Cost-Benefit Analysis of Potential Development Options
for Hobby Field, City of Creswell, OR

Sara Miller Chonaiew, Nathan Davis, Sultana Fouzia

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Executive Summary

In the fall of 2015, the City of Creswell asked the Oregon State University Policy Analysis Laboratory (OPAL) to assist with exploring potential avenues of development for Hobby Field. This report builds on research work conducted in the summer of 2015 by OSU graduate students on Hobby Field to determine the costs and benefits of four different airport options: closing the airport, selling the airport, making the airport an emergency airfield, and maintaining city control of the airport in light of potential development opportunities. After reviewing each option, this report reviews each option considered and makes several recommendations regarding what the City should do with the airport.

Closing the Airfield
The potential economic and political benefits of closing the airport are likely non-existent and heavily outweighed by political, economic, and legal costs. Costs associated with buying out leases, paying back previously received grant funding, cleaning up the airport grounds, and the cost of lost opportunities make closing the airport infeasible.

Selling the Airport
While much more feasible than closing the airport, selling the airport has similar obstacles to feasibility. The biggest obstacle seems to be finding an interested buyer for the airfield. Investment in the airfield to make the airport more attractive to outside buyers is likely necessary. In addition, Creswell will need to find a buyer who is able to uphold the mission of the airport, or else it will likely face additional fees from the FAA. Finding a partner who would be willing to co-manage the airport may be more feasible.

Making the Airport and Emergency Airfield
Explorations into the possibility of making the airport an emergency airfield for FEMA or the Oregon Office of Emergency Management found that given how those organizations choose airfields, the City should seek to be part of greater efforts rather than change the airfield to be more attractive to those agencies.

Maintaining City Control of the Airport
This report found that the airport is currently operating as revenue neutral or positive, contrasting recent years where the City had been losing money from the airport due to increased legal costs. However, maintaining the current state of play will likely result in a net loss to the city as costs will likely increase in the future as the need for new facilities arise. In addition, maintaining the current state of play inhibits any form of potential growth at the airport. Thus, this report recommends that the City look into making
upgrades on much of the infrastructure at the airport, prioritizing water and sewer expansion, hangar development, and runway development. To fund these projects, it is recommended that the City apply for grants from the Oregon Department of Aviation, U.S Department of Housing and Urban Development, Oregon Infrastructure Finance Authority, the FAA, and the Oregon Department of Transportation. In addition, this report lists other possibilities for airport development that would not be as capital intensive.

*Recommendations in Brief*

Based on the results of this research, it is recommended that the City retain control of Hobby Field. In addition, the City should create development plans that include larger infrastructural changes in the long term, and smaller, less capital intensive changes in the short term. Future planning should be used to pursue funding from state and federal sources. The specific funding that the City pursues should be guided by the goals that the City has for the airfield. Future research should go into determining what the specific vision the City has for Hobby Field, what projects are necessary to accomplish that vision, and what funding sources can be utilized to pay for those projects.
Introduction

In this report, the Oregon State University Policy Analysis Laboratory (OPAL) sought to explore the economic, political, and social viability of potential options for Hobby Field that the City of Creswell has been considering. This report includes discussions of the costs and benefits of closing the airport, selling the airport, turning the airport into an emergency airfield, maintaining the current status of the airport, and making changes to the airport under City management. In addition, funding opportunities for potential infrastructural changes are listed. Finally, this report makes some recommendations given its findings on each potential option.

Closing the Airport

While not a highly supported option by Creswell City officials, recognizing the difficulties of closing an airfield is necessary in order to get a complete understanding of the possibilities for Hobby Field. The primary benefits of closing the airport seem to be taking both the financial and political burdens of owning and managing the airport off of the responsibility of the city. The airport had been operating at a net loss for several years, requiring the city to transfer money to the airport from the City’s General Fund. Much of this additional cost had occurred as a result of increases in legal fees due to multiple lawsuits that had been filed against the City over the previous decade. Given the financial and political costs to the City as a result of these lawsuits, the possibility of closing the airport has been considered.

