

October 19, 2018

The Honorable Peter Courtney, Senate President Co-Chair, Joint Emergency Board Oregon Senate, Room S-201 900 State Street Salem, OR 97301 Also sent via email to: sen.petercourtney@oregonlegislature. gov

RE: Letter to Correct Record of Sept. 26 E-Board Meeting and Provide Information on Long-Running Public Controversy over Aurora State Airport Expansion

Dear Senator Courtney:

As the Mayor of the City of Wilsonville and on behalf of the Wilsonville City Council, I write to express appreciation for the Joint Emergency Board's deferral on September 26, 2018, of retroactive approval of the Oregon Department of Aviation's Agenda Item 71, Department of Aviation – Aurora State Airport Runway Extension. We also appreciate the referral to Oregon Solutions for further intergovernmental communications and community mediation of this controversial \$37 million state application for federal funds to greatly expand the Aurora State Airport. Both Wilsonville and Clackamas County have sought for over 10 years a public forum for meaningful, transparent discussions and coordinated intergovernmental planning over Aurora State Airport-related development proposals that directly impact our jurisdictions.

I am also compelled to correct the record regarding certain incorrect information presented at the E-Board meeting on September 26. By this letter, I will also clarify Wilsonville's position on the long-running controversy at the Aurora State Airport and raise important public-policy issues of concern to the greater community and state and federal leaders.

### I. FALSE INFORMATION / INACCURATE REPRESENTATIONS

**1.** The City Did Not Violate Public Meetings Laws: During the E-Board's discussion of Agenda Item 71, Department of Aviation – Aurora State Airport Runway Extension, the honorable Senator Fred Girod stated that the Wilsonville City Council had met illegally in executive sessions to discuss the proposed expansion of the Aurora State Airport. Both the City Manager and City Attorney are well aware that this kind of subject matter is not appropriate for executive session discussion and would never allow it. The City Council did not discuss Aurora State Airport issues in executive session.

Contrary to Senator Girod's false statement, the Council's discussion of the Aurora State Airport occurred in public, open sessions, during the public work sessions on August 8 and October 15, and during the public regular meeting on October 1. City Council discussions were attended and reported on by the news media. All sessions were broadcast live and are

available for replay online. City Council discussions of Aurora State Airport issues are noted in news releases on Council activities published on City's website, www.ci.wilsonville.or.us.

**2.** Aurora State Airport Rated Lowest Priority in Oregon Resilience Plan for Cascadia Subduction Zone Earthquake: Contrary to statements made at the committee meeting that depict the Aurora State Airport as a crucial facility for the projected 9.0 Cascadia Subduction Zone Earthquake, the Aurora State Airport is listed at the lowest-level of Tier 3 airports in the Oregon Resilience Plan. The Tier designations "indicate the priorities for making future investments." In other words, the Oregon Department of Aviation is effectively targeting one of the lowest priority airports to prepare for recovery in the Oregon Resilience Plan for one the largest airport capital improvement projects ever planned by the state.

With respect to the Airport's ability with withstand Cascadia Subduction Zone Earthquake, reports by the Oregon Department of Geology and Mineral Industries (DOGAMI) show that the Aurora State Airport is located in an area subject to major potential damage in a projected 9.0 Cascadia Subduction Zone Earthquake. The "Mid/Southern Willamette Valley Geologic Hazards, Earthquake and Landslide Hazard Maps, and Future Earthquake Damage Estimates," DOGAMI publication IMS-24, shows that the Aurora State Airport specifically is located in an area:

- Rated High for Ground Shake Amplification
- Rated High for Amplification Susceptibility
- Rated Moderate to High for Liquefaction Susceptibility

As a result of such an earthquake, the runway is likely unusable for a long period of time (6-12 months) after a projected 9.0 Cascadia Subduction Zone Earthquake. Rather than allow aircraft to take off or land due to an inoperable runway, the most likely role of the Aurora State Airport is to accommodate vertical take-off and landing of heavy-lift helicopters with locally-based Columbia Helicopters and Helicopter Transport Services, neither of which require a runway extension to operate.

