



CITY OF
HAYWARD
HEART OF THE BAY

COUNCIL AIRPORT COMMITTEE

JANUARY 23, 2014

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**CITY COUNCIL AIRPORT COMMITTEE MEETING
THURSDAY, JANUARY 22, 2015
ADMINISTRATION BUILDING MEETING ROOM
TIME 5:30 PM**

CALL TO ORDER

ROLL CALL

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.)*

1. Approval of Summary Minutes for October 23, 2014

[Minutes](#)

2. APP Jet Center Lease Renewal and Construction Plans

[Staff Report](#)
[Attachment I](#)
[Attachment II](#)
[Attachment III](#)

3. Caltrans Grant for Runway Rehabilitation

[Staff Report](#)
[Attachment I](#)
[Attachment II](#)

4. Status of Meridian Aviation Project

[Staff Report](#)
[Attachment I](#)

5. Airport Development Sites

[Staff Report](#)
[Attachment I](#)

6. Quarterly Evaluation of the Performance Based Noise Ordinance

Staff Report
Attachment I

7. Committee Members and Staff Announcements, Referrals

8. Future Agenda Items

ADJOURNMENT

NEXT REGULAR MEETING – 5:30 PM, APRIL 23, 2015

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.

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

AUGUST 2, 2011



DATE: January 22, 2015
TO: Council Airport Committee
FROM: Morad Fakhrai, Director of Public Works - Engineering & Transportation
SUBJECT: Summary Minutes for October 23, 2014

CALL MEETING TO ORDER

Council Member Jones called the meeting to order at 5:35 p.m. with Council Member Márquez present. Council Member Zermeño arrived a few minutes late.

City staff: Morad Fakhrai, Director of Public Works – Engineering & Transportation
Doug McNeeley, Airport Manager
David Decoteau, Airport Operations Supervisor
Noemi Dostal, Administrative Analyst II
Sean Moran, Noise Abatement Analyst
Debbie Summers, Airport Senior Secretary

Members of the public present:

Jim Reyes
Jim Altschul

PUBLIC COMMENTS

None.

1. Summary Minutes for October 23, 2014

Summary Minutes approved as submitted.

2. Status of Meridian Aviation Project

Airport Manager Doug McNeeley presented an overview of the staff report on this item. A lease was executed with Meridian Aviation on December 5, 2013 to construct a second Fixed Base Operation (FBO) at Hayward Executive Airport. In addition to APP Jet Center, the presence of a second FBO will provide a number of benefits to the Airport and the community including new jobs and an investment of \$5.6 million in the first phase of development. Phase I consists of an 18,000 square foot hangar, a 3,000 square foot office area, fuel farm, aircraft parking ramp, and vehicle parking lot. Assuming that Phase I is financially successful for Meridian, they will proceed with the subsequent phases. The lease has various milestones for proceeding on each phase.

Council Member Zermeño asked about the design of the entrance road from the intersection of West Winton and Clawiter. Mr. Fakhrai replied that the road would be public access and provide a

direct way to reach Meridian as well as other tenants on the former California Air National Guard (CANG) site. There are utilities installed that served the former air base, and a study is underway regarding the upgrade or replacement of electrical service as required.

Council Member Zermeño asked about the portion of the new Meridian development that appears to be situated on top of an existing taxiway. Mr. McNeeley said that portions of the taxiway system in place for the original CANG site would be modified to permit new construction, but that future tenants would all have access to both runways from the CANG site.

Mr. McNeeley continued with his report stating that the CANG site is a brown field site and that a contractor to the federal government has been mitigating pollution there since 1999. That contractor, Environmental Resource Management (ERM), recently submitted a report with test results to the California Department of Toxic Substances Control (DTSC) indicating they have met all of the originally established criteria for clean-up set by the DTSC. Comments on the report are expected back from the DTSC in early November 2014. The DTSC may request changes to the report, they may indicate that no further clean up is required, or they may require further work. Mr. McNeeley stated that under the terms of the lease with Meridian Aviation, the City is responsible for clean-up costs on their leasehold up to \$250,000.

