

**STAFF REPORT**  
**City of Lancaster, California**

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Date: November 08, 2011

To: Mayor Parris and City Council Members

From: Mark V. Bozigian, City Manager

Subject: **Acquisition and Management Agreement between the City of Lancaster and Aero View, LLC for Law Enforcement Aerial Surveillance Services to be provided to the Los Angeles County Sheriff's Department (LASD)-Lancaster Station and Covenants for future Business Development, Design, Acquisition, Manufacture, Assembly, Sales, and Service Operations to occur in Lancaster.**

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**Recommendation:**

- A) Approve Acquisition and Management Agreement (the "Agreement") between the City of Lancaster and Aero View, LLC for law enforcement aerial surveillance services to be provided to the Los Angeles County Sheriff's Department (LASD)-Lancaster Station and covenants for future business development, design, acquisition, manufacture, assembly, sales, and service operations to occur in Lancaster, and authorize the City Manager to execute the Agreement, and all other agreements and documents required to implement the Agreement, with such modifications, additions, and/or deletions necessary as may be approved by the City Attorney.
- B) Transfer \$1.3 million in funding from Account No.101-15BR001924 to Account No. 101-4810-753 for acquisition of aircraft platform, required avionics, and other equipment.
- C) Appropriate \$1.3 million from TDA Article 8 fund balance to 206-15BR001924.

**Fiscal Impact:**

The \$1.3 million for aircraft platform acquisition and other equipment acquisition will come from existing funding in the FY 2011-2012 Budget, reprogrammed from the Avenue I & Hwy 14 Intersection Project. Funding for this project will be backfilled with available transportation funds. No operational funding will be needed in the FY 2011-2012 Budget as the first 12 months of operations of the aerial surveillance system are at no cost to the City as part of the agreement. Future operational costs will be budgeted in each fiscal year as a part of the City's annual budget development and approval process

## **Background:**

### Public Safety in Lancaster

Public Safety is the clear number one priority of the City of Lancaster. More importantly, the City has performed on this priority. The City has made remarkable strides in crime reduction; *by the end of this year, the City's crime rate will have been reduced by over 40% since 2007*. The City's Criminal Justice Commission has brought key community stakeholders together, resulting in a much more coordinated, broad-based, and effective means of enhancing public safety. The community has become much more focused and engaged in keeping our neighborhoods and businesses safe, going from less than 20 neighborhood and business watch groups in 2007 to over 400 in 2011. All areas of City staff have stepped up to make public safety key in all areas of operation. Most importantly, the Los Angeles County Sheriff's Department (LASD) has led the charge in fighting crime. While it is critically important that the City Council has provided the proper resources to LASD, it is our deputies' leadership, skill, and commitment to Lancaster that have made the community safe.

### Aero View and Law Enforcement Aerial Platform System (LEAPS)

One of the goals Mayor Parris set from his first day in office was to develop and deploy an effective, robust, and affordable aerial surveillance system for use by LASD Lancaster Station for law enforcement purposes. Affordability is critical because there already are aerial surveillance systems deployed for military and public safety purposes. These systems tend to be extremely costly; therefore they are typically only available for military purposes or to very large agencies with large budgets. Even at that, the cost of deploying these systems, often on a helicopter or military-level platform, means that they are usually used very sporadically and mainly in response to major events. In law enforcement environments, this means the systems are primarily reactive, as opposed to proactive and responsive if they were to be deployed daily during peak hours of enforcement.

The partnership between Lancaster and Aero View will result in a quantum leap forward in affordable and effective aerial surveillance for law enforcement. Small and mid-sized cities and counties will now have an affordable option for a critical law enforcement tool that has up until now been out of their reach financially. By providing this capability as an hourly service, at an affordable hourly rate and in a scalable manner, cities and counties will now be able to utilize aerial surveillance at the specific times and in the specific areas needed, without a large capital investment.

This innovative system is being developed by Spiral Technology, Inc., a Lancaster based, veteran-owned small business incorporated in 2000. Their motto is "Leadership-Performance-Results to deliver superior aerospace solutions to our customers on time and within budget." With 110 employees, Spiral provides innovative systems engineering and aerospace support services to numerous military customers and private aerospace firms including: the U.S. Air Force; U.S. Army, U.S. Navy; NASA; Lockheed Martin; and Boeing. Under Aero View, LLC, Spiral has developed the Law Enforcement Aerial Platform System (LEAPS).

