



CITY OF  
**HAYWARD**  
HEART OF THE BAY

## **COUNCIL AIRPORT COMMITTEE**

**JANUARY 23, 2014**

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**COUNCIL AIRPORT COMMITTEE MEETING  
THURSDAY, JANUARY 23, 2014  
CONFERENCE ROOM 2A, CITY HALL  
TIME 5:30 PM**

**AGENDA**

**CALL TO ORDER**

**ROLL CALL**

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**PUBLIC COMMENTS:** *(The Public Comment section provides an opportunity to address the City Council Committee on items not listed on the agenda. The Committee welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Committee is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff.)*

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1. Summary of Minutes for October 31, 2013  
[Minutes](#)
2. Increase in Annual Airport Operations  
[Staff Report](#)  
[Attachment I](#)  
[Attachment II](#)
3. Cooperative Program with Chabot College  
[Staff Report](#)
4. Committee Members and Staff Announcements, Referrals
5. Future Agenda Items

**ADJOURNMENT**

**NEXT REGULAR MEETING – 5:30PM, APRIL 24, 2014**

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*Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the Assistant City Manager at (510) 583-4300 or TDD (510) 247-3340.*

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777 B STREET, HAYWARD, CA 94541  
[HTTP://WWW.HAYWARD-CA.GOV](http://www.hayward-ca.gov)

**DATE:** January 23, 2014  
**TO:** Council Airport Committee  
**FROM:** Morad Fakhrai, Director of Public Works - Engineering & Transportation  
**SUBJECT:** Summary Minutes for October 31, 2013

**CALL MEETING TO ORDER**

Council Member Halliday called the meeting to order at 5:30 p.m. with Council Member Zermeño and Council Member Jones present.

**City staff:** Morad Fakhrai, Director of Public Works - Engineering & Transportation  
Doug McNeeley, Airport Manager  
Joseph Brick, Deputy City Attorney  
David Decoteau, Airport Operations Supervisor  
Noemi Dostal, Administrative Analyst II  
Sean Moran, Noise Abatement Analyst  
Debbie Summers, Airport Senior Secretary  
Amy Toste, Airport Secretary

**Members of the public present:**

Ken Forester	Jim Reyes	Mike Moore
Gary Briggs	Ben G. Henderson	Phil Johnson
Susie Amaro	Keith Amaro	Tom Panico

**PUBLIC COMMENTS:**

None

**1. Summary Minutes for April 25, 2013**

Summary Minutes approved as submitted.

**2. Proposed Ground Lease for Meridian Companies**

Airport Manager Doug McNeeley presented an overview of this item stating that in July 2012, staff was contacted by the Meridian Companies regarding interest in establishing a full service Fixed-Base Operator (FBO) at Hayward Executive Airport. Meridian Companies is a privately held aviation company based in Teterboro, New Jersey.

Meridian has expressed interest in an undeveloped 15.13-acre leasehold on the south side of the Airport. The initial term of the lease with Meridian will be six months to allow time to conduct

their due diligence and environmental review. The lessee will have the option to extend the term of lease for forty-nine years and six months. If Meridian extends the lease, they will develop the site in four phases.

The first phase will include the construction of an above ground fuel storage facility. Meridian will sell fuel on both sides of the Airport. The movement of fuel trucks between the north and south side of the Airport will be through use of the south perimeter road. The south perimeter road will be improved beforehand. The City will develop procedures and a training program on how to cross from the south side to the north side in the safest manner. Mr. McNeeley concluded the presentation and introduced Ken Forester, CEO of Meridian, and Mike Moore, Director of Aviation Sales, to describe their proposal and to answer questions.

Mr. Forester provided a history of Meridian stating that his father started the company in 1946 in Teterboro, New Jersey. Their business has expanded greatly over the years and they are now looking to expand their business to Northern California. He believes Hayward will be an ideal location for this expansion.

Mr. Moore stated the services provided by Meridian include aircraft management, aircraft charter, fuel sales, executive terminal services, aircraft maintenance, aircraft sales & acquisitions, and aviation consulting. He stated that one key to Meridian's success is a commitment to slow, profitable growth. Meridian is successful in retaining employees because there is room for advancement within the company. He cited instances in which line service employees have moved into the charter sales department. As evidence of growth, he noted that the company started with 16 employees and now employs 200 people.

