

# Better Utilizing Investments to Leverage Development (BUILD) - DTOS59-20-RA-BUILD

Southwest Oregon Regional Airport (OTH)



## Coos County Airport District (CCAD) Cargo Facility and Infrastructure Expansion

Coos County Airport District  
Owner and Operator of the  
Southwest Oregon Regional Airport



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Build Grant Award: \$8,339,400

Total Project Cost: \$9,266,000

Project Location: North Bend, Oregon

### **Introduction**

The Coos County Airport District (CCAD) owns and operates the Southwest Oregon Regional Airport (OTH). Located in North Bend Oregon in (rural) Coos County, pop. 64,487.

The Coos County Airport District (CCAD) is pleased to submit this competitive application for review and consideration under the Better Utilizing Investments to Leverage Development, or “BUILD” Transportation Grants program. As referenced in the NOFO, the project, CCAD Cargo Facility and Infrastructure Expansion, fits the guidelines for intermodal projects located on airport property established under the guidelines of the BUILD program.

Specifically the project requests consideration of a \$8,339,400 grant under the BUILD, to be matched by \$926,600 in secured non-federal funding.

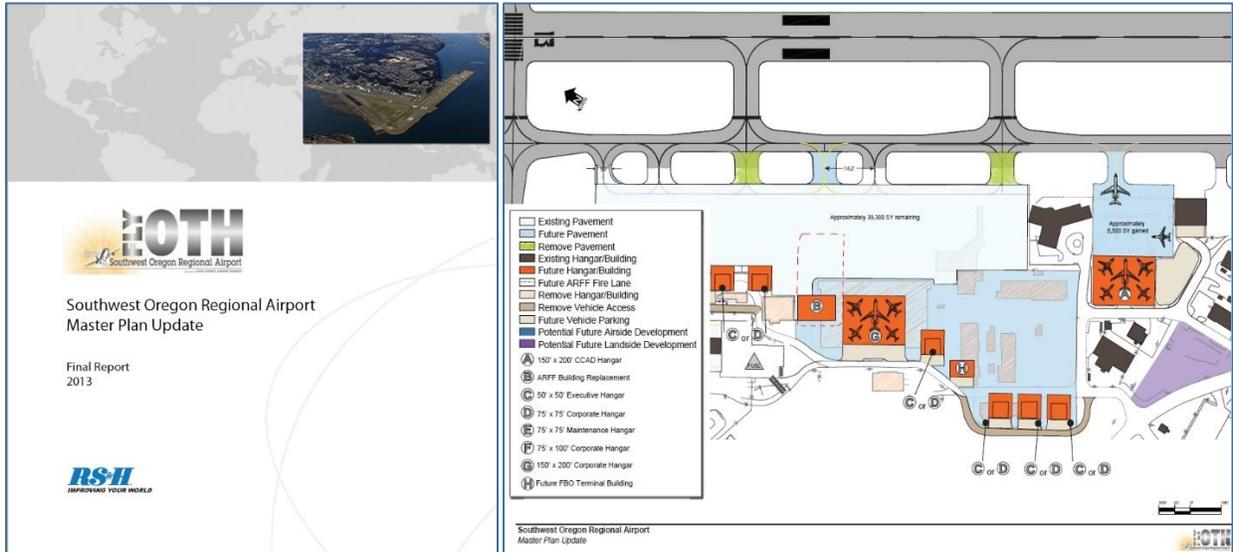
**Project Title:** Coos County Airport District (CCAD) Cargo Facility and Infrastructure Expansion

### **Project Description**

CCAD Cargo Facility and Infrastructure Expansion for Intermodal Transfer of Seafood and Freight and Expanded Surface Accommodation for Business, Tourism and other Industries with a Mobility Sector Connection to Aviation.

The CCAD’s project, in accordance with its Master Plan, will demolish several old facilities to expand developable property for the construction of a much needed cargo facility.

**Master Plan:** The Grant will support the CCAD in its strategic Master Plan to development its property to maximize local and regional transportation industry requirements, needs and opportunities. The latest Master Plan document was completed in 2013.



2013 Master Plan: Airside Expansion Project Area.

The existing World War II structures identified in this project, are at least 30 years past their useful life expectancy. They are currently being used for cargo, Aircraft Fire Fighting, maintenance, storage, and other facilities uses.

**Demolition:** The Project includes the demolition and removal of eight World War II facilities which will open up developable property.



Location of Project – Buildings to be Demolished Labeled 1-8, in order of demolition



Building #8 - to be Demolished



Building #6 - to be Demolished



Maintenance Facility – Building #2



Fire Station – Building #1



Current Cargo Building #7 - to be Demolished

**Cargo Facility Construction:** A new cargo facility will be built on the expanded infrastructure. The new cargo facility must accommodate the intermodal transfer of our regionally produced, mined and harvested products, especially our regions fresh seafood Harvesters, by providing interim bulk and refrigerated storage.



New Cargo Facility not actual rendering – anticipated to be an 8 bay facility



Local seafood product

**Infrastructure Expansion:** In order to develop the property the infrastructure needs to be expanded, which will include utilities, fiber optic network/high speed internet, sewer, water, vehicle parking, aircraft parking, cargo and semi-truck parking and maneuverability, etc.



Rendering of New Cargo Facility and Infrastructure Expansion Development

The Coos County Airport District (CCAD) is an Oregon Special District formed in December of 2002, consisting of five elected Board of County Commissioners. The CCAD operates the Southwest Oregon Regional Airport which includes approximately 619 acres and thirty five (35) industrial, commercial, light manufacturing, warehouse, office and governmental facilities. The CCAD has an overall responsibility of managing the Airport on a daily basis. Airport administration, includes the Executive Director, Finance Manager, Business Manager, and Airport Operations manager. The District directly employs 12-15 FTE's. The total airport employs over 1,200 personnel.

