



SOUTHWEST WASHINGTON REGIONAL AIRPORT
2222 S. PACIFIC AVE KELSO, WA 98626
PHONE: (360) 261-8268

Overview – History 2016

Interlocal Agreements

The Southwest Washington Regional Airport (SWRA) Interlocal and Cooperation Agreement, often referred to as the Interlocal Governance Agreement, is a 5-year agreement that was entered into on February 2012 and is set to expire February 2017.

The Interlocal Agreement between the Southwest Washington Regional Airport (SWRA) and City of Kelso for Management Services, is an agreement that the SWRA Board Approved December 2015; and was approved by the City of Kelso Council on January 5, 2016.

Airport Board Members

2015 Board Members: Darold Dietz (Chair), Norm Krehbiel (at large position), David Futcher (City of Kelso), Chet Makinster (City of Longview), Dennis Weber (Cowlitz County).

2016 Board Members: Darold Dietz is no longer the SWRA Chair and Norm Krehbiel resigns as the at large position representative. David Futcher (City of Kelso) is appointed as the SWRA Board Chair to replace Darold Dietz and Joseph Phillips (City of Longview) is appointed as the at large position to replace Norm Krehbiel. Other members include Jeff Wilson (Port of Longview), Chet Makinster (City of Longview) and Dennis Weber (Cowlitz County).

Airport Budget

Governance Interlocal 2016 discussions regarding Budget. Per the Interlocal Agreement, the Board is required to submit an Annual Budget for the succeeding year to each of the parties on or before August each year. The proposed budget to include detail of anticipated receipts and expenditures for the coming calendar year and clearly show the proposed contributions of each of the PARTIES. The Parties shall review the budget not later than October 1st each year. The budget of the Board shall become the Airport Budget for the calendar year specified upon receiving the approval by a supermajority of all of the parties, meaning three of the four jurisdictions. Additional discussion and consideration as a result of the February 2016 Port of Longview Board of Commissioners special meeting in which the Port voted 2-1 to give its nine-month notice of termination of participation in the Interlocal agreement. The Port's pending withdrawal from the agreement creates a \$76,000 shortfall in the 2017 SWRA budget.

2-year extension

Governance Interlocal 2016 discussions regarding next steps. During the May 2016 Board meeting the Board discussed the proposed option of extending the existing Interlocal agreement (set to expire in February 2017). It was proposed that there be a 2-year agreement extension to the Interlocal Contract, and that this concept be taken back to each airport board member's City Council and/or Board for further discussion and consideration.

Current Hangar and Land Lease Revenue for SWRA (2016) – Hangar revenue includes monthly hangar leasing and land lease revenue. Hangar Occupancy is currently 100%. (see attached hangar occupancy – June 2016)

SWRA Monthly Hangar Lease Summary			
Hangar Revenue (Monthly)	Potential Hangar lease revenue per month (HA) (excluding tax)	Current Hangar Lease Revenue collected per month (HA)	Comments
Hangar A	\$3,066.63	\$3,009.43	see below
Hangar B	\$1,988.76	\$1,883.16	
Hangar C	\$1,988.76	\$1,935.96	
Hangar D	Prime Development	Prime Development	
Hangar F	Prime Development	Prime Development	
Hangar G	Prime Development	Prime Development	
Sullivan 15 - 33; 57	\$0.00	\$0.00	Demo 2016 (2,282/530.)
Hangars 35-59/Apart./AMA	3,272.64	2,962.47	
Total Monthly Hangar Lease Revenue	\$10,316.79	\$9,791.02	Monthly Hangar Revenue

SWRA Annual Land Lease Revenue		
Land Lease Revenue (monthly, quarterly and annual)	Yearly Land Lease Total Revenue	Comment
Hangar D	\$4,158.00	(346.50 / monthly)
Hangar F	\$4,158.00	(346.50/ monthly)
Hangar G	\$0.00	0
Hangar 36	\$500.00	(125.00 / quarterly)
Hangar 37/38	\$1,100.04	(91.67 / monthly)
Hangar 56	\$2,316.00	(193/monthly)
Hangar 59	\$2,735.18	(2735.18 / annually)
Life Flight	\$9,600.00	(800/monthly)
Total Land Lease Revenue	\$24,567.22	ANNUAL BASIS