Mr. Moore said that Meridian operates worldwide and they try to give all their customers a five-star hotel experience. They have eighteen full-time mechanics that fly all over the world to work on aircraft on a 24-hour basis.

Mr. Moore also said that Meridian currently has charter sales offices in Hayward, San Jose and Sonoma. He noted that, by their estimates, there are currently 147 Jets based in the Bay Area and Hayward has 12% of the market share. He said that by building a new FBO and offering five-star services, Hayward should be able to increase market share in the sales of avgas and jet fuel.

Council Member Zermeño asked about the design of the proposed capital improvements. Mr. Moore responded that new hangars and office space would mirror Teterboro's design as much as possible.

Council Member Jones asked about plans for a community connection to the Airport. Mr. Forester stated that Meridian Teterboro currently sponsors golf tournaments and offers scholarship opportunities, and the company will look for similar opportunities in Hayward. They also offer entry-level positions that provide the opportunity for employees to work their way up within the company.

Mr. Moore stated that Meridian Teterboro has a significant economic impact in the local economy and that is what they anticipate in Hayward.

Council Member Zermeño asked why the fuel tanks are being constructed above-ground instead of below-ground and what the capacity of the tanks will be. Mr. McNeeley answered that above-

ground tank installations are less complicated than below-ground tank projects and that above-ground tanks are considered state-of-the-art in the aviation industry. Mr. Forester replied that the tanks will initially have a capacity of 30,000 gallons.

Council Member Halliday commented that we should continue implementation of the noise program and she mentioned that helicopters tend to generate the most noise complaints. She asked if Meridian will be bringing in more helicopters. Mr. Forester said that while they do service helicopters, most of their business tends to involve the servicing of fixed-wing aircraft.

Council Member Zermeño asked if this proposal would be going to Council. Morad Fakhrai, Director of Public Works - Engineering & Transportation, replied that after hearing the Meridian proposal tonight, the Council Airport Committee can recommend this item move forward to Council. If so, then staff anticipates putting an item on the Council agenda in November.

## **PUBLIC COMMENTS**

Keith Amaro, California Airways, commented that he was in favor of a second FBO at the airport like Meridian.

Gary Briggs, Ascend Development, asked if the utility service that is planned for Meridian will be sufficient for all development contemplated in the future on the south side of the airport. Mr. McNeeley noted that under the terms of the proposed lease that Meridian would be responsible for the installation of utilities to their site only, and that he did not know if there would be additional capacity. Council Member Jones commented that since we are going to be installing utility lines we should size them for future development. Mr. Fakhrai replied that staff would consider future development when designing utilities for the site.

Council Member Zermeño commented that he would still like to see a museum at the Airport. Mr. Fakhrai assured him that a museum is still planned at the old California Air National Guard (CANG) Hanger.

Council Member Halliday asked whether Meridian had considered the California Air National Guard site when looking at potential locations on Hayward Airport. Mr. Forester said that they did consider it but the site was too large for their needs.

Council Member Zermeño made a motion to approve the staff recommendation. Council Member Jones seconded the motion, and the motion was unanimously approved.

### **3. Committee Members and Staff Announcements, Referrals**

Council Member Zermeño asked if anything was being done with his request to put a monument sign at the corner of West Winton Avenue and Hesperian. Mr. Fakhrai said that we are working on it as part of the I-880/SR-92 Reliever Route Phase 1 Project. He is considering a monument sign that is similar in appearance to the one currently located at the intersection of Skywest and West A Street but lower in height. Mr. Fakhrai said that we would bring the matter to Council for approval.

Council Member Jones asked about the progress on the Airport's new administration building. Mr. Fakhrai replied that it is under construction now and the foundation for the building was poured this week.

**4. Future Agenda Items**

None

**ADJOURNMENT**

The meeting adjourned at 6:23 p.m.

**DATE:** January 23, 2014

**TO:** Council Airport Committee Members

**FROM:** Director of Public Works - Engineering & Transportation

**SUBJECT:** Increase in Annual Airport Operations

### **RECOMMENDATION**

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

### **BACKGROUND**

The number of annual aircraft operations is one of the primary measures of airport activity, particularly at general aviation airports. An *operation* is defined as one takeoff or one landing. At airports with an air traffic control tower, such as Hayward Executive Airport (HWD), controllers monitor and record the number of aircraft operations throughout the day.