<p style="text-align: center;">3A0188 02 4 1446</p> <p style="text-align: center;">BOARD OF COMMISSIONERS OCT 17 2003 COUNTY OF COOS STATE OF OREGON</p> <p style="text-align: center;">In the Matter of The Formation of the Coos County Airport District</p> <p style="text-align: center;">NOW BEFORE THE Board of Commissioners sitting for the transaction of County business on the 4<sup>th</sup> day of December, 2002 is the matter of the formation of the Coos County Airport District;</p> <p style="text-align: center;">AND IT APPEARING to the Board that an election was held on November 5, 2002 regarding the formation of the Coos County Airport District with a permanent tax rate limitation of \$.24 per \$1,000 assessed value, and the election of the District Board;</p> <p style="text-align: center;">AND IT FURTHER APPEARING to the Board that a majority of the votes cast were in favor of formation of the district, as shown on the Abstract of Votes, attached hereto as Exhibit "A" and incorporated herein by reference;</p> <p style="text-align: center;">NOW, THEREFORE, IT IS HEREBY ORDERED that the Coos County Airport District is declared formed for the purpose of maintaining scheduled commercial air service at the airport in North Bend within the boundaries of Coos County, as set forth in ORS 201.060;</p> <p style="text-align: center;">AND IT IS FURTHER ORDERED that the County Clerk shall issue certificates of election to the five (5) persons receiving the highest number of votes for the District Board;</p> <p style="text-align: center;">Order 02-11-092L - Page 1</p>	<p style="text-align: center;">3A0188 02 4 1447</p> <p style="text-align: center;">AND IT IS FURTHER ORDERED that the Coos County Airport District shall be billed for the cost of the formation. Dated this <u>4<sup>th</sup></u> day of <u>December</u>, 2002.</p> <p style="text-align: center;">BOARD OF COMMISSIONERS <i>Robert</i> Chair <i>Richard Whitley</i> Commissioner <i>[Signature]</i> Commissioner</p> <p style="text-align: center;">Approved as to form: <i>Alan [Signature]</i> Office of Legal Counsel</p> <p style="text-align: center;">Order 02-11-092L - Page 2</p>
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Coos County Airport District Formation - 2002

Since its formation, the Coos County Airport District has been developing the airport property and constructing new facilities to meet its Commercial Air Service needs, these developments includes the construction of:

A Passenger Terminal in 2008:



Year	Amount	Funding Source
2008	\$ 20,052,379	Federal/State/CCAD

An Air Traffic Control Tower in 2009:



Year	Amount	Funding Source
2009	\$ 4,080,000	Federal/State/CCAD

A 30,000 Square Foot Commercial Aircraft Hangar in 2013:



Year	Amount	Funding Source
2013	\$ 4,057,070	State/CCAD

An Aircraft Rescue and Fire Fighting (ARFF) Station /Maintenance Facility- Currently under Construction to be completed in spring of 2021:



Year	Amount	Funding Source
Spring 2021	\$ 7,000,000	Federal/State/CCAD

Coos County Airport District’s FAA Annual Airport Improvement Project (AIP) entitlement funds are programmed through 2025. Most components In the grant request are not eligible under FAA AIP funds unless part of an eligible project, I.e., demo an old fire station to place new fire station in exact spot. The new fire station was built in a more strategically located part of the airport. Therefore old fire station could not be removed under that project. The next viable opportunity may be in 2028. Too many lost years of revenue gain opportunity

**Southwest Oregon Regional Airport  
5-Year FAA CIP Schedule**

Year	Project Name	P	DI	Total
2021	Runway 22 RSA Improvements	\$2,000,000	\$3,500,000	\$5,500,000
2022	Carryover	\$0	\$0	\$0
2023	Carryover	\$0	\$0	\$0
2024	Apron Rehabilitation	\$3,000,000	\$2,300,000	\$5,300,000
2025	Obstruction Removal	\$1,000,000	\$0	\$1,000,000

FAA Annual CIP Entitlements – Encumbered to 2025

Concurrent with constructing facilities to meet its commercial air service needs, the District has spent considerable effort and resources diversifying its tenant base, to ensure a healthy financial revenue stream for the next few decades. Those efforts have included the remodel and construction of several facilities to attract and retain the tenants; such as:

- Oregon State Police - Remodel in 2011, 20 year lease
- Department of Corrections, 15 year lease
- Department of Human Services – Senior Services Facility remodel 2016, 20 year lease
- U.S. Bureau of Land Management, 20 year lease.



Year	Amount	Funding Source
2021	\$ 2,900,000	State/CCAD

- Department of Human Services – Child Welfare, 52,000 sq. ft. construction completed in 2020, 20 year lease



Year	Amount	Funding Source
2020	\$ 12,000,000	State/CCAD

The District has accomplished a great deal in the past decade by leveraging available resources. The District has managed Federal and State Grants, leveraged construction grants through lease agreements and positioned itself financially to manage and maintain its current tenant base and operations.

In Preparation of this project: The District has been planning the relocation of current occupants of the facilities that are to be demolished. The District is currently constructing a new \$6.9 million Fire Station/Maintenance Facility that will accommodate the personnel and equipment to be relocated from the old World War II Fire Station and Maintenance buildings, that new facility should be completed in the Spring of 2021.

The District entered into a land lease agreement in April of 2020, with a tenant in building #5 of the buildings slated for demolition. That tenant will be constructing a new facility on airport property. The FAA has been requesting the termination of the existing residential properties for several years. In 2017 the District entered into an agreement with a local agency to manage these current residences and will handle relocation when the project is underway. The demolition of the residential facility will put us in full compliance with the FAA for non-compatible land use and allow for maximum use of airport infrastructure. All other tenants are on month to month agreements and have been provided sufficient notice of possible termination of agreements. They currently pay below Fair Market Value (FMV) because the condition of the facilities they are leasing are in disrepair. Creating a new infrastructure will provide for future development that

will allow the District to charge FMV for its property and facilities, which is also an FAA mandate.

The Airport District is at a point where we need to accommodate our current Cargo operations which have outgrown its facility at the airport and capture the opportunities that exist in intermodal cargo and business aviation. Both are very lucrative opportunities for our rural area.