Annual Hangar Lease, Land Lease and Apartment Revenue		
Hangar Lease Revenue	117,492.24	(9,791.02 monthly x 12)
Land Lease Revenue	\$24,567.22	Annual Land Lease
Total Annual Hangar, Land Lease Revenue	\$142,059.46	* includes Row A, B, and C; Hangars 35-59/56/Life Flight/AMA/Apart.40/and Land Lease

Current (2016) and Future Hangar Revenue, Development, and Leasing Opportunities

1. Life Flight – Airport Management has been coordinating with Life Flight Services in an effort to relocate their current Cowlitz County operations to the Southwest Washington Regional Airport. The Life Flight Services, Operations, and Crews Quarters will be located at the Airport, near the north ramp and Fixed Base Operator building at 2215 Parrott Way. This year Airport Management has finalized the planning, engineering, FAA required 7460 form, site location specifics for their modular unit (crews' quarters), and tenant lease agreement terms with Life Flight Management.

Additional Revenue: Tenant Lease Agreement negotiated terms of \$800.00/month, resulting in an annual revenue for the Airport of \$9,600.

2. Aviation Marine and Auto (AMA)– Airport Management has been coordinating with "Aviation Marine and Auto", a current business located on the westside of the Southwest Washington Regional Airport, along Pacific Avenue. The AMA lease agreement terms were negotiated to accommodate this expanding business. The business now leases three hangars from the Airport.

Additional Revenue: Tenant Lease Agreement negotiated terms of \$900.00/month, resulting in an annual revenue for the Airport of \$10,800.

3. ROW E – Airport Management has been coordinating with Lower Columbia River Company as we explore the feasibility of building a 50x200' hangar along the eastside of the Airport, known as "Row E". This business concept proposal would include an additional development of several T hangars that would be available for leasing at the SWRA. Additionally, a Letter of Intent (LOI) was drafted while the parties involved work through the engineering details and permitting of additional temporary parking of a Beech Aircraft and Piper Apache.

Additional Revenue: Tenant Ground Lease Agreement terms to be determined. Current LOI resulting in \$100.00/month for a 6-month term, resulting in an additional revenue for the Airport of \$600.

4. Tie Down Revenue and Hangar development (150 x 150' hangar)

Airport Management has been coordinating with a current Airport Tenant and Pilot who pilots two Albatross Aircraft. Business concept proposal for additional hangar development of a 150 x 150' hangar that would be located at the Airport, along Parrott Way at the northern end of the North ramp. This hangar concept would provide hangar storage for the two Albatross Aircraft that are currently parked outside on the north ramp at the Airport.

Additional Revenue: Tenant Ground lease agreement terms to be determined. Current lease tie-down rates = \$38.94 (month w/ leasehold tax). Total of 5 tie-downs charged currently to Tenant/Pilot for Aircraft(s) not including tax, \$34.51/month x 5 = \$172.55, resulting in an additional annual revenue of \$2,070.66.

Current (2016) and Future Hangar Revenue, Development, and Leasing Opportunities (continued)

5. National Wings and Armor Foundation and Hangars 41, 42, and 43 – Airport Management has been approached by the National Wings and Armor Foundation Business Operator. The National Wings and Armor Foundation is a 501c3 that works to provide educational and historical opportunities to the public by displaying various military vehicles and aircraft, community history, and static museum displays. This business concept proposal is for a museum hangar (60 x 75') to be located at the Airport, additionally this business concept includes hosting public events at the Airport.

Hangar redevelopment: Additional discussions with Business Operator to redevelop hangars along the westside of the Airport along Pacific Avenue. Hangars 41, 42, and 43 have been identified to be demolished due to the condition of the existing hangars and expensive repairs that are needed.

Additional revenue: This business museum 501c3 proposal is conceptual at this time. Hangar redevelopment: Based on the existing square footage of Hangar #41 (2020 sq ft.), #42 (1201 sq ft.), and #43 (1210 sq ft.), the monthly total lease rates are currently \$930.81/month, if they are redeveloped, these hangars could result in an annual revenue for the Airport of approximately \$11,169.72.

