



City of Arts & Innovation

City Council Memorandum

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 17, 2017

FROM: POLICE DEPARTMENT WARDS: ALL

SUBJECT: MEASURE Z – REPLACEMENT OF POLICE HELICOPTER WITH A PUBLIC SAFETY SURVEILLANCE AIRCRAFT, INCLUDING: SALE OF HELICOPTER VALUED AT \$400,000; APPROPRIATION OF \$135,000 FROM THE POLICE EVIDENCE TRUST ACCOUNT AND \$65,000 FROM THE POLICE ASSET FORFEITURE ACCOUNT; REALLOCATION OF \$382,870 IN MEASURE Z FUNDS FROM POLICE VEHICLES TO POLICE AIRCRAFT; PURCHASE OF AIRCRAFT FROM ARROWDATA, LLC, THROUGH AN AIRCRAFT BROKERAGE AGREEMENT WITH AIR BEAR TACTICAL AIRCRAFT, IN THE AMOUNT OF \$982,870, IN ACCORDANCE WITH PURCHASING RESOLUTION 22576, SECTION 201(c)

ISSUES:

Authorize the sale of Police MD500 helicopter, Asset #X000011.0000; appropriate \$400,000 from the sale of the helicopter, \$135,000 from the Police Evident Trust Account and \$65,000 from the Police Asset Forfeiture Account; re-allocate \$382,870 from the Measure Z Five-Year Spending plan from Police vehicles to the Police airplane; and approve the purchase of an airplane from Arrowdata LLC, from Bend, Oregon, through an Aircraft Brokerage Agreement with Air Bear Tactical Aircraft, of Santa Ana, California, in the amount not to exceed \$982,870, in accordance with Purchasing Resolution 22576, Section 201(c).

RECOMMENDATIONS:

That the City Council:

1. Declare as a surplus the Police MD500E helicopter, Asset No. X000011.0000;
2. Authorize the marketing and sale of Police MD500E helicopter, Asset No. X000011.0000 by June 2018 at fair market value, with proceeds from the sale estimated to be approximately \$400,000;
3. Increase estimated General Fund miscellaneous revenues in the amount of \$400,000 and authorize an offsetting appropriation in the same amount to Police Department account #3105000-462200;
4. Authorize the allocation of \$135,000 from the Police Department Evidence Trust Account

No. 0000720-225130 to Police Department Administrative Services Expenditure Account No. 3105000-462200;

5. Authorize an appropriation in the amount of \$65,000 from State Asset Forfeiture Account No. 0000721-225110 to Police Department Asset Forfeiture Expenditure Account No. 3145200-462200;
6. Approve a re-allocation of \$382,870 in the Measure Z funds from Police vehicles to the Police airplane; and
7. Approve the purchase of an airplane from Arrowdata LLC, from Bend, Oregon, through an Aircraft Brokerage Agreement with Air Bear Tactical Aircraft, of Santa Ana, California, in the amount not to exceed \$982,870, in accordance with Purchasing Resolution 22576, Section 201(c).

BACKGROUND:

The Riverside Police Department (RPD) Aviation Support Unit (ASU) provides aerial support for ground operations in observing, preventing and interdicting criminal activity. RPD would like to purchase an aircraft to use primarily in support of its observation missions with RPD investigations, as well as its contract agencies such as Inland Crackdown Allied Task Force/Bureau of Narcotic Enforcement, Riverside County Transportation Commission and Corona Police Department. This aircraft would also be used to augment aerial patrol activities, reducing the overall cost of RPD ASU operations. In addition, in the event of a major incident (significant accident, natural disaster, large City sponsored event, civil unrest and/or terrorism), RPD will be able to provide a solid aerial command and control platform to the ground personnel via high definition video downlink capabilities of the camera and Churchill mapping systems.

