

**JOINT MEETING OF THE ROSEBURG  
VISITORS AND CONVENTION COMMISSION  
AND AIRPORT COMMISSION  
March 31, 2009**

Airport Commission Chair Tom Ryan called the joint meeting of the Airport Commission and Visitors and Convention Commission to order at 4:00 p.m. on March 31, 2009, in the City Hall Conference Room. Present: Commission members Ken Averett, Tom Ryan, Rob Paul, Steve Skenzick, Dave Leonard, Terence Waddington, Gary Leif, Dotty Randall-Stapleton and Roger Brandt. Jane Green arrived at 4:13 p.m. Absent: Commission members Paul Zegers, John Ward and Gary Crowe. Others present: Consultant Mark Dennett, Human Resources Director Barbara Gershon, Airport Manager Tony Bunch and Management Technician Debi Davidson. Guests: Visitors & Convention Bureau Director Jean Kurtz, Douglas County Museum Director Gardner Chappell, Chamber President Chris Burnett, Chamber Executive Director Debbie Fromdahl, Jim Stapleton and Mrs. Waddington and Kathy Korengal of the News Review.

**AIR MUSEUM FEASIBILITY STUDY**

Dennett described his background of 15 years in the airline industry and 30 years in tourism, specifically as an advocate of Southern Oregon and the Roseburg area. He approached the feasibility study primarily as an effort to bring up issues which the City needed to be aware of and did not attempt to reach conclusions on the City's behalf.

Dennett then highlighted his Executive Summary, a complete copy of which is on file in City records. He believed the project could work for all involved stakeholders, the proposed location would provide a dramatic improvement over the current location, could serve as the home for an annual air show and could, conservatively, attract 18,000 visitors in the first year.

Other points emphasized by Dennett:

- Palm Springs Air Museum should serve as the model for project development.
- Features to help maximize the return on investment include: flying museum, private funding support, education programs, large community volunteer base, meeting space, rental, food service (limited), exhibit diversity and interactivity, regional marketing, incremental revenue from gifts, admissions and special events, plane restoration and exhibit display space. Bunch noted the FAA would require the museum to be a "flying" museum including operational aircraft with runway access.
- Three construction options were  
Option A: 20,000 sq ft relocation with minor exhibit/graphic upgrades;  
Option B: 30,000 sq ft relocation with major facility/exhibit/graphic upgrades;  
Option C: 37,000 sq ft relocation with expanded facility/exhibit/graphic upgrades.
- Option B could generate \$226,200 from 18,000 annual visitors in operating income which could cover projected operating expenses of \$156,000. This does not, however, cover construction debt service.

To move ahead, the City would need to:

- Gain FAA approval for construction of a museum on airport property
- Formalize an agreement with the OASM Board of Directors
- Develop construction funding strategies
- Generate community support to ensure success of private fundraising
- Establish a timeline

The \$154,000 in operating costs was derived by melding Chappell's Douglas County Museum operations with national museum studies. With \$207,384 added for debt service, annual costs would be \$361,384 for a 30,000 square foot facility. Several income programs were analyzed which were deemed unfeasible. Dennett then combined a number of options with industry standard approaches suggesting a projection of \$30,000 in private donations; \$25,000 in membership; \$108,000 in admissions; \$20,000 from special events; and \$43,200 in other revenue for a total of \$226,200. That leaves a \$135,184 shortfall. That shortfall could be dealt with by down scaling the project, eliminating debt service by generating construction funds before opening the museum, generating additional funds through transient room tax, increased memberships and a corporate sponsorship program.

Waddington stated that 10% of transient taxes could be applied to annual operating expenses, but that was not necessarily recommended. The study did not analyze how or whether the museum would have an impact on tax revenues. The average museum visiting time is three hours so that alone would not generate overnight stays. However, the rule of thumb is that for every hour traveled, visitors want three hours of activity. Therefore, the museum added with Wildlife Safari, wineries, casino, rafting, etc. could generate 18 hours of activity and result in overnight stays.

With the exception of a couple marine airplanes on loan from the Marine Corps, the OASM owns all exhibits. Air Force airplanes could only be added if there was a museum curator on board. Dennett didn't recommend hiring a curator although there are some available that work on a contract basis and serve several museums. Generally, getting exhibits is not a challenge because of the number of people with private collections that can gain tax deduction benefits.

Discussion was held on whether the OASM Board is in full support of relocation and whether the airport has sufficient property available to donate for that purpose. Three different sites have been identified at the airport combining for 10 acres. Ideally, the museum should have 5 to 10 acres available to it; however, that would leave only 1 acre left for board for this relocation. Do we have 10-18 acres at the airport? Three different sites can be combined for 10 acres. Palm Springs uses 5 of their 10 acres. If the museum used the 10 acres, only 1 acre would be left for airport development. Cost estimates did not include land acquisition as it was assumed the property would be donated by the City. Estimates were included for development, grading and fill. There is an additional 11+ acres at the north end of the airport which houses Palm Harbor Homes. Use of that site would eliminate the \$43,000 annual lease revenue which is vital to the Airport Fund. Bunch pointed out the Airport Commission would need to look at long-term use of the airport and need for hangar, taxiway and parking expansion. We need to ensure there is ramp and taxiway access to the runway to meet FAA requirements. If this project moves forward, we would need to prepare a new airport layout plan for submission to FAA. The current plan shows the Palm Harbor property as additional hangar development space.

Leonard and Waddington suggested the minimum area needed could be reduced with a smaller building footprint via a multi-level structure. This would, in turn, reduce site development costs. Construction estimates were based on single story building. Initially the museum would not require 10 acres – perhaps 2-3 acres.

In the current economy, 18,000 visitors may not be realistic. That estimate was based upon the Tillamook museum which gets 85,000 visitors with poor signage and no regional marketing efforts. It is also a viable number if the museum attracts 10% of Wildlife Safari visitors. Access

to the airport location is superior to other attractions. Chappell believed the visitor estimates were conservative. Leif stressed that the Visitors and Convention Commission's goal is to bring people to Roseburg to stay overnight. A high quality museum combined with other attractions would be ideal, but the Commission alone cannot afford the estimated costs.

Discussion ensued regarding potential Marion Carl Foundation participation. The Foundation's director has expressed no interest in the project as he needs to focus his attentions strictly to that Foundation. Perhaps the Foundation could be involved in the educational focus of the museum. Waddington believed it would be feasible to obtain the 100+ volunteers needed to operate.

It was determined that the Airport Commission needs to decide if they wish to donate property to the project, and if so, how much property. At that point, a basic illustration could be done of the identified location and structure. That concept should be presented to the OASM Board which must then decide whether or not to commit to the project. If they do, FAA approval would need to be garnered. The museum would still operate under their Board and bylaws. The owners could work with the Visitors and Convention Commission on potential funding alternatives should they meet the Commission's charge. Fromdahl indicated the Chamber could likely help provide support for a visitor portion of the facility. Gershon stressed that at this point there is no proposal to change the transient room tax or the current Visitors and Convention Bureau operations agreement with the Chamber. (Green left at 5:25 p.m.)

Leif noted the transient room taxes are low this year. It was suggested the OASM Board could apply for foundation or grant monies. They must determine the financial feasibility of pursuing the relocation.

Meeting adjourned at 5:30 p.m.

Debi Davidson  
Management Technician