Council Member Jones asked if the standard for removal of underground pollution is different for areas covered by pavement. Mr. Fakhrai replied that standards for areas covered by pavement are generally less stringent. However, he noted the CANG site is being cleaned to residential standards by ERM, and those standards are the most stringent. The amount of contamination left on the CANG site or adjacent areas is very little, and it is thought to be significantly less than the City's monetary obligation to Meridian Aviation.

Council Member Zermeño asked if we have enough money in the enterprise fund if the cost goes beyond \$250,000 stipulated in the lease with Meridian Aviation. Mr. McNeeley replied that we do have additional funds available. Costs in excess of \$250,000 would be subject to further negotiation with Meridian Aviation, and that the City would intend to share those costs if a decision was made to move forward.

Council Member Márquez asked about the timeline for moving forward with the Meridian project. Mr. McNeeley replied the timeline will depend on the nature of the response received from the DTSC and if additional work is required.

Council Member Zermeño asked if we expect any problems moving forward with the CANG site. Mr. McNeeley replied that we have a good working relationship with CANG personnel and a conference call will be scheduled once comments are received from the DTSC. Mr. Fakhrai clarified that the CANG no longer leases the 24-acre site, but since the federal government originally caused the pollution, they are responsible for removing it to standards set by the DTSC.

Mr. McNeeley explained that Meridian Aviation's due diligence period to investigate the condition of their leasehold was extended and will expire on December 31, 2014. Depending on the results of their due diligence investigation, under the terms of their lease, Meridian Aviation may opt to extend their lease for the remaining forty-nine years or walk away. Given the good working relationship that has been established with Meridian Aviation, and given their continuing investment in design work and new personnel, staff is guardedly optimistic that Meridian will opt to extend their lease and move forward with the project.

Council Member Márquez asked who sets the timeline for construction in the event that Meridian Aviation moves forward with the project. Mr. McNeeley replied that Meridian Aviation sets the timeline, but it is his understanding they would prefer to be open before the Super Bowl game in February 2016.

Mr. Fakhrai mentioned that the City has scheduled a pre-application meeting next week to hear a presentation from Meridian Aviation and their architect regarding preliminary site plans. Staff will also provide information to Meridian on the plan review process established by the City.

PUBLIC COMMENTS

None.

3. Completion of Airport Administration Building

Mr. McNeeley presented an overview of the staff report and reviewed some features of the new building. Fifty-five percent of the building is devoted to public use, including a meeting room, pilot lounge, weather briefing room, ADA-compliant restrooms, a vending area, and an office for use by the Hayward Police and other law enforcement agencies. He noted the building was a “green” design emphasizing energy efficiency and recycled materials. The project has not yet been officially closed out, but construction costs are \$4.9 million, which is within the original project budget. There is also the potential for a second phase of the project to include 3,600 square feet of office space for lease to aviation-related companies. This phase will be constructed if there is suitable demand.

Mr. Fakhrai noted the new administration building meets the requirements for LEED Silver certification, but the City did not pursue certification due to the significant cost involved. The City has also received a grant for the installation of an electric car charging station that will be completed in CY 2015.

Council Member Zermeño asked about removing the green lawn on the airside of the new building in an effort to conserve water. Mr. McNeeley replied that water-efficient landscaping was incorporated on three sides of the building, but a small grass area was included on the airside to provide an area for families to relax and watch aircraft. Council Member Zermeño suggested the installation of benches in the grass area. Mr. McNeeley replied that the low-level concrete wall by the grass area was intended by the architect to be used as a bench, but staff could certainly explore the installation of conventional-style benches.

Council Member Zermeño asked if we would be charging the public to use the meeting room. Mr. McNeeley replied that any nonprofit aviation organization could use the room free of charge. However, if use of the room involved a monetary charge to the public, such as attendance at an aviation-related seminar, a nominal room charge would apply.

Council Member Márquez asked how police officers access the building after hours. Mr. McNeeley replied that there is a keypad at the landside entrance door and that access can be gained by simply entering the proper code.

PUBLIC COMMENTS

None.

