of Lessee and shall not, by reason of such performance, be deemed to be assuming any responsibility of Lessee under any environmental law or to any other third party. At any time Lessor reasonably requests, Lessee shall provide to Lessor further assurance of Lessee's compliance with this paragraph. The assurances shall be in a form and substance satisfactory to Lessor, in Lessor's sole discretion, and may include but not be limited to, Lessee providing to Lessor an environmental audit or assessment from a source acceptable to Lessor, at Lessee's expense.

12.6.1 As used in this Agreement, the term "environmental laws" means all state, federal, and local statutes, regulations, and ordinances relating to the protection of human health and the environment.

12.6.2 In this Agreement, the term "hazardous materials" is used in its very broadest sense and refers to materials that, because of their quantity, concentration or physical, chemical, or infectious characteristics, may cause or pose a present or potential hazard to human health and to the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported, or otherwise handled on the Leased Premises. The term includes, without limitation, petroleum products or crude oil or any fraction thereof, and any and all hazardous or toxic substances, materials, or wastes as defined by or listed under the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation, and Liability Act, and any other environmental laws.

12.7 Signs. In addition to complying with any rule(s) or regulation(s) of Lessor pertaining to signs, Lessee shall not permit to be maintained any sign on the leased Premises or at the Airport without the prior written approval of the Airport Manager. This approval and rules and regulations are in addition to any rules or regulations that would apply to this site by any applicable governmental jurisdiction.

12.8 Aviation Easement. Lessee acknowledges that its rights to use the property shall be secondary and subordinate to the operation of the Airport. Lessor reserves a right of flight for the passage of aircraft in the airspace above the Leased Premises together with the right to cause noise inherent in the operation of aircraft. Lessee shall not take any action or construct any improvements that interfere with the navigational aids of flight operations of the Airport.

12.9 Security. Lessee recognizes its obligation to comply with federal airport security regulations. Lessee shall reimburse Lessor in full for any fines or penalties levied against Lessor for security violations as a result of any actions on the part of Lessee, its agents, guests, or employees.

13. Liability to Third Parties.

- 13.1 **Lessee's Indemnification.** Lessee shall at all times indemnify, protect, defend, and hold harmless Lessor, its officers, agents, and employees from any claims, demands, losses, actions, or expenses, including attorney's fees, to which Lessor may be subject by reason of any property damage or personal injury arising or alleged to arise from the acts or omissions of Lessee, its agent, or its employees, or in connection with the use, occupancy, or condition of the Leased Premises.
- 13.2 **Liability Insurance Required.** Lessee shall procure and maintain throughout the term of this Lease and any extension, at Lessee's cost, public liability and property damage insurance from a company authorized to do business in the State of Oregon with the combined single limit of not less than \$1,000,000 for bodily injury, death, personal property or property damage in connection with Lessee's use or occupancy of the Leased Premises, or the exercise of enjoyment of rights or privileges granted by this Lease. Lessor shall have the right to require Lessee to increase the limits of such coverage from time to time to an amount deemed by Lessor to be reasonable in view of conditions and circumstances existing at the time of such increase. Such circumstances include any modification by either court ruling or legislative change to the maximum recovery allowed under the Oregon Tort Claims Act. The insurance shall name Lessor, its officers, agents, and employees as additional insureds with the stipulation that the insurance, as to the interests of Lessor, shall not be invalidated by any act or neglect or breach of contract by Lessee. Lessee shall provide Lessor with a certificate of insurance evidencing the required coverage, with a thirty (30) day notice of cancellation or material change in coverage and shall provide Lessor with such evidence that the policy remains in force as Lessor may require from time to time.
- 13.3 **Liens.** Except with respect to activities for which Lessor is responsible, Lessee shall pay as due all claims for work done on and for services rendered or material furnished to the Leased Premises and shall keep Leased Premises free from any liens. If Lessee fails to pay any such claims or to discharge any lien, Lessor may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of 12% per annum from the date expended by Lessor and shall be payable on demand. Such action by Lessor shall not constitute a waiver of any right or remedy which Lessor may have on account of Lessee's default.
14. **Subordination.** This Lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the State of Oregon and/or the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure

of state or federal funds for the development of the Airport, or any amendments thereto.

15. **Cessation of Airport Operation.** Lessor, regardless of the terms of this lease, as a result of any orders of the State of Oregon, the United States, or any other governmental instrumentality, may cease airport operations. Lessee acknowledges Lessor's right to cease such operations and releases Lessor from any and all damage claims by Lessee against Lessor as a result of such cessation of operations. This release does not apply to any other party who may be the basis for Lessor's cessation of operations. Subject to the orders of cessation, Lessee shall be granted a period of twelve (12) months free of any rents and fees in which to cause the Leased Premises to be restored to a condition free of all improvements, including hangars and debris. Lessor shall not be liable to Lessee for any damages related to loss in use of the Leased Premises due to action under this paragraph. This provision does not eliminate any obligations of Lessee as a result of liability or indemnification obligations as set forth in other provisions of this lease.

16. **Airport Development.** Regardless of the term of this lease, Lessor, at Lessor's discretion or as a result of any orders of the State of Oregon, United States, or any other governmental unit having authority over the property may require the cessation of use of the specific Leased Premises for their leased purposes, prior to the expiration of this lease for the purpose of airport development. At Lessor's option and expense, Lessor shall either (1) dismantle and move to another leasable premises on the Airport property, and there re-erect Lessee's improvement(s) or, (2) purchase Lessee's improvement for fair market value as determined below. If Lessor acts under the first option, the lease reference to location of the Leased Premises shall change, and all other remaining terms of the expired lease shall continue in full force and effect.

Fair market value under the second option shall be for an amount not less than the fair market value of the improvement immediately prior to determination as determined by an appraisal conducted by an independent appraiser engaged by Lessor. Specifically, the appraiser shall not determine salvage value, but rather the fair market value of the improvement, assuming the Airport was to remain in existence or the party to continue to use the leased area. Purchase price shall be determined and all funds transferred within 180 days of termination. Obligations of removal shall be Lessor's. This action does not eliminate any obligations of Lessee as a result of any liability or indemnification obligations as set forth in other provisions of this lease.

17. **Eminent Domain.** If the Leased Premises and any improvements thereon are taken as a result of eminent domain proceedings, it shall be as if termination was a result of Paragraph 15, except the time allowed for removal of Lessee's improvements by Lessee shall be subject to the time limitation in any condemnation order or twelve (12) months, whichever is shorter. Lessor shall be entitled to all proceeds of condemnation as applied to the value of any real

property condemned. Lessee shall be entitled to the value of all improvements. Lessee specifically waives any claims against Lessor as a result of condemnation, except such condemnation as may be instituted by Lessor upon Lessor's own actions and not as a result of any order by other governmental unit.

18. Removal of Personal Property and Fixtures.

18.1 Lessee shall remove all personal property and return the Leased Premises to proper condition upon the end of the term(s), or other cessation of use by Lessee, as set forth below. Lessee shall remove all Tenant property except fixtures permanently or semi-permanently affixed, which shall become property of the Lessor upon lease termination or abandonment by Lessee, and restore the grounds to a clean and orderly condition free of all debris.

18.2 Abandonment. If Lessee abandons the Leased Premises, Lessor may treat such abandonment as a default under this Lease, and Lessor may exercise any rights it may have as in the case of default for which Lessee is not entitled to notice. Lessee shall be deemed to have abandoned the Leased Premises if it fails to occupy the same for a period of three (3) months; however, Lessor may consider Lessee to have abandoned the Leased Premises by other acts, words, or conduct evidencing abandonment or intent to abandon the Leased Premises. Any personal property remaining on the Leased Premises sixty (60) days after termination of this Lease for any reason shall be deemed as abandoned by Lessee and Lessor may make any disposition of such personal property as it deems appropriate. Lessor may charge Lessee for the reasonable costs incurred in disposing of such personal property. Upon abandonment, Lessee loses all rights and options set forth in Paragraph 18.1. Lessee remains responsible for all Lessors' costs.

19. Default. Lessee shall be in default under this Lease upon the occurrence of any one or more of the following events (time of payment and performance being of the essence):

19.1 Failure of Lessee to pay any rent or other charges within thirty (30) days after the same becomes due.

19.2 Except as otherwise provided in this Paragraph 19, the failure of Lessee to comply with any term or condition, to fulfill any obligation, or to cure any violation of this Lease within thirty (30) days after written notice by Lessor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within thirty (30) days, this provision shall be deemed complied with if Lessee begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable, within thirty (30) days after written

notice by Lessor specifying the nature of the default with reasonable detail, unless a shorter time line is set forth in the Lease for the specific default alleged. Lessor may require, as part of the cure of any violation by Lessee, reimbursement from Lessee for any and all costs and expenses incurred by Lessor by reason of Lessee's violation of this Lease.

- 19.3 If Lessee cures a deficiency in the manner described in Paragraph 19.2, Lessee's subsequent failure to comply with the same term or condition within twenty-four (24) months shall constitute immediate default without requirement of notice or opportunity to cure.
- 19.4 If Lessee sub-leases or otherwise assigns its interests in this Agreement, except in accordance with the provisions of the Agreement, default shall be automatic without requirement of notice or opportunity to cure.
- 19.5 Lessee shall also be in default in the event of:
1. Lessee's insolvency;
 2. An assignment by Lessee for the benefit of creditors;
 3. The filing by Lessee of a voluntary petition of bankruptcy action;
 4. Adjudication that Lessee is bankrupt;
 5. The filing of an involuntary petition of bankruptcy and the failure of Lessee to seek a dismissal of the petition within thirty (30) days after the filing; and
 6. The attachment of or the levy of execution on the Lease hold interest and failure of the Lessee to secure a discharge of the attachment or release of the levy of execution within ten (10) days after such attachment or execution;
 7. Abandonment of the Leased Premises.
20. **Inspections.** Lessor shall have, at all times during normal business hours, the right to enter into the Leased Premises and inspect Lessee's facilities and operations for the purposes of determining Lessee's compliance with its obligations under this Lease. Lessor shall provide at least 24 hours' notice before any inspection except in cases of emergency. Notice shall be sufficient if prominently posted on the building on the Leased Premises 24 hours prior to the inspection.
21. **Remedies on Default.** In the event of a default, the Lease may be terminated at the option of the Lessor by notice in writing to Lessee. The notice of termination may be included in a notice of failure of compliance given under Paragraph 19. If

the Leased Premises is abandoned by Lessee in connection with a default, termination shall be automatic and without notice. If the Lease is terminated for any reason, Lessee's liability to Lessor for damages for breach shall survive such termination, and the rights and obligations of the parties shall be as follows:

- 21.1 Lessee shall vacate the Leased Premises immediately, remove any property of Lessee including any fixtures which Lessee is required to remove at the end of the Lease term, perform any cleanup, alterations or other work required to leave the Leased Premises in the condition required by this Lease at the end of the term, and deliver all keys to Lessor. Possession to any structure on the Leased Premises shall immediately revert to Lessor and Lessee shall have no right or claim against Lessor as a result thereof.
 - 21.2 Lessor may re-enter, take possession of the Leased Premises, and remove any persons or property by legal action or self-help with the use of reasonable force and without liability for damages.
 - 21.3 Following re-entry or abandonment, Lessor may relet the Leased Premises and in that connection may relet all or part of the Leased Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession, and may make any suitable alterations and/or refurbish the Leased Premises, or change the character or use of the Leased Premises, but Lessor shall not be required to relet to any Lessee which Lessor may reasonably consider objectionable.
 - 21.4 The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law or as set forth in this Agreement.
 - 21.5 Any holding over after the expiration of the lease, with the written consent of Lessor, will be construed to be a tenancy from month to month, at 150% of the Basic Rent payable for the period immediately before the expiration of the Term and will otherwise be on the terms and conditions of this Lease. If Lessor consents to any such holding over, either party may thereafter terminate the tenancy at any time upon thirty (30) days' advance written notice to the other party. Any holding over without consent will be a tenancy at sufferance, which Lessor may terminate at any time without notice.
22. **Attorney Fees and Costs.** In the event any action or claim relating to the enforcement or interpretation of any of the terms of this Lease is made, except as stated in Paragraph 23, the successful party shall be entitled to recover all costs, fees, and expenses reasonably incurred, whether or not taxable as costs,

including without limitation, attorney fees, inspection and investigation costs, copying charges, and all other related expenses.

In the event any litigation is commenced relating to this Lease, including but not limited to any action or participation by Lessee or Lessor in or connected with a case or proceeding under the Bankruptcy Code or any successor statute, the prevailing party shall be entitled to recover all costs, fees and expenses reasonably incurred, before and after trial, and on appeal and review, whether or not taxable as costs, including without limitation, attorney fees (including estimated fees to collect a judgment entered in favor of the prevailing party), witness fees (expert or otherwise), deposition costs, inspection and investigation costs, copying charges and all other related expenses. Expenses incurred in the event of arbitration shall be treated as if they were expenses incurred in litigation.

23. **Arbitration.** If any contract dispute arises between the parties, it shall be decided by arbitration unless both parties agree to waive arbitration and proceed with litigation. Upon request for arbitration, the party requesting arbitration shall submit to the other party a list of the names of five independent arbitrators. The other party may select any one of the five. If the parties cannot decide on an arbitrator with qualifications that relate to the dispute at hand within fifteen (15) days, then either party may apply to the presiding judge of the Lincoln County Circuit Court to appoint the required arbitrator.

The Arbitrator shall proceed according to Oregon statutes governing arbitration, and any rules specifically adopted by the parties. If the parties do not agree upon rules for the arbitration, the Arbitrator shall establish rules and advise each respective party. The award of the Arbitrator shall have the effect provided in the Oregon Revised Statutes. The arbitration shall take place in Lane County. Costs of arbitration and attorney fees and costs may be awarded to a party at the discretion of the Arbitrator.

24. **Discrimination Prohibited.** In connection with Lessee's use and occupancy of the Leased Premises and the conduct of its operations at the Airport, Lessee shall be bound by the following non-discrimination requirements:

24.1 **General.** Lessee will not discriminate against any person or class of persons by reason of race, color, national origin, sex, ancestry, creed, or on any other grounds prohibited by law.

24.2 **Civil Rights Act.** Lessee will not on the grounds of race, creed, color, national origin or on any other prohibited grounds, discriminate or permit any discrimination against any person or group of persons in any manner prohibited by Part 21 of the Rules and Regulations of the Secretary of Transportation, effectuating Title VI of the Civil Rights Act of 1964. Without limiting the generality of the foregoing, Lessee agrees not to discriminate against any employees or applicants for employment because of race, creed, color, national origin or on any other prohibited grounds.

24.3 FAA required terms. As required by the FAA, the following clauses are made part of Lessee's obligations under this Agreement:

1. Lessee for itself, and its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this lease for a purpose for with a US Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.
 2. Lessee for itself, and its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction or any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that the Lessee shall use the premises in compliance with all requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.
25. **Non-Waiver.** Waiver by either party of strict performances of any provisions of this Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provisions in the future or of any other provision. No act or omission shall constitute a waiver of this non-waiver clause.
26. **Notices.** Any notice required or permitted under this Lease shall be considered given when actually delivered in person or when deposited with postage prepaid in the United States mail as registered or certified mail:

To Lessor: Newport Municipal Airport
c/o City of Newport
169 SW Coast Highway
Newport, Oregon 97365

To Lessee:

Or to such other address as may be specified from time to time by either of the parties in writing.

27. **Interpretation and Liability.** In interpreting this Agreement, the singular shall include the plural. If Lessee consists of more than one individual or entity, each such individual and entity shall be jointly and severally liable for Lessee's obligations under this Lease.
28. **Succession.** Subject to the limitations set forth elsewhere in this Lease on the transfer of Lessee's interest, this Lease shall be binding upon and inure to the benefit of the parties, their respective heirs, legal representatives, successors, and assigns.
29. **Clearing Matters of Record.** Only at the option of Lessor shall this Lease or a memorandum of this Lease be recorded. If, at the election of Lessor, Lessor determines to create and record a memorandum of this Lease, Lessee shall execute such memorandum at the request of Lessor. In the event this Lease or Lessee's interest in this Lease or in the Leased Premises becomes a matter of record by any means, directly or indirectly, without the consent of Lessor, then at any time after termination of this Lease or termination of Lessee's interest in this Lease, upon request by Lessor, Lessee shall execute documents, in recordable form, as Lessor may reasonably require evidencing the termination of Lessee's interest. This obligation shall survive termination of this Lease and termination of Lessee's interest in this Lease.
30. **Inconveniences During Construction.** Lessee recognizes that from time to time during the term of this Lease, it will be necessary for Lessor to initiate and carry forward programs of construction, reconstruction, expansion, relocation, maintenance, and repair in order that the Airport and its facilities may be suitable for the volume and character of air traffic and flight activity requiring accommodation, and that such construction, reconstruction, expansion, relocation, maintenance, and repair may inconvenience or temporarily interrupt Lessee's operations at the Airport. Lessee agrees that no liability shall attach to Lessor, its officers, agents, employees, contractors, and representatives by reason of such inconveniences or interruptions and, for and in further consideration of this Lease, Lessee waives any right to claim, damages or other considerations therefore, except that rent payable under this Lease shall be abated proportionately during and for such period of that access to the Leased Premises by aircraft of Lessee and its invitees is denied by reason of such interruptions.
31. **Rights Not Exclusive.** Except for Lessee's exclusive right to use and occupy the Leased Premises, nothing in this Lease shall be construed as granting an exclusive right to Lessee.

32. **Entire Agreement.** This Lease contains the entire Agreement between the parties concerning the Leased Premises and supersedes all prior agreements, oral and written. This Agreement may be modified only in writing and signed by the parties.

The individuals executing this Lease warrant that they have full authority to execute this Lease and that they have thoroughly read this Lease and received legal advice regarding this Lease.

LESSOR:

LESSEE:

City of Newport
Municipal Airport
By: Spencer R. Nebel, City Manager

Signature

Signature

Date

Date

APPROVED AS TO FORM:

Steve Rich, City Attorney

Date

**NEWPORT MUNICIPAL AIRPORT
T-HANGAR TENANT AGREEMENT**

BETWEEN: The City of Newport, an Oregon Municipal Corporation (**City**)

AND: (Tenant)

EFFECTIVE DATE:

RECITALS

- A. The Newport Municipal Airport (Airport) is operated by and under the jurisdiction of City. In accordance with sound Airport management practices, the Airport rules and regulations and the Airport Plan of Development, as updated and amended from time to time, and other relevant policies of City that apply to Airport usage, certain areas of the Airport are reserved for each of the several types of activities and are restricted to the tenant.
- B. City desires to rent T-hangar No. .

AGREEMENT

- 1. Tenant Agreement. For the purpose stated in this Agreement and on the other terms and conditions stated herein, City rents to Tenant T-hangar No. .
- 2. Tenancy Term. The period of the tenancy will be month-to-month.
- 4. **Basic Rent.**
 - 4.1 Basic rent is \$180.00 per month. Basic rent shall be due and payable on a monthly basis unless other arrangements are made; prorated to the first day of the month following signing, and due on the first day of each month thereafter.
 - 4.2 Any payments or partial payments not made under this Agreement shall bear interest at the rate of twelve percent (12%) per annum until paid.
- 5. **Adjustments to Basic Rent.**
 - 5.1 CPI Adjustment. Beginning on January 1, 2016, the basic rent provided in Paragraph 4 shall be increased each year by a percentage equal to the percentage change in the Consumer Price Index statistics published by the United States Bureau of Labor. Comparisons shall be made using the index entitled, "U.S. City Average/All Items and Major Group Figures for all Urban Consumers Portland Area (1982-84 = 100)," or the nearest comparable data on changes in the cost of living, if such index is no longer

published. The change shall be determined by comparison of the figure for the previous January 1, with that of January 1 of the current year. In no event shall this calculation cause a reduction in base rent below that payable during the preceding year. The proposed adjustment shall be presented to the Tenant by the City thirty (30) days prior to the effective date of the assessment.

- 5.2 **Challenge.** Tenant may give City notice, within thirty (30) days of the notice of rental adjustment, challenging City's figures. If any such challenge is not made within thirty (30) days, Tenant's challenge to the figures presented by City shall be deemed waived. The challenge shall be restricted to City's calculations of increases relating to Tenant and, if not resolved by the parties, will be referred to arbitration as described in Paragraph 23.
6. **Use of the Premises.** Use of the Premises is limited to aeronautical uses. Use of the premises for commercial or business use is prohibited. The Tenant may use the Premises, at its own risk, for the following purposes and for no other purpose (including commercial use) without the prior written approval of the City Manager:
 - 6.1 Construction of an aircraft for private use by the Tenant in accordance with Airport rules and regulations;
 - 6.2 Storage of aircraft;
 - 6.3 Maintenance and repair of Tenant's aircraft by Tenant or by a person or firm in accordance with current and applicable future Airport rules and regulations.
 7. **Tenant's Additional Use Rights.** Tenant shall have the use of Airport facilities and navigational aids for the purpose of landing, taking off, and taxiing of Tenant's aircraft, and related rights of ingress and egress 24 hours a day, subject to the current or any amended laws, rules, regulations, ordinances, and resolutions of applicable governmental bodies, including Lessor.
 8. **Specific Obligations of Tenant.** In connection with Tenant's occupancy and use of the Premises, the following specific conditions shall apply:
 - 8.1 **Compliance with Laws.** Tenant shall comply with all applicable laws, ordinances, rules, and regulations of any governmental bodies having jurisdiction over the Airport with respect to Tenant's activity in relation to the use and occupancy of the Premises, and of the Airport in general. Any act or failure to act by Tenant, employee, invitee, or agent of Tenant in violation of any such laws, ordinances, rules, and regulations shall be deemed a violation of this Agreement.

- 8.2 **Airport Rules and Regulations.** Tenant's obligation under Paragraph 8.1 shall include, but not be limited to, the rules and regulations of the Airport. City reserves the right to adopt additional rules and regulations and amend existing and future rules and regulations which govern the Premises and the facilities at the Airport used by the Tenant. Tenant agrees to observe, obey, and abide by all such rules and regulations currently existing or hereafter adopted or amended. Any action or failure to act by Tenant, employee, invitee, or agent of Tenant which is in violation of such rules and regulations shall be deemed a violation by Tenant of this Agreement.
- 8.3 **Environmental Laws.** Tenant's obligations under this Agreement specifically include, but are not limited to, strict and timely compliance with all environmental laws. Tenant shall ensure that all operations on the Premises comply with all environmental laws and orders of any governmental authorities having jurisdiction under any environmental laws.
- 8.3.1 As used in this Agreement, the term "environmental laws" means all state, federal, and local statutes, regulations, and ordinances relating to the protection of human health and the environment.
- 8.3.2 In this Agreement, the term "hazardous materials" is used in its very broadest sense and refers to materials that, because of their quantity, concentration or physical, chemical, or infectious characteristics, may cause or pose a present or potential hazard to human health and to the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported, or otherwise handled on the Premises. The term includes, without limitation, petroleum products or crude oil or any fraction thereof, and any and all hazardous or toxic substances, materials, or wastes as defined by or listed under the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Comprehensive Environmental Response, Compensation, and Liability Act, and any other environmental laws.
- 8.4 **Signs.** In addition to complying with any rule(s) or regulation(s) of City pertaining to signs, Tenant shall not be permitted to tamper with any sign at the Airport.
- 8.5 **Aviation Easement.** Tenant acknowledges that its rights to use the property shall be secondary and subordinate to the operation of the Airport. City reserves a right of flight for the passage of aircraft in the airspace above the Premises together with the right to cause noise inherent in the operation of aircraft. Tenant shall not take any action or construct any improvements that interfere with the navigational aids of flight operations of the Airport.

8.6 **Security.** Tenant recognizes its obligation to comply with federal airport security regulations. Tenant shall reimburse City in full for any fines or penalties levied against City for security violations as a result of any actions on the part of Tenant, its agents, guests, or employees.

9. **Liability to Third Parties.**

9.1 **Tenant's Indemnification.** Tenant shall at all times indemnify, protect, defend, and hold harmless City, its officers, agents, and employees from any claims, demands, losses, actions, or expenses, including attorney's fees, to which City may be subject by reason of any property damage or personal injury arising or alleged to arise from the acts or omissions of Tenant, its agent, or its employees, or in connection with the use, occupancy, or condition of the Premises.

10. **Subordination.** This Agreement shall be subordinate to the provisions of any existing or future agreement between City and the State of Oregon and/or the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of state or federal funds for the development of the Airport, or any amendments thereto.

11. **Cessation of Airport Operation.** City, regardless of the terms of this Agreement, as a result of any orders of the State of Oregon, the United States, or any other governmental instrumentality, may cease airport operations. Tenant acknowledges City's right to cease such operations and releases City from any and all damage claims by Tenant against City as a result of such cessation of operations. This release does not apply to any other party who may be the basis for City's cessation of operations. Subject to the orders of cessation, Tenant shall be granted a period of twelve (12) months free of any rents and fees in which to cause the Premises to be restored to a condition free of all improvements, including hangars and debris. City shall not be liable to Tenant for any damages related to loss in use of the Premises due to action under this paragraph. This provision does not eliminate any obligations of Tenant as a result of liability or indemnification obligations as set forth in other provisions of this Agreement.

12. **Airport Development.** Regardless of the term of this Agreement, City, at City's discretion or as a result of any orders of the State of Oregon, United States, or any other governmental unit having authority over the property may require the cessation of use of the specific Premises for their rented purposes, with 30 days notice to Tenant.

13. **Removal of Personal Property and Fixtures.**

13.1 Tenant shall remove all personal property and return the Premises to proper condition upon the end of the term(s), or other cessation of use by Tenant, as set forth below. Tenant shall remove all of Tenant's property

except fixtures permanently or semi-permanently affixed, and restore the grounds to a clean and orderly condition free of all debris.

14. **Default.** Tenant shall be in default under this Agreement upon the occurrence of any one or more of the following events (time of payment and performance being of the essence):
- 14.1 Failure of Tenant to pay any rent or other charges within thirty (30) days after the same becomes due.
 - 14.2 **Abandonment.** If Tenant abandons the Premises, City may treat such abandonment as a default under this Agreement, and City may exercise any rights it may have as in the case of default for which Tenant is not entitled to notice. Tenant shall be deemed to have abandoned the Premises if it fails to occupy the same for a period of three (3) months; however, City may consider Tenant to have abandoned the Premises by other acts, words, or conduct evidencing abandonment or intent to abandon the Premises. Any personal property remaining on the Premises sixty (60) days after termination of this Agreement for any reason shall be deemed as abandoned by Tenant and City may make any disposition of such personal property as it deems appropriate. City may charge Tenant for the reasonable costs incurred in disposing of such personal property. Upon abandonment, Tenant loses all rights and options set forth in Paragraph 17.1. Tenant remains responsible for all City' costs.
 - 14.3 Except as otherwise provided in this Paragraph 19, the failure of Tenant to comply with any term or condition, to fulfill any obligation, or to cure any violation of this Agreement within thirty (30) days after written notice by City specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within thirty (30) days, this provision shall be deemed complied with if Tenant begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. City may require, as part of the cure of any violation by Tenant, reimbursement from Tenant for any and all costs and expenses incurred by City by reason of Tenant's violation of this Agreement.
 - 14.4 For immediate cure of violations, the city reserves the right to set a shorter timeline, and if the tenant does not comply within 24 hours, the tenant shall be in immediate default of this Agreement without the requirement of further notice or opportunity to cure.
 - 14.5 If Tenant assigns its interests in this Agreement, except in accordance with the provisions of the Agreement, default shall be automatic without requirement of notice or opportunity to cure.

15. **Remedies on Default.** In the event of a default, the Agreement may be terminated at the option of the City by notice in writing to Tenant. The notice of termination may be included in a notice of failure of compliance given under Paragraph 14. If the Premises are abandoned by Tenant in connection with a default, termination shall be automatic and without notice. If the Agreement is terminated for any reason, Tenant's liability to City for damages for breach shall survive such termination, and the rights and obligations of the parties shall be as follows:
- 15.1 Tenant shall vacate the Premises immediately, remove any property of Tenant including any fixtures which Tenant is required to remove at the end of the Agreement term, perform any cleanup, alterations or other work required to leave the Premises in the condition required by this Agreement at the end of the term, and deliver all keys to Lessor. Possession to any structure on the Premises shall immediately revert to City and Tenant shall have no right or claim against City as a result thereof.
- 15.2 City may re-enter, take possession of the Premises, and remove any persons or property by legal action or self-help with the use of reasonable force and without liability for damages.
- 15.3 Following re-entry or abandonment, City may rent the Premises.
- 15.4 The foregoing remedies shall be in addition to and shall not exclude any other remedy available to City under applicable law or as set forth in this Agreement.
16. **Inspections.** City shall have, at all times during normal business hours, the right to enter into, and inspect, the Premises for the purposes of determining Tenant's compliance with its obligations under this Agreement. City shall provide at least 24 hours' notice before any inspection except in cases of emergency. Notice shall be sufficient if prominently posted on the building on the Premises 24 hours prior to the inspection
17. **Attorney Fees and Costs.** In the event any action or claim relating to the enforcement or interpretation of any of the terms of this Agreement is made, except as stated in Paragraph 18, the successful party shall be entitled to recover all costs, fees, and expenses reasonably incurred, whether or not taxable as costs, including without limitation, attorney fees, inspection and investigation costs, copying charges, and all other related expenses.

In the event any litigation is commenced relating to this Agreement, including but not limited to any action or participation by Tenant or City in or connected with a case or proceeding under the Bankruptcy Code or any successor statute, the prevailing party shall be entitled to recover all costs, fees and expenses reasonably incurred, before and after trial, and on appeal and review, whether or not taxable as costs, including without limitation, attorney fees (including estimated fees to collect a judgment entered in favor of the prevailing party),

witness fees (expert or otherwise), deposition costs, inspection and investigation costs, copying charges and all other related expenses. Expenses incurred in the event of arbitration shall be treated as if they were expenses incurred in litigation.

18. **Arbitration.** If any contract dispute arises between the parties, it shall be decided by arbitration unless both parties agree to waive arbitration and proceed with litigation. Upon request for arbitration, the party requesting arbitration shall submit to the other party a list of the names of five independent arbitrators. The other party may select any one of the five. If the parties cannot decide on an arbitrator with qualifications that relate to the dispute at hand within fifteen (15) days, then either party may apply to the presiding judge of the Lincoln County Circuit Court to appoint the required arbitrator.

The Arbitrator shall proceed according to Oregon statutes governing arbitration, and any rules specifically adopted by the parties. If the parties do not agree upon rules for the arbitration, the Arbitrator shall establish rules and advise each respective party. The award of the Arbitrator shall have the effect provided in the Oregon Revised Statutes. The arbitration shall take place in Lincoln County. Costs of arbitration and attorney fees and costs may be awarded to a party at the discretion of the Arbitrator.

19. **Discrimination Prohibited.** In connection with Tenant's use and occupancy of the Premises and the conduct of its operations at the Airport, Tenant shall be bound by the following non-discrimination requirements:

19.1 **FAA required terms.** As required by the FAA, the following clauses are made part of Tenant's obligations under this Agreement:

1. Tenant for itself, and its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this lease for a purpose for with a US Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.
2. Tenant for itself, and its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2)

that in the construction or any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that the Tenant shall use the premises in compliance with all requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

20. **Insurance Requirement.** The Tenant shall be responsible to provide sufficient insurance coverage for the contents of the hangar.
21. **Non-Waiver.** Waiver by either party of strict performances of any provisions of this Agreement shall not be a waiver of or prejudice the party's right to require strict performance of the same provisions in the future or of any other provision. No act or omission shall constitute a waiver of this non-waiver clause.
22. **Notices.** Any notice required or permitted under this Agreement shall be considered given when actually delivered in person or when deposited with postage prepaid in the United States mail as registered or certified mail:

To City: Newport Municipal Airport
 c/o City of Newport
 City Manager's Office
 169 SW Coast Highway
 Newport, Oregon 97365

To Tenant:

Or to such other address as may be specified from time to time by either of the parties in writing.

23. **Interpretation and Liability.** In interpreting this Agreement, the singular shall include the plural. If Tenant consists of more than one individual or entity, each such individual and entity shall be jointly and severally liable for Tenant's obligations under this Agreement.
23. **Inconveniences During Construction.** Tenant recognizes that from time to time during the term of this Agreement, it will be necessary for City to initiate and carry forward programs of construction, reconstruction, expansion, relocation, maintenance, and repair in order that the Airport and its facilities may be suitable for the volume and character of air traffic and flight activity requiring

accommodation, and that such construction, reconstruction, expansion, relocation, maintenance, and repair may inconvenience or temporarily interrupt Tenant's operations at the Airport. Tenant agrees that no liability shall attach to City, its officers, agents, employees, contractors, and representatives by reason of such inconveniences or interruptions and, for and in further consideration of this Agreement, Tenant waives any right to claim, damages or other considerations therefore, except that rent payable under this Agreement shall be abated proportionately during and for such period of that access to the Premises by aircraft of Tenant and its invitees is denied by reason of such interruptions.

- 24. **Rights Not Exclusive.** Except for Tenant's exclusive right to use and occupy the Premises, nothing in this Agreement shall be construed as granting an exclusive right to Tenant.
- 25. **Entire Agreement.** This Agreement contains the entire Agreement between the parties concerning the Premises and supersedes all prior agreements, oral and written. This Agreement may be modified only in writing and signed by the parties.

The individuals executing this Agreement warrant that they have full authority to execute this Agreement and that they have thoroughly read this Agreement and received legal advice regarding this Agreement.

City:

Tenant:

City of Newport
Municipal Airport

Spencer R. Nebel
City Manager

Signature

Signature

Date

Date

ATTACHMENT
QUESTION 13.

**PROPOSED MINIMUM STANDARDS
for
COMMERCIAL AERONAUTICAL ACTIVITIES**

**NEWPORT MUNICIPAL AIRPORT
NEWPORT, OREGON**

DRAFT - DECEMBER 1, 2014 VERSION

Revised 12/1/14

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**PROPOSED MINIMUM STANDARDS
for COMMERCIAL AERONAUTICAL ACTIVITIES**

**NEWPORT MUNICIPAL AIRPORT
NEWPORT, OREGON**

December 1, 2014 Version

1. Background

FAA Advisory Circular 150/5190-7, dated August 28, 2006, provides guidance regarding the development of Minimum Standards for Commercial Aeronautical Activities (Sections 1.1, 1.2). AC 150 provides instructions on developing minimum standards appropriate to the size and operations at a given airport, supporting safety and equal access to commercial entities. Minimum Standards have been created in accordance with City of Newport Municipal Code 9.40.005, 9.40.025(A), and 9.40.025(B)(3).

Minimum Standards are intended to help meet the goals of the Newport Airport and promote fair guidelines concerning commercial operations relating to FAA grant assurances. Also to ensure public areas, roads, taxiways, runways, and aprons remain available and open for public aeronautical use.

