



Oregon

Kate Brown, Governor



3040 -25th Street, SE
Salem, OR 97302-1125
Phone: (503) 378-4880
Toll Free: (800) 874-0102
FAX: (503) 373-1688

November 3, 2015

Tom MacDonald, Policy and Budget Analyst
Office of the Chief Financial Officer
Department of Administrative Services
155 Cottage St. NE, U20
Salem, OR 97301-3972

Re: OAR 738-010-0025(4)(b) – Commercial Tiedown Fees

Background and Explanation of Fee Change:

Oregon Administrative Rule 738-005-0010(129) defines "Tie-Down Area" as State-owned airport property, either pavement or turf, which is designated for aircraft parking for based or transient aircraft. Tiedowns are "D" rings and chains fixed in the ground used to secure aircraft while parked to protect against winds moving the aircraft.

OAR 738-0010-0025 has required the Department of Aviation's (ODA) Fixed Based Operator (FBO) tenants to pay 30% of the tiedown fees they collect through their commercial operations at State airports. ODA does not have the ability to monitor the use of tiedowns at our tenants' facilities; therefore our tenants are on their honor to pay the 30% fee. FBO's do not often charge tenants for tiedowns – so revenue opportunity is lost. In order to simplify this rule, and to encourage revenue collection, we wish to change the fee from a percentage to a flat fee.

Summary of Program Funding:

ODA does not receive any General Funds. No new program will be created; these fees are already in place with our tenants in the form of a percentage. The goal of this change is to collect revenue from all sources possible.

Timeframe:

This will be implemented upon approval with notification to tenants. The fee will be collected through Right of Way along with lease payments.

Stakeholders and Recipients of the Program:

The fee will be paid by Fixed Based Operators (FBOs) who hold leases with ODA. These tenants decide how many tiedowns they wish to have in their lease. If they choose to lease additional tiedowns from ODA, they may amend their lease to reflect the tiedown financial commitment.

Department of Aviation is required by our Federal Grant Assurances to collect tiedown fees from our tenants at fair market value. Currently the fair market value retail rate for a state owned airport tiedown is \$17.50, and therefore \$10.00 is a reasonable wholesale cost.

Stakeholder/Fee Payer Participation:

These communications were made in person between ODA’s Airport Manager, Matt Maass and our tenants. There are two stakeholders concerning this fee change: (1) our FBO tenants, and; (2) ODA. The ODA’s Airport Manager is in constant communication with the FBO tenants, and has long discussed the possibility of changing to a flat fee.

The tenants are aware that they may reduce the number of tiedowns. Some may opt out or reduce to as little as three tiedowns. Additional comments may result from the upcoming rulemaking public comment period forecasted to occur starting early November.

For more information contact: Joy Howard, Business Manager at 503-378-2894 or Mitch Swecker, Director at 503-378-2340.

Thank you,



Mitch Swecker
Director



Aircraft with tiedown chains.