

AIRPORT: Grant agreement dates to May 2015

Continued from page 1

In a letter to airport owner Benny Benson dated March 21, ODOT Transportation Development Division Administrator Jerri L. Bohard writes, "ODOT demands that the total amount of (\$390,185) be returned to ODOT by April 6, 2017."

The Nugget asked airport owners Benny Benson and Julie Benson whether they accept or dispute the findings of the compliance review and inquired as to their intended course of action. Benny Benson replied: "Unlike ODOT's current approach of a surprise demand letter and an associated media splash, the Sisters Airport and its principals, Benny and Julie Benson, will follow Oregon Administrative Procedures in the review and response."

ODOT public affairs manager David Thompson told *The Nugget* that "There's no formal appeal process spelled out in the grant agreement. We've made a demand for repayment based on our compliance review; we'll see how the airport management responds, and then decide our next course of action."

Sisters Airport Property LLC and ODOT entered into a grant agreement in May 2015 in which the airport was to receive an amount not to exceed \$733,259 to be used for construction of a taxiway, pavement of aircraft parking and ramp areas, installation of runway lighting, and improvements associated with those

projects.

Acting on a citizen inquiry, ODOT conducted a review of project records and invoices and a financial review of the administration of the grant. Thompson told *The Nugget* that "ODOT worked closely with the Oregon Department of Justice to conduct the project compliance review."

According to the ODOT letter, the review concluded that "ODOT paid invoices submitted by the Grant Recipient (the airport) that are ineligible project costs totaling \$377,152." (*The full 12-page letter is available with the online version of this story at www.nuggetnews.com.*)

The letter lists eight categories of ineligible project expenses, including work on a hangar and \$57,976 in construction associated with a drainage runout area that was constructed on property not belonging to the airport. As project managers, ENERGYneering Solutions, Inc. (ESI) charged \$20,000 in mobilization costs.

"Generally, mobilization costs are paid to contractors, and not to project managers," the letter states. "Because ESI is a project management firm that was already located at the project location, no mobilization should have been required."

The compliance review also found that \$215,436 in payments to Benny Benson, ESI and B2 Aviation were in violation of the grant agreement, which "prohibits officers, employees or agents of Sisters Airport Property LLC from soliciting or accepting gratuities, favors or any item of monetary value from

contractors, potential contractors or parties to sub-agreements of the Project."

The Bensons and ESI were project managers for the improvements.

The letter demands repayment of the funds paid to them.

The review also determined that the airport has not provided the 20 percent matching funds required under the grant agreement, and that "even if it makes a full repayment, Sisters Airport must contribute an additional \$13,033 to meet the statutory

matching fund requirements."

ODOT is also reviewing the airport's compliance with a previous ConnectOregon IV grant agreement. The compliance review letter demands documentation from the airport regarding that agreement.

The airport has been the focus of intense community interest since improvements got underway in the wake of annexation into the City of Sisters in 2014. The airport has hosted increased aviation activity, including a highly regarded student aviation program affiliated with Sisters

High School, and a controversial skydiving operation.

The Bensons have asked the Oregon Department of Aviation to include Sisters Eagle Airport on Oregon's list of airports of state concern. The aviation board voted unanimously to do so on March 7, then unwound that decision after discovering that 31 emails had been left out of the record and staff report that the board voted upon. A vote was rescheduled for April 20.

The listing in Appendix M/Exhibit 2 as a privately owned, public-use airport of State concern would have little direct impact on the operations of the airport, but would make the airport eligible for State Pavement Maintenance Program (PMP) for Airports of Significance.

According to ODA Director Mitch Swecker, "the ODOT findings are a completely separate issue. The issue doesn't change anything for us. Our very narrow issue is only whether or not the airport meets the three criteria (for listing). The timing of the investigation by ODOT are coincidental, unfortunately, and therefore could be conflated to be linked to Appendix M/Exhibit 2. Per our legal advice, our job is to follow the law and continue to be fair to all the parties."

SUMMARY TABLE OF AMOUNTS DEMANDED BY ODOT		
Item#	Description	Cost
1. A.	Hangar Project	\$4,716
1. B.	Runway Protection & Drainage Runout Area	\$57,976
1. C.	Mobilization	\$20,000
1. D.	Payments to Airport Managers, Benny Benson, ESI and B2 Aviation	\$215,436
1. E.	Improper verification to support invoices	\$3,821
1. F.	Double Billing	\$3,191
1. G.	AWOS System (Weather Balloon)	\$63,462
1. H.	Airport Fuel and Storage Discounts	\$8,520
	Sub Total Ineligible Project Expenses	\$377,152
2.	Amount owed to meet Minimum Match Requirement	\$13,033
	Total Ineligible Project Expenses and Matching Funds	\$390,185

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