However, the benefits of closing the airport are outweighed by the costs. In simple economic terms, closing the airport would result in a net financial loss for the City. The City currently receives annual grant funding to run and maintain the airport. Not only would airport closure result in a loss of this funding, but the city would also likely have to pay back much of the money that it had previously received. In addition, closing the airport could potentially result in a fine from the FAA since the airport is a public use airport. Other costs associated with closing the airport could include the costs of buying back properties from tenants on the airport, potential legal fees from potential lawsuits with businesses/tenants on the airport and cleanup fees associated with removing buildings and possible contaminants from the airfield. In addition, closure of the airport would result in the loss of a number of jobs to the City.

The airport currently is operating at a net profit to the city, and trends suggest that this will continue. Closing the airport will ensure that no revenues are collected from the airport, and will prevent any future profitable developments at the airport from bringing revenue to the City. Beyond simple economics, closing the airport would result in a loss in
community value. The airport can be potentially be utilized for emergency management, community events, medical flights, and other community benefitting activities. The cost of lost opportunities for the City would be very high if the City chose to close the airport.

Given the high economic, social, and, likely, political costs of closing the airport, this report cannot recommend airport closure. Maintaining the current state of the airport, making improvements to the airport, and changing airport ownership would all be preferable options.

**Changing Airport Ownership**

Given the high economic and social costs of closing the airport, it is not the best option for the City to pursue. However, there are still reasons why ending or reducing City ownership of the airport might be preferable. Outside of closing the airport, selling the airport would also take the responsibility of the airport out of the hands of the City. Given the economic and political burden of owning and managing the airport, ending full municipal ownership of the airport may be preferable.

The ownership structure of the airport could change in a number of ways. Control of the airport could be shifted from the City to other levels of government, including county, state, or federal government. The City could attempt to jointly manage the airport with either a public or private entity if the City wanted to retain some control over airport affairs. Alternatively, the airport could be sold to a private buyer. If the City chooses to sell privately, the City should seek to perform an updated value assessment on the airport. In any of these cases, the City will need to identify a potential partner or buyer of the airport. Currently, the City is unaware of any potentially interested partners or buyers, and will need to make the airport enticing in order to change the ownership structure of the airport. Changes in airport infrastructure, including hangars, buildings, and runways will likely be necessary in order to procure interest. Adding water and sewer services is likely the most necessary change in order to attract buyers and partners, as lack of these services remains a substantial barrier to development at the airport.

While these changes will make the airport more attractive, they will also be very cost intensive. The costs associated with some changes would likely outweigh the gains in airport value. Further in depth cost-benefit analysis would be necessary to assess the costs and gains associated with each improvement option. Additionally, like closing the airport, selling the airport or otherwise losing some control over the airport comes with other potential economic, social, and political costs. The ability to collect revenue from the airport and the ability to make decisions on development at the airport could both be limited if ownership of the airport changed. Public access to the airport could be limited
depending on ownership changes. Given the expectations of the FAA to maintain a publicly accessible airport in the City, changes such as these could result in losses in funding or fines to the City. Due to these reasons, this report cannot recommend changes in airport ownership.

**Making Hobby Field an Emergency Airfield**

When this report was commissioned, the City expressed particular interest in developing Hobby Field into an emergency airfield. In this case, Hobby Field would be used by FEMA or other state agencies to respond to local, statewide, or national emergencies. Airfields can be used either to bring in resources to a locality or used to deliver resources elsewhere after an emergency. Further research has found that while this is potentially possible for Hobby Field to be used in this manner, a number of obstacles prevent this possibility from becoming reality. First, infrastructural changes would be likely be necessary. Potential changes include expanding utilities at the airfield, building new hangars, new buildings, tarmac changes, and runway development, depending on the needs and goals of the agency. This would have to be funded somehow, and while agencies like FEMA and the Oregon Military Department will fund changes to airports, their grant funding primarily goes to projects that fit into greater emergency management plans. So, rather than seeking funding to develop the airport so that it could be considered to be used as an emergency airfield, the City should look to be a part of a greater plan, and then allow the agency to fund development of the airfield.