Airport Projects:

6. The Beacon Tower Replacement and Talley Way Perimeter Fencing and Security Gate Project. (See attached Project Information Sheet)

Funding: Construction Phase \$328,700

Partners and funding breakdown:

FAA AIP (90%) - \$295,830

WSDOT Aviation - \$16,435

Local Match - \$16,435

7. Sullivan Hangar Demolition Project. (See attached Project Information Sheet)

Funding: Construction Phase \$384,300

Partners and funding breakdown:

FAA AIP (90%) - \$345,870

WSDOT Aviation (5%) - \$19,215

Local Match - \$19,215

June. 2016

Hangar Monthly Occupancy Report

Westside Occupancy

Project Name
Hangar Occupancy

Properties Management

Prepared By
SWR Airport
Karyn Anderson

Westside Hangars (aka Sullivan)	Total Units	Total Units Leased	% Occupied
# 15 – # 33; #57 (Sullivan Hangars/demo)	19	0	
# 35 – # 56 (#35 (is FAA City Electrical); #41, #42/43 to be demolished)	19	19	100

As of mid-May 2016:
Prime Development still
at 100% occupancy rate.

Eastside Occupancy

Eastside (aka FBO side of Airport)	Total Units	Total Units Leased	% Occupied
A Hangar	11	11	100
B Hangar	9	9	100
C Hangar	9	9	100
D Hangar Prime Development	12	n/a	n/a
F Hangar Prime Development	12	n/a	n/a
G Hangar Prime Dev -JHKelly	1	1	100
# 58 and # 59 (FBO Building and Clary Aviation Building)	2	2	100

Eastside & Westside Total Occupancy

Eastside and Westside of Airport	Total Units	Total Units Leased	% Occupied
A, B, C, # 35-59	50	50	100
Prime Development Hangars	25	25	100
Total Occupancy Rate (including Prime)	75	75	100



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Airport Project Name:

Airport Talley Way Perimeter Fence and Rotating Beacon Replacement Project.

Project Description and benefits:

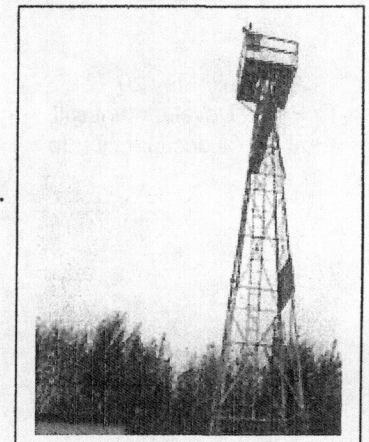
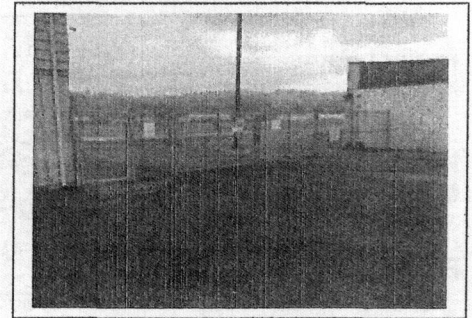
Fence will be constructed along Talley Way, beginning at the southern corner of an existing chain link fence at the Watkins material yard and running south along the Airport property line and Talley Way. The project limit will be the southern terminus of the property line at Talley Way. A gate will be installed at the northwest hangar entrance next to the airport office.

The existing beacon and support structure is deficient and in need of replacement.

The proposed tower and beacon location will remain in the same foot print.

No active aircraft areas will be affected during the construction of this project.

This project will provide the Airport with a new beacon and structure tower (tip up pole).



Project history and timeline: In 2010, the City of Kelso selected Reid Middleton to provide design and permitting services as the Airport Engineering Consultant. Consistent with the 2012 Interlocal Agreement, the Southwest Washington Regional Airport Operating Board reviewed and accepted the Reid Middleton contract at the November 2014 SWRA Board meeting. Reid Middleton and SWRA have coordinated with FAA to develop the draft scope, schedule, and budget for delivering several of the SWRA Capital Improvement Program projects. In 2015 and 2016, Reid Middleton, Airport Management and FAA worked closely on the design, engineering, construction and permitting of this project. Reid Middleton has provided plans, technical specifications, project quantities, engineer's opinion of cost, public outreach, and other support documentations in accordance with FAA AIP project requirements and project schedule. Airport management received FAA and WSDOT grant offers for replacing the Talley Way Fencing and Security Gate project and the Beacon Tower Replacement Project (Engineering Phase 2015).