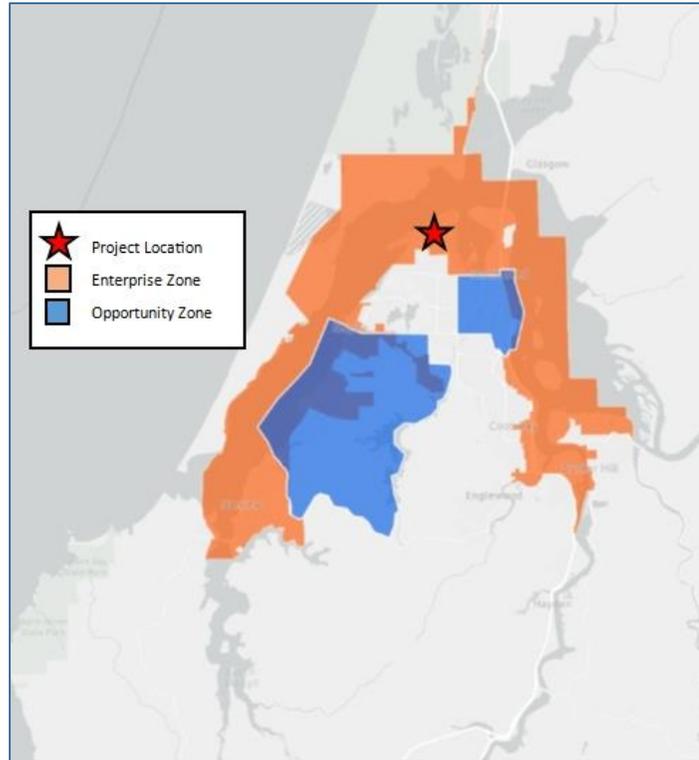
## **Project Location**

The Coos County Airport District (CCAD) operates the Southwest Oregon Regional Airport (OTH) terminal, runway and prospective air cargo facility located at 1100 Airport Lane, North Bend, Oregon in Coos County. OTH is in a Micro Area with a State-County-Tract: 41-011-0004.00, in Coos County, Oregon, Congressional District four. By BUILD Grant definition, OTH is located in the Coos Bay, Oregon urban cluster, 19936, which is designated as a rural area.

According to data from the United States Census Bureau, households in Coos County, Oregon have a median annual income of \$43,779, which is less than the median household income of \$63,179 across the entire United States. This is in comparison to a median household income of \$40,848 in 2017, which represents a 7.18% annual increase. From 2016 to 2017, employment in Coos County increased by 1.7%, from 15,568 employees to 18,215 employees. In 2015, the top outbound Oregon product (by dollar) was mixed freight with an estimated \$20.9B economic impact. In 2020, total outbound Oregon trade was \$146B. This is expected to increase 37.6% to \$201B by 2045. Part of this growth is the expected post investment in “Opportunity Zones,” as defined by the Tax Cuts and Jobs Act on December 22, 2017.

Oregon has a wealth of prosperous communities, but there are still many in need of assistance, especially those that are rural communities. Low-income areas throughout Oregon have amounted to the establishment of 86 Opportunity Zones, with only two (2) designated to Coos County; one (1) in North Bend, 41011000300, and the other in Coos Bay, 41011000504. Additionally, Curry County and Douglas County which are included within our regional definition of the “southern Oregon coast,” each have successfully obtained one (1) Opportunity Zone each; one (1) in Port Orford, Curry County, 41015950100, and the other in Reedsport, Douglas County, 41019010000. Most of our communities and census tracts are distressed or severely distressed low-income census tracts. OTH’s location on the southern Oregon coast is in need of increased cargo capacity to further Coos County’s and the southern Oregon coast’s

economic growth. Opportunity Zone designations for the State of Oregon can be viewed here: <https://geo.maps.arcgis.com/apps/webappviewer/index.html?id=b0c1911ad4874692be4651d7ba71e77e>



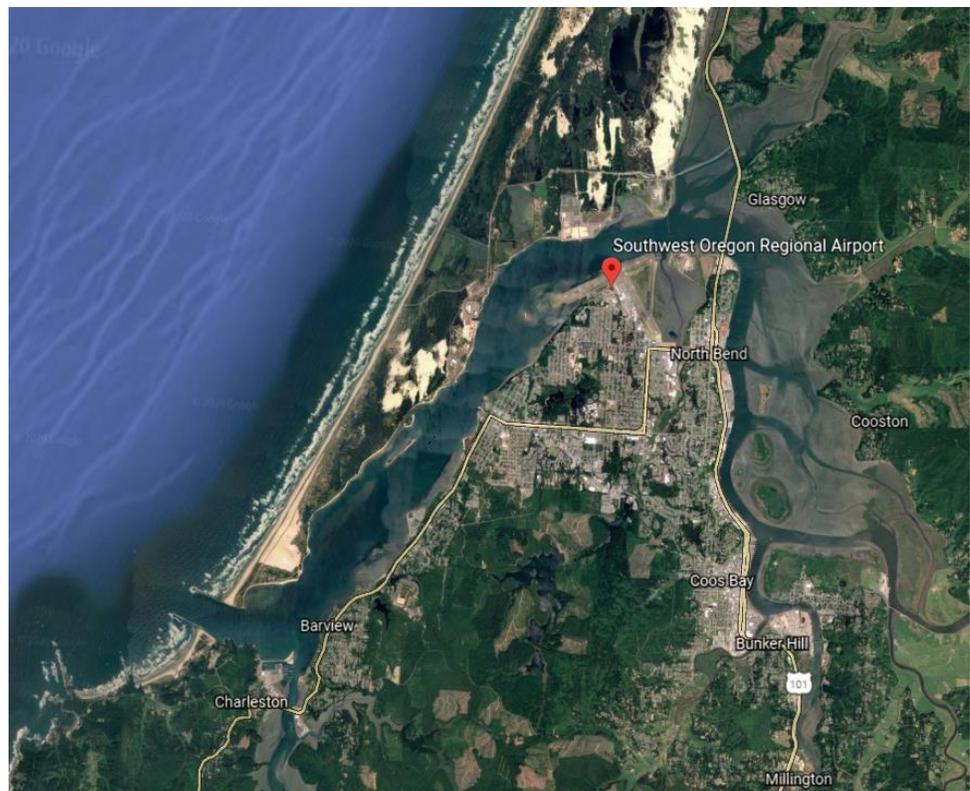
Enterprise and Opportunity Zones

The Southwest Oregon Regional Airport (OTH) owned and operated by the Coos County Airport District is strategically located on the southern Oregon coast and offers quick travel times for value-added products and industries to reach viable markets in Portland, San Francisco and Seattle. An expanded air cargo facility would create a launching point for industries to grow and relocate to the area which will retain and create living-wage jobs throughout our regional economy.



