

Military Lease Extension

ISSUE: Should the PAG provide input to the March 12 Port Commission on the Military Lease Extension?

BACKGROUND: Meeting Attachment # 4

Governor's January 11, 2008 Letter to Port Commission President – extend the lease.

Bill Wyatt's January 16, 2008 Response –

Port Commission General Discussion - March

Military will provide a briefing

Port provide master plan background

Public will have an opportunity to comment

Opportunity for Port and ORANG planning coordination

Port's Planning Background

- Planning approach always included military presence.
- Have designated 210 acres on both the Centralized and Decentralized future alternatives.
- The anticipated number of military take offs and landings is negligible and they operate in off peak times.
- The planning number is 10,000 annual operations - and even if they get a new aircraft, not anticipated to grow (vs 260,000+ for PDX).

Port's Planning Background

- The F15 aircraft are the loudest at PDX and they impact the noise contours.
- F22 louder than F15.
- For Planning - including the military is the most demanding scenario from noise and land requirements.
 - Operations numbers – not a significant impact
 - Land needs – land available – 2 alternatives planned
 - Noise impact – considered in noise contours for both aircraft

Port's Considerations

Lease

- The cost to move the military will be a topic of negotiation in a new lease.
- Environmental standards will be added to new lease.
- Flexibility for the Port will be a key element.
- Likely will not go quickly.

Airport Futures

- Extensive discussion with PAG and public on Location of Military (and cargo and GA and terminal) as part of the Airport Futures.
- Part of Alternatives Analysis.

Military's Perspective

Vision, Values, Goals, Collaboration

- PAG provides advice on Planning/Land Use
 - Integrated development with land use
 - Avenue for community influence
 - Considers Economic, Social, Environment
- “Economic” value of PAG is through planning
 - Weigh plan alternatives to balance values and goals
 - Such as: siting of military, GA, cargo, terminals

Planning Versus Implementation

- PAG doesn't implement plan
 - If implementation, then PAG is involved in every business decision of Port and City
 - If planning, then PAG maintains focus on Master Plan and City Land Use Plan
- Lease/business decisions are complex
 - Potential relocation related issues
 - Port is aware of military siting options
 - Environmental considerations

PAG is a Planning Group

- A master plan provides Port/City information
 - Use information to make business decisions
 - Other avenues for voice regarding policy issues
- PAG's role is planning, not policy

