



Prineville City Council Meeting November 27, 2007

Issue Summary

Topic: City/County Airport Agreement

Department: Administration

Staff: Robb Corbett

Overview

The City and County share oversight of the airport. The property is owned by Crook County. Discussions have occurred between the airport commission, Crook County, and city staff about transferring fiscal oversight to Crook County.

We have included in your packet a copy of the current operating agreement dated April 16, 2003, and the proposed agreement.

Staff has reviewed the agreement and found the only difference between them, other than the transfer of fiscal oversight, is the elimination of the following sentence in item 1, page 2: "Members of the airport commission shall serve at the pleasure of the appointing body during their term of office."

*Certified
Copy*

A G R E E M E N T

AN AGREEMENT BETWEEN THE CITY OF PRINEVILLE AND CROOK COUNTY,
OREGON, IN THE MATTER OF RENEWING, REVISING AND EXTENDING AN
AGREEMENT RELATED TO THE ADMINISTRATION, OPERATION, MANAGEMENT
AND DEVELOPMENT OF THE CITY-COUNTY AIRPORT

THIS AGREEMENT, made and entered into this 16th day of April,
2003, by and between the City of Prineville, hereinafter called CITY, and Crook County, a
political subdivision of the state of Oregon, hereinafter called COUNTY, in the matter of the
administration, operation, management and development of the Prineville/Crook County, city-
county airport as currently located and constructed primarily in Section 11, Township 15 South,
Range 15 East, Willamette Meridian.

W I T N E S S E T H

Recitals

1. WHEREAS, the airport was jointly and cooperatively developed as a City-County airport for public use with the title of said land in the name of Crook County, and
2. WHEREAS, CITY and COUNTY adopted a cooperative agreement related to administration, operation, management and development responsibilities of said airport for various financial and management reasons in October 1997, and
3. WHEREAS, COUNTY, through its County Court did effect said agreement through adoption of county ordinance 123 in March 1998, and
4. WHEREAS, said agreement was agreed to be effective for a period of five years, and
5. WHEREAS, the five-year period expires on February 28, 2003, and
6. WHEREAS, the agreement further provides that CITY and COUNTY may request review at any time with a minimum of 90 days notice to the other affected parties, and
7. WHEREAS, COUNTY advised CITY in January 2003 that it desired to effect review, and

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8. WHEREAS, COUNTY and CITY believe that a continuation of the present governance structure at the airport is in the best interests of local government, aviation and economic development,

NOW THEREFORE BE IT AGREED BETWEEN THE PARTIES THAT GOVERNANCE OF SAID AIRPORT SHALL CONTINUE TO BE A JOINT AND COOPERATIVE RESPONSIBILITY OF THE CITY AND COUNTY, in accordance with the following terms and conditions:

1. The responsibility for day-to-day management of the airport shall continue to be vested in a five-member commission, hereinafter, COMMISSION, two of the members of which shall be appointed to staggered terms of four years each by CITY through its City Council and two of the members of which shall be appointed to staggered terms of four years each by COUNTY through its County Court. The fifth member shall be appointed alternately to a term of four years by CITY or COUNTY, on the schedule previously established in the initial agreement dated October 1997. Members of the airport commission shall serve at the pleasure of the appointing body during their term of office. Currently appointed members of the Commission shall continue to serve until expiration of their terms or until removed by the appointing body, and in the event of any vacancy on the Commission the appointing body shall fill that position for the remainder of the term.
2. COMMISSION shall be responsible for the governance of all property defined as "airport" by the Federal Aviation Administration. In the event of any dispute arising between the COMMISSION and lessees of airport property or users of the airport, the disputing party shall give to the other party or parties 30 days written notice of its desire to arbitrate. Courtesy notice shall also be provided to CITY and COUNTY, but neither CITY nor COUNTY shall be considered parties to the dispute. If the dispute is not resolved by negotiation between the parties within 30 days after notice has been given, the dispute shall be settled by arbitration in Crook County as provided for in Oregon Revised Statutes, chapter 36. A judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction and shall be final and binding on the parties, including CITY and COUNTY. Each party shall bear its own expense in connection with the arbitration and shall share the administrative fees and incidental expenses imposed by the arbitrator. Prior to the commencement of any arbitration, any party other than the COMMISSION wishing to seek arbitration in relationship to a COMMISSION decision shall pay an advance deposit to the selected arbitrator of not less than \$500 to cover the costs of arbitration. The arbitrator shall determine as a condition of final resolution an equitable distribution of fees among the parties. This provision shall not be construed to

extend to disputes between CITY and/or COUNTY and/or COMMISSION, which shall be resolved exclusively through legislative and judicial processes except as may be mutually agreed to among and between the parties.

