

DRAFT

Plan to Revive the Hood River Airport

The Issue:

The Airport ~~Advisory Committee~~ needs to be reenergized with people who are:

- Proponents of airport development
- Goal oriented, Creative, outside-the-box thinkers
- Capable of aggressively identifying and recommending solid actions that will make the facility self-funded (no longer relying on HR Bridge tolls to make up operational shortfalls)
- Experienced in seeing projects through to completion from concept to finished product
- Without conflict of interest

The committee and Port representation, in my opinion, has overweighted the noise concern thereby stifling potential growth, limiting revenue and becoming stagnant. The airport has the capacity to be a good neighbor and also become a vibrant source of commerce with the potential to not only become self-funded, but also a source of revenue that will assist the Port after the HR Bridge Toll revenue has ceased.

Now is the time for action. The current AAC is without motivation because of both past actions and lack of action by the Port. They have gone to meeting quarterly because there are no real goals or action items that need immediate attention. This needs to change immediately if we are to have a chance at an airport that reflects the beauty and vibrancy of Hood River and the Port accurately.

The Challenge:

The Airport is facing a serious financial challenge. As soon as the current HR Bridge is replaced revenue from tolls will cease. State legislation from both Oregon and Washington limit the use of any toll revenue captured from the new bridge solely to operate and maintain the new bridge. Revenue augmentation for the HR airport has been somewhere between \$200,000 and \$400,000 annually. Some of this money supports matching FAA grant requirements. With the current FAA grants in place the airport has an obligation to the FAA to maintain bare minimum status quo for 17 years. (Fact check that number) This means the airport must generate its own revenue (post new bridge) to be compliant with the FAA.

To do this, the Airport should identify 5 to 7 future revenue streams to replace funding augmentation described above. All potential options should be on the table regardless of past decisions and directions. Some things to consider:

- Re-zoning
- Public Private Partnerships to develop an airpark
- Through-the-fence agreements
- Development of Hangers
- Office space, restaurants, etc. using all forms of procurement/contracting

It is imperative the the Airport be self-sufficient well before the HR Bridge revenue is lost. I recommend we set a visionary goal of an annual net revenue of \$750,000 by the end 2026. This would allow for a robust grant building program as well as provide maintenance and operational costs each year.

The Airport Master Plan will need to be reviewed and a determination made whether this plan supports new goals.

How to get there:

Two options have been considered:

1. Re-energize the existing committee. Select new members that acknowledge the challenge and are committed to pursuing realistic options. Change committee meeting schedule to a schedule that will help realize goals. If existing members do not have the desire or capability to meet this challenge, they may respectfully step down from the committee.
2. Establish a new committee with a new name/goal/purpose. Publicize this new committee in order to find individuals/businesses from the community who are excited and capable of making it happen.

Rough Revenue Ideas:

1. Restaurant/Concessions to include breakfast/lunch/dinner/coffee
2. Transportation opportunities/Tourism Partnerships
3. Public Private Partnerships
4. Airpark
5. Hanger Development
6. Through the Fence Agreements
7. Specialized Aviation Services - flight training/ground school/maintenance/mechanics/etc.

Timeline:

1. Draft plan to Port Commissioners to include revenue ideas: June 2022
2. Develop communication documents describing the challenge and plan: July 2022
3. Share communication plan with the public/current AAC: August 2022
4. Seek new committee members: August 2022
5. Screen and select committee members: September 2022
6. New Committee to study/refine solid revenue stream ideas: September-December 2022
7. Committee Report: December 2022
8. Port Commission to endorse or modify as needed: January 2023
9. Begin implementation: February 2023

Ask of the Port Commission:

1. Provide input on proposal.
2. Endorse either Options 1 or 2 or provide guidance/endorsement on a different option.
3. Provide guidance to the Port Commission representative(s) as well as Port employees as to direction to proceed with the Airport Advisory Committee.