Minimum standards are to provide the threshold entry requirements for the airport. The commercial aeronautical operator agrees to offer the described minimum level of services in order to obtain an agreement, permit, or least to operate at the Airport.

The implementation of minimum standards will assist the Newport Airport in the management of the Airport by:

- Establishing uniform requirements and their application to all operators.
- Maintaining compliance with federal grant assurances.
- Maintaining the orderly and efficient development of the Airport's commercial aeronautical services.
- Ensuring adequate services and facilities by FBO operators to meet the needs of the Airport users.

1.1 Definitions

All definitions contained in this section apply to the Newport Municipal Airport Minimum Standards, Rules and Regulations, and Leasing Policies. Definitions are taken from the Newport Municipal Code, Oregon Revised Statutes, Federal Aviation Regulations, Federal Aviation Administration Advisory Circulars, U.S. Department of Transportation Aeronautical Information Manual, and other sources as appropriate.

- (1) Airport - any and all of the properties owned and controlled by the City of Newport, Oregon, being used as a public airport and located within the boundary of the City of Newport, in Lincoln County, Oregon.
- (2) Airport Committee - The Airport Committee is comprised of seven individual members. The Mayor, City Manager, and the Airport Director shall serve as non-voting ex-officio members of the Airport Committee. Two members may be non-residents of the city. Duties include: recommending rules and regulations for the Newport Municipal Airport, recommending policies governing the use of Airport property, reviewing and reporting to the City Council on matters referred to it by the City Council, making studies or reports relating to the Newport Municipal Airport, and promoting the Airport.
- (3) Airport Director - The person with the right to exercise all of the authority granted by the City Manager in the physical operation of the Airport for aeronautical purposes and the enforcement or application of these rules in the interests of the Airport users and tenants.
- (4) City - City of Newport, Oregon as governed by the City Council.
- (5) Newport City Council - elected city officials who comprise the governing body of the City of Newport.
- (6) FAA - the Federal Aviation Administration.
- (7) FAR - the Federal Aviation Regulations, as published by the FAA.
- (8) ODA - the Oregon Department of Aviation.
- (9) Commercial Tenant - any aeronautical activity with leased or owned space or facilities on Airport grounds.
- (10) Aircraft - any contrivance used or designed for navigation or flight in the air including, but not limited to, an airplane, sailplane, glider, helicopter, gyrocopter, ultralight, balloon, or blimp.
- (11) Aircraft Owner - a person or entity holding legal title to an aircraft, or any person having exclusive possession of an aircraft.
- (12) Based Aircraft - an aircraft that the owner physically locates at the Airport subject to a monthly tie-down, T-hangar, or box hangar tenant fee or lease.
- (13) On-Demand Operation - any operation for compensation or hire as defined in FAR Part 119 for passenger and cargo services.
- (14) Aeronautical Activity - any activity or service conducted at the Airport that involves, makes possible, or is required for the operation of aircraft, or which contributes to

or is required for the safety of such operations. These activities include, but are not limited to, on-demand operations, aircraft fueling, aircraft storage, flight training, aircraft rental, aircraft sales, aircraft repair, and aircraft maintenance.

- (15) **Airframe and Power Plant Maintenance** - the commercial operation of providing airframe and power plant services, which includes any of the following: the repair, maintenance, inspection, construction, modification or alteration to aircraft, aircraft engines, propellers and appliances including the removal of engines for major overhaul.
- (16) **Commercial Activity** - the conduct of any aspect of a business, concession, operation, or agency in order to provide goods or services to any person for compensation, for-profit or hire. An activity is not considered a commercial activity if the business is nonprofit, charitable, or tax-exempt.
- (17) **Commercial Operator (Operator)** - a person, firm, corporation, or other entity conducting commercial aeronautical services or activities at the Airport for compensation or hire.
- (18) **Exclusive Right** - a power, privilege, or other right excluding or debarring another from enjoying or exercising a like power, privilege, or right. An exclusive right can be conferred either by express agreement, by the imposition of reasonable standards or requirements, or by any other means.
- (19) **Flight Instructor** - a person who is properly licensed and certified by the FAA to provide flight instruction.
- (20) **General Aviation** - all civil aviation operations other than scheduled air services and non-scheduled air transport operations for remuneration or hire.
- (21) **Hazardous Material** - any substance, waste, or material which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous, and is or becomes regulated by any governmental authority, agency, department, committee, board agency or instrumentality of the United States, the State of Oregon, or any political subdivision thereof, and the presence of which requires investigation, removal and/or remediation.
- (22) **Minimum Standards** - the qualifications or criteria established by the Newport City Council as the minimum requirements that shall be met by businesses engaged in on-airport aeronautical activities for the right to conduct those activities.
- (23) **Lease** - the written contract between the city and a tenant person/business enterprise specifying the terms and conditions under which a person may occupy and operate from certain Airport facilities and/or property.

- (24) Agreement - the written agreement between the city and a person specifying the terms and conditions under which the person may conduct commercial aviation activities.
- (25) Permit - the annual permit issued by the city to a person for the execution of commercial aeronautical activities at the Newport Municipal Airport.
- (26) Person - any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and includes any trustee, receiver, assignee, or other similar representative thereof.
- (27) Fixed Base Operator (FBO) - a full-service commercial operator who engages in the primary activity of aircraft refueling, airframe and power plant maintenance, and a minimum of two (2) of the following secondary activities: flight training, aircraft rental, on-demand operations, avionics maintenance and sales, and aircraft storage/hangar rentals.
- (28) Specialized Aviation Service Operation (SASO) - an aeronautical business that offers a single or limited service. Examples of a SASO include, but are not limited to: scheduled commuter air service, air ambulance, flight training, aircraft sales, avionics sales and maintenance, aircraft storage, propeller and/or aircraft accessory repair and sales, aircraft upholstery, aircraft painting, banner towing, and skydiving.
- (29) Mobile Service Provider (MSP) - a person or entity who provides commercial aeronautical services on Airport property but does not operate out of owned or leased property on the Airport - a non-tenant commercial operator.

2. Authority for and Purpose of Minimum Standards

2.1 Compliance with Federal Law

The Airport is identified by the Oregon State Aviation Plan as a Class II airport, and it has been developed and improved with Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funds. The adoption of Minimum Standards for the Airport is intended to comply with federal law prohibiting the grant of exclusive rights to use an airport that has received federal funding through AIP funds. The adoption of Minimum Standards is highly recommended by the FAA as a means to comply with federal law and regulations concerning exclusive rights. The FAA does not require the adoption of Minimum Standards. The Newport City Council intends to comply with federal law and in particular with FAA Advisory Circular 150/5190-7 (Minimum Standards for Commercial Aeronautical Activities, August 28, 2006).

2.2 Commercial Activity Authorization

Terms of commercial tenant activity at the Airport shall be outlined in the lease that defines the obligations of the tenant. Commercial tenant activities may be requested to provide the following information to the city related to their proposed activities:

- (1) The impact of the new commercial activity on public safety and convenience. The Airport Director will impose conditions and restrictions necessary to ensure safety and to preserve unobstructed traffic patterns and runway approaches.
- (2) The amount of space at the Airport, the customary use of the Airport, and the compatibility of the new commercial activity with present and planned development at the Airport.
- (3) The degree to which the new commercial activity complies with federal, state, and local laws and regulations, including land use regulations.

2.3 Operational Regulations

The Airport Certification Manual (ACM), required for Part 139 operations, provides guidance on airport operations and maintenance of interest to commercial operations at the Airport. AIM Section 4.3 specifies airport operations applicable at all U.S. airports. Each commercial operator at the Airport shall abide by these rules and regulations for the safe, orderly, and efficient operation of the Airport.

2.4 Purpose of Minimum Standards

Minimum Standards are intended to help meet the Newport City Council's goals. These include developing aviation as an integral part of Oregon's transportation network, creating and implementing strategies to protect and improve Oregon's aviation system, encouraging aviation - related economic development, supporting aviation safety and education, and increasing commercial air service and general aviation in Newport. In addition, the Newport City Council adopted these standards to ensure that:

- (1) Any commercial tenant operator shall compensate the Airport at fair market value (fair market rent) for such use and privileges.
- (2) No person receives a competitive advantage through free or less than fair market value (rent) to utilize Airport facilities when other comparable commercial operators are compensating the Airport at fair market value (rent) for the same use.
- (3) Airport public areas, roads, taxiways, runways, and aprons remain available and open for public aeronautical use subject to Airport Rules and Regulations.

Minimum Standards are adopted to provide the threshold requirements for those persons desiring to provide commercial aeronautical services to the public at the Airport. The Minimum Standards are based upon the conditions at the Airport, the existing and planned facilities at the Airport, and the current and future aviation role of the Airport.

The prospective commercial operator shall agree to offer the described minimum level of services in order to obtain an agreement, permit, or lease to operate at the Airport. All operators are encouraged to exceed the “minimum” in terms of quality of facilities and services.

The implementation of Minimum Standards will assist the Airport Director in the management of the Airport by:

- (1) Establishing uniform requirements and their application to all prospective operators.
- (2) Maintaining compliance with federal grant assurances.
- (3) Maintaining the orderly and efficient development of an airport and its commercial aeronautical services.
- (4) Establishing a consistent level of entry into aeronautical service.

These Minimum Standards are established specifically for the Airport, a Class II airport located within the boundaries of the City of Newport in Lincoln County, Oregon. The Airport is an important component of the state’s overall transportation network. The Airport supports economic activity, emergency services, and livability through the city and county.

3. Application of Minimum Standards

3.1 General Application Requirements

All commercial aeronautical activities at the Airport shall, as a condition of conducting such activities, comply with all the requirements set forth in these Minimum Standards. The Minimum Standards are deemed to be a part of each tenant’s lease, license, permit, or agreement, unless any such provisions are expressly waived or modified by the Airport Director in writing.

The mere omission of any particular part of these Minimum Standards in a lease, license, permit, or agreement shall not constitute a waiver or modification of the standard unless the document expressly states that the city waives application of the standard.

3.1.1 Multiple Services

When a commercial operator conducts multiple activities pursuant to one lease, license, agreement, or permit, the commercial operator shall comply with the minimum standards established for each separate activity or SASO. If the minimum standards for one activity are inconsistent with the minimum standards for another activity, then the minimum standard that is more restrictive or imposes a higher standard shall apply.

3.2 Activities Not Covered by Minimum Standards

Commercial activities with no specific minimum standard in this policy will be addressed by the Airport Director on a case-by-case basis in the commercial operator's written lease, license, permit, or agreement.

3.3 Waivers or Modifications

The Airport Director may waive or modify any portion of these Minimum Standards when it is determined that such waiver is in the best interest of the public and will not result in unjust discrimination against other commercial operators at the Airport.

3.4 Application of Minimum Standards to "Through-the-Fence" Agreement Operators

The Airport does not currently allow any "through-the-fence" operations.

4. Minimum Standards for Fixed Base Operators

4.1 Primary Aeronautical Services

A Fixed Base Operator (FBO) has the option to also provide any of the following secondary FBO services: flight training, airframe and power plant maintenance, aircraft rental, and aircraft storage/hangars. An FBO may also provide staffed or unstaffed (self-fueling) aircraft fueling as described in Section 5.6. FBO operations require an annual Commercial Use Permit (with respect to a yet-to-be-defined city business tenant permit process).

Each FBO shall conduct its business and activities on and from the leased/assigned premises in a professional manner consistent with the degree of care and skill exercised by experienced FBOs providing comparable products, services, and activities from similar airports in like markets. Each FBO may subcontract or use third party operators to provide any services. Subcontractors and third party operators shall meet all minimum standards.

4.2 Leasehold Size

4.2.1 Buildings

FBOs are not required to lease or construct a public use terminal building on the leasehold property. Any building will comply with Newport commercial building requirements. If the FBO provides a self-fueling station, it must be readily accessible to customers, and be illuminated for nighttime operations.

4.3 Staffing and Employee Qualifications

4.3.1 Staffing

Each FBO shall employ and have on duty, during the hours of operation, personnel necessary to meet the Minimum Standards for each aeronautical service provided. However, multiple responsibilities may be assigned to employees where feasible. Each

FBO shall have at least one (1) employee on duty during the hours of operation, and provide to the Airport Director, and keep current, a written statement of names, addresses, and contacts for all personnel responsible for the operation and management of the FBO. In addition, the Airport Director shall be provided a point-of-contact with phone numbers for emergency situations.

4.3.2 Employee Qualifications

All FBO fuel handling personnel shall be trained in the safe and proper handling, dispensing, and storage of aviation fuels. The FBO shall develop and maintain Standard Operating Procedures (SOP) for refueling and ground handling operations and shall ensure compliance with standards set forth in the Uniform Fire Code and FAA Advisory Circular 00-34A, Aircraft Ground Handling and Servicing. The SOP shall address bonding and fire protection, public protection, control of access to the fuel storage area, and marking and labeling of fuel storage tanks and fuel dispensing equipment. The SOP shall be submitted to the Airport Director no later than thirty (30) days prior to the FBO commencing fueling activities.

Additionally, the FBO shall comply with FAA Advisory Circular 150/5230-4A, Aircraft Fuel Storage, Handling, and Dispensing on Airports, Airport Rules and Regulations, and all other applicable laws related to aircraft fuel handling, dispensing, and storage. Each FBO shall obtain all applicable fueling certifications and permits, and receive periodic refresher training as required. The Airport Director and/or the FAA may periodically conduct inspections of the FBO activities and facilities.

4.3.3 Insurance Requirements

Each FBO shall maintain the types and amounts of insurance as specified in the lease, permit, or agreement.

4.4 Primary FBO Services

4.4.1 Fueling

- (1) Each FBO must provide the sale and into-plane delivery of ASTM-rated aviation fuels, lubricants, and other aviation petroleum products. In addition, the FBO shall provide, store, and dispense either 100LL-octaine avgas, Jet A fuel, or both. All equipment used for the storage and/or dispensing of petroleum products must meet all applicable federal, state, and local safety codes, regulations, and standards.
- (2) Each FBO shall provide a stationary fuel storage system that meets all applicable federal, state, and local regulations and standards. The system shall be designed and operated to meet Air Transport Association (ATA) 103 requirements and the requirements of AC 150/5230-4. The 100LL and Jet A fuel storage tanks shall each be a minimum of five hundred (500) gallon capacity, and the FBO shall also provide mobile or stationary dispensing equipment. Filter equipped fuel dispensers with

separate dispensing pumps and meter systems for each grade of fuel shall be provided. All metering devices must be inspected, checked, and certified annually by appropriate local and state agencies.

- (3) Each FBO shall have a fuel storage system designed in accordance with all EPA regulations including proper fuel spill prevention features and containment capabilities. In addition, each FBO shall provide a current copy of their fuel spill prevention control and countermeasures plan to the Newport Airport. Fuel inventories will be monitored in accordance with current EPA standards and copies shall be provided to the Newport Airport.
- (4) After receiving prior written permission from the Newport Airport, an FBO may provide self-fueling (card-reader or card-lock) equipment. Self-fueling equipment must be in compliance with state and local building codes and standard fueling equipment requirements.
- (5) Each FBO shall conduct the lawful, sanitary, and timely handling and disposal of all solid waste, regulated waste, and other materials including, but not limited to, sump fuel, used oil, solvents, and other regulated waste. The piling and storage of crates, boxes, barrels, containers, refuse, and surplus property is not permitted upon the FBO premises.
- (6) Each FBO shall provide an adequate supply of properly located, type, size, and operable fire extinguishers and other safety equipment in accordance with the Uniform Fire Code. All fire extinguisher certifications must be current.

4.4.2 Aircraft Line Services

Aircraft line service is not required, however, these services may be provided with a written agreement from the Newport Airport.

4.4.3 Pilot Services and Concessions

A FBO is not required to lease or construct a building, but if an FBO operator chooses to do so, it shall provide services and concessions inside its main building as approved by the Airport Director.

5. Minimum Standards for Specialized Aviation Service Operations

5.1 General Requirements

As per the definition of Specialized Aviation Service Operations (SASO), a SASO is an aeronautical business that offers a single or limited service. The specific SASO services described in this section are not meant to be an exclusive list of SASO services, but rather to clearly indicate the Minimum Standards that those particular services must meet.

Each SASO operating at the Newport Municipal Airport must obtain and comply with all required licenses and permits.

5.1.1 Compliance

SASOs provide a single or limited number of commercial aeronautical activities. SASOs providing the same or similar services shall comply equally with all applicable Minimum Standards.

5.1.2 Leased Space

Each SASO that requires space or facilities at the Airport shall lease or construct space appropriate to accommodate the services being offered, be accessible to those requiring the service, and be marked with appropriate external signage. Any construction shall be conducted in accordance with the city's building codes.

5.1.3 Responsible Personnel

Each SASO shall provide the Airport Director, and keep current, a written statement of names, addresses, and contacts of all personnel responsible for the operation of the SASO.

5.1.4 Insurance Requirements

Each SASO shall carry liability insurance appropriate to the commercial activity being conducted, and provide evidence of such insurance to the City of Newport in conjunction with its lease, permit, or agreement.

5.2 Flight Training

SASOs providing aircraft dual and solo ground and flight instruction necessary to complete the written examination and flight check for any category of pilot certificate or rating shall meet the following minimum requirements:

- (1) Employ and make available at least one (1) or more FAA-certified flight instructor(s) necessary to meet the flight training demand and schedule requirements.
- (2) Provide one or more properly maintained and equipped aircraft to accomplish the services offered.
- (3) Provide a facility to conduct a professional classroom teaching and learning environment.

5.4 Aircraft Restoration, Painting, and Refurbishing

SASOs providing the restoration, painting, and refurbishing of aircraft structure, propellers, accessories, interiors, exteriors, and components shall:

- (1) Employ and have on duty at least one (1) qualified person who has certificates appropriate for the work performed.
- (2) Keep premises open and services available during appropriate business hours as recorded with the Airport Director.
- (3) Meet all requirements of the Uniform Fire Code and environmental codes.

5.5 Specialized Flying Services

SASOs providing specialized commercial flying services such as agricultural spraying or seeding, non-stop sightseeing tours, aerial photography or surveying, power line or pipeline patrol, firefighting or fire patrol, air ambulance, airborne mineral exploration, banner towing, and other air transportation operations specifically excluded from FAR Part 125 shall:

- (1) Employ and make available at least one (1) person who holds a current FAA commercial pilot certificate and medical certificate with ratings appropriate for the operator's aircraft.
- (2) Have established business hours recorded with the Airport Director.
- (3) Own or lease at least one (1) airworthy aircraft.
- (4) If operator performs aerial agricultural applications or other services involving commercial use of chemicals, the operator shall provide a centrally drained and paved area of not less than ten thousand (10,000) square feet for aircraft loading, washing, and servicing. This area shall meet all current requirements of state, federal, and local agencies. The agricultural operator shall also provide for the safe storage, handling, and containment of materials and equipment.
- (5) Ensure that pilots and aircraft are in compliance with the Airport Rules and Regulations and Minimum Standards.

6. Mobile Service Providers

6.1 General Requirements

6.1.1 Compliance

Mobile Service Providers (MSP) are non-tenant persons or entities that provide commercial aeronautical services on Newport Airport property. An MSP may provide any aeronautical service and related activities. Examples of MSP's include, but are not limited to: aircraft detailers, flight instructors, airframe and powerplant mechanics, dynamic prop

balancers, and mobile oil recyclers. Each MSP performing recurrent services on the field shall provide an annual letter to the Airport Director confirming adherence with the following Minimum Standards.

6.1.2 Responsible Personnel

Each MSP shall provide to the Airport Director, and keep current, a written statement of names, addresses, and contacts of all personnel responsible for the operation and management of the MSP.

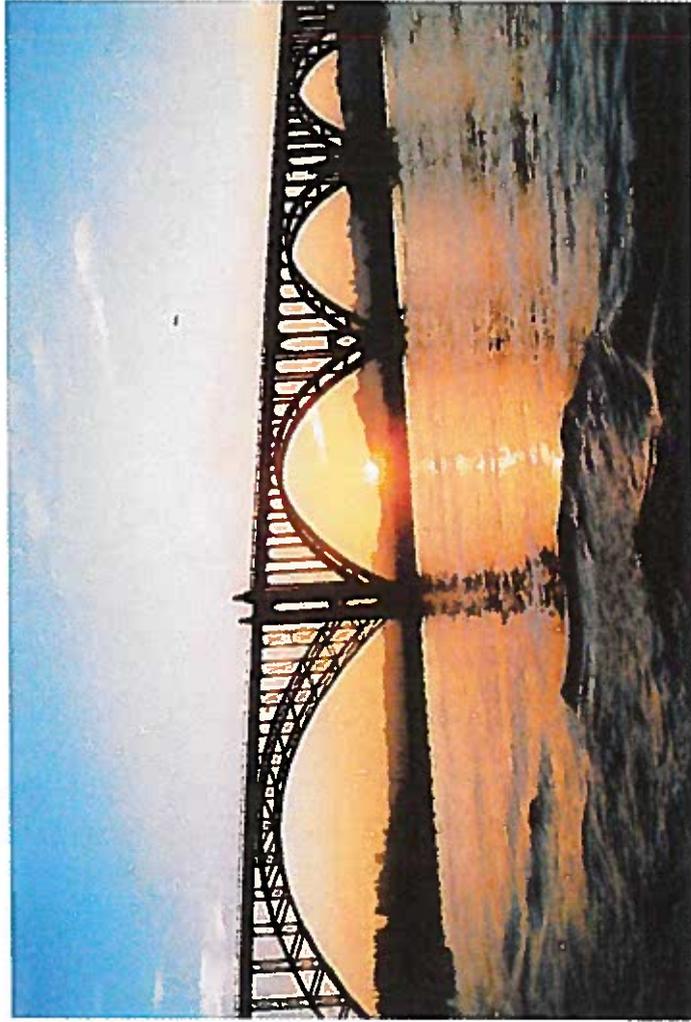
6.1.3 Certification Requirements

Each MSP must hold a current license appropriate to the task being performed and may be requested to provide evidence of such certification to the Airport Director.

Revised 12/1/14

ATTACHMENT
QUESTION 25.

NEWPORT MUNICIPAL AIRPORT



PASSENGER DEMAND ANALYSIS

JUNE 16, 2010



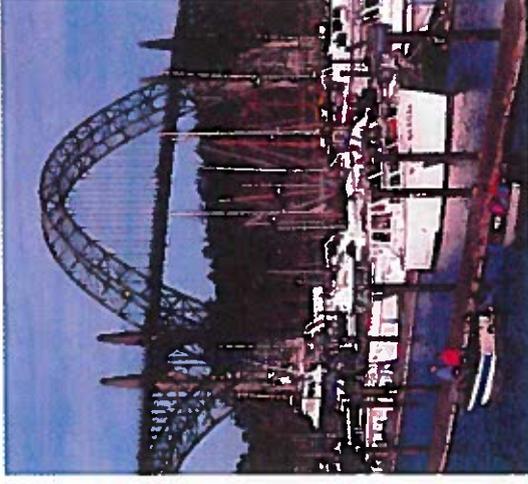
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INTRODUCTION

The constant changing air transportation needs of communities coupled with the dynamic and volatile nature of the airline industry have created an on-going challenge for many markets in the United States. This challenge was magnified by the events of September 11, 2001, after which air carriers dramatically reduced service. The decrease in service combined with rising fuel costs, airline bankruptcy reorganizations, liquidations, and mergers made maintaining and improving air service in many regions a critical issue. In 2007, air travel began to approach pre September 11, 2001, levels, but that trend was reversed by record high fuel prices in 2008 and continued to be stagnate or decrease with the impact of the recession.



The past nine years illustrate the endemic volatility of the airline industry and why it continues to burden many communities. Using quality information is essential to: evaluate the needs of local air service markets, target realistic improvements, and understand the problems facing communities to effectively address their issues. Air traveler information has unique limitations that create a significant challenge for developing strategies to improve air service. In addition, airlines spend little time analyzing opportunities at small and non-hub markets which places the burden on communities to develop the information necessary to understand and support air service solutions. To that end, this *Passenger Demand Analysis* provides objective air traveler data that is compiled from industry accepted sources using standard methodologies. Accordingly, airlines accept data included in the *Passenger Demand Analysis* as credible base information for air service forecasts. This *Passenger Demand Analysis* represents a continuing effort by Newport Municipal Airport's management to evaluate the travel habits of catchment area residents.

OBJECTIVES

The objective of the *Passenger Demand Analysis* is to develop information on the travel patterns of local airline passengers who reside in the Newport geographic area. The report provides an understanding of the air service situation at Newport Municipal Airport and formulates strategies for improvement. This analysis examines:

- The originating airports used by air travelers
- Diversion of airline passenger traffic to competing airports
- An estimate of total airline passengers in the catchment area and related destinations
- Airlines used by local air travelers
- Average airfares by origin and destination airport
- Service levels at Newport Municipal Airport and competing airports
- An assessment of the air service situation at Newport Municipal Airport

METHODOLOGY

The *Passenger Demand Analysis* combines Marketing Information Data Tape (MIDT) booking information from the Global Distribution Systems (GDS), which is used by travel agencies, and U.S. Department of Transportation (DOT) airline data to provide a comprehensive overview of the air travel market. For the purposes of this study, MIDT include bookings made by travel agencies in the Newport Municipal Airport catchment area. It does not capture bookings issued directly by airline Web sites (e.g., www.alaskaair.com), agency Internet sites (e.g., www.travelocity.com), or airline reservation offices. Data from Internet sites were not used because MIDT data are sorted by zip code. Internet sites record all bookings as originating from the zip code in which the server resides. For example, all bookings for www.expedia.com are recorded with a Seattle zip code regardless of the air traveler's location, since the server for Expedia is located in Seattle. Accordingly, retention or diversion information cannot be derived from Internet site bookings. The data used include bookings for the zip codes in the catchment area, NOT all bookings. As a result, MIDT data represent a sample, albeit the most effective one, to measure the air travel habits of catchment area air travelers.

The near elimination of commissions paid to travel agencies and the greater acceptance of the Internet as a mode of commerce has reduced the number of tickets written by travel agencies. Some carriers, with limited dependence on travel agencies, transport a larger percentage of travelers than in years past. This factor makes it impossible to definitively quantify the percentage of passengers from the catchment area who are booking on one airline versus another; however, business travel, usually the highest yield traffic for airlines and the most sought after, is largely represented in MIDT data and is often contracted out to travel agencies to manage. As a result, airlines report that traditional travel agencies (and therefore GDS) will continue to play a vital role in the distribution of airline tickets. Therefore, although limitations exist, MIDT data accurately portray the airline booking habits of a large cross-section of catchment area travelers making the data useful to both airports and airlines. A total of 4,161 bookings were included in the *Passenger Demand Analysis* for the two-year period ended March 31, 2010.



EXECUTIVE SUMMARY

AIRLINE BOOKINGS/CATCHMENT AREA

The *Passenger Demand Analysis* includes 4,161 bookings from the Newport Municipal Airport catchment area for the two-year period ended March 31, 2010. The catchment area has an estimated population of 69,255 and 23 zip codes. In addition to MIDT data, Data Base Products, Inc. and apgDat data is used throughout the report.

DEPARTURES AND AVAILABLE SEATS

SeaPort Airlines is the sole service provider to Newport Municipal Airport since March 2009. Newport had an average of 14 weekly departures and 126 outbound seats during a sample week in May 2010. In June 2010, SeaPort added a third daily flight. Load factors for the SeaPort flights have reached a high of 50 percent. Since the service began, the flights are averaging above a 35 percent load factor.

AIRPORT USE

Four percent of catchment area travelers used Newport Municipal Airport, while the other 96 percent diverted to Portland, Eugene, and Seattle. Fifty-seven percent of the catchment area used Portland, 27 percent used Eugene, and 12 percent used Seattle. Concerning international travel, since SeaPort does not have interline ticketing and baggage agreements, 100 percent of their tickets are sold within the four-city SeaPort system. Therefore, all international traffic used Portland, Eugene, or Seattle by way of either driving to the competing airport or purchasing two separate tickets.

TRUE MARKET

Newport's total air service market, called the true market, is estimated at 108,039 annual origin and destination passengers to/from the Newport Municipal Airport catchment area. Domestic travelers accounted for 97,339 of the total true market. International travelers made up the remaining 10,700 passengers, or 10 percent.

DESTINATIONS

Forty-six percent of travelers, or 49,782 passengers, were destined to or from one of the top 25 markets. Los Angeles is the number one destination with 3.5 percent of passengers. Las Vegas was the second largest market with 4.7 passengers flying this route per day each way. The Phoenix, Denver, and San Diego markets are the third, fourth, and fifth top destinations for Newport Municipal Airport. London and Puerto Vallarta were the two largest international destinations.

REGIONAL DISTRIBUTION OF TRAVEL

Forty-nine percent of travelers traveled to or from the West and Northwest regions. Thirty-two percent traveled to the West region, while 17 percent traveled to the Northwest region. International destinations made up the fourth largest region, attracting 10 percent of all travel from the Newport Municipal Airport catchment area.



AIRLINES USED

When using Newport Municipal Airport, the only choice for air travelers is SeaPort Airlines. Passengers diverting to Portland, Eugene, and Seattle were estimated using an approximation of carrier share with MIDT data. Portland's carrier share was: Alaska Airlines/Horizon Air 24 percent, Delta Air Lines 23 percent, and United Airlines 14 percent. Passengers diverting to Eugene used United 55 percent of the time. Alaska/Horizon was second with 26 percent of the market, and Delta was third with 17 percent. For passengers diverting to Seattle, Alaska/Horizon was the most common carrier used with 34 percent. United and Delta were each used 16 percent of the time.

PASSENGER ACTIVITY

From calendar years 2000 through 2009, domestic origin and destination passengers (as reported by airlines to the U.S. DOT) have ranged from 531,490 to 674,770 at Eugene, from 9.7 million to 11.3 million at Portland, and 17.6 million to 20.7 million at Seattle. The recession ended the growth that all three of the airports were seeing through 2008.

DOMESTIC AIRFARES

For calendar year 2009, the one-way average domestic airfare for Portland was \$147, while Eugene had the highest average fare at \$161. Seattle's average fares were just below Portland at \$146. For all markets there is roughly a \$15 difference between fares at Seattle and fares at Eugene. Phoenix had the smallest fare gap at \$5 difference between the three markets, whereas, Oklahoma City had the highest with an \$88 difference.

AVERAGE FARE TREND

From calendar year 2000 through 2008, the average domestic airfares for Portland and Eugene passengers increased at a compounded annual rate of just over one percent while Seattle's fares increased 0.4 percent. However, the recession has taken a toll on average airfares in 2009. Portland's highest fare was in 2008 at \$155, and its lowest fare was in 2002 at \$126. The lowest average fare at Eugene during the 10-year period was in 2001 at \$150, and the highest fare was in 2006 when it was \$182. At Seattle, the lowest fare occurred in 2002 at \$136 and the highest in 2008 at \$162.

NONSTOP SERVICE

In May 2010, Newport Municipal Airport offered connecting service to one of the top 25 destinations with 14 weekly frequencies. Portland had nonstop service to 21 of the Newport Municipal Airport catchment area true market top 25 destinations and 51 overall destinations. Eugene had nonstop service to eight markets in the top 25 and nine overall. Seattle had nonstop service to 23 of the top 25 destinations and 89 destinations overall.

AIR SERVICE OPPORTUNITIES

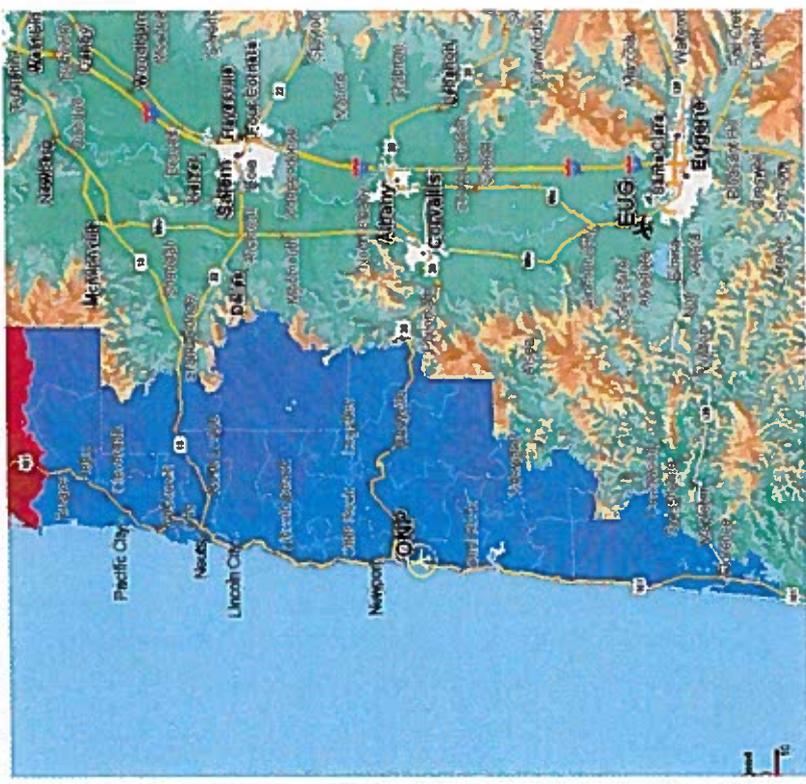
Air service at Newport is in its infancy. Continued work with SeaPort Airlines will help maintain the positive growth the market is already seeing. With the relocation of the National Oceanic and Atmospheric Administration (NOAA) Pacific fleet to Newport, a flight to Seattle is a possibility. However, Seattle itself does not prove to be a good connecting point as SeaPort operates to King County International Airport (Boeing Field) instead of Seattle/Tacoma International Airport.

To understand airport use, it is important to understand the relative size of the catchment area, current air service, and enplanement activity. Newport Municipal Airport's use was determined using MIDT data for the two-year period ended March 31, 2010, for the zip codes from the catchment area.

AIRPORT CATCHMENT AREA

An airport catchment area, or service area, is a geographic area surrounding an airport where it can reasonably expect to draw passenger traffic and is representative of the local market. The catchment area contains the population of travelers who should use Newport Municipal Airport considering the drive time from the catchment area to competing airports. This population of travelers is Newport Municipal Airport's focus market for air service improvements and represents the majority of travelers using the local airport. Exhibit 3.1 identifies the Newport Municipal Airport catchment area. It is comprised of 23 zip codes within the U.S. with an estimated population of 69,255.

EXHIBIT 3.1 NEWPORT MUNICIPAL AIRPORT CATCHMENT AREA



CURRENT AIR SERVICE

Catchment area airport use is affected by a variety of factors including: destinations offered, flight frequency, available seats, type of aircraft, airfares, and distance to a competing airport. Table 3.1 provides Newport Municipal Airport's weekly departures and seats for a sample week in May 2010. SeaPort Airlines has served the community since March 2009 with daily flights to Portland using nine-passenger Pilatus PC-12 and is coming soon with nine-passenger Cessna Caravans. The service has consisted of two daily flights. Starting in June 2010 the schedule will be increased to three daily flights.

