



Where Life is Sweet

Mayor and Members of the City Council

STAFF REPORT

For the Meeting of March 10, 2025

Title/Subject

Resolution 2359 – Airport RPZ Property Acquisition COAR Grant Acceptance

Summary and Background

This resolution will authorize acceptance of a Critical Oregon Airport Relief (COAR) grant from the Oregon Department of Aviation (ODA) for \$150,000 to assist in purchasing property for the airport's Runway Protection Zone (RPZ).

City staff has been working with the Federal Aviation Administration (FAA), ODA, Umatilla County, Hermiston Airport Committee, and a neighboring property owner since 2017 related to an effort to move Ott Road out of the RPZ as part of the Airport Master Plan. Since the road relocation would pass through active farmland, staff engaged the property owner early in the process, and based on that engagement it was determined that they would be a willing seller of the entire 140 acre parcel, but not just the acreage needed for the RPZ.

FAA began slating this project for funding to purchase the entire 140 acres in their 2017 five-year Capital Improvements Plan, with a target date of 2022. Unfortunately, the funding for the project continued to get pushed back and delayed at the Federal level, but is now programmed for funding in 2025.

Tie-In to Council Goals

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

Fiscal Information

This COAR grant will reduce the amount required from the City of Hermiston's General Fund since FAA grants require a 10% non-Federal match. The funding breakdown for the acquisition is therefore:

- FAA Grant: \$3,650,000 (90.0%)
- City Funds: \$255,556 (6.3%)
- COAR Grant: \$150,000 (3.7%)

The City's \$255,000 portion of this funding stack will be recouped over time by leasing the ground back out for agricultural production. Depending on the crop rotation, and any losses associated with roadway realignment, it is anticipated that the lease revenue associated with this structure will fully cover the cost in less than 10 years, and then become a long-term net-positive revenue generator to offset the costs of operating the airport.

Alternatives and Recommendation

Alternatives

1. Approve resolution 2359
2. Reject resolution 2359

Recommended Action/Motion

Motion to approve Resolution 2359

Submitted By:

Mark Morgan