3. COMMISSION shall prepare and timely present to the CITY's budget officer a proposed budget for inclusion in CITY's budget to be presented to the budget committee and governing body of the CITY, except that the the budget adopted for fiscal year 2002-03 shall continue to be the budget of the COMMISSION through June 30, 2003. CITY shall be responsible for providing the audit of the airport budget for each year the airport's budget is included in the CITY's budget, except that the fiscal auditing contract entered into previously between the Commission and an independent auditor shall be honored, and the fiscal responsibility for costs associated with such audit shall be that of the COMMISSION. Copies of any independent fiscal auditing contract shall be filed with the CITY and COUNTY annually. All revenues earned by COMMISSION shall be retained by COMMISSION and used exclusively for the benefit of the airport, but all expenses incurred by COMMISSION shall likewise be the responsibility of COMMISSION.
4. All contractual obligations incurred by the COMMISSION prior to July 1, 2003, shall be the sole obligation of the COMMISSION and no obligation shall become the fiscal responsibility of the CITY or COUNTY. All contracts and agreements entered into by the COMMISSION shall be valid between the COMMISSION and contracting parties after June 30, 2003, but the neither the CITY or COUNTY except through its express act and consent shall be considered party to said contracts. After June 30, 2003, the COMMISSION shall continue to have authority to enter into contracts and agreements, but the COMMISSION shall not have authority to act as agent for CITY or COUNTY unless such CITY or COUNTY or its duly authorized representative shall give authority to the COMMISSION to act for such body, and any such authorization to act in an agency capacity shall not extend authority to act as agent in all matters.
5. The municipal entity responsible for the COMMISSION budget during a given fiscal year shall also be responsible for providing insurance coverage and legal services to COMMISSION during the same period. COMMISSION shall reimburse from the airport budget any such costs incurred. In the event that any budget shall transfer to the other governing bodies at the conclusion of a fiscal year, the responsibility for legal or insurance matters commenced by the other body during the prior fiscal year shall not transfer to the other municipal entity at the conclusion of the fiscal year in which the budget shall transfer.

6. All funds received by the COMMISSION during the course of the fiscal year shall be deposited with the governing body in the budget of which the COMMISSION'S budget lies, and the treasurer of the COMMISSION shall submit regularly a list of payments approved by the COMMISSION to the designated fiscal officer of said governing body for payment. Funds deposited by the airport during the term of this agreement and successor agreements shall be held and used for the exclusive benefit of the airport.
7. The hiring, evaluation, termination, supervision and determination of the working conditions of all employees at the airport shall be the responsibility of the COMMISSION, which shall also pay all associated costs from its budget, as approved by the governing body. Any employment relationship between COMMISSION and any individual shall not be construed as an employment relationship between that individual and CITY or COUNTY, except to the degree that CITY or COUNTY have expressly consented and contracted in writing to create such relationship.
8. All other costs associated with the management and operation of the airport shall be the responsibility of the COMMISSION, which shall operate in a self-sustaining manner, but nothing herein shall preclude the designation of funds by a governing body to the COMMISSION for the purpose of operating the airport and nothing shall preclude the COMMISSION from applying for and receiving grants to be used for the improvement of aviation.
9. Property at the airport to be used for aviation-related purposes shall be leased at the discretion of the airport commission. All leases of ground for aviation-related purposes shall be negotiated and approved by the COMMISSION. All revenues derived from leases of airport property shall inure to the benefit of the airport. COMMISSION shall record, or cause to be recorded, all leases within 60 days of execution. Failure to record such leases shall invalidate the lease, and COMMISSION shall so advise all lessees in the lease document. In the event that the COMMISSION is dissolved, such leases shall be transferable to the entity which next assumes authority for airport governance but proceeds of such leases shall continue to inure to the benefit of the airport.
10. Property at the airport to be used for non-aviation related industrial or commercial purposes shall be leased by COMMISSION only with prior consent of COUNTY. No property shall be leased for residential purposes. All revenues derived from industrial-commercial leases shall inure to the benefit of the airport.
11. No ground shall be sold except with the consent of COUNTY.

