



## Staff Report

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**File #:** 18-501

**Version:** 1

**Date:** 11/13/2018

**Item #:** 3.3e.

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**TO:** Mayor and City Council

**THROUGH:** Steve Powers, City Manager

**FROM:** Kristin Retherford, Urban Development Director

**SUBJECT:**

State of Oregon Rural Oregon Airport Relief (ROAR) Grant Application for Commercial Air Service Development

Ward(s): 2

Councilor(s): Andersen

Neighborhood(s): SEMCA

**ISSUE:**

Shall City Council authorize the City Manager to consent to the Salem Area Chamber of Commerce's application for Rural Oregon Airport Relief (ROAR) grant funds for commercial air service development at the Salem Municipal Airport?

**RECOMMENDATION:**

Authorize the City Manager to consent to the Salem Area Chamber of Commerce's application for Rural Oregon Airport Relief (ROAR) grant funds to be used for commercial air service development at the Salem Municipal Airport.

**SUMMARY AND BACKGROUND:**

Oregon's Aviation System Action Program fund provides grant funding to maintain existing rural commercial air service at risk of being terminated and to fund grants to assist with the development of new commercial air service to rural Oregon airports. For the purpose of this program, the Salem Municipal Airport (McNary Field) is considered a rural airport.

Members of the Salem business community have independently funded and conducted a passenger demand analysis to determine the market demand for commercial air service. On October 17, 2018, the Salem Area Chamber of Commerce's Board of Directors (Chamber) voted unanimously to function as the fiduciary agent and applicant for aviation grants to support commercial air service development at McNary Field. The Chamber will also be responsible for the financial management of

private-sector funding commitments and donations to develop commercial air service.

City consent is required for the Chamber to apply for and accept ROAR grant funds. By consenting to the Chamber's application, the City is agreeing to partner with the Chamber and prospective airlines to accommodate future commercial service at McNary Field. The City will not be contributing City funds, nor providing any grant match. City participation will be limited to staff time and facility and operational support.

## **FACTS AND FINDINGS:**

The Airport Advisory Commission supports this application (Attachment 1).

The primary air service development activities to be funded with this grant are planning and marketing efforts targeted to airlines that are potential candidates for providing commercial air service at McNary Field. These funds could be used to identify potential candidate airlines, acquire necessary data, conduct appropriate economic analysis, develop information packages and marketing materials, and conduct outreach including local and outbound meetings with decision makers.

As the Airport Sponsor, the City would be responsible for maintaining and operating the airport in a usable, safe, and orderly manner for at least 20 years from the date of the agreement.

As a part of the ROAR application, the Chamber will provide the following information, with assistance from the City:

1. Rural airport(s) or routes proposed to be served and how.
2. The proposed start date for service, project or program.
3. Total amount of grant request, including proposed month-by-month drawdown of grant funds.
4. Additional funds being provided by the community being served, including business or other sources (including, but not limited to, any other grant funds).
5. Total expected budget (for the proposed program, project or service, showing all expected sources of revenue and expenses).
6. Probable customer air fares for the service, and basis for calculating the fares.
7. Projected aircraft to be used.
8. Discussion of how applicant will maximize filling of seats.

9. Projection of anticipated passenger loads by month for initial 24 month period.
10. Key milestones, deliverables, and measurements of program or project.
11. Proposed Business Plan.
12. Proposed Safety Plan.
13. Proposed Operations Plan.
14. Marketing and Communication Plan.

Should the application be selected for grant funding, the Oregon Department of Aviation will enter into a Grant Agreement with the Chamber prior to distributing program funds.

John Paskell  
Airport Manager

**Attachments:**

1. Airport Advisory Commission letter of support