

# SALEM MUNICIPAL AIRPORT STRATEGIC BUSINESS PLAN 2019





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## **STAKEHOLDER OUTREACH PARTICIPANTS**

1. John Foley, Airport Advisory Commission Chair
2. Doug Brenizer, Airport Advisory Commission Member
3. Bob Hidley, Airport Advisory Committee Past Chair, Local Pilot
4. Neal White, Airport Advisory Commission Member, Local Pilot
5. Beatrice Cameron, Aviation Educator, Pilot
6. Brete Harrison, Commercial Air Service Steering Committee
7. Spencer Karel, Commercial Air Service Steering Committee and Aviation Law Attorney
8. Chris Cummings, Economic Development Assistant Director at Business Oregon
9. Johnny Mack, Executive Dean Career and Technical Education at Chemeketa Community College
10. Holly Nelson, Executive Dean Academic Progress and Regional Education Services at Chemeketa Community College
11. Curt Arthur, Managing Director of Sperry Van Ness Real Estate
12. Ryan Bergstrom, Project Manager at Mead & Hunt
13. Kevin Mulcaster, Project Planner at Mead & Hunt
14. Roy Swafford, Installations Director at Oregon Military Department
15. Kris Mitchell, Conservation Manager at Oregon Military Department
16. Andy Macklin, Director of Smart Cities at Portland General Electric
17. Melissa Rogers, Business Development Specialist at Portland General Electric
18. Scott Pfeiler, Director Air Transport HGS Programs at Rockwell Collins
19. Grant Blythe, Marketing Manager at Rockwell Collins
20. Paul Boucher, Senior Director at Rockwell Collins
21. Steve VanArsdale, General Manager at Garmin
22. Jill Miles, Economic Development Senior Business Recruitment Officer at Business Oregon
23. David Astorga, Senior Communications Specialist at Oregon Department of Aviation
24. Jon Wenrich, Marketing Manager of Centrex Development

## EXECUTIVE SUMMARY

The purpose of this Business Plan is to assist the City with improving the financial and operational performance of the Salem Municipal Airport, which in turn will increase the growth and economic vitality of the community and ensure that the Salem Airport fulfills its public service role to the community, the region, the state, and the national aviation system. This Plan recommends focusing on initiatives with immediate value and impacts that will position the Airport to achieve its longer-term objectives.

Airports are significant assets and tremendous economic engines for communities. They contribute to commerce, jobs, products and services, and tax revenues to the local community, region, and state. They are critical transportation centers that collectively form a network that makes flying the fastest, most efficient way to travel. The Salem Airport has been in existence since 1929. Airfield operations were transferred to the Army Air Force in 1942 and back to the City in 1948. Since that time, millions of dollars of funding have been invested in Airport infrastructure improvements, dozens of new hangars constructed, and many new businesses have located at the Airport, including GARMIN AT (Aviation Technologies). The Airport's annual aircraft operations are approximately 40,000 per year, having steadily increased over the past several years.

In its 2013 State Aviation Report, the Oregon Department of Aviation identified Salem Airport as responsible for 1,304 direct and indirect jobs totaling \$49.4 million in direct and indirect wages, and more than \$210 million in business sales. These jobs include 580 direct jobs producing just over \$30 million in wages, or \$51,724 per position, which is more than double that reported by the U.S. Census Bureau for Salem's median per capita income in 2012<sup>1</sup>.

### Key recommendations include:

1. Prepare and market vacant land for development
2. Improve Airport infrastructure and amenities, including terminal upgrades
3. Increase awareness of the Airport as a destination for aircraft operators visiting the Willamette Valley
4. Strengthen the Airport's role as an emergency operations and disaster response hub

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1. In 2012 the U.S. Census Bureau reported the median per capital income in Salem as \$24,755.

5. Pursue partnerships to support STEM and aviation-focused training and education
6. Support establishment of commercial air service.

## MISSION, VISION AND VALUES

The Vision of an organization identifies what it wants to be, the mission of the organization defines the fundamental purpose, describing why it exists and what it does to achieve its vision, and the core values are those firmly-held beliefs that are shared amongst those operating and managing the business.

### Vision Statement

The Salem Municipal Airport strives to be a world-class public use general/commercial aviation facility that advances aeronautical and economic benefits to the community, local and regional businesses, and the national aviation system.

### Mission Statement

The Salem Municipal Airport's mission is to deliver safe, secure, efficient and attractive aviation facilities and services to the aviation community, residents, businesses and visitors through a commitment of quality service, professional competence and fiscal responsibility.

### Core Values

The Salem Municipal Airport's vision and mission will be accomplished through core values of:

1. Trust and Integrity
2. Quality
3. Collaboration
4. Professionalism
5. Exceptional Customer Service

## CONTEXT AND BACKGROUND

### History of the Salem Airport

Development of the Salem Municipal Airport began in 1928 and the airport opened in 1929. Operation of the airfield transferred from the City of Salem to the Army Air Force in 1942 and was returned to the City of Salem in 1948. For a brief period from 1960-1967, the Marion-Salem-Polk (MSP) Port Agency was created in an effort to combine air and river transportation under one administrative agency. When the MSP Port Agency disbanded the City of Salem once again resumed operation of the airfield.