3. Wilsonville's Concerns with the proposed Aurora State Airport Expansion Is A Regional Issue, Not a NIMBY Problem: Contrary to statements made by legislators at the E-Board meeting indicating that opposition to expansion of the Aurora State Airport is a local neighborhood issue only, Wilsonville contends that this is a major regional and state/federal issue. Both Clackamas County and the City of Wilsonville have sought for the past 10 years to engage constructively with others on development proposals that directly impact Clackamas County and Wilsonville. However, the requests by Clackamas County and Wilsonville to participate in transportation and growth-management matters pertaining to the Aurora State Airport have been rejected, as illustrated in the attached contorted history of the "Intergovernmental Agreement on the Coordination of Growth Management and Transportation Issues Between [sic] City of Aurora, Marion County and the Oregon Department of Aviation," of June 2010 pertaining to the "Aurora Airport Impact Area."

Furthermore, the situation with the proposed expansion of the Aurora State Airport illustrates the lack of rational state public-planning without the guidance of an Oregon Aviation Airports Master Plan. Why is the Oregon Department of Aviation (ODA) proposing to spend \$37 million in public funds to extend a runway by 1000 feet when an existing

airport with a 6,000-foot runway that is fully served with all urban services is only 22 nautical miles away? We understand that the Salem Municipal Airport has struggled for years to be commercially viable and is actively seeking more operations. What is the role for other regional airports such as PDX, Hillsboro, Troutdale, Salem, McMinnville, Scappoose and Mulino State Airport, all of which seek more business and investment opportunities?

Oregon has 97 public-use airports, of which 56 receive Federal Aviation Administration (FAA) funds and 28 are state-owned. How do these airports relate to each other? What is the priority for capital improvements among airports? What is the rational for putting Aurora State Airport before all other airports in line for federal funding? Why is one of the lowest-priority airports in the Oregon Resilience Plan being advocated to receive the largest Oregon airport improvement investment? There appear to be no answers to these questions because there is no Oregon Aviation Airports Master Plan that provides a logical, rational basis for the use of taxpayer funds or for a prioritized list of projects.

During discussions by legislative leaders during the E-Board meeting, the honorable Senator Girod made numerous other incorrect or misleading statements that should be examined for validity on many issues, as outlined below.

#### II. HISTORY AND CAUSES OF AURORA STATE AIRPORT CONTROVERY

**4. Aurora State Airport Expansion Without Transparency, Public Notice or Intergovernmental Coordination:** As far as Wilsonville is concerned, the decision to apply for a major proposed \$37 million expansion of the Aurora State Airport was has not been a transparent one. It was effectively made behind closed doors by the Oregon Department of Aviation without any kind of intergovernmental notification or public process. The ODA decision was made even without consultation or notice to current Aurora State Airport Impact Area Intergovernmental Agreement (IGA) member City of Aurora, nor excluded local governments of Clackamas County and Wilsonville and the Oregon Department of Transportation (ODOT).

As far as Wilsonville can tell, there were no public hearings held or public discussion of advancing a massive \$37 million project that was originally projected as costing \$7 million (2011 estimate), a 500+ percent cost increase. There are no detailed capital improvement plans for the Aurora State Airport expansion available for public inspection. There was no notice to other impacted state agencies (e.g., ODOT), local governments, area residents or businesses that the Department of Aviation, without consultation, had decided to move the project forward.

The joint requests by Clackamas County and Wilsonville originally made in November 2009 to participate in a coordinated process via an intergovernmental agreement to plan for growth and development in the Aurora State Airport Impact Area were rejected in a letter dated June 21, 2010, from Marion County. As a basis for the rejection, the letter was accompanied by an updated IGA that contained an exhibit showing a "gerrymandered" Aurora Airport Impact Area map where the 10,000-foot airport impact area excluded land within the jurisdiction of the Clackamas County and Wilsonville, despite being located in close proximity to thousands of their residents.

The subsequent 2012 Aurora State Airport Master Plan failed to follow state law in terms of public process and resulted in an Oregon Aviation Board decision to extend the runway that was contrary to the findings and conclusions contained in the Master Plan. Since then, new proposals to spend public funds to expand the airport's footprint continue to be advanced with the support of the Department of Aviation and Marion County at the exclusion of other impacted cities (Wilsonville and Aurora), agencies (ODOT) and Clackamas County.