To help address the service cuts, as well as a portion of the City's critical unfunded needs, at staff's recommendation the Mayor and the City Council placed Measure Z on the November 8, 2016 ballot. The measure authorized a one-cent increase in the City's sales tax rate and was approved by over 60% of Riverside voters. The collection of the additional one-cent sales tax authorized by voters through Measure Z began on April 1, 2017.

DISCUSSION:

Due to the high operational costs associated with the replacement of helicopter parts, RPD has proposed the use of a fixed-wing airplane to supplement and augment the use of the aging helicopters RPD currently flies. In July 2017, the RPD Aviation Support Unit became aware of such an aircraft that was being offered for sale by Arrowdata LLC of Bend, Oregon. The airplane is outfitted with MX10 thermal imaging camera, Churchill mapping system, Visalink Downlink system for monitoring preplanned events and augmentation of aerial patrol duties, and a Technisonic TDFM9300 tactical radio communication system. Arrowdata LLC has agreed to sell the airplane to the City of Riverside, through an Aircraft Brokerage Agreement with Air Bear Tactical Aircraft, at the price of \$982,870, on the condition the sale will occur by October 2017. The current value of the aircraft, with tactical equipment, is assessed at approximately \$1,300,000.

Purchasing Resolution 22576, Section 201(c) provides that formal procurement is not required

where goods can only be obtained from a sole source or timely from a single source and the City's Purchasing Services Manager concurs. The Purchasing Manager concurs that the recommended actions are in compliance with Resolution No. 22576 for the procurement of the Riverside Police airplane.

Financial/Operational Efficiency Enhancements:

The direct operating cost for this airplane is \$190 per flight hour. In comparison, RPD's current MD500 helicopters incurs costs of \$416 per flight hour. These operational figures include fuel and oil consumption, as well as maintenance and overhaul costs. By utilizing the airplane for all surveillance operations and to supplement patrol duties (approximately 25% of all flight hours), it is anticipated that the overall operation cost of the ASU will decrease by a margin of \$226 per flight. This decrease in flight costs is approximately a 14% or \$90,000 reduction in ASU operational costs per year. Staff estimates that unit operational costs will be reduced further due to deferred maintenance and overhaul costs of the helicopters because of their reduced number of flight hours.

Surplus of MD500 Helicopter:

In order to make the purchase of the airplane cost neutral on the General Fund, RPD will surplus and sell an existing MD500 helicopter. Staff estimates the sale of asset number X000011.0000 will net approximately \$400,000 by June 2018.

Measure Z Funding:

The City Council approved Five-Year Measure Z Spending Plan included \$2.7 million for new vehicles in FY 2017-18. This amount is comprised of a cash contribution to purchase 54 vehicles (\$2 million) plus a one-time infusion of an additional 64 vehicles through the issuance of a capital lease (\$700,000 per year for four years). Given RPD's success with the Crown Victoria refurbishment program, the capital lease is not likely to be needed in FY 2017-18. Staff recommends re-allocating \$382,870 of the anticipated lease savings from Police vehicles towards the purchase of the Police airplane.

FISCAL IMPACT:

The total cost to procure the airplane, including necessary equipment, taxes and all fees, is \$982,870. Sufficient funding will be available through:

Sale of Police MD500E Helicopter	\$	400,000
Evidence Trust (0000721-225170)	\$	135,000
State Asset Forfeiture (0000721-225110)	\$	65,000
Measure Z re-allocation from Police Cars to Police Airplane	\$	382,870
Total	\$	982,870

By purchasing the airplane, the Police Department estimates operational costs savings through better fuel efficiency and maintenance costs of \$90,000 per year.

Prepared by: Sergio G. Diaz, Chief of Police
Certified as to
availability of funds: Adam Raymond, Chief Financial Officer/City Treasurer
Approved by: Alexander T. Nguyen, Assistant City Manager
Approved as to form: Gary G. Guess, City Attorney

Attachments:

1. Aircraft Brokerage Agreement
2. Presentation