

CITY OF HAYWARD

SPECIAL MEETING

Council Airport Committee Meeting

Thursday, February 26, 2009
5:30 PM

Room 2A
777 "B" Street
Hayward, CA 94541

A G E N D A

Public Comments: (The PUBLIC COMMENTS section provides an opportunity to address the Committee on items listed on the agenda, as well as other items of interest. The Committee welcomes your comments under this section, but is prohibited by State Law from discussing items not listed on the agenda. Your item will be taken under consideration and referred to staff.)

1. **Approval of October 30, 2008 Summary Minutes**
2. **Status Report Airport Layout Plan**
3. **Status Report on Capital Improvement Projects for FY 2009**
4. **Future Agenda Items**

Distribution:

Mayor and City Council
City Manager
Assistant City Manager
City Attorney
Public Works Director

City Clerk
FAA Tower Manager
FBO's
Airport Tenants

Daily Review
Interested Parties
Post

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DATE: February 26, 2009
TO: Council Airport Committee
FROM: Robert A. Bauman, Director of Public Works
SUBJECT: Summary Minutes for October 30, 2008

CALL MEETING TO ORDER

Council Member Halliday called the meeting to order at 5:33 p.m. with Council Member Quirk present. Council Member Henson joined the meeting at 6:15 p.m.

City staff: Gregory T. Jones, City Manager
Robert A. Bauman, Director of Public Works
Lloyd Partin, Airport Manager
Noemi Dostal, Administrative Analyst

Consultant: Andrew Scanlon, DMJM Aviation

Members of the public present:

Jerry Turney	John Kyle	Gary Briggs	Scott Briggs
Bud Field	Roger Bohl	Mike Wyant	Robert Pinedo
Matt Terpston	Doug King	Brandon Thompson	Jon Lee
Ed Wagner	Sean Barker	David Cunningham	Ben Henderson
W. M. Dillon	Joe Ilmberger	Howard Beckman	Andy Wilson
Keith Amaro			

PUBLIC COMMENTS:

John Kyle questioned the land value appraisal performed on the Epic Aviation hangar construction project. He mentioned that having been an appraiser, he believes that someone is paying a disproportionate amount of money for the land. He wanted to know where the negotiations are at this point.

1. Approval of Summary Minutes – April 24, 2008

Summary Minutes were approved as submitted.

2. Presentation by Airport Consultant, DMJM, Pursuant to Airport ALP updates

Andrew Scanlon, representing the Airport Consultant, DMJM Aviation, provided a PowerPoint presentation. He identified two key points of the study: identification of Critical Design Aircraft, and preparation of a list of projects to implement to correct any deviations from design standards. He added that the City would use the study as a mechanism to inform FAA of its intentions on the Airport and could use it to apply for funding of Airport Capital Improvement Projects. The key issues to be addressed are the Airport Reference Code (ARC), from ARC B-II to ARC C-II classification, Runway Safety Area (RSA), and Runway Object Free Area (ROFA) evaluation, development on the Airport south side; impacts posed by the West “A” Street Extension, and the potential reuse of the California Air National Guard property.

An airport’s reference code is determined by the number of critical aircraft operations in a one-year period. The critical aircraft at an airport is defined as an aircraft that operates at least 500 itinerant operations each year. The Airport Reference Code is made up of Aircraft Approach Category (A, B, C, D, E) and Airplane Design Group (I, II, III, IV, V, VI). The wingspan of any given aircraft places the aircraft in an “Airplane Design Group.” The “Aircraft Approach Category” is derived from the approach speed of an aircraft.

The estimated Project Schedule is as follows:

- Interim Report – December 15, 2008
- 2nd TAC and CAC Meeting – January 2009
- Draft ALP Set and Narrative Report – May 2009
- Final TAC/CAC Meetings – June/July 2009
- Final ALP St and Narrative Report – July 2009

Council member Quirk said that he was glad the project was going forward as he understands the need to update for safety reasons. He believes we should also review the whole Master Plan as part of this process.

Council member Quirk questioned how the project would affect the West A Street extension project. Public Works Director Bauman stated that staff would need to work with the FAA to identify options available to satisfy ALP requirements and construct the West A Street extension. He stated that he hoped to have additional information for the January CAC meeting.

Council member Quirk also asked if, after the Airport is reclassified a C-II airport, the West A Street extension project could possibly affect the category level. Bob Bauman said that the number of current operations has placed the airport in the C-II classification, and the West A Street extension has no effect on the classification.

Council member Halliday asked the consultant to describe the process for determining the Design Aircraft. Andrew Scanlon responded that they would follow FAA’s criteria to determine this. They will use data from the Airport’s Noise and Operations Management System (ANOMS) to obtain the number of operations and types of aircraft. They will also look at the region to identify how much market share Hayward has captured in order to define likely trends for the future.

PUBLIC COMMENTS:

Jerry Turney asked if the City had discussed the West A Street extension with the FAA. Mr. Bauman responded that staff discussed the original project previously with the FAA. He added that once there is an agreement on how the City should incorporate the Runway Safety Areas, a detailed discussion with the FAA will ensue. Mr. Turney also asked if the Airport is officially a C-II classification. Mr. Bauman responded the Airport would be officially reclassified when the ALP process is complete. Mr. Turney had some questions and concerns about the safety zones and traffic management. Mr. Bauman said that all these questions would be addressed in the next phase of the consultant's study.

Howard Beckman commented that a C-II change is a formal designation the FAA must make. He said that the ALP and the Master Plan are separate processes, and it is urgent that the City review these again and have a planning process that includes the public. He asked the consultant if the FAA's approval would be included in the study. Mr. Scanlon said their work will be finished in July, and it would include the FAA's approval. Mr. Beckman disagreed with the consultant regarding the Environmental Assessment on the ALP. He also commented that Runway Safety Zones are regulatory issues, and he expects that this issue may complicate the West "A" Street extension project.

Roger Bahl asked about the status of the C-II classification and asked if curtailing the operations is an option. Lloyd Partin, Airport Manager, explained that the Airport has had over 500 total operations of C-II classified aircraft annually for the last five years. Mr. Partin said that it is not possible to restrict aircraft, as the Airport is a public-use airport. He said based upon existing traffic counts and operations at the Airport, FAA already regards Hayward as a category C-II airport and has notified the Airport they should immediately begin complying with the standards for that category and classification of Airport.

Andy Wilson brought up the issue of the East Shore Power Plant having been denied and the Russell City Energy Center (RCEC) moving forward. He wanted to know if the construction of the RCEC will add to the cost of the improvements related to the updated ALP and if the power plant was considered in the ALP. Bob Bauman responded that the RCEC power plant has no impact on the ALP.