4. Committee Members and Staff Announcements, Referrals

Council Member Zermeño inquired about the status of a monument sign planned for installation on Airport property near the intersection of West Winton Avenue and Hesperian Boulevard. Mr. Fakhrai confirmed the sign is included as part of an upcoming road project. He stated it will be similar in appearance to the monument sign currently at the entrance to the Airport at Skywest Drive.

Mr. McNeeley discussed a recent noise complaint from Ms. He, a resident living south of the Airport. She has registered several complaints on the Airport noise hotline and filed a CRM request. She said the number of aircraft flying over her house has recently increased up to 20 aircraft per hour and the noise from the aircraft is upsetting her children. Mr. McNeeley said that number of flights is plausible.

Mr. McNeeley explained that Oakland International Airport is in the midst of a runway area construction project, and that work requires some changes to normal air traffic patterns. Those changes could result in more traffic than usual over Ms. He's house. That project is due for completion in December 2014. This is consistent with Ms. He's observations of blue and red aircraft, suggesting the paint scheme of a major tenant at the Oakland Airport, Southwest Airlines. Mr. McNeeley said that staff has investigated and Ms. He's house is close to the extended centerline for Runway 29 at Oakland. Her house is also just 3.5 miles south of Hayward Executive Airport and near the extended centerline for Runway 28L. Due to the proximity of her house to the arrival paths for two airports, Mr. McNeeley said that Ms. He will likely continue to see some air traffic overhead.

Mr. McNeeley said the Airport has an outreach program to educate local pilots about established noise abatement procedures. He noted that as the number of annual aircraft operations has recently been increasing at Hayward, the number of annual noise complaints received has been decreasing. This suggests that in general pilots are attempting to adhere to the Airport's published noise abatement procedures.

Council Member Zermeño inquired about the location of Ms. He's house. Mr. McNeeley replied that she is close to the intersection of May Court and Pacific Street. Council Member Zermeño commented that she seems to be too far away to be affected by aircraft noise. Mr. McNeeley replied that over a thirty-day period the aircraft tracked over Ms. He's neighborhood were on average 1,200 feet above ground level. He added that one aircraft during that period was as low as 548 feet.

Mr. Fakhrai noted that flight patterns for the Oakland and Hayward airports have been essentially the same for a long period of time. Mr. McNeeley noted again that as the numbers of annual aircraft operations at Hayward have recently increased, the number of annual noise complaints has continued to decrease. In CY 2014, staff expects the number of aircraft operations to increase by approximately eight percent to 108,000. For perspective, the Airport recorded over 400,000 operations in 1978, so the air traffic today is nowhere near historic levels. Mr. McNeeley stated

that Airport staff investigates all of the noise complaints received, and that staff will continue to work with Ms. He to reduce aircraft noise to the extent possible. Mr. Fakhrai said a full written report addressing Ms. He's concerns will be provided to City Council.

Council Member Jones said that he recently attended a meeting of the Oakland-Community Noise Management Forum and there were comments made about the construction project at the Oakland Airport affecting standard flight patterns. He noted these flight pattern changes are impacting a number of communities.

Council Member Márquez inquired how frequently staff provides information to the committee regarding noise complaints. Mr. McNeeley replied that staff provides information on an annual basis. Mr. Fakhrai said that staff could provide updates on a quarterly basis if that is the preference of the committee. After some discussion, it was decided that an update on noise complaints would become a standard agenda item at each subsequent meeting of the committee.

Council Member Jones nominated Council Member Zermeño for the position of committee chair and Council Member Márquez seconded the motion. The motion passed.

5. Future Agenda Items

Council Member Jones suggested that Economic Development Manager Hinkle be invited to a meeting of the committee to make a joint presentation with Mr. McNeeley regarding parcels for development for aviation and non-aviation purposes on the Airport. Mr. McNeeley said he would schedule that presentation for the next meeting of the committee.

ADJOURNMENT

The meeting was adjourned at 6:25 p.m.

DATE: January 22, 2015

TO: Council Airport Committee

FROM: Director of Public Works - Engineering & Transportation

SUBJECT: APP Jet Center Lease Renewal and Construction Plans

RECOMMENDATION

That the Committee reviews this information, provides comments regarding the proposed lease renewal, and makes a recommendation for action to Council to enter into negotiations for the renewal of the APP Jet Center lease on the Bender Parcel described in the report below.