**5. Operations at the Aurora State Airport Directly Impact Clackamas County and Wilsonville:** Although the Aurora State Airport is technically located in Marion County, the airport is situated right on the border of Clackamas County and less than two miles from the City of Wilsonville, in a rural EFU zone of Oregon's most productive historic agricultural lands of French Prairie and the North Willamette Valley. Contrary to contentions that Clackamas County and Wilsonville should have no say in what happens in Marion County, Oregon land-use laws calls for intergovernmental communications and cooperation in multi-jurisdictional issues, which this airport expansion plan clearly qualifies as.

The majority of operations at the Aurora State Airport directly impact Clackamas County lands and jurisdictions, including the City of Wilsonville. Consider the following:

- The majority of auto trips to and from the Aurora State Airport occur on Clackamas County roads or state highways.
- The majority of employees of businesses at the Airport are estimated to be Clackamas County residents.
- The majority of incoming and outgoing flights to the Aurora State Airport fly over Clackamas County and Wilsonville, with the Charbonneau community in particular highly impacted.

A non-gerrymandered Aurora State Airport Impact Area Map clearly shows that Clackamas County and Wilsonville lands fall within the 10,000-foot airport impact area. An artificial boundary line for governance or legislative representation should not affect local governments' ability to participate in public processes.

The lack of a well-vetted master planning process for the Aurora State Airport coupled with exclusionary intergovernmental agreements have disenfranchised residents in all of our jurisdictions. Clackamas County and Wilsonville have a vested interest in protecting the welfare of their residents and businesses. Issues of concern are focused on Oregon land-use and public-involvement laws, impacts to surface transportation facilities from continued development at the airport without mitigation, quality-of-life concerns due to overflights, and negative impacts to the vital French Prairie "ag cluster" of farms and food processors.

**6. Family-Wage Jobs for Marion County Residents**: Wilsonville, which serves as a key regional employment center with over 21,000 jobs—nearly 50% of which are high-paying industrial occupations of manufacturing, software engineering and wholesale distribution—produces an annual payroll exceeding \$1.1 billion, according to the Oregon Employment Department. The City of Wilsonville understands and appreciates how coordinated intergovernmental planning and real public engagement can benefit economic-development

objectives. Public process is an important component of gaining community understanding that produces viable long-term solutions.

Of the 21,000-plus jobs hosted in the city, an estimated 2,200 Marion County residents work for Wilsonville-based employers. Other than Salem/Keizer and Woodburn, Wilsonville provides more high-wage jobs to Marion County residents than any other city or any airport. One thing is certain: Wilsonville and ODOT are sure to hear from those Marion County residents who work in Wilsonville regarding increasing traffic congestion on I-5 and the major Boone Bridge bottleneck.

In order to accommodate Marion County residents commuting to jobs in Wilsonville and points north to the Portland metropolitan area, Wilsonville's South Metro Area Regional Transit (SMART) trades public-transit runs to/from Salem with Salem/Keizer Transit District "Cherriots" system. SMART is currently examining the potential of creating a new or modified route to serve Woodburn residents who work in Wilsonville and the Portland area. This is an example of how cities and counties should work cooperatively together.

No alternative surface-transportation methods are readily available and no public transit services serve the Aurora State Airport. There are no bike or ped facilities available. Marion County roads around the Aurora State Airport are narrow, farm-to-market roads lined with deep ditches and no shoulders or sidewalks.

**7. Unrealistic Expectations for an Expanded Aurora State Airport:** Over the years, various employment numbers have been presented by Airport supporters without evidence, from an alleged 1,000 jobs already at the Airport to the potential of creating up to 4,000 jobs. These numbers appear to be highly optimistic estimates that have no bearing on reality, other than the potential commuting and cargo freight traffic impacts to I-5, State Highway 551 and Clackamas County roads associated with such proposed urban-level development.

Wilsonville is not aware of any current employment survey of businesses or wages paid employees at the Airport that may exist. At the recent Oregon Aviation Industries Cluster Group (ORAVI) Annual Summit held October 12 at the Aurora State Airport, representatives on an Industry Panel and Education Panel complained about the financial challenges posed by having to pay entry-level workers as much as \$15 per hour. Aviation spokespeople also indicated difficulty in recruiting workers at that target wage level.