### LEAPS Deployment in Lancaster

In Lancaster, Aero View will provide an average of 10 hours of aerial surveillance daily every day of the year at peak times as determined by LASD. This is approximately 303 hours of service per month. It is anticipated that the system will be deployed in Lancaster in early Spring of 2012. During surveillance operations, the system will deliver quality imagery via an

encrypted communications link to equipment located at the LASD Lancaster Station. The imagery, the media receiving this imagery, and the storage and playback equipment will be physically retained and controlled by LASD only. The City and Aero View will not have access to the imagery provided by the system. All surveillance operations will be controlled solely by LASD personnel by commanding the surveillance mode and/or objects to be targeted – no imagery is accessible in the aircraft. Aero View has worked extensively with LASD Lancaster Station on the system to ensure maximum efficiency, security, and support for the system.

The Aero View system will be a primary component and a force multiplier in continuing to reduce crime in Lancaster. Clearly this capability will allow much more effective surveillance, monitoring, and patrol operations. It will also provide response to events much quicker, with “eyes-on-scene” in literally seconds as opposed to minutes. It will provide both investigators and prosecutors with unparalleled video evidence to solve crimes and prosecute criminals. Perhaps most importantly, those that wish to commit crimes will know they are being watched. This deterrent factor alone should reduce crime.

The benefits of this partnership to Lancaster go beyond public safety. The partnership with Aero View will also pay significant economic benefits to the City and should be viewed as a start-up company, which has developed a needed and unique product with tremendous potential for growth. A component of the agreement covenants that the headquarters for Aero View will be in Lancaster for 15 years, with future business development, design, acquisition, manufacture, assembly, sales, and service operations to occur in Lancaster. This will equate to significant jobs and economic activity for the entire Antelope Valley.

#### Deal Points

The following highlights some of the key deal points of the proposed Acquisition and Management Agreement:

- Aero View, LLC will develop and deploy a Law Enforcement Aerial Platform System (LEAPS) in Lancaster;
- The system will deliver quality imagery, as determined by LASD, via an encrypted communications link to equipment located at LASD Lancaster Station. The imagery, the media receiving this imagery, and the storage and playback equipment will be physically retained and controlled by LASD only. The City and Aero View will not have access to the imagery provided by the system. All surveillance operations will be controlled solely by LASD personnel by commanding the surveillance mode and/or objects to be targeted – no imagery will be accessible in the aircraft;
- The City will provide \$1.3 million to Aero View, LLC for acquisition of an aircraft, avionics, and other equipment required to deploy LEAPS;
- Aero View, LLC will deploy LEAPS and provide an average of approximately 303 on-station hours of surveillance operations per month to LASD. If Aero View is requested to extend surveillance hours up to 333 hours per month, these will be provided at no additional charge. Hours beyond 333 per month will be billed at \$297 per hour; if the hours provided are less than 273 per month, the City will be credited for such shortfall at \$297 per hour;
- After official deployment, the City will receive 12 full months of service at no cost to the City;
- After the initial 12 month period, the City will pay Aero View approximately \$90,000 on a monthly basis for the service; a fuel surcharge will be invoiced if the price of aviation

fuel is increased above the bid price of \$6 per gallon;

- During the five year term of the Agreement, the hourly price to the City will be decreased by \$5 per hour for each new contract (for a period of one year or over) that Aero View enters with a new client, up to a total of sixty contracts;
- The Agreement will be for a period of 5 years with termination provisions subject to the terms of the Agreement;
- Aero View, LLC covenants that future business development, design, acquisition, manufacture, assembly, sales, and service operations will occur in Lancaster for a period of 10 years from the date of execution of the Agreement.

#### Development of Law Enforcement Aerial Surveillance in Lancaster

This staff report would not be complete without a brief explanation of how Lancaster got to the point where it will benefit from this partnership.

Mayor Parris has been steadfast in pursuing affordable aerial surveillance technology for law enforcement in Lancaster. He has an unwavering belief that this will not only continue to reduce crime in Lancaster, but also provide law enforcement agencies nationwide with a model and tool that will benefit their public safety efforts; not just through more effective operations after a crime has occurred, but as a deterrent to committing crimes in the first place. Mayor Parris and the City have pursued development of this system since 2008. At least twice, we have been close but either the partnership or the timing didn't work and we had to walk away. After each attempt, Mayor Parris has been the driving force that has kept this project alive. The partnership the Mayor has fostered between Lancaster and Aero View, LLC is leagues above other partnerships that were contemplated and is as much about economic development as it is about public safety. Not only does the City benefit from affordable law enforcement aerial surveillance, but the economic and jobs benefits that will likely accrue to the Antelope Valley are significant and real. While almost all successful ventures are team efforts, including this venture, this partnership and its resultant benefits would not have happened in Lancaster without Mayor Parris.

#### **Attachment:**

Acquisition and Management Agreement