BACKGROUND

On June 28, 2005, Hayward Jet Center, Inc., formerly known as Career Aviation Sales, Inc., entered into a new commercial aviation site lease for the real property known as 21889, 21893, and 21927 Skywest Drive, also known as the Bender Parcel. On December 13, 2007, Hayward Jet Center sold certain assets, including the commercial aviation site lease at Hayward Executive Airport, to Volo Holdings Hayward, LLC. On December 16, 2009, Volo Holdings Hayward, LLC assigned the commercial site lease at Hayward Executive Airport to Hayward FBO, LLC. On April 19, 2011, Atlantic Aviation FBO Holdings, LLC assigned their commercial aviation site lease to Hayward FBO Holdings. With this acquisition, Hayward FBO Holding, LLC (dba Hayward Jet Center) maintained two separate premises at the airport – the Bender Parcel and the former leasehold of Atlantic Aviation FBO Holdings LLC (dba Atlantic Aviation).

DISCUSSION

The original ground lease for the Bender Parcel expired on December 31, 2013. However, prior to that expiration date, Hayward Jet Center informed the City of their desire to renew the lease, and pending the conclusion of negotiations, they have been occupying the parcel on a month-to-month basis.

In conjunction with renewal of the lease on the Bender Parcel, APP Jet Center has announced their interest in constructing new multi-million dollar FBO facilities on the parcel. These new facilities include the construction of an aircraft hangar that is approximately 12,000 square feet in size, and a new one-story Fixed Base Operation (FBO) office facility. There are also provisions for the later construction of office space for corporate flight departments or other tenants. These improvements should benefit both based and transient customers of APP Jet Center by providing new and modern facilities, and it will also benefit the Airport. The new facilities will not include the construction of a new fuel farm; APP will continue to use its existing fuel farm facilities.

As depicted in Attachment I, the location of the new hangar and office facilities is adjacent to and west of the hangar currently occupied by Ameriflight LLC, an FAA Part 135 freight carrier. Ameriflight is a subtenant of Hayward Jet Center. As part of the project, the exterior of the Ameriflight hangar will be renovated with an appearance similar to the proposed new hangar and FBO office.

As depicted in Attachment II, the exterior of the hangar will be metal construction. The hangar floor will be approximately 110 feet by 110 feet, and the hangar door will be 28 feet in height. This is sufficient to store one Gulfstream 650 aircraft, or a number of smaller aircraft.

The office exterior area will also be of metal construction. As depicted in Attachment III, the office interior will be 1,500-2,000 square feet and will include a lobby, conference room, crew area, and galley.

APP Jet Center plans to retain both of its current leaseholds. Their current FBO offices will be leased to subtenants.

Once the lease is renewed and design work is completed, a firm construction timeline will be established. Staff is responsible for modifying the Airport Layout Plan (ALP) to depict the proposed development, and for preparation of an environmental study utilizing a consultant. Part of the APP design work will include a line-of-sight study approved by the Federal Aviation Administration (FAA) to ensure the new structure does not obscure essential portions of the Airport Movement Area from the FAA Air Traffic Control Tower. APP Jet Center's general contractor will also be responsible for filing an FAA Form 7460 before construction begins to ensure the new structure does not impact flight procedures at the Airport.

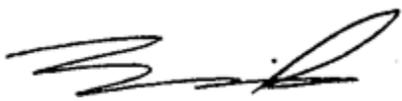
FISCAL IMPACT

At the present rate of \$0.321 per square foot, the Bender Parcel currently generates total annual revenue in the amount of \$84,500. A market study of Airport rates and charges is conducted every ten years by an outside consultant. The last study was completed in 2008, and the next regularly-scheduled study is due in 2018. However, based on rapidly changing economic conditions, an interim study has been requested by staff, and the results are expected by February 2015. Staff plans to incorporate these rates and make them the basis for future negotiations with tenants, including those for the Bender Parcel. Once financial negotiations are complete, this matter will be brought before Council for action.