The Project area includes Coos, Curry and Douglas Counties

The Coos County Airport District (CCAD) owns and operates the Southwest Oregon Regional Airport (OTH) located on the south coast of Oregon, in the City of North Bend and in the county of Coos.





Project site in circle



Project site is 160,000 square feet

## Grant Funds, Source and Uses of Project Funds

A capital Budget estimate in the amount of \$9, 266,000 was created for this project. The 160,000 sq. ft. development site includes an 11,000 sq. ft. The 160,000 sq. ft. site will include a 11,000 sq. ft. modern seafood and bulk cargo storage and transfer facility, a 12,500 sq. ft. parking lot for tractor trailers and passenger vehicles. The remaining 136,500 sq. ft. area would be used as an aircraft apron for staging and parking of cargo business and transient aircraft.

Cost Category	Build 90%	Non-Federal 10%	Total
Engineering Design	\$ 517,464	\$ 57,496	\$ 574,960
Construction Management	\$ 180,000	\$ 20,000	\$ 200,000
Site Preparation			
Demo Buildings	\$ 580,100	\$ 64,456	\$ 644,555
Site Excavation	\$ 717,759	\$ 79,751	\$ 797,510
Construction			
Site Concrete	\$ 2,907,240	\$ 323,027	\$ 3,230,267
Site Fencing	\$ 89,775	\$ 9,975	\$ 99,750
Striping/Signage	\$ 17,325	\$ 1,925	\$ 19,250
Contingency	\$ 215,610	\$ 23,957	\$ 239,567
Road Realignment	\$ 1,696,241	\$ 188,471	\$ 1,884,712
Cargo Facility	\$ 1,417,887	\$ 157,543	\$ 1,575,430
Total	\$ 8,339,400	\$ 926,600	\$ 9,266,000

Project budget - <https://cooscountyaairportdistrict.com/airport-business/BUILD-grant/>

Project development will include asbestos removal, demolition of buildings, site excavation and fill, road realignment, utility relocation, new gas, water, and sanitary sewer lines and vehicle parking and apron expansion. The project also includes construction of a new cargo facility with refrigerated storage and fiber network.

The overall project budget for engineering, design and construction management, is estimated at \$1,014,526. Site preparation, fencing and asbestos removal is estimated at a total cost of \$1,541,815. The building construction cost is estimated at \$1,575,430, with construction costs to support the infrastructure, vehicle parking, and apron estimated at \$3,249,517. Additionally, the road realignment is budgeted at \$1,884,712.

As per the requirements of the NOFA, this project budget requests consideration of a \$8,339,400 million award under BUILD. Also consistent with program guidelines, the CCAD is prepared to provide match project funding in the amount of \$926,600 thousand, which is a 10% (rural area) match. Additionally, the CCAD holds in the Building Reserve Fund the required funds to make this project shovel ready upon notification of an award under BUILD. The CCAD is anticipating to launch the Notice to Proceed (asbestos removal, demolition, design) by December 31, 2020.

Incremental New Revenue

	Demo Jun-21	Building Jun-22	New Leases Jun-23	2nd Year Jun-24
Airport Use Fees		\$ 74,529	\$ 223,588	\$ 298,117
Cargo Facility Fees Lease			\$ 28,620	\$ 29,335
Parking			\$ 12,960	\$ 12,960
Cargo Landing Fees			\$ 49,120	\$ 97,740
<b>Total</b>	\$ -	\$ 74,529	\$ 314,288	\$ 438,152

Operational cost savings will be realized in the absence of prior maintenance of old World War II facilities and poor infrastructure (incalculable). The new facilities, pavement and utilities will have minimal costs for 20 plus years. The new cargo facility will have minimal cost savings, since tenant paid for all maintenance on old facility. Accuracy of the estimate can be expected to be within +/- 10%.

**Selection Criteria**

**1) Primary Selection Criteria**

**(a) Safety**

This project addresses safety on a regional and local level.

Regionally, enabling coastal seafood harvest companies to minimize trucking of fresh seafood south to San Francisco and L.A., provides for a safer operation and reduces highway impacts over flying the produce more direct to its final destination from the Oregon Coast. Safe food is a major factor. Getting fresh seafood to its final destination quicker with less transfers and highway time, increases the safety in seafood products. Also increases viability and saves on wasted products.

Locally, our current cargo facility has three bays and no exterior parking, truck turnaround or loading and unloading space. The lease is for the footprint of the building only and there is no available land or space contiguous to this facility. They currently operate 11 (eleven) delivery trucks, and approximately 9 privately owned vehicles on

site. With a daily semi-truck delivery each morning. The main entry for operation, maintenance, life flight, air traffic control tower and aircraft tenants is immediately in front of their FedEx cargo building. The building and location were not designed to meet transmodal or cargo operations that required more than two panel van vehicles and one privately owned vehicle.

When a semi-truck does its delivery each morning it blocks the main gate entirely, at the hour that most tenants arrive at the airport. During the day the trucks arriving and leaving create a hazard for vehicles and pedestrians traffic. The privately owned vehicles park adjacent to the main airport access gate creating congestion for vehicles entering and exiting.



