



City of Arts & Innovation

Safety, Wellness, & Youth Committee Memorandum

TO: HONORABLE COMMITTEE MEMBERS **DATE: DECEMBER 20, 2023**
FROM: POLICE DEPARTMENT **WARDS: ALL**
SUBJECT: DISCUSS DISPOSITION OF TWO HUGHES/MCDONNELL DOUGLAS 500E HELICOPTERS

ISSUE:

Discuss and make a recommendation on the disposition of two Hughes/McDonnell Douglas 500E.

RECOMMENDATION:

That the Safety, Wellness, and Youth Committee discuss and make a recommendation to the City Council on the disposition of two Hughes/McDonnell Douglas 500E helicopters.

BACKGROUND:

The mission of the Riverside Police Department (RPD) Air Support Unit (ASU) is to provide aerial support and expertise for the Department's patrol, investigative, administrative and City government needs. The unit is responsible for enhancing the safety of the community and police personnel through the strategic deployment of airborne technologies.

The RPD ASU has operated for over 50 years with two (2) different types of rotorcraft platforms. The first platform was the Bell 47, which served the City of Riverside until the 1980s. After the Bell 47, the City of Riverside transitioned to the Hughes/McDonnell Douglas (MD) 500. The Department currently owns two MD 500E helicopters.

On December 14, 2021, the City Council approved a Purchasing Agreement and purchase order with Airbus Helicopters, INC., of Grand Prairie, Texas, in the amount of \$10,137,070 plus applicable taxes and interest for the purchase of two (2) new Airbus H125 helicopters utilizing capital lease finance through the Measure Z Fund to replace the two MD 500E Helicopters.

The RPD took possession of one Airbus H125 helicopter in March 2023 and the second Airbus H125 helicopter in June 2023. All usable public safety equipment was removed from the MD 500E helicopters and installed in the Airbus H125 helicopters. The Department is now fully transitioned to the Airbus H125 helicopters and is no longer using the MD 500E helicopters.

DISCUSSION:

The Police Department is in the process of designating the two MD 500E helicopters as surplus assets, after which the city can either donate, transfer, or sell, the helicopters. RPD remains responsible for the MD 500E helicopters, including insurance coverage, storage, theft or destruction until they are deemed surplus and a disposition has been decided.

At the end of calendar year 2021, the Department received an estimated value of roughly between \$350,000 and \$450,000 for each of the MD 500E helicopters. However, in order to continue the mission of the ASU while going through the purchasing process and build of the new H125 helicopters, the Department continued to conduct required maintenance on the MD 500Es and installed various new or overhauled parts. Between December 2021 and June 2023, an engine, main rotor blades, tail rotor transmissions, and main rotor transmissions have all been replaced and have led to an increase in the value of the helicopters. Additionally, there has been an increase in the general demand of the helicopters in the marketplace which can fluctuate from month to month. The current value of the MD 500E helicopters is now estimated to be roughly between \$800,000 and \$1,000,000 for each helicopter.

The estimates provided are generic sale prices determined by contacting people in the industry and are only based on age of the aircraft, total flight hours, and demand at this time. The actual worth of the helicopters cannot be determined without a thorough inspection of the aircraft and the logbooks. An appraisal will be conducted at the time of sale and will be based upon the specific condition, number of flight hours, and types of services conducted for each helicopter. Demand at the time of sale will be a factor.

Previous reports provided to the Budget Engagement Commission and the City Council mentioned using the funds from the sale of the MD 500E helicopters to offset the cost of the two Airbus H125 helicopters or to begin a helicopter replacement program for future helicopter replacement. However, the city recently received a request to donate one of the MD 500E helicopters to the Sister City of Ensenada, Mexico.

Therefore, the Police Department is requesting input from the Safety, Wellness, and Youth Committee on the disposition of the two MD 500E helicopters.

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority No. 2 *Community Well-Being* and Goal No. 2.4 – Support programs and innovations that enhance community safety, encourage neighborhood engagement, and build public trust.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The discussion to determine the disposition of the two MD 500E helicopters will occur with the Safety, Wellness, and Youth Committee and the City Council for transparency and inclusive community engagement. The decision will serve the public interest, benefit the City's diverse community, and result in greater public good.
2. **Equity** – The sale of one or more of the MD 500E helicopters will generate revenue that will go back into a city fund and will be used to provide a citywide benefit.
3. **Fiscal Responsibility** – The disposition of the MD 500E helicopters will generate revenue

for the city and in the event of a donation, will generate a tax benefit.

4. **Innovation** – The decision on the disposition of the two MD 500E helicopters will be made with the community's changing needs in mind.
5. **Sustainability & Resiliency** – The sale of one or more of the MD 500E helicopters will enhance the City's financial preparedness for the future.

FISCAL IMPACT:

The fiscal impact could be up to \$2 million in revenue depending upon the value of the MD 500E helicopters, the recommendation from the Committee and approval of the City Council.

Prepared by:	Chris Wagner, Police Captain
Approved by:	Larry Gonzalez, Chief of Police
Certified as to	
availability of funds:	Kristie Thomas, Finance Director/ Assistant Chief Financial Officer
Approved by:	Mike Futrell, City Manager
Approved as to form:	Phaedra A. Norton, City Attorney