Prepared by: Douglas McNeeley, Airport Manager

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

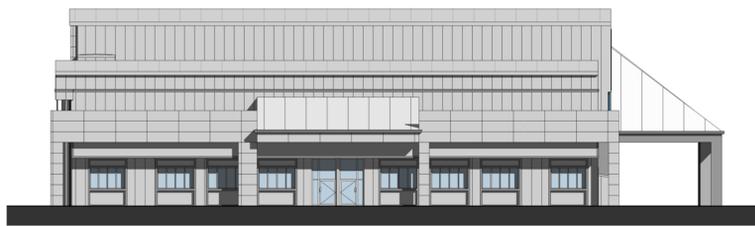
Approved by:



Fran David, City Manager

Attachment I:	Aerial Map of FBO Leaseholds
Attachment II:	Proposed Exterior Elevations
Attachment III:	Proposed Floor Plan

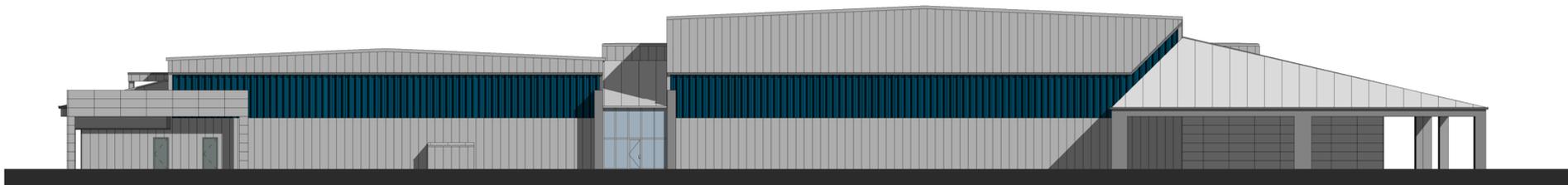




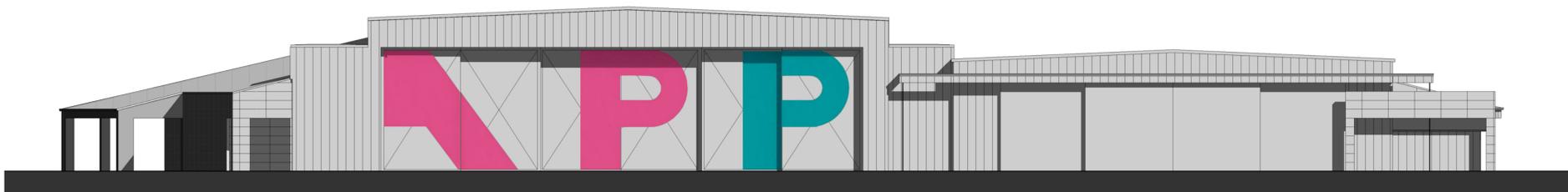
① East Elevation
1/16" = 1'-0"



④ West Elevation
1/16" = 1'-0"



② North Elevation
1/16" = 1'-0"



③ South Elevation
1/16" = 1'-0"



⑤ South Elevation render

DATE: January 22, 2015
TO: Council Airport Committee
FROM: Director of Public Works – Engineering & Transportation
SUBJECT: Caltrans Grant for Runway Rehabilitation

RECOMMENDATION

That the Committee reviews this information, provides comments, and makes a recommendation for action to Council.

BACKGROUND

A key City staff objective is to reduce the overall cost of capital projects through the use of grants from state and federal government. On February 6, 2012, Airport staff requested a grant from the California Department of Transportation (Caltrans) for assistance with a capital project to resurface Runway 28L-10R at Hayward Executive Airport (Attachment I). This request was denied for two consecutive years due to a lack of state resources.

On October 15, 2014, staff was informed that the California Transportation Commission had approved a list of projects for funding over the next two fiscal years, and that Hayward's project was on the list with a high priority ranking in the amount of \$554,000. This grant requires the City to provide ten percent of the cost in matching funds of \$55,400. The State is responsible for ninety percent of the cost, or \$498,600. In subsequent discussion with Caltrans, staff was informed that funding is available in the State's FY 2015 budget, beginning July 1, 2015.

