



Declaration of Cooperation

North Bend Airport Terminal Project

June 23, 2004

Sponsored by:

Coos County Airport District

Bandon Dunes Resort

Oregon Department of Aviation

South Coast Development Council

Oregon Economic and Community Development Department

Preface: The North Bend Airport Terminal Project was designated an Oregon Solutions project by Oregon Governor Ted Kulongoski in December 2003. The purpose of the project is to reach agreement on a plan of action for constructing a new airport passenger terminal facility at the North Bend Airport. The overall goal is to complete construction of the new terminal building by the summer of 2006.

The Governor has assured participation of his staff and appropriate state agencies with other participating public and private partners through the designation of this effort as an Oregon Solutions project. A project team has been assembled in an effort to bring effective partners to the table. It is expected that the creation of this team will help make efficient use of available resources, accelerate the pace of the project, overcome potential impediments early on, and raise awareness of the project on regional and statewide levels. In this fashion, the project team will commit resources and time to an integrated action plan focusing on a successful, sustainable project outcome.

Background: In October 2003, the South Coast Development Council in conjunction with a majority of the region's economic development stakeholders published a "White Paper" entitled Economy and Transportation Issues, Coos County, Oregon. Chief among its findings and recommendations is the development of an expanded commercial air route structure and the construction of new passenger terminal facilities as soon as practical. The airport's master plan shows that commercial, general aviation and cargo/mail are all projected to double by the year 2020. The existing terminal building was built in 1962 and the passenger facilities, air carrier apron and other related air operations are stretched to the maximum. The airport has thus become a limiting factor rather than a support or stimulus for economic growth.



After being operated by the City of North Bend since the Second World War, Coos County voters in 2003 passed a ballot measure to create the Coos County Airport District. The Airport District Board has reviewed projections for the development of a new terminal complex as discussed in the latest Airport Master Plan. They have determined that the Oregon Solutions designation for this project will increase the likelihood of securing funding for the project.

Project Description: The Airport Terminal complex is in addition to several other ongoing infrastructure projects for the airport. Runway/taxiway maintenance and improvements are budgeted for completion in the future, as is the construction of an air traffic control tower. The terminal project by itself is estimated to be approximately \$22 million. This project includes: passenger facilities, roadways, parking and car rental services, firefighting and rescue operations, airplane parking aprons and terminal business offices. The new terminal building will meet sustainable economic, environmental and community objectives in a number of ways. It will provide infrastructure that improves transportation linkages for the whole Coos Bay-South Coast region. It will improve the economic potential of the region by assisting existing businesses and attracting new ones. It will incorporate sustainable design practices and be a source of community pride.

***Oregon Solutions
North Bend Airport Agreements***

Project Team Commitments: Governor Kulongoski has selected Coos County Commissioner Nikki Whitty as the project team Convener. Members of the team are listed on *Attachment A*. The commitments represented below form a public statement of intent to participate in the project, to strive to identify opportunities and solutions whenever possible, to contribute assistance and support within resource limits, and to collaborate with other team members in promoting the success of the project. All team members acknowledge that the best solutions depend upon cooperation by all entities at the table. Accordingly, they recognize that each party has a unique perspective and contribution to make, and legitimate interests that need to be taken into account for the projects success.



Coos County Airport District

The voters created the countywide Airport District in 2003. It encompasses approximately 1,000 acres of property, complete with numerous buildings, airport facilities and an industrial park. The District is one of five entities to have provided financing to this Oregon Solutions project. As the responsible agency for all improvements, the District provides leadership and ownership of all decisions involving this project. The District Board and its Executive Director Gary LeTellier are optimistic about the potential of having a state and regional approach to finance needed airport facilities and look forward to working within the framework of the partnership that has been established through the Oregon Solutions process.