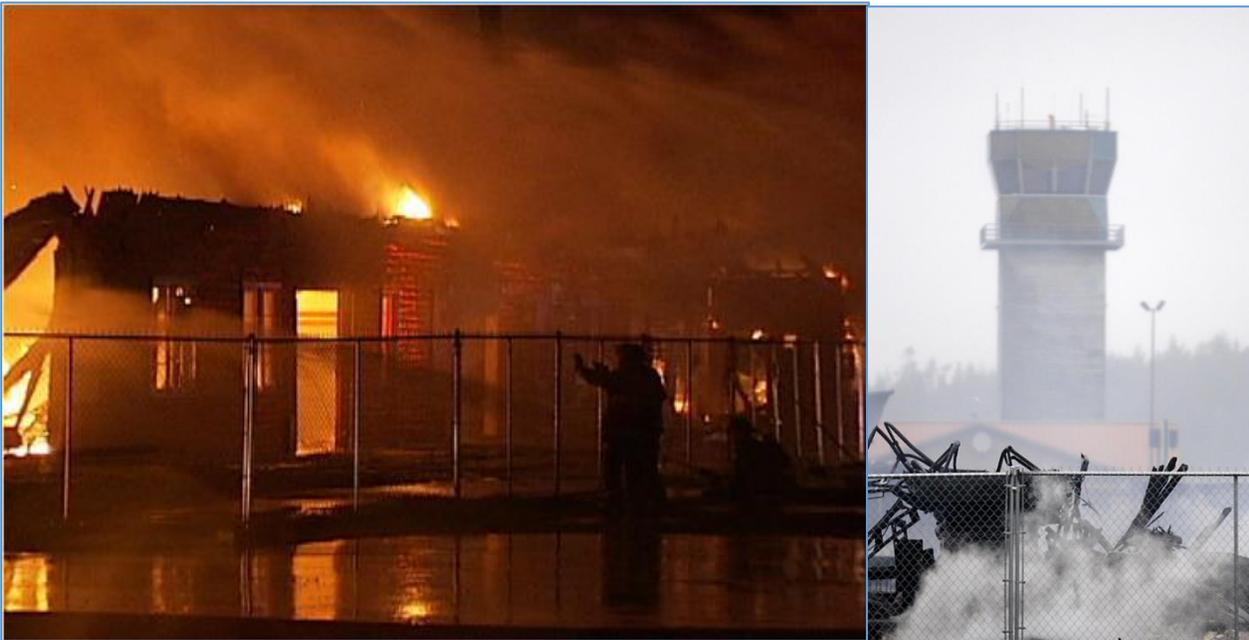
FedEx semi-tuck blocking main access road



Current Facility – on left, cargo vehicles parked haphazardly outside designated cargo facility

The buildings themselves are a health risk due to their age 70+ years. In the past maintenance crews have fallen through the roof due to rot and lack of roof span and spars that were not required in the 1930's. Tenants have tried unauthorized repairs and cut through the asbestos siding creating friable asbestos (inhalable asbestos fibers). A fire in any facility with asbestos could create a dangerous health risk for up to a mile radius in some instances due to coastal winds.

In 2014 the District experienced a lighting strike that burned down a 70,000 square foot hangar with asbestos siding. A large portion of the airport and airport businesses were inoperable/closed for several weeks until the friable asbestos material could be cleaned up and area deemed safe.



2013 - 70,000 sq. ft. asbestos hangar fire

### **(b) State of Good Repair**

This project is consistent with relevant plans to meet to maintain transportation facilities and systems in a state of good repair and address current and projected vulnerabilities.

The District took over the airport in 2003 from the Port of Coos Bay, who had taken it over a few years prior from the City of North Bend who managed it from 1960's to the late 90's. Neither of the prior owners were able to improve the property or maintain it to an acceptable level. Since 2003 the District has improved approximately 80% of the property. A new terminal, a new ATC tower, 30,000 sq. ft. hangar, new 52,000 sq ft tenant facility, new electrical airfield lighting, signage, street access and much more.

The Airport District has become a key provider of jobs and economic development for our regional and local community. We have increased general fund cash flow 200% over the past 10 years. Through establishing airport use fees and diversifying our tenant base.

This project addresses removing the last remnants of the World War II facilities and constructing new facilities that provide employees and other users of the airport with a safe and healthy environment.

The Airport has proven that it can manage, construct, remodel, and maintain facilities on the 619 acres, whether they are World War II-era or newly constructed.

We have a history of managing our grants, construction projects and facilities with the FAA, the State of Oregon, the U.S. Bureau of Land Management, GSA, and the U.S. Coast Guard. The U.S. Coast Guard operates their helicopter section North Bend out of the Southwest Oregon Regional Airport, aka KOTH(OTH). We have an excellent working relationship with our tenants.

If left unimproved the poor condition of the asset will threaten current and future transportation network efficiency. Unfortunately we have already had to put our current cargo operations on notice about the operational procedures occurring on their leasehold. The building was not designed to accommodate today's volume, and available functional property will not exist if we do not expand the infrastructure and build a new cargo facility.

The current cargo facility layout does not allow for a safe vehicle and pedestrian working space, which threatens the existing mobility of goods and does not allow for any growth in this strong growth market. In fact the current layout begs constriction to meet primary safety objectives and concerns.



Congested main airport access road

This project is appropriately capitalized up front. The District has prioritized this project with available capital resources.

The District does not want to lose opportunity to be awarded this grant and is positioned to complete the project, at a 20% match, but we are a small airport in a small rural community and if DOT were to award a grant at 90/10 match verses an 80/20 match it would allow the District to facilitate more economic utility for our small community such as marketing, increased employment, maintaining health insurance at sustainable levels for employees to afford.

The District maintains all of its current properties and will maintain future properties in the highest state of functionality and repair (excluding the World War II buildings).

Our annual budget includes assets management approaches for all our facilities relative to their size and life expectancy of buildings and systems. A building reserve fund has been in place for several years and includes adequate amounts to cover major system repairs as outlined in our audit report.

The District's fiscal year budget LB forms, for the past 5 years, may be obtained from <https://flyoth.com/airport-business/>

Eliminating the old facilities and replacing with new infrastructure and a cargo facility will reduce our maintenance costs, increase the overall life cycle of the property to 50 years, based on our 70 year old existing concrete ramp and current 70+ year old cargo facilities life cycle.

This new facility and infrastructure will have an associated Building Reserve Fund, funded annually to ensure maintenance and repair are performed in accordance with warranty requirements and best practices.