This grant amount is sufficient to pave approximately 35% of the runway. The remaining 65% of the runway will be paved next year using a separate grant from the Federal Aviation Administration (FAA).

This State funded grant requires a City Council resolution to accept it.

DISCUSSION

As part of the airport's ongoing pavement maintenance plan, an asphalt overlay was constructed on Runway 28L-10R in 2004. After a period of time, the pavement surface began to discolor, and it was discovered that the asphalt mix used contained a quantity of iron ore. The presence of moisture

caused the iron ore to rust in the pavement. The rust appeared outside of the warranty period and there was no recourse with the contractor.

The rust is creating two conditions that are a cause for concern. First, rust has been bleeding through the white pavement markings on the runway and turning them a shade of yellow in certain locations (Attachment II). Pilots rely on the markings during both daylight and nighttime conditions to visually determine the location of the runway threshold and alignment on the runway centerline, among other items, but the yellow color reduces the contrast between the dark pavement and the white paint markings. In addition, if the rusting is allowed to progress, particles will begin to flake and loosen from the pavement surface. This could adversely affect braking action on the runway or the rust particles could be ingested into aircraft engines. The flaking and loosening of rust particles is not yet occurring and the general condition of the pavement has been rated as “good” during the most recent pavement inspection by Caltrans and separately by an outside contractor to the City.

To address these concerns, a slurry seal was applied to the entire runway in CY 2009 and the markings were repainted. Slurry seal is a thick oil emulsion that coats and rejuvenates asphalt pavement. However, this proved ineffective over time and rust spots reappeared on the pavement.

In April 2011, a new twice-daily airport inspection plan was implemented. These regular inspections allow staff to closely monitor and record the condition of pavement throughout the airport and address deficiencies. As a result, the markings on Runway 28L-10R were repainted in CY 2013 and 2014 by the airport maintenance staff, and they will continue to be repainted as necessary to maintain an adequate level of safety. In the meantime, a pavement specialist from airport consultant URS Greiner evaluated the runway and recommended that milling the existing pavement and applying a two-inch asphalt lift with a proper mix should alleviate the rust issue. It was determined there are no sealants or other chemical products on the market that can successfully address the rust issue at Hayward as an alternative to paving.

Since the prevailing wind favors the use of Runway 28L approximately ninety percent of the time, particularly for use by jet and turboprop aircraft, it is the most critical runway for aircraft approaching the airport. Therefore, paving work will commence at the approach end of Runway 28L. The runway will be closed for the duration of the project, approximately two weeks. Based and transient customers will be provided adequate notice of the closure through the distribution of print and electronic notices, including the FAA Notice to Airmen (NOTAM) system.

To move forward with the Caltrans grant process, a resolution from Council accepting the grant must be received by Caltrans no later than February 28, 2015. As noted above, the Caltrans funding will be sufficient to mill and pave approximately thirty-five percent of the entire runway surface including overrun areas. Ideally, additional funding from Caltrans or the FAA would be immediately available to pave the remaining 65% of the runway, and the entire project could be completed at one time. However, in this case, that is not possible due to a lack of available state and federal resources. Funding for the remainder of the project has been tentatively allocated in the FAA’s FY 2017 Capital Improvement Program budget beginning on October 1, 2016. This second phase of the project will complete the milling of existing pavement and the placement of a two-inch asphalt overlay over the remainder of the runway.

FUNDING

- Total project cost \$554,000
- Caltrans grant \$498,600
- City's matching portion of grant \$55,000

The City's matching portion of the grant is included in the City's FY15 Capital Improvement Program (CIP) budget for the Airport.