**Maintaining the Status Quo**

The simplest option for the City to make would entail keeping the airport in its current state under City management. The costs associated with owning and managing the airport are likely lower than the Council might expect. The City did lose money from owning the airport in the 2011-12, 2012-13, and 2013-14 fiscal years. However, a closer look at the airport budget in those years will show that a large portion of the costs from those years were due to some temporary legal costs. Had the airport not incurred those costs from 2012 to 2014, the airport would have been close to revenue neutral in fiscal year 2013-2014, and would have had a net profit in fiscal year 2011-2012. In fiscal year 2014-2015, after the additional legal costs had subsided, the airport operated at a net profit.

What this goes to show is that the airport can, in its current state, operate as a profitable entity for the City. In addition, the airport still remains a positive draw for
businesses and residents alike, as both have the potential to utilize the publically accessible airport. The airport operates as a resource to those who own planes and hangars at the airfield and those who wish to learn to fly, skydive, or ride in or watch planes. The airfield creates jobs and opportunities within the City, and introduces outsiders to the City who are flying in from different airports, or simply looking to find an easily accessible airfield. However, continuing “business-as-usual” at Hobby Field does not come without costs. Maintenance costs are a constant, not including the costs of ensuring that Hobby Field is capable of servicing current and future general aviation needs. Many of the hangars and buildings on the airfield date back to the original construction of the airfield in the 1970s. The kinds of activities that can be done at the airfield are limited by the infrastructure on the airfield, including the lack of water and sewer connections at the airfield. By choosing to maintain the status quo, the City would be losing money in terms of revenue lost to lost opportunities. Because of this, this report does not recommend a simple maintenance of the status quo for Hobby Field.

**Options for Improving Hobby Field and Attracting Business**

Improving municipal airports involves both financial investment and significant community investment. Community support and economic value go hand-in-hand for small communities. Accordingly, the following project options are designed to garner interest from the community by increasing activities and opportunities available at Hobby Field.

While most of the projects listed here will require a significant financial investment from the city to initiate, all are dependent upon infrastructural changes to the current airport – specifically the water and sewer extensions. The facility upgrades at the airport are listed below with some possible sources to assist the city in funding such improvements.

The remaining report highlights potential projects that are organized into three broad categories: Open Space Options, Community Events, and Entrepreneurial Options. Many of these options require logistical planning including parking, sanitation, and security. Designed to build interest and excitement around the airport facilities, these ideas may lead to additional infrastructural changes as the city builds new business relationships.
Facility Upgrades

Water and Sewer Upgrades

Current estimates for the water and sewer require a significant investment with the two current options estimated around $870,000 and $950,000. Federal and state grants may help buffer the city from enduring the entire cost. Possible options include the Financial Aid to Municipalities (FAM) grant, Community Development Block Program, and the Special Public Works fund.

The FAA’s Airport Cooperative Research Program established a guidebook to help organizations plan and develop restroom facilities. This useful resource called, ACRP Report 130: Guidebook for Airport Terminal Restroom Planning and Design, provides information on long range topics including cost, space, maintenance, and daily activity estimates.

Hangar and Runway Improvements

Grants may also be available to assist with the costs of hangar and runway improvements. The Airport Improvement Program (AIP) can help cover up to 95% of related costs. Connect Oregon may be another source of funding. This program requires 30% matching funds from the city. Additional grants are described in the attached table.

Redwood Falls Municipal Airport, Redwood Falls, Minnesota
Redwood Falls is a city of similar size to Creswell, Oregon with a population around 5,250. Upgrades to the airport’s runway was estimated at $530,000.