### **(c) Economic Competitiveness**

The Coos County Airport (OTH) is part of a National Plan of Integrated Airport Systems (NPIAS), the Oregon State Aviation Plan, and the Coos, Curry, Douglas County Comprehensive Plan.

- Business Oregon - Regional Competitive Industry Analysis; Coos, Curry, and Douglas Counties, November 2016
- Oregon Department of Aviation - Oregon Aviation Plan (OAP)
- U.S. Department of Transportation, Federal Aviation Administration Report to Congress – National Plan of Integrated Airport Systems (NPIAS) 2019-2023
- Southwestern Oregon Workforce Investment Board Strategic Plan – 2016
- Oregon Department of Fish and Wildlife - Oregon Commercial and Recreational Fishing Industry Economic Activity Coastwide and in Proximity to Marine Reserve Sites for Years 2016 and 2017
- CCD Business Development Corporation – Comprehensive Economic Development Strategy (CEDS) 2019-2023 Coos, Curry, and Douglas Counties – August 2018

Planning documents may be obtained from <https://cooscountyairportdistrict.com/airport-business/BUILD-grant/>

The construction of a new cargo facility with the associated expanded infrastructure would allow for a significant increase in the ability to store, transfer and ship regionally harvested seafood and other industry produced products.

The expansion of OTH cargo operations will increase Southern Oregon's regional connectivity to new markets, thereby stimulating business activity and relocation. While air transport carriers account for just .5% of the volume of world trade shipments, "thirty-five percent (35%) of world trade by value are transported by air." Air Cargo transport has a high economic value because the transported goods are often times sensitive and/or perishable. OTH's prime location is attractive to shippers because shorter distances translate to saved money and time.

The recent pandemic has accelerated the growth of cargo and changed the dynamics of the airline industry. Airlines are grounding aircraft and laying off thousands of commercial airline pilots. There is a large inventory of CRJ 200's available for conversion to cargo to service regional markets such as OTH. Paired with the availability of experienced pilots, this is a time to optimize opportunities in the air cargo industry.

Volaire View – Volume 31  
May 15, 2020

*"Delta told its 14,500 pilots that it expects to have 7,000 more than it needs in the fall, according to a memo to flight operations employees first reported by Reuters Taking into account the exit of pilots who will reach mandatory retirement age over the next year, Delta would still have between 2 500 and 3 500 more pilots than needed to fly its schedule in the third quarter of 2021"*

SkyWest, Inc. Announces First Quarter 2020 Profit  
ST. GEORGE, Utah, May 7, 2020

*"As of March 31, 2020, SkyWest's capacity purchase agreement with Delta included 55 CRJ200 aircraft that are scheduled to expire in increments between Q2 and Q4 2020 and are not expected to be extended. SkyWest leases 19 of the 55 aircraft from Delta and anticipates returning the leased aircraft to Delta in 2020. SkyWest owns the remaining 36 CRJ200 aircraft and anticipates parking the 36 aircraft on an individual basis following removal from service. SkyWest has no outstanding financing obligations on the 36 owned CRJ200s."*

Airlines are looking to fully utilize their resources, create sustainability and enter new types of regional markets.

With increased transportation opportunities, businesses will find it advantageous to move to the region. Cargo expansions, generally, create spin-off benefits. For example, in a study completed by the International Air Transport Association (IATA), firms were surveyed on the importance of air cargo to their business. The data displays that eighty percent (80%) affirms reported that air services are important for the efficiency of their production, while sixty-five percent (65%) reported that it was absolutely vital. (International Air Transport Association. Airline Network Benefits. Economic Briefings No. 3. 2004). The increased economic revenue in the region, as well as the potential for new businesses to move to the area and create jobs, will have a substantial impact on quality of life. As a result, the Southern Oregon region will benefit greatly from the implementation of this project through increased connectivity, presence of essential goods or services and opportunities for meaningful employment.

#### **(d) Environmental Sustainability**

**Required Approvals:** This project requires the approval of the Coos County Airport District, which it has received, and environmental from the National Environmental Policy Act (NEPA), which is being pursued.

State and local approval: This project does not require approval except through the construction permitting process, i.e. electrical, plumbing and building permits.

Public engagement about the project occurred during the two year Airport Master Plan process, publicly announced meeting which accepted comments for the master plan prior to finalizing the 2013 master plan document.

Under local city building code all neighbors within the vicinity must be notified prior to the start of project.

The CCAD is committed to addressing environmental sustainability, as well as mitigating any potential impacts of this project as practicable and in compliance with laws and regulations. An Environmental Assessment was completed on a portion of the project area in 2020, using FAA AIP funding. It was determined to be a Categorical Exclusion (CatEx) or a finding of no significance. An Environmental Assessment on the remainder of the project site will be completed in December 2020 and expected to receive a Categorical Exclusion also. The Environmental Assessment was prepared in compliance with Federal Aviation Administration (FAA) Order 5050.4B National Environmental Policy Act (NEPA) Implementing Instructions for Airport Actions, FAA Order 1050.IE Environmental Impacts: Policies and Procedures, as well as applicable Executive Orders, Council on Environmental Quality regulations, and other federal, state and local laws and regulations in order to comply with the requirements of the National Environmental Policy Act (NEPA).

A prior Environmental Assessment of this project site has determined that the following resources are not in an area of potential impact:

- Coastal Barriers
- Coastal Management Zone,
- DOT Section 4(f)
- Floodplain, Prime
- Unique Farmlands
- Threatened or Endangered Species
- Wild or Scenic Rivers.

Air Quality	Analysis and modeling further indicate that implementation of the Recommended Development Plan will not result in a worsening of an existing condition or a new exceedance of the National Ambient Air Quality Standards (NAAQS).
Hazardous Materials	CCAD has a Stormwater Pollution Prevention Plan (SWPPP) for fuel, oil, and other toxic or hazardous substances. The CCAD will conduct its activities at the North Field Site in accordance with the SWTPP and all applicable federal and state laws and regulations. CCAD is also looking into the use of recycled stormwater for ground vehicle equipment washing.
Light Emissions	The new lighting that will be installed in conjunction with the implementation of the Recommended Development Plan will be aimed and/or shielded in such a way as to avoid impacts, especially impacts to residential use areas.

