

## Nishioka Comments for NAs dated July 2023

It has been very busy for the councilors. Here are my high-lights

- **Airport**

- Commercial Service to begin with Avelo Airlines in October.
- City Council authorization is required to obligate the City to long-term agreements and to change rates and fees established in the City's Master Fee Schedule.
- The Air Carrier Operating Agreement is a ten-year agreement with a five-year renewal option period and proposes rates and fees that differ from the City's Master Fee Schedule. The proposed rate and fee changes provide certainty for the air carrier as the program grows. While the proposed rate schedules will reduce potential airport revenues, the expectation is that air carrier growth will provide additional revenue in other areas, primarily through expanded public parking and increased rental car commissions.
- The Revenue Guarantee Agreement obligates the City to unconditionally guaranty that the Airline will receive certain minimum revenue for operating flights from Salem. In the event the Airline fails to realize the defined minimum revenue, it will invoice the City on a monthly basis for the shortfall. The City will utilize its federal grant funds and local matching funds to support the Airline and ensure that it is at least revenue-neutral for each flight operated to and from Salem up to a total amount of \$1,200,000, including \$50,000 for marketing.
- Travel Salem has agreed to provide the required \$350,000 in local matching funds through local pledges. However, if Travel Salem is unable to convert sufficient local pledges to matching funds, Travel Salem is obligated to use its own eligible funding sources to make the necessary payment to the City. There should be no budget impact to the City from this agreement unless Travel Salem defaults and is unable to provide the matching funds.
- On August 3, 2022, the United States Department of Transportation awarded the City of Salem a Small Community Air Service Development (SCASD) grant for \$850,000. The grant was fully executed on October 3, 2022. The required local matching funds totaling \$350,000 are being managed by Travel Salem. The Local Matching Funds Agreement (Attachment 1) with Travel Salem is necessary so that the City can seek the local share of reimbursable expenses associated with the SCASD

grant. The Airport's share of the grant match is considered an in-kind contribution of two years waived landing fees, aircraft parking fees, and terminal rental fees, which were authorized by City Council on April 25, 2022.

- The Revenue Guarantee Agreement with the Airline is an air services agreement with the City of Salem for the Airline to utilize the available SCASD funding and local matching funds to support their proposed air service program to the destinations identified in the agreement and the associated cost to the airline for providing that service.
- The Air Carrier Operating Agreement is a standard operating agreement between airports and airlines expressing, amongst other things, the amount of space to be leased, the fees to be charged, and operational obligations and expectations of both parties.”
- **Employee Payroll Tax**
  - This was voted to enact by the council on 7/10/2023
  - A referendum has been filed. Signatures are needed to act. Council members will begin working on the next steps if the required signatures are achieved.
- **Things happening in Ward 2**
  - Improper Tree Pruning on trees in the right of way in the Mill Creek area.
  - Five overlay zones for reconsideration of removal along Commercial Street SE on September 25. I'm working on a compromise that I hope the Council will vote in favor of.
  - Mill Creek, Mill Race, and Waller Dam are being reviewed for restorative work.
  - Home on Mountain View S is being purchased by City to become a large water catch basin due to continued flooding in this neighborhood and nearby streets.
  - The City's planning department is still reviewing short-term rentals.
- **Initiatives**
  - Councilor Stapleton and I are working on several ideas to utilize UO for Sustainable Cities Projects. One of which is Dark Skies.
  - I hope to see if the city can begin a Community Service program to help those with city fines to work volunteer service hours, reducing their fines.