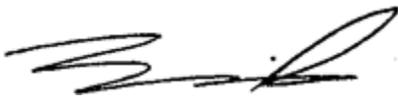
SCHEDULE

- Resolution to Council February 17, 2015
- Council Resolution Submitted to Caltrans February 28, 2015
- Begin In-house Design March 1, 2015
- Award Letter May 31, 2015
- Project Bid June 1, 2015
- Funding Available July 1, 2015
- Begin Construction August 1, 2015
- Substantial Completion November 1, 2015

Prepared by: Douglas McNeeley, Airport Manager

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

Approved by:



Frances David, City Manager

Attachments:

- Attachment I: Aerial Photograph
- Attachment II: Photograph of Pavement





DATE: January 22, 2015
TO: Council Airport Committee
FROM: Director of Public Works - Engineering & Transportation
SUBJECT: Status of Meridian Aviation Project

RECOMMENDATION

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

BACKGROUND

In July 2012, staff was contacted by the Meridian Companies (Meridian) regarding their interest in establishing a Fixed Base Operation (FBO) in California. Hayward Executive Airport competed with other airports and was ultimately selected by Meridian as the location for their new FBO. On October 31, 2013, the Council Airport Committee (CAC) reviewed information regarding the proposal and recommended that an item be forwarded to Council for approval. On November 12, 2013, Council authorized the City Manager to negotiate and execute a lease with Meridian Aviation for approximately 15 acres on the south side of the Airport. A lease was executed with Meridian on December 5, 2013. The presence of a second FBO at Hayward will provide increased competition that should benefit Airport customers, increase revenue for the Airport, and result in a multi-million dollar corporate investment that will increase employment opportunities for local residents. Attachment I is a concept sketch of the Phase I development.

DISCUSSION

The initial term of the lease negotiated with Meridian was for six months, with a single option to extend the term of lease for forty-nine years and six months. The six-month initial term was due to expire on June 30, 2014 and was intended to allow Meridian to complete their due diligence environmental investigation of the site and begin preliminary design work.

To accommodate the facility layout as proposed by their architect, a small portion of the Meridian leasehold fell upon the former California Air National Guard (CANG) leasehold. The CANG leasehold is a “brownfield” site that has been subject to environmental remediation by the Federal government since approximately 1999. Meridian engaged the Madison Group to provide an independent assessment of the clean-up activities on the CANG leasehold. After soil samples taken by the Madison Group were analyzed, initial results indicated two areas of remaining pollution located on the CANG leasehold affecting Meridian. To allow further investigation, and pursuant to

Lease Section 1.07, on June 9, 2014, Meridian requested and was granted a six-month extension to the initial lease term until December 31, 2014.

On September 12, 2014, a Draft Final Soil Completion Report was submitted to the California Department of Toxic Substance Control (DTSC) documenting the steps taken since 1999 by the Federal government to remediate the polluted soil within the CANG site. On December 4, 2014, DTSC issued a letter confirming satisfactory remediation of the areas of the CANG site to be occupied by Meridian.

In a letter dated December 15, 2014, Meridian exercised the option to extend the term of its lease for forty-nine years, commencing on January 1, 2015. The letter also made a request for remediation under Section 1.10 of the lease of the two areas of pollution identified by the Madison Group. One area includes a soil stockpile and the other is an area on the northwest corner of the Meridian leasehold that is within the former CANG site boundaries. Under the terms of the lease, the City has agreed to undertake and complete remediation activities by February 28, 2015, up to a total cost of \$250,000. Costs in excess of \$250,000 are subject to negotiation; however, the costs for remediation are expected to be significantly less. There are currently adequate reserves in the Airport Fund to permit this work.

A transformer that was originally installed by the CANG to provide electrical service to the south side of the Airport has exceeded its useful life, and repair parts are no longer available in the event of a mechanical malfunction. Accordingly, the City engaged a consultant to determine the options for new service and to design the infrastructure for a replacement transformer in the same approximate location near West Winton Avenue. This transformer will be the connection point for Meridian and other future tenants to access electrical service. Under the terms of their lease, Meridian is responsible for the cost to install electrical service from the site of the transformer to their leasehold. The City's cost to install a new transformer is estimated at \$200,000, and there are sufficient funds in the Airport's Capital Improvement Project (CIP) budget to cover that cost. Plans and specifications will be provided by the consultant by the end of January 2015, and a firm construction timeline will be established at that point. However, it is anticipated that electrical service will be installed by Fall 2015.