Noise	<p>Analysis and screening of the noise impacts associated with these increases indicate that the Recommended Development Plan will not result in:</p> <ol style="list-style-type: none"> <li>1. A noise sensitive area at or above DNL 65 dB to have an increase of DNL 1.5 dB or more; or</li> <li>2. An increase of 10 dB or more over existing surface traffic noise level conditions.</li> </ol>
Surface Traffic	<p>This project is expected to result in less congestion and a safer vehicle operating environment. Additional truck and aircraft parking will be constructed.</p>
Natural Resources & Energy Supply	<p>Consultation with Pacific Power and Northwest Natural Gas has confirmed there are adequate supplies of electricity and natural gas to support the Recommended Development Plan</p>

**(e) Quality of Life**

The airport is committed to improving quality of life for our region, locally, and for tenants and users of the airport.

This project would play a vital role in the airport fulfilling that commitment. It would provide prevailing wage construction jobs for approximately four years, wages that are not often available in the rural areas. Those wages will have a greater multiplier effect in a small rural community than in a larger Urban area, and increase quality of life on a greater scale.

The project will generate more long term employment opportunities post construction and continue to do so as the Cargo Industry expands regionally, providing more directly related seafood harvesting, and local production jobs and trade jobs offer a higher quality of lifestyle.

More business and tourism visitors through the airports infrastructure expansion project will create more retail and tourism related jobs for the younger working age groups, especially in an area that experiences a higher unemployment rate than nationally (during non pandemic times). This again will add a vitality and greater quality of life to a historically depressed area.

Quality of life will be more immediately and directly realized for the current airport operators, tenants and users who are working in the old World War II facilities. The current facilities are damp, drafty, leaking and pose health hazards. Replacing those facilities with a strong structural modern facility and infrastructure, and providing a better working environment, directly improves the tenant and users daily physical and environmental quality of life.

With increased and expanded transportation opportunities, businesses will find it advantageous to move to the region. Cargo expansions, generally, create spin-off benefits. For example, in a study completed by the International Air Transport Association (IATA), firms were surveyed on the importance of air cargo to their business. The data displays that eighty percent (80%) of firms reported that air services are important for the efficiency of their production, while sixty-five percent (65%) reported that it was absolutely vital. (International Air Transport Association. Airline Network Benefits. Economic Briefings No. 3. 2004). The increased economic revenue in the region, as well as the potential for new businesses to move to the area and create jobs, will have a substantial impact on quality of life. As a result, the Southern Oregon region will benefit greatly from the implementation of this project through increased connectivity, presence of essential goods or services and opportunities for meaningful employment.

## **2) Secondary Selection Criteria**

### **(a) Innovation**

#### **(i) Innovative Technologies**

Douglass Fast Net fiber network allows for robust Business Services including fiber internet, data networking, managed IT services, web/email hosting, and voice communications.

### **(b) Partnership – N/A**

## **Project Readiness**

### **(a) Technical Feasibility**

In a capital planning document by Superior Construction Consulting Services, probable costs and technical feasibility for the development of a 3.67-acre site that will become CCAD Cargo Facility and Infrastructure Expansion were analyzed. The site will include a 11,000 sq. ft. cargo & transfer facility, to facilitate tractor trailers and cargo vehicles, a 136,500 sq. ft. parking apron for cargo and business aircraft, and the realignment of an access road. Site development will include the improvement of existing gas, water, and sanitary sewer lines that will be connected to the cargo facility. Stormwater will be collected via surface inlets and piped to the existing storm system. Site electric utility poles will be relocated.

The project will be competitively bid in accordance to FAA and Oregon statutes.

There are no existing defined technical barriers to complete the project identified in this document, or other planning documents relative to the CCAD Cargo Facility and Infrastructure Expansion.

### **(b) Project Schedule**

In accordance with the NOFA, any funds awarded to the Coos County Airport District under BUILD will be obligated sufficiently in advance of the statutory deadline (September 30, 2022, for FY 2020 funds). The project is shovel-ready, with match funds obligated and in place. The permit approval will take approximately 30, 60 and 90 days depending on permit types i.e. asbestos removal, demolition and construction. The first permits will likely be in place before December 31, 2020. It should be noted that acquisition is not a component of this project.

The Cargo Facility and Infrastructure Expansion Project will commence immediately upon notification of an award under BUILD. For planning purposes, this BUILD application assumes a notification date of September 15, 2020, when the project will issue a Notice to Proceed (NTP) for demolition followed by NTP for design, within 90 days. It is anticipated that this project will be completed in 4-years (48 months), which will allow the Cargo Facility and Infrastructure Expansion to expend all BUILD funds on or before September 30, 2027 as required by the NOFA. The tentative project schedule is shown as follows.

<i>Project Task</i>	<i>Duration (days)</i>	<i>Cumulative Duration (days)</i>	<i>Duration (months)</i>
Demolition	30	30	24
Notice to Proceed-Design	45	75	
Completion of Design	90	165	
Completion of Permitting	90	255	
Bidding/Award	60	315	
Notice to proceed Construction	45	360	11
Substantial Completion of Construction	1460	1820	48
Project and Grant Close Out	90	1910	3

Project schedule

**(c) Required Approvals**

**(i) Environmental Approvals**

A NEPA Environmental Assessment (EA) for a portion of the CCAD Development Plan was completed in January 2020. The assessment included the area of the fire station. An Environmental Assessment for the remainder of the area will take approximately 60 days. Since the project is considered a previously disturbed and constructed site with no foreseen environmental concerns.

**(ii) Federal Transportation Requirements Affecting State/Local Planning**

It should be noted that the CCAD, is prepared to submit the following state/local level permits in conjunction with the project schedule, with a tentative goal to have all approvals in hand before December 31, 2020.