TABLE 3.1 WEEKLY DEPARTURES AND SEATS BY AIRLINE AND DESTINATION

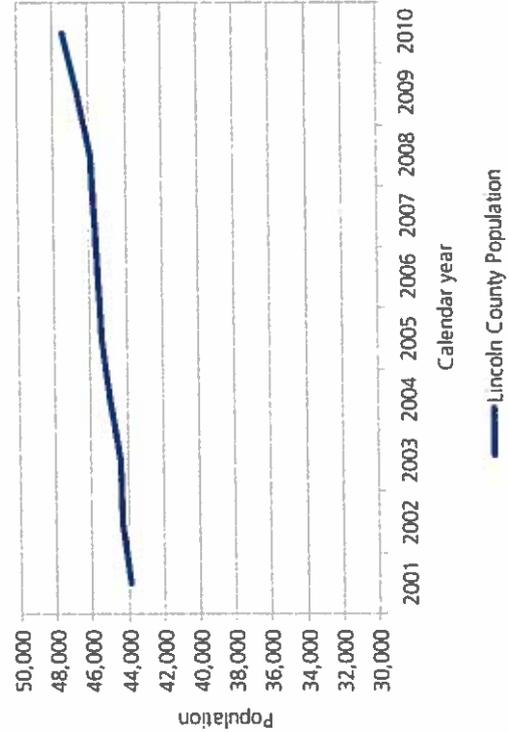
DESTINATION	MARKETING CARRIER	DEPARTURES PER WEEK	SEATS PER WEEK
Portland, OR	SeaPort	14	126
Total		14	126

Note: Sample Week in May 2010

POPULATION

Exhibit 3.2 plots population trends for a 10-year period from calendar year 2001 to 2010. Lincoln County was used as a surrogate for the growth trend of the Newport Municipal Airport catchment area population. Over 10 years, the population grew from 43,886 to 47,456 increasing at a compounded annual growth rate of 0.9 percent. Population is expected to grow at a compounded annual growth rate of 1.7 percent to 55,183 by 2020.

EXHIBIT 3.2 POPULATION TREND

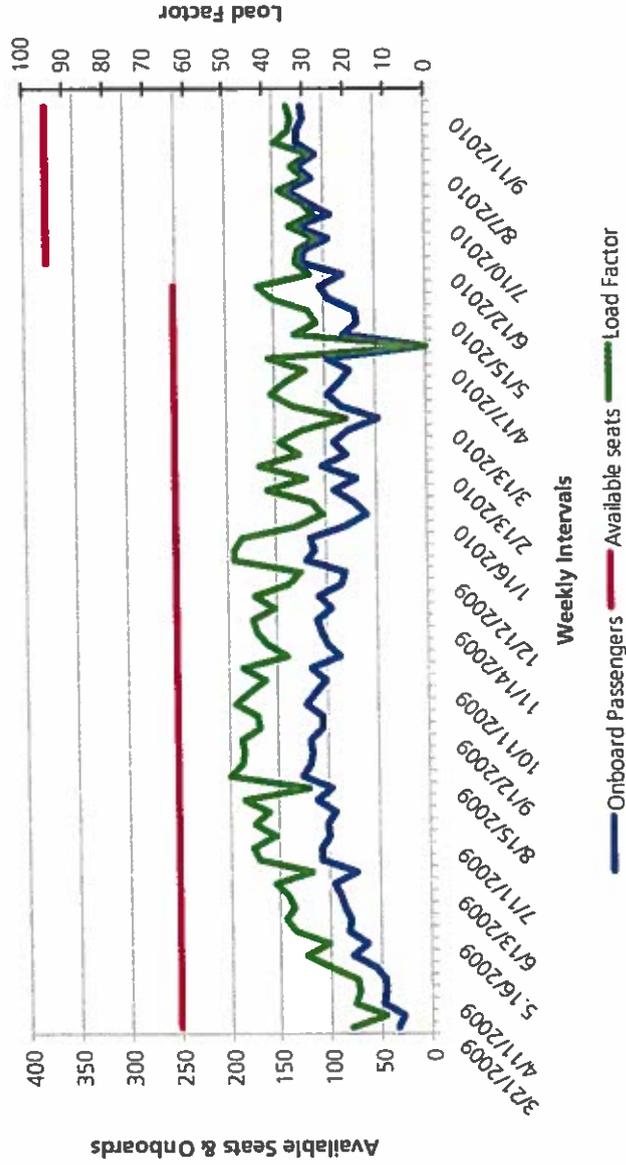


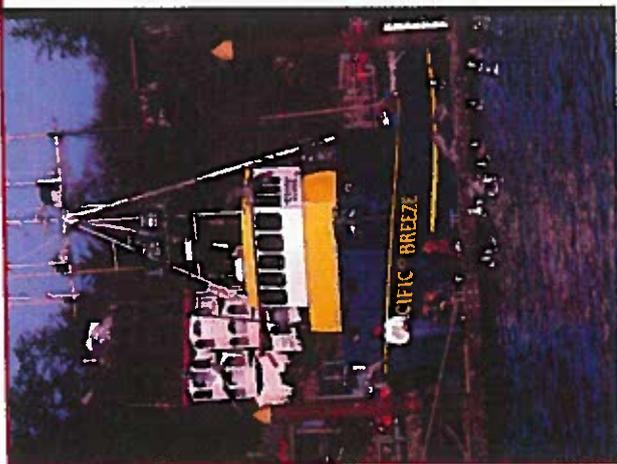
LOAD FACTOR, AVAILABLE SEATS, AND PASSENGERS

Exhibit 3.3 shows Newport Municipal Airport's available seats, onboard passengers, and load factors for arrivals and departures by week from March 21, 2009, through September 11, 2010. In June 2010 a third flight was added to Newport's schedule. Since the flight has been added Newport's passengers loads have in general been trending up and while the load factor initially declined it has stabilized. Over the service window, load factors maxed out at 50 percent full during the period. Since the service began the load factor has averaged above 35 percent. Of note, no data is available for the week ending April 23, 2010 and this graph was updated after the initial completion of the report upon receipt of new data.

Fluctuating load factors
 Load factors maxed out at 50 percent full during the period. Since the service began the load factor has averaged above 35 percent.

EXHIBIT 3.3 LOAD FACTOR, AVAILABLE SEATS, AND ONBOARD PASSENGERS

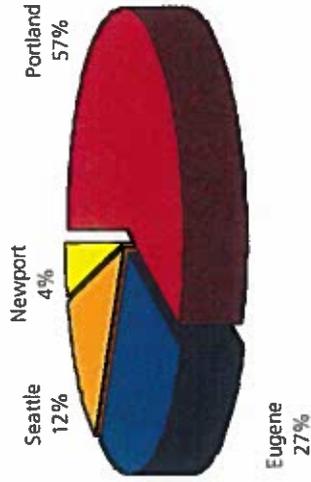




AIRPORT USE

Exhibit 3.4 provides a depiction of the airports used by Newport Municipal Airport catchment area travelers. An estimated four percent of the catchment area's air travelers used Newport Municipal Airport for their trips to and from the catchment area; 57 percent diverted to Portland, 27 percent to Eugene, and 12 percent to Seattle.

EXHIBIT 3.4 AIRPORT USE



AIRPORT USE BY COMMUNITY

Airport diversion rates by community are an important aspect to understanding the overall Newport Municipal Airport catchment area; Table 3.2 shows how diversion varies among the local communities within it. Because MIDT booking information is reported by travel agency location, this analysis assumes that the traveler's residence is in the same community as the travel agency where the ticket was purchased.

The passengers living in communities closer to Portland International Airport, as would be expected, have a higher propensity to access it. Communities closer to Eugene Airport have a higher propensity to access Eugene. Communities of Newport, Lincoln City, and South Beach all have high usage of Portland International Airport, whereas, Waldport and Florence have a high usage of Eugene Airport.

TABLE 3.2 AIRPORT USE BY COMMUNITY

COMMUNITY	ORIGIN AIRPORT %				
	PDX	EUG	SEA	ONP	
Florence	34	48	18	0	
Grand Ronde	65	5	29	0	
Lincoln City	100	0	0	0	
Newport	84	7	6	0	
South Beach	92	8	0	0	
Waldport	75	21	4	0	
Total	57	27	12	4	

Source: Data by community is not available for ONP.

TRUE MARKET

The true market portion of the *Passenger Demand Analysis* estimates the total number of passengers in the catchment area; specifically, it analyzes the portion of passengers diverting from the Newport Municipal Airport catchment area. This section investigates destinations associated with travel to and from the catchment area. In addition, destinations are grouped into geographic regions to further understand the flow of air travel.

TRUE MARKET ESTIMATE

The airport catchment area (Exhibit 3.1, page 5) represents the geographic area from which the airport primarily attracts air travelers. Domestic airlines report origin and destination traffic statistics to the U.S. DOT on a quarterly basis. Used by themselves, these traffic statistics do not quantify the total size of an air service market. North Bend/Coos Bay has the most mature air service market on the Oregon Coast. By studying the reported traffic statistics for North Bend/Coos Bay, the MIDT data, and relating the overall air travel in North Bend/Coos Bay to the airport's catchment area population, a travel factor was used to estimate the size of Newport Municipal Airport's true market. By combining MIDT information with passenger data contained in the U.S. DOT airline reports and the North Bend/Coos Bay travel factor, an estimate of the total air travel market by destination was calculated. Passenger numbers are estimated for domestic and international markets on a destination and regional basis.

The MIDT data used in this report include information on initiated passengers ticketed by local travel agencies. This enables the identification of passenger retention and diversion. According to U.S. DOT airline reports for calendar year 2009, 50 percent of Newport Municipal Airport origin and destination passengers initiated air travel from Newport, and the other 50 percent began their trip from another city (e.g. New York, Dallas, and Phoenix). For the purposes of this analysis and estimation of the true market, the assumption is that that origin and destination passengers who begin their trip from beyond the catchment area (referred passengers) have the same retention rate as those originating travel from within the catchment area (initiated passengers).

TOP 25 TRUE MARKET DESTINATIONS

The top 25 destinations for Newport Municipal Airport accounted for 46 percent of the travel to/from the Newport Municipal Airport catchment area. Los Angeles International Airport was the largest market with 3,778 annual passengers resulting in 5.7 passengers per day each way and accounted for 3.4 percent of all travel. Las Vegas, Phoenix, Denver, and San Diego rounded out the top five air service markets for Newport Municipal Airport. None of these markets have nonstop service from Newport but all have nonstop or single plane (one-stop) service from Portland, Eugene, and Seattle.

Due to SeaPort Airlines' ticketing system, they can only ticket passengers to SeaPort destinations. Therefore, only three destinations show up in Newport Municipal Airport's reported traffic, Portland, Seattle, and Pendleton. Only Seattle ranks in the top 25, with 376 passengers traveling from the Newport Municipal Airport. It is assumed that most passengers going to Portland are actually connecting to other destinations.

TABLE 4.1 TRUE MARKET ESTIMATE - TOP 25 DESTINATIONS

RANK	DESTINATION	ONP REPORTED PAX	DIVERTING PAX					TRUE MARKET
			PDX	EUG	SEA	SEA	MARKET	
1	Los Angeles, CA	0	1,493	1,859	427		3,778	
2	Las Vegas, NV	0	2,497	944	0		3,441	
3	Phoenix, AZ	0	2,009	792	548		3,349	
4	Denver, CO	0	1,674	1,187	183		3,043	
5	San Diego, CA	0	1,458	972	0		2,430	
6	San Francisco, CA	0	850	1,215	334		2,399	
7	Honolulu, HI	0	2,186	30	91		2,308	
8	Orange County, CA	0	1,822	425	61		2,308	
9	Dallas, TX (DFW)	0	1,366	273	638		2,277	
10	Oakland, CA	0	1,107	298	851		2,256	
11	Boise, ID	0	964	399	665		2,028	
12	Minneapolis, MN	0	909	727	273		1,909	
13	Ontario, CA	0	849	909	152		1,909	
14	Seattle, WA	376	575	1,120	0		1,695	
15	Kahului, HI	0	786	212	605		1,603	
16	Chicago, IL (ORD)	0	756	393	454		1,603	
17	Orlando, FL	0	1,088	363	60		1,511	
18	New York, NY (JFK)	0	1,086	151	121		1,358	
19	Tucson, AZ	0	483	845	30		1,358	
20	Salt Lake City, UT	0	871	348	104		1,323	
21	Anchorage, AK	0	784	362	151		1,297	
22	Sacramento, CA	0	671	459	71		1,201	
23	Lihue, HI	0	963	120	90		1,174	
24	Kansas City, MO	0	692	150	271		1,113	
25	Oklahoma City, OK	0	632	451	30		1,113	
Top 25 destinations		376	28,571	15,004	6,208		49,782	
Total domestic		4,705*	54,266	27,441	10,926		97,339	
Total international		0	7,483	1,395	1,822		10,700	
All markets		4,705*	61,749	28,836	12,748		108,038	

Note: Due to SeaPort Airlines' ticketing system, SeaPort can only ticket passengers to SeaPort destinations (i.e. Portland, Seattle, and Pendleton). Most passengers are likely connecting to beyond destinations; however, the information is not available.

ORIGINATING AIRPORT FOR THE TOP 25 DOMESTIC DESTINATIONS

Table 4.2 shows the percentage of passengers by market that utilized Newport Municipal Airport or diverted to Portland International Airport, Eugene Airport, or Seattle/Tacoma International Airport. The top 25 domestic destinations accounted for 49,782 annual passengers. Only one percent of passengers utilized Newport Municipal Airport for travel to the top 25 markets as Seattle is the only top 25 market within the SeaPort Airlines' system.

TABLE 4.2 TOP 25 DOMESTIC DESTINATIONS BY ORIGINATING AIRPORT

RANK	DESTINATION	ORIGIN AIRPORT %					TOTAL PAX
		ONP	PDX	EUG	SEA		
1	Los Angeles, CA	0	40	49	11	3,778	
2	Las Vegas, NV	0	73	27	0	3,441	
3	Phoenix, AZ	0	60	24	16	3,349	
4	Denver, CO	0	55	39	6	3,043	
5	San Diego, CA	0	60	40	0	2,430	
6	San Francisco, CA	0	35	51	14	2,399	
7	Honolulu, HI	0	95	1	4	2,308	
8	Orange County, CA	0	79	18	3	2,308	
9	Dallas, TX (DFW)	0	60	12	28	2,277	
10	Oakland, CA	0	49	13	38	2,256	
11	Boise, ID	0	48	20	33	2,028	
12	Minneapolis, MN	0	48	38	14	1,909	
13	Ontario, CA	0	44	48	8	1,909	
14	Seattle, WA	22	34	66	0	1,695	
15	Kahului, HI	0	49	13	38	1,603	
16	Chicago, IL (ORD)	0	47	25	28	1,603	
17	Orlando, FL	0	72	24	4	1,511	
18	New York, NY (JFK)	0	80	11	9	1,358	
19	Tucson, AZ	0	36	62	2	1,358	
20	Salt Lake City, UT	0	66	26	8	1,323	
21	Anchorage, AK	0	60	28	12	1,297	
22	Sacramento, CA	0	56	38	6	1,201	
23	Lihue, HI	0	82	10	8	1,174	
24	Kansas City, MO	0	62	14	24	1,113	
25	Oklahoma City, OK	0	57	41	3	1,113	
Top 25 domestic		1	57	30	12	49,782	
All markets		4	57	27	12	108,039	



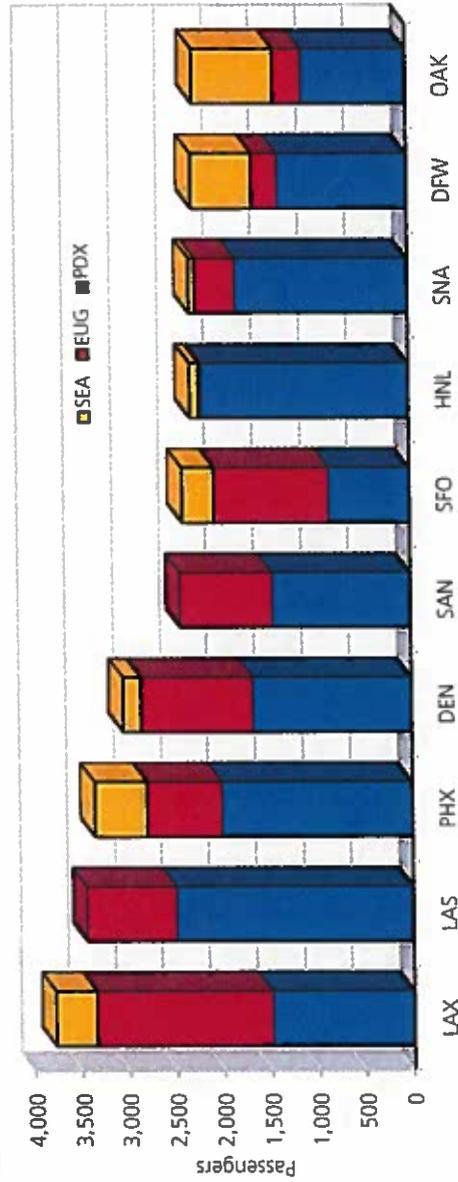
TOP 10 DESTINATIONS BY ORIGINATING AIRPORT

Table 4.3 shows the top 10 markets when passengers fly exclusively from Portland, Eugene, or Seattle. Nine of the top 10 markets from Portland have nonstop service. For Eugene, all but Minneapolis have nonstop service or are western destinations with an abundance of connections. Seattle is used mostly for travel to longer distance destinations, including Kahului (Maui), Dallas, Chicago, London, and Philadelphia. The San Francisco Bay Area airports of Oakland and San Francisco appear on the top 10 list as well. Virgin America's entrance into the Seattle-San Francisco market has provided for ultra low fares to both San Francisco and Oakland. Exhibit 4.1 shows the top 10 markets overall and the airport percentage by market with a bar graph.

TABLE 4.3 TOP 10 DESTINATIONS BY ORIGINATING AIRPORT

RANK	PDX		EUG		SEA	
	DESTINATION	PAX	DESTINATION	PAX	DESTINATION	PAX
1	Las Vegas, NV	2,497	Los Angeles, CA	1,859	Oakland, CA	851
2	Honolulu, HI	2,186	San Francisco, CA	1,215	Boise, ID	665
3	Phoenix, AZ	2,009	Denver, CO	1,187	Dallas, TX (DFW)	638
4	Orange County, CA	1,822	Seattle, WA	1,120	Kahului, HI	605
5	Denver, CO	1,674	San Diego, CA	972	Phoenix, AZ	548
6	Los Angeles, CA	1,493	Las Vegas, NV	944	Chicago, IL (ORD)	454
7	San Diego, CA	1,458	Ontario, CA	909	Los Angeles, CA	427
8	Dallas, TX (DFW)	1,366	Tucson, AZ	845	London, UK (LHR)	346
9	Oakland, CA	1,107	Phoenix, AZ	792	San Francisco, CA	334
10	Orlando, FL	1,088	Minneapolis, MN	727	Philadelphia, PA	297

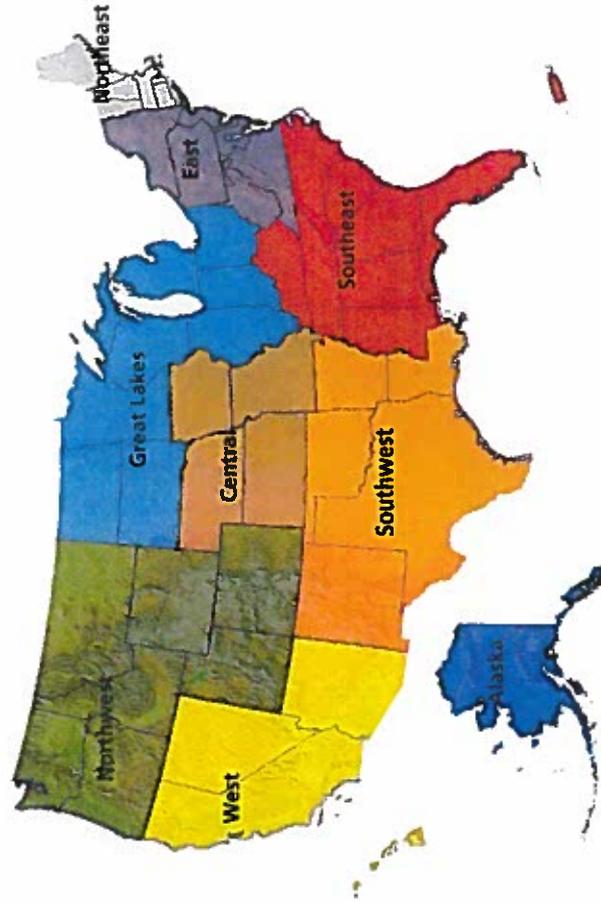
EXHIBIT 4.1 RETENTION AND DIVERSION FOR THE TOP 10 DESTINATIONS



FEDERAL AVIATION ADMINISTRATION (FAA) GEOGRAPHIC REGIONS

It is important to identify and quantify air travel markets, but it is also important to measure air travel by specific geographic regions. Generally, airlines operate route systems that serve geographic areas. Additionally, most airline hubs are directional and flow passenger traffic to and from geographic regions, not just destinations within the region. Therefore, air service analysis exercises consider the regional flow of passenger traffic as well as passenger traffic to a specific city. Accordingly, this section analyzes the regional distribution of air travelers from the airport catchment area. For this exercise, the FAA geographic breakdown of the U.S. is used (Exhibit 4.2).

EXHIBIT 4.2 FAA GEOGRAPHIC REGIONS



REGIONAL DISTRIBUTION OF TRAVELERS

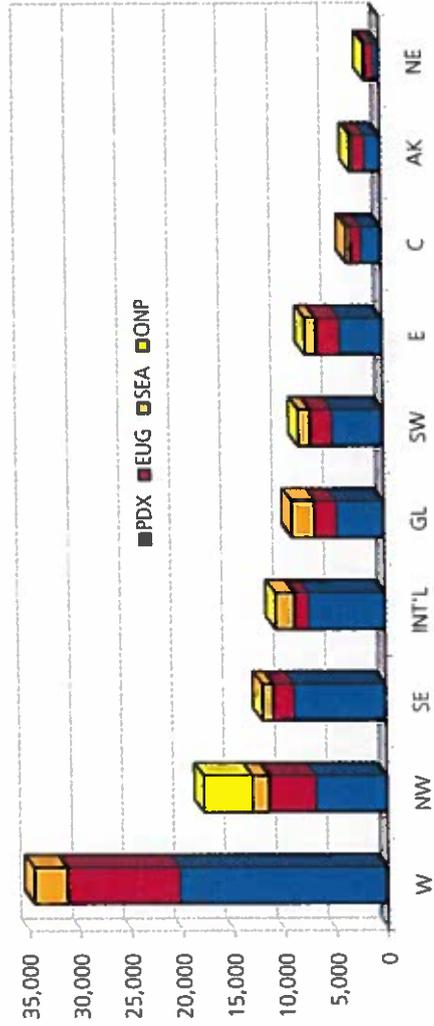
Table 4.4 and Exhibit 4.3 divide catchment area travel into the FAA's nine geographic regions and one catch-all international region. Western US dominates the travel for the Newport Municipal Airport catchment area with 49 percent of all travelers flying to the West region or the Northwest region. Thirty-two percent of all travel is to the West region from the Newport Municipal Airport catchment area. The West region includes: California, Arizona, Nevada, and Hawaii. The Northwest region is the second most frequented destination with 17 percent of all travel. The Southeast region comprised the third largest share of regional flow traffic followed by in order of greatest to least: international destinations, the Great Lakes region, the Southwest region, the East region, the Central region, the Alaska region, and the Northeast region.

High domestic travel to the West region
 Thirty-two percent of all travel was to the West region from the Newport Municipal Airport catchment area.

TABLE 4.4 REGIONAL DISTRIBUTION OF TRAVEL BY AIRPORT

AIRPORT	REGION											TOTAL
	W	NW	SE	INT'L	GL	SW	E	C	AK	NE		
PDX	20,319	6,932	8,982	7,483	4,664	5,011	4,178	1,983	1,580	617	1	61,749
%	33	11	15	12	8	8	7	3	3	1	1	100
EUG	11,030	4,655	2,065	1,395	2,157	2,168	2,339	1,086	1,126	815	3	28,836
%	38	16	7	5	7	8	8	4	4	3	3	100
SEA	3,182	1,570	1,005	1,822	2,201	1,117	1,023	371	317	140	1	12,748
%	25	12	8	14	17	9	8	3	2	1	1	100
ONP	0	4,705	0	0	0	0	0	0	0	0	0	4,705
%	0	37	0	0	0	0	0	0	0	0	0	37
Total Pax	34,531	17,862	12,052	10,700	9,022	8,296	7,540	3,440	3,023	1,572	1	108,038
%	32	17	11	10	8	8	7	3	3	1	1	100

EXHIBIT 4.3 REGIONAL DISTRIBUTION OF TRAVEL



DISTRIBUTION OF INTERNATIONAL TRAVEL

Ten percent of catchment area travelers had international itineraries. Table 4.5 shows international travelers by airport and region. Mexico and Central America was the most frequented international destination with 29 percent, or 3,095 of the total 10,700 catchment area international travelers. Traffic primarily goes to the Mexican beach resorts of Puerto Vallarta, the Mexican business center of Guadalajara, and Belize. Europe was the second largest international region with 27 percent. London was the largest European market followed by Rome. Africa was the third largest international region with 13 percent, and Asia was the fourth largest region amongst Newport Municipal Airport catchment area international travelers with 10 percent of international travel. The remaining top international regions were, in order of greatest to least: Canada, South America, Caribbean, Australia and Oceania and the Middle East.

TABLE 4.5 REGIONAL DISTRIBUTION OF INTERNATIONAL PASSENGERS

REGION		ORIGINATING AIRPORT			TOTAL
		PDX	EUG	SEA	
Mexico & Central America	Pax	1,996	400	699	3,095
	% of row	64	13	23	100
Europe	Pax	2,728	292	38	2,853
	% of row	70	12	18	100
Africa	Pax	884	292	28	1,361
	% of row	65	21	14	100
Asia	Pax	12	21	10	13
	% of row	728	222	111	1,061
Canada	Pax	69	21	10	100
	% of row	10	16	6	10
South America	Pax	481	86	197	765
	% of row	63	11	26	100
Caribbean	Pax	6	6	11	7
	% of row	518	0	37	555
Australia & Oceania	Pax	93	0	7	100
	% of row	7	0	2	5
Middle East	Pax	481	12	49	543
	% of row	89	2	9	100
Total passengers	Pax	6	1	3	5
	% of row	382	37	25	444
Total passengers	Pax	86	8	6	100
	% of row	5	3	1	4
% of column	Pax	25	0	0	25
	% of row	100	0	0	100
% of column	Pax	1	0	0	1
	% of row	7,483	1,395	1,822	10,700
% of column	Pax	70	13	17	100
	% of row	100	100	100	100

Information in this section identifies airline use by catchment area air travelers. The information is airport and airline specific. The intent is to determine which airlines are used to travel to specific destinations when air travel is accessed at an airport other than the local airport. Airline market share at Portland, Eugene, and Seattle are based on MIDT data and is an estimation of carrier share.

AIRLINES USED AT PORTLAND INTERNATIONAL AIRPORT

Table 5.1 provides the airline share for the top 25 true markets and total domestic share by airline at Portland International Airport. Alaska Airlines/ Horizon Air captured 24 percent of the passengers from the Newport Municipal Airport catchment area that diverted to Portland. Delta Air Lines was second with 23 percent. United Airlines and Southwest Airlines were the next largest carriers used at Portland with 14 and 10 percent of the total Portland traffic. Southwest serves Portland, and their portion of diverting passengers from the Newport Municipal Airport catchment area is likely understated in the MIDT data. Understatement of market share for carriers like Southwest and Allegiant Air and other low-fare carriers is largely due to their low reliance on travel agencies to book passengers.

TABLE 5.1 AIRLINES USED AT PORTLAND INTERNATIONAL AIRPORT

RANK	DESTINATIONS	AIRLINE %						TOTAL PAX
		AS	DL	UA	WN	CO	OTHER	
1	Los Angeles, CA	59	4	37	0	0	0	1,493
2	Las Vegas, NV	62	0	2	16	0	20	2,497
3	Phoenix, AZ	24	0	0	23	0	53	2,009
4	Denver, CO	27	2	24	16	0	31	1,674
5	San Diego, CA	60	0	2	38	0	0	1,458
6	San Francisco, CA	61	0	0	39	0	0	850
7	Honolulu, HI	4	42	2	0	0	52	2,186
8	Orange County, CA	100	0	0	0	0	0	1,822
9	Dallas, TX (DFW)	4	9	2	0	0	84	1,366
10	Oakland, CA	46	0	0	54	0	0	1,107
11	Boise, ID	69	0	0	31	0	0	964
12	Minneapolis, MN	7	67	0	0	0	27	909
13	Ontario, CA	96	0	0	0	0	4	849
14	Seattle, WA	95	0	5	0	0	0	575
15	Kahului, HI	0	17	3	0	0	81	786
16	Chicago, IL (ORD)	16	0	76	0	4	4	756
17	Orlando, FL	8	36	19	0	19	17	1,088
18	New York, NY (JFK)	0	83	0	0	0	17	1,086
19	Tucson, AZ	6	13	31	6	0	44	483
20	Salt Lake City, UT	0	60	0	40	0	0	871
21	Anchorage, AK	92	0	8	0	0	0	784
22	Sacramento, CA	53	0	0	47	0	0	671
23	Lihue, HI	22	22	0	0	0	56	963
24	Kansas City, MO	0	4	30	35	0	30	692
25	Oklahoma City, OK	0	0	19	10	19	52	632
Total top 25		35	15	8	12	1	28	28,571
Total domestic		24	23	14	10	9	20	54,266

AIRLINES USED AT EUGENE AIRPORT

Table 5.2 shows the airlines used when travelers from the Newport Municipal Airport catchment area used Eugene Airport. United had the largest share of Newport Municipal Airport catchment area passengers at Eugene carrying 55 percent of diverting passengers. Alaska/Horizon, Delta, and Allegiant were the other major airlines obtaining a significant share of diverting passengers.

TABLE 5.2 AIRLINES USED AT EUGENE AIRPORT

RANK	DESTINATIONS	AIRLINE %				TOTAL PAX
		UA	AS	DL	G4	
1	Los Angeles, CA	20	44	36	0	1,859
2	Las Vegas, NV	37	18	8	37	944
3	Phoenix, AZ	50	18	0	32	792
4	Denver, CO	85	15	0	0	1,187
5	San Diego, CA	56	28	16	0	972
6	San Francisco, CA	100	0	0	0	1,215
7	Honolulu, HI	50	40	10	0	30
8	Orange County, CA	71	7	21	0	425
9	Dallas, TX (DFW)	67	11	22	0	273
10	Oakland, CA	0	58	0	42	298
11	Boise, ID	83	0	17	0	399
12	Minneapolis, MN	8	42	50	0	727
13	Ontario, CA	50	47	3	0	909
14	Seattle, WA	0	100	0	0	1,120
15	Kahului, HI	100	0	0	0	212
16	Chicago, IL (ORD)	92	8	0	0	393
17	Orlando, FL	42	17	42	0	363
18	New York, NY (JFK)	80	0	20	0	151
19	Tucson, AZ	21	7	71	0	845
20	Salt Lake City, UT	10	0	90	0	348
21	Anchorage, AK	0	100	0	0	362
22	Sacramento, CA	69	31	0	0	459
23	Lihue, HI	25	75	0	0	120
24	Kansas City, MO	42	0	58	0	150
25	Oklahoma City, OK	67	0	33	0	451
Total top 25		45	29	19	7	15,004
Total domestic		55	26	17	3	27,441



AIRLINES USED AT SEATTLE/TACOMA INTERNATIONAL AIRPORT

Table 5.3 shows the airlines used when travelers from the Newport Municipal Airport catchment area used Seattle/Tacoma International Airport. Alaska/Horizon had the largest share of Newport Municipal Airport catchment area passengers at Seattle carrying 34 percent of diverting passengers. United and Delta captured 16 percent of the diverting passengers at Seattle. Southwest, Virgin America, and Jet Blue Airways serve Seattle and their traffic share of diverting passengers from the Newport catchment area is likely understated.

Alaska /Horizon Dominant at Seattle
 Alaska/Horizon had the largest share of Newport Municipal Airport catchment area passengers at Seattle carrying 34 percent of diverting passengers.

TABLE 5.3 AIRLINES USED AT SEATTLE/TACOMA INTERNATIONAL AIRPORT

RANK	DESTINATIONS	AS	DL	AIRLINE %						TOTAL PAX
				UA	WN	CO	OTHER			
1	Los Angeles, CA	93	0	7	0	0	0	0	0	427
2	Las Vegas, NV	0	0	0	0	0	0	0	0	0
3	Phoenix, AZ	22	0	33	17	0	28	0	28	548
4	Denver, CO	17	0	50	33	0	0	0	0	183
5	San Diego, CA	0	0	0	0	0	0	0	0	0
6	San Francisco, CA	73	0	27	0	0	0	0	0	334
7	Honolulu, HI	80	0	0	0	0	20	0	0	91
8	Orange County, CA	100	0	0	0	0	0	0	0	61
9	Dallas, TX (DFW)	19	5	0	0	0	76	0	0	638
10	Oakland, CA	65	0	0	35	0	0	0	0	851
11	Boise, ID	90	0	0	10	0	0	0	0	665
12	Minneapolis, MN	0	78	0	0	0	22	0	0	273
13	Ontario, CA	100	0	0	0	0	0	0	0	152
14	Seattle, WA	0	0	0	0	0	0	0	0	0
15	Kahului, HI	0	0	0	0	0	100	0	0	605
16	Chicago, IL (ORD)	13	20	40	0	0	27	0	0	454
17	Orlando, FL	80	0	0	20	0	0	0	0	60
18	New York, NY (JFK)	0	50	0	0	0	50	0	0	121
19	Tucson, AZ	0	0	100	0	0	0	0	0	30
20	Salt Lake City, UT	0	50	0	50	0	0	0	0	104
21	Anchorage, AK	100	0	0	0	0	0	0	0	151
22	Sacramento, CA	67	0	0	33	0	0	0	0	71
23	Lihue, HI	100	0	0	0	0	0	0	0	90
24	Kansas City, MO	0	0	0	44	0	56	0	0	271
25	Oklahoma City, OK	0	0	100	0	0	0	0	0	30
Total top 25		48	8	11	12	0	8	16	16	6,208
Total domestic		34	16	16	13	12	16	16	16	10,927

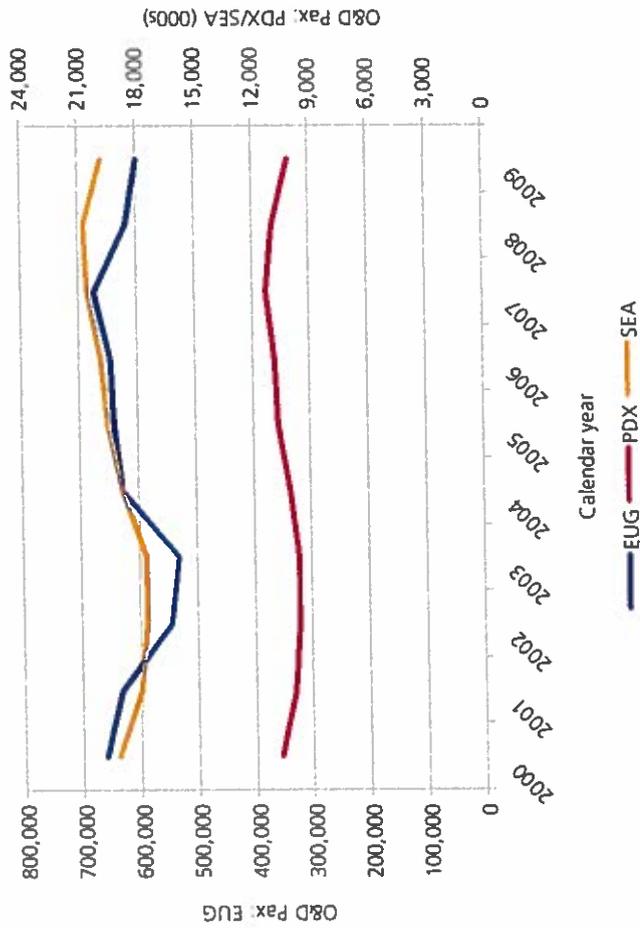
FACTORS AFFECTING AIR SERVICE DEMAND AND RETENTION

This section examines several factors that have affected and will continue to affect air service demand in the Newport area and Newport Municipal Airport's ability to retain passengers. The factors affecting an airport's ability to retain passengers included in this section are: airfares, travel time from competing airports, and nonstop service availability at competing airports.

