



Where Life is Sweet

Mayor and Members of the City Council

STAFF REPORT

For the Meeting of April 14, 2025

Title/Subject

Resolution 2365 – Airport RPZ Property Purchase Offer

Summary and Background

This resolution will authorize the City Manager to make an offer of \$2,100,000 to purchase 140.06 acres of agricultural land which includes a portion of the airport's Runway Protection Zone (RPZ). The resolution will also authorize further negotiation.

Pursuant to approval of this authorization, a final purchase authorization will be brought back for City Council approval. Currently it is anticipated that this will come back to City Council at its May 12, 2025 meeting.

This purchase has been in process, with city consulting representatives coordinating with the property owners since at least 2017. The FAA has been actively funding various environmental and design reviews since that time, and has funding included in its current year budget to pay for 90% of the real market value of the purchase.

The figure of \$2,100,000 has been established through a thorough appraisal process, and verified by an independent third party appraisal review. Therefore, the FAA is prepared to cover \$1,890,000 of the purchase price. Any additional purchase costs which may arise through negotiation would have to come 100% from the City of Hermiston itself.

Tie-In to Council Goals

CITY FACILITIES: PUBLIC FACILITIES THAT MEET THE COMMUNITY NEEDS OF TODAY AND THE FUTURE

Fiscal Information

The FAA is slated to cover 90% of the property purchase (\$1.89M). The Oregon Department of Aviation is slated to cover \$150,000 of the property purchase.

Consulting fees by the end of this process will have totaled approximately \$400,000; with FAA paying \$360,000 of that. Which will bring the City's total out of pocket cost to approximately \$100,000.

It is intended that this property will be simply leased back out as farm land, and will generate revenue back to the airport. Based on preliminary market data, it is anticipated that the City will earn back it's local out of pocket portion of the investment within 3-5 years.

Alternatives and Recommendation

Alternatives

1. Approve resolution 2365
2. Reject resolution 2365

Recommended Action/Motion

Motion to approve Resolution 2365

Submitted By:

Mark Morgan