Marketing and Business Development

The AIP grant may also be used for marketing and business development costs under special circumstances. Community Development Block Grants and Special Public Works Fund are two additional sources of funding. The block grants are intended to support activities that benefit low and medium income people. The Special Public Works Fund is a low interest loan option.
Open Space Options

Solar Energy Field

Some airports have developed economic relationships with vendors to install energy generating solar panels in otherwise vacant areas of the property. Vendors would bear the cost of installation and maintenance. The city may receive rent, commission, or a combination depending upon the arrangement. The Centre for Aviation reports nearly 100 airport installations of solar panels. While some are using the panels to generate power for the airport itself, others are using the installation to generate revenue. The Pocatello, Idaho regional airport is one example.

Pocatello Regional, Pocatello, Idaho
In December 2014 Pocatello City Council approved a $75 million lease agreement with Pocatello Solar 1 LLC for the installation of 120 acres of solar panels on the northern edge of the airport. The power generated is sold to Idaho Power and the city of Pocatello will receive $1500 annually for the first two years while the solar panels are being built. For the next 20 years, the city of Pocatello will be paid 3.4% of the operation’s gross revenues. The lease agreement provides Pocatello Solar 1 LLC with an additional option for a 15-year contract renewal.1

Agriculture and Gardening

There are multiple options for engaging the public in cultivating the open spaces for food or other agricultural products. Some ideas include inviting community organizations or churches to maintain garden areas. There may also be interest from 4-H groups or other extension services. Leasing out space to private individuals or organization could also provide nominal revenue through a land contract. Project Grow in Ann Arbor, Michigan supports the community garden at the Ann Arbor Municipal Airport2. There are 36 plots on less than 1 acre of land.

Camping

Primitive camping spaces could be provided for large events in surrounding areas. The city could decide when to open the area, either as an on-going opportunity or

occasional basis. Several municipal airports have established amenities for “camping with your airplane”. The Arcadia Municipal Airport in DeSoto County, Florida is one example as well as Moab, Utah.

Arcadia Municipal Airport, DeSoto County, Florida

“Friends of Arcadia Airport decided to keep the name alive by naming our new Fly-In/Camp-Out Center “Aviation City” in honor of Arcadia’s aviation history. This unique site is the first such site in the state of Florida and perhaps anywhere in the nation where a pilot can taxi his aircraft right into the campsite and park the plane under beautiful live oaks and pitch a tent. Aviation City features a 20 x 30 ft Pilot Shelter with picnic tables and a beautiful circular fire pit. Running water and portable restrooms are also on site.”

Moab, Utah

“Even when no formal campground or facilities exist, many public-use airports have areas set aside for pilots to “dry camp” with their airplanes, such as Moab’s Canyonlands Field, in Utah’s fabulous Color Country, during their recent Air Affair 2000.”

Community Events

Fundraising and Charity Event Space

Designed to either raise funds for the airport itself or other community priorities, some municipal airports have held auctions and events like a “Hangar Ball”. Creative dances and celebrations can inspire additional ideas for elevating the value of the airport. In a 2014 article, highlighting the use of airport hangars, patrons of such events noted small communities often don’t have a large community event center. Successful events have been held at the Naples Municipal Airport. "I think people enjoy aviation and the facility provides a unique place to hold an event," Naples Jet Center Vice President Bruce Byerly said of interest in the hangars for everything from black-tie soirees to informal breakfasts. "And we like to be a good neighbor and be there for a good cause whenever we can.”

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School Field Trips, Tours, Open Houses

This category is primarily useful in attracting community attention. These events capture aviation interest and help maintain attention to local municipal airports. Admittance fees may be charged to cover any insurance concerns or recover expenses for paid employees. Volunteer organizations may also be mobilized.

