

Goals and Strategies for the Future 2009 - 2015

Coos County Airport District
Board of Commissioners



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March 26, 2009

Prepared for:

Coos County Airport District Board of Commissioners

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Goals and Strategies for the Future

Coos County Airport District

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I. Introduction

The Coos County Airport District (District), a municipality created under Oregon Revised Statutes, Chapter 838, and enabled by a resolution passed by the Coos County Commissioners was formed by popular vote in an election of the citizens of Coos County in the fall of 2002. The District operates with the assistance of a small property tax base that provides approximately twenty-five percent of the District operating budget.

A board of five commissioners (Board) elected from throughout Coos County has responsibility for governance of the District. With the purpose of providing economic stability for aviation services for all of Coos County, the Board established three primary goals for the District in 2003.

- Make the District financially independent so that no tax dollars will be required for operations.
- Maintain and enhance general and commercial aviation.
- Operate and maintain the airport Business Park in support of general and commercial aviation.

Commissioners have been diligent in carrying out District responsibilities by establishing annual objectives to serve as tools or “drivers” for the annual budget process, and keeping all “eyes on the ball” to assure that all of the details necessary to complete specific projects are addressed in a timely manner. Here are some examples:

- The District has developed new commercial air service route authority for origination/destination service to and from San Francisco, and maintained service to and from Portland.
- The District has developed a new terminal facility and new infrastructure.
- The District has a new air traffic control tower.
- The District has completed design and construction of the Taxiway C relocation project.
- The District has opened new Business Park properties with infrastructure in place.

Each of these projects has been a major milestone requiring detailed administrative oversight for success. The accomplishments are the result of the completion of numerous tasks in complex project work programs.

To be effective, the Board and administration recognize that continual goal setting and planning are necessary. This document is the result of a facilitated planning meeting that was held to identify 10-year strategies and goals for the success of the District. The meeting was held on January 10, 2009 at the boardroom in the terminal facility at Southwest Oregon Regional Airport. Board members, the Executive

Director, and the District's legal council participated in the discussion. The names of members of the public who attended the meeting are maintained in the minutes of the meeting at the airport administration office.

Opportunities and challenges are continually in a state of flux due to changing economies and communities, new innovations and other factors. This plan provides a summary of strategies to respond to opportunities and challenges, but detailed work programs and adjustments will be necessary to implement the plan over time. The Board must continue to establish objectives and revise this plan on an annual basis. Setting aside time for the Board and administration to review and amend the plan will contribute to a cohesive ongoing vision and assure that the District is carrying out their goals.

II. Mission

Coos County Airport District Mission

The Coos County Airport District exists to serve the citizens of Coos County and benefit the Southwestern Oregon region by providing quality commercial and general aviation services.

The Coos County Airport District will promote the use of their Business Park to benefit the transportation resource to become self-supporting over time.

III. Goals and Strategies

3.1 Airport Master Plan

Current Situation

Southwest Oregon Regional Airport has been guided by the North Bend Airport Master Plan, a capital plan that was published in 2002. Airport Commissioners note that many of the recommendations that are included in the current master plan have been completed. Others have now become irrelevant due to changing conditions. Changes in the organizational structure have occurred, but the changes are not reflected in the Plan; the database is out of date.

Commissioners recognize that aeronautical activities are the core business of the District, and that it is important to keep the plan and vision current. Planning for the future is an essential and ongoing component of the District's business.

Priorities

It is essential for the District to develop and maintain an up-to-date airport master plan. Developing a funding source to complete the master plan is a challenge. By initiating phased planning to develop new elements of the master plan over time, the District can tackle current opportunities and problems first.

Action Steps

3.1.1 “Scan the horizon” for changes affecting airport services.

- A. Economic activity at the local level.
- B. Changing local, state, and national economy.
- C. Change in airport activities at the local level with “an eye to” activities at the state and national levels.

3.1.2 Determine where current master plan recommendation are relevant.

- A. Considering challenges, risks and opportunities that have been identified in this document, and others; organize a workshop for the Board to review the existing master plan.
- B. Identify recommendations/projects that have been completed.

- C. Identify recommendations/projects that are no longer relevant.
- D. Identify recommendations/projects that need to be completed.
- E. Other.

3.1.3 Develop elements of the new master plan to take advantage of funding opportunities.

- A. Identify those airside elements that intersect so that appropriate phased planning can be initiated.
- B. Identify where financing is likely to become available for airports and service so that the necessary analysis can be prepared to be ready for the funding.
- C. Apply for any financing that is available to prepare specific identified plan elements.
- D. Complete various phases of the airside plan over time to meet the needs and address opportunities.