Top: Commercial terminal 1950s. Bottom left: United Airlines at Salem Airport, 1941. Bottom right: Mail delivery 1930s.

The Salem Airport encompasses approximately 750 acres and has two runways. The primary runway is 5,811' in length and can accommodate all general aviation, corporate, and commercial aircraft as large as a Boeing 737. The secondary runway, which is 5,145' in length, has the ability to handle all general aviation and most corporate aircraft.

**Type of Airport**

Salem is categorized by the Federal Aviation Administration (FAA) as a Regional General Aviation (GA) Airport<sup>2</sup>. There are 466 other Regional General Aviation Airports in the United States. Regional GA airports are those that are recognized as having a substantial amount of charter flights, jet activity and rotorcraft flights, and support regional economics by connecting communities to statewide and interstate markets. Regional GA Airports serve both regional and national markets and support interstate and long-distance flying with more sophisticated aircraft. Many GA Airports, including Salem, have a significant amount of business activity based at the airport, as well as state and/or federal military presence.

<sup>2</sup> The FAA classifies a Regional General Aviation Airport as one located in a Metropolitan Statistical Area (MS), regularly attracts 10 flights of more than 500 miles, 1,000 plus instrument operations, and more than 100 based aircraft.

The Salem Airport holds a Part 139 Airport Operating Certificate, which is required by federal law to conduct commercial airline flights. Part 139 requirements for airport operations and maintenance are more stringent than those required for general aviation airports. Salem continues to maintain its Part 139 certification so if commercial airline service returns to Salem the airport will be ready to serve the air carrier.

**Commercial Service History**

Sustaining commercial air service in Salem has many challenges, primarily the Airport's location between Portland International Airport and Eugene Airport, the two busiest commercial service airports in the State of Oregon. Commercial air service in Salem has come and gone over the years, beginning with United Airlines in 1941 and again in the 1950s, Air Oregon/Horizon Air in the 1970s, Delta Airlines in 2007-2008, and SeaPort Airlines for a very brief period in 2011. Salem Airport continues to operate as a fully-certificated FAA Part 139 Commercial Service Airport, ready to receive commercial air service with relatively short notice and with minimal preparation. In 2018, the Salem business

community initiated an effort to bring commercial air service back to Salem and if successful, hopes to attract an airline by 2021. In addition to Salem’s proximity to other commercial service airports, attracting an airline is challenging due to the competition among other regional airports in the country, the shortage of pilots and airplane mechanics, individual airline business models, and other external factors beyond the Airport’s control.

**Location and Relationship to URA**

The Fairview Urban Renewal Area includes a portion of the Airport and urban renewal funding was used to install utility services to new corporate hangar and industrial business lots at the south end of the airport. A boundary amendment is being considered to fund capital activities in other areas of the Airport that would likely not occur without this funding source.

The Salem Airport has approximately 70 acres of undeveloped property available to lease for a variety of uses. The Airport staff are organized under the City’s Urban Development Department which also includes the economic development, communication, and real estate functions. This provides an opportunity to leverage staff expertise to assist with marketing property at the Airport and preparing sites for development.

**Existing Conditions**

Airport Land Lease Rate Information (to be updated in 2020)	
2019 land lease rate	\$0.34/SF/year
Average annual lease	\$8,079
Median annual lease	\$1,166
Median SF for leases	3,813 SF

At current land lease rates, revenue generated from new leases will provide approximately \$15,000 per acre in annual revenue to the airport. If the 70 acres of vacant land is developed and leased it is expected to generate more than \$1.0 million dollars in revenue, effectively doubling the current revenue generated from existing leases. Additionally, at their natural expiration, existing leases will be brought to market rate, providing future incremental revenue increases.

According to a 2017 survey of Airport tenants, most hangar owners have leased land from the City for 10 or more years. Current lessees cited the need to rent additional hangar space, provide space for additional or larger aircraft, as well as the need to offer overnight hangars for transient aircraft. Survey respondents cited low costs, land/hangar availability, and easy runway access as the top reasons for choosing Salem.

Salem Airport supports a variety of general aviation, corporate, and military activity, with opportunity for growth. Major airport tenants include the Oregon National Guard’s Army Aviation Support Facility, Oregon Department of Aviation, and Garmin’s Aviation Technology research, development, and manufacturing center. The airport has approximately 175 locally-based aircraft, and 127 private and commercial tenants, including businesses that provide more than 1,289 local jobs. These businesses include a general aviation/corporate jet center, an air traffic control tower, a restaurant, and a commercial airline terminal which currently houses a rental car facility and PDX shuttle service. A primary focus of the Business Plan is increasing locally-based activity and growing jobs.