### **DISCUSSION**

Annual aircraft operations at HWD increased from 83,275 in CY 2012 to 100,138 in CY 2013, a gain of just over twenty percent in a twelve-month period. This increase is notable since it comes after three years of relatively flat performance (Attachment I). It is also notable in comparison with other selected general aviation airports in California (Attachment II). While more improvement is necessary to reach pre-recession traffic levels, it appears that a recovery is underway. Staff has identified a number of contributing factors:

- Economic recovery in the general aviation industry historically occurs between eighteen and twenty-four months after a recovery has begun in the nation as a whole;
- Economists with the *UCLA Anderson Forecast* say that the Bay Area is leading the economic rebound in California, and that California is leading the nation. Reports indicate the Bay Area job market and the local real estate market have improved significantly. More Bay Area consumers now have disposable income available for recreational activities, such as flying lessons, and based charter companies report that business executives are traveling more frequently;

- A total of five new businesses began operation at the Airport in CY 2013, including Absolute Aero Maintenance, ATP Flight School, Bay City Flyers, Gulfstream Aerospace, and Meridian Air Charter; and
- APP Jet Center completed an extensive renovation of their facility, hired a new general manager, hired new line and customer service employees, began selling contract fuel, and significantly lowered the retail price of jet fuel.

Staff anticipates an increase in aircraft operations at HWD over the next several years as the Bay Area economy expands and new commercial tenants such as Meridian Aviation open for business at the Airport. However, we do not foresee a return to the historically high number of aircraft operations experienced during the boom in general aviation activity in the late sixties and early seventies. This is due to fundamental changes in the general aviation industry over the past thirty-five years or so, including a decline in the number of active pilots, the increased costs of flying, and a significant decline in the number of general aviation aircraft manufactured annually.

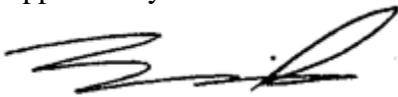
### **FISCAL IMPACT**

Increased flying activity translates into additional revenue for Airport-based businesses and greater demand for aircraft hangars and tiedown spaces as new and used aircraft are purchased. This, in turn, increases the economic viability of the Airport.

*Prepared by:* Douglas McNeeley, Airport Manager

*Recommended by:* Morad Fakhrai, Director of Public Works – Engineering & Transportation

Approved by:



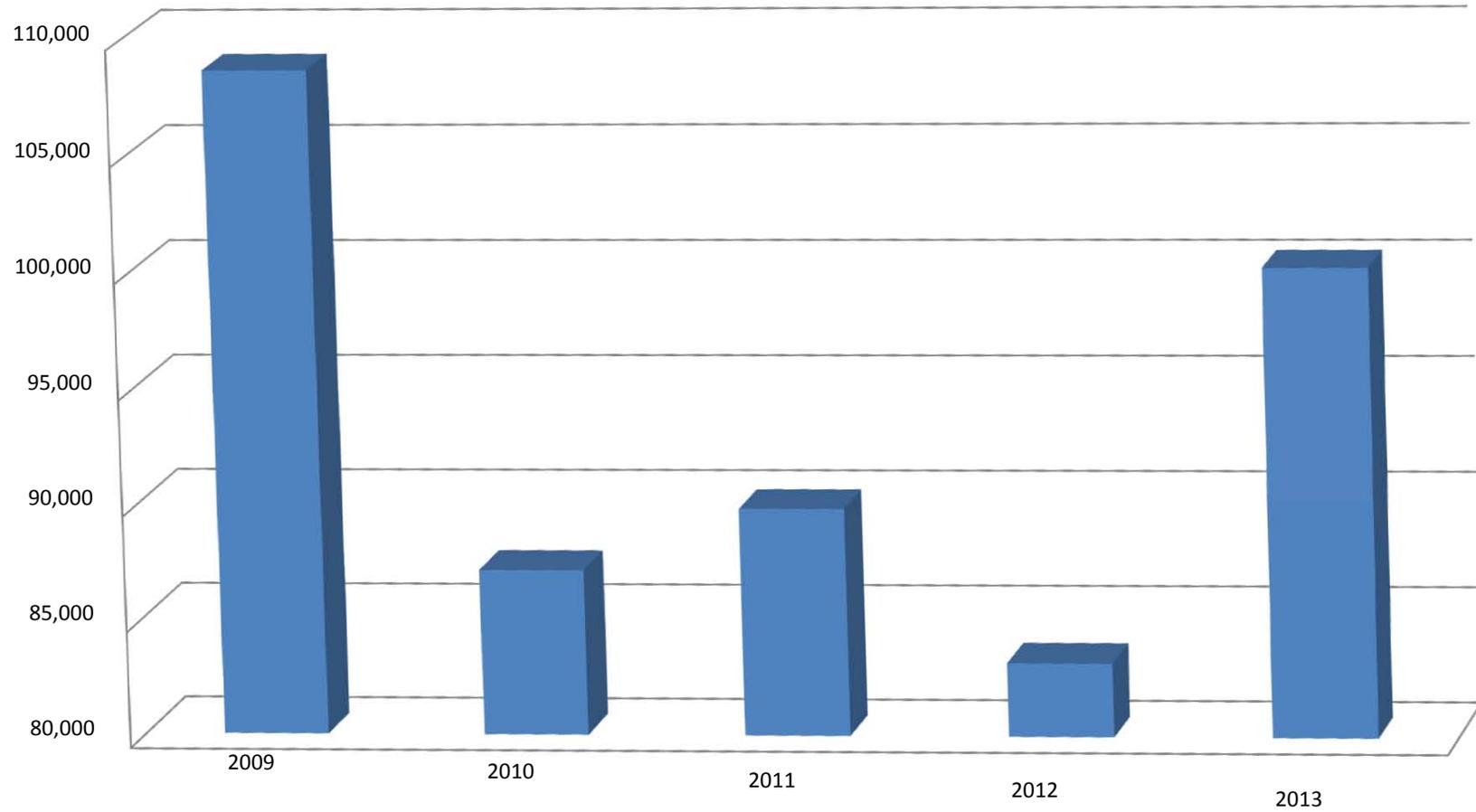
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Fran David, City Manager