3.1.4 Address current and future general aviation concerns.

- A. Identify and address space needs for fixed base operators.
- B. Address future runway needs.
- C. Address pilot concerns.
- D. Address future needs for all air cargo components, and designate land for warehousing cargo.
- E. Address properties adjacent to the airport that are not currently identified for specific uses.
- F. Identify areas for future expansion.



3.1.5 Complete and coordinate all elements of the new airport airside master plan as a long-term goal.

3.2 Business Park Plan

Current Situation

The North Bend Airport Business Park: Lease Analysis and Financial Plan by Hobson & Johnson Associates of Portland, Oregon was completed in 2000 under the administration of the Oregon International Port of Coos Bay. At the same time a planning study addressing layout, infrastructure, and potential layouts of non-aeronautical lands of the airport was completed by Benkendorf Associates of Portland. This was prior to the election that organized the Coos County Airport District Board. Since that time, infrastructure has been added in new locations and a new land lease has been negotiated with UPS for the relocation of their facilities on airport property.

The Hobson study can provide guidance for future revisions, but the Benkendorf plan is now obsolete. The Airport District's Business Park provides an ongoing profitable line of business on public property, and up-to-date information is a priority.

Priorities

It is time to pursue a new Business Park master site plan, and update lease and financial information. The master site plan will provide guidance for continuing development of the Business Park. Updated lease and financial information will be utilized in developing a business plan that will merge operations of the airport and the Business Park.

Proactive marketing will assure that the Board continues to take advantage of all opportunities to develop the Business Park, so that revenues are maximized. Development of the Business Park will be a cornerstone in achieving the District's goal of self-sufficiency.

Action Steps

3.2.1 Consider Business Park infrastructure.

- A. Organize a Board tour of the Business Park.
- B. Consider the "big picture" to proceed with new site planning and enhance marketing. Look at what currently exists, what is working, and what is needed for future success.
 - Review ingress and egress options.

- Coordinate with the City of North Bend to recognize and minimize future potential conflicts related to streets, parking, and other aspects between the Business Park and adjacent residential areas.
- C. Determine initial site planning tasks to be completed.
- D. Identify infrastructure projects that need little further analysis or other preparation prior to construction.
- E. Determine whether there are target industries to be accommodated by infrastructure and site development, and recruited through marketing.
- F. Determine District objectives of the Business Park.

3.2.2 Identify benefits for tenants of the Airport Business Park.

- A. Define tax and other advantages of the Airport Business Park.
- B. Review existing area studies, and brainstorm with local development partners to supplement knowledge about how future businesses can benefit from locating in the Business Park.

3.2.3 Develop the new master site plan for Business Park properties, separate from the aeronautical master plan.

Site Analysis

- A. Prepare appraisals for all non-aeronautical lands properties.
- B. Map all properties and infrastructure.
- C. Prepare analysis of suitability and limitations of all properties based upon size and configuration, soil conditions, geologic conditions, zoning, infrastructure available, adjacent uses, potential users and other factors.
- D. Provide site analysis relative to any specific targeted industries.
- E. Provide options and alternatives.
- F. Provide recommendations for existing and new infrastructure.
- G. Provide recommendations for any development standards that will apply to the Business Park in addition to City planning standards such as setbacks, design standards, landscaping or other.

Lease and Financial Impacts Analysis

- A. Provide analysis of existing lease agreements and financial impacts.
- B. Provide projections of future leases and finances.
- C. Define the District's role as both property owner and developer.

3.2.4 Enhance marketing for the Business Park.

- A. Review current marketing information and ongoing recruitment.
- B. Develop new information and maintain printed information to market the Business Park.
- C. Promote tax advantages and other advantages of the Business Park.

- D. Maintain communications with local and state economic development representatives including the South Coast Development Council, the Oregon International Port of Coos Bay, Oregon Economic and Community Development Department, and others to identify ongoing opportunities for recruitment.
- E. Prepare the web site to serve as a recruitment tool.
- F. Carry out recruitment activities through advertising and promotion, web site information, personal contacts and networking.
- G. Respond to ongoing opportunities.