Council member Halliday closed discussion of this item and handed the next item to Council member Henson to chair.

3. Status Report on Epic Aviation Leasehold and Proposed Hangar Development

Bob Bauman provided an overview of the status of the Epic leasehold's two parcels. He showed slides illustrating the parcels and adjacent structures. The leasehold was modified in 2004 setting aside Parcel B for the City's future Skywest T-hangars project. He said that when the City decided the cost to build the Skywest T-hangars was not monetarily feasible, in accordance with the lease, Epic Aviation was given a first right of refusal to develop hangars similar to the City's planned project. Mr. Bauman said that the adjacent Hayward Hangars leasehold had approval and building permits, but construction had not yet begun. There has been no movement in the development of these parcels in the last couple of years. He said that Gary Briggs has come up with several proposals for small, medium, and large box hangars. The City is evaluating whether this latest proposal is consistent with the lease requirements or if the City should again try to

construct T-hangars. He also said that there is a lot of added cost associated with building T-hangars, and the City has concluded it is not cost effective to build T-hangars.

Council member Quirk and Lloyd Partin discussed the cost of building the T-hangars as compared to box hangars. Mr. Partin said that T-hangars could cost approximately \$125 per sq ft and asked Gary Briggs to address the cost of constructing box hangars. Mr. Briggs responded that the cost of building box hangars is 20 percent less than building T-hangars and said that box hangars are easier to construct, so would cost less. He added that his proposed box hangars have fewer interior walls than T-hangars, have lower door heights, few amenities and use less expensive construction materials, which then lowers the cost of construction. He also said that because of the rise in construction costs, these box hangars would not be bargain basement rental spaces for airplanes, but they would be less expensive than renting equivalent height T-hangars.

Council member Halliday asked Lloyd Partin about the current state of demand for T-hangars and the differential rate of rent. Mr. Partin responded that the Airport has approximately 154 tenants, and it takes 7 to 10 years to see any movement on the waiting list. This is due to the supply and demand and the low rent we offer. He conducted a rate comparison of Bay Area Airports and found Hayward Airport has the lowest rates.

Council member Henson commented this is market driven right now but we do not know what the long-term effect will be.

PUBLIC COMMENTS:

Howard Beckman had a question regarding the FAA regulations mentioned in the staff report that attempt to reduce the operations at the larger metro airports due to the limited capacity of the Air Traffic Control system.

Lloyd Partin explained the FAA has looked at how the limitations of its antiquated Air Traffic Control System affects capacity at the major airports. Therefore, FAA has been working to shift general aviation to reliever airports such as Hayward although the report although staff is unaware of any specific regulations regarding this shift.

Jerry Turney distributed a handout showing Rio Vista Airport's T-Hangar construction cost. He said Rio Vista was able to build T-hangars for \$40 a square foot as opposed the \$125 per sq ft that the Lloyd Partin had estimated. He is requesting that the Council Airport Committee vote "no" on the Epic Aviation development.

Lloyd Partin reported he called the Rio Vista Deputy Director of Public Works, who advised the hangars were denied a Tenant Occupancy Certificate because of failure to include fees, such as school, water, sewer and street impact. As a result, the cost of building the hangars would double if these fees were included. The new hangars would not be occupied until these issues are resolved.

Keith Amaro, hangar tenant, said Epic forced him out of his office space because he did not buy fuel from them. He said he had a difficult time finding office space at the Airport to continue his operation. He is asking the City to build more office spaces for small fixed-based operators instead of catering to the big dollars from operators of larger aircraft. He stated that if the Epic development continues to operate, its sub-tenants should not be forced to buy its fuel.

Bob Bauman commented that a self-serve station would be built with the development. Bud Field stated he supports continued development and felt that this type of project would be beneficial to the City and the Airport.

Gary Briggs wanted to clarify Keith Amaro's concern about the fuel. He said that Epic does not provide fuel at the Airport and fuel is provided by two other FBOs.

Council member Henson said that his preference is to move forward with the development. He added there are still some issues that needed to be worked out.

4. Status Report on 2nd Quarter Airport Projects

Lloyd Partin provided a PowerPoint presentation on Airport Projects. The Sulphur Creek Enhancement project is now in its final stage. This project is providing mitigation for some work done around the airport. The Transient Parking "Green" Ramp holding the transient and itinerant parking area was crack-sealed. Major pavement repairs were completed in some parking areas and taxiways to prevent them from becoming safety hazards. The Airport purchased a new sweeper to remove foreign objects on runways and taxiways. The Airport also purchased an Airport Rescue & Firefighting Truck to enhance firefighting ability and to address accidents and incidents on the Airport. Lloyd is also working to have Hayward firefighters fully trained on this equipment. He is working with the Oakland International Airport so that initial training for the City's firefighters could be provided locally. There have been discussions of a possible mutual aid agreement between the two airports. Based on a FAA safety inspection there is also the need for a future project to enclose parts of Sulphur Creek near the runways.

Council member Henson thanked Council member Quirk for bringing to the Committee the necessity of having this firefighting equipment. Council member Quirk thanked staff for acquiring this equipment and was pleased with the action taken.

PUBLIC COMMENTS:

Howard Beckman commented that he is very active in creek issues. He said that the City Council has repeatedly stepped over the creeks and asked where they draw the line.

Bob Bauman responded that enclosing the creek is not something that he seeks but the airport may have to address if the FAA directs it for safety reasons.

Jon Lee, SP Aviation, commented that it is a serious safety issue to have geese from the creek near runways and aircrafts. He described an incident that occurred with two geese while he was flying that damaged his aircraft and nearly cost him his life.

Gary Briggs agreed with Jon Lee's comment that this is a real airport safety issue. Mr. Briggs stated that he believes that the creek enhancements will attract waterfowl and increase the amount of migratory bird activity on the Airport.

5. Tuskegee Airmen Museum

Lloyd Partin spoke about the letter from David Cunningham requesting a space for a museum for the Tuskegee Airmen in the Air National Guard Area when redevelopment of the site takes place. He said that this was a wonderful proposal but staff has to make sure that the City does not

violate any FAA grant assurances. He also said that he hopes Mr. Cunningham understands it may take some time to realize this.

Council member Quirk said that Council would look favorably on a developer who can accommodate this request. He has admiration for the Tuskegee Airmen who led the way for changes we have today.

Council member Halliday said that she knew James Walker, a Tuskegee Airmen, who passed away a couple of years ago. She supports the request and hopes that this becomes a reality someday. She also mentioned the reenactment on September 18 of the first airmail delivery. She said that this event was exciting for both her and the public who came to watch the event.