Corporate and charter jet activity in Salem is expanding, likely due to the ease of access from the airport to major state and interstate highways, area attractions such as wine tasting, beaches and mountains, and local/regional events. In 2006-2007, the airport experienced a significant spike in operations, to almost 80,000, primarily due to the establishment of a helicopter flight school on the airfield, which ceased operations in 2008. In 2018, aircraft operations totaled 40,585. This was the first year since 2010 that operations exceeded 40,000. Approximately half of the 40,585 annual operations in 2018 were transient operations (aircraft coming to and from Salem from other airports); the other half were local operations (aircraft operating in the local area to and from the Salem Airport).



## STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT) ANALYSIS

This SWOT analysis highlights the strengths, weaknesses, opportunities, and threats, including suggestions received from stakeholder feedback.

### STRENGTHS

- Two runways, one with capability to accommodate up to a Boeing 737
- Air traffic control facility, instrument landing system, multiple types of approaches for pilot training
- Long-term tenants providing a consistent, predictable revenue stream
- Available land to lease for new businesses and hangars
- Proximity to State Highway 22 and Interstate 5, providing easy access to nearby coast, wineries, mountains, festivals
- Facility and runway largely ready to accommodate commercial air service
- Mild climate/lack of severe weather
- Air Traffic Control and Fire Station on Airport
- Salem-Keizer School District's Career and Technical Education Center offers high school study in robotics and drones; Chemeketa Community College is starting a diesel mechanics program; potential transition to aviation
- Airport runways expected to survive major earthquake

### WEAKNESSES

- National shortage of commercial pilots and airplane mechanics
- Inadequate revenue to meet all operational, maintenance, and capital expenditures
- Limited staff and equipment
- Two federally-listed threatened species, wetlands, and 100-year floodplain on portions of the airport
- Some older hangars not in good condition
- No locally-based flight training facility; significant competition from others in the valley.
- Aging infrastructure. Airport terminal building has structural defaults; in need of replacement or major repair (Facilities Assessment – 2019)
- Lack of unique brand and name; SLE not recognized within national pilot community
- Older hangars were built in 1950s and 60s; doors may not accommodate larger aircraft



## OPPORTUNITIES

- Enhance and build upon existing amenities at Salem Airport for transient flights
- Increase development and land leases through marketing of Airport, available land
- Direct commercial flights may create opportunity for partnerships with businesses at the destination
- Registered aviation students in Oregon increased from 1,590 in 2014 to 1,900 in 2016. Partnerships with CTEC/School District/Community College could increase interest in aviation fields from local students
- Traffic conditions on 1-5 getting worse, increasing travel times to other commercial service airports
- Increased amenities and other increased services on the Airport (hotel, FBO expansion, other)
- Explore opportunities to capture aircraft from international destinations
- City-owned Airport land; opportunity to guide development and future of Airport
- Educational opportunities; 30+ educational institutions within 50 miles; aerospace/aviation engineering and technology at nine schools in CA, WA, OR. Opportunity to continue to grow aviation industries in the Mid-Willamette Valley
- Develop an Aviation Academy, partner with educational institutions (STEM, pilots and mechanics, other aviation careers)
- Evaluate old hangar areas that can no longer accommodate newer, larger planes and use available land more efficiently, generating more revenue

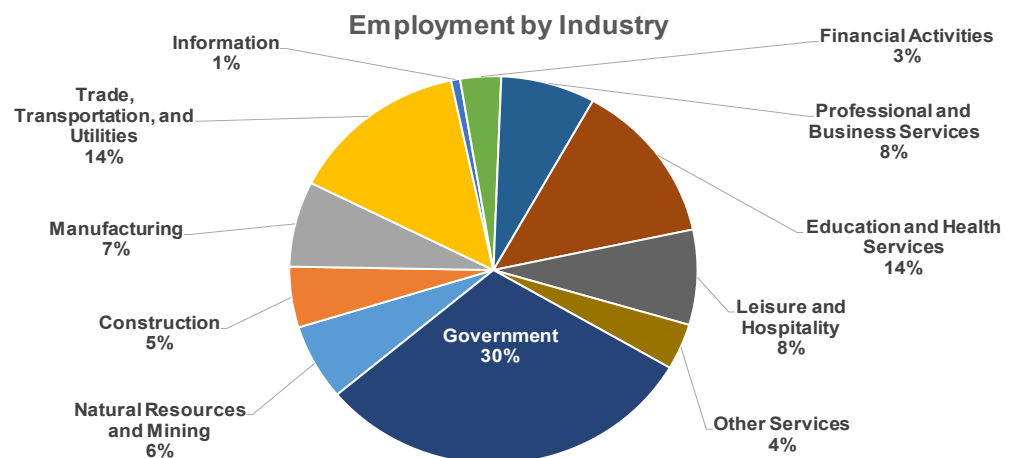
## THREATS

- Continued growth of Portland and Eugene Airports
- Airfare price increases (causing Salem to become a more expensive Airport for commercial flights)
- Rail and alternative transportation options developing along the West Coast, possibly reducing demand for commercial flights
- Economic downturn occurs; businesses leave Airport

## SALEM AREA DEMOGRAPHICS

Total population in Salem: 165,265<sup>3</sup>  
 Portland State University (PSU)  
 Population Research Center estimates that the population within the Salem-Keizer UGB is expected to grow up to 25%, to nearly 200,000 residents over the next 20 years.