PASSENGER ACTIVITY COMPARISON

To better understand the changes in passenger volumes regionally at Eugene Airport and Portland International Airport, Exhibit 6.1 provides a depiction of domestic origin and destination passengers over the last 10 years by yearly passenger totals. During this period, Eugene origin and destination passengers decreased at a compounded annual growth rate of 1.1 percent and varied from 531,490 to 674,770 passengers. Portland passengers also decreased at a compounded annual rate of 0.6 percent varying from 9.6 million to 11.3 million passengers. Seattle's passengers over the 10-year period increased at a compounded annual rate of 0.4 percent fluctuating from 17.6 million passengers to 20.7 million. Since 2002, Portland and Eugene origin and destination passengers grew at a compounded annual growth rate of around one percent while Seattle's passengers grew at a compounded annual rate of two percent.

EXHIBIT 6.1 PASSENGER TRENDS



AIRFARES

When a traveler decides which airport to access for travel, airfares play a large role. Airfares affect air service demand and an airport's ability to retain passengers. One-way airfares (excluding taxes and Passenger Facility Charges (PFC)) paid by travelers are used to measure the relative fare competitiveness between Portland, Eugene, and Seattle. For Newport Municipal Airport, only three destinations appear in the U.S. DOT origin and destination traffic (i.e. Portland, Pendleton, and Seattle). For that reason, fares at Newport were not compared. Fares listed are for all air travelers using competing airports and are not reflective of the average fare paid by catchment area travelers diverting to competing airports.

Table 6.1 shows one-way average airfares for the top 25 catchment area domestic destinations. Average airfares are a result of many factors including: length of haul, availability of seats, business versus leisure fares, and airline competition. Portland, Eugene, and Seattle have fares that are on average within \$15 of each other. However, the largest gap in the top 25 true markets is \$88 between the lowest fare at Portland and the highest at Eugene for flights to and from Oklahoma City. The smallest gap in fares is Phoenix, where all three cities are within \$5 of each other.

Regional Fares
 The overall average fare for year ended December 31, 2009, at Eugene Airport was \$161; Portland was at \$147; Seattle was at \$146

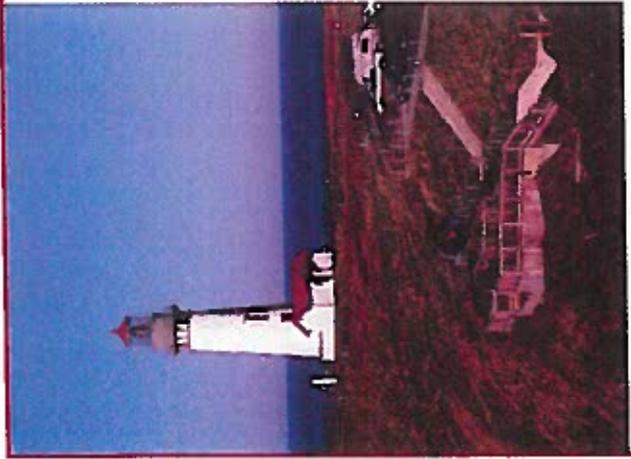
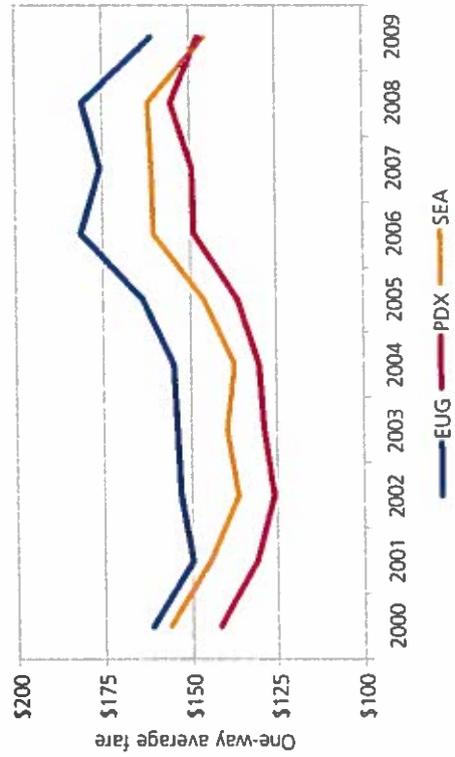
TABLE 6.1 U.S. DOT AVERAGE DOMESTIC AIRFARE

RANK	DESTINATION	DOMESTIC ONE-WAY			MAX DIFF.
		PDX	EUG	SEA	
1	Los Angeles, CA	\$139	\$148	\$106	\$42
2	Las Vegas, NV	\$109	\$86	\$104	\$23
3	Phoenix, AZ	\$122	\$127	\$124	\$5
4	Denver, CO	\$111	\$160	\$116	\$49
5	San Diego, CA	\$139	\$170	\$119	\$52
6	San Francisco, CA	\$131	\$175	\$91	\$84
7	Honolulu, HI	\$190	\$239	\$192	\$50
8	Phoenix-Mesa, AZ	\$129	\$162	\$117	\$45
9	Dallas, TX (DFW)	\$194	\$221	\$185	\$36
10	Oakland, CA	\$108	\$70	\$82	\$38
11	Boise, ID	\$78	\$116	\$79	\$39
12	Minneapolis, MN	\$174	\$189	\$143	\$46
13	Ontario, CA	\$134	\$146	\$114	\$33
14	Seattle, WA	\$98	\$114	N/A	\$17
15	Kahului, HI	\$186	\$216	\$208	\$30
16	Chicago, IL (ORD)	\$202	\$180	\$176	\$26
17	Orlando, FL	\$146	\$181	\$163	\$35
18	New York, NY (JFK)	\$197	\$190	\$174	\$23
19	Tucson, AZ	\$137	\$198	\$140	\$61
20	Salt Lake City, UT	\$109	\$169	\$115	\$60
21	Anchorage, AK	\$223	\$200	\$224	\$24
22	Sacramento, CA	\$89	\$151	\$109	\$61
23	Lihue, HI	\$224	\$217	\$209	\$16
24	Kansas City, MO	\$147	\$191	\$143	\$48
25	Oklahoma City, OK	\$161	\$249	\$166	\$88
Average domestic fare		\$147	\$161	\$146	\$15

Note: Calendar Year 2009; Fares do not include taxes or PFC.

Exhibit 6.2 tracks the average fares at Portland, Eugene, and Seattle from 2000 through 2009. Based on U.S. DOT airline data, average fares at Portland ranged from \$126 (2002) to \$155 (2008). Eugene Airport's fares have ranged from \$150 (2001) to \$182 (2006). Seattle's fares fluctuated from \$136 (2002) to \$162 (2008). Overall, average domestic fares over the 2000 to 2008 period increased at a compounded annual rate of just over one percent at Eugene and Portland and 0.4 percent at Seattle. All three airports have seen significant fare decreases in 2009 due to the poor economy and the airlines using prices to stimulate travel. Eugene has been further impacted by the expansion of ultra low-fare Allegiant Air.

EXHIBIT 6.2 10-YEAR AVERAGE DOMESTIC ONE-WAY FARE TREND



TRAVEL TIME COMPARISON

Table 6.2 displays the overall flight time from Newport Municipal Airport to the top 10 catchment area destinations connecting from Newport Municipal Airport or using nonstop or connecting service at Portland, Eugene, or Seattle. Accessible connecting flights at Portland International Airport require a minimum connecting time allowance of 1 hour 30 minutes to be included in the comparison. The drive time from Newport to Portland International Airport is estimated at two hours 56 minutes. The drive time from Newport to Eugene Airport is estimated at one hour 55 minutes and to Seattle is five hours 10 minutes.

A Newport Municipal Airport catchment area air traveler can save overall travel time in addition to the convenience of using the local airport in half of the top 10 Newport Municipal Airport catchment area markets. Eugene Airport becomes a more attractive alternate on routes that have nonstop service from Eugene. Allegiant Air serves Las Vegas, Phoenix (Mesa), and Oakland, and they just launched Los Angeles service. While the travel times used in Table 6.2 include Allegiant, they do not fly daily. On days Allegiant does not operate, Newport Municipal Airport becomes more convenient than Eugene. Denver and San Francisco both have multiple departures daily from Eugene which clearly gives Eugene the advantage over Newport.

SeaPort Airlines' disadvantage is the fact that they do not use the main passenger terminal at Portland International Airport and they do not have ticketing and baggage agreements with any airlines as of yet. A passenger using SeaPort via Portland International Airport must pick up their bags and take a shuttle bus over to the main terminal and check-in with their onward airline and then clear security. The same is true when connecting to Newport except that SeaPort passengers are not required to clear security. Enhanced ticketing and baggage agreements with the carriers that serve Portland would make SeaPort more competitive with Eugene.

TABLE 6.2 TRAVEL TIME COMPARISON (MINUTES)

RANK	CONNECTING DESTINATIONS	ONP		PDX		EUG		SEA		TIME SAVINGS
		CONX	NONSTOP	CONX	NONSTOP	CONX	NONSTOP	CONX	NONSTOP	
1	Los Angeles, CA	265	311	328	460					46
2	Las Vegas, NV	260	306	230	451					(30)
3	Phoenix, AZ	285	331	260	476					(25)
4	Denver, CO	280	326	263	464					(17)
5	San Diego, CA	281	327	325	474					44
6	San Francisco, CA	235	281	202	435					(33)
7	Honolulu, HI	481	527	546	675					46
8	Orange County, CA	275	321	331	468					46
9	Dallas, TX (DFW)	345	391	435	535					46
10	Oakland, CA	230	276	205	431					(25)

Note: Sample Week in May 2010
 (1) ONP conx time = elapsed time leg + 90 minute minimum connect time + elapsed time leg 2
 (2) PDX nonstop time = average drive time (2 hrs, 56 min) + nonstop elapsed time
 (3) EUG nonstop time = average drive time (1 hrs, 55 min) + nonstop elapsed time;
 EUG conx time = average drive time (1 hrs, 55 min) + conx elapsed time (fastest shown in May)
 (4) SEA nonstop time = average drive time (5 hrs, 10 min) + nonstop elapsed time

NONSTOP SERVICE AVAILABILITY

Travelers drive to competing airports to access air service for many reasons, one of which is nonstop service availability. Table 6.3 shows the level of air service offered at Portland International Airport, Eugene Airport, and Seattle-Tacoma International Airport.

Newport has no nonstop service to the top 25 markets. Newport has connecting service to Seattle. Eugene has service to eight of Newport's top 25 markets. Portland has nonstop service to 21 markets, and Seattle has service to 23 markets.

In May 2010, Eugene Airport offered nonstop service to eight of the top 25 catchment area destinations with 97 weekly frequencies. Los Angeles regained nonstop service on June 3rd with Allegiant's two times per week service. Portland had service to 21 of the top 25 markets with 1,002 flights per week. Seattle offered nonstop service to 23 of the top 25 markets with 1,349 flights per week. Newport Municipal Airport served one market overall, Portland.

TABLE 6.3 NONSTOP SERVICE COMPARISON

RANK	DESTINATION	WEEKLY DEPARTURES		
		PDX	EUG	SEA
1	Los Angeles, CA	55	2	119
2	Las Vegas, NV	48	4	84
3	Phoenix, AZ	74	2	89
4	Denver, CO	90	14	106
5	San Diego, CA	21	0	48
6	San Francisco, CA	75	40	115
7	Honolulu, HI	13	0	31
8	Orange County, CA	26	0	45
9	Dallas, TX (DFW)	34	0	77
10	Oakland, CA	66	2	79
11	Boise, ID	39	0	53
12	Minneapolis, MN	27	0	52
13	Ontario, CA	19	0	21
14	Seattle, WA	198	20	N/A
15	Kahului, HI	14	0	14
16	Chicago, IL (ORD)	42	0	90
17	Orlando, FL	0	0	7
18	New York, NY (JFK)	12	0	39
19	Tucson, AZ	0	0	7
20	Salt Lake City, UT	61	13	73
21	Anchorage, AK	8	0	123
22	Sacramento, CA	73	0	56
23	Lihue, HI	0	0	7
24	Kansas City, MO	7	0	14
25	Oklahoma City, OK	0	0	0
Total top 25 frequencies		1,002	97	1,349
Number of top 25 served		21	8	23
Total destinations served		51	9	89

Note: Sample Week in May 2010; (EUG-LAX Allegiant Air service beginning in June); Phoenix includes PHX/JAZA

Table 6.4 shows Portland International Airport's level of service by airline. Alaska Airlines/Horizon Air is the primary service provider at Portland International Airport with 87 daily flights accounting for 38 percent of the total 230 daily departures and 34 percent of the total seats available. Southwest Airlines and United Airlines both provided a respective 17 and 18 percent of Portland's total departures and a respective 23 and 13 percent of the 23,588 daily seats. Portland had service to 51 nonstop destinations on 12 airlines. Service ranges from SeaPort's nine-passenger planes operating to four destinations up to Hawaiian's 264-passenger 767-300 that operates to Honolulu and Kahului. The bulk of Portland's flights are in the 50 to 150 seat range.

Table 6.5 provides Eugene Airport's weekly departures by airline for a sample week in May 2010. Eugene had service to nine destinations on four airlines. United Airlines provided the most frequency and capacity with 52 percent of total departures and 42 percent of capacity. Alaska/Horizon was the second highest frequency provider providing 33 percent of the total 21 daily departures and providing 38 percent of total seats. Only Allegiant Air operated aircraft that seat over 100 passengers. They operated less than daily service to three cities in May and that will expand to a fourth, Los Angeles in June. All other flights at Eugene are operated by 76-passenger Q400 turboprops, 66-passenger and 50-passenger regional jets, and 30-passenger EMB-120 turboprops.

TABLE 6.4 PORTLAND INTERNATIONAL AIRPORT WEEKLY DEPARTURES AND OUTBOUND SEATS

AIRLINE	DAILY DEPARTURES	NONSTOP DESTINATIONS	DAILY SEATS
Alaska/Horizon	87	27	7,995
Southwest	39	13	5,352
United/United Express	42	13	3,018
Delta/Delta Connection	17	9	2,785
Continental	6	2	1,001
US Airways	6	2	884
American	5	1	680
Frontier	4	1	605
Hawaiian	2	2	520
JetBlue	3	2	386
Air Canada/Air Canada Jazz	5	2	243
SeaPort	13	4	120
Total	230	51	23,588

Note: Sample Week in May 2010

TABLE 6.5 EUGENE AIRPORT WEEKLY DEPARTURES AND OUTBOUND SEATS

AIRLINE	DAILY DEPARTURES	NONSTOP DESTINATIONS	DAILY SEATS
United/United Express	11	3	559
Alaska/Horizon	7	3	510
Allegiant Air	1	3	171
Delta/Delta Connection	2	1	93
Total	21	9	1,333

Note: Sample Week in May 2010

Table 6.6 shows Seattle-Tacoma International Airport's level of service by airline. Alaska/Horizon is the primary service provider at Seattle-Tacoma International Airport with 228 daily flights accounting for 56 percent of the total 409 daily departures and 50 percent of the total seats available. Southwest and Delta Air Lines/Delta Connection both provided a respective 10 and seven percent of Seattle's total departures and a respective 11 and 10 percent of the 52,238 daily seats. Seattle has service to 89 nonstop destinations on 22 airlines. Service ranges from United Express' 30-passenger planes operating to two destinations up to British Airways' 340-passenger 747-400 operating to London Heathrow. The bulk of Seattle's flights are in the 70 to 160 seat range.

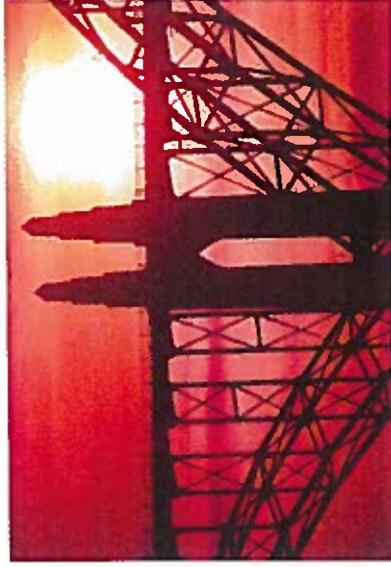
TABLE 6.6 SEATTLE TACOMA INTERNATIONAL AIRPORT WEEKLY DEPARTURES AND OUTBOUND SEATS

AIRLINE	DAILY DEPARTURES	NONSTOP DESTINATIONS	DAILY SEATS
Alaska/Horizon	228	62	26,271
Southwest	41	16	5,566
Delta/Delta Connection	28	10	5,200
United/United Express	38	8	4,059
American	15	4	2,167
Continental	12	4	2,138
US Airways	9	4	1,305
Virgin America	7	2	883
Frontier/Midwest	6	3	733
JetBlue	5	3	686
Hawaiian	2	2	631
Air Canada/Air Canada Jazz	9	3	493
AirTran	3	3	411
British Airways	1	1	351
Lufthansa	1	1	221
Asiana	1	1	216
Korean	1	1	215
Air France	1	1	188
EVA	1	1	181
Icelandair	1	1	131
Hainan	1	1	127
Sun Country	0.4	1	65
Total	409	89	52,238

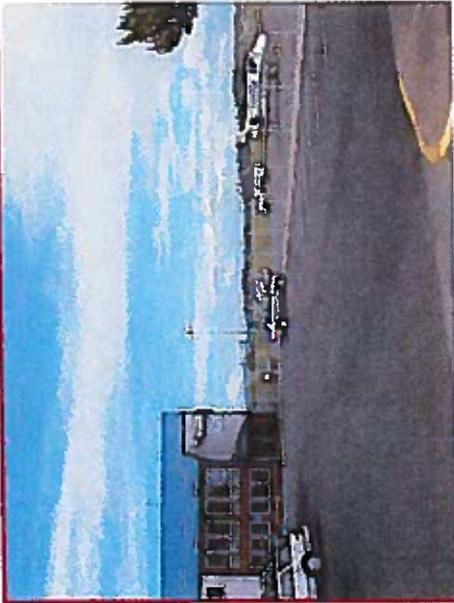
Note: Sample Week in May 2010

SITUATION ANALYSIS

This *Passenger Demand Analysis* recaps the performance of the Newport Municipal Airport during the 2009 recession. Newport Municipal Airport serves a catchment area of 69,255. The bulk of this population stretches north and south of Newport along the coast. The catchment area is relatively isolated requiring a 130-mile drive on a mostly winding two-lane highway through the Coastal Range to reach Portland International Airport. Alternatively the southern portion of the catchment area can opt for a similar 85-mile drive to Eugene Airport where air service options are much more limited than Portland. Aided by a \$3.6 million ConnectOregon grant, Newport was able to secure air service to Portland with nine-passenger Pilatus PC-12 aircraft operated by SeaPort Airlines in March 2009. The high cost of the Pilatus aircraft abetted by a lack of interline and codeshare agreements, as well as service awareness problems, have limited the capture of market demand in connecting markets. This has resulted in high subsidy costs in support of this service to date.



The Newport area is a popular, albeit seasonal, tourism attraction with a limited business commerce base reflecting the modest catchment area population. There is reasonable commercial fishing based in Newport and the pending shift of the NOAA Pacific marine fleet to Newport will provide both a population and economic stimulus. Air service remains a key component of economic development efforts for the area but must become self sustaining since the continued subsidization of air service in the future cannot be considered a viable and long lasting option.



Additional market growth will be necessary before aircraft with more than nine seats can be considered for the Newport market, but the switch from the Pilatus PC-12 aircraft to the lower operating cost Cessna Caravan is a positive step in making Newport service self sustaining. Further efforts on expanding interline ticketing and baggage agreements and codesharing will further increase the conveniences and utility of the service. Additional benefits of interline agreements would result in the service being displayed in Internet and reservation systems which would be a quantum leap forward in marketplace awareness of Newport's air service. Based on promotional efforts, Newport air service should continue to be linked to Portland though little or no local market exists, and the primary market potential is for connecting passengers to beyond destinations. However, shifting or adding Newport service to Seattle may be a reasonable consideration in the future. The NOAA headquarters will remain in Seattle and after their Pacific fleet is transferred to Newport, local market demand will increase. Newport-Seattle nonstop service would also offer a broader array of nonstop connecting opportunities, and flight segment costs would be only marginally higher than Portland. In any event, continuing aggressive efforts will be required if Newport air service is to become self sustaining.

Newport's ongoing air service efforts should remain with improving local usage of the airport and improving the ease of using SeaPort. There are issues that should be discussed with SeaPort that include but are not limited to, interline ticket and baggage agreements and improving overall visibility of the service.

APPENDIX A. TOP 50 TRUE MARKETS

TABLE A.1 NEWPORT MUNICIPAL AIRPORT TOP 50 TRUE MARKETS

RANK	DESTINATION	REPORTED PAX	RETENTION %	TRUE MARKET	DIVERTING AIRPORTS				
					PDEW	PDX	EUG	SEA	SEA
1	Los Angeles, CA	0	0	3,778	5	1,493	1,859	427	0
2	Las Vegas, NV	0	0	3,441	5	2,497	944	0	0
3	Phoenix, AZ	0	0	3,349	5	2,009	792	548	0
4	Denver, CO	0	0	3,043	4	1,674	1,187	183	0
5	San Diego, CA	0	0	2,430	3	1,458	972	0	0
6	San Francisco, CA	0	0	2,399	3	850	1,215	334	0
7	Honolulu, HI	0	0	2,308	3	2,186	30	91	0
8	Orange County, CA	0	0	2,308	3	1,822	425	61	0
9	Dallas, TX (DFW)	0	0	2,277	3	1,366	273	638	0
10	Oakland, CA	0	0	2,256	3	1,107	298	851	0
11	Boise, ID	0	0	2,028	3	964	399	665	0
12	Minneapolis, MN	0	0	1,909	3	909	727	273	0
13	Ontario, CA	0	0	1,909	3	849	909	152	0
14	Seattle, WA	367	22	1,695	2	575	1,120	0	0
15	Kahului, HI	0	0	1,603	2	786	212	605	0
16	Chicago, IL (ORD)	0	0	1,603	2	756	393	454	0
17	Orlando, FL	0	0	1,511	2	1,088	363	60	0
18	New York, NY (JFK)	0	0	1,358	2	1,086	151	121	0
19	Tucson, AZ	0	0	1,358	2	483	845	30	0
20	Salt Lake City, UT	0	0	1,323	2	871	348	104	0
21	Anchorage, AK	0	0	1,297	2	784	362	151	0
22	Sacramento, CA	0	0	1,201	2	671	459	71	0
23	Lihue, HI	0	0	1,174	2	963	120	90	0
24	Kansas City, MO	0	0	1,113	2	692	150	271	0
25	Oklahoma City, OK	0	0	1,113	2	632	451	30	0
26	Newark, NJ	0	0	1,082	1	451	511	120	0
27	Reno, NV	0	0	1,082	1	631	451	0	0
28	Kona, HI	0	0	1,082	1	812	240	30	0
29	Burbank, CA	0	0	1,052	1	421	631	0	0
30	Spokane, WA	0	0	1,048	1	578	289	181	0
31	Charlotte-Douglas, NC	0	0	1,021	1	841	180	0	0
32	San Jose, CA	0	0	986	1	804	183	0	0

TABLE A.1 NEWPORT MUNICIPAL AIRPORT TOP 50 TRUE MARKETS

RANK	DESTINATION	REPORTED		RETENTION %	TRUE MARKET	DIVERTING AIRPORTS				
		PAX				PDEW	PDX	EUG	SEA	
33	Baltimore, MD	0		0	929	1	479	240	210	
34	Tampa, FL	0		0	898	1	569	210	120	
35	Charleston, SC	0		0	898	1	749	150	0	
36	Houston, TX (IAH)	0		0	837	1	688	149	0	
37	Eugene, OR	0		0	837	1	837	0	0	
38	Fort Lauderdale, FL	0		0	806	1	657	90	60	
39	Atlanta, GA	0		0	745	1	417	238	89	
40	Milwaukee, WI	0		0	745	1	268	298	179	
41	New Orleans, LA	0		0	715	1	625	60	30	
42	Nashville, TN	0		0	684	1	416	238	30	
43	Philadelphia, PA	0		0	653	1	178	178	297	
44	San Antonio, TX	0		0	653	1	416	238	0	
45	KodiAK	0		0	653	1	327	297	30	
46	London, UK (LHR)	0		0	608	1	262	0	346	
47	Detroit, MI	0		0	592	1	414	178	0	
48	Washington, DC (IAD)	0		0	592	1	296	148	148	
49	Austin, TX	0		0	592	1	148	444	0	
50	New York, NY (LGA)	0		0	592	1	237	355	0	
Top 50 destinations		367		1	70,166	96	41,091	20,999	8,076	
Total Domestic		4,705		5	97,339	133	54,266	27,441	10,927	
Total International		0		0	10,700	15	7,483	1,395	1,822	
Total all markets		4,705		4	108,039	148	61,749	28,836	12,749	

APPENDIX B. GLOSSARY

Airline codes

- AS.....Alaska Airlines/Horizon Air
- CO.....Continental Airlines
- DL.....Delta Air Lines
- G4.....Allegiant Air
- UA.....United Airlines
- WN.....Southwest Airlines

Airport catchment area (ACA)

The geographic area surrounding an airport from which that airport can reasonably expect to draw passenger traffic. The airport catchment area is sometimes called the service area.

Airport codes

- AZA.....Phoenix-Mesa, AZ
- DEN.....Denver, CO
- DFW.....Dallas- Ft. Worth, TX
- EUG.....Newport, OR
- HNL.....Honolulu, HI
- IAH.....Houston Intercontinental, TX
- JFK.....New York-Kennedy, NY
- LAS.....Las Vegas, NV
- LAX.....Los Angeles, CA
- LGA.....New York-LaGuardia, NY
- LHR.....London-Heathrow, UK
- OAK.....Oakland, CA
- ONP.....Newport, OR
- ORD.....Chicago-O'Hare, IL
- PDX.....Portland, OR

Airport Codes (continued)

- PHX.....Phoenix-Sky Harbor, AZ
- SAN.....San Diego, CA
- SEA.....Seattle, WA
- SFO.....San Francisco, CA
- SNA.....Orange County, CA

Average airfare

The average of the airfares reported by the airlines to the U.S. DOT. The average airfare does not include taxes or passenger facility charges and represents one-half of a roundtrip ticket.

Destination airport

Any airport where the air traveler spends four hours or more. This is the Federal Aviation Administration definition.

Diversions

Passengers who do not use the local airport for air travel, but instead use a competing airport to originate the air portion of their trip.

Enplanement

A passenger boarding a commercial aircraft.

FAA

Acronym for the Federal Aviation Administration.

GDS/CRS

Acronyms for Global Distribution Systems, also known as Computer Reservation Systems. There are four Global Distribution Systems in the United States, including Amadeus, Galileo International (Apollo), Sabre, Inc., and Worldspan.

Hub

An airport used by an airline as a transfer point to get passengers to their intended destination. It is part of a hub and spoke model, where travelers moving between airports not served by direct flights change planes en route to their destination. Also an airport classification system used by the FAA (e.g., non-hub, small hub, medium hub, and large hub).

Initiated (origin) passengers

Origin and destination passengers who began their trip from within the catchment area.

Load factor

The percentage of airplane capacity that is used by passengers.

Local market

The number of air travelers who travel between two points via nonstop air service.

MIDT

Acronym for Marketing Information Data Tapes provided by the Global Distribution Systems.

MSA

Acronym for Metropolitan Statistical Area. MSAs have at least one urban cluster with a population of at least 50,000 plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.

Narrow-body jet

A jet aircraft with a single aisle designed for seating over 100 passengers.

Nonstop flight

Air travel between two points without stopping at an intermediate airport.

Onboard passengers

The number of passengers transported on one flight segment.

Origin and destination (O&D) passengers

Includes all originating and destination passengers. In the context of this report, it describes the passengers arriving and departing an airport.

Originating airport

The airport used by an air traveler for the first enplanement of a commercial air flight.

Passenger Facility Charge

Fee imposed by airports of \$1 to \$4.50 on enplaning passengers. The fees are used by airports to fund FAA approved airport improvement projects.

Pax

Abbreviation for passengers.

PDEW

Abbreviation for passengers daily each way.

Point-to-point

Nonstop service that does not stop at an airline's hub and whose primary purpose is to carry local traffic rather than connecting traffic.

Referred passengers

Origin and destination passengers who began their trip from outside the catchment area.

Regional jet

A jet aircraft with a single aisle designed for seating fewer than 100 passengers.

Retained passengers (retention)

Passengers who use the local airport for air travel instead of using a competing airport to originate the air portion of their trip.

Stimulated passengers

Additional/"new" passengers that are generated by the introduction of service or by decreases in airfares not included in the true market.

True market

Total number of air travelers, including those who are using a competing airport, in the geographic area served by Newport Municipal Airport. The true market estimate includes the size of the total market and for specific destinations.

Turboprop aircraft

A type of engine that uses a jet engine to turn a propeller. Turboprops are often used on regional and business aircraft because of their relative efficiency at speeds slower than, and altitudes lower than, those of a typical jet.

U.S. DOT

Acronym for U.S. Department of Transportation.

Wide-body jet

A jet aircraft with two aisles designed for seating greater than 175 passengers.