Council member Henson concurred and said that this is an excellent opportunity for the Airport. He also mentioned Woody Spears, another Tuskegee Airman he knew, and how Ben Anderson is restoring an aircraft similar to one flown by the Tuskegee Airmen. He suggested consideration of other areas on the Airport as possible sites for the museum. He mentioned that Council has agreed to plant a tree in memory of Woody Spears and that the Airport would be the appropriate place for this.

PUBLIC COMMENTS:

David Cunningham, Chapter President of Tuskegee Airmen, said that he appreciated all the votes of confidence from everyone. He understands that it could take some time to get this site for the museum but hopes that it could be sooner rather than later as we are losing three to four Tuskegee Airmen every month.

Gary Briggs stated if Ascend was involved in the redevelopment of the Air National Guard site, he would provide a space for the museum at no cost.

Andy Wilson said that there is an on-going evaluation of historical buildings in the City, and the old buildings in this proposed redevelopment site should be part of the evaluation. He mentioned that Council member Anna May has announced that she wants to establish a Movie Commission centered in Hayward. He suggested consideration of the historical buildings on the Airport as a movie making area.

Ben Anderson spoke about his restoration of a P51 that he would want to put in a museum. He would paint the names of the all the five Tuskegee Airmen who lived in Hayward on the side of the plane.

6. Future Agenda Items

- ALP Report
- CIP for the Airport
- Noise Forum Report by Councilmember Henson
- Tour of the areas at the Airport affected by the ALP and Epic Aviation Development

ADJOURNMENT

The meeting adjourned at 7:23 p.m.



CITY OF
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2

DATE: February 26, 2009
TO: Council Airport Committee Members
FROM: Robert A. Bauman, Director of Public Works
SUBJECT: Informational Update on Airport Layout Plan Revision

RECOMMENDATION

That the Committee accepts this report as information only; no action is necessary.

BACKGROUND

The Council Airport Committee at the October 30, 2008 meeting requested that staff provide an update on the Airport Layout Plan once the interim narrative report was available.

DISCUSSION

The attached Interim Narrative Report for the Airport Layout Plan Update (Exhibit A) is broken down into five separate chapters which together provide a great deal of information about the Hayward Executive Airport. Chapter One includes an introduction and description of the planning process as mandated by FAA. Chapter Two is an executive summary while Chapter Three provides inventory and historical information regarding the airport. Chapter Four provides an analysis of fleet mix which leads to the identification of the Design Aircraft for the airport based on actual operations. Finally Chapter Five concludes, as previously expected, that the Airport's present classification should be C-II and discusses some of the design ramifications for facility requirements related to that classification. This interim report has been completed in coordination with FAA staff who has confirmed that Hayward's existing Airport B-II category and classification is no longer applicable. While several factors have contributed to the change in number and size of aircraft operating from Hayward, a significant one is the airport's role as one of only 273 Reliever Airports nationwide. The value of the airport in terms of its impact to the national plan of integrated airspace cannot be deemphasized. Traffic within the larger hub airports has led to serious delays and complications that are forcing a redistribution of traffic from hub airports to neighboring reliever airports such as Hayward. The recent review of traffic growth occurring at Hayward has prompted the FAA to re-examine how best to support continued growth and development.

As noted in Chapter Five, Table 5-1 of the report, our consultant has indicated that although the airport must immediately transform itself from B-II to a C-II classification, by 2020 it will likely meet the requirements for a D-II classification, requiring that FAA and the Airport perform yet another major ALP study and review. The only design standard that would be different between the

two classifications, is the Runway Safety Area width of 400 feet for C-II, vs. 500 feet for D-II. Based upon the minimal differences that exist between the two classifications, DMJM has suggested that we consider implementing the future D-II safety standard as we move forward to the next stage of the ALP Update. Once the ALP is completed, Hayward Executive Airport will require assistance from FAA through AIP grant participation to support the changes necessary to fully comply with the changes required, support from the surrounding community and our local based aircraft owners and tenants.

One item for significant discussion during the next phase of the ALP update will be to address the City's long standing plans and Measure B funded project for the planned extension of West "A" Street and tie in to Corsair Drive that provides an alternative access to City's industrial park area. As a Category B-II airport, the West "A" Street extension would have had limited impact on airport or golf course operations, as the alignment of the street would have remained clear of the B-II Runway Safety Area lateral boundary by 240 feet. Exhibit B which is Figure 5-1 from the Interim Narrative Report graphically shows the Runway Safety Zones that are recommended by our consultant and indicates the significant issues for the extension of the roadway, as well as the Skywest Golf Course based on C-II Runway safety area requirements. During the next phase of the ALP Update project, the Airport and its consultant will propose to FAA alternative design concepts and mitigation measures to meet or mitigate where possible, any non compliant safety or design issues. The goals and objective primarily focused upon by both Airport staff and DMJM as the Airport's consultant, will be to effectively meet the needs of the City's requirement for the West "A" Street extension, while preserving the Airport's ability to continue to grow and develop, with the minimum impact to either concern. City staff has begun meeting with HARD staff because of potential impacts to the future operation of the Skywest Golf Course.

One obvious question might be if the city was not able or willing to satisfactorily meet the C-II requirements how would the FAA respond. Communication from FAA senior staff indicate if that were the case, the Airport would have to operate as a B-II airfield and restrict operations of category C aircraft to less than 500 per year which would force removal of a large number of tenant aircraft. This would certainly adversely impact the City and the users of the Airport.

FISCAL AND ECONOMIC IMPACT

While the recent increase in the number of corporate and privately owned jet aircraft has resulted in the change in the classification of the airfield, the significant additional revenue they bring to the City should also be noted. The City of Hayward's General Fund has seen significant increases in aircraft property taxes from aircraft based in Hayward during the last two years, which now exceeds \$550,000 and is likely to double that amount over the next two years as additional hangers are constructed and additional jets are based in Hayward. As new development occurs on the Airport, other taxes in the form of possessory interest, similar to property taxes, are charged to the owners and occupants of both privately owned and City owned buildings on the Airport.

Other benefits realized from the ALP study include federal grant assistance to support recommended changes required by FAA. In June of 2008, FAA provided a grant offer of \$150,000 to cover the first 50 percent of the ALP Update. The FAA has since committed, through various

meetings and verbally, to provide additional funding in FY 2009 for repayment of any additional costs related to the ALP Update project.

The expected compliance requirements identified by the ALP Update will require that Hayward Executive Airport to submit requests to FAA for federal assistance for capital improvements to meet FAA airport design standards. These projects will also support future growth of the south side, including full development of the former Air National Guard (ANG) parcel. Several interested parties have recently expressed interest in development of this parcel.