<sup>3</sup> Portland State University (PSU) Population Research Center, 2018



## Education

27% of residents have a college degree or higher<sup>4</sup>

More than 80,000 college students within 60 miles

Nine west coast colleges and universities with aviation, aeronautics, technology or maintenance programs.

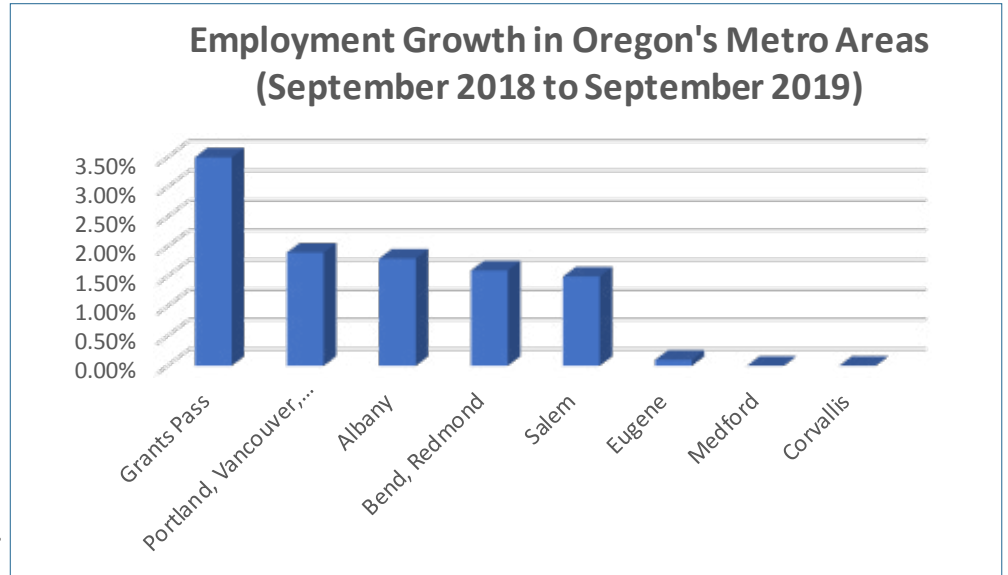
## Labor Force

84,240 people are in the Salem labor force

1,026,384 workers within 45 miles<sup>5</sup>

Unemployment rate of 4.3%<sup>6</sup>, compared with a national rate of 3.6%

There are approximately 50 aviation-related companies within about a 60-mile radius of Salem<sup>7</sup>. Businesses include airplane component fabricators, flight schools, unmanned aircraft systems design, testing of components, and more.



## Income and Spending

Median Household Income, \$49,126

Consumer Spending on Transportation: 19.08%

<sup>4</sup> US Census, American Fact Finder, 2012-2016 American Community Survey

<sup>5</sup> 2017 data from the Oregon Employment Department

<sup>6</sup> Bureau and Labor Statistics, 2019

<sup>7</sup> This data is based on a 2017 review of aviation companies in the area





## MARKET DEMAND FOR NEW BUSINESSES AND HANGARS AT THE AIRPORT

Of the approximately 70 acres of undeveloped property at the Airport, 40 acres is zoned Public Service and the remaining 30 acres is zoned Industrial Park. The Airport should identify which properties should be reserved for aviation-only development and which can be made available for non-aviation industrial and flex uses, and review current zoning on each property to ensure appropriate land use is in place.

In a 2017 survey of Airport tenants, some cited the need for, “schools offering advanced flight training for tail wheel, multi-engine, and helicopters.” Others commented on the need for more hangars to address the demand for more planes and larger planes.

Currently, the airport receives very few requests for larger hangars or vacant land on which to build hangars. Flight operators should be made aware of the advantages of using Salem Airport. With the implementation of some of the recommendations in this Business Plan, including developing a marketing plan for vacant and underutilized sites, it is expected that more interest will be generated in development of both aviation and non-aviation uses at the Airport.

Demand for industrial buildings and/or land in the region continues to be strong. The current vacancy for industrial buildings along the West Coast is 3.60 %<sup>8</sup>. The vacancy rate for industrial buildings in the Salem MSA in 2018 was 2.5%.