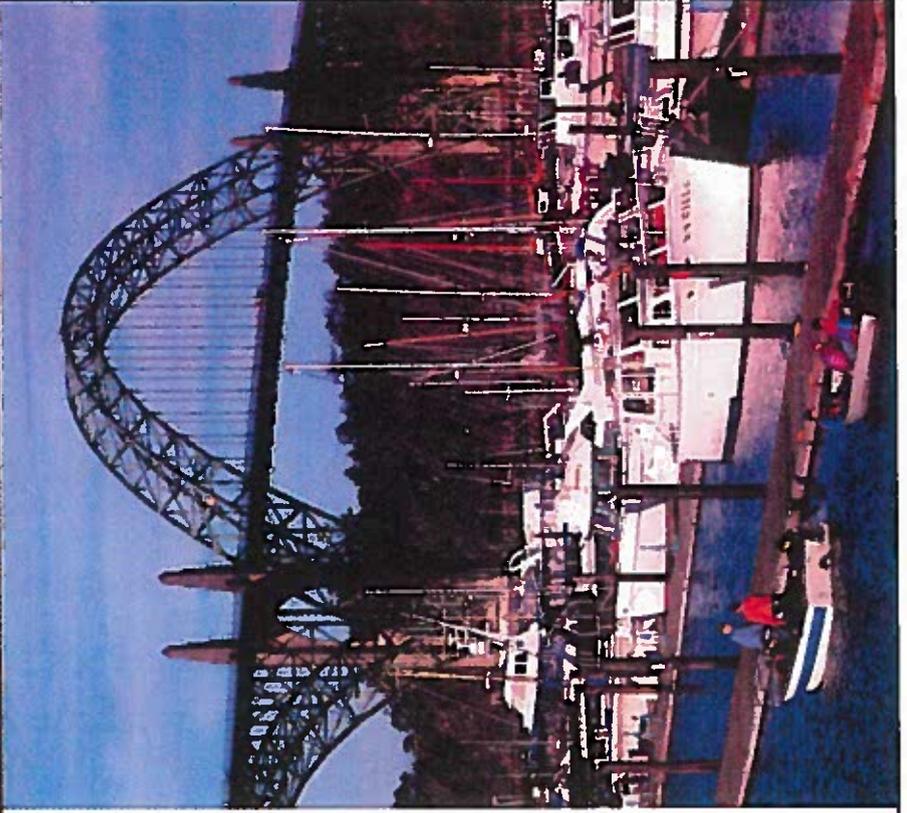


Newport Municipal Airport

Airline Sustainability Meeting

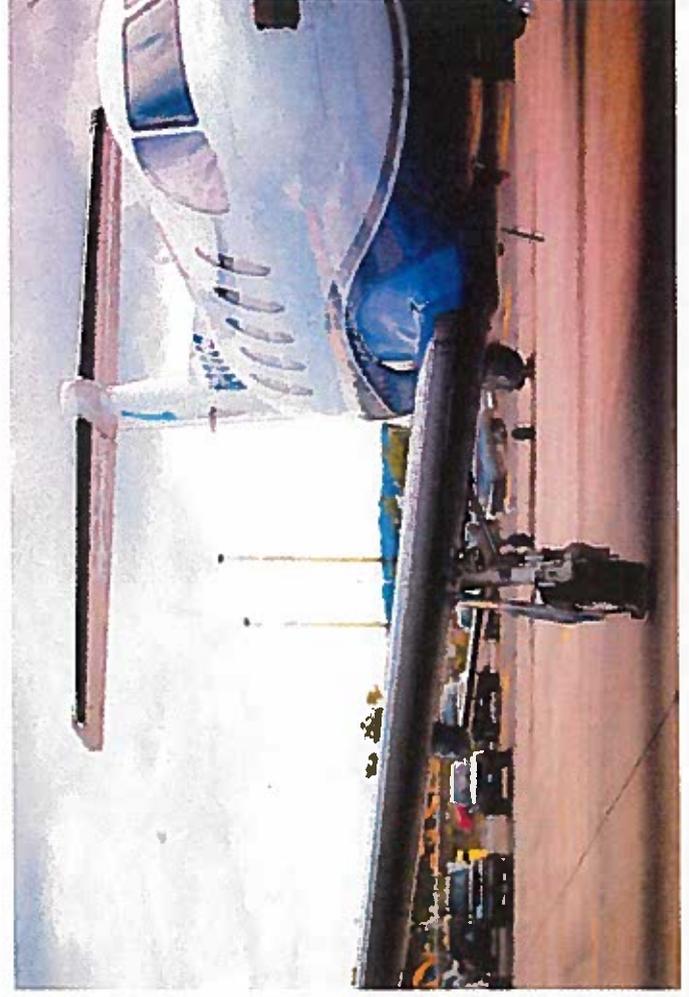


September 20, 2010



Topics

- Industry background
- Passenger Demand Analysis
- Outlook





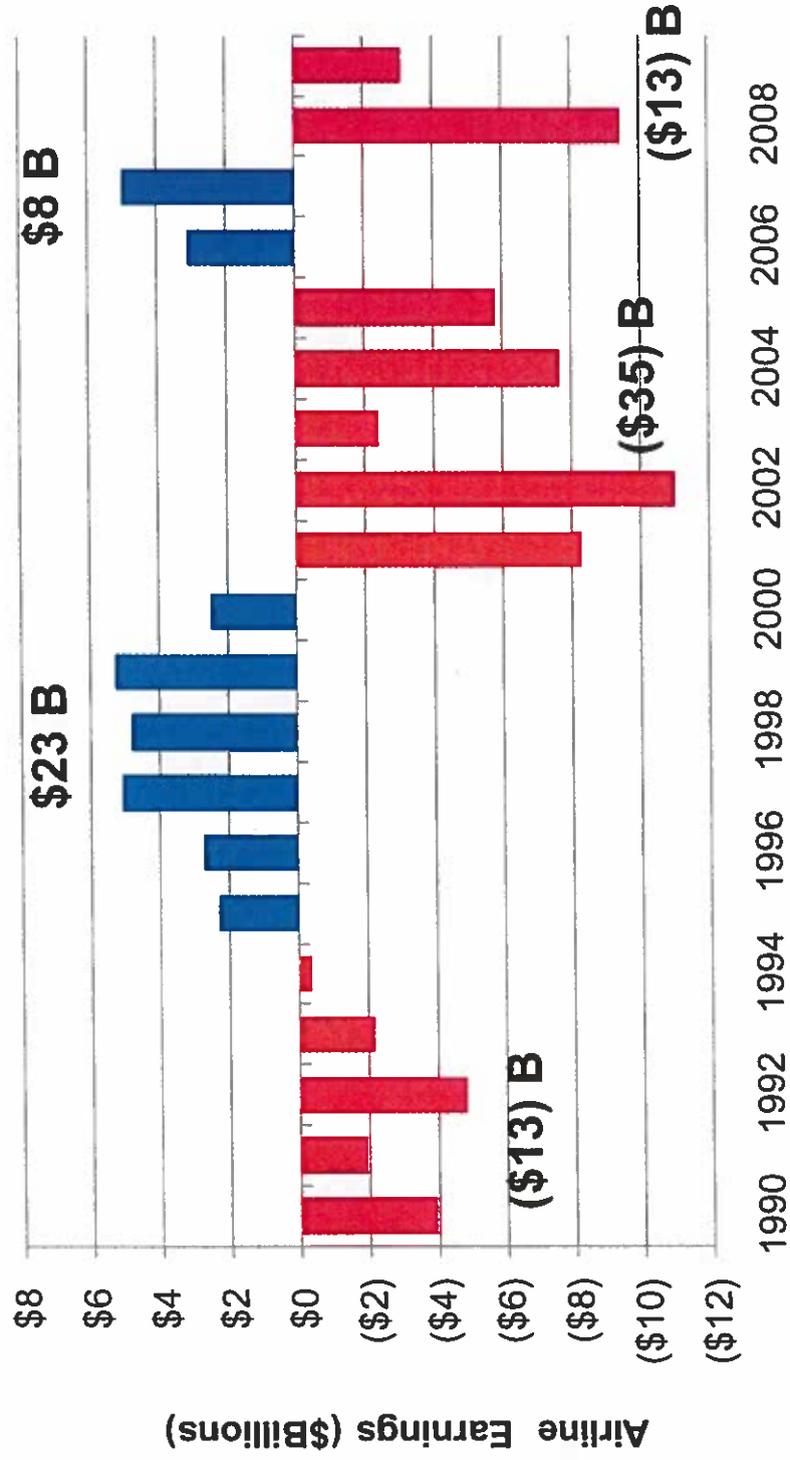
Industry background

Airline profits

Capacity and fleet changes

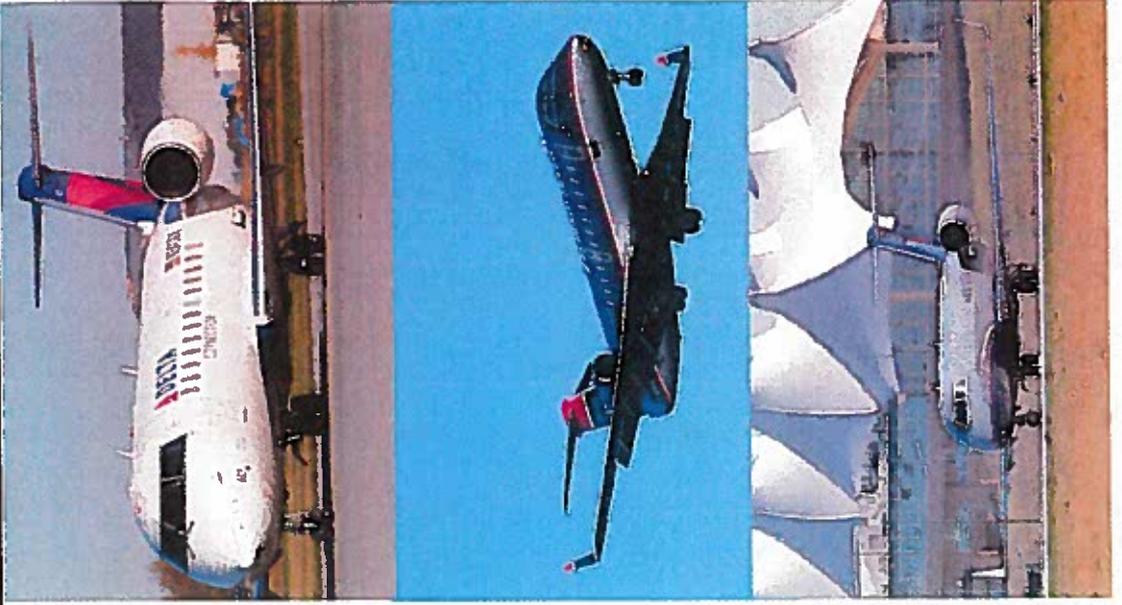
Codeshare versus interline agreements

U.S. Airline Net Profits 1990-2009



Select U.S. Airline Profits for 2010

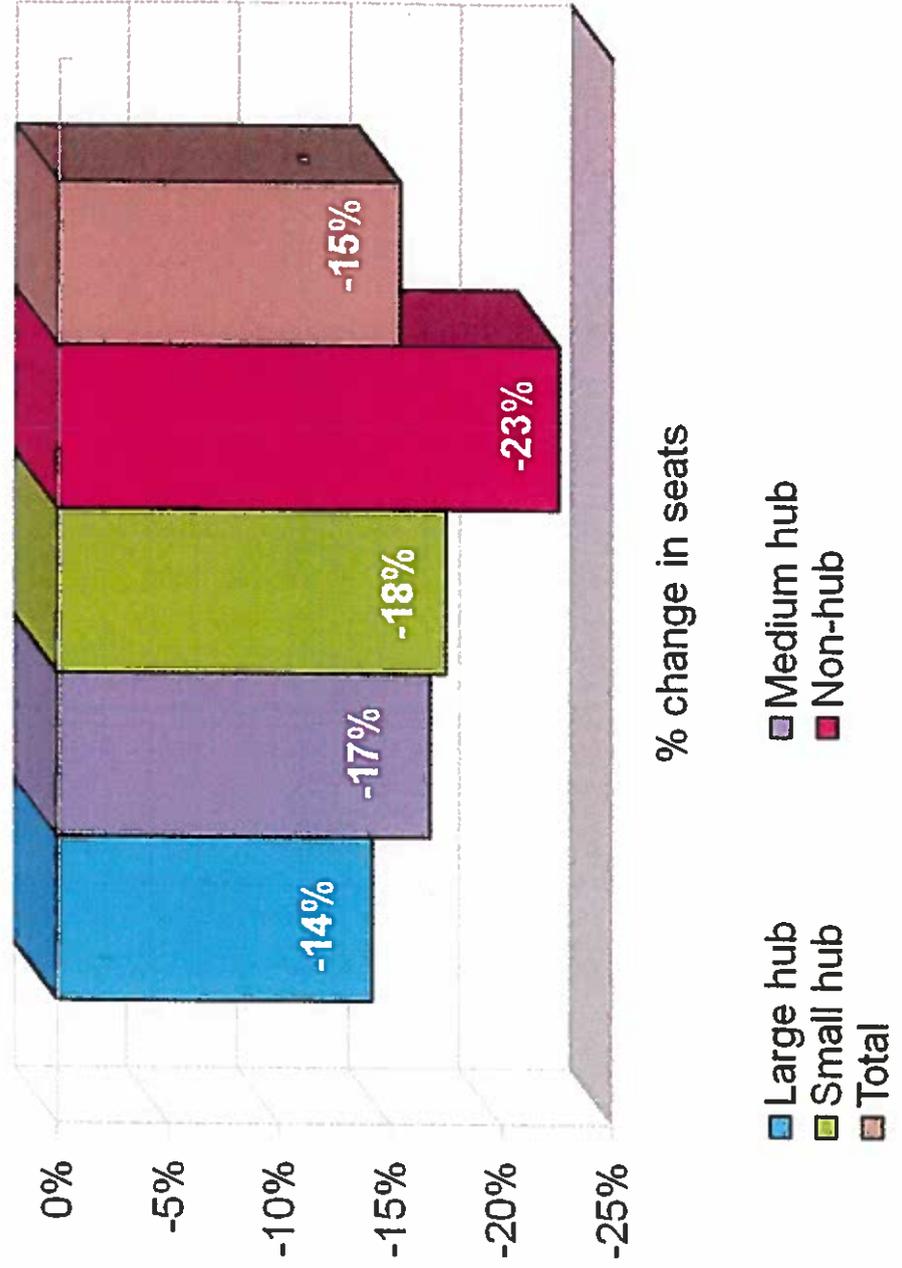
AIRLINE	2010 (\$M)	
	Q1	Q2
Air Tran	(17)	39
Alaska	13	84
Allegiant	23	18
American	(452)	(11)
Continental	(136)	257
Delta	(192)	549
Frontier		
Jet Blue	(2)	30
Northwest		
Republic	(59)	
Southwest	24	216
United	(92)	430
US Airways	(89)	265
Total	(979)	1,877
		2010 YTD: 898 (\$M)



Capacity Changes Over Time

- Reduced service in smaller markets
- Reduced short-haul flying
- Shifted to more international service
- Non-hub airports departures are down 38%

U.S. Domestic Capacity Change by Airport Size (July 2009 vs 2000)



Source: APGDat (June 2000/2009); FAA definitions

Airline Fleet Change



Aircraft	Regional aircraft orders and options										
	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	Total
Canadair RJ 100/200/440											0
Canadair RJ 701	19	13	17	19	4						72
Canadair RJ 900		5	43	32	25	18					123
Dornier 328											0
Embraer RJ 135/140/145											0
Embraer RJ 170		6	29	28	20	20	12	8	8	3	134
Embraer RJ 175		6	24	6							36
Embraer RJ 190	5	18	23	35	21	17	18	18	18		173
Subtotal regional jet	24	48	136	120	70	55	30	26	26	3	538
BAE Jetstream 41											0
Beechcraft 1900D											0
Bombardier Dash 8 200											0
Bombardier Dash 8 Q400	2	24	4	18	9	2					59
Dornier 328											0
Embraer 120 Brasilia											0
Saab 340											0
Subtotal turboprop	2	24	4	18	9	2	0	0	0	0	59
Total	26	72	140	138	79	57	30	26	26	3	597

Lack of orders for aircraft with less than 50 seats driving competition for service

Aircraft Economics

Aircraft type	Seats	Stage length	CASM
Cessna Caravan	9	200	45¢
EMB 120	30	350	30¢
CRJ 200	50	500	17¢
CRJ 700	70	600	15¢
B 737-300	130	1,000	10¢

- The lower the seating capacity the higher the CASM
- The higher the CASM the higher the ticket price

Short flights in small aircraft are expensive to operate



Codeshare vs. Interline Agreements



Benefit	Codeshare Agreements	Interline Agreements
Baggage	X	X
Flight protection	X	X
More destinations	X	X
Mutual Booking	X	X
Frequent Flyer	X	X
Pricing	X	X
Close proximity of gates	X	X
Integrated schedules	X	X
Shared clubs	X	X

Codeshare vs. Interline Airfares (example)

□ **Interline (two tickets, two fares)**

□ ONP-PDX = \$100

□ PDX-PHX = \$200

□ Total = \$300

□ **Codeshare (one ticket, one fare)**

□ ONP-PDX-PHX = \$260



Key Points

- ❑ Air service in small markets will continue to evolve
- ❑ Aircraft – Small aircraft economics are difficult and fleet growth is in larger aircraft
- ❑ Industry trends continue to drive increased competition for air service
- ❑ Codeshare and interline agreements are especially essential in small markets





Passenger Demand Analysis

True market and passenger retention

Airline use

Airfares

Passenger Demand Analysis

Objective:

Develop information on the travel patterns of local passengers who live in the area

Methodology:

Uses North Bend/Coos Bay market as a proxy for travel demand

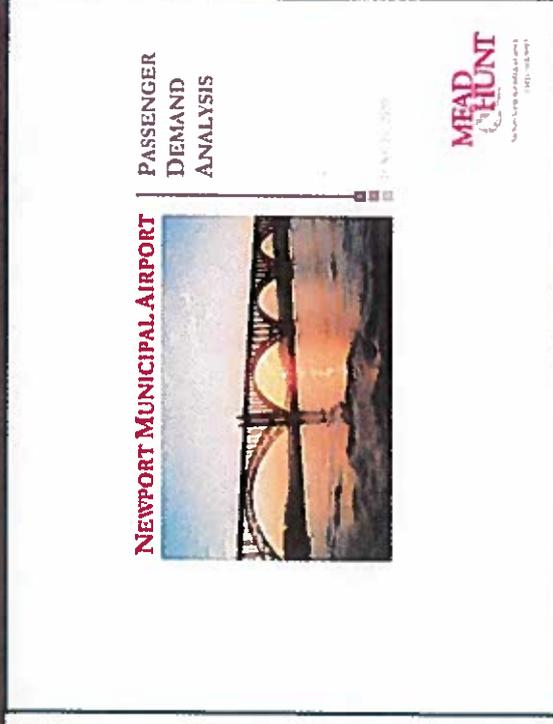
Combines passenger booking information from catchment area travel agencies and U.S. Department of Transportation airline data

Survey sample:

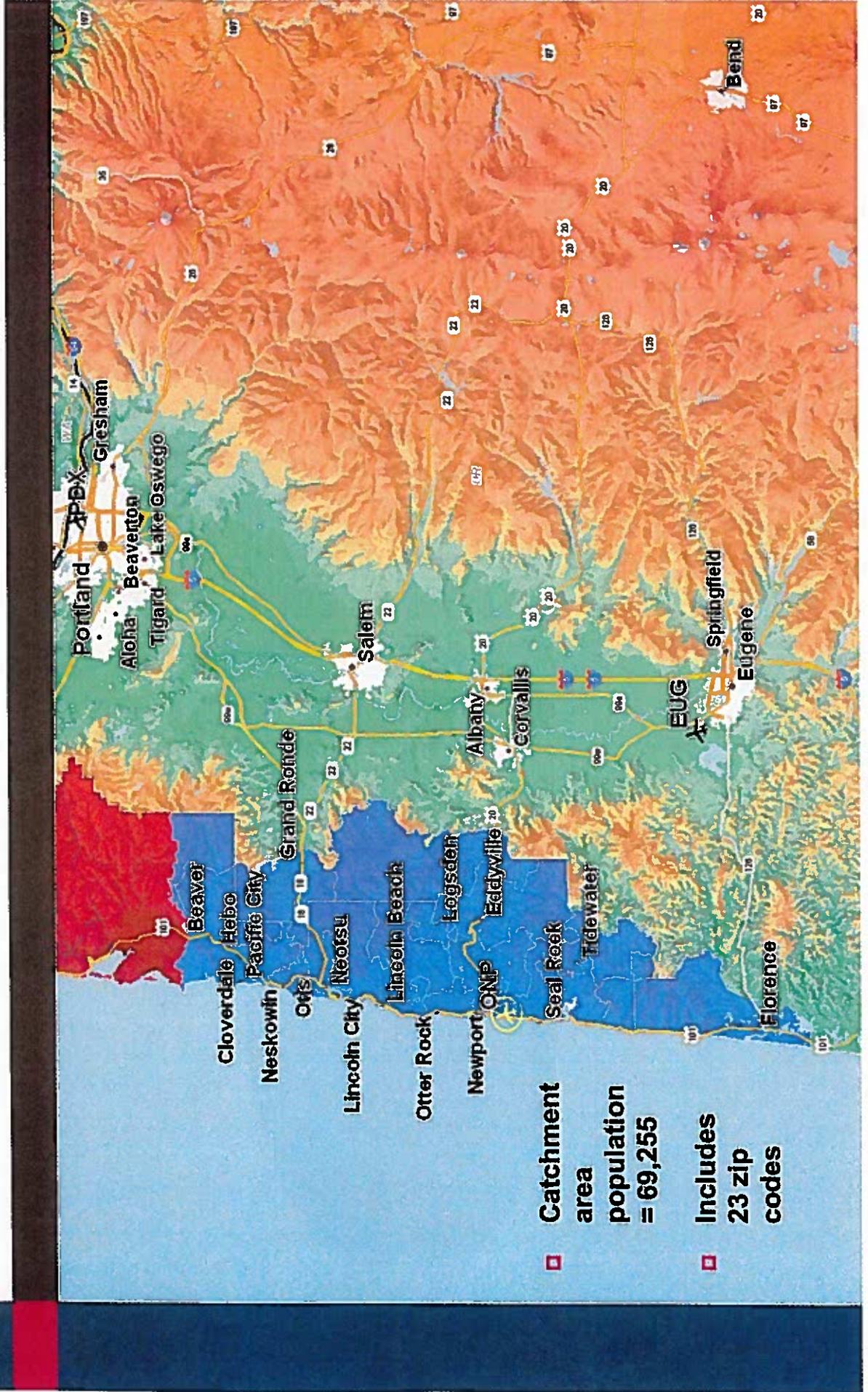
4,161 airline bookings

Time frame:

Two year period ended March 31, 2010



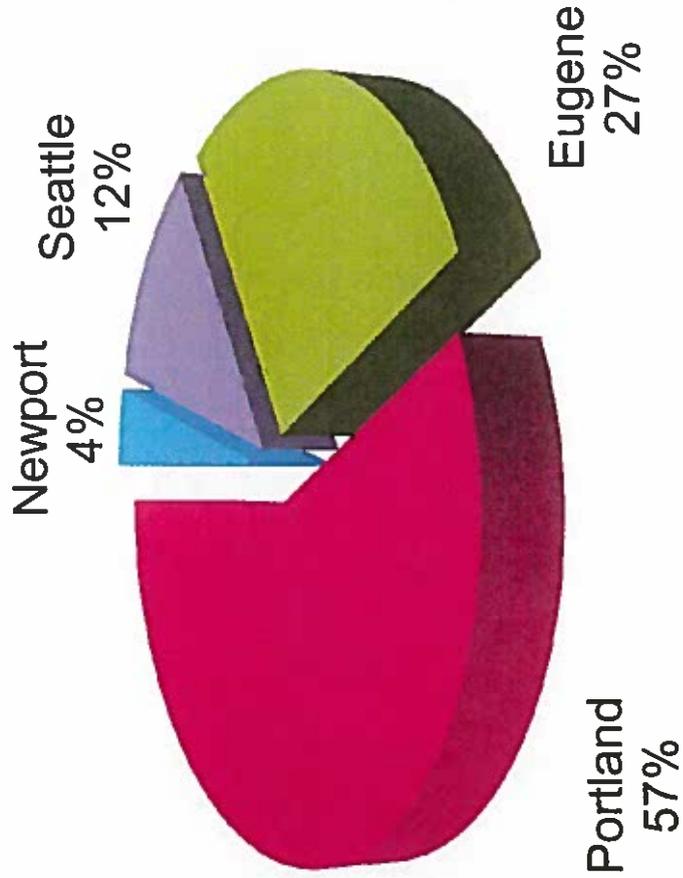
Airport Catchment Area



Airport Retention



**True market estimate:
108,038 O&D passengers
(148 PDEW)**

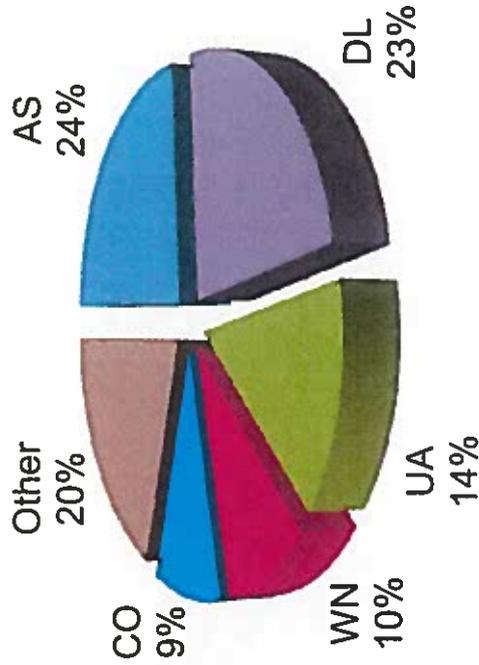


Airport	Mileage	Drive time
EUG	84	1 hr, 45 min
PDX	147	2 hr, 51 min
SEA	300	5 hr, 15 min

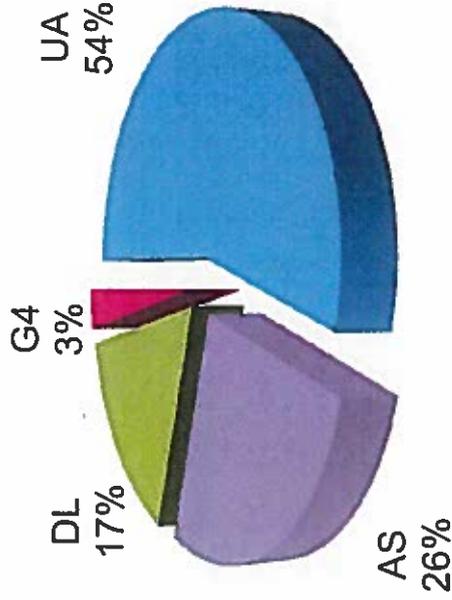
Airline Use



Airline Use at Portland International Airport



Airline Use at Eugene Airport



Alaska Airlines, United Airlines and Delta Air Lines are the most used airlines by Newport area passengers

Passenger Retention by Market

RANK	DESTINATION	ONP PAX	RETEN- TION %	TRUE MARKET	PDEW	DIVERTING AIRPORTS		
						PDX	EUG	SEA
1	Los Angeles, CA	0	0	3,778	5	1,493	1,859	427
2	Las Vegas, NV	0	0	3,441	5	2,497	944	0
3	Phoenix, AZ	0	0	3,349	5	2,009	792	548
4	Denver, CO	0	0	3,043	4	1,674	1,187	183
5	San Diego, CA	0	0	2,430	3	1,458	972	0
6	San Francisco, CA	0	0	2,399	3	850	1,215	334
7	Honolulu, HI	0	0	2,308	3	2,186	30	91
8	Orange County, CA	0	0	2,308	3	1,822	425	61
9	Dallas, TX (DFW)	0	0	2,277	3	1,366	273	638
10	Oakland, CA	0	0	2,256	3	1,107	298	851
11	Boise, ID	0	0	2,028	3	964	399	665
12	Minneapolis, MN	0	0	1,909	3	909	727	273
13	Ontario, CA	0	0	1,909	3	849	909	152
14	Seattle, WA	367	22	1,695	2	575	1,120	0
15	Kahului, HI	0	0	1,603	2	786	212	605
16	Chicago, IL (ORD)	0	0	1,603	2	756	393	454
17	Orlando, FL	0	0	1,511	2	1,088	363	60
18	New York, NY (JFK)	0	0	1,358	2	1,086	151	121
19	Tucson, AZ	0	0	1,358	2	483	845	30
20	Salt Lake City, UT	0	0	1,323	2	871	348	104
	Top 50 destinations	367	1	70,166	96	41,091	20,999	8,076
	Total Domestic	4,705	5	97,339	133	54,266	27,441	10,927
	Total International	0	0	10,700	15	7,483	1,395	1,822
	Total all markets	4,705	4	108,039	148	61,749	28,836	12,749

High retention
opportunity –
142 PDEW
now using
alternate
airports

Destinations in
the West and
Northwest are
critical for
Newport'
travelers

Airfares – Top 20 True Markets

Through fares are not available for SeaPort Airlines/ Newport

Add-on fare for ONP-PDX ranges from \$100-\$150 one-way depending on fare restrictions

RANK	DESTINATION	DOMESTIC ONE-WAY		
		PDX	EUG	SEA
1	Los Angeles, CA	\$139	\$148	\$106
2	Las Vegas, NV	\$109	\$86	\$104
3	Phoenix, AZ	\$122	\$127	\$124
4	Denver, CO	\$111	\$160	\$116
5	San Diego, CA	\$139	\$170	\$119
6	San Francisco, CA	\$131	\$175	\$91
7	Honolulu, HI	\$190	\$239	\$192
8	Phoenix-Mesa, AZ	\$129	\$162	\$117
9	Dallas, TX (DFW)	\$194	\$221	\$185
10	Oakland, CA	\$108	\$70	\$82
11	Boise, ID	\$78	\$116	\$79
12	Minneapolis, MN	\$174	\$189	\$143
13	Ontario, CA	\$134	\$146	\$114
14	Seattle, WA	\$98	\$114	N/A
15	Kahului, HI	\$186	\$216	\$208
16	Chicago, IL (ORD)	\$202	\$180	\$176
17	Orlando, FL	\$146	\$181	\$163
18	New York, NY (JFK)	\$197	\$190	\$174
19	Tucson, AZ	\$137	\$198	\$140
20	Salt Lake City, UT	\$109	\$169	\$115
Average domestic fare		\$147	\$161	\$146

Sample ONP Interline Fares

RANK	DESTINATION	ONP-PDX	PDX - DESTINATION	INTERLINE FARE
1	Portland, OR	\$94	\$139	\$233
2	Los Angeles, CA		\$109	\$203
3	Las Vegas, NV		\$122	\$216
4	Phoenix, AZ		\$111	\$205
5	Denver, CO		\$139	\$233
6	San Diego, CA		\$131	\$225
7	San Francisco, CA		\$190	\$284
8	Honolulu, HI		\$129	\$223
9	Phoenix-Mesa, AZ		\$194	\$288
10	Dallas, TX (DFW)		\$108	\$202
11	Oakland, CA		\$78	\$172
12	Boise, ID		\$174	\$268
13	Minneapolis, MN		\$134	\$228
14	Ontario, CA		\$98	\$192
15	Seattle, WA		\$186	\$280
16	Kahului, HI		\$202	\$296
17	Chicago, IL (ORD)		\$146	\$240
18	Orlando, FL		\$197	\$291
19	New York, NY (JFK)		\$137	\$231
20	Tucson, AZ		\$109	\$203
	Salt Lake City, UT		\$147	\$241
	Average domestic fare			\$241

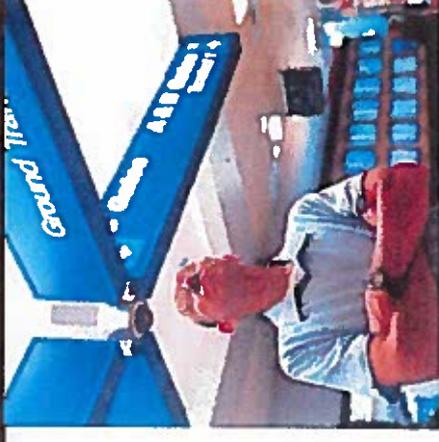
Interline fare = segment 1 fare plus beyond fare

Codeshare fares will be higher than PDX but less than the current interline fares

Passenger Demand Analysis

Key Points

- ❑ Total ONP true market = 108,039 trips per year
- ❑ Top 25 markets account for 46% of the true market
- ❑ 49% of region's travel is to West and Northwest US
- ❑ 4% of market is using ONP
- ❑ 142 passengers per day using other airports
- ❑ With proper connections, the Newport market is large enough to support service to Portland





Outlook

Scheduled service
Market indicators

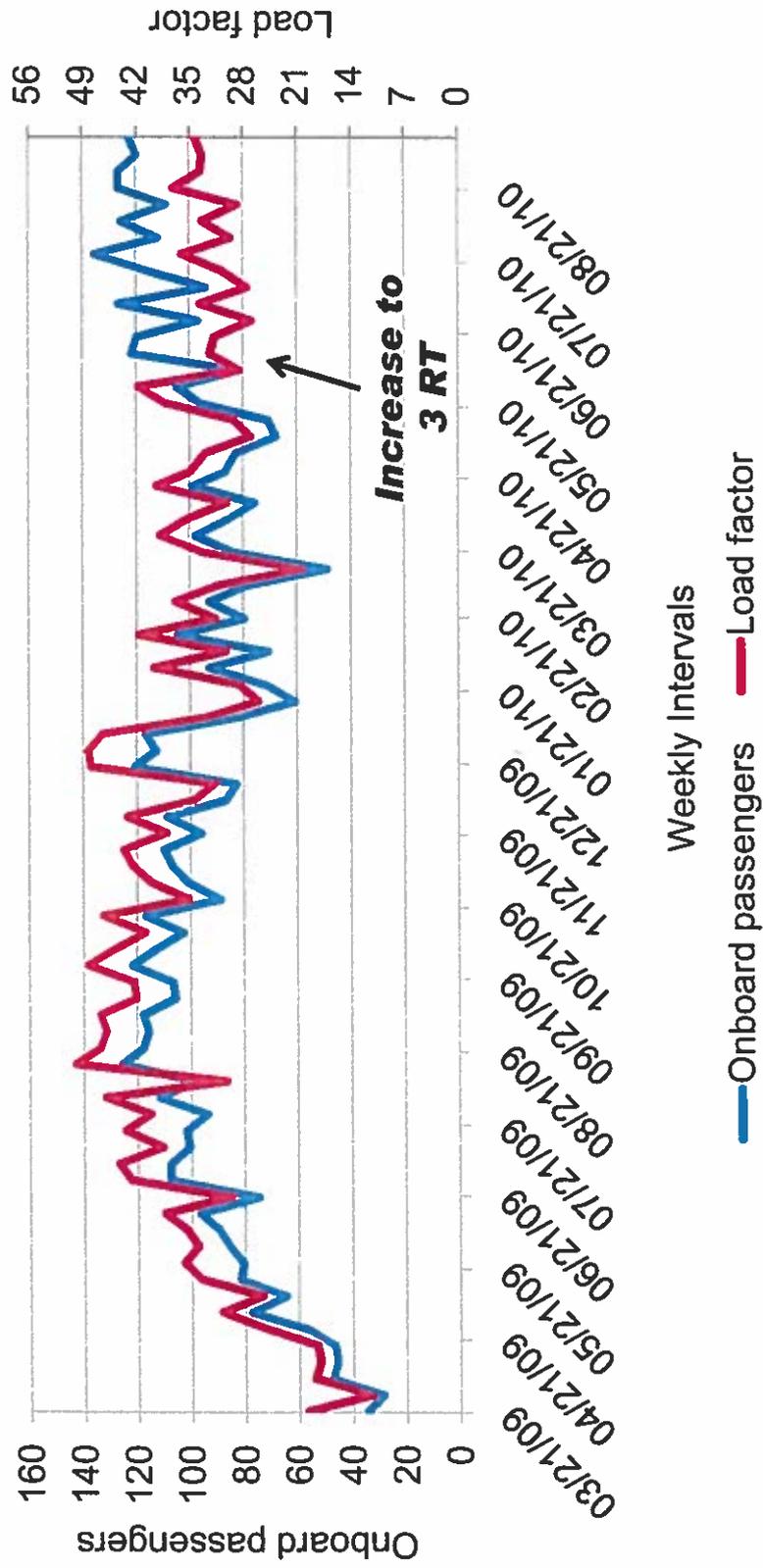
Scheduled Service

- Three roundtrips per day
- Nine-seat Pilatus PC-12 aircraft or Cessna Caravan
- No schedule changes shown through July 2011



Depart ONP	Arrive PDX	Depart PDX	Arrive ONP
4:45 am	5:25 am	9:50 am	10:30 am
10:45 am	11:25 am	3:20 pm	4:00 pm
4:15 pm	4:55 pm	8:15 pm	8:55 pm

Market Trends



- The load factor has not exceeded 50 percent since service inception.
- The load factor has averaged approximately 35% (3.15 pax/flight)

Effect of Interline Agreements on SeaPort's Passenger Traffic (one-stop connections only)

Airline	Destination	True Market (O&D)	Total True Market
US Airways	Phoenix	3,349	
US Airways	Charlotte	1,021	
US Airways	Philadelphia	6,53	Total US = 5,023
United	Los Angeles	3,778	
United	Denver	3,043	
United	San Francisco	2,399	
United	Seattle	1,695	
United	Chicago	1,603	
United	Washington, DC	592	Total UA = 13,110
Continental	Newark	1,082	
Continental	Houston	837	Total CO = 1,919
Total			20,052

US Airways' Interline

Sample of added retention



- Estimated US Airways' interline pax (O&D) = 5,023
- SeaPort's seats per day = 54
- SeaPort's average load factor = 35%, 3.15 pax/flight

Retention %	Retained Passengers	Added Pax/Day	Added Pax/Flight	Total Pax	Load Factor
10%	502	1.4	0.2	3.4	38%
20%	1,005	2.8	0.5	3.6	40%
30%	1,507	4.1	0.7	3.8	43%
40%	2,009	5.5	0.9	4.1	45%
50%	2,512	6.9	1.1	4.3	48%

- Depending on ticket prices the breakeven load factor is typically 50% - 60%
- A US Airways interline agreement will not add enough passengers to reach breakeven