Major projects requiring federal participation include the previously programmed to relocate the northern portion of taxiway "Z" and remove the bend in the taxiway that presently exists. This is a project that was included in the 2002 Airport Master Plan and has had substantial work related to design and engineering already performed. The taxiway relocation will also require substantial taxiway lighting and electrical additions as well as pavement improvements. Because of FAA funding limitations this project will likely be programmed in FY2011 or 2012 at the earliest.

PUBLIC CONTACT

As previously discussed, the Airport formed a Technical Advisory Committee (TAC) made up of individuals possessing technical expertise necessary to review information provided by the Airport consultant and to provide guidance and discuss alternative solutions with staff and the consultant relative to possible conflicts or incompatible developmental issues as part of the ALP Update process. TAC members have been provided copies of the Interim Narrative Report and will be meeting within the next two weeks to review the report and provide feedback. The TAC functions purely in an advisory capacity to provide technical advice from industry related professionals and stakeholders who have a vested interest in the Airport and its future development. Formation and use of a Technical Advisory Committee is a required function of the ALP Update process. Copies of the minutes from the first meeting and names of attendees are included as Appendix A to the Interim Narrative Report.

SCHEDULE

Airport staff anticipates completion of the ALP update work by July 2009. The next phase under way will analyze the information compiled up to this point and relate that information to the requirements contained in FAA Advisory Circular 150/5300-13. The consultant will then propose several alternative measures where complete compliance is not possible or practical, with the goal of meeting all safety and operational concerns first. A baseline environmental report that contains information necessary for inclusion into an Environmental Information Report will also be prepared for those projects recommended by the consultant to meet the infrastructure needs of the Airport. All development concepts recommended, including alternatives, will be depicted on the Draft ALP drawing. As a final requirement prior to submission, the consultant will prepare cost estimates for all projects to be depicted on the new ALP and present the completed information and draft drawing sets for review by the Technical Advisory Committee (TAC). The TAC will then have an opportunity to suggest changes or corrections to the consultant where necessary, prior to submission of the final material to FAA. Prior to submission to FAA, staff will provide an additional update to the CAC.

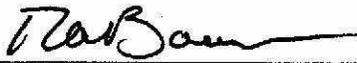
Below is the estimated completion schedule for the project:

- 2nd TAC and CAC Meetings February 9th 2009
- Draft ALP Set and Narrative Report May 2009
- Final TAC/CAC Meetings June/July 2009
- Final ALP Set and Narrative Report Submitted to FAA July 2009

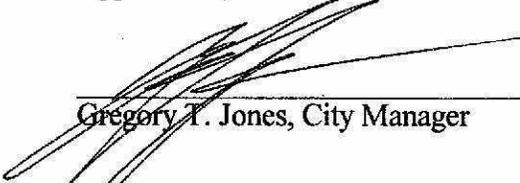
Prepared by:


Lloyd Partin, Airport Manager

Recommended by:

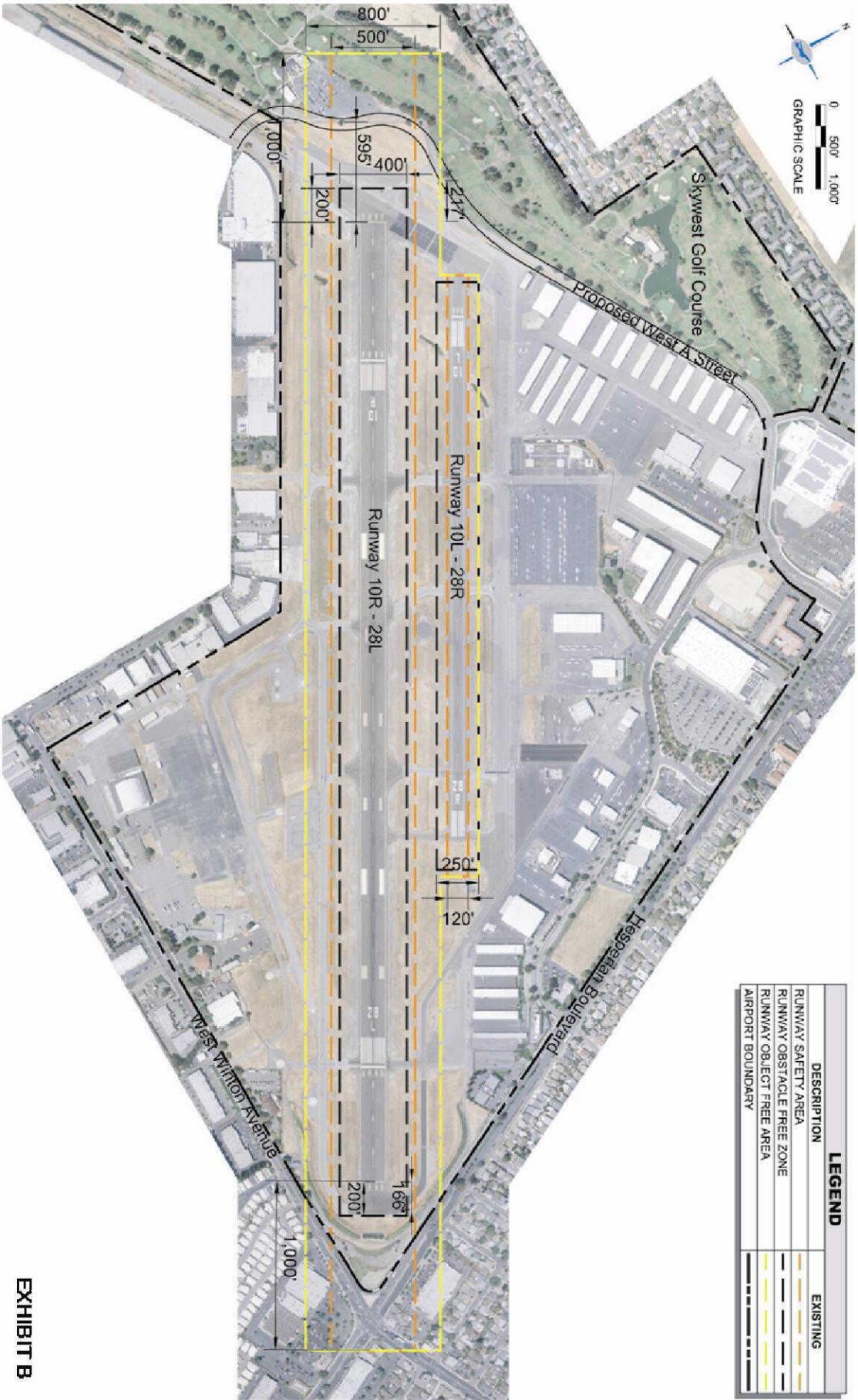

Robert A. Bauman, Director of Public Works

Approved by:


Gregory T. Jones, City Manager

Attachments:

- Exhibit A: Airport Layout Plan Update Interim Narrative Report
- Exhibit B: Figure 5-1 Runway Safety Zones



LEGEND	
DESCRIPTION	EXISTING
RUNWAY SAFETY AREA	
RUNWAY OBSTACLE FREE ZONE	
RUNWAY OBJECT FREE AREA	
AIRPORT BOUNDARY	

EXHIBIT B



CITY OF
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DATE: February 26, 2009
TO: Council Airport Committee
FROM: Robert A. Bauman, Director of Public Works
SUBJECT: Informational Update on FY 2010 Airport Capital Improvement Projects.