During stakeholder outreach, the City learned from aviation businesses that the design and/or manufacturing of their products used in aircraft do not need to be located on an Airport. These businesses can engage third party businesses to flight test their products at an Airport, if needed. If Salem Airport’s land continues to be competitively priced, shovel ready, and there is a skilled workforce in the area, Salem will be well-positioned to attract businesses when they are looking to move/expand/relocate.

Demand for new industrial and commercial space in Salem is expected to increase when Portland rates become too expensive, or space in Portland is no longer available. There is a similar expectation for other higher priced markets on the west coast, such as California and the Seattle metropolitan area.

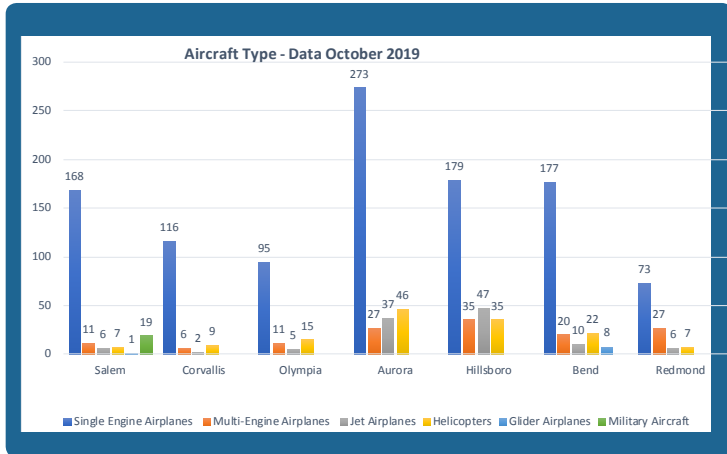
Local real estate brokers indicate there is a continued need and interest for shovel-ready industrial land, including parcels with potential to develop smaller flex buildings. As Mill Creek Corporate Center is developed, the Airport could become an alternative source of land for smaller users with no interest in owning the land.

The region has several local partners committed to STEM education, with opportunities for partnership to offer flight training, airframe and powerplant (aircraft mechanic) training, or related aviation-based training at the Airport, creating a pipeline of qualified workers in those areas.

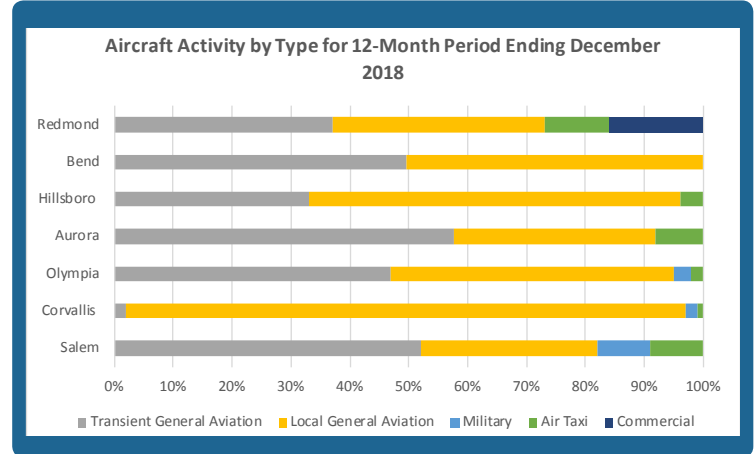
According to a recent presentation by Dr. Chris Goldfinger, a leading marine geologist and geophysicist with Oregon State University, the Airport runways are expected to survive relatively well in a major earthquake compared to some other airports in the region, which may experience liquefaction and other challenges. “Following a natural disaster, the Salem Hospital is expected to be the first location cleared for access, followed by the Airport,” according to Greg Walsh, City Emergency Manager. As a separate effort, the Airport is currently developing a Disaster Preparedness and Resiliency Plan, in which there will be some recommendations for infrastructure upgrades and facilities which would be useful at the Airport to support the local community in the event of a catastrophic natural disaster.

<sup>8</sup> Kidder Matthews West Coast Real Estate Review, mid 2018.

## Salem's Competitive Advantages – How the Airport Compares with Others in Region



Source: AirNav.com



Source: AirNav.com

### Airport Fuel Prices (Prices Updated October 17, 2019)

	Salem	Corvallis	Olympia	Aurora	Hillsboro	Bend	Redmond
<b>100 Low Lead (LL) Full Service (FS)</b>	\$5.75	\$5.49	\$5.59/\$5.98	\$5.99	\$5.25/ \$5.15/\$5.45	\$5.60	\$5.45
<b>100 Low Lead (LL) Self Service (SS)</b>	\$5.25	\$5.09	-	\$5.34/ \$5.32	-	\$5.00	-
<b>Jet A</b>	\$4.95(FS)	\$4.89(FS)	\$4.39	\$5.54	\$3.45/\$3.35/ \$3.49/\$3.50	\$5.42(FS)/ \$4.82(SS)	\$5.47

