



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 07/17/07
AGENDA ITEM 3
WORKSESSION ITEM _____

TO: City Council

FROM: Director of Public Works

SUBJECT: Authorization for Execution of a Professional Services Agreement with Environmental Science Associates, Inc., to Obtain FAA Approval for Bud Field Airport Development Project

RECOMMENDATION:

That the City Council adopt the attached resolution authorizing the City Manager to execute a Professional Services Agreement with Environmental Science Associates, Inc., (ESA, Inc.) in an amount not-to-exceed \$100,000, in conjunction with FAA environmental approval for the Bud Field Fixed Base Operator Development project.

BACKGROUND:

Mr. William "Bud" Field has presented the City with a private hangar and Fixed Based Operator (FBO) development proposal for the south side of the airport. An FBO is a tenant on the airport that is required to provide a minimum level of aviation services, such as hangar rental, aircraft parking, aircraft maintenance services, and sale of fuels and lubricants. Mr. Field is currently negotiating for a new ground lease, which includes constructing new aviation facilities. On June 28, 2007, the Council Airport Committee received extensive input from various parties and supported staff's conclusion that Mr. Field's proposal met all the minimum standards for FBO approval. It was noted that in order for the City to permit Mr. Field to construct his proposed project, the City must obtain unconditional approval of the Airport Layout Plan (ALP), including this project, from the Federal Aviation Administration (FAA), and that additional environmental studies would be required.

Mr. Field's project is consistent with the recommended development alternative for additional facilities in the updated 2002 Airport Master Plan. The forecasted demand for additional hangar facilities identified in the Airport Master Plan was expected to occur over a longer period of time. However, the Airport Master Plan recognizes that the need for additional aviation facilities is demand driven and must remain flexible enough to respond to fluctuations in future growth. Mr. Field has prepared and submitted a Business Plan that includes comprehensive information about the development and its planned operation. His business plan included ten new hangars, totaling 150,000 sq ft; 220,000 sq ft of ramp area; and a new fuel storage and servicing facility. The plan also identified the initial addition of eleven new jet tenants with the potential for ten more jets, and an estimated addition of 1.1 million gallons in new fuel sales. Staff, with the assistance of an aviation management consultant, has reviewed Mr. Field's proposal for consistency with the Airport Master Plan, Council's Airport Committee recommended airport Minimum Standards, and the FAA airport grant assurances.

The only remaining FAA requirement necessary to obtain unconditional ALP approval is additional environmental evaluation of the proposed facilities. The Final Environmental Impact Report for the Airport Master Plan addressed California Environmental Quality Act (CEQA) requirements for the entire 20-year horizon of the Plan. However, due to differences in Federal and State procedures, the equivalent Federal document, called an Environmental Assessment (EA), only covered unconditional approval of the ALP and associated projects expected to be completed in the next five years. The EA and subsequent Finding Of No Significant Impact (FONSI), therefore, encompassed the short-term projects in the Airport Master Plan. The issuance of a FONSI is a Federal action that satisfies Federal environmental requirements for unconditional approval of airport development projects. Because Mr. Field's project is identified as a long-term project in the Airport Master Plan, it requires additional detailed environmental evaluation. ESA, Inc. assisted the City in preparing the previous EA and in obtaining the FONSI from FAA.

On May 4, 2007, City staff met with FAA San Francisco Region Airports District Office Manager, Andrew Richards and his staff, to discuss the environmental review process for Mr. Field's proposed development project. The City requested the assistance of ESA, Inc., for this meeting. Mr. Daniel T. Wormhoudt, Vice President of ESA, Inc., attended the meeting to address specific questions regarding previous environmental review as it relates to Mr. Field's project. The direction to the City provided by FAA staff is that a Supplemental EA would be sufficient analysis for addressing Federal environmental requirements for Mr. Field's project approval. Because ESA, Inc. prepared the EA for the Airport Master Plan, ESA, Inc. is the only environmental consultant with the necessary background information to effectively and efficiently prepare the required information to request unconditional FAA approval. Staff considers ESA's level of experience and professionalism appropriate for the required scope of work. Staff requested ESA, Inc. prepare a formal proposal to satisfy FAA requirements as discussed at the May 4th meeting with FAA staff. While various analyses will be required, the most significant work will be related to updating the noise studies done as part of the Master Plan EA.

It is anticipated that this work will be completed and reviewed by the Council Airport Committee over the next six months. A recommendation to Council on the proposed lease is anticipated for early next year.

FINANCIAL IMPACT:

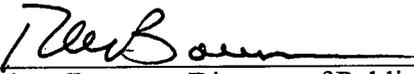
The proposal received from ESA, Inc. is for a not-to-exceed amount of \$100,000. Staff believes this is a reasonable amount for the required studies and reports required by the FAA. FAA will only negotiate project approvals with the airport sponsor; in this case, the City of Hayward. As such, it becomes necessary for the City to contract with the Consultant directly. The Airport Capital Improvement Fund includes a Southside Planning and Design project intended to support Southside development, which has sufficient funds available to cover this consultant work. However, since this project is a private development, the City will require the developer, Mr. Field, to reimburse the fund for the detailed environmental evaluation being required by the FAA.

Prepared by:



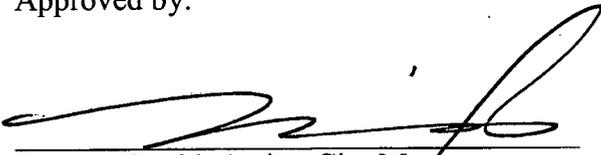
Ross Dubarry, Acting Airport Manager

Recommended by:



Robert Bauman, Director of Public Works

Approved by:



Frances David, Acting City Manager