RECOMMENDATION

That the Committee accepts this report as information only; no action is necessary.

BACKGROUND

On October 30, 2008, the Council Airport Committee requested staff to provide an update of Airport Capital Improvement Projects planned for the coming fiscal year prior to submission as part of the annual Capital Improvement Program (CIP) update to Council. The projects listed are subject to change based upon changes in either funding availability from the FAA or to meet operational requirements of the Airport. As it is still somewhat early in the normal CIP review process, projects will be further defined by the Airport Layout Plan (ALP) and internal City review.

DISCUSSION

Airport staff has prepared a list of potentially eligible projects for submission to the FAA for Airport Improvement Program (AIP) grant assistance and a list of projects that will be completed in the near term without federal assistance through use of funds transferred from the Airport's operating budget. Staff has broken down projects into both categories for review by the Committee. There are three projects in this year's FAA Grant Application for Fiscal year 2010; funding for the second half of the ALP update and a two-part combined grant application for environmental mitigation, engineering and construction design. The listing of projects to be immediately considered as eligible projects are as follows, include the anticipated costs:

FY 2010 FAA Grant Projects

- Completion of the Airport Layout Plan (second half) \$180,000
- Environmental Planning Grant to Enclose Portions of Sulphur Creek (Permits) \$180,000
- Design, Engineering and Construction for Sulphur Creek Enclosure Project: \$3,250,000

Total estimated project costs: \$ 3,610,000

The second half of the Airport Layout Plan project and funding is based upon verbal agreement between Airport staff and the FAA. The original letter of agreement signed by the FAA in April 2008 provided funding for only the first half of the ALP revision project. It is anticipated from ongoing discussions with FAA that funding to reimburse costs for the remaining portion of this study will be provided in April 2009.

The funding request for the environmental planning grant is for the purpose of complying with environmental policy requirements of the National Environmental Policy Act (NEPA) for enclosure of a portion of open channel that transects the Runway Safety Area for Runway 10L. The FAA ultimately will determine how extensive the environmental process should be to meet compliance and obtain the permits required. The FAA would most likely provide 95 percent of the amount necessary to complete this course of work in the form of a planning grant. The scope and purpose of this project will be to mitigate any environmental impacts within the proposed work area (Exhibit A) and to seek the necessary permits to complete all phases of work. This is a safety related project with high priority as identified by the FAA during a runway safety action team visit in November 2007.

The second phase of this grant request will seek funding necessary to provide engineering, design and construction of the required improvements. This project would entail enclosing approximately 900 lineal feet of open creek channel to enhance water quality, increase safety, and protect migratory waterfowl from coming in contact with aircraft. Benefits to be gained through this project include enhancement of Airport safety, protection and enhancement of water quality in the creek from possible contamination from heavy metals, fuel and oil, and the protection of migratory waterfowl.

It is anticipated that these three capital projects will occur over a two-year period and will require use of the Airport's funding entitlement of \$300,000 from the FAA and a combination of both federal discretionary funds and matching City Airport funds.

Future FAA Grant Projects

In addition to the three near-term FAA funded projects listed above, Airport staff's proposed draft 10-year Airport Fund CIP program contains other projects for future FAA AIP consideration (see Exhibit B). The specific timeframe for these projects is uncertain because they depend on federal funding, but their sequence in the draft is consistent with staff's designation of their priority. Some of these projects were contained previously in the 2002 Airport Master Plan and within last year's 5-year CIP. Some of these projects now require significant changes from the original project descriptions contained within the Master Plan. The project changes relate mostly to compliance that the FAA will mandate as the Airport transitions to Airport Reference Code C-II, or possibly D-II. These ALP related projects will be further described by the Airport Consultant in the final draft of the new ALP narrative report scheduled for review in April 2009 and eligible for FAA AIP participation once the ALP is approved. Other projects eligible for future FAA funding are described as follows:

- Potential Runway Safety Area Improvements: The scope of this project is not yet fully defined; the ultimate scope of work will be defined in the Final Draft of the ALP narrative report. However staff is certain that some improvements will be required and a significant federally funded project will be needed. Possible requirements may eventually include redesign of the Airport's dual runway alignment, Runway Safety Area (RSA) clearing and grading, as well as modifications to the Skywest Golf Course, removal of obstacles within the object free areas, possible use of new markings and declared distances, or other mitigations for non compliant areas. *ALP Update* (\$2,400,000)
- Realignment of taxiway "Z": This project includes construction of drainage and new taxiway shoulder paving necessary for taxiway setback clearance distances and transition zones, reinforcement of existing paved portions, and installation of LED taxiway lighting. The importance of this master plan project may be elevated and funded by discretionary dollars from the FAA, the recent Airport category change and to provide necessary infrastructure for further development of the Airport's South Side. This project is deemed to be "Shovel Ready" and, therefore, could be eligible for funding as part of the FAA's portion of the federal stimulus program. *2002 Airport Master Plan and ALP Update* (\$3,200,000)
- Renovation of airfield lighting and markings: This project involves installation of new lighting vaults, wiring, signs and markings, and LED lighting system to replace the existing system. The project area includes both parallel runways and taxiway "A." *FAA Engineers Estimate* (\$2,200,000)
- Installation of New Runway End Lighting and Precision Approach Path Indicator Lighting (RENLS & PAPIS): This project will install lighting that presently does not exist on the end of Runway 28R and 10L. In addition, the project will include installation of a Precision Approach Path Indicator system (PAPI), replacing the existing Visula Approach path Indicator (VASI).: (\$350,000)
- Relocate the West Perimeter Road and Runway 10 R Hold Area: This project will relocate the west perimeter road on the approach end of Runway's 10 Left and Right. In addition to the roadway relocation, a hold area for aircraft waiting to depart will also be added. (\$700,000)
- Installation of New Runway End Identifier System Runway 10L/28R: This project will add a high intensity LED threshold lighting and sequenced flashing lights, to assist pilots with runway identification in low light and inclement weather conditions. (\$350,000)

Total Estimated Project Costs: \$ 9,200,000

Airport Funded Projects Presently Underway:

The Airport is always seeking projects of merit that enhance and provide added value to our based tenants through use of Airport generated funds. One such project that should be completed within

the next 30 days is the installation of Wi-Fi internet service on the entire Airport. This project was funded by savings in the Helipad Project and is expected to cost approximately \$35,000. It was identified in the past as a significant need by many Airport tenants. The Wi-Fi service will allow flight planning and internet capability from the entire north side of the Airport.