Source: AirNav.com

### Hangar Lease Rates (Data collected in October 2019)

	Salem	Corvallis	Olympia	Aurora	Hillsboro
Tie-Downs	\$35-\$80	*	\$56.10 – \$90.95		
Open Hangars		*	\$222.50		
T-Hangars	*	\$144 - 183	\$285.80 – \$413.50		
Executive Hangars	*	*	\$709.10		
Annual Land Lease Rate (per sq. ft.)	\$0.34	\$0.30	-	\$0.3087	\$0.40

\*Privately owned hangars potentially available, but not listed. (Tie-down and T-hangar rates are per month and vary by aircraft and/or hangar size)

Source: AirNav.com



## AVIATION TRENDS

### Aviation Workforce

In 2017 there were 4,548 industrial machine mechanics statewide. In Oregon, trained professionals are expected to grow almost 15% by 2027. In 2017, there were 1,318 aircraft mechanics and service technicians. While there is a national shortage of airplane mechanics, in Oregon the number of trained professionals is expected to increase about 13% by 2027.<sup>9</sup>

### Oregon Aviation Shipping Trends (Oregon Department of Aviation-April 2014)

- Shipped tonnage has decreased by 27% for goods produced in Oregon and shipped from Oregon airports.

### Oregon Aviation-Related Employment Trends (Oregon Department of Aviation-April 2014)

- Air cargo and business travel services directly contribute \$8 billion to the state economy by enabling long distance business sales of goods and services produced in Oregon.
- The value of in-state productivity supported by aviation supports more than 23,700 jobs statewide.

### Oregon Flight School Trends

- The number of registered aviation students in Oregon has been steadily increasing from 1,590 students in 2014, to 1,900 students in 2016 and 2,523 students in 2018<sup>10</sup>.
- Many airports in Oregon have a flight school, including Hillsboro, Troutdale, McMinnville, Aurora, Corvallis, Albany, Eugene, Cottage Grove, Klamath Falls, Medford, Redmond, Bend, Pendleton, Prineville, and Sisters.

9 Oregon Employment Department

10 Federal Aviation Administration, Civil Airman Services

### Aircraft National Trends<sup>11</sup>

- Business jets are projected to increase by 77% through 2035
- Experimental aircraft are projected to increase by 35% through 2035
- Sport aircraft are projected to increase by 144% through 2035

### Demand for Commercial Flights in Salem (Voltaire Study<sup>12</sup>)

- There is a current demand of 1,499 passengers per day generated in the Salem catchment area.
- Domestic travel accounts for 93.8% of the traffic, and international traffic accounts for 6.2% of the traffic.
- Portland International Airport captures 93.2% of the domestic traffic and 91.5% of the international traffic.
- Eugene Airport captures 4.8% of the domestic traffic and 2.6% of the international traffic.
- Las Vegas, the Los Angeles Basin, the San Francisco Bay Area, Phoenix/Mesa and Chicago are the Salem catchment area's five largest markets.
- Alaska Airlines captures 25.7% of passenger traffic generated in the catchment area, Southwest Airlines captures 22.3%, United Airlines captures 15.5% and Delta Airlines captures 12.5%.

### Traffic Retention and Leakage Study at Salem Airport

- The majority of the Salem catchment area passengers use Portland International Airport, at an average of 1,396 passengers per day.
- The Salem catchment area generates an average of almost \$267,000 in airline revenue per day
- Salem zip codes generate 624 passengers per day each way, or 41% of all demand from the catchment area.
- Alaska Airlines and Southwest Airlines combined capture almost half of Salem area passengers out of Portland; few passengers choose low cost airlines.
- Los Angeles is the Salem catchment area's #1 origin and destination, generating an average of 224 passengers per day each way.

11 Eastern Oregon Regional Airport Master Plan, October 2018

12 Voltaire Aviation prepared a Salem Air Service Study for the business community in February 2018.

# STRATEGY RECOMMENDATIONS



## 1. Prepare and market vacant land for development

The Airport relies primarily on land lease revenue to help fund operations. Lease revenue represents 92% of total annual operating revenue for the Airport. Development on an airport comes with additional requirements compared to off-Airport development, including coordinating and receiving approvals from several FAA business lines to ensure no adverse impacts to aircraft safety. There is a strong demand for additional shovel-ready industrial land along the I-5 corridor. The City should take immediate steps to make remaining acreage development-ready to capture real estate demand, add jobs and taxable value, and increase Airport revenue.

### Stakeholders:

- Real estate brokers
- Business Oregon
- Airport consultant
- FAA
- Airport and Urban Development staff
- Urban Renewal Agency
- Portland General Electric

### Actions:

- Pursue grant funding for site readiness activities, including wetland and endangered species evaluation and mitigation, floodplain permits and fill.
- Complete the National Environmental Policy Act (NEPA) process to assess the environmental impacts of developing vacant areas; propose mitigation for any impacts.
- Complete Business Oregon's site certification process.