Passenger Retention Impact on SeaPort's Load Factor

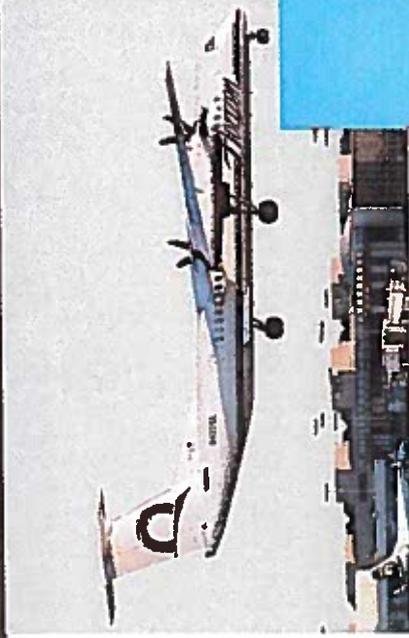
- Estimated true market = 108,039
- Estimated historic passenger retention = 4,705 or 4%
- 2 r/t schedule = 36 seats/day, 35% load factor, 12.9 pax/day
- 3 r/t schedule, 54 seats/day

Retention %	Total Pax	Total pax/day	Load Factor
4%	4,705	12.9	35%
5%	5,401	14.8	27%
6%	6,482	17.8	33%
7%	7,562	20.7	38%
8%	8,643	23.7	44%
9%	9,723	26.6	49%
10%	10,803	29.6	55%

Retention will need to increase from 4% to 10% to support 3 daily roundtrips to PDX

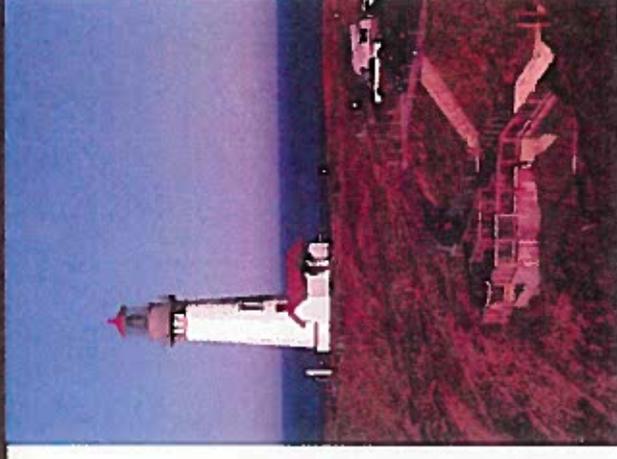
Airline Options in the Pacific Northwest

- Horizon Air
- SkyWest Airlines
- Kenmore Air
- SeaPort Airlines



Key Points and Outlook

- ❑ SeaPort's 3 r/t schedule will improve connectivity at PDX and produce more passengers
- ❑ 4% or roughly 4,700 passengers of the 108,000 catchment area passengers used local service
- ❑ Depending on the price of tickets, SeaPort will need to capture 10% of the market to achieve a 55% - 60% load factor (est. breakeven)
- ❑ Although a US Airways interline agreement at PDX will add some new passengers, the destinations served are too few to make up the shortfall in passengers needed by SeaPort
- ❑ Multiple interline agreements may be needed to aggregate enough passengers to support service



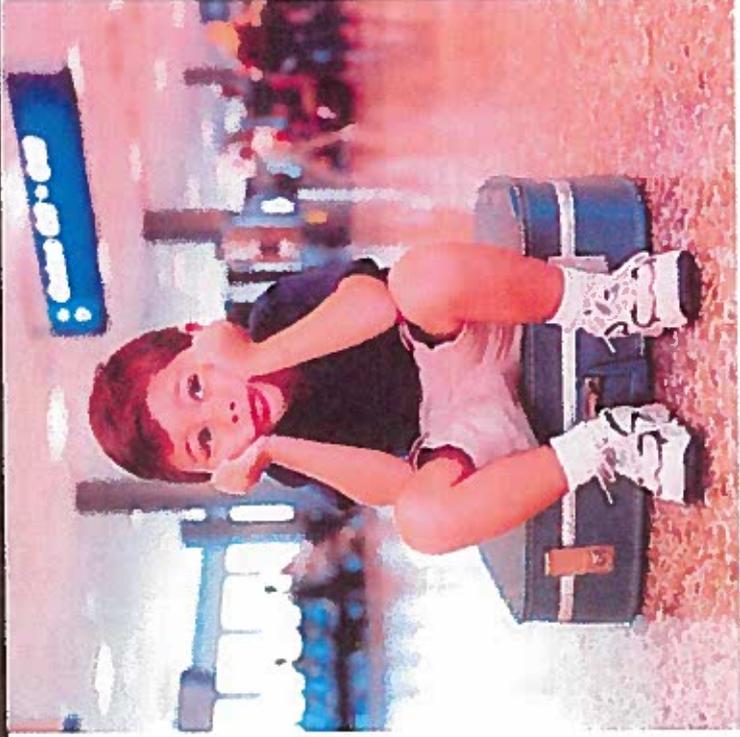
Key Points and Outlook



- ❑ The Newport market is large enough to support service to Portland so long as the customer can:
 - ❑ Conveniently book e-tickets
 - ❑ Access key destinations via codeshare or interline agreements
 - ❑ Pay a reasonable add-on fee to fly from ONP and connect at Portland
- ❑ Airline options in the Northwest are very limited
- ❑ SeaPort is Newport's best choice so long as the carrier accomplishes the tasks necessary to make it a viable air service provider for the customer.

MEAD
& HUNT

Thank you!



*“Good things may come
to those who wait, but
only what’s left by those
who hustle.”*

~ Abraham Lincoln

ATTACHMENT
QUESTION 39.



City of Newport

REQUEST FOR PROPOSALS
FOR THE
OPERATION OF THE
NEWPORT, OREGON MUNICIPAL AIRPORT

PROPOSAL DEADLINE: January 6, 2016, 3:00 P.M., P.S.T.
Contact: Peggy Hawker, City Recorder/Special Projects Director
541.574.0613

p.hawker@newportoregon.gov

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Request for Proposal for the Operation of the Newport, Oregon Municipal Airport

A. Purpose

The Newport Municipal Airport (ONP) was constructed in 1943 by the U.S. Civil Aeronautics Administration. The airport was turned over to the city ownership in 1947. Since that time, the airport has been municipally owned and operated by the City of Newport. In 2006, the city acquired the assets of the fixed based operator and has operated the airport, including fixed base operations, as a department of the city since that time.

The City of Newport, Oregon is seeking proposals from potential vendors for the operation of the Newport Municipal Airport through a contractor/concession agreement with the City of Newport. The contractual/concession operations include all general maintenance activities, utilities, operational expenses, fixed based operations, customer services, and development of new services at the airport. In addition to airport operations, the City of Newport wastewater division disposes of sludge in the open areas of the airport grounds. Access to airport grounds is also provided to the Police Department for access to the shooting range, and to the Parks and Recreation Department for various activities. The successful proposer will ensure that the premises are principally used for conducting aviation, or aviation related, businesses and shall abide by all grant assurances provided to the FAA by the city, and all federal, state, and local laws in operating the airport.

The City of Newport is obligated to operate the airport in accordance with various FAA standards. The successful proposer will be required to operate the airport, on behalf of the city, in accordance with federal and state obligations, including grant assurances as outlined in the "Airport Sponsor and Airport User Rights and Responsibilities" guidelines that are attached to this document. Furthermore, the airport must be operated to meet the requirements of the "Airport Certification Program, in accordance with the Federal Aviation Act of 1958, as amended," and "Part 139."

In return, consideration will be given to providing the successful proposer with: a monthly management fee; collection and retainage of all revenue from fuel sales, hangar rentals, tie down fees, rental of space within the fixed base operations building, coordination of the leases regarding the same; and retention of any additional revenue it may generate from additional services it provides. New operational services must be approved by the City of Newport and possibly others, including the FAA. The successful proposer will be required to carry insurance with companies qualified to do business in the State of Oregon as outlined in this document. It is anticipated that this agreement would be implemented approximately 120 days after an award is made. The City of Newport reserves the right to reject any or all proposals.

B. Objective

The City of Newport seeks to privatize the operation of the airport through a contractor/concession arrangement best to meet the city's long term goals which include:

- B-1 Reduction, and/or elimination, of the subsidy from the city's General Fund over a three to five year period for airport operations.
- B-2 Maximize reinvestment in the public infrastructure, as provided for in the Airport Master Plan, at the airport through the FAA and others with the advice and direction from the operator.
- B-3 Expand the commercial use of the airport.
- B-4 Continue to emphasize quality customer service both to local and visiting pilots and passengers to the airport.
- B-5 Facilitate local economic development by positioning the airport and surrounding property to be ready for development.

C. Statement of Needs/Scope of Services

The following is a listing of potential elements to be included in a request for proposals (RFP) to operate the Municipal Airport in Newport, Oregon.

C-1.0 General Performance

- C-1.1 The contractor will manage and operate the airport for the use and benefit for of the city and general public in accordance with the provisions included in the RFP.
- C-1.2 The contractor shall maintain monthly records of all correspondence and financial transactions relating to the operation of the airport.
- C-1.3 The contractor shall maintain the State of Oregon 12002 water permit and provide monthly reports to the Airport Advisory Committee and to the City Council on various aspect of airport operations.
- C-1.4 The contractor shall work with the city to develop and maintain policies for environmental protection at the airport and once the policies are adopted, work to maintain compliance with those policies.
- C-1.5 The contractor shall attend meetings of the Airport Advisory Committee and, when requested, attend meetings of the City Council.
- C-1.6 The contractor shall provide public relations and marketing of services for the airport to increase business at the airport.

- C-1.7 The contractor shall provide an accurate accounting of all revenues and expenditures relating to the operation of the airport and FBO operations under this contract, and keep monthly financial reports.
- C-1.8 The contractor shall be involved in educating the community on various airport operations.
- C-1.9 The contractor will continue the employment of the city's two full-time employees for a minimum period of six months after initiation of the contract at a minimum of the current hourly rate for those employees. The City of Newport will coordinate with the contractor relating to benefits for those two employees for a period of time not to exceed six months.
- C-1.10 The contractor must perform reasonably, safely, and legally in compliance with federal, state, and local regulations, and in a manner consistent with this agreement.
- C-1.11 The contractor shall also be responsible for providing a work product and services of a quality and professional standard acceptable to the city.
- C-1.12 The contract will be awarded by the City Council, with a recommendation from the Airport Committee and City Manager, and will be under the general supervision of the City Manager with advice from the Airport Committee.

C-2.0 Airport Operations

- C-2.1 The contractor shall operate and maintain the airport in compliance with 14CFR Part 139, the airport certification manual, FAA minimum standards, and the airport certificate including but not limited to the following items:
- a. Keep, maintain and furnish upon request the necessary records required by the FAA.
 - b. Employ sufficient qualified personal in the operation of the airport.
 - c. Maintain all paved areas of the airport.
 - d. Maintain markings, signs, and lighting at the airport.
 - e. Mowing grass throughout the Airport facility.
 - f. Follow all procedures and protocols for handling hazards substances and materials and meeting various required safety standards.
 - g. Work with the city to review, update, and exercise an airport emergency plan.
 - h. Conduct daily inspections as required as required by the FAA and others.

- i. Limit access for pedestrian and ground vehicles in accordance with airport security needs.
 - j. Remove, mark, or light any obstructions within the airport.
 - k. Protect navigational aids.
 - l. Manage the wildlife hazard program.
 - m. Report airport conditions through NOTAMs and other required means.
 - n. Identify, mark, and light any unserviceable areas within the airport.
 - o. Coordinate the Fire Department's involvement with ARFF.
 - p. Maintain certification and operation of AWOS.
 - q. Coordinate the provision of rental cars.
 - r. Conduct airport operations consistent with the grant assurances, and commitments thereunder, provided by the City to the FAA.
 - s. This list is not intended to be all inclusive but demonstrates the types of efforts which would be the contractor's responsibility for the operation of the Airport in compliance with FAA requirements.
- C-2.2 The Contractor shall be the primary point of contact and assist the city in the city's dealing with all applicable federal and state agencies relating to airport operations and development.
- C-2.3 The contractor agrees to maintain secure areas during the operation of the airport.
- C-2.4 The contractor shall provide sufficient staffing to operate the airport for aviation access 24 hours a day and have a least one staff person available at the airport seven days a week 8 A.M. to 5 P.M. exclusive of Thanksgiving Day, Christmas Day, and New Year's Day.
- C-2.5 The contractor shall act as a representative of the city through participation at meetings and activities of present and future airport users and interest groups, and include this activity in monthly reports to the Airport Advisory Committee and City Council.
- C-2.6 The contractor shall be responsible for preventive maintenance and minor repairs to the facilities, equipment, and infrastructure located at the airport. Minor repairs are those with costs under \$5,000. Major repairs shall remain the obligation of the City of Newport subject to approval of expenditures and authorization by the City

Manager in writing to proceed with those repairs for any portion of repairs that are in excess of \$5,000 per occurrence. The city shall oversee those major repair contracts.

- C-2.7 The contractor shall be responsible for all notifications necessary should a temporary closure of the airport be required.
- C-2.8 The contractor shall not be responsible for any maintenance to federal facilities including airport aides operated and maintained by the FAA except to ensure that other airport operations do not damage or negatively affect those federal facilities.
- C-2.9 The contractor shall maintain authorized representatives on-call for all hours when the airport is not staffed for service or emergency situations at the airport. A representative must be able to respond to the airport within 60 minutes for these situations.
- C-2.10 The contractor shall not conduct operations in or on the airport in any way that interferes with the responsible use of the facility by others at the airport in the reasonable judgement of the city.
- C-2.11 The contractor shall be responsible for all routine maintenance activities at the airport including grounds, building, and infrastructure except as specifically outlined in this proposal.
- C-2.12 During the remaining useful life of existing city-owned or leased equipment, the city shall provide said equipment for use at the airport. The contractor shall be responsible for maintenance of this equipment.

C-3.0 Fixed Base Operations

- C-3.1 The contractor shall provide fueling services at the airport utilizing the city-owned tanks, pumps, and equipment with self-serve Avgas being available 24 hours per day, seven days per week, and jet fuel being available between 8:00 A.M. - 5:00 P.M., and by prior arrangement at other times.
- C-3.2 The contractor shall maintain the city leased and owned components of the fueling system at the airport.
- C-3.3 The contractor shall maintain a pilot's lounge, courtesy cars, ground handling services, and concierge services for pilots utilizing the airport. The courtesy cars will be provided by the City of Newport.
- C-3.4 The contractor may provide aircraft maintenance, instruction, plane rentals, and charter flights with appropriately licensed individuals conducting those services.
- C-3.5 The contractor will review the price of fuel and recommend appropriate adjustments to fuel prices based on keeping the gas prices competitive with

other similar airports, and within any formula, including any discount pricing for locally based aircraft, adopted by the City of Newport.

C-3.6 All business services shall be provided by the contractor at the airport on a non-exclusive basis in accordance with minimum standards adopted, or as hereafter amended, by the City of Newport for commercial aeronautics activities at the Newport Municipal Airport.

C-4.0 Leases and Rents

C-4.1 The contractor shall prepare, negotiate, administer, and enforce on behalf and in the name of the city all the lease agreements, contracts, documents, and instruments relating to the Newport Municipal Airport. All leases, new or renewals, shall be reviewed and if accepted, executed by the city.

C-4.2 The city specifically authorizes the contractor to request and demand all rent and other such charges on behalf of and in the name of the city.

C-4.3 The contractor shall provide for routine invoicing and collection of all fees, rents, and property lease charges due to the airport.

C-4.4 The contractor may sublease space at the Airport, under lease to the successful proposer, with the authorization of the City.

C-5.0 Planning and Economic Development

C-5.1 The contractor shall assist the city in obtaining FAA, Oregon Transportation Funding or other funding for major improvements at the airport.

C-5.2 The city with the assistance of the contractor shall provide for planning and development for the airport and the surrounding airport lands in coordination and cooperation with the city.

C-5.3 The contractor shall encourage the development of new facilities and services in accordance with the approved airport master plan.

C-5.4 The contractor shall submit periodic input concerning the airport layout plan (ALP) to the city.

C-5.5 The contractor shall assist the city with development for approval of a five-year airport capital improvement plan.

C-5.6 The contractor will provide support and assistance for continuing the development of the airport with state or federal funding sources.

C-5.7 The contractor shall support the city in its goal of attracting commercial passenger air service to the Newport Municipal Airport.

C-5.8 The city shall be responsible for costs relating to capital improvements, major repairs, and other investments of new assets at the airport as approved by the city through the city's annual appropriation process.

C-5.9 The city will be responsible for design, construction management, and oversight for capital outlay projects at the airport.

C-6.0 Budgeting

C-6.1 At the time that department budgets are due, the contractor shall prepare an annual operating projection, and requests, that will include the following:

- a. Detail projection of revenues and expenses that would be incurred by the city relating to airport operations for each fiscal year with this report being submitted to the City Manager in accordance with a budget schedule adopted for all city departments.
- b. Contractor shall submit request for capital and major expense items that are anticipated in the upcoming fiscal year, and would be paid for by the city.
- c. The contractor shall submit a list of recommended fees on an annual basis a part of the appropriations process.
- d. All final decisions related to appropriations by the city for the budget and fee schedules relating to the operations of the airport will be determined by the City Council.

C-7.0 Finances

C-7.1 The contractor agrees to pay, at its sole expense, for all operational charges for the airport electricity, water, sewer, garbage, all system monitoring, annual fire extinguisher inspection, fire system annual inspection, and other costs not related to a specific tenant or leased property that is the responsibility of the city's operation of the airport.

C-7.2 The city shall be responsible for providing property and liability insurance for the airport property with the fixed base operator having the responsibility to provide the following insurance, and include the City of Newport as an additional named insured:

- a. \$5,000,000 general liability limit;
- b. \$5,000,000 general liability umbrella;
- c. An Airport Operators General Liability Policy that shall include the following coverages:

- (1.) \$10,000,000 products - completed operations aggregate limit;
- (2.) \$10,000,000 personal injury and advertising injury aggregate limit;
- (3.) \$10,000,000 malpractice aggregate limit;
- (4.) \$10,000,000 each occurrence limit;
- (5.) \$500,000 fire damage limit any one fire;
- (6.) \$5,000 medical expense limit any one person;
- (7.) \$10,000,000 hangarkeepers limit any one occurrence;
- (8.) \$10,000,000 hangarkeepers limit any one aircraft
- (9.) \$10,000,000 non-owned aircraft liability limit any one occurrence.

d. Auto liability;

e. Property coverage for all property owned by the successful proposer;

f. Workers' compensation coverage (statutory limits);

g. Indemnity for environmental pollution losses.

C-7.3 As part of the contractor's compensation, contractor shall collect and keep all revenue from the sale of fuel, and consistent with the intent of C-3.5.

C-7.4 The contractor shall be responsible for collecting all existing fees for hangars, tie downs, and other facilities, with those fees being kept as part of its compensation for operating the airport.

C-7.5 The contractor shall keep financial records including profit and loss statements. The contractor shall allow inspection of these reports if requested by the city.

C-8.0 Terms of Agreement

C-8.1 The term of the agreement will be for three years with the option to renew, subject to negotiations, for an additional two-year period.

D. Qualifications

D-1.0 Experience

D-1.1 The contractor must have experience in FBO and or Airport operations.

D-2.0 Ability to do business

D-2.1 The proposer must have the ability to do business in the City of Newport, State of Oregon, and the United States of America during the term of the contract.

D-3.0 Miscellaneous

D-3.1 Proposers will need to demonstrate their financial ability to fulfill the contract. Information marked "Confidential" and placed in a separate marked envelope will be treated as confidential to the extent the law provides in ORS192.502(4).

D-3.2 All costs in preparing the proposal are the responsibility of the proposer.

D-3.3 The name (or names) of those authorized to negotiate a contract on behalf of the proposer shall be provided.

E. Proposal Instructions

E-1.0 Proposal Preparation

E-1.1 Proposer must submit a proposal which demonstrates and provides evidence that the proposer has the capabilities, professional expertise, and experience to provide the necessary services as described in this RFP. The proposer shall ensure that all information required here is submitted with this proposal. All information provided should be verifiable by documentation that may be requested by the city. Failure to provide all information, inaccuracy or misstatement may be sufficient to cause for rejection of the proposal or rescission of any award.

E-1.2 An optional site visit will be conducted on Tuesday, December 8, 2015, at 2:00 P.M. Proposers may submit any questions or requests for additional information regarding the project in a written format by Friday, December 11, 2015, to Peggy Hawker, City Recorder at p.hawker@newportoregon.gov or via fax at 541.574.0609. A list of questions and the city's responses will be posted on the city's website (www.newportoregon.gov) by Friday, December 18, 2015. Proposals shall be received by Wednesday, January 6, 2016, at 3:00 P.M., PST, in the City Manager's Office, attention: Peggy Hawker, City Recorder, 169 SW Coast Highway, Newport, Oregon 97365, 541.574.0613.

E-2.0 Proposal Submission

Responses must, in any event, contain the following information and be organized into separate sections using the format described below in order to provide each firm an equal opportunity for consideration.

E-2.1 General Information

- a. Letter of intent.
- b. Names and Qualifications of Corporate/Company officers/owners.
- c. Company address/locations and other appropriate contact information.
- d. A full description of the proposer's entity (corporation, partnership, etc.) and identification of all parties including a disclosure of all person or entities having a beneficial interest in the proposal.
- e. Provide resumes of the on-site manager and other key personnel.

E-2.2 Experience

- a. A brief history of the company.
- b. Description of the firm's prior experience related to airport operations.
- c. Resumes and or description of experience of each key member.

E-2.3 Financial Fitness

- a. The proposer must provide sufficient proof supporting the proposer's financial ability to fulfill the obligation of operating the airport.
- b. Financial statements including, but not limited to, balance sheet and income statements for the past two years are requested.
- c. Information marked "Confidential" and placed in a separate marked envelope will be treated as confidential to the extent the law provides in ORS192.502(4).

E-2.4 Operations Plan

Attach a narrative description of the proposer's scope of operations setting forth each business activity proposed for the Newport Municipal Airport in accordance with the statement of needs/scope of services, and the means and methods employed to operate the airport and FBO in order to provide high quality service to general aviation patrons and the general public. The proposer shall outline specific services in addition to those outlined within the request for proposals that would be provided to the aviation community as part of the fixed base operations at Newport Municipal Airport.

E-2.5 Exceptions

Please list any exceptions or deviation from the statement of Section C., needs/scope of services, and Section D., qualifications as outlined within this request for proposal.

E-2.6 References

Please provide a list of client references of similar service contracts including the name, address, and telephone number of those references.

E-2.7 Payment for Services

Please indicate the monthly fee that would be charged for providing the services as outline in the proposal to the City of Newport for the first three years of operations. This fee would be in addition to the total revenues generated from leases, fuel sales, and other income producing activities at the Airport.

E-2.8 Additional

The proposer is encouraged to provide a plan to promote the airport and aviation generally within the community and to participate in activities in Newport and Lincoln County.

E-2.9 Sign Proposal

Proposals shall be signed by the authorized representative of the proposer.

E-2.10 Proposer Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise, detailed description of capabilities that satisfy the requirements of the RFP with one paper (hard copy) being provided to the City Recorder, and a digital copy being provided for purposes of review by the City of Newport. Please use the outline as presented in E-2.0 Proposal Submission (E-2.1 through E-2.9).

E-2.11 Expenses for Proposals

All expenses for making proposals to the city shall be borne by the proposer.

E-2.12 General Notes

All information submitted to the city in response to this solicitation will constitute public information, except as marked "Confidential" to the extent allowed under ORS192.502(4), and will be available to the public for inspection upon request pursuant to the Oregon Public Records Law.

It is the proposer's responsibility to ensure that their proposal is received prior to, or at the specific time and place, designated in this solicitation. Proposals received after that specified date and time shall not be considered by the City of Newport.

E-3.0 Proposal Evaluation: Factors and Weight

E-3.1 Financial benefit to the airport - 25%.

E-3.2 The range and scope of proposed FBO services that will be provided - 15%.

- E-3.3 Financial ability to successfully operate the airport - 15%.
- E-3.4 Proposed marketing and promotion efforts to enhance fuel sales and other operations at the airport - 10%.
- E-3.5 Experience of the proposer in the provision of FBO/airport operation services - 20%.
- E-3.6 Responsiveness of proposal in meeting the objectives outlined in the RFP - 15%.

F. Standard Terms and Conditions

City reserves the right to extend the submission deadline should this be in the best interest of the City. Proposers have the right to revise their proposals in the event that the deadline is extended.

The City reserves the right to withdraw this RFP at any time, and will notify proposers that the solicitation has been canceled. The City makes no representation that any contract will be awarded to any proposer responding to the RFP. The City reserves the right to reject any or all submissions.

If in City's judgment, an inadequate number of proposals are received or the proposals received are deemed non-responsive, not qualified, or not cost effective, the City may, at its sole discretion, reissue the RFP, or execute a contract with the next highest ranked proposer, or to cancel this solicitation, all subject to compliance with applicable laws and the City's public contracting rules.

City reserves the right, subject to the City's public contracting rules and applicable statutes, to reject any and all proposals and to waive any minor informality when to do so would be advantageous to the City.

G. Attachments

- G-1.0 Financial Information about the Airport
- G-2.0 Statistics about Traffic at the Airport
- G-3.0 Airport Layout Plan
- G-4.0 List of Equipment and Buildings included in the Agreement
- G-5.0 FAA Grant Assurances
- G-6.0 [FAA Airport Certification Program Handbook](#)
USDOT Airport Certification Program Handbook

ATTACHMENT
QUESTION 40.



NEWPORT MUNICIPAL AIRPORT

APPROVED: _____

This approval pertains to all contents of this manual as required by Part 139 of the Federal Aviation Administration.

All pages not carrying a revision date are original and carry the date of: Nov 29, 2005

Original Date: __NOV 29, 2005__

FAA Approval: _____

Revision Date: __NOV 14, 2014__

Page Amendment Log

Date of Amendment	Pages /Description	Airport Approval	FAA Approval
1/30/07	Appendix 3	Dennis Reno	Feb 20, 2007
11/18/09	Appendix 1	City Manager	Nov 18,2009
11/18/09	Sec 315 pg. 1	City Manager	Nov 18, 2009
11/18/09	Sec 317 pg. 1	City Manager	Nov 18, 2009
11/18/09	Sec 319 pg. 1	City Manager	Nov 18, 2009
7/1/10	TOC - update	Gene Cossey	Oct 1, 2010
7/1/10	Appendix 6 – remove letter of agreement with MMV FSS	Gene Cossey	Oct 1, 2010
7/1/10	Appendix 7 – Remove outdated listing	Gene Cossey	Oct 1, 2010
7/1/10	Update Amendment log	Gene Cossey	Oct 1, 2010
10/1/10	Sec 202 – general requirements	Gene Cossey	Oct 1, 2010
10/1/10	Sec 313 – Snow and Ice Control	Gene Cossey	Oct 1, 2010
10/1/10	Sec 315 – ARFF index	Gene Cossey	Oct 1, 2010
10/1/10	Sec 319 – ARFF Ops Reqs	Gene Cossey	Oct 1, 2010
10/1/10	Sec 327 – Self Inspection	Gene Cossey	Oct 1, 2010
10/1/10	Sec 339 – Airport Condition Reporting	Gene Cossey	Oct 1, 2010
10/1/10	Appendix 11 – Self inspections checklist	Gene Cossey	Oct 1, 2010
10/1/10	Appendix 12 –Personnel Training Forms	Gene Cossey	Oct 1, 2010
10/1/10	Appendix 3	Gene Cossey	Oct 1, 2010
7/4/13	Sec 311 – Marking, Signs and Lighting	Lance Vanderbeck	Jul 18, 2013
7/4/13	Sec 321 – Handling and Storing of Hazardous Substances and Materials	Lance Vanderbeck	Jul 18, 2013
7/4/13	329 Pedestrians and Ground Vehicles	Lance Vanderbeck	Jul 18, 2013
7/4/13	Section 315 ARFF: Index Determination	Lance Vanderbeck	Jul 24,2013
7/17/13	Update sign plan	Lance Vanderbeck	Aug 13,2013
8/13/13	Section 303 Personnel 139.303	Lance Vanderbeck	Aug 13,2013
11/14/14	Distribution List	Melissa Román	
11/14/14	Section 201 – General Requirements	Melissa Román	
11/14/14	Section 301 – Records	Melissa Román	
11/14/14	Section 303 – Personnel	Melissa Román	
11/14/14	Section 305 – Paved Areas	Melissa Román	
11/14/14	Section 309 – Safety Areas	Melissa Román	

Original Date: __NOV 29, 2005__

FAA Approval: _____

Revision Date: __NOV 14, 2014__

Distribution List

The official copy of the Airport Certification Manual shall be maintained at the Newport Municipal Airport Supervisor's Office. Copies or portions of this Airport Certification Manual, including all revisions and amendments, shall be distributed to the following:

Main Body of the ACM

1. Airport Supervisor's Office
2. Airport Maintenance Office
3. FBO and Fueling Agent
4. FAA, Northwest Mountain Region
5. City Manager's Office

Wildlife Hazard Management Plan

1. Airport Supervisor's Office
2. Airport Maintenance Office
3. FBO and Fueling Agent
4. FAA, Northwest Mountain Region, SEA ADO, Safety & Standards
5. FAA, Northwest Mountain Region, SEA ADO, Environmental

Airport Emergency Plan

1. Airport Supervisor's Office
2. Airport Maintenance Office
3. FBO and Fueling Agent
4. FAA, Northwest Mountain Region
5. ARFF Station at Airport
6. AEP incorporated into City Emergency Operating Plan

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 Appendixes

1	Organizational Chart
2	Airport Layout Plan
3	Airport Emergency Plan
4	Safety Area Diagram and Grid Map
5	Sign and Marking Plan (In Color)
6	Letters of Agreement
7	ARFF Vehicles, Personnel, and Extinguishing Agents and Fire Safety Inspection
8	NOTAM Form
9	Fuel Facility/Equipment Inspection Form(s) Mobile, Hydrant, Fuel Farms
10	List of Applicable References
11	Self-Inspection Form
12	Personnel Training and Fueling Agent Training Certification Forms

Section 101 General Requirements - 139.101

101.1 Purpose

- A. This manual provides direction and lines of responsibility in the day-to-day operation of the Newport Municipal Airport. It details operating procedures to be followed for both routine matters and unusual circumstances or emergencies that may arise. The content of this manual will comply with the Federal Aviation Administration rules and regulations, Title 14 CFR Part 139, effective June 9, 2004.

101.2 Airport Information

- A. Under this regulation, Newport Municipal Airport operates as a Class IV airport with unscheduled air carrier service for aircraft with greater than 30 passenger seats. Newport Municipal Airport is operated by the City of Newport.

- B. Mailing Address:

Newport Municipal Airport
169 SW Coast Highway
Newport, OR 97365

- C. Location:

The Newport Municipal Airport (herein referred to as "Airport") is located approximately 3 miles south of Newport, Lincoln County, Oregon.

Section 105 Inspection Authority - 139.105

105.1 The Airport shall allow the Administrator to make any inspections including unannounced inspections, or tests to determine compliance with 14 CFR Part 139.

DRAFT

Section 111 Exemptions - 139.111

111.1 Newport Municipal Airport operates without exemptions or limitations issued by FAA.

DRAFT

Section 113 Procedures for Reporting Deviations - 139.113

113.1 Deviations

- A. In emergency conditions, Newport Municipal Airport may deviate from the requirements of Title 14 CFR Part 139, Subpart D, or the Airport Certification Manual to the extent required to meet that emergency.

113.2 Reporting

- A. In the event of a deviation, the Airport Supervisor or his/her designee shall, within 14 days of the deviation, notify the FAA Regional Airports Division Manager as specified in Section 139.113. The details of the deviation shall be provided in writing.

DRAFT

Section 201 General Requirements

The Airport will:

- A. Keep the ACM current at all times. The Airport Director or his/her designee is responsible for maintaining the ACM;
- B. Maintain at least one complete and current copy of the approved ACM on the Airport, which will be available for inspection by the FAA. This copy will be maintained in the Airport Director's office;
- C. Furnish the applicable portions of the FAA approved ACM to airport personnel responsible for its implementation (see distribution list);
- D. Ensure that the FAA Regional Airport Division is provided a complete copy of the most current ACM, including any approved amendments.

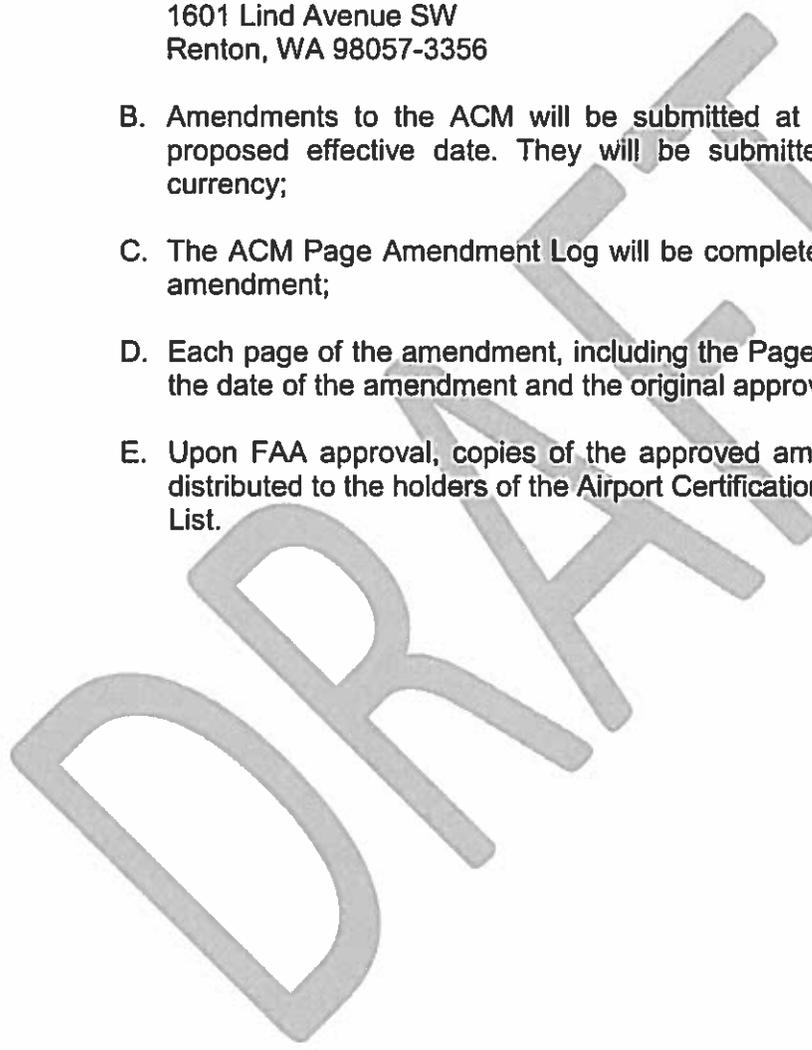
DRAFT

Section 205 Amendment of Airport Certification Manual - 139.205

205.1 The following procedures are in effect for amendments to the ACM:

- A. Two copies of the amendment, in color if applicable, will be submitted to the following address:

Federal Aviation Administration
Airports Division, ANM-620
1601 Lind Avenue SW
Renton, WA 98057-3356

- B. Amendments to the ACM will be submitted at least 30 days prior to the proposed effective date. They will be submitted as needed to maintain currency;
- C. The ACM Page Amendment Log will be completed and submitted with each amendment;
- D. Each page of the amendment, including the Page Amendment Log, will have the date of the amendment and the original approval date of the ACM;
- E. Upon FAA approval, copies of the approved amendment will be made and distributed to the holders of the Airport Certification Manual on the Distribution List.
- 

Section 301 Records - 139.301

- 301.1 Newport Municipal Airport will furnish all records required under Part 139 to the FAA and will make and maintain additional records as may be required by the FAA.
- 301.2 Newport Municipal Airport maintains records according to the requirements of 14 CFR Part 139 as follows:
- A. 24 consecutive calendar months:
 - 1. Airport Personnel
 - 2. Aircraft Rescue and Firefighting Personnel
 - 3. Other emergency personnel training records
 - 4. Movement area and safety area training records;
 - B. 12 consecutive calendar months:
 - 1. Airport fueling agent inspection records
 - 2. Fueling personnel training records
 - 3. Self-inspection records
 - 4. Accident and incidents occurring in the movement and safety areas
 - 5. Airport Condition Reports;
 - C. Training records for fueling personnel shall be maintained in each Fixed Base Operator's offices and shall be produced at the request of the Airport. A copy of the certification of training will be maintained in the Airport Supervisor's office;
 - D. Aircraft Rescue and Firefighting Personnel training records will be maintained by the City of Newport Fire Department and shall be provided at the request of the Airport;
 - E. Airport fueling agent inspection records are maintained by the City of Newport Fire Department and shall be provided at the request of the Airport;
 - F. All other records are maintain at the Airport Operation's office.
- 301.3 Newport Municipal Airport will make and maintain any additional records required by the Administrator, this part, and the Airport Certification Manual.