Bids are being prepared for the West T-hanger Ramp Pavement Reconstruction Project, which is being expanded to include critical need repairs on portions of taxiway "A." The original project was included in the FY2009 CIP budget and will repair damaged pavement that needs more than minor repairs provided under our annual miscellaneous pavement repair project. The engineer's estimated cost for this project is \$1,200,000, which is made possible by the funds annually transferred from the Airport's operating fund balance. (Exhibit C)

Other proposed Airport funded capital improvement projects for the coming fiscal year include:

- Installation of Security Fence and Walk-through Gate: Security Enhancement (\$84,000)
- Purchase of an Airport Operations Vehicle (\$32,000)
- Miscellaneous Pavement Repairs: Failed Pavement and Seal Coat (\$100,000)
- Purchase of a Line Lazer Striping Machine: In-House Airfield Striping (5,900)
- Purchase of a Vulcanized Crack Sealer: In-House Pavement Management (\$25,000)

Total Estimated Project Costs: \$224,400

The first non-FAA supported Airport CIP project for FY 2010 includes fencing the area adjacent to Sulphur creek, from Skywest Drive to the corner of the Ascend II development (Exhibit D). The Airport presently does not have a fence or access control point adjacent to the Control Tower along the bank of Sulphur Creek where the bridge and canopy cross the creek. This project would install a six-foot decorative iron fence along the creek and tie into to the existing cyclone fence on Skywest Drive. This project will include a pedestrian access gate with a push-button cipher lock at the entrance to the bridge.

Acquisition of a vehicle that can be used by Airport Operations staff as an Operations Command vehicle is needed to perform daily runway safety and facility inspections and for transport of visiting FAA, State, and other aviation related dignitaries and officials. At present, Airport staff has no way to safely perform these functions or to transport visitors within the Airport Operations Areas (AOA). Frequent visits from FAA and State of California Department of Transportation personnel create a logistical and safety dilemma when the need to move around the Airport occurs. The vehicle must be appropriately marked with reflective striping, high visibility strobes, and numerical markings for visibility by the control tower when operating on the airfield.

Pavement repairs are necessary to replace deteriorated sections of pavement that are no longer safe to transit. This project will repair several areas throughout the Airport, as these areas become unserviceable and unsafe for passage. This project also will use funds to seal coat sections of the east and west T-hanger ramp areas to reduce the propeller damage occurring from a previous chip seal project. Project justification comes from the benefit derived from extension of the pavement life and the liability reduction from damage occurring to aircraft propellers and engines.

The acquisition of a paint striping machine and a pavement crack sealing machine provides the Airport the ability to lower maintenance costs by performing tasks in-house that previously were contracted out to vendors. The ability to reduce the cost of performing these tasks will allow the Airport greater control over pavement life, while also increasing safety through refreshed pavement markings and striping. The ability to refresh ramp striping, taxi-lane striping, and smaller markings in-house saves time, money and, more importantly, costly delays from closure of ramps and taxi-lanes due to vendor scheduling and personnel issues, not to mention preserving a major capital asset through preventative maintenance.

Future Airport Funded Projects:

- General Aviation Terminal – FY 2012
- Replacement Crash Rescue Vehicle – FY 2017

The largest non-federal funded project listed above is construction of a General Aviation (GA) terminal. This project remained last year in the CIP but was moved to FY 2012. It does, however, need further study as to location and viability. Past comments made by several based tenants had indicated that construction of a GA terminal building was not their highest need, considering its cost. Staff now believes that the cost may be justified, based upon the number of transient light aircraft operators who use the restrooms and ask about the location of pilot flight planning areas and waiting areas where passengers can wait for arriving or departing aircraft. The next steps in the process would explore the level of interest through use of a survey. Sampling would include both local based tenants as well as transient pilots. Depending on the results, staff will reconsider the priority of this project within the CIP.

The final non-federal funded project listed is for replacement of the Airport Crash Rescue Vehicle which was purchased in used condition in 2008. It is appropriate in the case of large equipment purchases to plan for replacement as the asset ages and when it becomes too costly to main. Thus a future project has been listed to purchase another used vehicle in approximately 10 years.

Although not listed, staff still considers construction of publicly owned small box hangers as a potential project for the future. Once a site is selected a project can be scoped and a future financing plan developed.

FISCAL AND ECONOMIC IMPACT

As noted above, the CIP internal review process has yet to be completed and, therefore, changes may occur during the budget review process. However, the attached draft does include the assumption that \$700,000 per year will be available for transfer from the airport operating budget. Also, execution of federally funded projects, while scheduled in priority order, will be dictated by actual federal dollars allocated by the FAA to Hayward. As in the past, the proposed Airport Capital Improvement Fund will be considered by Council as part of the overall CIP budget review process.

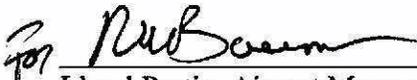
PUBLIC CONTACT

These projects will be contained in the submitted departmental CIP budget request and will be subject to the normal public review process as part of the budget review. The possibility of allocating funds and justifying construction of an Airport General Aviation (GA) terminal will be discussed with local Airport tenant groups and will be the subject of a formal survey to fully ascertain the viability and need for such a project. The possibility of an Airport GA terminal project deserves further discussion to determine what impact such a facility would have upon the FBO's on the Airport, as well as any benefit or detriment that would occur as a result of building such a facility.

SCHEDULE

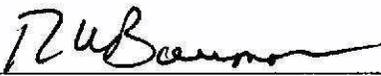
Airport staff will be submitting the FY 2010 FAA Grant request package by the end of February. The FAA should provide, through a confirmation letter to the Airport, its approval of the project scopes and agreement to provide funding. This letter should be received in April, but the federal budget and the FAA's appropriations could defer that to a later date. The Airport Capital Improvement Fund will be considered by the City Council as part of the overall Capital Improvement Program in June.