- Actively market shovel-ready land; pursue RFP for commercial/industrial broker to assist.
- Evaluate partnerships or unique funding opportunities to help fund taxiway connections for vacant aviation zoned property along Turner Road, including pursuing a boundary amendment to the Fairview Urban Renewal Area to add these sites.
- Review the current Airport Master Plan and Airport Layout Plan to identify areas of growth, including possible redevelopment of aircraft parking areas and general aviation hangar areas.

## 2. Improve Airport infrastructure and amenities, including terminal upgrades.

Staff have been working the last several years to upgrade the Airport's runways, taxiways and other infrastructure, including electrical improvements and pavement rehabilitation and reconstruction. Additional infrastructure upgrades are needed, including both on the airfield and in the three City-owned buildings on site. The Airport's primary building, which contains airport staff offices, the commercial terminal, rental cars, a shuttle service, ticketing and check-in counters, and a waiting area for commercial passengers has been built and improved in phases over the past several decades. Portions of the facility, constructed in the 1950s, are beyond their useful life and are becoming cost-prohibitive to maintain. As the Airport's "front door," the terminal building has challenges. Many people in stakeholder interviews expressed the desire to increase both transient and local aircraft operations at the Airport. With increasing aircraft operations comes additional maintenance and upkeep of Airport infrastructure.

### Stakeholders:

- City Facilities staff
- Airport Manager, Airport Operations staff, Urban Development Director
- Potential funding partners
- Developers
- FAA
- Airport consultant

### Actions:

- Complete a structural assessment of the City-owned terminal building, restaurant building and weather service building.

- Review infrastructure priorities annually. Identify funding sources to match infrastructure needs, including through public/private partnerships.
- Review previous aviation activity forecasts to determine whether or not the existing primary runway should be lengthened to 7,000'. This is a project that has been identified in the Airport Master Plan in 2012. A cost/benefit analysis and updated aviation activity forecasts should be included in the next Master Plan Update to determine whether a runway extension should remain in the Master Plan as a viable project.



### 3. Increase awareness of the Airport as a destination for aircraft operators

Current Airport operations are approximately 40,000 annually, which has steadily increased each year from 32,000 in 2012. The presence of a local flight training facility has the potential to greatly increase the number of current aircraft operations. When Silver State Helicopters operated a flight training facility in 2006 and 2007, annual aircraft operations were 75,000 and 102,000 respectively. When Silver State went out of business, smaller flight training operations kept the operations count at around 50,000 annually, which then decreased during the economic recession and is slowly recovering.

The Airport is adjacent to Interstate 5 and State Highway 22, providing quick and easy access to Seattle (3.5 hours) and Sacramento (8 hours), as well as the Oregon coast (1 hour), world class wineries (within 1 hour), the Cascade mountains (2 hours), Eastern Oregon (2-3 hours), and the City of Portland (1 hour). Salem can increase its visibility for charter, sport, and private jet travelers and ensure it has the amenities expected by aircraft owners. Stakeholders suggested updating the name of the Airport to be more regionally-orientated, increasing Salem's visibility.

#### Stakeholders:

- Airport Advisory Commission – Marketing Committee
- Airport Manager and Operations staff
- Salem City Council
- University intern
- City web publishing team

#### Actions:

- Establish a marketing subcommittee of the Airport Advisory Commission to develop ideas that increase the Airport's visibility for private pilots, charter operators, and other potential airport users.
- Pursue changing the Airport's name from "Salem Municipal Airport," to "Willamette Valley Regional Airport," or a similar name that is recognizable for pilots and aviation entities outside of Oregon, and which reflects the airport's benefit to the region beyond Salem.
- Develop tools and strategies for ensuring the Airport can accommodate an anticipated growth in small general aviation and corporate-sized aircraft hangars. Continue to ensure that current hangar demand is being met by requiring hangars only be used for aviation-related purposes.
- Attend trade shows, trade association events, and pursue possible fly-in opportunities to increase visibility, and track trends.

### 4. Strengthen the Airport's role as an emergency operations and response hub.

The Airport's runways and taxiways are expected to fare relatively well in a major earthquake. As the State Capital and primary location for the Oregon National Guard's aviation operations, Salem is expected to be a base for supply, delivery and disbursement, evacuation, and other response-related activity in a catastrophic event. The City's Emergency Operations Center and the non-aviation component of the National Guard are each located approximately one mile from the airport, and the aviation component of the National Guard is located on Airport and positioned to play a critical role, particularly with supply delivery by air, search and rescue operations, and medical evacuation efforts. Some stakeholders cited strengthening the Airport's emergency operations/response hub as a potential development opportunity for the Airport.