- The Airport District will provide leadership through its Board and Executive Director on the project, including lobbying efforts for funding at both State and national levels
- The District accepts the responsibility of keeping the community informed on the need for the project and progress of the improvements.
- The District will work as a partner with all members of the project team, keeping them informed on the project, and ask for assistance as needed.
- The District will complete the Airport Layout Plan (ALP) by the end of summer, 04.
- To assess available resources to support any long-term debt arrangement, the District will complete a Business Plan (financial feasibility study), by the end of summer, 04.
- In the design of new airport facilities, the District will use energy efficient and sustainable practices, and will seek through the Oregon Department of Energy assistance from the Pass-through-Option of the Business Energy Tax Credit Program.
- The District is expected to negotiate a long-term debt agreement by Jan-June 05, using a public/private partnership or other mechanisms, to fund airport passenger terminal facilities.
- The District will explore the use of County and National Guard equipment and personnel to assist in any construction phase that is deemed feasible by the Airport District.
- The District will pursue multiyear applications to the Coquille Indian Tribe of Coos Bay for grant funds from the Coquille Tribal Community Fund to assist in completion of the terminal project.
- Airport District Vice-Chair Sue Richardson will co-chair the project team when quarterly meeting are held in the future.


Board Chairman, Coos County Airport District

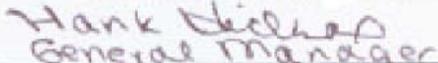
June 18, 2004
Date



Bandon Dunes Golf Resort

Bandon Dunes Golf Resort is a world-class destination located just north of the City of Bandon. In recent years golfers in increasing numbers have been using the North Bend airport facility to travel to the Oregon South Coast. As a result there are increased demands for larger and more adequate airport facilities. Bandon Dunes was one of the initial requestors to the Governor to have this project designated for Oregon Solutions. The Golf Resort General Manager Hank Hickox serves on the Project Team.

- Bandon Dunes through its project team will assist in lobbying activities with the Congressional delegation for project funding.
- Bandon Dunes will offer assistance in lobbying the Oregon Legislature for funding assistance to this project
- Bandon Dunes will explore long-term debt, or other funding opportunities with the Airport District to help finance the new terminal building. An alternative may be a public/private partnership agreement will be completed by mid 2005.


Bandon Dunes Representative

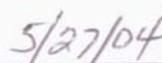

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Bay Area Chamber of Commerce

The Chamber of Commerce is a well-recognized organization that forms a vital link between local governments, and regional and state parties of leadership. The Chamber acts as the promoting entity for community spirit and voice for good economic advancement in the area. Executive Director Shirley Liberante is a member of the Project Team. The Chamber can help the terminal project in several ways:

- Along with the Airport District, keep the community informed about the need for the airport improvements and progress toward accomplishment of the project.
- Encourage private partnerships to take place within the project.
- Help lobby the legislature for New Carissa funding or other financing to assist in the project.


President


Date

City of Coos Bay

The city limits of Coos Bay lie adjacent to North Bend and as such it is an important neighboring jurisdiction of the airport facility. The airport serves as an entry point for both local and the visiting public, and thus it is in the interests of the City of Coos Bay to participate in the project.

- The City of Coos Bay shall continue to actively participate on the airport passenger terminal Project Team.
- As it deems appropriate, the City will assist the Airport District as it seeks funding opportunities at the state and federal level.
- The City of Coos Bay will offer assistance in explaining to the community and region, the economic importance of this project to the south coast.



A handwritten signature in black ink is written over a horizontal line labeled "Mayor". To the right, the date "6/17/04" is handwritten over another horizontal line labeled "Date".

City of North Bend

Coos County Airport District facilities lie within the city limits of North Bend. This creates a special local government relationship that can foster cooperative efforts for the completion of this project.

- The City of North Bend will continue to actively participate on the passenger terminal Project Team.
- The City's representative will explore with the District cooperative actions to facilitate progress of this project.
- As deemed appropriate, the City of North Bend will continue to offer support to the Airport District as it seeks funding opportunities at the state and federal level.
- The City of North Bend will offer assistance in explaining the economic importance of this project to the community and south coast region.