Prepared by:



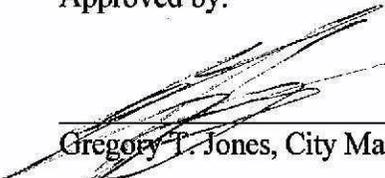
Lloyd Partin, Airport Manager

Recommended by:



Robert A. Bauman, Director of Public Works

Approved by:



Gregory T. Jones, City Manager

Attachments:

- Exhibit A: Sulphur Creek Project Location
- Exhibit B: Preliminary Draft 10-year Airport Capital Improvement Fund
- Exhibit C: West T Hangar Ramp Pavement Reconstruction Diagram
- Exhibit D: Security Fencing Project

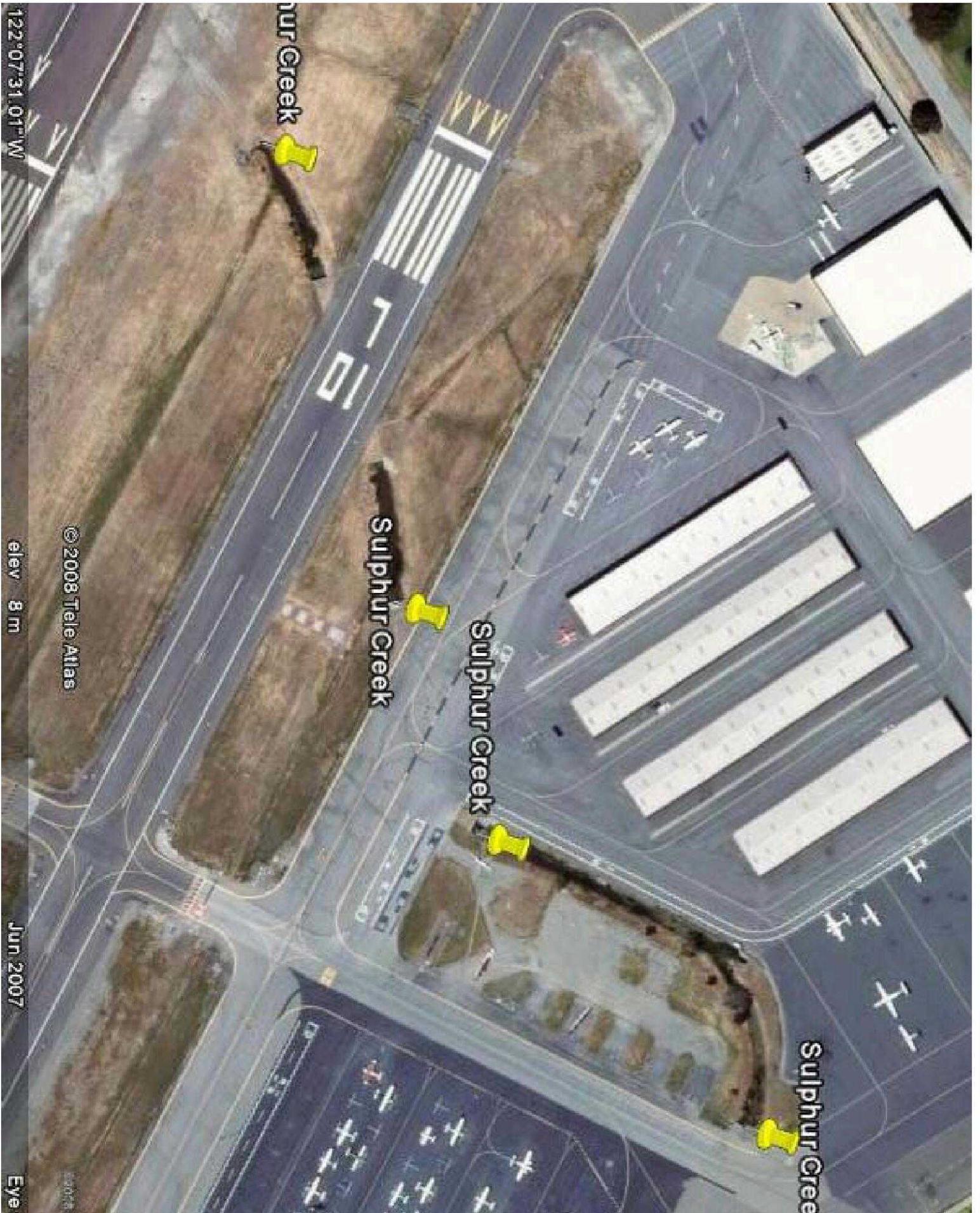


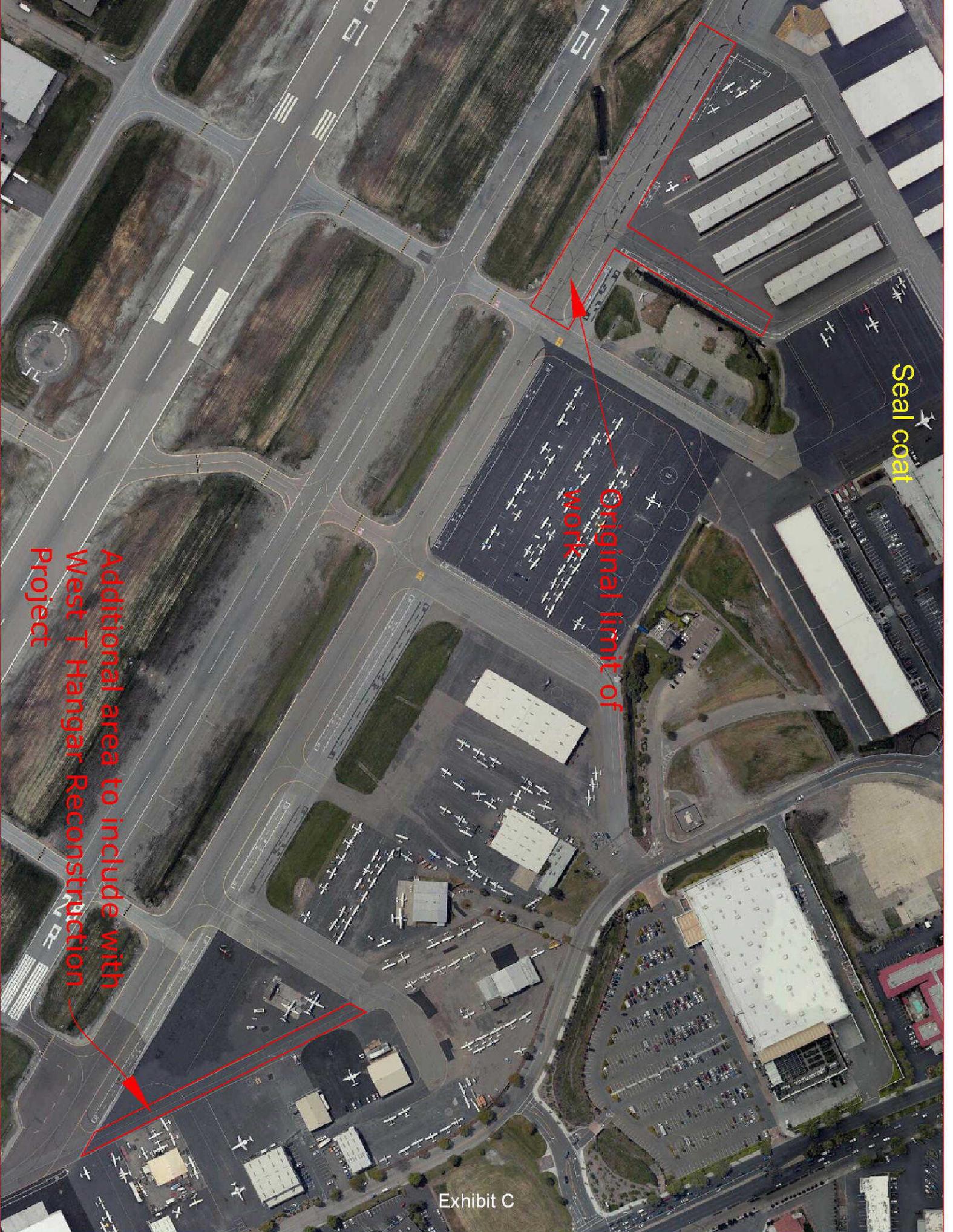
EXHIBIT A

AIRPORT CAPITAL IMPROVEMENT FUND - FUND 632

PROJ. NO.	PROJECT DESCRIPTION	PROJ. TOTAL	PRIOR YEARS	EST. FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
6837	Corsair Executive Apron Phase 1 - Design	55	55	0										
6847	Sulphur Creek Preservation	645	137	508										
6850	Helicopter Arrival and Departure Study	35	35	0										
6892	North Side Helipad - Construction (AIP 14) FAA	1,505	1,305	200	286									
		1,200	1,174	26										
6834	Wireless Internet Access at Airport	35	0	35										
6835	Southside Planning and Design	188	124	64										
6836	Vehicle Access for Corsair Hangars	286	0	0										
6843	Install Automatic Gate and Additional Fencing	225	125	100										
6846	Airfield Striping and Marking FY05	110	64	46										
6894	Interim Landscaping - Terminal Bldg Frontage	53	53	0										
6895	Landscaping Noise Berm & Associated Areas	60	14	46										
6896	Vehicle Access Security System	90	80	10										
6897	Rehabilitation of Main Electrical Service Lines to Airport Tower	50	0	0	50									
6805	Project Predisign Services	525	N/A	25	50	50	50	50	50	50	50	50	50	50
6806	Consultant Predisign Services	105	N/A	5	10	10	10	10	10	10	10	10	10	10
6891	Miscellaneous Pavement/Building/Grounds Repairs	2,172	N/A	672	150	150	150	150	150	150	150	150	150	150
6898	Noise Monitoring Equipment Upgrade	600	50	50	50	50	50	50	50	50	50	50	50	50
6840	Crash Rescue Equipment	62	54	8										
6849	West T-Hangar Ramp Pavement Reconstruction	1,200	0	1,200										
TBD	New Administration Building	2,100	0	0	0	0	300	1,800						
TBD	Airport Operating & Command Vehicle	32	0	0	32									
TBD	Line Lazer Striping & Crack Sealer Equipment	30	0	0	30									