### Stakeholders:

- Airport Advisory Commission
- Oregon National Guard
- Oregon Department of Aviation
- City's Emergency Manager and Emergency Operations Team
- Marion County Emergency Management
- Federal Emergency Management Association (FEMA) and Federal Department of Homeland Security (DHS)
- Portland General Electric

### Actions:

- Develop an Airport Emergency Preparedness and Resiliency Plan, including how the Airport can utilize other resources, on and off the Airport.
- Pursue partnerships to help formalize emergency operations roles
- Pursue grants to help fund resiliency gaps/weaknesses identified in recent emergency preparedness assessments completed by FEMA and DHS-Office of Infrastructure Protection, and/or any future local, state or federal assessments/evaluations.



### 5. Pursue partnerships to expand STEM and aviation-focused training and education.

Data from the Eastern Oregon Regional Master Plan cites an expected increase in business and sport aircraft activity over the next 10-15 years. There is opportunity for the Salem Airport to be a leader in developing a School for Flight or similar concept, to host a flight school, airframe and powerplant mechanic training, drone development and testing, and internship programs, for youth and adults. Salem is one of the

only airports in the region without a full-service flight training facility. Both a fixed-wing flight school and helicopter training school operated previously at the Airport, but none have been present in the past decade. There are several possible partnerships to explore in pursuing a Part 141 flight school and airplane maintenance program, including with the drone and robotics program at Salem-Keizer School District's Career and Technical Education Center (CTEC), Chemeketa College's diesel mechanics program, the Oregon Manufacturing Innovation Center (OMIC), Aircraft Owners and Pilots Association (AOPA), and regional businesses that manufacture aircraft components, equipment, and drones, and the B-17 bomber restoration currently underway at the Airport. AOPA has developed a high school curriculum that high schools can apply to use in their STEM courses. Stakeholders interviewed talked about the assets at the Airport that could be used to build an aviation training program (i.e. instrument landing system) and several FAA-Certified Flight Instructors offered to help teach classes.

### Stakeholders:

- Chemeketa Community College, Dean of Career and Technical Education
- CTEC
- B-17 Alliance
- Airport Advisory Commission
- Aircraft Owners and Pilots Association (AOPA)

### Actions:

- Research unique and successful similar programs in the United States; site visit to learn more about Hillsboro Aero Academy's program.
- Explore the feasibility of partnerships to support the program
- Meet with partners to explore roles and opportunities
- Develop RFP for a locally-based, full-service flight school
- Identify potential location for temporary classroom, to implement elements of the program
- Identify aviation trainings and events that the Airport can support



## 6. Support establishment of commercial air service

The Salem business community has undertaken an effort to raise funds to help attract commercial airline service back to Salem. It is a challenging environment to compete for air service, but the City will continue to support this effort given the many benefits to the community and the airport. As of September 2019, the Salem business community has generated about 80 percent of its fundraising goal to help serve as a revenue guarantee, which a commercial airline will require to begin service in Salem. The Salem Chamber of Commerce, with the support of the City of Salem and several local businesses, was also successful in receiving a state grant award of \$500,000 to be used primarily towards the recruitment of an airline and marketing of new service should an airline commit to serving Salem. Additionally, in July 2019 the City of Salem applied for a federal Small Community Air Service Development (SCASD) Grant which, if awarded, would provide additional funds toward a revenue guarantee. Grant awards for this program are expected to be announced in late 2019 or early 2020.

### Stakeholders:

- Salem business community
- Salem Chamber of Commerce
- SEDCOR
- Oregon Department of Aviation
- Airport Manager and staff
- Airlines
- TSA



### Actions:

- Continue to ensure Part 139 certification compliance to allow commercial airline operations
- When appropriate, request temporary fee waivers from City Council to support airline growth and sustainability
- When appropriate, budget for marketing efforts to support local airline service
- Support grant requests for air service development efforts
- Attend air service development conferences and airline headquarters route planning meetings





## APPENDICES

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  - a. Map with all properties
  - b. Individual Property break out
2. Stakeholder Outreach (page 36)
  - a. List of participants
  - b. Comment Themes etc. from Meetings
  - c. Hangar Survey
3. Data Resources (page 46)
  - a. 2014 Oregon Aviation Plan
  - b. ODA GAA Economic Impact Report
  - c. Commercial Service Report- Volaire
  - d. EcoNW Impact Study
  - e. Salem Traffic, Retention and Leakage Study - 2018
  - f. Salem Municipal Airport Master Plan - 2012
  - g. Salem Municipal Airport Master Plan - 2010
  - h. Salem Appraisal Report - 2015
  - i. OR Aviation Trend Data
  - j. ODA Salem Individual Airport Report - 2014
4. Site Visits (page 619)
  - a. Columbia Helicopter
  - b. Hillsboro Airport
  - c. Aurora Airport
  - d. Corvallis Airport
5. Business Plan Case Studies (Case Studies are for reference and materials are not included)
  - a. Addison, Texas Airport Business Plan
  - b. South Texas Regional Airport Business Plan
  - c. Olympia Airport Plan
  - d. Kelso Airport Master Plan
  - e. Yakima Airport Business Plan

# Property Development Map

