

January 16, 2008

The Honorable Ted Kulongoski
150 State Capitol
Salem, OR 97301-4047

Dear Governor Kulongoski:

Thank you for your letter dated January 11, 2008, requesting the Port of Portland (Port) consider an extension of the Oregon National Air Guard's lease at Portland International Airport (PDX). For a number of years, the Port has been communicating with the Oregon National Air Guard (ORANG) on a possible extension of their ground lease at PDX. One of the key components of our discussions has been the future need to relocate the base to accommodate passenger and cargo growth at the airport. The current Airport Master Plan, completed in 2000, assumed that the military would remain at PDX beyond the current lease expiration date of 2029 and identified two potential options for siting the base.

As you are aware, the aviation industry has seen many changes over the last several years which could impact our need for additional land and facilities. As a result, the Port in partnership with the City of Portland has started a three year long process to update the 2000 Airport Master Plan. A representative from the ORANG is currently participating in the process along with a broad cross section of community leaders and local residents.

The update of the Master Plan presents a valuable opportunity for the Port and ORANG to coordinate our planning efforts. In order to capitalize on this opportunity, I propose that ORANG and the U.S. Air Force (USAF) commission a master planning study that would evaluate the two siting options. Evaluation of the options should include potential land exchange agreements between the Port and the ORANG/USAF. The desired outcome would be conclusion of ORANG/USAF conceptual planning and evaluation by early 2009. This would support ORANG's goal of having the ORANG in a position to relocate at PDX as federal funds become available between 2010 and the expiration of the lease. It will also ensure coordination with the PDX Master Plan Update currently underway.

Since Major General Rees has informed me that the federal government requires a 25-year lease to secure federal funds for military infrastructure investments, I would recommend that ORANG and Port staff develop a proposal for a seven year extension of the existing base lease, subject to the Port Commission's approval. In addition, I would recommend that the Port Commission have a discussion and take public comment on this issue at their March 12, 2008 meeting. This would give the ORANG and the Port the opportunity to hear from the public on the proposed military lease extension and help inform lease negotiations.

I look forward to working with ORANG and your office on this issue.

Sincerely,



Bill Wyatt
Executive Director

c: Judi Johansen, Port Commission President
Major General Raymond Rees, Oregon Military Department