



MEMORANDUM

Date: February 1, 2006
To: Metropolitan Policy Committee
From: Bob Noble, Airport Manager
Subject: ConnectOregon Grant Application for Air Cargo Project

SOURCE/PURPOSE: The ConnectOregon program was created through Senate Bill 71 by the 2005 Oregon legislature. It is an economic stimulus program of \$100 million, funded through lottery bond proceeds. The program focuses on strategic investments that improve the efficiency of regional or the statewide transportation system through connecting modes. Air, marine, rail and public transit are eligible for funding. The proposed Air Cargo project appears to meet all the stated criteria of the program.

MATCH REQUIRED: The ConnectOregon program requires a minimum local match of 20% of total project costs. The Airport estimates the total project cost to be \$5,471,281. The Airport grant request is currently estimated at \$4,377,025, with the 20% matching source derived from \$1,039,543 Federal Aviation Administration (FAA) Airport Improvement Program grant funds and \$54,713 from City of Eugene Airport Capital Reserves (Fund 512).

DESCRIPTION: Enclosed in the packet is a one page project overview and rationale accompanied by a two-paged description of the project elements and cost estimate.

SCHEDULE: The Airport is currently expecting grant awards to be announced in June or July of 2006. If this time-frame holds, then the Airport is prepared to initiate construction in May or June of 2007 and complete the project within a one-year period.

RELATION TO ADOPTED PLANS: The project and concepts proposed for the project are already outlined and depicted in the adopted 2000 Eugene Airport Master Plan, a refinement of the Metro Area General Plan.

RELATION TO OTHER JURISDICTIONS: LCOG is coordinating regional endorsements through the Metropolitan Policy Committee. Grant applications are due by February 17, 2006. Aviation related projects will also be submitted to the Oregon State Aviation Board, which will prioritize aviation related projects and forward their recommendations to the Oregon Transportation Committee, who will make the final decision on grant awards.

ENDORSEMENTS OBTAINED: The Eugene Airport has received letters of support from the following: UPS, DHL, Jet Delivery, Horizon Air, Flightcraft, Lawrence Air Service, Eugene Area Chamber of Commerce, Springfield Chamber of Commerce, and the Airport Advisory Committee. The Eugene City Council approved support for the grant application on January 23, 2006.



Air Cargo Project
Eugene Airport
2006

Air Cargo has always played an important role in the viability of the Eugene Airport. The movement of goods remains an essential component of the economic vitality and development of the Southern Willamette Valley.

Prior to September 11, 2001 scheduled airlines and small package entities actively transported cargo and mail through the Eugene Airport utilizing the cargo hold capacity on commercial aircraft or the services of air cargo handlers. Due to current security measures, the use of scheduled airlines for US mail delivery has all but ceased putting an even bigger burden on the exclusive cargo carriers. This shift also means more freight was redirected to trucking, placing a higher burden on I-5.

The changing landscape of air freight/cargo means that the Eugene Airport must move forward to accommodate the changing needs of shippers and air freight/cargo handlers using the airport as a gateway to the region. Current conditions make it difficult to support the expanding freight/cargo business with an open air truck-to-truck ramp operation. Further, some existing facilities at the airport are antiquated and need modernization, or are deficient for the needs of users.

The Connect Oregon grant creates an opportunity for the Eugene Airport to meet immediate needs and be positioned for future growth in this important segment of the State of Oregon's intermodal transportation system. The movement of goods in and out of the region by air is centered at Eugene and the regions' economy relies heavily on the continuation of accessibility and the efficiency of delivery services for local businesses. The proposed expansion will support continued business growth, help insure the retention of jobs, and stimulate new employment in the region by strengthening the intermodal links that support the movement of products and time sensitive materials. Additionally, quieter, more fuel efficient aircraft will be able to use the new facility.

Recently completed airfield improvements at the Eugene Airport have improved safety and reliability, moving Eugene to the top of quality air transportation facilities in the Northwest. The Connect Oregon grant will enable Eugene to leverage federal Airport Improvement Program funds for the project creating the appropriate environment to attract new activity, and expand capacity for existing air freight/cargo companies. Improved reliability, on-time performance and relieving pressure from the congested I-5 corridor will be of significant benefit to the community for many years to come.

The Eugene Airport's proposal includes the extension of existing taxiways, expansion of the air cargo ramp to accommodate larger aircraft and consolidation of existing operations, and the construction of a freight/cargo facility enabling air freight/cargo companies to conduct business more efficiently in all weather conditions. The proposed building is designed with the expandability and flexibility to handle scheduled airline freight, incumbent small package shippers and air cargo carriers not currently operating at the airport. Approval of this multi-million dollar project would also create substantial local area employment during the construction period.

Since the airport has already conducted the necessary planning, amended appropriate land use documents, completed the necessary land purchases, upgraded adjacent airfield facilities, examined environmental impacts, and consulted with users, the Eugene Airport is ready to initiate the project subject to the determination that financial support would be available. The granting of State monies through the Connect Oregon legislation comes at a pivotal time. The value received from this proposed enhancement to Oregon's transportation system makes this project a top priority for the Southern Willamette Valley.