Entrepreneurial Options

Drone Use and Training

In addition to pilot training, municipal airports can provide a space for drone operation and training. Santa Monica Municipal Airport in Santa Monica, California hosts the Santa Monica Flyers company specializing in both pilots’ and drone operators’ licenses. According to the FAA, the demand for drone operators is expected to increase in the coming years. “The FAA estimates small, hobbyist UAS purchases may grow from 1.9 million in 2016 to as many as 4.3 million by 2020. Sales of UAS for commercial purposes are expected to grow from 600,000 in 2016 to 2.7 million by 2020. Combined total hobbyist and commercial UAS sales are expected to rise from 2.5 million in 2016 to 7 million in 2020.”

Exploratory Technology

Municipal airports may attract model rocket and robot clubs interested in leasing space for competitions or exhibitions. Even more lucrative for the airport would be attention from companies exploring related technology, such as the Space Exploration Technologies Corporation (commonly known as SpaceX). The headquarters for SpaceX are currently located at the Hawthorne Municipal Airport, Hawthorne, California. While the population of the area is much greater than Creswell, the airport itself is smaller, covering 80 acres and including one runway.

Summary

While not all of these projects directly improve the fiscal bottom line, these projects can help address the other triple bottom line measures including social and environmental

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improvements. Engaging the community and building excitement around the airport’s value to the surrounding area can have a multiplier effect bringing new business interests to the city of Creswell. Improved property values could also result from maintaining and expanding opportunities at Hobby Field.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Generates revenue?</th>
<th>Generates good will/community investment?</th>
<th>Additional considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPEN SPACE OPTIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solar Energy Field</td>
<td>Yes</td>
<td>Unknown</td>
<td>May be supported by alternative energy supporters; precludes some of the other projects due to space requirements</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Yes</td>
<td>Yes</td>
<td>Insurance liability</td>
</tr>
<tr>
<td>Camping</td>
<td>Yes</td>
<td>Yes</td>
<td>Insurance liability, refuse management</td>
</tr>
<tr>
<td><strong>COMMUNITY EVENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising and Charity Event Space</td>
<td>Yes</td>
<td>Yes</td>
<td>Insurance liability, parking logistics, refuse management</td>
</tr>
<tr>
<td>School Field Trips, Tours, Open Houses</td>
<td>No</td>
<td>Yes</td>
<td>Insurance liability, employee wages or volunteer commitment</td>
</tr>
<tr>
<td><strong>ENTREPRENEURIAL OPTIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drone Use and Training</td>
<td>Yes</td>
<td>Unknown</td>
<td>Costs for logistics may be incorporated into lease agreements</td>
</tr>
<tr>
<td>Exploratory Technology</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

**Conclusion**

This report recommends that the City of Creswell retain ownership over Hobby Field. The airport is no longer financial burden on the City; in fact, the airport is operating at a net profit or, at least, revenue neutral. Continuing market expansion in the general aviation field suggests that this trend will continue. Thus, pursuing options to close or sell the airport would likely be cost inefficient. Because of this, this report recommends that the City continue management of Hobby Field and seek to develop it to attract business, expand economic opportunities, and increase community value. The next step for the City should be to develop a vision for what the airport should be, determine what projects are
necessary to accomplish that vision, identify grants that could fund those projects (many are detailed above), and make the City’s vision a reality.
Appendix A: Grant opportunities for high investment projects

Grant opportunities depend on two major factors- eligibility of the applicant and eligibility of the proposed project. Projects that have potential to create job and revenue, improve the lives of locals and positively contribute in social or environmental progress usually get priority. Being said so, every grant program has specific criteria that an applicant has to comply with. So, the definition, purpose and beneficiary of any project ultimately decide the eligibility and allocation of grant. Grant sources mentioned below are not exhaustive.