Section 303 Personnel - 139.303

303.1 Personnel - Lines of Responsibility

The lines of responsibilities are depicted in the Organizational Chart in Appendix 1. The policy setting and financial authority rests with the City of Newport. The lines of responsibility are as follows:

- A. Mayor
- B. City Council
- C. City Manager
- D. Airport Director
- E. Airport Maintenance/Operations Personnel

303.2. Lines of Succession

The following diagram depicts the lines of succession of operational personnel for the Newport Municipal Airport.

Lines of Succession:

City Manager – 541-574-0602

Airport Director – 541-574-0602

Airport Maintenance/Operations Personnel – 541-530-1364

303.3. Personnel Requirements

The Airport shall:

- A. Provide sufficient and qualified personnel to comply with the requirements of this ACM and Part 139;
- B. Equip personnel with sufficient resources needed to comply with these requirements;
- C. Train all personnel who access movement areas and safety areas and perform duties in compliance with the requirements of the Airport Certification Manual and the requirements of this part. This training must be completed prior to initial performance of such duties and at least once every 12 consecutive calendar months. The curriculum for initial and recurrent training must include at least the following areas:
 - 1. Be completed before initial performance of duties;
 - 2. Be recurrent once every 12 consecutive calendar months;
 - 3. Consist of the following curriculum:
 - a. Airport familiarization, including airport marking, lighting, and sign systems;

Section 303 Personnel - 139.303.3 (Continued)

- b. Procedures for access to, and operation in, movement areas and safety areas, as specified under 139.329;
 - c. Airport communications, including use of the common traffic advisory frequency, and personnel communication procedures, and procedures for communicating unsafe conditions to airport operations personnel;
 - d. Duties required under the Airport Certification Manual and requirements of Part 139;
 - e. Any additional subject areas required under Part 139, Sections 319, 321, 327, 329, 337, and 339.
- D. Provide records of all training completed by airport personnel after June 9, 2004 including a description of the training and the date the training was received, seeing that records shall be maintained by Airport Administration for a period of 24 consecutive calendar months after the completion of training;
- E. Comply with training requirements, as appropriate, of Part 139:
- 1. Section 319 – Aircraft Rescue and Firefighting: Operational Requirements;
 - 2. Section 321 – Handling and Storage of Hazardous Substances and Materials;
 - 3. Section 327 – Self-Inspection Program;
 - 4. Section 329 – Pedestrian and Ground Vehicles;
 - 5. Section 337 – Wildlife Hazard Management;
 - 6. Section 339 – Airport Condition Reporting.

Section 305 - Paved Areas – 139.305

305.1 Paved Movement Areas

- A. Air Carrier paved movement areas (runways and taxiways) at the airport include the following movement areas:

Runway	Length	Width	Surface	Strength
16/34	5,398 FT	100 FT	Asphalt	75,000 lb. single 120,000 lb. dual 170,000 lb. dual tandem gear

- B. Taxiways A, B, C, D, and E, and the parking apron adjacent to the east side of the airport passenger terminal area are also available for use by air carrier aircraft.

305.2 Inspection

- A. Each runway, taxiway, loading ramp, and parking area that is available for air carrier use shall be inspected weekly (and prior to any unscheduled air carrier operations) by airport operations personnel. This schedule will be modified with the addition of air carrier service. The following conditions shall be maintained:
1. Pavement edges: Must not exceed 3 inches difference in elevation between abutting pavement sections and between pavement and abutting areas;
 2. Pavement holes: Must have no hole exceeding 3 inches in depth nor any hole the slope of which from any point in the hole to the nearest point at the lip of the hole is 45 degrees or greater, as measured from the pavement surface plane, unless, in either case, the entire area of the hole can be covered by a 5inch diameter circle;
 3. Cracks and surface variations: Must be free of cracks and surface variations that could impair directional control of air carrier aircraft, including any pavement crack or surface deterioration that produces loose aggregate or other contaminants;
 4. Surface debris and contaminants: Mud, dirt, sand, loose aggregate, debris, foreign objects, rubber deposits, and other contaminants must be removed promptly and as completely as practicable;
 5. Chemical removal: Any chemical solution used to clean any pavement area, shall be removed as soon as possible in a manner consistent with the instructions of the manufacturer of the solvent;
 6. Drainage: Pavement must be sufficiently drained and free of depressions to prevent ponding that obscures markings or impairs safe aircraft operations.

Section 305 - Paved Areas – 139.305 (Continued)**305.3 Maintenance**

- A. Should any of the above conditions or any other unsatisfactory condition exist, Airport Operations shall initiate prompt action to make needed repairs. Airport Maintenance Personnel shall be responsible for repairing and maintaining all paved areas available for air carrier use.

Section 307 - Unpaved Areas – 139.307

307.1 No unpaved movement areas exist at Newport Municipal Airport.

Section 309 - Safety Areas – 139.309 (Reference Appendix 4)

309.1 Runway Safety Areas

- A. Safety Area design complies with the requirements of FAA Design Group II or better.
 - 1. Runway 16 (Precision): 100 ft. wide by 300 feet extending beyond the runway threshold.
 - 2. Runway 34 (Non-Precision): 100 ft. wide by 300 feet extending beyond the runway threshold.

309.2 Taxiway Safety Areas

- A. Taxiways A, B, C, and D: 79 ft. wide servicing the departure end of Runway 34, extending to the parking ramp.
- B. Taxiway E. 79 ft. wide and extends from threshold of Runway 2 to heavy aircraft apron.

309.3 Inspection

- A. Each safety area shall be inspected weekly by airport operations personnel. The following conditions shall be maintained:
 - 1. Surface: must be cleared and graded and have no potentially hazardous ruts, humps, depressions, or other surface variations;
 - 2. Drainage: must be drained by grading or storm sewers to prevent water accumulation;
 - 3. Dry Conditions: must be capable of supporting aircraft rescue and firefighting equipment and of supporting the occasional passage of aircraft without causing major damage to the aircraft;
 - 4. Objects: No objects may be located in any safety area, except for objects that need to be located in a safety area because of their function. Objects must be constructed, to the extent practical, on frangible mounted structures of the lowest practical height, with the frangible point no higher than 3 inches above grade.

309.4 Maintenance

Should any of the above conditions or any other unsatisfactory condition exist, Airport Operations shall initiate prompt action to make needed repairs. Airport Maintenance Personnel shall be responsible for repairing and maintaining all safety areas.

Section 309 - Safety Areas – 139.309 (Continued)

No service roads exist within established safety areas.

309.5 Advisory Circular

AC 150/5300-13, *Airport Design*, detail Safety Area dimensions and requirements.

Section 311 - Marking, Signs, and Lighting – 139.311

311.1 Markings

- A. Runway and taxiway marking systems shall be provided and maintained in all movement areas available for air carrier operations in accordance with Part 139.311(a) as outlined in the most current version of AC 150/5340-1, *Standards for Airport Markings*. See Appendix 5, Sign and Marking Plan.
1. Runways
 - a. Runway 16 & 34: Precision (PIR-G)
 2. Taxiways
 - a. All Taxiways shall have markings that consist of the following
 - i. Centerline Marking;
 - ii. Edge marking on the air carrier portion of Taxiway E;
 - iii. Taxiways are identified from north to south by the letters A through E (see Appendix 5, Sign and Marking Plan).
 3. Runway hold Position Markings
 - a. Mandatory holding position markings are located on taxiways at runway intersections, as follows:
 - i. 200 feet from Runway 16-34 centerline, based on the airplane design group and type of runway;
 - ii. 125 feet from Runway 2-20 centerline, based on the airplane design group and type of runway.
 - b. Hold position markings meet or exceed RDC for a B-II-4000 on all runways.
 4. ILS critical areas are identified by markings-ILS 16, VOR-DME 16, VOR-A, VOR-DME 34, NDB 16.

A portion of markings will be repainted each summer on a routine, rotating basis.

311.2 Signs

- A. Signs shall be provided and maintained in all movement areas available for air carrier operations in accordance with Part 139.311(b) as outlined in AC 150/5340-18, *Standards for Airport Sign Systems*, and AC 150/5345-44G, *Specification for Taxiway and Runway Signs*. See Appendix 5, Sign and Marking Plan. Distance Remaining Signs are installed on Runway 16-34.

Section 311 - Marking, Signs, and Lighting – 139.311 (Continued)**311.3 Lighting**

- A. Lighting systems shall be provided and maintained in all movement areas available for air carrier operations in accordance with Part 139.311(c) as outlined in AC 150/5340-30, *Design and Installation Details for Airport Visual Aids* that meet the specifications for takeoff and landing minimums for each runway.
- B. Runways
 - 1. Runway 16-34 – High-Intensity Runway Lighting (HIRL).
 - 2. Runway 2-20 – Medium-Intensity Runway Lighting (MIRL).
- C. Taxiways
 - 1. Taxiways are not lighted.
 - 2. Edge reflectors are provided on all taxiways.
- D. Airport Beacon
 - 1. The airport is equipped with a rotating beacon with a green and clear lens. The beacon is located just north of the airport terminal building.
- E. Approach Lighting
 - 1. Runway 16 (MALSR)
- F. Obstruction Lighting
 - 1. Objects determined by the FAA to constitute an obstruction under 14 CFR Part 77, requiring marking and lighting that are within the Airport's Authority:
 - a. Obstruction lighting is installed on windsock, rotating beacon, glide slope tower, localizer antenna array, AWOS tower, electrical vault, and apron.
 - 2. See Appendix 2, Airport Layout Plan, for locations.
- G. Emergency Power Generation
 - 1. FAA maintains a generator for the ILS system;
 - 2. City maintains a generator for field lighting.

311.4 Inspection and Maintenance

- A. All airport lighting systems shall be inspected weekly during hours of daylight and darkness by Airport Operations between sunset and sunrise. Airport Operations shall record all discrepancies found in accordance with Section

Section 311 - Marking, Signs, and Lighting – 139.311 (Continued)

327, *Airport Self-Inspection Program*, of this manual. All discrepancies shall be recorded until they are repaired.

- B. Any discrepancies noted shall be reported for repair. Airport Maintenance is responsible for the repair and maintenance of all lighting systems that are under airport authority. The following conditions shall be maintained:
1. Repair: All lights shall be properly maintained, including cleaning, replacing or repairing any faded, missing, or nonfunctional item;
 2. Visibility: All lights shall be unobscured and clearly visible;
 3. Reference: All lights shall provide an accurate reference to the user.

311.5 Lighting Interference

- A. All airport lighting systems, including that for aprons, vehicle parking areas, roadways, fuel storage areas, and buildings, is adequately adjusted or shielded to prevent interference with aircraft operations.

311.6 Lighting Standards

- A. Each lighting system will be maintained in accordance with the criteria listed in Appendix 1 of AC 150/5340-26, *Maintenance of Airport Visual Aid Facilities*.
- B. Allowable percentages of unserviceable lights shall not occur in such a way as to alter the basic pattern of the lighting system. Any unserviceable light shall not be adjacent to another unserviceable light. Lights are considered adjacent if located consecutively either laterally or longitudinally in a lighting system.
- C. If the outlined conditions cannot be maintained, and airport management determines that the outage may not provide an accurate reference to airport users, information concerning the outage shall be disseminated locally. If an entire lighting system is inoperable or out of service, airport operations shall report the situation in accordance with Section 339, *Airport Condition Reporting* (139.339), of this manual.
- D. Any discrepancy of a lighting system that is maintained by the FAA, and is not under the authority of the airport, shall be reported immediately to the FAA Maintenance personnel in charge of the system. The FAA shall be responsible for disseminating any information regarding the outage.

Section 313 - Snow and Ice Control – 139.313

313.1 Snow and Ice Control Policy

- A. Due to the lack of climatic conditions which produce significant amounts of snow and ice along the central Oregon coast, the Airport has instituted a limited snow and ice removal plan.
- B. Weather conditions will be monitored and any conditions which may produce snow and ice will cause an initiation of this plan which will consist of monitoring and reporting snow and ice conditions.
- C. Authority to initiate the Snow and Ice Control Policy is with the Airport Director or his/her designee
- D. The airport does not possess or have available frictions measuring equipment.

313.2 Definitions

- A. **Contaminant** -- Any substance on a runway or taxiway, for the purpose of this Snow & Ice Control Plan (SICP) contaminant is snow, slush, ice or standing water.
- B. **Dry Snow** -- Snow that has insufficient free water to cause cohesion between individual particles. If when making a snowball, it falls apart, the snow is considered dry.
- C. **Wet Snow** -- Snow that has grains coated with liquid water, which bonds the mass together, but that has no excess water in the pore spaces. A well-compacted, solid snowball can be made, but water will not squeeze out.
- D. **Compacted Snow** -- Snow that has been compressed into a solid mass that resists further compression and will hold together or break up into lumps if picked up.
- E. **Slush** -- Snow that has water content exceeding its freely drained condition, such that it takes on a fluid property (e.g. flowing and splashing). Water will drain from slush when a handful is picked up.
- F. **Patchy Conditions** -- Contaminants that cover 25% or less of the cleared/treated/usable surface.

313.3 Condition Monitoring

- A. When temperature approaches freezing conditions and moisture is present Airport personnel will begin monitoring weather conditions including temperature, precipitation and weather forecasts as provide by the National Weather Service, broadcast media, and other legitimate sources.

Section 313 - Snow and Ice Control- (Continued)

- B. When previous PIREPs have indicated GOOD or MEDIUM (FAIR) braking action, two consecutive POOR PIREPS should be taken as evidence that surface conditions may be deteriorating and require airport operations to conduct a runway assessment.
- C. If any accumulation of runway contaminant is present, Airport personnel will begin monitoring runway conditions consisting of physical inspections of runways, Braking Action tests, Pilot Reports, and measurement of contaminant depth.

313.4 Condition Reporting

- A. Runway Condition Reporting: A runway (and taxiway) condition report is provided whenever the pavement condition is worse than bare and wet.
- B. Runway surface conditions reporting will consist of physical measurements of the depth of contaminates (snow/slush) on the runways and taxiways.
- C. If the cleared runway width is less than full width, depth measurements of the contaminates will be obtained and passed on to the CTAF along with any areas where conditions are other than bare and wet pavement. A NOTAM will be issued during any snow event when contaminates are noted on the runways.
- D. Runway condition reporting will be the responsibility of the airport operations department and will take place any time the noted conditions are present. Airport operations will disseminate this information by Notice to Airman (NOTAM) with Flight Service.
- E. Requirements for Runway Closures at the Airport due to a snow event will be as follows.
 - 1. If wet snow over 1 inch or ½ inch of slush is measured on the runways, or,
 - 2. A braking action report of "nil" is reported to the airport or to FSS, operations on both runways will be suspended and Airport Operations will be notified.
- F. Continuous monitoring of runway conditions will be in effect as the weather worsens or improves throughout the possible snow event.

Section 315 - Aircraft Rescue and Fire Fighting (ARFF): Index Determination – 139.315

The ARFF Index at the Airport is Index A, based on no regularly scheduled airline operating a small or large airline at Newport and Index A is the minimum required Index to maintain.

Index A level ARFF equipment is available upon request and a remark is published in the Airport Facility Directory (AFD) for prior arrangements.

ARFF will be on standby 15 minutes prior to and 15 minutes after scheduled flights with an aircraft that is being operated by an air carrier and is categorized as either a large air carrier aircraft if designed for at least 30 passenger seats or a small air carrier aircraft if designed for more than 9 passenger seats but less than 30 passenger seats, as determined by the aircraft type certificate issued by a competent civil aviation authority.

ARFF will be on standby 15 minutes prior to and 15 minutes after unscheduled flights with 30 Passengers seats.

Section 317 - Aircraft Rescue & Firefighting: Equipment and Agents – 139.317

317.1 The Primary ARFF vehicle is a 2014 Rosenbauer Airwolf Class 2 truck. The vehicle has a 300 gallon water/AFFF system with 450 lb potassium-based dry chemical complementary system and pump with separate water and foam tanks discharge system. It incorporates the delivery of combined and/or single firefighting agents through hand lines, hose reels and/or a bumper mounted turret.

317.2 Equipment Out of Service

- A. If the primary ARFF vehicle becomes inoperative to the extent that it cannot perform its required functions, backup equipment will be used to maintain Index A requirements.
 - 1. In the unlikely event that backup ARFF equipment is also out of service, the Airport Director or his/her designee will notify the FAA Airports Division to coordinate FAA-approved replacement equipment.
- B. In the event that replacement firefighting equipment is not available, the Airport Director or his/her designee will close the airport to air carrier operations as necessary and file an appropriate NOTAM.

Section 319 - Aircraft Rescue and Fire Fighting: Operational Requirements

319.1 ARFF Responsibilities

- A. The City of Newport Fire Department will be responsible for assuring the requirements of this section. The Fire Department will provide personnel that are trained and certified in Aircraft Rescue and Fire Fighting to meet the requirements of this section. Any reductions, variations, or deviations from the requirements of this section shall be at the sole discretion of the Airport Director or his/her designee.
- B. Newport Municipal Airport maintains a Fire Station on Airport property, located 500 feet due west of approach end of runway 16. The fire station houses the ARFF vehicle, equipment, and personnel necessary to support the equipment.

319.2 Increase in Index

- A. When air service begins and/or the length of air carrier aircraft results in an increase in the Index required by Section 317 of this Manual, the Airport will provide, during air carrier operations, at least the rescue and firefighting capability specified for that Index. The Airport Director or his/her designee will be responsible for the appropriate notifications.

319.3 Reduction in Rescue and Firefighting Capabilities

- A. During air carrier operations with only aircraft shorter than the Index required by Section 317.2 of this Manual the Airport may reduce the rescue and firefighting capabilities to a lower level corresponding to the Index group of the longest air carrier aircraft being operated.

319.4 Procedures for ARFF Index Reduction

- A. The following procedures must be followed before the reduction of the current ARFF Index:
 - 1. The Airport Director or his/her designee has the sole authority for reducing the ARFF Index and shall:
 - a. Notify FAA Airports Division of any reduction in Index;
 - b. Notify all air carriers;
 - c. Issue appropriate NOTAMs;
 - d. Ensure the new Index meets the requirements of this manual.
- B. In the event of a required increase of ARFF capabilities, the Airport shall Insure

Section 319 - Aircraft Rescue and Fire Fighting: Operational Requirements – 139.319 (Continued)

the increase of the Index is returned to previous levels or other appropriate levels before air carrier operations requiring the increased level are conducted.

- C. No reduction of the ARFF capabilities may be implemented unless the appropriate notifications are issued.

319.5 Communications

- A. Each ARFF vehicle required under Section 317 of this manual shall be equipped with two-way voice radio communications that provide contact with:
1. Other required emergency vehicles;
 2. The Common Traffic Advisory Frequency (CTAF); and,
 3. Airport Operations / Emergency Command.

319.6 Marking and Lighting

- A. Each ARFF Vehicle required under Section 317 of this manual shall be:
1. Equipped with a red flashing or rotating beacon;
 2. Painted safety line yellow to enhance contrast with the background environment and optimize visibility and identification; and,
 3. Marked with a large number on either side to identify the vehicle's call sign.
- B. Advisory Circular 150/5210-5, *Painting, Marking, and lighting of Vehicles Used on an Airport*, details marking and lighting requirements.

319.7 Vehicle Readiness

- A. Each ARFF Vehicle required under Section 317 of this manual must be maintained as to be capable of performing the functions required during all air carrier operations. Each vehicle will be maintained as follows:
1. Operational checks of the ARFF vehicles and their firefighting systems shall be conducted daily by trained firefighting personnel;
 2. Scheduled and routine maintenance shall be performed by the Newport Municipal Fire Department; and,
 3. Certified ARFF vehicles shall be housed in the airport fire station.
- B. Any required vehicle that becomes inoperative to the extent that it cannot perform as required by this Section must be replaced immediately with
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**Section 319 - Aircraft Rescue and Fire Fighting: Operational Requirements – 139.319
(Continued)**

equipment having at least equal capabilities. In the event that a replacement is not immediately available the Fire Chief shall notify the Airport Director or his/her designee for proper notification of the Regional Airports Division Manager and each air carrier using the Airport.

- C. If the required ARFF Index cannot be restored within 48 hours, unless otherwise authorized by the FAA Administrator, the airport must limit air carrier operations on the airport to those compatible with the Index corresponding to the remaining operative rescue and firefighting equipment and a temporary reduction to the ARFF Index shall be implemented by the Airport Director or his/her designee in accordance with Section 319.4 of this Manual.

319.8 Response Requirements

- A. Aircraft rescue and firefighting equipment with the appropriate number of trained personnel shall:
1. Respond to each emergency during air carrier operations;
 2. When requested by the Administrator, demonstrate compliance with the following response requirements:
 - a. Within 3 minutes from the time of the alarm, at least one required aircraft rescue and firefighting vehicle must reach the midpoint of the farthest runway serving air carrier aircraft from its assigned post or reach any other specified point of comparable distance on the movement area that is available to air carriers and begin application of extinguishing agent; and,
 - b. Within 4 minutes from the time of alarm, all other required vehicles must reach the point specified above from their assigned post and begin application of an extinguishing agent.

319.9 Personnel

- A. All ARFF personnel:
1. Are equipped with the appropriate protective clothing and equipment to perform their required duties;
 2. Are properly trained to perform their duties prior to the initial performance of rescue and firefighting duties and shall receive recurrent instructions every 12 consecutive calendar months. Training shall include at least the following:
 - a. Airport familiarization, including airport signs, marking, and lighting;

**Section 319 - Aircraft Rescue and Fire Fighting: Operational Requirements – 139.319
(Continued)**

- b. Aircraft familiarization;
 - c. Rescue and firefighting personnel safety;
 - d. Emergency communications systems on the airport, including fire alarms;
 - e. Use of the fire hoses, nozzles, turrets, and other appliances required;
 - f. Application of the types of extinguishing agents require;
 - g. Emergency aircraft evacuation assistance;
 - h. Firefighting operations;
 - i. Adapting and using structural rescue and firefighting equipment for aircraft rescue and firefighting;
 - j. Aircraft cargo hazards, including hazardous materials/ dangerous goods incidents;
 - k. Familiarization with firefighters' duties under the Airport Emergency Plan (see Appendix 3).
3. Must participate in at least one live-fire drill prior to initial performance of rescue and firefighting duties and every 12 consecutive calendar months thereafter;
4. Must maintain current CPR and First Aid certification, furthermore:
- a. At least one ARFF personnel, who has been trained and is current in basic emergency medical services, must be available during air carrier operations;
 - b. Training must be a minimum of 40 hours in length and must consist of training in the following topics:
 - i. Bleeding
 - ii. Cardiopulmonary resuscitation
 - iii. Shock
 - iv. Primary patient survey
 - v. Injuries to the skull, spine, chest, and extremities
 - vi. Internal injuries
 - vii. Moving patients
 - viii. Burns
 - ix. Triage

**Section 319 - Aircraft Rescue and Fire Fighting: Operational Requirements – 139.319
(Continued)**

- B. Records of all training given to each individual performing duties under this section must be maintained:
 - 1. Records must be kept for 24 consecutive months from the completion of training.
 - 2. Must include:
 - a. Description of training;
 - b. Date of training.
- C. Sufficient personnel for the performance of the duties of this section shall be at the station and on standby 15 minutes prior to through 15 minutes following any scheduled air carrier operations and will meet the minimum agent discharge rates required by this section.
- D. Alarm System:
 - 1. Primary Alarm: The **CTAF** shall be the primary alert system for notifying ARFF personnel of any existing or impending emergency requiring response. Weekly tests of radio communications shall be performed by airport operations;
 - 2. Secondary Alarm: **911 dispatch communications** with the Fire Department Dispatch shall be established to notify ARFF personnel of any existing or impending emergency requiring response in the event of a primary alarm failure.

319.10 Hazardous Materials Guidance

- A. Each ARFF vehicle responding to an emergency on the airport shall be equipped with the "North American Emergency Response Guidebook" published by the U.S. Department of Transportation, or equally compatible response guidance to hazardous materials/dangerous goods incidents.

319.11 Emergency Access Roads

- A. Emergency access roads used for ARFF vehicles shall be maintained by airport maintenance in a condition that will support those vehicles during all weather conditions.

Section 321 - Handling and Storing of Hazardous Substances and Materials – 139.321

321.1 Cargo Handling Agent

- A. The airport does not handle any materials or substances that are regulated by 49 CFR 171 through 180, Hazardous Materials Regulations.

321.2 Fuel Handling Standards

- A. The Airport Complies with NFPA 407 as established minimum standards for protecting against fire and explosions in storing, dispensing, and otherwise handling fuel on the airport. These standards cover facilities, procedures, and personnel training and address at least the following:
 - 1. Bonding;
 - 2. Public protection;
 - 3. Control of access to storage areas;
 - 4. Fire safety in fuel farm and storage areas;
 - 5. Fire safety in mobile fuelers', fueling pits, and fueling cabinets;
 - 6. Training of fueling personnel in fire safety; and,
 - 7. Local Fire Code.

321.3 Fueling Agents

- A. All fueling agents on the Airport shall comply with the standards established under Section 321.2 of this manual. Reasonable surveillance of all fueling activities is conducted regularly by the Airport Director or his/her designee and Newport Fire Department personnel.
- B. The authorized fueling agent at Newport Municipal Airport is The City of Newport.

321.4 Inspections of Fueling Facilities

- A. The Newport Fire Department shall conduct periodic inspections of all fueling facilities; including all fuel storage facilities, fuel cabinets, mobile fuelers, and other equipment, of each airport fueling agent at least once every 3 consecutive calendar months for compliance with Section 312.2 of this manual. Follow up inspections shall be conducted whenever any unsatisfactory condition is found. Records of inspections shall be kept by the Newport Fire Department for at least 12 consecutive calendar months.
- B. See Appendix 9 for a copy of the Fueling Facilities Inspection Checklists and Forms.

321.5 Training of Fueling Personnel

- A. Fuel Supervisor

Section 321 - Handling and Storing of Hazardous Substances and Materials (Continued)

At least one supervisor with each fueling agent must have completed an aviation fuel training course in fire safety that is authorized by the Administrator. Such an individual must be trained prior to initial performance of duties, or enrolled in an authorized aviation fuel training course that will be completed within 90 days of initiating duties. Recurrent training must be received every 24 consecutive calendar months.

B. Line Personnel

All other employees who fuel aircraft, accept fuel shipments, or otherwise handle fuel must receive at least initial on-the-job training and recurrent instruction every 24 consecutive calendar months in fire safety from the supervisor trained in accordance with Section 321.5 of this manual.

321.6 Records

- A. All fueling agents on the Airport will submit current certifications of training for each employee to the Airport Manager every 12 consecutive calendar months. The records shall be kept on file in the Airport Administration Office for 12 consecutive calendar months.

321.7 Corrective Actions

- A. All fueling agents are required to take immediate corrective action any time an unsatisfactory condition is reported. If immediate corrective action cannot be taken, the Newport Fire Chief shall inform the Airport Supervisor, who will immediately inform the Airport Certification Safety Inspector.

Section 323 - Traffic and Wind Direction Indicators – 139.323

323.1 Wind Cones

A. Main Wind Cone

The main wind cone is located mid-field, four-hundred (400) feet east of the centerline of Runway 16-34. The wind cone is a 12 foot by 36 inch fabric type, mounted on a 24 foot frangible pole and lighted for night operations.

B. Supplemental Wind Cones

1. Installed in 2005.

323.2 Segmented Circle

- A. The airport has a segmented circle around the main wind cone listed in section 323.1, depicting landing strips and traffic patterns. Runway 16 and 20 have right-hand traffic patterns.

323.3 Inspections

- A. Airport Operations shall inspect all wind direction indicators for the following conditions as a part of their daily inspections:
 1. Visibility: should be clearly visible for at least one-half mile, under conditions of three miles minimum visibility in rain, haze, smoke, etc., during daylight hours and at night when illuminated;
 2. Illumination: Should be properly illuminated during hours of darkness;
 3. Indication: Should move freely about the supporting shaft and indicate the true wind direction within (+/-) five degrees at wind velocity of five miles per hour;
 4. Fabric: Should not deteriorate under general conditions, not be faded or decomposed, and should resist water.

323.4 Maintenance

- A. Should any unsatisfactory condition of wind direction indicators be reported during an airport safety inspection, airport maintenance personnel shall repair or replace the wind direction indicator as soon as possible.

Section 325 – Airport Emergency Plan – 139.325

325.1 Airport Emergency Plan (AEP)

- A. The Airport has developed and maintains an airport emergency plan, designed to minimize the possibility and extent of personal injury and property damage on the airport in the event of an emergency in coordination with law enforcement agencies, rescue and firefighting agencies, medical personnel and organizations, the principal tenants at the airport, and other agencies and persons who have responsibilities under this plan. The plan exceeds provisions for emergency response for the largest air carrier aircraft under the Index group required.

- B. The Airport Emergency plan is included in Appendix 3.

325.2 Training of Airport Personnel

- A. All airport personnel that have duties and responsibilities under the AEP are properly trained and familiar with their assignments. Records of training will be kept in accordance to Section 301 of this manual.

325.3 Annual Review of the AEP

- A. A review of the AEP shall be conducted at least once every 12 consecutive calendar months involving all parties who have responsibilities in the AEP to ensure that all parties know their responsibilities and that all of the information in the plan is current.

325.4 Triennial Full-Scale Exercise of AEP

ONP is a Class IV airport; therefore, this is not a required element.

325.5 Consistency with Security Regulations

- A. The AEP contains instructions for response to bomb incidents, including designation of parking areas for the aircraft involved; and sabotage, hijack incidents, and other unlawful interference with operations that are consistent with the approved airport security program.

Section 327 – Self-Inspection Program – 139.327

327.1 Frequency of Inspections

- A. Airport Operations shall conduct regular inspections of the airport in order to ensure compliance with this manual and 14 CFR Part 139. Inspections shall be conducted at least:
1. Once per day, during hours of daylight, and;
 2. Once per week, during hours of darkness;
 3. During and after construction activities;
 4. During and after rapidly changing or severe meteorological conditions;
 5. Immediately after an accident or incident;
 6. After any other unusual condition on the airport.

327.2 Equipment

- A. Personnel responsible for airport safety inspections shall be provided with all equipment necessary for conducting inspections. Equipment shall include, but is not limited to:
1. A vehicle for traversing the various areas of the airport;
 2. Radios for communications with the appropriate agencies;
 3. Wildlife control equipment;
 4. Appropriate airport charts and maps; and,
 5. Appropriate Federal, State, and local regulatory publications.

327.3 Information Dissemination

- A. Airport Operations personnel shall immediately notify all air carriers of any discrepancy, other conditions that may affect air carrier operations, or any unusual event occurring on the airport. For dissemination of information, airport maintenance personnel shall:
1. Issue the appropriate NOTAM with the local Flight Service Station (FSS);
 2. Issue the cancellation of any NOTAMs that are no longer necessary or in effect.

Section 327 – Self-Inspection Program – 139.327 (Continued)**327.4 Training of Personnel**

- A. The Airport Director or his/her designee is responsible for training Airport Maintenance personnel to ensure that qualified personnel perform airport self-inspections. All Airport personnel shall receive initial and recurrent training every 12 consecutive months in the following subject areas:
1. Airport familiarization, including airport signs, marking and lighting;
 2. Airport Emergency Plan (AEP);
 3. Notice to Airmen (NOTAM) procedures;
 4. Procedures for pedestrians and ground vehicles in movement areas and safety areas;
 5. Discrepancy reporting procedures; and
 6. Any other training deemed necessary by the administrator.
- B. Records of training shall be kept in accordance with Section 301 of this manual.

327.5 Reporting System

- A. Airport Operations personnel shall report all conditions found during self-inspections on the Weekly Self-Inspection Log and notify Airport Maintenance of all unsatisfactory conditions.
- B. Airport Maintenance personnel shall report any corrective actions or other responses on the Weekly Self-Inspection Log and notify Airport Operations of the correction or other response.
- C. All Self-Inspection Logs shall be kept on file in the Airport Supervisor's Office for at least 12 consecutive calendar months.
- D. A copy of Self Inspection Log is included in Appendix 11.
- E. The operator should issue a Notice to Airmen (NOTAM), as appropriate, through AIM Digital NOTAM Manager or the appropriate Flight Service Station (FSS) reporting deficient conditions that could have an immediate and critical impact on the safety of aircraft operations. When corrective actions have been taken, the NOTAM should be cancelled.