Eugene Airport
Air Cargo Facilities Improvements
February 1, 2006

Summary

The proposed project improvements will expand the existing air cargo ramp to accommodate narrow body jet aircraft. Taxiway "A" will be extended and Taxiway "L" widened to serve the expanded ramp. A new cargo office/warehouse will be constructed to accommodate the air cargo operators. Other improvements include a truck lot, new access road to the air cargo office/warehouse, parking lot, security fence and access gate, water, sewer, electrical and communications improvements.

Existing Air Cargo Facilities

The existing air cargo ramp, located on the south portion of the airport near the approach end of Runway 34L, is approximately 155 feet by 780 feet and is designed to accommodate Airplane Design Group II aircraft with wing spans up to 79 feet. The ramp is lit with nine ramp lights, four on the west side and five on the east side. Vehicular access to the air cargo ramp is via the air cargo road and a motorized access gate located north of the ramp in the area between the Lane Community College maintenance hangar and the existing air cargo ramp. Access from the air cargo ramp to the airfield is provided by a 35-foot wide taxilane.

Proposed Air Cargo Facilities Improvements

The proposed project improvements consist of the following work elements:

Taxiway "A" Extension and Taxiway "L" Widening. Taxiway "A" will be extended approximately 703 feet south and then 364 feet east to connect to the existing air cargo ramp pavement. The width of the extended taxiway will be 75 feet to match the existing Taxiway "A" width. With this width, the taxiway will be able to accommodate an aircraft such as a B757. Taxiway "L" will be widened to 75 feet to match a Taxiway "A". With these taxiway improvements, circulation will be provided the air cargo ramp allowing the aircraft to enter the ramp via Taxiway "A" and exit via Taxiway "L". The taxiway improvements includes new asphalt concrete pavement, drainage, markings, taxiway lighting and signage work

Air Cargo Ramp. Expand the air cargo ramp approximately 150 feet to the east by 857 feet (130,000 square feet). This ramp expansion work includes new asphalt concrete pavement, drainage, markings, and lighting work. The expanded air cargo ramp will be designed for Aircraft Design Group III.

Air Cargo Office/Warehouse. A 15,000 square foot facility will provide separate office and warehouse space for the air cargo operators. Common restroom facilities will also be provided. The office/warehouse will be a single story, metal-frame with metal siding and roof shell structure. Rough-in in electrical and communications utilities, rollup cargo doors, lighting, sprinklers and common restroom facilities will be provided. The tenants would construct their office and warehouse improvements. A landside truck lot, parking lot and access road will be constructed to service the warehouse facilities.

Site Utilities. Water, sewer, underground electrical and cable service will be provided to the air cargo facility. Approximately 650 lineal feet of 8-inch water line for fire protection and potable will be constructed with a connection to an existing 8-inch water line that services the Lane Community College maintenance hangar. A new 8-inch gravity sanitary sewer line will be constructed from the facility with a connection to the airport gravity sewer main at the intersection of Douglas Drive and Lockheed Drive. The proposed sanitary sewer line is approximately 5,310 feet long with an alignment along the future airport entrance road. The underground electrical service will be provided by a new duct bank line that will tie into an existing EWEB primary 12kV transformer about 1,000 feet from the air cargo building. Two existing transformers currently serving the ramp lights will be relocated outside the expanded ramp area. Underground telephone and cable service will be provided by a new 1,960 foot duct bank from the air cargo facility to the intersection of Airport Road and Douglas Drive.

Security Fencing and Access Gate. The existing access gate located north of the cargo ramp will be replaced with a new gate approximately 200 feet east along the cargo ramp service road to accommodate the cargo ramp expansion. Approximately 1,130 lineal feet of new security fencing will be installed for the expanded cargo ramp and relocated security access gate.

ESTIMATED CONTRUCTION AND ENGINEERING COSTS

Taxiway “A” Extension and Taxiway “L” Widening	\$ 709,431
Air Cargo Ramp	\$ 882,005
Air Cargo Office/Warehouse	\$ 2,216,975
Site Utilities	\$ 771,395
Security Fencing and Access Gate	\$ 96,503
<u>Engineering and Construction Management</u>	<u>\$ 794,972</u>
Total Estimated Cost	\$ 5,471,281

Funding Allocation

The total cost estimate for the proposed Air Cargo project is \$5,471,281. Connect Oregon requires a minimum of a 20% match. The Eugene Airport proposes allocating \$1,039,543 from Airport Improvement Program (AIP) funds provided by the FAA, and \$54,713 from local airport reserves (Fund 512) for use toward the construction of the taxiway extension, taxiway and ramp widening. This combined amount of \$1,094,256 represents 20% of the total project cost (including construction and engineering). Therefore, \$4,377,025 is proposed to be the amount requested in the Connect Oregon grant application.