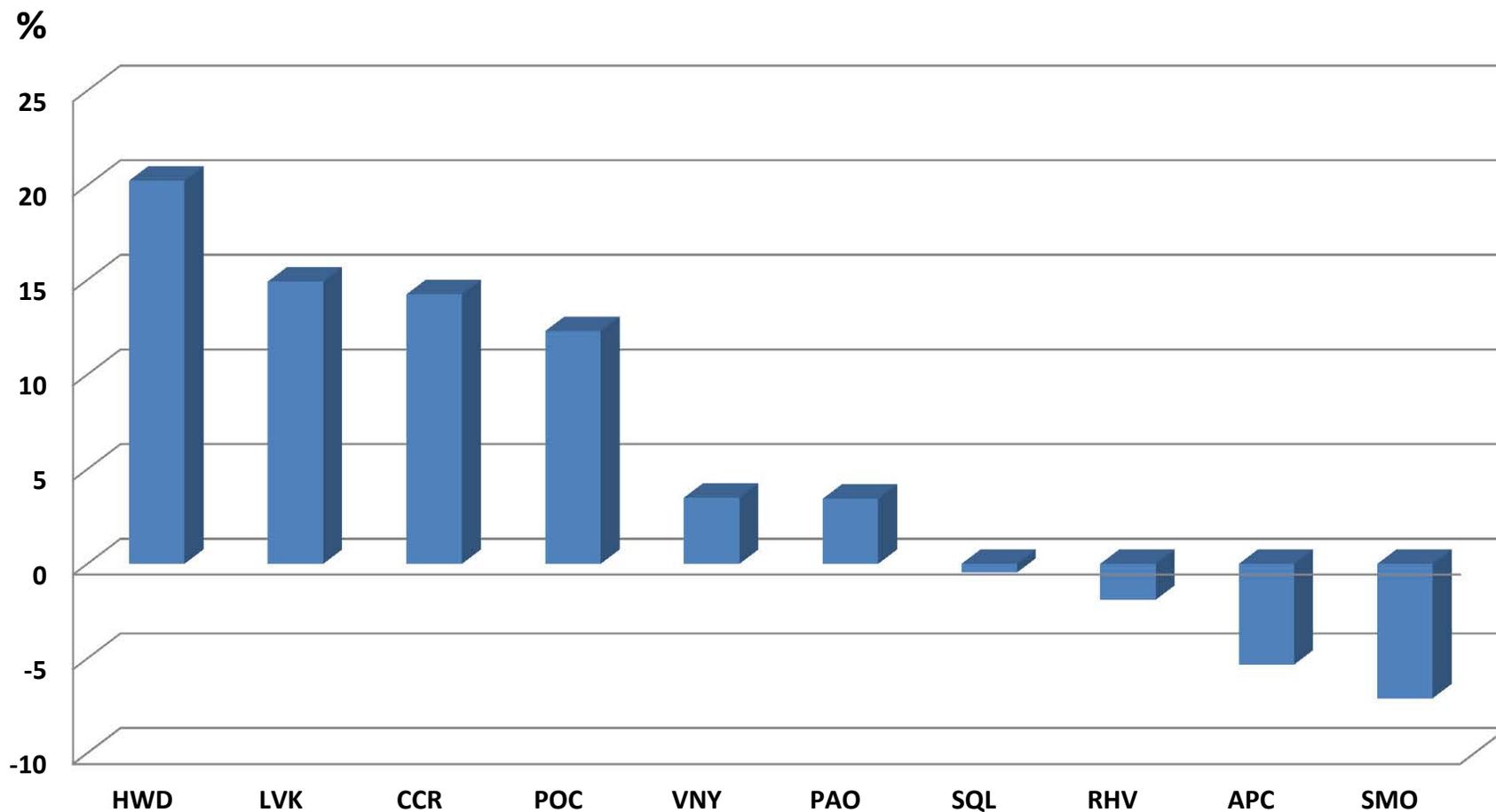
Attachments:

- Attachment I – Hayward Executive Airport Operations 2009-2013
- Attachment II – Percent Increase in Annual Operations 2012-2013

### Hayward Executive Airport Annual Operations 2009-2013



### Percent Increase in Annual Operations 2012-2013



HWD = Hayward  
LVK = Livermore

CCR = Concord  
POC = La Verne

VNY = Van Nuys  
PAO = Palo Alto

SQL = San Carlos  
RHV = Reid Hillview

APC = Napa  
SMO = Santa Monica

**DATE:** January 23, 2014  
**TO:** Council Airport Committee Members  
**FROM:** Director of Public Works - Engineering & Transportation  
**SUBJECT:** Cooperative Program with Chabot College

### **RECOMMENDATION**

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

### **BACKGROUND**

At the Council Airport Committee (CAC) meeting of October 25, 2012, Council Member Zermeño requested that staff contact Chabot College to inquire about opportunities for students interested in aviation. Council Member Zermeño noted that the hiring of pilots and aircraft mechanics was forecast to increase at commercial airlines over the next decade, and he suggested that aviation businesses at the Airport may be able to partner with the College to provide ground school, flight instruction, or some other form of career training.

### **DISCUSSION**

Staff subsequently contacted Matthew Kritscher, Dean of Counseling, and Tom Clark, Dean of Applied Technology and Business at Chabot. There were several conversations to introduce the Airport and discuss potential areas of cooperation. On April 2, 2013 Dr. Kritscher and Dr. Clark received a tour of the Airport, and on May 11, 2013, Dr. Kritscher attended the annual Airport open house event.

On December 13, 2013, staff coordinated a meeting between Dr. Kritscher and flight schools at the Airport. Dr. Kritscher outlined four initial concepts to the companies in attendance:

- Community Education Advertising Opportunities – Flight schools could place display advertisements in the course catalog used by students at reasonable rates;
- Career & Transfer Center Presentations – Flight schools would be permitted to make short presentations about learning to fly to interested students;
- Student Center Table Displays – Flight schools would be permitted to display information about learning to fly for students;

- Dr. Kritscher also offered the resources of Chabot College to create training programs for employees of Airport businesses in a variety of subjects.

If any of these initial concepts are embraced by based flight schools and generate student interest, Dr. Kritscher indicated the college would then entertain further discussions regarding cooperative educational ventures. Staff will continue to follow-up with based flight schools regarding their interest in Chabot College.

### **FISCAL IMPACT**

A cooperative relationship with Chabot College could result in increased flying activity and additional revenue for based flight schools, and this in turn increases the economic viability of the Airport. It would also help address the future need for qualified pilots at commercial airlines.

*Prepared by:* Douglas McNeeley, Airport Manager

*Recommended by:* Morad Fakhrai, Director of Public Works – Engineering & Transportation

Approved by:



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Fran David, City Manager