CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 3/24/98
AGENDA ITEM #5
WORK SESSION ITEM_____

To: Mayor and City Council

From: Director of Public Works

Subject: **PROPOSAL TO REVISE FUTURE HANGAR LEASE AGREEMENTS AND AIRPORT PERMIT AGREEMENTS**

RECOMMENDATION:

It is recommended that the City Council approve the: a) Executive, "T" Hangar, Tie-Down, and Storage Rental Agreement Forms and b) Commercial Aviation Permit and Taxiway Access Permit Agreement Forms.

BACKGROUND/DISCUSSION:

The existing approved hangar lease agreement forms were adopted by Hayward City Council Resolution in July 1970, and the existing approved permit agreement forms were adopted by Hayward City Council Resolution in June 1990. Since then, no formal revisions have been made.

Due to the number of years that have passed since these documents were last revised, a variety of changes are needed to update the agreements. Airport practices have, of course, continued to evolve over the past 25 years and should be more clearly reflected in the hangar leases. In a like manner, the past 7 years have produced changes that need to be included in the Commercial Aviation Permit (CAP) and Taxiway Access Permit (TAP) Agreements. The revised hangar lease forms will be used for new agreements and will not affect current leases.

Many of the proposed changes to these agreements are minor in nature, and simply update the documents to coincide with names, titles, and other standard language or phrases that are currently in use. For example, the title Airport Manager, rather than Airport Director, should be used consistently throughout all airport lease and permit documents. Other non-substantive changes include reorganizing the documents' formats and reordering and renumbering of sections.

Some of the modifications to the agreements relate to coordinating the leases and permits with other Airport or City documents. Two of these changes are:

- **Reference the Airport Rules and Regulations.** Currently, lease agreements reiterate entire portions of the Airport Rules and Regulations instead of simply referencing that document. This is awkward because the rules and regulations are modified from time to time, which could potentially cause inconsistencies with the hangar leases. Directly referencing the Airport Rules and Regulations will automatically help to keep the leases up-to-date. A copy of the Airport Rules and Regulations is initially attached to each hangar lease for the lessee's information and convenience, and an updated copy will be sent to each lessee when revisions are made.

- **Reference the City's Master Fee Schedule**. Similarly, the most efficient way to indicate hangar rent adjustments or changes in permit costs is to directly reference the City's Master Fee Schedule. This simplifies the rate adjustment process for airport customers as it specifically informs tenants and permittees which City document contains the current Council-approved rates. Staff believes this is clearer than using the existing language regarding rates, contained in both the 1970 and 1990 resolutions, which states rates will change " . . . as specified from time to time by resolution of the City Council".

Additionally, language has been added to the hangar lease agreements to give a more detailed explanation of the process that will be followed by the City if a tenant does not pay rent in a timely manner. Deposit amounts and handling of deposits have also been clarified.

In the proposed permit agreements, updated insurance and hazardous materials language has been added, and an actual permit certificate for posting has been developed. Also, the Taxiway Access Permit now contains expanded language regarding fueling activities and requirements.

CONCLUSION:

Due to the extensive rephrasing, reformatting and renumbering of the agreement sections, a line by line comparison of existing and new agreement language has not been attempted for these documents.

All revisions were reviewed and approved by Council's Airport Committee (CAC) at its meeting of January 29, 1998. Although some concerns were expressed by the public at that meeting about retaining the existing language on 30-day notices to vacate and the existing requirement for lessees' social security numbers to be kept on file, airport and legal staff responded to these concerns to the Committee's satisfaction. The CAC also felt that the new references to the City's noise ordinance were appropriate. The Committeemembers directed staff to forward the new agreement forms to the full Council with a unanimous recommendation for adoption.

Due to the length of the various documents, copies are not attached to the agenda report. Copies are available for Council review in the Office of the City Clerk.

Prepared by:

FOR Brent S. Shiner, Airport Manager

Recommended by:

Dennis L. Butler, Director of Public Works

Approved by:

Jesús Armas, City Manager

DRAFT

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION APPROVING THE FORM OF THE HAYWARD AIRPORT EXECUTIVE, "T" HANGAR, TIE-DOWN, AND STORAGE RENTAL AGREEMENTS AND THE COMMERCIAL AVIATION AND TAXIWAY ACCESS PERMITS, AND RESCINDING RESOLUTION NOS. 70-273, 90-139, 90-140 AND ALL OTHER RESOLUTIONS OR PORTIONS OF RESOLUTIONS IN CONFLICT THEREWITH

WHEREAS, Section 2-6.77 of the Hayward Municipal Code provides that no person shall conduct any commercial or non-commercial activity at the Hayward Air Terminal except in conformance with a lease or permit; and

WHEREAS, Section 2-6.150 of the Hayward Municipal Code provides that rentals, rates, charges, and conditions for the use of the Air Terminal and its public facilities shall be those specified in the code and those specified from time to time by resolution of the City Council; and

WHEREAS, it is the policy of the City of Hayward to make the airport as self-sustaining as possible by recovery of its operating costs through storage, tie-down and hangar rentals and charges on commercial and non-commercial activities.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that, as a result of recommendations made by the Airport Manager, the Council hereby approves the form of the following agreements, copies of which are on file in the office of the City Clerk:

Tenant Information Form
Storage Rental Agreement
Tie-Down Rental Agreement
T-Hangar Rental Agreement
Executive Hangar Rental Agreement
Commercial Aviation Permit Application
Commercial Aviation Permit
Commercial Aviation Permit Agreement
Taxiway Access Permit Application
Taxiway Access Permit

Taxiway Access Agreement
Hayward Airport Fueling Requirements

BE IT FURTHER RESOLVED that each above mentioned document that is in substantial compliance with the form hereby approved may be executed by the Airport Manager without further action of the City Council.

BE IT FURTHER RESOLVED that Resolutions Nos. 70-273, 90-139, 90-140 and all other resolutions or portions of resolutions in conflict with the provisions of this resolution are hereby rescinded.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 1998

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:_____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

_____
City Attorney of the City of Hayward