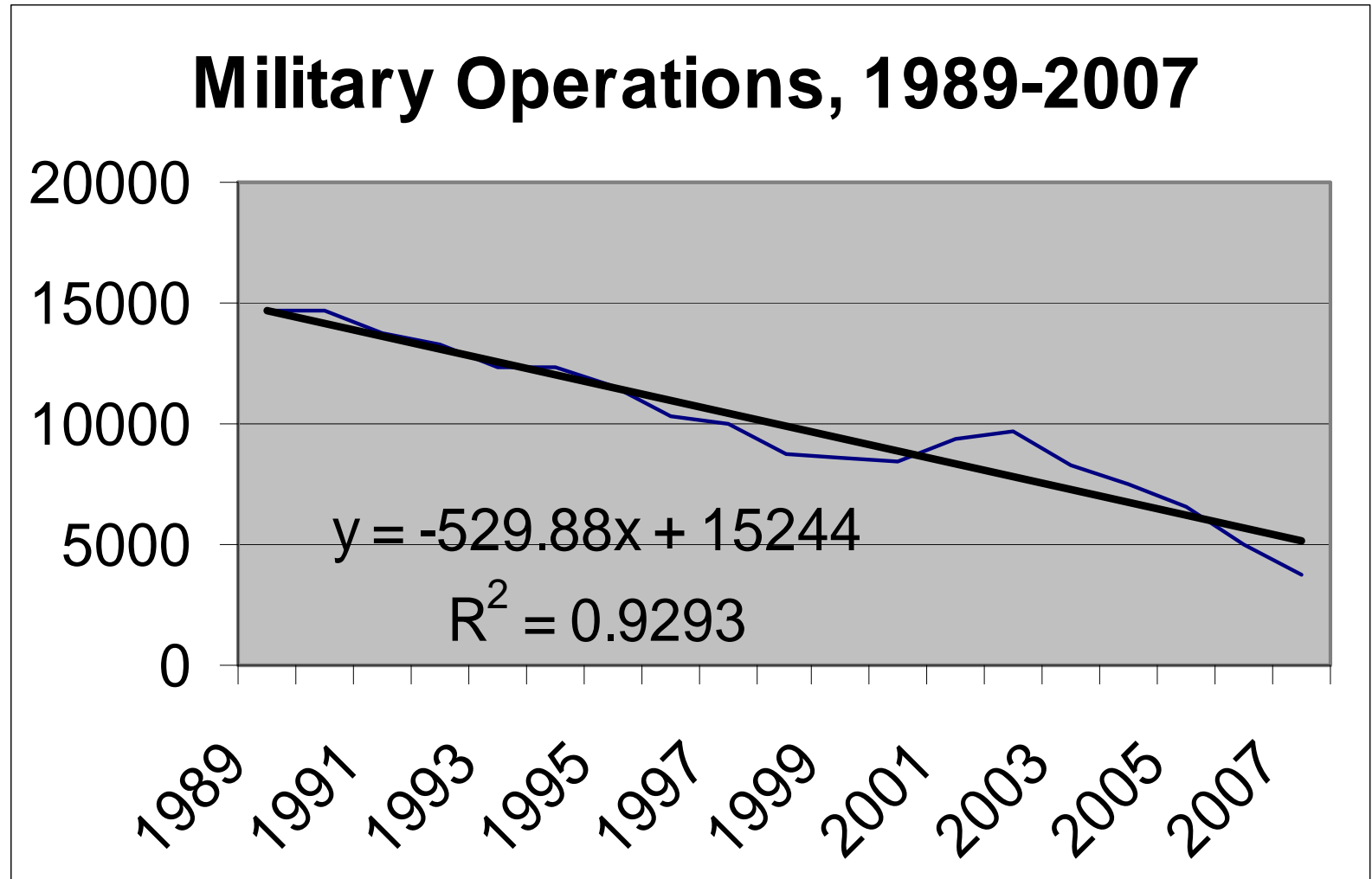
John Weigant, AIR Perspective

PAG Recommend to Port Commission:
**Table decision to extend military lease
until planning is more complete**

ORANG Lease Situation

- Now: Port bound to 2029, Gov't for 30 days
 - Lease is \$1 for term, but \$6M+ for maintenance
 - USAF wants 25-year lease before doing capital improvements, but none planned at present.
 - Port can commit: “We’ll extend when there’s need”
- Base closure decision 99% Federal
 - F-15s “100% fatigued, 40% broken” (& grounded)
 - New fighters *years* away (none budgeted; 30 months to build)
 - Air superiority mission improbable
 - Severe DoD budget constraints, especially next Admin.
 - Probability of closure: 95% within 5 years

PDX Military Trend



ORANG Costs and Benefits

- Protection mission (tiny benefit, higher cost)
 - Saves 3 lives in 10,000 years (???)
- Jobs (and therefore population)
 - (A benefit or a cost, depending of viewpoint)
- Noise: highest SEL (externalized cost)
 - Impacts Land Use Plan, required mitigation
- Move airbase (\$450 million in 1997 plan)
 - Who pays? It can jeopardize both MP options.
- Airbase impact: minor MP, substantial LUP
- Recommend: no action needed now; wait₁₂

Should PDX extend ORANG lease *now*?

- Many questions will resolve soon...
 - Federal political questions within a year
(Base closure a federal decision with 30 days notice)
 - Local planning questions within 2 years
- No need now (no building proposed)
 - No known benefit to ORANG now
- No benefit to Port now (21 years left)
- High potential cost to Port now
- Recommendation: table request for now
 - Remove from table as situation clarifies
 - Remove from table if building need changes

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Weigant Comments:

Recommending No Lease Extension

(Strength of Argument noted using range of -5 to +5)

- Binds Port for 7 more years in a period (2029-2036) of huge uncertainty. [-4]
- Reduces bargaining flexibility regarding moving airbase. [-3]
- Has potential to kill both Centralized and Decentralized options. [-5]
- Bad planning policy to bind Port before planning options and forecasts are considered. [-3]
- Most likely technical forecast: Feds close base within 7 years (95% probability), but two ready alert aircraft remain. Creates false sense that local policy makes a difference to closing.
- Sends message to PAG and citizens: "We're not interested in your input; we'll decide politically." [-3]
- Sends message to City: "Issues like military jet noise are outside your land use concerns." [-5]
- Creates sense of control over an issue not under local/state control. [-1]
- No disadvantages to ORANG as it is currently bound only for 30 days. [0]

Weigant Comments: Recommending Delay Until PAG Studies & Makes Thoughtful Recommendations

- A) Preserves integrity and purpose of planning process
- B) Sends message to PAG, City, and citizens: "your input is important to us."
- C) Opens negotiating options for potential base move.
- D) Keeps open lease extension options for next 21 years.
- E) Port could add caveat: "Any time you have plans requiring a 25 year term, we'll consider it."
- F) Advantages to ORANG: Could accelerate certainty of remaining.
- G) Disadvantages to Port: None.

SUMMARY: PAG should recommend tabling a lease extension until either a need is demonstrated or planning is complete. There is simply no need to act now. The fundamental issue is not under State/Local control, and will likely resolve itself.