As a municipality very familiar with well-planned development, the 225-acre Coffee Creek Regionally Significant Industrial Area in north Wilsonville is estimated to host 1,800 jobs with an annual \$98 million payroll at build-out. Developing the Coffee Creek industrial area requires a minimum projected investment of \$130 million in infrastructure-related costs, of which Wilsonville is paying half.

The emphasis of Metro and Portland-area governments and state agencies has been and should continue to be to focus public resources on an area designated for developing employment, such as Coffee Creek. Local, regional and state governments have jointly concluded that public resources focused on infrastructure improvements to provide more employment should occur in areas with extensive land-use, infrastructure and transportation planning activities — all of which are absent in proposals to expand the Aurora State Airport.

Oregon land-use law calls for urban-level economic-development activities to occur in cities that provide water, wastewater, stormwater and other infrastructure services that include surface transportation options. Encouraging urban-level activities at the Aurora State Airport in rural Marion County adjacent to the Clackamas County French Prairie Rural Reserve is contrary to Oregon's land-use laws.

Prior to applying for federal funds for expansion of the Aurora State Airport, ODA should first conduct due-diligence studies on surface-transportation traffic impacts, increased surface water run-off and other development-related issues coupled with potential mitigation measures and funding sources in conjunction with impacted local governments and state agencies.

**8. Controversial History over Aurora State Airport:** When local news media reported previously on ethically questionable deals to provide inappropriate public funding subsidies to private-sector developers at Aurora State Airport by the Oregon Aviation Department, the FAA and Oregon Department of Justice intervened. However, both prior to and subsequent to this timeframe, news media provided other reports on questionable legislative and other proposals to direct more public subsidies to the Aurora State Airport that benefit certain private actors.

Proposed Senate Bill 904 of 2011 would have allowed certain qualifying airports in Oregon, specifically the Aurora State Airport, to create urban renewal districts using property-tax increment financing without an elected board of directors, directly contravening the principal of taxation with representation. The bill would have allowed proceeds from the tax revenues to be used for non-property tax-generating revenue expenses of facility maintenance, operations and services. Opposition from many parties, including the League of Oregon Cities (LOC), Association of Oregon Renewal Agencies (AORA) and Association of Oregon Counties (AOC), killed the proposal.

Senate Bill 534 of 2015 authorizes a city to provide water and sewer services to certain airports without annexation to the city, thereby breaking with Oregon land-use law that calls for urban-level activities to occur in cities with municipal governance and infrastructure services — land-use principles that Wilsonville supports as financially sound. In general, Oregon's land use program directs that urban services are to be provided within cities and inside urban growth boundaries (UGBs). The cumulative amount of public infrastructure costs are expensive, long-term investments that are meant to encourage more dense and efficient use of land inside cities and towns.

Proposed House Bill 4092 in the short session of February 2018 would have allowed extension of an airport runway at only one qualified airport—Aurora State Airport—as an allowed use under Oregon law, furthering a goal of Airport expansion occurring without public input. Rather than seek to take a comprehensive plan exception, which is allowed under Oregon land-use law, Airport expansion proponents sought to avoid a transparent public-review process.

Urban services are not appropriate for rural areas, where such investments often conflict with farming and forestry activities, and because of their costs, bring pressure to develop farm and forest lands and contribute to inefficient sprawl. Already, the City has received anecdotal reports from farmers near the Aurora State Airport of real-estate speculation that is increasing costs for ownership of or renting of agricultural land for farming operations.

**9. Aurora State Airport Does Not Take "Pressure" Off Portland International Airport (PDX):** The honorable Senator Girod stated during the E-Board meeting that Aurora State Airport takes pressure off of PDX for land requirements, which is an issue not addressed in the 2012 update to the Airport master plan. Wilsonville understands that PDX already has Flightcraft for use by smaller planes and corporate jets. While media accounts appear to indicate that land speculators are actively seeking to flip privately owned EFU land adjacent to the public Aurora State Airport runway to a "public" zoned airport use, there is no indication that such activity is being encouraged or supported by either PDX or Flightcraft.