A. Water and Sewer

<table>
<thead>
<tr>
<th>Program</th>
<th>Eligibility</th>
<th>Amount</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Aid to Municipalities (FAM) Grant Program</td>
<td>- FAA AIP Grant Match assistance up to 50% of the FAA match requirement.</td>
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<tr>
<td></td>
<td>- Services critical or essential to aviation, such as fuel, sewer, water, weather equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Varies between $25,000 to $150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- The matching amount depends on airport's category but varies between 5% to 50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- for public-use airport included in the current Oregon Aviation Plan (OAP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Development Block Grant Program</td>
<td>- Non-metropolitan cities and counties in rural Oregon</td>
<td>Water and Wastewater Improvements: $3,000,000 except preliminary/engineering planning grants maximum $175,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Projects for low to middle income group with urgency to promote health or welfare</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Public Works Fund</td>
<td>- Airport facilities, buildings and associated equipment, the purchase of land, rights of way and easements necessary for a public facility, wastewater systems, water systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loan: $100,000 to $10 million at an attractive rate for max 25 yrs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grant: $500,000 or 85 percent of the project cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grant are based on up to $5,000 per eligible job created or retained</td>
<td></td>
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</tr>
</tbody>
</table>
### B. Runway Improvement

<table>
<thead>
<tr>
<th>Program</th>
<th>Eligibility</th>
<th>Amount</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport Improvement Program</td>
<td>- airfield capital improvements or repairs</td>
<td>-GA airports receive up to $150,000 annually for eligible projects and covers a range of 90-95 % of eligible costs</td>
<td></td>
</tr>
<tr>
<td>Connect Oregon</td>
<td>-transportation project owned by Public, private and nonprofit entities -Provides economic benefit, promotes business and create job</td>
<td>-70% of the project cost -30% matching amount required</td>
<td></td>
</tr>
<tr>
<td>Pavement Maintenance Program (PMP)</td>
<td>pavement preventative maintenance projects, including crack sealing, patching and fog seals</td>
<td>- 10% matching amount for general aviation community airport</td>
<td>Keep the airport open for at least 10 years</td>
</tr>
<tr>
<td>Pavement Evaluation Program (PEP)</td>
<td>- once in every three year evaluation</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>It is a supporting program for PMP</td>
</tr>
</tbody>
</table>

### C. Marketing and Business Development

<table>
<thead>
<tr>
<th>Program</th>
<th>Eligibility</th>
<th>Amount</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport Improvement Program</td>
<td>terminals, hangars, and non-aviation development.</td>
<td>-GA airports receive up to $150,000 annually for eligible projects and covers a range of 90-95 % of eligible costs</td>
<td>These projects are allowed under special consideration.</td>
</tr>
<tr>
<td>Community Development Block Grant Program</td>
<td>benefit low and medium income people</td>
<td>Microenterprise: $100,000 Community/Public Facilities: $2,000,000</td>
<td></td>
</tr>
</tbody>
</table>
Appendix B: Grants available for Municipal airport / Municipality / Airport

A. Federal Grants

A.1. Airport Improvement Program (AIP)

The Airport Improvement Program (AIP) provides grants for the planning and development of public-use airports that are included in the National Plan of Integrated Airport Systems (NPIAS). AIP grants for planning, development, or noise compatibility projects are at or associated with individual public-use airports (including heliports and seaplane bases).

Eligibility:
- Individual public use airport (Publicly owned; Privately owned but designated by FAA as a reliever; Privately owned but having scheduled service and at least 2,500 annual enplanements)
- Airports must be included in NPIAS

Selection Criteria:
Eligible projects include those improvements related to enhancing airport safety, capacity, security, and environmental concerns. In general, sponsors can use AIP funds on most airfield capital improvements or repairs and in some specific situations, for terminals, hangars, and non-aviation development. Any professional services that are necessary for eligible projects — such as planning, surveying, and design — are eligible. Aviation demand at the airport must justify the projects, which must also meet Federal environmental and procurement requirements.