3.3 Business Plan

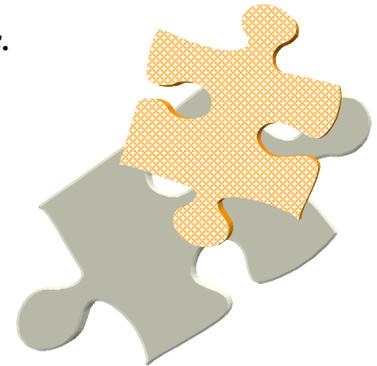
Priorities

The airport business plan will address all of the components of the airport master plan and the Business Park master site plan to provide integrated analysis and recommendations. The business plan includes all the elements that will guide the operations and development of the District from a business and financial perspective whether or not they are organized into a single document. The Board’s goal is self-sufficiency over time so that it will not be necessary to rely on tax dollars.

Action Steps

3.3.1 Integrate goals for the future with financial aspects.

- A. Provide analysis of airport master plan recommendations along with the Business Park master site plan and updated lease and financial information.
- B. Address financial goals of the District, and recommend alternatives for achieving the goals.
- C. Examine competitive aspects and marketing techniques.
- D. Identify acceptable level of risk for financial expenditures on the Business Park, while assuring that the Business Park is self-sufficient and contributing to the purposes of commercial air aviation as defined by the statutes.



3.3.2 Implement the business plan, and adjust the plan over time to respond to changing conditions.

3.4 Passengers and Destinations

Current Situation

Changing air service needs of the region coupled with the volatility of the current airline industry have created a challenge for air service to this region and to other regions of the state. Fluctuating prices of fuel, airline bankruptcies, reorganizations, liquidations and mergers all contribute to the challenge. Passenger demand, airline routes, and air service with timely connections to major connecting hubs in Portland, San Francisco, and elsewhere are all key components of a bustling successful air service to this region.

At the present time, service to Portland and San Francisco is provided by SkyWest Airlines doing business as United Express with a United Airlines code share. The District is currently providing subsidies to SkyWest for Portland and San Francisco flights.

The Portland route is now suffering from difficult schedules that result in poor connections. The passenger base exists, but passenger boardings are low. This can be attributed to only two flights daily, poor timing of the flights, inadequate hub connections, and a bad nationwide economy. The District has data from the past regarding Portland service, and the expectation is that Portland service should be able to function without subsidies.

Priorities

The District's goal is to provide quality service to and from both San Francisco and Portland that can operate without subsidies. To accomplish this, there must be additional passenger enplanements from the catchment area. Passenger enplanements will increase when air service is scheduled to take advantage of hub connections in Portland and San Francisco.

Action Steps

3.4.1 Gather information and set goals for route development and future passenger enplanements.

- A. Update current airline route development studies and continue to update this information approximately every two years.
- B. Maintain current Passenger Demand Analysis for all routes and destinations.
- C. Determine how much leakage is occurring from the catchment area.

- D. Consider factors affecting air service both locally and nationally.
- E. Determine alternatives and options.
- F. Utilize the information to determine expectations for route development and passenger enplanements.

3.4.2 *Connect expectations for quality service with any future subsidies.*

- A. Define expectations for “quality service” within the parameters of Southwest Regional Airport.
- B. Determine if and when subsidies can be appropriate.
- C. Include assurances of timely connecting flights, frequency of flights and ticket prices as part of the negotiations to assure that any subsidies provide leverage for quality service.
- D. Provide conditions and time frames for ending the subsidies. For example, local subsidies could be subject to review after one year, with analysis regarding benefits and drawbacks at that time.

3.4.3 *Maintain connections with existing markets while identifying and establishing new markets.*

3.4.4 *Determine local options and priorities.*

- A. Maintain ongoing communications with various carriers regarding the status of future airline service.
- B. Identify airports that are potential partners and determine whether working together could result in improved service for all.
- C. Consider organizing with other airports by reconvening and expanding the Governor’s Task Force. A precedent was set when the State legislature provided dollars to airports at Newport and Astoria.
- D. Maintain communications with major employers to understand their service needs. For example, Bandon Dunes is in need of improved scheduling at this time because those individuals utilizing the airlines from Portland to Bandon Dunes are now required to stay all night.
- E. Explore options for future air service on an ongoing basis considering all carriers and code sharing, destinations, and nontraditional commercial air service, and negotiate when appropriate.

3.4.5 *Develop information for air carriers and political representatives as appropriate to carry out the goals of the District.*

3.4.6 *Establish a systematic means of communicating with the public to reinforce public “ownership” of the airport, and increase enplanements.*

- A. Utilize technology to gather public opinion on specific topics.
- B. Utilize public meetings to gather information and provide education on an ongoing basis.
- C. Provide regular news releases to keep the public involved about air carrier concerns.
- D. Educate the public and gather input where appropriate:
 - Effects of deregulation.
 - Impacts of leakage from the catchment area.
 - Passenger data and analysis.
 - Subsidies and expectations.