Aircraft storage-hanger rental rates at Aurora State Airport are considerably less than the rates at Flightcraft. Aurora State Airport currently has no landing fees. Additionally, the Aurora State Airport planning documents make no reference to this airport as relieving pressure on PDX. Thus, it appears to some observers that the primary beneficiaries of this proposed \$37 million expenditure of public funds to expand the Aurora State Airport are neither other airports needing relief nor Marion County citizens needing jobs, but rather wealthy individuals and businesses who own planes and want lower landing fees and cheaper hanger rental space, as well as developers who own property at the Aurora State Airport.

**10. What Is the Real Motivation for the Aurora State Airport Expansion:** In reading prior media reports about controversies related the Aurora State Airport and looking objectively at the current situation, one may draw an inference that the real story is about using public funds to benefit private special interests. At the Aurora State Airport, the state publicly owned runway is lined with privately owned land.

By promoting this project to extend the runway by another 1,000 feet, the State and FAA in effect provide the motivation for special interests to speculate on purchasing prime agricultural land near the Airport with an objective that the public investment provides private pecuniary gain. That is, developers are motivated by the prospect of a large public investment to buy relatively inexpensive EFU-zoned farmland in an effort to flip the land into another, higher-value zoned use, in this case a "public" zone for the airport. Wilsonville believes that this is not the kind of ethical, above-board conduct that the state should seek to promote.

An examination of the record shows a history of undue influence by "the Family" at the Aurora State Airport on Oregon Aviation Department and other public-related expenditures that benefit private-sector businesses. The attached transcription of the July 17, 2018, Oregon Aviation Board meeting illustrates that various questionable methods are suggested to increase the "number of [take-off and landing] operations" at the Aurora State Airport in an effort to convince the FAA that the airport is a good candidate for federal funding for a longer runway.

## III. IMPORTANT PUBLIC-POLICY ISSUES HAVE NOT BEEN DISCUSSED CONCERNING THE PROPOSED EXPANSION OF THE AURORA STATE AIRPORT

**11.** Clackamas County and City of Wilsonville Seek Public Dialog and Planning for Involvement: Important issues of regional and statewide public concern are not being discussed in a coordinated fashion by local governments and state agencies pertaining to increased urban-level activities without municipal governance occurring at the Aurora State

Airport, which is located in rural unincorporated county land. Some of the significant issues that are ignored in planning for an expanded Aurora State Airport include:

- **Surface Transportation Impacts:** The roads in the vicinity of the Airport are generally older unimproved farm-to-market roads that lack shoulders and sidewalks. For a matter of perspective, during the Portland Metro urban/rural reserves process in 2009, ODOT alerted officials that the estimated costs to improve surface transportation facilities just south of Wilsonville and the Willamette River, including heavily congested I-5/State Highway 551/Boone Bridge area, would exceed \$500 million. No level of government is realistically addressing the current and future impacts that expansion of the Aurora State Airport would have on nearby city, county and state roads, or how these impacts may be mitigated and paid for.
- Lack of Alternative Transportation Options: The Aurora State Airport is not served by any public-transit provider and local roads lack bike lanes or sidewalks, which places further pressure on limited surface transportation facilities that are mostly owned and maintained by Clackamas County or the state.
- **Unfair Competition to Adjacent Jurisdictions:** Businesses in the neighboring cities of Aurora, Canby, Donald, Hubbard, Salem/Keizer, Woodburn and Wilsonville pay systems development charges and other taxes/fees that underwrite the costs of public infrastructure that is lacking at the Aurora State Airport. By avoiding these basic infrastructure costs of conducting commerce, the Aurora State Airport is effectively acting as a public subsidy for select businesses.
- Environmental Concerns Are Significant and include potential groundwater and surface water pollution. Toxic aviation gas fumes and deposits on area properties is a serious concern raised by neighbors to the Airport State Airport, including the Charbonneau community of Wilsonville. A 2005 Oregon DEQ study of landings and take-offs of Oregon airports showed that the Aurora State Airport had the third highest levels of lead-containing emissions of all Oregon airports. Wilsonville and others are prepared to require that the ODA and FAA conduct exhaustive environmental impact studies prior to approving any runway expansion.
- Potential Harm to the Important Agriculture Economic Cluster brought about by increased land-speculation and difficulty in conducting farming operations. The French Prairie area of North Marion County and South Clackamas County is the heart of Oregon's valuable nursery and food processing industry. Together, the gross farm and ranch sales of Clackamas and Marion Counties' vibrant agricultural sector generate over \$1 billion annually (2012 value)— nearly one-fifth of the state's total. Campbell Soup's Pacific Natural Foods, which employs over 600 workers at operations in Tualatin and Wilsonville, farms over 1,000 acres of organic crops in the Aurora area, and contracts with dozens of local farms for organic produce and poultry.