Grant limit:
For large and medium primary hub airports, the grant covers 75 percent of eligible costs. For small primary, reliever, and general aviation airports, the grant covers a range of 90-95 percent of eligible costs, based on statutory requirements. General Aviation airports receive up to $150,000 annually for eligible projects from the non-primary airport entitlement fund, and are eligible for apportionment funds.

A.2. Small Community Air Service Development Program (SCASDP):

The Small Community Air Service Development Program (SCASDP) program is a federal program to address air service and air fare issues in small community. The grant is limited to a maximum of 40 grant awards, with a maximum of four grants per State, in each year the program is funded.
Eligibility:
Airports not larger than small hub airport, airports with insufficient carrier service or unreasonable high air fare, unique geographic diversity or circumstance that demonstrate the need for grant.

Selection Criteria:
Priority is given to communities that face high air fare. Community participation and public private partnership projects are also encouraged.

Grant limit:
No limit is set for individual awards and the amount depends of features and merits of the proposals. In past years, the Department's individual grant sizes have ranged from $20,000 to nearly $1.6 million.

*Note: Current features of Hobby field may not qualify for this grant. However, future strategic changes in operation may alter eligibility.*

**A.3. Military Airport Program (MAP)**
The Military Airport Program (MAP) is a grant set-aside from the Airport Improvement Program (AIP). Through this program, FAA awards grant funds to the civil sponsor of a military airfield for the development of aviation facilities for the public. A total of 15 airports may participate in the program at any one time, including three general aviation airports.

Eligible projects:
Aims to increase civilian aviation capacity by financing projects such as building or rehabilitating parking lots, fuel farms, hangars, utility systems, access roads, cargo buildings, and other airfield projects at former military airports.

*Note: Hobby field may not qualify for this grant.*

**B. State Grants**

**B.1. ConnectOregon**
In 2005, the Oregon Legislature authorized funding for air, marine, rail, and transit infrastructure, known as ConnectOregon. The purpose of this program is to improve commerce, reduce delay, and enhance safety for the state’s multi-modal transportation system. Funding for the program is from lottery-based bonds, sold by the Oregon Department of Administrative Services, deposited into Oregon’s Multimodal Transportation Fund, and administered by the Oregon Department of Transportation Local Government Section.

Eligibility:
Projects owned by Public, private and nonprofit entities that meet the criteria of ‘Transportation Project’. Projects eligible for the Oregon’s Highway Fund are not eligible for ConnectOregon, which gives aviation projects less competition for ConnectOregon funding.

Projects get priority that:
- Reduce transportation costs for Oregon businesses
Improve access to jobs and sources of labor
- Provide economic benefits
- Provide critical transportation linkages

Grant limit:
ConnectOregon projects are eligible for up to 70% of project costs for grants. A minimum 30% cash match is required from the recipient for all grant funded project. Connect Oregon VI (ongoing) has $45 million available for distribution.

B.2. Financial Aid to Municipalities (FAM) Grant Program
The Oregon Department of Aviation's FAM Grant Program is a program for funding planning, development, and capital improvement projects at airports across Oregon. Grants are provided on a discretionary basis, with funding dependent as outlined in the Department’s budget, which is approved by the Oregon Legislature. FAM grants are funded by state taxes on aviation fuel, allowing revenue collected at Oregon airports to be spent on these same facilities.

Eligible Projects:
- FAA AIP Grant Match assistance up to 50% of the FAA match requirement.
- Emergency preparedness/infrastructure projects, in accordance with the Oregon Resilience Plan.

Typical project examples: Emergency plan development, seismic studies, emergency generators, similar equipment
- Services critical or essential to aviation, such as fuel, sewer, water, weather equipment
- Aviation related business development, such as hangars, parking for business aircraft and related facilities
- Airport development for local economic benefit, such as signs and marketing

Grant Limit:
Varies from $25,000 to $150,000 per fiscal year per airport. The matching amount depends on airport’s category but varies between 5% to 50%

B.3. Pavement Maintenance Program (PMP)
A state-funded aid program to assist airports in undertaking pavement preventative maintenance. Airport sponsors receiving program funds will be required to agree to keep the airport open for a minimum of ten years. The program will fund non-Federal Aviation Administration (FAA) eligible pavement preventative maintenance projects, including crack sealing, patching and fog seals.