Section 329 - Pedestrians and Ground Vehicles – 139

329.1 Limiting Access

- A. Pedestrians and ground vehicles authorized by the Airport Director or his/her designee to operate on movement areas and safety areas are limited to those necessary for airport operations and include the following type of vehicles:
 - 1. Airport-owned vehicles equipped with beacon, radio, flag, and appropriate equipment;
 - 2. FAA maintenance vehicles;
 - 3. Authorized Construction vehicles;
 - 4. Other vehicles as authorized by the Airport Director or his/her designee.
- B. Any vehicle not authorized by the Airport Director or his/her designee must be escorted by qualified persons.
- C. Authorized vehicles will be issued a Vehicle Identification Permit.

329.2 Equipment

- A. All vehicles operating on, near, or adjacent to movement areas or safety areas shall be equipped with the following:
 - 1. A two-way radio capable of communicating with the CTAF;
 - 2. A functioning rotating or strobing beacon;
- B. Pedestrians operating on, near, or adjacent to movement areas or safety areas shall have the following equipment:
 - 1. A two-way radio capable of communicating with the CTAF.

329.3 Control

- A. Pedestrians and ground vehicles shall not operate on, near, or adjacent to movement areas or safety areas unless they are approved by the Airport Director or his/her designee and have received clearance to operate from the Airport Director or his/her designee via the CTAF.
- B. Establish and implement procedures for the safe and orderly access to, and operation in, movement areas and safety areas by pedestrians and ground vehicles, including provisions identifying the consequences of noncompliance with the procedures by all persons..
- C. Pedestrians and ground vehicles not equipped as outlined in Section 329.2

Section 329 - Pedestrians and Ground Vehicles (Continued)

must be escorted by Airport Operations Personnel or personnel approved by airport personnel.

- D. The Airport has implemented security measures consistent with a Part 139 airport without Part 121 service.
- E. Ensure that all persons are trained on procedures required under paragraph (B) of this section prior to the initial performance of such duties and at least once every 12 consecutive calendar months, including consequences of noncompliance, prior to moving on foot, or operating a ground vehicle, in movement areas or safety areas.
- F. All pedestrians and ground vehicle operators shall comply with and be subject to the provisions of the *Airport Rules and Regulations* governing pedestrian and ground vehicle operations. Violators of the rules and regulations shall be subject to the following penalties:
 - 1. First Offense – Violators will be given a verbal warning and required to undergo recurrent training before resuming operations;
 - 2. Second Offense – Violators will be issued a formal, written reprimand from the Airport Director or his/her designee and undergo recurrent training;
 - 3. Third Offense – Violators will be banned from operating unescorted on airport property for up to one year.

The Airport Director or his/her shall be responsible for enforcement of the ground vehicle operators and pedestrian procedures and rules, and shall determine the proper course of action in the event of a violation.

329.4 Training

- A. All employees, tenants, contractors, and other personnel requiring access to airport movement and non-movement (ramps) areas shall be required to complete the Airport's Ground Vehicle Operators and Pedestrian training course. The curriculum of the course shall include, but not be limited to:
 - 1. Non-Movement Areas:
 - a. Airport familiarization;
 - b. Access procedures, rules, and regulations;
 - c. Pedestrian and Ground Vehicle Operators procedures, rules, and regulations; and
 - d. Safety and security procedures.
 - 2. Movement Areas:
 - a. Airport familiarization;

Section 329 - Pedestrians and Ground Vehicles (Continued)

- b. Movement Area familiarization;
- c. Access procedures, rules, and regulations;
- d. Pedestrian and Ground Vehicle Operators procedures, rules, and regulations;
- e. Radio communications phraseology, techniques, rules, and procedures;
- f. Runway/Taxiway, marking, and lighting familiarization; and
- g. Safety and security procedures.

329.5 Records

- A. Training - The Airport shall maintain training records of all personnel completing the Pedestrian and Ground Vehicle Operators training program that contain a description of the training and the date of training. Records for each individual shall be kept for 24 consecutive calendar months after termination of the individual's access rights.
- B. Accidents/Incidents - The Airport shall maintain records of any accidents or incidents in the movement areas and safety areas involving air carrier aircraft, a ground vehicle or a pedestrian. Records of each accident or incident shall be maintained for 12 consecutive calendar months from the date of the accident or incident.

Section 331 – Obstructions – 139.331

331.1. Requirements

- A. The Airport shall ensure that each object within the authority of the Airport that has been determined by the FAA to be an obstruction is removed, marked or lighted unless determined to be unnecessary by an FAA aeronautical study.
- B. During nighttime operations, obstructions will be identified by steady burning aviation red lights or flashing aviation red beacons.
- C. Aviation white and orange paint is used for daytime marking.
- D. Zoning ordinances for the City of Newport requires Airport and FAA aeronautical study prior to new construction and/or alteration of existing structures.
- E. An Airport and FAA aeronautical study will be required prior to erection of construction cranes that may create a hazard within the Airport area. Construction cranes will be marked and/or lighted in accordance with FAA Advisory Circulars.

331.2 Inspections and Monitoring

- A. Airport Maintenance personnel shall inspect each obstruction light in accordance with the Airport Self-Inspection plan and report any outages to the responsible party.
- B. Airport Maintenance personnel shall monitor the airport, primary airspace surface areas, horizontal airspace surface areas, and other areas near the airport for the presence of obstructions. Obstructions occurring due to natural growth shall be reported to airport maintenance. Any obstruction shall be reported to the appropriate authority.

331.3 Maintenance

- A. Airport Maintenance personnel shall be responsible for immediately repairing any obstruction light outage reported by Airport personnel that falls within the authority of the Airport.
- B. Airport Maintenance personnel shall be responsible for clearing any naturally occurring obstruction reported by Airport Operations.
- C. FAA Maintenance personnel shall be responsible for immediately repairing any obstruction light outage reported by Airport maintenance personnel that falls within the authority of the FAA.

Section 331 – Obstructions (Continued)**331.4 Obstructions**

- A. Objects determined by the FAA to constitute an obstruction under 14 CFR Part 77, requiring marking and lighting, that are within the Airport's Authority:
 - 1. FAA Maintained:
 - a. Glide slope antenna;
 - b. Localizer antenna;
 - c. MALSAR control shack.
 - 2. Airport Maintained:
 - a. Main windsock;
 - b. Airport rotating beacon/main hanger;
 - c. AWOS tower.
 - 3. See ALP for locations
- B. A complete reference of all obstructions can be found in the ALP.

Section 333 – Protection of NAVAIDS – 139.333

333.1 Construction

- A. No facilities that have been determined by the FAA to derogate the operation of an electronic or visual NAVAID and air traffic control facilities on the Airport shall be constructed on the Airport.
- B. The Airport Director or his/her designee shall coordinate with the FAA to assure that electronic and visual NAVAIDS, and air traffic control facilities shall not be interrupted during construction activity or that any necessary interruptions are coordinated with the appropriate FAA personnel.
- C. Airport Operations shall monitor all construction activities to ensure that there is no interruption of electronic and visual NAVAIDS or air traffic control facilities.

333.2 Vandalism and Theft

- A. The Airport shall protect, and assist in protecting when the owner is other than the Airport, all electronic and visual NAVAIDS and air traffic control facilities from vandalism and Theft.
- B. The methods and procedures for securing and protecting all electronic and visual NAVAIDS and air traffic control facilities are consistent with a Part 139 airport without Part 121 service.

333.3 Interruption of Signals

- A. The Airport shall provide preventions for interruption of visual and electronic signals of NAVAIDS, when it is within the Airport's authority.
- B. Airport Maintenance personnel shall mow and remove any vegetation growth that would interrupt visual or electronic signals.
- C. The Airport, by use of local zoning ordinances and Airport Rules and Regulations will, insofar as it is in its authority, prevent the interruption of visual or electronic signals of NAVAIDS.

Section 335 – Public Protection – 139.335

335.1 Access Control

- A. Access onto apron areas is limited to persons who have an operational need.
- B. An airport identification system has been established (see Grid Map in Appendix 4).

335.2 Aircraft Blast Protection

- A. The protection of persons and property (public) from aircraft jet blast is accomplished by:
 - 1. Restricting access to the aircraft operating areas by fencing;
 - 2. Escorts by air carrier personnel to insure safety for the enplaning and deplaning of passengers.

335.3 Fencing

- A. Fencing and natural boundaries that meet the requirements of applicable TSA security regulations in areas subject to these regulations shall prevent inadvertent entry onto the airport property by persons and vehicles.
- B. Signs restricting access are posted on all gates and at regular intervals around the perimeter.

335.4 Inspection

- A. Airport Operations personnel shall perform inspections of the Airport perimeter.

Section 337 - Wildlife Hazard Management – 139.337

337.1 Wildlife Hazard Management Plan

- A. The Airport shall take all actions necessary to alleviate wildlife hazards whenever they are detected or reported.
- B. The Airport has developed, in cooperation with the U.S. Department of Agriculture Animal and Plant Health Inspection Service Wildlife Services a Wildlife Hazard Management Plan submitted to the FAA for approval.
- C. The Wildlife Hazard Management Plan is maintained in the Airport Operation's office, and is part of this manual. The Plan will be reviewed annually (every 12 consecutive months).

Section 339-Airport Condition Reporting – 139.339

339.1 Condition Reporting

A. Airport Personnel shall:

1. Make airport condition assessment inspections during each seven (7) day period and shall record any unsatisfactory conditions on the Airfield Surface Condition Report and or the Weekly Self-Inspection forms; and
2. Disseminate any unsatisfactory condition information to all air carriers using the airport and FSS by way of NOTAM.
3. See Appendix 11 for Weekly Self-Inspection Log and Airfield Surface Condition Report forms.

339.2 NOTAMs

- A. When any reportable condition exists, Airport Operations will disseminate the information by Notice to Airmen (NOTAM) with McMinnville Automated Flight Service Station (AFSS).
- B. The following personnel are authorized to issue NOTAMs for the Newport Municipal Airport:
1. Airport Director;
 2. Airport Operations Manager;
 3. Airport Maintenance Personnel.
- C. A current listing of personnel authorized to issue NOTAMs is provided to McMinnville FSS.
- D. See Appendix 8 for NOTAM Record Form.

339.3 Reportable Conditions

- A. The following conditions that may affect air carrier operations shall be reported:
1. Construction or maintenance activity on movement areas, safety areas or loading ramps and parking areas;
 2. Surface irregularities on movement areas, safety areas, or loading ramps and parking areas;
 3. Water on the movement area or loading ramps and parking areas;
 4. Objects on the movement area or safety area contrary to Section 309 of this manual;

Section 339-Airport Condition Reporting (Continued)

5. Malfunction of any lighting system required by Section 311 of this manual;
6. Unresolved wildlife hazards;
7. Non-availability of any rescue and firefighting capability required in Section 317 and Section 319 of this manual;
8. Any other condition as specified in this Manual or that may otherwise adversely affect the safe operations of air carriers.

339.4 Records

- A. The Airport shall keep records of each NOTAM or other dissemination of airport condition information to air carriers for at least 12 consecutive calendar months.

Section 341 – Identifying, Marking, Lighting Construction and Unserviceable Areas

341.1 Marking and Lighting

- A. The Airport shall clearly mark, and during night hours light, the following conditions:
 - 1. Construction Areas – Each construction area and unserviceable area that is on or adjacent to any movement area or any other area of the airport on which air carrier aircraft may be operated;
 - 2. Construction Equipment – Each item of construction equipment and each construction roadway, which may affect the safe movement of aircraft on the airport; and,
 - 3. NAVAID Areas – Any area adjacent to a NAVAID that, if traversed, could cause derogation of the signal or the failure of the NAVAID.
- B. The primary contractor shall be responsible for marking areas and equipment under the direction of the Airport Director or his/her designee.
- C. Airport Operations personnel shall inspect all construction activities to prevent equipment and personnel from interfering with aircraft operations or NAVAIDs.

341.2 Procedures to Avoid Damage to Utilities

- A. The Airport Director or his/her designee shall review all appropriate utility plans prior to construction in coordination with the contractor and engineer to avoid damage to existing utilities, cables, wires, conduits, pipelines, or other underground facilities.

341.3 Advisory Circulars

- A. Safety plans and construction marking and lighting will be accomplished in accordance with the most current version of AC 150/5370-2, *Operational Safety on Airports during Construction*.

Section 343 – Noncomplying Conditions – 139.343

343.1 Noncomplying Conditions

- A. Unless otherwise authorized by the Administrator, whenever the requirements of this Manual or Part 139 Subpart D cannot be met to the extent that uncorrected unsafe conditions exist on the Airport, the Airport shall limit air carrier operations to those portions of the airport not rendered unsafe by those conditions.

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Original Date: _____

FAA Approval: _____

Revision Date: _____

Section 343 page 1 of 1

ATTACHMENT
QUESTION 46.

CITY EMPLOYEES

Employee Name	Job Position	Annual Wages:
Lance Vanderbeck	Airport Operations & Administration Manager	55,908.00
John Matherly	Airport Line Worker (Temporary)	34,128.00

ATTACHMENT
QUESTION 47.

BREAKDOWN OF BARRETT BUSINESS SERVICES INVOICE FOR THE MONTH OF NOVEMBER

Barrett Business Service - Week ending 11/01/15	1,044.05			
Sean C Bliss		35.50	13.30	472.15
David Szymanski		40.00	13.30	532.00
David Szymanski (OT)		2.00	19.95	39.90
Barrett Business Service - Week ending 11/08/15	1,073.98			
Sean C Bliss		40.00	13.30	532.00
David Szymanski		40.00	13.30	532.00
David Szymanski (OT)		0.50	19.95	9.98
Barrett Business Service - Week ending 11/15/15	1,010.80			
Sean C Bliss		40.00	13.30	532.00
David Szymanski		36.00	13.30	478.80
Barrett Business Service - Week ending 11/22/15	1,050.70			
Sean C Bliss		37.50	13.30	498.75
David Szymanski		40.00	13.30	532.00
David Szymanski (OT)		1.00	19.95	19.95

ATTACHMENT
QUESTION 48.



WESTERN PETROLEUM COMPANY

FUEL SUPPLY AGREEMENT

THIS AGREEMENT, dated July 1, 2006 is between the **City of Newport** ("City"), an Oregon municipal corporation and **WESTERN PETROLEUM COMPANY** ("Western"), a Minnesota corporation.

RECITALS

- A. Western markets and distributes aviation fuels at the wholesale level, and City operates an aviation facility which sells aviation fuels at the retail level.
- B. The parties have agreed that Western will sell aviation fuels to City and City will purchase aviation fuels from Western for five (5) years in accordance with the terms and conditions of this agreement.
- C. Western is willing to provide business development funds to City in return for City's commitment to purchase aviation fuels from Western for five (5) years.

TERMS OF AGREEMENT

1. Pricing. For fuels purchased under this agreement, City shall pay Western's rack prices (Western's cost) on the date of lifting plus \$0.13 per U.S. gallon plus all freight charges plus the cost of additives. If any tax and governmental fee must be collected by Western, City shall pay Western the applicable tax and governmental fee. Full truck and trailer freight will be calculated on 8,500 delivered gallons and above. Delivered gallons of 8,499 and below will be charged at higher freight rates and in accordance with the actual volume delivered. Western shall have the right at any time without prior notice to City to change the price the City pays Western for fuel based on a corresponding change in the rack price which Western pays for such fuel. Western shall provide City with a weekly price report, showing the total price, plus the price for each component of the total price (rack price, each tax and fee, freight charges, the cost of additives, and the \$0.13 margin).
2. Duration and Renewal.
 - (a) Subject to earlier termination as provided in Section 18 or later termination as provided in Subsection (b) of this section, this agreement shall be in effect for five years, starting July 1, 2006. Either party may initiate a renewal for one year at any time the agreement is scheduled to expire by providing a written request to renew at least 90 days before the scheduled expiration date. The renewal shall be effective unless the other party provides a written denial within 30 days of receipt of the request to renew.

- (b) If at the end of the five year term of this Agreement City has not purchased at least 450,000 gallons of combined aviation fuel from Western, this agreement shall automatically renew for subsequent annual periods until City has purchased at least 450,000 gallons of combined aviation fuel from Western.
3. Quantity. During the term of this agreement, City agrees to purchase and procure all of City's requirements for aviation fuel from Western unless Western is unable to or fails to supply the aviation fuel requested by City.
4. Product and Product Standard. The products to be sold hereunder are Jet A Turbine Fuel and 100LL Aviation Gasoline. Jet A Turbine Fuel produced by a refinery in the United States shall meet ASTM D 1655 latest revision and Jet A Turbine Fuel produced by a refinery in Canada shall meet the requirements of CAN/CGSB-3.23-97. 100LL aviation gasoline produced by a refinery in the United States shall meet ASTM D 910, and 100LL aviation gasoline produced by a refinery in Canada shall meet CAN/CGSB-3.25-94. Western warrants that the fuel sold to City shall meet the standards stated in this section, warrants title to the products delivered hereunder and warrants that it has the right to sell such products and that they are free from liens and adverse claims of every kind. EXCEPT AS SPECIFICALLY SET FORTH IN THIS SECTION, WESTERN MAKES NO WARRANTIES OF ANY KIND TO CITY REGARDING THE PRODUCT SOLD HEREUNDER, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
5. Terms. Payment by City shall be made by means of electronic funds transfer, and the terms shall be net 30 days subject to credit approval by Western. City shall provide such information and shall execute such authorizations as Western may from time to time request to allow Western to withdraw payments due hereunder directly from City's designated bank account.
6. Business Development Funds. Upon City's execution and delivery of this agreement and any other agreements incorporated herein by reference, Western agrees to advance to City Eleven Thousand Five Hundred and no/100 Dollars (\$11,500.00) (the "**Business Development Funds**"), conditioned and apportioned as follows:
- a. Up to a maximum of Ten Thousand Seven Hundred Fifty and No/100 Dollars (\$10,750.00) towards the purchase of either one (1) Fuelmaster or Applied Technologies (Q.T.) Self-Serve unit;
 - b. Up to a maximum of Seven Hundred Seventy Five and No/100 Dollars (\$775.00) towards any incidental installation costs for the above mentioned unit;
 - c. The Business Development Funds shall be retained by City free and clear of any claims by Western for repayment, recoupment or setoff so long as City is not in default of this agreement, any agreements incorporated herein by reference, or any other agreements between Western and City; provided, in the event that any such

default is not cured within any grace period provided in this agreement or any other such agreement, City shall repay to Western, together with any other amounts due Western hereunder, an amount equal to \$191.66 times the number of months remaining on the initial term of this agreement.

- e. If at any time during the term of this agreement, City purchases 450,000 gallons or more of combined aviation fuel (Jet fuel plus Avgas 100LL) City shall be relieved of any obligation or liability to repay to Western the Business Development Funds.
7. Force Majeure. Western's failure to supply aviation fuel to City, and City's failure to purchase one hundred percent (100%) of its aviation fuel requirements from Western, shall not be deemed a breach of this agreement if the same shall arise because of any cause beyond the control of Western or City, as the case may be, including natural disasters, acts of federal, state or local government, compliance with requests, regulations or orders of any governmental authority, fire, storm, flood, earthquake, explosion, accidents, acts of the public enemy, terrorism, war, riot, strike, lockout, or unavailability of or delays in delivery of any product which is the subject of this agreement. If any such *force majeure* interruption occurs with respect to Western's supply, Western may substitute another fuel of the same brand, a different brand, or no brand so long as such aviation fuel meets the standards set forth in Section 4 above, and/or the quantities of aviation fuel required to be supplied under this agreement shall be ratably reduced for the period during which such *force majeure* interruption may exist.
8. Liability and Insurance. Liability of Western relating to the aviation fuel sold under this agreement shall cease and title and risk of loss shall pass to City when the product passes the flange between Western's delivery line and City's connection or vehicle. Notwithstanding the foregoing, nothing contained herein shall impair the parties' coverage under any applicable policy of insurance.
9. Inspection and Measurement.
- (a) City's inspection and measurement shall be based on meters or on certified tank truck capacities according to terminal practice. All quantities shall be adjusted to 60 degrees F temperature in accordance with latest revised applicable parts of ASTM Designation D: 1250, IP Designation: 200 Petroleum Tables. The term "barrel" shall mean 42 U.S. gallons. The term "gallon" shall mean a U.S. gallon of 231 cubic inches. The term "tank truck" shall mean a transport truck with a tank storage capacity of not less than 3,000 gallons.
- (b) City shall have the right to inspect Western's records relating to rack prices (costs). Western shall make available to City copies of records sufficient to establish Western's actual costs on written demand by City. Western shall not be obligated to provide records more than once per calendar quarter unless an inspection reveals an overcharge, in which case City may require monthly inspection of records.

10. Deliveries. Deliveries shall be made at the times within the usual business hours of Western required by City, provided that reasonable advance notice is given by City. Western shall prepare and furnish the receiving party with copies of bills of lading and other shipping papers. Western shall not be required to make deliveries into vehicles supplied by City unless they are clean and empty immediately prior to delivery and shall not be required to load or deliver quantities less than the full capacity of the vehicle, except as otherwise authorized by Western from time to time. If deliveries are to be made into City's storage facilities, City shall provide storage facilities sufficient to enable it to receive such deliveries and shall provide Western with unimpeded and adequate ingress and egress twenty-four hours per day. City shall reimburse Western on demand for any demurrage or other charges incurred by Western by reason of City's failure to unload any delivery vehicle or release the same within the time allowed therefor without demurrage or other charge even though such failure may have arisen from causes beyond the control of City. All deliveries of aviation fuels shall be in full bulk transport quantities.
11. Taxes. When permitted, City shall assume and be responsible for any and all federal, state and municipal taxes, excises, charges and fees now or hereafter imposed by any governmental agency or authority applicable to the products purchased by City. If Western is required to collect or pay such amounts, City shall pay Western an amount equal to such governmental taxes, excises, charges, and fees for which Western is liable. If City is entitled to purchase products free of any tax, fee, or charge, City shall furnish Western with sufficient information or documentation to establish the exemption.
12. Conduct of City's Business.
 - (a) City represents and warrants that all information set forth in City's written application to become a Western City and all other written information including financial statements submitted by City was at the time of submission true, accurate and complete, and did not omit any material fact necessary to make the information submitted, in light of the circumstances under which it was submitted, not misleading.
 - (b) In the performance of this agreement, City is engaged as an independent contractor. City shall conduct all operations hereunder in strict compliance with all applicable laws, ordinances and regulations of all governmental authorities, including but not limited to all rules and regulations of the Department of Transportation and all applicable franchise laws and regulations. City shall diligently promote the sale of the petroleum products purchased under this agreement.
13. Oil Spills.
 - (a) If a petroleum product spill occurs anywhere in connection with City's performance of this agreement, City shall promptly notify Western and the appropriate governmental authorities and shall take immediate action to clean up the spill and prevent further damage. Upon receipt of such notification, Western shall have the

right to provide to City such additional manpower, equipment and material as in Western's reasonable discretion are deemed reasonable to complete the clean-up in a satisfactory manner. City shall pay and be responsible for all costs, expenses, charges and judgments incurred or imposed in connection with the clean-up operations, including reimbursement to Western for all of its costs, expenses, fines and judgments.

- (b) If a petroleum product spill occurs anywhere in connection with Western's performance of this agreement, Western shall promptly notify City and the appropriate governmental authorities and shall take immediate action to clean up the spill and prevent further damage. Western shall pay and be responsible for all costs, expenses, charges and judgments incurred or imposed in connection with the clean-up operations, including reimbursement to City for all of its costs, expenses, fines and judgments.

14A. Insurance (City).

- (a) Without in any way limiting City's indemnity obligations under section 12 of this agreement or the branding agreement, City shall maintain at City's own expense during the term of this agreement the insurance specified below:
 - (i) Workers' Compensation and Employment Liability Insurance as prescribed by applicable law; and
 - (ii) Comprehensive Airport Insurance or Commercial General Liability (bodily injury and property damage) Insurance of not less than \$1,000,000 combined single limit per occurrence, but in the aggregate with respect to Product-Completed Operations and any one offense/aggregate with respect to Personal Injury, including, explosion hazard, personal injury, premises-operations, products and completed operations, blanket contractual and independent contractors liability coverage; and
 - (iii) Business Automobile Liability (bodily injury and property damage) Insurance of not less than \$1,000,000.00 combined single limit per occurrence, on all owned, non-owned and hired vehicles which are used by City; and
 - (iv) Any other insurance or surety bonding that may be required under the laws, ordinances and regulations of any governmental authority.
- (b) The insurance specified in subsection (a) of this section 14A shall (i) require the insurer to provide Western with thirty (30) days' prior written notice of any cancellation or material change in the insurance and shall name Western and its affiliates as additional insureds, and (ii) contain a waiver of subrogation against Western and an assignment of statutory lien, if applicable.

- (c) The insurance required under subsection (a) above shall provide that it is primary coverage without right of contribution to insurance carried by Western, and Western's insurance shall be excess and non-contributory. The insurance required above shall be issued by insurance companies which are reasonably acceptable to Western. The insurance companies shall have no recourse against Western, or any other additional insured, for payment of any premiums or assessments under any policy issued by a mutual insurance company. Customer shall be responsible for all deductibles in all of Customer's insurance policies. Customer shall furnish Western with certificates, or policies at Western's option, for all insurance coverage.
- (d) City's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

14B. Insurance (Western).

- (a) Without in any way limiting Western's indemnity obligations under this agreement, Western shall maintain at Western's own expense during the term of this agreement the insurance specified below:
 - (i) Workers' Compensation and Employment Liability Insurance as prescribed by applicable law; and
 - (ii) Commercial General Liability (bodily injury and property damage) Insurance of not less than \$1,000,000 combined single limit per occurrence, but in the aggregate with respect to Product-Completed Operations and any one offense/aggregate with respect to Personal Injury, including, explosion hazard, personal injury, premises-operations, products and completed operations, blanket contractual and independent contractors liability coverage; and
 - (iii) Business Automobile Liability (bodily injury and property damage) Insurance of not less than \$1,000,000.00 combined single limit per occurrence, on all owned, non-owned and hired vehicles which are used by Western to deliver fuel to City or otherwise used in connection with this contract; and
 - (iv) Any other insurance or surety bonding that may be required under the laws, ordinances and regulations of any governmental authority.
- (b) Western shall provide City with 30 days' prior written notice of any cancellation or material change in the insurance and shall name City as an additional insured.
- (c) The insurance companies shall have no recourse against City, or any other additional insured, for payment of any premiums or assessments under any policy issued by a mutual insurance company. Western shall be responsible for all deductibles in all of Western's insurance policies. Western shall furnish City with certificates for all insurance coverage.

- (d) Western's indemnity and other obligations shall not be limited by the foregoing insurance requirements.
15. Quality Control. City shall maintain the quality of Western's aviation products and shall comply with any quality control procedures prescribed by Western and its supplier from time to time. In no event shall City permit automotive engine fuels to be sold as Western aviation fuels or dispensed through equipment bearing Western's or its suppliers' insignia. City shall immediately report to Western any accident or incident involving a fueled aircraft.
16. Confidential Information. City shall hold in confidence all manuals, guides, forms, instructions, software programs and other proprietary materials provided by Western for City's use in promoting and selling Western products, and all technical information, trade secrets and other confidential business information that is disclosed to City by Western (collectively "Confidential Information"). City shall not use Confidential Information for any purpose other than developing business for Western's products and services, and shall not disclose Confidential Information to anyone other than City's employees or agents who have a need to know Confidential Information. City's obligations under this section 16 shall survive termination of this agreement.
17. Default.
- (a) In the event of a default by a party, the other party shall have all rights and remedies provided at law or in equity. No termination of this agreement, even if on account of Western's default, shall excuse City from paying any unpaid amounts owing for aviation fuel previously delivered hereunder or from paying other outstanding amounts due Western under this agreement and the amount of Business Development Funds specified in subsection 6(d). However, in no event shall either party be liable to the other party for consequential damages.
- (b) Each party acknowledges and agrees that the other party would be irreparably damaged in the event that any of the provisions of this agreement are not performed by the other party in accordance with their specific terms. Accordingly, it is agreed that each party shall be entitled to an injunction or any other equitable remedy to prevent or terminate breaches of this agreement by the other party and shall have the right to specifically enforce this agreement and the terms and provisions hereof against the breaching party in addition to any other remedy to which the non-breaching party may be entitled at law or equity.
- (c) In the event a default by Customer involves a failure to purchase 100% of the aviation fuel requirements from Western, which default is thereafter cured, Western may at its option without limiting any other rights or remedies, extend the duration of this agreement for a period of time equal to the period during which Customer purchased aviation fuel from a vendor or supplier other than Western.
- 18A. Termination by Western.

- (a) Western may, in addition to its other remedies, terminate this agreement upon giving City thirty (30) days' prior written notice (or such lesser period as is reasonable in the circumstances) if any one or more of the following occurs:
- (i) City breaches or defaults on any covenant, condition or other provision of this agreement or fails to pay to Western in a timely manner when due all sums to which Western is legally entitled (whether or not such sums are owed under this agreement); or
 - (ii) City knowingly fails to comply with federal, state or local laws and regulations (including regulations of applicable airport authorities) relevant to City's performance of this agreement; or
 - (iii) Willful adulteration, commingling, mislabeling or misbranding of aviation fuels or other violations by City of trademarks utilized by Western occur or unlawful, fraudulent or deceptive acts or practices or criminal misconduct by City relevant to City's performance of this agreement occur; or
 - (iv) City's insolvency or bankruptcy.
- (b) If Western continues to accept orders from City following the expiration of the term of this agreement, such sales shall be upon all of the terms and conditions of this agreement, except that the relationship of the parties may be terminated at will.

18B. Termination by City.

- (a) City may, in addition to its other remedies, terminate this agreement upon giving Western 30 days' prior written notice (or such lesser period as is reasonable in the circumstances) if any one or more of the following occurs:
- (i) Western breaches or defaults on any covenant, condition or other provision of this agreement;
 - (ii) Western knowingly fails to comply with federal, state or local laws and regulations (including regulations of applicable airport authorities) relevant to Western's performance of this agreement;
 - (iii) Willful adulteration, commingling, mislabeling or misbranding of aviation fuels by Western occur or unlawful, fraudulent or deceptive acts or practices or criminal misconduct by Western relevant to Western's performance of this agreement;
 - (iv) Western's insolvency or bankruptcy.

- (c) If Western continues to accept orders from City following the expiration of the term of this agreement, such sales shall be upon all of the terms and conditions hereof except that the relationship of the parties may be terminated at will.
19. Incorporation of Provisions Required by Statute. This agreement incorporates the following provisions required to be in an agreement of this type by state law: ORS 279B.220 and ORS 279B.230. A copy of ORS 279B.220 and ORS 279B.230 is attached as Attachment A. To induce Western to enter into this Agreement, City warrants and represents that its liability hereunder is not limited by state statute or any other law.
20. Miscellaneous.
- (a) Notices. All notices to be given hereunder by either party shall be in writing and sent by first class United States mail and facsimile transmission to the other, delivered and addressed to the parties as follows:
- (i) In the case of City to: City of Newport
 Airport Manager
 169 SW Coast Highway
 Newport, OR 97365
 FX: 541.867.3637 PH: 541.867.7422
- (ii) In the case of Western to: Western Petroleum Company
 Cabriole Center
 9531 West 78th Street
 Eden Prairie, Minnesota 55344
 Fax: 952-941-7470 and 503-620-4013
- or at such other address or facsimile number as either party may designate to the other by written notice in the manner provided above.
- (b) Entire Agreement. This agreement, the attached branding agreement, and the security agreement of the parties constitute the entire agreement between the parties. The parties will execute and deliver a replacement branding agreement in substantially the same form if Western determines to substitute aviation fuel of a different brand so long as such aviation fuel meets the requirements and standards set forth in Section 4 above. No other promises, agreements or warranties additional to this agreement or the branding agreement shall be deemed a part hereof, nor shall any alteration or amendment of this agreement or the branding agreement be effective without the express written agreement of both parties.
- (c) Assignment; Waiver. This agreement may not be assigned by either party, either voluntarily, involuntarily, or by operation of law, without the prior written consent of the other party, which consent may not be unreasonably withheld. The waiver by either party of the breach of any provision hereof shall not constitute a waiver

of any subsequent or continuing breach of such provision or provisions

(d) Governing Law, Disputes.

- (i) This agreement shall be construed in accordance with the laws of the State of Oregon without regard to conflict of laws provisions.
- (ii) In the event of any lawsuit or arbitration proceeding between Western and City arising out of or relating to the transactions or relationship contemplated by this agreement, the substantially prevailing party shall be entitled to recover its reasonable costs including its reasonable attorneys' fees.
- (iv) Western consents to the jurisdiction of the Circuit Court of the State of Oregon for Lincoln County and the U.S. District Court for the District of Oregon and waives any objections based on *forum non conveniens* with regard to any actions, claims, disputes or proceedings relating to this agreement, any related document, or any transactions arising therefrom, or enforcement and/or interpretation of any of the foregoing.
- (v) City and Western hereby jointly and severally waive any and all right to trial by jury in any action or proceeding relating to this agreement and all documents relating to this agreement, or any transaction arising herefrom or connected hereto. City and Western each represents to the other that this waiver is knowingly, willingly and voluntarily given.

21. Indemnification. Each party shall indemnify, defend and hold the other party and its directors, officers, employees and agents harmless from and against any and all expenses (including attorneys' fees) liabilities and claims of whatsoever kind and nature, including but not limited to those for damage to property (including property of the parties) or for injury to or death of any person (including a party), directly or indirectly arising or alleged to arise out of or in any way connected with the willful misconduct, negligence, violation of law, or breach of this agreement by the indemnifying party. The foregoing indemnity (a) shall not apply where such expense, liability or claims result from the other party's sole negligence or willful misconduct, and (b) is subject to any limitations, exclusions, conditions, and restrictions on indemnification contained in section 3 of the branding agreement.

IN WITNESS WHEREOF, the parties have executed this agreement which is made effective as of the date first above written.

WESTERN PETROLEUM COMPANY

**CITY OF NEWPORT
dba Newport Municipal Airport**

By: _____

D. G. Jewett
Vice President
NW Region

By: *Heidi L. F.*

Its: *Mayor*



**WESTERN PETROLEUM COMPANY
ATTACHMENT A**

STATUTORY PROVISIONS

279B.220 Conditions concerning payment, contributions, liens, withholding.
Every public contract shall contain a condition that the contractor shall:

(1) Make payment promptly, as due, to all persons supplying to the contractor labor or material for the performance of the work provided for in the contract.

(2) Pay all contributions or amounts due the Industrial Accident Fund from the contractor or subcontractor incurred in the performance of the contract.

(3) Not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished.

(4) Pay to the Department of Revenue all sums withheld from employees under ORS 316.167.

279B.230 Condition concerning payment for medical care and providing workers' compensation.

(1) Every public contract shall contain a condition that the contractor shall promptly, as due, make payment to any person, copartnership, association or corporation furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to the employees of the contractor, of all sums that the contractor agrees to pay for the services and all moneys and sums that the contractor collected or deducted from the wages of employees under any law, contract or agreement for the purpose of providing or paying for the services.

(2) Every public contract shall contain a clause or condition that all subject employers working under the contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126.