The Oregon Department of Agriculture has classified the prime agricultural lands of French Prairie near the Aurora State Airport as *foundation farmland* — the "best of the best." And the Department of Agriculture has found that these lands and agricultural operations are at risk to development and speculation, which led Clackamas County to declare its portion of French Prairie as Rural Reserve lands. Before risking long-term harm to the ag sector of farmers, food processors and adjunct industries of the French

Prairie area, Wilsonville believes that we should carefully consider alternatives so that we are fully cognizant of the impact of our actions, which implies a transparent, intergovernmental public process.

# IV. RESOLVING MULTIPLE CONFLICTS OVER THE AURORA STATE AIRPORT REQUIRES AN INCLUSIVE TRANSPARENT PUBLIC PROCESS

The City of Wilsonville respectfully recommends the following actions to advance a meaningful, transparent public discourse on the future of the Aurora State Airport and the area impacted by airport operations. Failure to do so by state and federal leaders would appear to engender further controversy and increased conflicts.

- 1. Withdrawal of the ODA application to FAA for runway extension funding until the following two processes are complete: development of an inclusive IGA and new airport master plan that complies with state law. This project was a poor choice by the state to advance for FAA funding, and the City respectfully recommends that Oregon advance another shovel-ready project at one of the state's other 55 FAA qualified airports. Certainly advancing a controversial project for federal funding that has the opposition of local governments is not an ideal situation from the perspective of the Oregon Congressional delegation.
- 2. **Development of an Inclusive IGA with all of the Relevant Local Jurisdictions** including the cities of Aurora and Wilsonville and Clackamas and Marion counties— together with ODA and ODOT on the coordination of transportation and growth management in the Aurora State Airport impact area.
- 3. **Development of a New Aurora State Airport Master Plan** that supersedes the 2012 master plan update and complies with state law requiring a transparent, public process that addresses key issues that include surface transportation, infrastructure and economic/living impacts and mitigation. Extension of the runway and expansion of the airport should not be pre-determined to occur prior to development of a new master plan.
- 4. **Development of an Oregon Aviation Airports Master Plan** that prioritizes airport-related improvements on a statewide basis with involvement by local governments, with a focus on the most important, top-tier airports in the Oregon Resilience Plan.

The City of Wilsonville is more than willing to work cooperatively with other impacted stakeholders to address the host of issues surrounding the Aurora State Airport in an open and transparent manner. Wilsonville and Clackamas County have been actively seeking to do so for the past 10 years. Thank you for the opportunity to factually correct the record and to offer our perspective on the appropriate steps to move forward. We appreciate your time and consideration of these important matters.

Sincerely,

Tim Knapp, Mayor City of Wilsonville

### Attachments (2):

- Map of "Gerrymandered" IGA Aurora Airport Impact Area; compare to Actual Aurora Airport Impact Map on next page
- Map of Actual Aurora Airport Impact Area; compare to IGA "Impact Map" on prior page

### Supporting Exhibits (37)

cc: Office of the Governor: Governor Kate Brown; Brendan Finn, Transportation Policy Advisor; Jason Miner, Natural Resources Policy Manager; Annie McColaugh, Federal Relations Director; Jason Lewis-Berry, Regional Solutions Director and Jobs & Economy Policy Advisor

Oregon Legislative Assembly: Senator Peter Courtney, Senate President; Representative Tina Kotek, House Speaker

ODA: Martha Meeker, Oregon Aviation Board Chair and Interim Director; Matthew Maass, State Airports Manager

ODOT: Matt Garrett, Director; Sonny Chickering, Region 2 Manager

U.S Congress: Senator Ron Wyden; Senator Jeff Merkley; Congressman Kurt Schrader

FAA: Randall Fiertz, NW Mountain Region Airports Div. Director; Joelle Briggs, Seattle Office Dist. Manager



