



Where Life is Sweet

Mayor and Members of the City Council
STAFF REPORT
For the Meeting of May 8, 2023

Title/Subject

Authorize a lease agreement with Life Flight Networks to occupy the building known as the "Caretaker's Residence," at the airport for use as temporary crew quarters.

Summary and Background

The Caretaker's residence is a ~1,700 square foot residential structure located at the airport between the Terminal Building and the Fuel Island and main Apron parking area. Exact history and origin of the structure is difficult to come by, but the most consistent is that the City came in to ownership of it as it was relocated from The Dalles in the 1950s, when The Dalles Dam was constructed. The structure is a double-wide manufactured home, and served as the on-site residence of the Airport Managers up until 2018 when Gorge Aviation assumed management of the facility.

Life Flight Networks (LFN) operates medical helicopters throughout the Pacific Northwest, and has aircraft based at many airports, and they typically like to have living quarters on-site so that their pilots and medical crew can immediately respond to a call. LFN has begun examining placement of an aircraft at the Hermiston Airport, and the Caretaker's residence is a good option.

Airport and City Facilities Maintenance personnel have worked with LFN over the past month to consider options for utilizing the Cartaker's residence, and all feel comfortable with the arrangement as spelled out in the attached lease agreement.

Tie-In to Council Goals

Goal #2- Safe & Healthy. Having Life Flight in the community is a significant improvement in healthcare service level for the region.

Fiscal Information

The lease revenue itself is anticipated to generate \$18,000 per year in new revenue for the Airport, as a General Fund department. Since the residence has been vacant since 2018, all of this revenue is a net increase. In addition to the lease revenue, it is anticipated that having the LFN helicopter based at the airport will generate approximately \$5,000 to \$10,000 per year in additional fuel sales profit for the City-owned fueling system at the airport.

Alternatives and Recommendation

Alternatives

1. Authorize City Staff to execute the proposed lease in substantially similar form to what has been presented.
2. Direct staff to make significant changes to the lease as proposed.

Recommended Action/Motion

Motion to authorize City Staff to execute the proposed lease in substantially similar form to what has been presented.

Submitted By:

Mark Morgan