A handwritten signature in purple ink is written over a horizontal line labeled "Mayor". To the right, the date "6/08/04" is handwritten over another horizontal line labeled "Date".

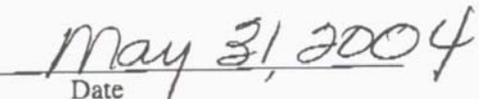
Coos County



Coos County, through Commissioner Whitty's correspondence to Governor Kulongoski, was instrumental in having the North Bend Terminal recognized as an Oregon Solutions project. The County through Convener Nikki Whitty serves as a vital focus to the importance of this project. There are many ways in which the County will assist the project:

- Along with Sue Richardson, Board Vice-Chair of the Coos County Airport District, Nikki Whitty is designated as co-chair for an ongoing project team effort. The County will continue to convene the Project Team every three months to report on progress activities and discuss next steps. Along with the Airport District, it will be the County's responsibility to help coordinate the roles of all Project Team members and keep them knowledgeable on project activities.
- Coos County will also assist in lobby efforts to bring New Carissa funding to the south coast region.
- The County will also assist in Congressional delegation lobby efforts for funds earmarked to the Airport project.
- Coos County will explore the feasibility of using county equipment and manpower as in-kind match to state agency funds for construction of land improvements.

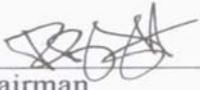

Coos County Commission


Date

Coquille Economic Development Corporation (CEDCO)

CEDCO is a Tribal corporation designed to take advantage of their federally recognized Tribal status and move toward economic self-sufficiency and prosperity. In doing so and to achieve this goal, CEDCO forms strategic partnerships with non-tribal entities. CEO Brady Scott serves on the project team and is familiar with the regions economic development challenges.

- CEDCO will assist in lobbying the legislature for New Carissa funds for Coos County economic development and transportation projects.
- The Corporation will assist in lobbying Congressional delegation for "air side" funds
- CEDCO will explore a monetary contribution to the airport terminal project in exchange for a like benefit such as advertising or an interpretive exhibit in the terminal area.

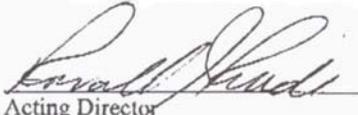

Chairman


Date

Department of Aviation

The goal of the Oregon Department of Aviation is to support aviation as an integral part of the state's transportation network. Accordingly, the Department encourages aviation related economic development and supports the development of commercial and general aviation facilities. For the North Bend Terminal Project the Department will:

- Provide funding assistance through a Financial Aid to Municipalities (FAM) grant to support the immediate work needed in finalizing the District's Airport Layout Plan (ALP). The Dept will also actively participate in the review and comment stages of the ALP to assist in an early conclusion to that process. Said process to be completed by the end of summer, 04.
- The Department will discuss with the Airport District the availability of future FAM grants to support the Airport terminal project.



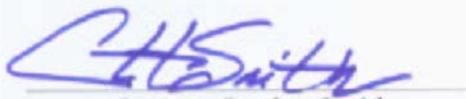
Acting Director



Date

United States Senator Gordon Smith

The strong cooperative efforts that exist between various local and state entities to revitalize the community through this Oregon Solutions project are truly commendable. Expanding and improving North Bend Airport facilities will address future safety and efficiency needs. It links runway improvements and construction of an air traffic control tower with a new passenger terminal facility. These improvements are key to the economic recovery of the South Coast region. My office offers assistance to this effort as deemed appropriate and recognizes and appreciates the community spirit embodied in this project.



Senator Gordon Smith

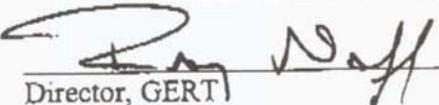


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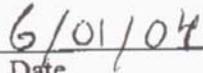
Governor's Economic Revitalization Team (GERT)

The purpose of GERT is to focus state agencies on working together at the local level to increase economic opportunity. GERT brings a special significance for the North Bend Airport Terminal project. Greater local access to state resources and assistance is available through GERT. Through the efforts of the Revitalization Team, it is anticipated that public/private investment opportunities will also be enhanced.