6842	Airport Layout Plan Update (AIP 15) FAA	330	0	150	180									
		300	150	150	150									
NEW	Sulphur Creek Mitigation - Environmental Planning (AIP 16) FAA	180	0	0	180									
		162	0	0	162									
TBD	Sulphur Creek Improvements - Design + Construction (AIP 17) FAA	3,250	0	0	0	3,250								
		2,925	0	0	2,925									
TBD	Potential Runway Safety Area Improvements (AIP 18) FAA	2,400	0	0	0	0	2,400							
		2,160	0	0	0	2,160								
TBD	Realignment of Taxiway Zulu (AIP 19) FAA	3,200	0	0	0	0	0	3,200						
		2,880	0	0	0	0	0	2,880						

AIRPORT CAPITAL IMPROVEMENT FUND - FUND 632

PROJ. NO.	PROJECT DESCRIPTION	PROJ. TOTAL	PRIOR YEARS	EST. FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
TBD	Renovation of Airfield Lighting and Markings (AIP 20) FAA	2,200	0	0	0	0	0	0	2,200					
TBD	Install RENLS and PAPIS (AIP 21) FAA	1,980	0	0	0	0	0	0	1,980	350				
TBD	Relocate West Access Road and RWY 10R Holding Area (AIP 22) FAA	700	0	0	0	0	0	0	0	700				
TBD	Install Runway End Identifier Lights 10L/28R (AIP 23) FAA	630	0	0	0	0	0	0	0	630				
TBD	Replacement Crash Rescue Vehicle	350	0	0	0	0	0	0	0	350				
		315	0	0	0	0	0	0	0	315		150		
	TOTAL PROJECT COSTS	150	0	0	0	0	0	0	0	0	0	150		
	TOTAL PROJECT COSTS			3,119	1,018	3,510	2,960	5,260	2,460	1,310	610	410	260	260
	TOTAL EXPENDITURES			3,119	1,018	3,510	2,960	5,260	2,460	1,310	610	410	260	260
	REVENUES:													
	Interest			29	37	58	80	48	20	32	48	64	81	102
	Reimbursements			176	312	2,925	2,160	2,880	1,980	945	315	0	0	0
	REVENUE SUBTOTAL:			205	349	2,983	2,240	2,928	2,000	977	363	64	81	102
	TRANSFERS IN FROM:													
	Fund 631 (Airport Operation Fund)			700	700	700	700	700	700	700	700	700	700	700
	TRANSFERS SUBTOTAL:			700	700	700	700	700	700	700	700	700	700	700
	REVENUE TOTALS:			905	1,049	3,683	2,940	3,628	2,700	1,677	1,063	764	781	802
	BEGINNING FUND BALANCE:			4,060	1,846	1,877	2,050	2,030	398	638	1,005	1,458	1,812	2,333
	ENDING FUND BALANCE:			1,846	1,877	2,050	2,030	398	638	1,005	1,458	1,812	2,333	2,875



Seal coat

Original limit of work

Additional area to include with West T Hangar Reconstruction Project

Exhibit C

Security Gate and Fencing

Pedestrian gate

Exhibit D