3.4.7 *Market to all audiences.*

- A. Identify various audiences for public relations and marketing:
 - Market airline service to businesses and the general public within the catchment area.
 - Maintain communications with local businesses that advertise and promote their services outside Southwestern Oregon to encourage promotion of air travel to the local area.
 - Communicate with local businesses to promote air travel to and from the local area by local staff and by those coming from outside the local area to do business.
- B. Promote the local market with airline carriers.
- C. Determine a theme for marketing at the local level.
- D. Explore all local partnerships for marketing including, but not limited to businesses, tourism promotion entities, and event planners.
- E. Consider partnerships with other airports for advertising and marketing.
- F. Seek marketing dollars from air carriers.

3.5 Opportunities and Challenges

Current Situation

At this time, the Oregon International Port of Coos Bay is working with large industrial users who may locate on Port properties. If and when that occurs, there will be dredging, and fill materials that could be beneficial to the airport will become available. An opportunity such as this presents a dilemma because of the issue of timing. Any decision by the District to accept fill will be subject to an Environmental Impact Statement; quick turn-around will be essential if the District is to participate. However, there are no assurances as to when large industrial users will develop these local properties.

This is just one example of an opportunity that may arise, and the difficulty of organizing in advance. The District must be ready to respond to opportunities and challenges that occur, but there is risk associated with spending time and money on projects that may not come to fruition.

Priorities

It will be important for the District to continue to consider all situations that could impact the airport to be able to respond in a timely manner. Although all situations cannot be anticipated in advance, the Mission of the District, along with airport master plan, Business Park site plan and business plan will provide the guidance. The action steps below provide additional parameters.

Action Steps

3.5.1 Seek funding to carry out the goals of the District.

- A. Apply for grants and other funding to carry out the airport master plan.
- B. Apply for grants that may come available for “shovel-ready” Business Park infrastructure
- C. Develop partnerships that accomplish the goals of the District.
- D. Apply for grants to complete an EIS if and when it is determined that accepting fill from the Port is an appropriate course of action.
- E. Continue to consider all funding opportunities.

3.5.2 *Communicate with the Port of Coos Bay and the South Coast Development Council on a regular basis.*

- A. Keep abreast of projects that may present opportunities.
- B. Seek new opportunities for the Business Park.

3.5.3 *Respond to all opportunities and challenges over time.*

- A. When a new opportunity or challenge is identified carry out cost benefit and risk analysis prior to proceeding on any specific course of action where outcomes cannot be determined.
- B. Gather information for determining alternatives and options.
- C. Involve the public as part of the decision-making process.
- D. Proceed as determined prudent for the benefit of the District.

3.6 Organizational Capacity

Current Situation

The Coos County Airport District has been established for approximately six years, but the airport and the Business Park were well established for many years prior to the time that the District was formed. Expectations of management have changed considerably in that the District is no longer a branch of another municipal body. Historically, the North Bend Airport was maintained by the City of North Bend, but just prior to 2002, the airport was a division of Oregon International Port of Coos Bay.

Since its inception, the District has been accountable to the citizens of Coos County, while growing as a separate body. The Board has identified areas of additional emphasis that will require restructuring organizational elements. This can be accomplished by redirecting existing staff and/or by hiring new staff. Staff hiring and oversight continue to be the responsibility of the Executive Director who will incorporate the specific functions identified by the Board to allow for increasing responsibility and emphasis in new areas.

Priorities

Reorganize aspects of the District's financial control, and provide added emphasis on communications, advertising and promotion, and other identified functions.

Action Steps

3.6.1 Maintain staffing to accommodate current and changing District needs.

- A. Restructure staffing.
 - Further define new or expanded functions to be carried out, and identify skills needed to carry out those functions.
 - Train current staff for new or expanded functions, and continue with training as applicable.
 - Hire new staff as necessary where money is available, and where existing staff cannot be reassigned to accommodate new tasks.
 - Consider combining specific functions under the jurisdiction of one staff member.
- B. Reorganize financial reporting and oversight to include both in-house and contracted functions.
- C. Provide in-house staff with more emphasis on communications.
- D. Involve current or new staff in property and lease management oversight.
- E. Involve current or new staff in overseeing Business Park development.
- F. Assure adequate staffing for maintaining technology functions including, accepting and transmitting information, and vital systems such as parking, security, lighting, baggage devices and elevators.

