

Senate Bill 170

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Theodore R. Kulongoski for Oregon Department of Aviation)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Expands number of rural airports eligible to participate in pilot project encouraging economic development. Authorizes industrial development of participant airport property.

A BILL FOR AN ACT

1
2 Relating to rural airports; amending ORS 197.713, 836.640 and 836.642.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 836.640 is amended to read:

5 836.640. As used in this section and ORS 836.642:

6 (1) **"Airport boundary" includes the combined public and private properties that are permitted to have direct access to aircraft by the airport runway.**

7
8 [(1)] (2) "Customary and usual aviation-related activity" includes activities described in ORS
9 836.616 (2) and includes activities that a local government may authorize pursuant to ORS 836.616
10 (3).

11 [(2)] (3) "Pilot site" means a rural airport identified to participate in the pilot program pursuant
12 to ORS 836.642.

13 [(3)] (4) "Rural airport" means an airport described in ORS 836.610 (1) that:

14 (a) **Does not have a permanent air traffic control tower; and**

15 (b) Principally serves a city or standard metropolitan statistical area with a population of
16 [75,000] **500,000** or fewer.

17 [(4)] (5) "Through the fence operation" means a customary and usual aviation-related activity
18 that:

19 (a) Is conducted by a commercial or industrial user of property within an airport boundary; and

20 (b) Relies, for business purposes, on the ability to taxi aircraft directly from the property em-
21 ployed for the commercial or industrial use to an airport runway.

22 **SECTION 2.** ORS 836.642 is amended to read:

23 836.642. (1) The Oregon Department of Aviation shall establish a pilot program at up to [*three*]
24 **six** rural airports to encourage development of through the fence operations designed to promote
25 economic development by creating family wage jobs, by increasing local tax bases and by increasing
26 financial support for rural airports. To the extent practicable, the airport sponsor of a pilot site
27 shall use public-private partnerships that incorporate:

28 (a) Innovative and creative technologies for increasing airport usability and safety;

29 (b) Innovative and creative performance of aviation services to make the services more com-
30 petitive and useful for the public;

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 (c) Development of the pilot site as a setting for customary and usual aviation-related activities
2 to develop and thrive, in concert with the goals of the Economic and Community Development De-
3 partment; and

4 (d) Shared responsibility for:

5 (A) Establishing and meeting the fiscal needs of the pilot site;

6 (B) Maintaining safety of operations; and

7 (C) Maintaining positive community relations and compatibility with existing uses.

8 (2) The pilot program shall operate at:

9 (a) The Aurora State Airport; and

10 (b) Not more than *[two]* **five** additional rural airports that volunteer to participate and are se-
11 lected by the Oregon Department of Aviation with the concurrence of the county in which each
12 rural airport is located.

13 (3) The Oregon Department of Aviation, by rule, shall provide standards and guidelines for
14 through the fence operations that:

15 (a) Ensure that the operations provide financial support to the pilot sites in compliance with
16 Federal Aviation Administration regulations;

17 (b) Require submission, review, approval and, as appropriate, revision of a facility site plan for
18 each through the fence operation so that the real property covered by the site plan can be incor-
19 porated into the airport boundary and coordinated with the other aspects of the airport master plan;

20 (c) Ensure that the operations are conducted according to a written contract between the com-
21 mercial or industrial user of property within the airport boundary and the airport sponsor;

22 (d) Ensure that pilot sites continue to operate in a safe manner and to fulfill their roles in
23 Oregon's emergency response system;

24 (e) Preserve investments in pilot sites and the level of service provided by pilot sites;

25 (f) Facilitate orderly management of pilot sites;

26 (g) Provide equitable and uniform treatment of airport tenants and users at pilot sites;

27 (h) Advance economic development through qualified customary and usual aviation-related ac-
28 tivities within the airport boundaries of pilot sites;

29 (i) Encourage well-ordered economic development within the airport boundaries of the pilot
30 sites;

31 (j) Facilitate and foster good relations with the communities surrounding the pilot sites;

32 (k) Enable conformity with approved airport master plans;

33 (L) Make pilot sites available for public use on reasonable terms; and

34 (m) Assist pilot sites in developing financial self-sufficiency through the use of innovative fund-
35 ing and economic development programs.

36 (4) The Department of Land Conservation and Development, the county and a city, if any, within
37 whose jurisdiction a pilot site is located shall coordinate with the Oregon Department of Aviation
38 to ensure that the applicable comprehensive plans and land use regulations, including airport zoning
39 classifications pursuant to ORS 836.600 to 836.630, facilitate through the fence operations and sup-
40 port the development or expansion of the pilot site consistent with applicable statewide land use
41 planning requirements.

42 (5) The Economic and Community Development Department shall assist the pilot sites to:

43 (a) Identify, qualify for and apply for funding from appropriate grant and loan programs; and

44 (b) Develop innovative short-term and long-term funding opportunities.

45 (6) To the extent practicable, the airport sponsors shall utilize innovative airport infrastructure

1 and operations funding to support the pilot sites including, but not limited to:

2 (a) Airport districts as provided in ORS chapter 838;

3 (b) Economic development programs administered by the Economic and Community Development
4 Department;

5 (c) Tax increment financing to provide funding for airport-related infrastructure;

6 (d) United States Department of Agriculture Rural Development grants or low-interest loans;
7 and

8 (e) Programs, including funding for short line railroads under ORS 367.067, designed to facilitate
9 development of intermodal transportation projects.

10 **SECTION 3.** ORS 197.713 is amended to read:

11 197.713. (1) Notwithstanding statewide land use planning goals relating to urbanization or to
12 public facilities and services, a county or its designee may authorize:

13 (a) Industrial development, including accessory uses subordinate to the industrial development,
14 in buildings of any size and type, subject to the permit approval process described in ORS 215.402
15 to 215.438 and to applicable building codes, in an area planned and zoned for industrial use on
16 January 1, 2004, subject to the territorial limits described in subsections (2) and (3) of this section.

17 (b) On-site sewer facilities to serve the industrial development authorized under this section,
18 including accessory uses subordinate to the industrial development.

19 (2) Subject to subsection (3) of this section, a county or its designee may consider the following
20 land for industrial development under this section:

21 (a) Land more than three miles outside the urban growth boundary of every city with a popu-
22 lation of 20,000 individuals or more; *[and]*

23 (b) Land outside the urban growth boundary of every city with a population of fewer than 20,000
24 individuals[.]; **and**

25 **(c) Land within an airport boundary, as defined in ORS 836.640, of a public use airport**
26 **participating in the pilot program established under ORS 836.642 to encourage development**
27 **of through the fence operations.**

28 (3) A county or its designee may not authorize industrial development under this section on land
29 within the Willamette Valley as defined in ORS 215.010.

30 (4) A county or its designee may not authorize under this section retail, commercial or resi-
31 dential development in the area zoned for industrial use.

32