Project Scope:

In 2016, the current scope will include:

1. Construction of a Security fence (2,200 feet of fence) along Talley Way beginning at the southern corner of an existing chain link fence (Watkins material yard) and running south along the Airport's property line and Talley Way.
2. Construction of a new electronic double swing security gate at the west side entrance of the Airport on Pacific Avenue.
3. Construction of a Beacon and Tower Structure.

Funding: Construction Phase \$328,700.

Partners and Anticipated Funding (breakdown):

FAA AIP (90%) \$295,830.

WSDOT Aviation (5%) \$16,435.

Local Match (5%) \$16,435.

Contact information: How can I get more project information?

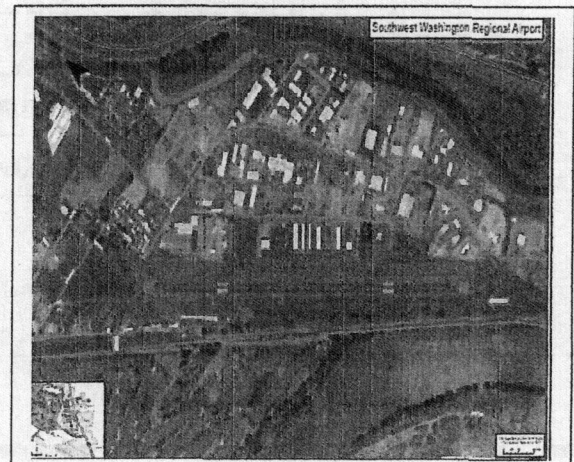
SOUTHWEST WASHINGTON REGIONAL AIRPORT

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Airport Project Name:

Airport Sullivan Hangar Demolition Project

Project Description and benefits:

Demolition of five existing T-hangar buildings on the west side of the airport and demolition of Taxiway D/Taxiway E loop pavement.

Project history and timeline:

The existing Sullivan hangars were identified in the 2011 Master Plan as part of the Westside Land Redevelopment Project. In 2010, the City of Kelso selected Reid Middleton to provide services as the Airport Engineering Consultant. Consistent with the 2012 Interlocal Agreement, the Southwest Washington Regional Airport Operating Board reviewed and accepted the Reid Middleton contract.



Photo above: Sullivan Hangars.

In 2015 and 2016, Reid Middleton, Airport Management and FAA have worked closely on the design, engineering, permitting and construction of this project. Reid Middleton has provided plans, technical specifications, project quantities, engineer's opinion of cost, public outreach, other support documentations in accordance with FAA AIP project requirements and the Airport's schedule. Airport management received FAA and WSDOT grant offers for demolition of the Sullivan Hangars (2015 Engineering Phase).

Project Scope:

The scope of the project includes:

1. Coordination with Sullivan Hangar Tenants
2. Demolition of the existing Sullivan Hangar (T-hangar) 5 building structures.
3. Removal of associated asphalt pavement taxiway.

Funding: Construction \$384,300.

Partners and Anticipated Funding (breakdown):

FAA AIP (90%) \$345,870.

WSDOT Aviation (5%) \$19,215.

Local Match (5%) \$19,215.

Contact information:

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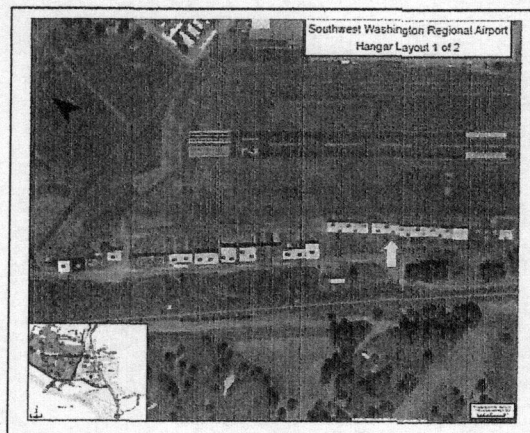
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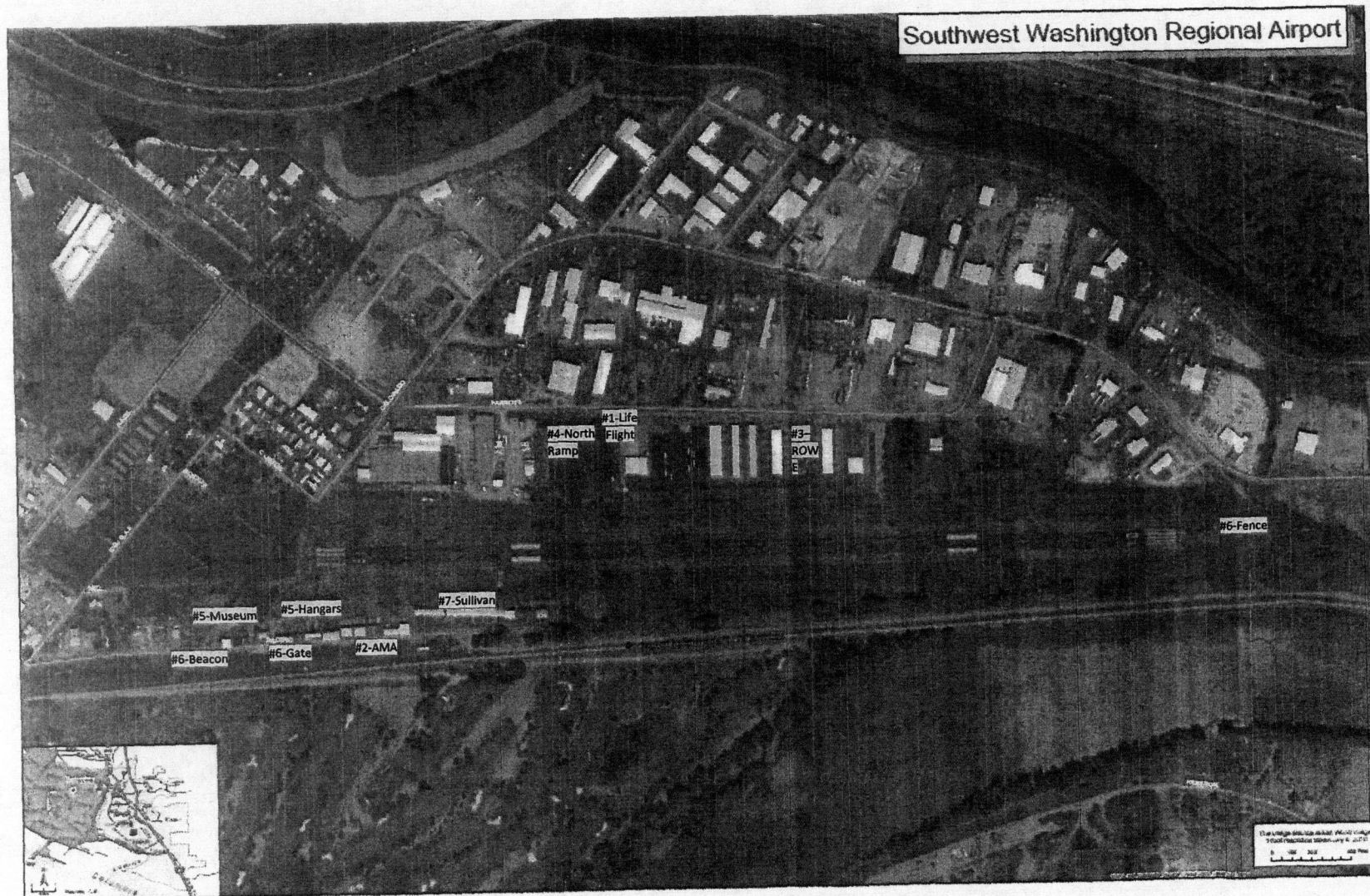
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1. LIFE FLIGHT Emergency Services locates to the Airport.
2. AVIATION, MARINE and AUTO (AMA) Business Expands.
3. ROW E HANGAR Development Proposal and Letter of Intent (LOI) w/ Business Operator.
4. NORTH RAMP Hangar Development Concept and Additional Tie Down Revenue.
5. HANGAR DEVELOPMENT - National Wings and Armor Foundation 501c3 Museum Concept, and additional Hangar Redevelopment.
6. The Beacon Tower Replacement, Talley Way Perimeter Fence, and Security Gate Project.
7. The Sullivan Hangar Demolition Project.