- GERT will provide assistance to the Airport District when state agency involvement and coordination is useful.
- GERT will help coordinate the securing of funding for the Airport Layout Plan process through OECD and/or the Department of Aviation.
- The Team will also assist the Airport District in securing OECD funding for land improvements and apron construction for the terminal project.
- GERT coordination will provide assistance as required in working with ODOT on land improvements for the project.



Director, GERT



Date

Oregon Department of Transportation (ODOT)

The Department of Transportation's role in this project is to provide assistance in identifying potential funding sources for transportation system improvements for the airport project that will support economic opportunity and improve livability in the south coast region. Elements of this project include: the development of a new entrance road to the terminal building; construction of additional access roadways; sidewalks; parking facilities; and placement of related signage, lighting and landscaping.

- ODOT will provide assistance to the Airport District in the application process for Immediate Opportunity Funding (IOF), the Transportation Enhancement Program, and Bicycle & Pedestrian Program. The Oregon Transportation Commission will make the final decision on any application for IOF funds, and applications for other funds will be reviewed in accordance with established criteria. If the applications are approved such funding could be made available to the Airport District to coincide with site development for the terminal building. IOF project proposals are reviewed in cooperation with the Oregon Economic and Community Development Department; and applicants are normally expected to provide a match of 50% or more of the total funds used for transportation improvements. The cost of the above-mentioned land improvements could approximate \$1 million.



Director



Date



Oregon Economic and Community Development Department (OECDD)

The Oregon Economic and Community Development Department provides financial and technical resources to businesses and communities with a primary focus on the creation of jobs for Oregonians. OECDD will assist the Airport District in identifying and obtaining funding for the North Bend Airport Terminal Project.

- OECDD will coordinate with ODOT to investigate and deliver (if possible) funding for road and parking improvements.
- Based on all the usual and appropriate data and conditions, OECDD will consider providing debt financing for new passenger terminal improvements.
- OECDD will continue to assist the Airport in pursuing financial and other resources within and outside of state government.



Director



Date

South Coast Development Council (SCDC)

The mission of SCDC is to improve the region's economy and in numerous ways they have enthusiastically endorsed the Airport District's terminal project. Led by Executive Director Ron Opitz, the SCDC has several important roles to assist with this project.

- Ron Opitz will act as liaison in conjunction with the Airport District, to negotiate underground utilities to the site. These include telephone, high-speed data, cable, water, sewer, storm water, gas (if available), and electricity. Negotiated utility agreements for all services will be accomplished by 1/1/05
- SCDC will assist the Airport District in working with private sector businesses to fund various components of the terminal project. A long-term debt arrangement may be one of these opportunities. (If applicable, have private sector funding agreement through a public/private partnership by 6/05)
- The Council will work with congressional delegation to obtain funding for airport improvements.
- SCDC will assist with legislative lobbying to secure New Carissa funding and/or other state funding opportunities. If necessary, the goal is to have legislation passed by 4/1/05.



Executive Director

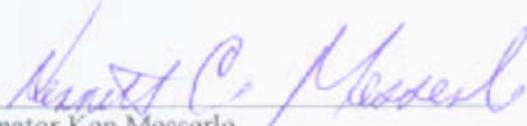


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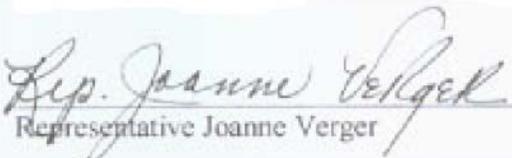
South Coast State Legislative Delegation

Legislators from the area provide a broad representation of interests and wide knowledge of the economic needs on the south coast. They have been active in working on the Project Team and have offered their support to the airport terminal project. The Legislators have expressed interest in doing the following:

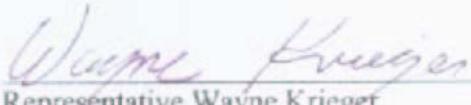
- As time allows, they will also support Congressional funding for the project and offer lobbying assistance to that end.
- Legislators will speak in the region on the importance of this regional airport facility.
- If needed, the delegation will sponsor or support legislation favorable to this project.