12. COMMISSION and its staff shall conduct all airport operations in accordance with regulations lawfully imposed by the Federal Aviation Administration and Oregon State Aeronautics Division and in accordance terms of such contracts and agreements governing the airport into which COUNTY and CITY may have entered.
13. COMMISSION shall operate the airport as provided for in the current approved Airport Master Plan and Airport Layout Plan. COMMISSION shall ensure that such plans are developed and adopted in accordance with the CITY/COUNTY Comprehensive Plan for Land Use and with the applicable zoning ordinances of the CITY and COUNTY.
14. The establishment of regulations governing aircraft and aviation at the airport shall be the responsibility of COMMISSION, and the COMMISSION have legal authority to commence enforcement proceedings in Courts of competent jurisdiction to enforce compliance with its rules and regulations.
15. COMMISSION shall conduct its affairs in accordance with Oregon Public Meetings Law, Oregon Public Records Law, Local Budget Law all other laws and regulations pertinent to local governments.
16. COMMISSION shall not incur long-term debt (debt extending more than one year) without the prior consent of CITY and COUNTY.
17. COMMISSION may apply for grants on its own initiative, but acceptance of grants shall be only with the consent of the governing body responsible for the airport budget in the year during which the grant will be accepted, and all grant funds will be appropriated in accordance with Local Budget Law by the governing body responsible for the budget in the year during which the grant will be accepted.

This agreement shall not abrogate any existing leases that may apply to the airport. This agreement is also subject to all existing easements and rights —of-way for roads, highways, canals, utility lines, water and sewer lines and poles lines located within airport boundaries.

This agreement shall be effective for a period beginning upon approval and ending June 30, 2008. A review and subsequent amendment of this agreement shall be initiated at any time upon request of CITY, COUNTY or COMMISSION with 90 days notice to the others, but the agreement may only be terminated prior to June 30, 2008, by mutual agreement of CITY and COUNTY. After June 30, 2008, this agreement shall be extended indefinitely, until such time as the CITY and COUNTY have concluded a new agreement or until 90 days after either party has notified the other in writing of its desire to terminate the agreement.

Be it further agreed that upon approval of this agreement, the agreement dated October 1, 1997 is declared mutually and fully terminated. Be it further agreed that by affixing their signatures hereto, the county ordinance 123 is hereby repealed.

Dated this 16th day of April, 2003

FOR CITY OF PRINEVILLE

FOR CROOK COUNTY

APPROVED:

Stephen P. Wffelma
Mayor, City of Prineville

Scott R. L.
Scott R. Cooper, County Judge

ATTEST:

[Signature]
City Manager, City of Prineville

Mike McCabe
Mike McCabe, County Commissioner

State of Oregon
County of Crook

I certify that the foregoing Agreement has been compared with the original, and that it is a correct transcript therefrom, and of the whole of such original, as the same appears of record at the clerk's office in Crook County, Oregon.

DEANNA E. BERMAN, CROOK COUNTY CLERK

April 23, 2003
by Deanna E. Ferguson Deputy

Michael J. Mohan
Michael J. Mohan, County Commissioner



STATE OF OREGON } SS 179429
COUNTY OF CROOK }
I CERTIFY THAT THE WITHIN INSTRUMENT WAS RECEIVED FOR RECORD ON THE 23RD DAY OF April, 2003, AT 4:00 P M. AND RECORDED IN CJRN RECORDS OF SAID COUNTY MF NO. 179429. DEANNA E. BERMAN, CROOK COUNTY CLERK BY Deanna E. Ferguson DEPUTY

APR 23 2003
KEY PUNCHED