



MEETING DATE: September 30, 2015
TO: Board of Directors
FROM: Hardy Bullock, Director of Aviation and Community Services
SUBJECT: Care Flight Lease Renewal

RECOMMENDATION:

Approve the attached Lease and Operating Agreement by and between Care Flight, a Specialized Aviation Service Operations (SASO) operating as an Aeronautical Non-Profit SASO in conformance with current District Policy Instruction 504.

DISCUSSION:

At the August 26, 2015 Regular Board meeting Mr. Klark Staffan, Chief Administrative Officer for REMSA – Care Flight Air Ambulance Services presented to the Board of Directors. Mr. Staffan described the pending changes to Care Flight’s service offering while based at KTRK. The company is moving its overnight base to Nervino, California (O02) approximately 42 miles North of Truckee. This is based on resource demand in Plumas County and business factors related to emergency medical service providers for the region as a whole.

For the time being Care Flight will retain its hangar, L01 located at the west end of the airfield adjacent to its crew quarters. Care Flight leadership has indicated they intend to vacate the hangar in the next few months but no date has been specified.

With an overnight base location in Nervino, Staff anticipates a KTRK coverage period of approximately 12 hours daily. Weather, special events, seasonal demand, and EMS resources will determine the exact daily coverage but the attached lease specifies approximately 12 hours per day.

District outreach has shown that our community values the safety and security associated with EMS and firefighting helicopter presence. The District’s goal is to support this through agreements that offer full time, around the clock EMS helicopter coverage. During the transition period over the next 12 months Staff will investigate potential full time aeronautical EMS providers while gaining a better understanding of the coverage offering with the reduced daily hours of Care Flight’s helicopter.

The current lease and operating agreement is for a period of one year with a one year renewal option. The District or Care Flight may exercise the option and use the lease as an instrument to continue discussions related to community EMS helicopter needs after measuring the success of the reduced schedule. If however the District feels that it is the best interest of our community to find a full time

aeronautical EMS provider that option would be available to the District at the termination of the first Lease term, October of 2016.

FISCAL IMPACT:

The previous term of this Lease and Operating Agreement was November 1, 2011 to October 31, 2015. During that period the District made considerable capital improvements to the crew quarter building. Those tenant oriented improvements were rolled into the base lease rate of \$1.343 per square foot subject to annual CPI increases. Staff feels those improvements have been capitalized and the applicable current market rate is \$1.270 per square foot based on recent commercial price appraisals for “on airport” locations of similar facilities. This brings the unadjusted rent to \$2195 per month totaling an annual revenue of \$26,340.

PUBLIC COMMUNICATIONS:

The District will communicate Care Flight’s partial departure through our normal media channels. Additional possible outreach may be required to understand the community’s needs surrounding aeronautical EMS demand and the appropriate role the District plays in meeting such demand.

ATTACHMENTS:

Lease and Operating Agreement dated November 1, 2015.