Eligibility:
- Project is a technically warranted need based on pavement condition.
- Airport is in the core system of airports identified by the 1999 Oregon Aviation Plan.
- The need is not met through other projects committed in the federal Airport Improvement Program.
- Aggregated project costs must exceed $1,000 at a given airport to warrant mobilization in a particular year.

Grant limit:
A local match is required which depends on the category of airport.
B.4. Pavement Evaluation Program (PEP)
The Pavement Evaluation Program (PEP) is a supporting project to the PMP which aims to inventory the airports’ pavement condition. The PEP and PMP occur at each eligible airport once every three years, with the PEP occurring at each airport one year prior to the implementation of the PMP.

Major portion of PEP’s annual budget (approx $100,000) comes from an FAA statewide planning grant awarded to ODA, with remaining funds from ODA.

B.5. U.S. Department of Agriculture Wildlife Services Program
To reduce or control wildlife hazards, the U.S. Department of Agriculture’s Wildlife Services (USDA WS) program offers ODA with professional wildlife management assistance for Oregon’s public use airports. This initial service is either free or nominal to an airport sponsor and is covered under an annual $20,000 contract between the USDA WS and ODA. Furthermore, USDA WS conduct consultations on land use or the development of effective wildlife management programs for an airport sponsor at their own cost. These consults helped create management plans to minimize the attractiveness of airports to wildlife and to increase the safety of the entire airport facility.

Funds/ Grants for water and sewer projects:

B.6 Oregon Business Development Department Infrastructure Finance Authority (OBDD-IFA):
OBDD-IFA administers the federal Housing and Urban Development Community Development Block Grant (HUD-CDBG) program for “non-entitlement areas” within Oregon, as well as the Oregon Lottery-funded Water/Wastewater Financing and Special Public Works Fund programs (grant/loan). These programs can finance preparation of planning and environmental review documents, in addition to design and construction of public wastewater systems.

B.6.a. Community Development Block Grant Program:
Non-metropolitan cities and counties in rural Oregon are eligible to apply. All projects must meet one of three national objectives: (1) The proposed activities must benefit low- and moderate-income individuals. (2) The activities must aid in the prevention or elimination of slums or blight. (3) There must be an urgent need that poses a serious and immediate threat to the health or welfare of the community

Grant:
The following are the maximum grants possible for any individual project, by category:

- Microenterprise: $100,000
- Public Works
  - Water and Wastewater Improvements: $3,000,000 except preliminary/engineering planning grants maximum $175,000
  - Off-site Infrastructure: $225,000
- Community/Public Facilities: $2,000,000
- Community Capacity/Technical Assistance: no specific per-award-limit but limited overall funds
**B.6.b Special Public Works Fund:**
Eligible applicants include: cities; counties; county service districts; tribal councils; ports; districts as defined in ORS 198.010; and airport districts.

Examples of eligible projects include: airport facilities, buildings and associated equipment, restoration of environmental conditions on publically owned industrial lands, the purchase of land, rights of way and easements necessary for a public facility, solid waste disposal sites, storm drainage systems, wastewater systems, water systems.

**Loan:**
Fund varied from less than $100,000 to $10 million at an attractive rate. Loan term is up to 25 years or useful life of the project, whichever is less.

**Grant:**
Grants are available for construction projects that create or retain traded-sector jobs. They are limited to $500,000 or 85 percent of the project cost, whichever is less, and are based on up to $5,000 per eligible job created or retained. Limited grants are available to plan industrial site development for publically owned sites and for feasibility studies.
Sources

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http://arcweb.sos.state.or.us/pages/rules/oars_700/oar_738/738_125.html
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