3.6.2 Reorganize specific aspects of financial control.

- A. Continue to provide financial controls such as bank reconciliations through contracted services.
- B. Establish internal capacity to prepare financial statements.
- C. Maintain budgeting as an in-house function.

3.6.3 Expand communication-related functions.

- A. Communicate to enhance the image of the District within the community through public education and public involvement and two-way communication to promote the image and create regional "ownership" of the airport.
- B. Enhance communications with air carriers.
- C. Enhance tenant communications at the terminal and the Business Park.

- D. Enhance relationships with local business to market the airport, partner for advertising, and encourage business leadership to be involved in ongoing discussions with air carriers.
- E. Network to create partnerships that result in advertising and promotion.
- F. Purchase advertising, when feasible, to communicate with specific markets.
- G. Communicate regularly with political representatives at the local, state and federal levels.
- H. Communicate with other airports to increase effectiveness.
- I. Research grants available and compile grant applications when appropriate.
- J. Continue and expand communications between the Board and the Executive Director to keep Commissioners informed about ongoing activities.

3.6.4 *Increase advertising and promotion.*

- A. Provide enhanced networking and communications to promote the District and/or create partnerships for advertising and promotion:
 - With local organizations such as the Coos Bay North Bend Promotions Committee that do advertising and promotion of the region.
 - With local businesses that advertise outside the region, including, but not limited to Realtors.
 - Where there are local businesses that have business suppliers and other associates coming from outside the area such as Bay Area Hospital, Bandon Dunes and others.
- B. Develop a theme or image that is recognizable within the region.
- C. Develop advertising budgets for the Southwest Oregon Regional Airport and the Airport Business Park.

3.6.5 *Expand the web site, and maintain software and equipment at optimal levels.*

- A. Maintain technological software and equipment to enhance all functions.
- B. Organize the web site to allow for technological communications to and from the public.
- C. Utilize technology to promote the assets of Southwest Oregon Regional Airport and the Business Park.

3.7 State and National Influence

Current Situation

The District will continue to respond to many outside situations that create opportunities and challenges. The strategies within this document suggest thoughtful responses to deal with many “unknowns.” The strategies include many objectives for increasing public education and involvement at the local level. It is also important for the District to communicate their needs at the state and national levels. By encouraging favorable legislation and working with others to expand influence, the District will continue to provide high quality air service to meet the needs of Southwestern Oregon.

Priorities

Communicate at all levels to expand support and influence that will enhance the District in carrying out their mission.

Action Steps

3.7.1 Support legislative change to benefit air service to Southwest Oregon Regional Airport.

- A. Pursue ongoing communication with legislators. Recognize Representative Peter DeFazio’s leadership role with transportation at the federal level at this time.
- B. Support reform for Essential Air Service legislation.
- C. Protect service options for regional airports including Southwest Oregon Regional Airport.
- D. Maintain involvement in the American Association of Airport Executives, legislative committee.

3.7.2 Seek support from the State of Oregon.

- A. Explore state funding for subsidies through “Connect Oregon 3” and other funding that may become available.
- B. Continue to work with state legislators.
- C. Work with airports throughout the state to achieve common goals.

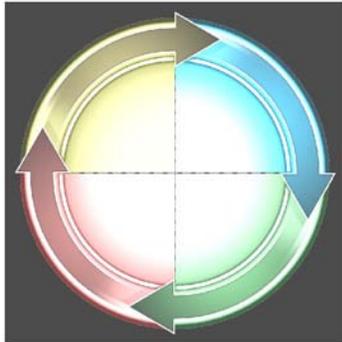
3.8 Strategic Planning and Goal Setting

Priorities

Strategic planning and goal setting involve members of the Board in planning for and coordinating all aspects of the District so that future needs will be addressed. This plan can serve as a bridge to more fully address the functions and facilities of Southwest Oregon Regional Airport, the role of Airport Business Park and new expectations for operations. The priority is to implement this plan, and continue to address future needs in a thoughtful organized manner.

Action Steps

- 3.8.1 Identify expectations for specific goals and strategies as appropriate on an ongoing basis.***
- 3.8.2 Prepare detailed work programs and analysis as appropriate to carry out all of the goals.***



- 3.8.3 Review and update strategies and action steps annually to maintain a current and viable plan.***
- 3.8.4 Inform the public as to progress, or changes in direction due to threats and opportunities.***