- Land development permit
- Stormwater
- Building
- NPDES & Erosion and Sedimentation Control
- FAA Form 7460-1 (protection of air space)
- Construction Safety Phasing Plan
- Coordination with all utility companies

#### **(d) Assessment of Project Risks and Mitigation Strategies**

The current pandemic environment has had an impact in all areas of industry. Cargo has been one of the few industries that have remained strong and experienced higher than pre-pandemic growth models. With the availability of aircraft and pilots, this project sees no identifiable risks associated with the risk of constructing the cargo facility and associated infrastructure expansion. Additionally, Bandon Dunes Golf Resort, one of our regions core employers and national tourist destination, had a limited resort opening on May 11, 2020 and on that morning multiple jets arrived for golf. Whereas no jets had been at the airport since late March. This is a strong indication that the business aircraft/tourist market is anxious to get back to pre-pandemic activities.

This project can identify no risks associated with the infrastructure expansion.

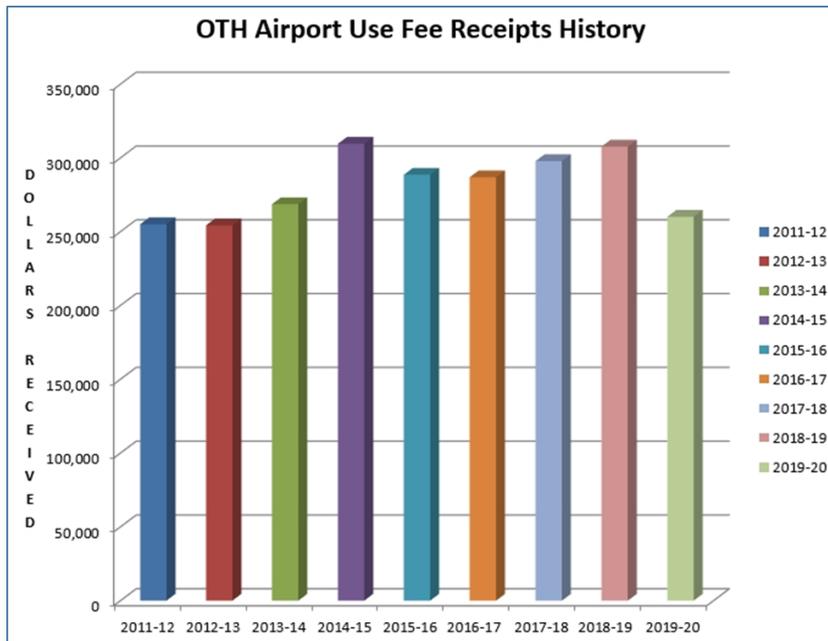
#### **Benefit – Cost Analysis**

**Intermodal Cargo:** Cargo is an important in the opportunity due to the overall growth in the Cargo industry worldwide, and the great need to export Oregon’s Coastal premium fresh seafood harvest, mainly shrimp and Oysters. Our regional seafood harvest industries have been looking for years to find a cost effective and reliable exporter.

Obstacles to their success in finding the correct provider in the past, has been lack of pilots and appropriate size of aircraft. The belly cargo from Commercial airlines servicing the airport were not available because of the bulk out from Golf Bags, and the local FedEx and UPS aircraft were too small. The current Pandemic environment has changed the market, both temporarily and long term. Pilots are being laid off in the thousands, aircraft are being grounded long term and great consideration is being put into converting those aircraft into regional cargo haulers.

The Airport District is working with the Airlines, Aviation Consultants, and the regional Seafood businesses to make bulk cargo available on converted RJ200’s.

**General Aviation Business:** Business Aviation is our tourism sector. Bandon Dunes Golf Resort is a nationally renowned destination for golfing and is 20 miles from the airport. The general aviation business jet traffic that Bandon Dunes attracts makes up 99% of the Southwest Oregon Regional Airport Traffic. In May of 2011, the airport introduced Airport Use fees. Currently we collect approximately \$300k annually.



Note: the pandemic has had minimal effect on Airport Use Fees, Bandon Dunes Golf Resort held a soft opening on May 11<sup>th</sup> and guests arrived at OTH that morning to golf.

The District has not been able to capture all available opportunities; fees and fuel sales, because of the limited ramp space available. Currently, a good percentage of aircraft visitors, have to drop and turn, due to insufficient ramp parking, therefore we lose out on revenue opportunity for overnight fees and fueling revenue, catering, hotel accommodations, etc. That also means the aircraft are taking off and landing, and flying, two times more that they need to than if they were able to remain on the ramp. The infrastructure expansion would capture those loses.

If the District were to pursue the Cargo Facility and Infrastructure expansion independent of grant funding it would take over 14 years to reach the point where a combination of airport revenue and bank loans would be a viable expenditure. That would equate to 14 years of lost revenue and competitive advantage, along with other reasons stated in the criteria section.

	Year 1	Year 2	Year 3	Year 4	Total
Benefits	618,495	10,790,233	2,932,917	830,788	15,172,433
Costs	444,642	6,853,765	1,702,213	265,380	9,266,000
Net	173,853	3,936,468	1,230,704	565,408	5,906,433
Discounted Annual Cash Flow (7%)	186,023	4,506,862	1,507,662	293,013	6,493,560

Additionally, as required by the NOFA, the Benefit Cost Analysis (BCA), is included as an attachment for review

## References

- Additional supporting documentation, including Letters of Support may be obtain at <https://cooscountyairportdistrict.com/airport-business/BUILD-grant/>
- Oregon Department of Aviation – Oregon Aviation Plan (OAP) <https://www.oregon.gov/aviation/plans-and-programs/Pages/oap.aspx>
- Business Oregon - Regional Competitive Industry Analysis; Coos, Curry, and Douglas Counties, November 2016
- U.S. Department of Transportation, Federal Aviation Administration Report to Congress – National Plan of Integrated Airport Systems (NPIAS) 2019-2023
- Southwestern Oregon Workforce Investment Board Strategic Plan – 2016
- Oregon Department of Fish and Wildlife - Oregon Commercial and Recreational Fishing Industry Economic Activity Coastwide and in Proximity to Marine Reserve Sites for Years 2016 and 2017
- CCD Business Development Corporation – Comprehensive Economic Development Strategy (CEDS) 2019-2023 Coos, Curry, and Douglas Counties – August 2018
- Superior Construction Consulting Services (SCCS)
- IMPLAN - CCAD Airport Economic Impact 2021-2024