Senator Ken Messerle 6-14-04
Date



Rep. Joanne Verger June 23, 2004
Representative Joanne Verger Date



Wayne Krieger 6-13-04
Representative Wayne Krieger Date

NORTH BEND AIRPORT - NEW TERMINAL																
	2003			2004			2005			2006						
	1st QTR	2nd QTR	3rd QTR	4th QTR	1st QTR	2nd QTR	3rd QTR	4th QTR	1st QTR	2nd QTR	3rd QTR	4th QTR				
ALP					JULY											
Feasibility/Business Plan									JAN							
New Carriasa Legislation									JAN							
Funding Secured													OCT			
Environmental/Permits																
Acquisition/Condemnation																
Pre-Design																
Design/Bid																
Site Preparation																
Utilities/Roads																
Construction																
a. Airside																
b. Landside																
Certification/Inspections																
Transition/Operational																
Operational																
NOTE:	THIS TIME LINE IS SUBJECT TO AMENDMENT FOLLOWING COMPLETION OF ALP AND PRELIMINARY DESIGN PROCESS AND THE AVAILABILITY OF FUNDING SOURCES															

Appendix A

North Bend Airport Project

Team List

Nikki Whitty, Coos County Commissioner, Project Convener
Juine Chada, Field Representative for Senator Wyden
Chris Claflin, Reg. Dev. Officer, Economic & Community Development Dept. (OECDD)
Ann Crook, Director, Oregon Department of Aviation
Jeff Griffin, Regional Coordinator, Governor's Economic Revitalization Team (GERT)
Henry Hickox, General Manager, Bandon Dunes
Ron Kreskey, Field Representative, for Representative DeFazio
Wayne Krieger, State Representative, District 1
Gary LeTellier, Executive Director, Coos County Airport District
Shirley Liberante, Exec. Director, Bay Area Chamber of Commerce
Ken Messerle, State Senator 5th District
Jeff McKeown, Senior V.P., Smith Barney, City of Coos Bay Representative
Terri Moffett, Field Representative for Senator Smith
Ron Opitz, Executive Director, South Coast Development Council (SCDC)
Sue Richardson, Vice Chair, Coos County Airport District
Brady Scott, CEO, Coquille Economic Development Corporation (CEDCO)
Mark Usselman, S W Area Manager, ODOT Reg 3
Joanne Verger, State Representative, Dist 9
Bill Watson, Supervisor, FAA, NW Mountain Region
Rick Wetherell, Mayor, North Bend
Susan Brody, Oregon Solutions
Dick Townsend, Project Manager, Oregon Solutions



Appendix B

North Bend Airport Terminal Project

Resource Materials

In addition to the Declaration of Cooperation, the following list of resources were made available for sharing with other entities to inform them about the project or provide background materials and information on the project.

- Talking Points - North Bend Airport Terminal Project, March 2004: Three page statement of south coast economic picture and benefits of airport expansion (graphs included).
- Talking Points - North Bend Airport Project, March 2004: One page narrative describing the work in progress and regional value of project.
- Airport Project Funding Options, April 2004: Description of three components for funding options.
- Memorandum From Airport Executive Director to Airport District Board, November 20, 2003: Provides background on the project and summarizes initial funding analysis for the project.
- Agenda materials and minutes for project team meetings dated: February 20, 2004; March 11, 2004; April 1, 2004; May 14, 2004; June 23, 2004.
- North Bend Municipal Airport Business Park Master Plan, 2001.
- North Bend Municipal Airport Master Plan, November 2002.
- White Paper: Economy and Transportation Issues, Coos County, October 2003.
- Mid Willamette Valley Senior Services Agency lease purchase agreement materials, November 2000.