Under Section 1.10 of the lease, the City is responsible for the design and construction of an entrance road from the intersection of West Winton Avenue and Clawiter Road to Phase I of the Meridian leasehold. This improvement is being installed for the benefit of Meridian as well as future tenants on the south side of the Airport. The cost for this improvement is estimated at \$380,000, and there are sufficient funds in the Airport's CIP budget to cover the cost of design and construction. The design will be done by staff, and a firm construction timeline will be established when the design is complete. However, it is anticipated that construction will be also be completed by Fall 2015.

To facilitate the movement of vehicular traffic between the south and north side of the Airport, including fuel trucks, an evaluation of the weight bearing capacity and general condition of the perimeter road will be conducted this Spring. Based on the findings of that evaluation, design, and pavement rehabilitation work may be undertaken.

SCHEDULE

An initial planning meeting was held on October 29, 2014 with representatives of Meridian, their designers, and representatives from various City departments, and the following tentative schedule was established:

- March 2015 – Completion of soil remediation by the City
- June 2015 – Completion of construction drawings
- September 2015 – Completion of plan review by the City
- October 2015 – Permits issued and construction begins
- October 2016 – Completion of construction

In addition to the efforts by staff from the Airport and Engineering, Economic Development will also be assisting to ensure that the permit and approval process flows in a timely and efficient manner.

Prepared by: Douglas McNeeley, Airport Manager

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

Approved by:



Frances David, City Manager

Attachments:

Attachment I: Concept Sketch



DATE: January 22, 2015
TO: Council Airport Committee
FROM: Director of Public Works - Engineering & Transportation
SUBJECT: Airport Development Sites

RECOMMEN DATION

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

BACKGROUND

The Airport is operated as an enterprise fund. It is financially self-sufficient and relies entirely upon revenue collected from user charges for daily operation. One significant potential source of revenue is the vacant parcels of land at the Airport available for development.

The City has been successful in the past in leasing or selling parcels of Airport land. Recent aviation-related ground leases include Park Avion, Hayward Hangars, and Meridian Aviation. Non-aviation projects include the Skywest Golf Course, the Target Retail Center, La Quinta Inn, Rigatoni's Fresh Italian Grill, Home Depot, and Smart & Final. As the national and local economies recover from the recent recession, and performance indicators such as the number of annual aircraft operations and fuel sales at the Airport continue to improve, this appears to be an opportune time to solicit further development projects.

DISCUSSION

Hayward Executive Airport is unique among many general aviation reliever airports in having significant parcels of vacant land available for development. Attachment I depicts three vacant parcels shaded in yellow at the Airport totaling 324,504 square feet. These parcels are physically separated from the Air Operations Area of the Airport by Skywest Drive and were previously approved by the Federal Aviation Administration (FAA) for non-aviation use. They include one parcel that is 163,957 square feet at the corner of "A" Street and Skywest Drive, and two parcels of 80,570 and 79,977 square feet each on Hesperian Avenue. The twenty-four acre California Air National Guard (CANG) site is shaded in blue and it is currently approved for aviation use only.

For clarification, the FAA makes policies with respect to the permissible use of Airport property. Public airport owners that accept Federal assistance, such as the City of Hayward, are obligated to comply with conditions stipulating that airports be operated for the benefit of all types, kinds and classes of aeronautical activities. Airport operators may petition the FAA for release of airport

property for non-aeronautical use and there is a process for doing so, including a requirement for public comment. As a practical matter, however, the FAA is reluctant to release any area of the Airport that has been previously dedicated to aeronautical use on the Airport Layout Plan (ALP). Non-aeronautical use of Airport property reduces the land available for aeronautical purposes, and this in turn may limit the owner's future ability to meet demand for aviation facilities or for the installation of safety-related facilities or equipment.

The City's Economic Development staff are assisting with marketing the three parcels dedicated to non-aeronautical use. This assistance includes advertising the parcels and providing site information to developers, including vehicular traffic count, zoning, population density, and setback requirements. The objective is to determine the best fit for the City and the developer. Marketing of the CANG site and other parcels within the Air Operations Area of the Airport will be handled by Airport staff due to the aviation expertise required.

FINANCIAL IMPACT

Vacant land at Hayward Executive Airport is currently valued at \$0.32 per square foot per year. At this rate, the three parcels dedicated to non-aeronautical use have the potential to generate annual revenues of \$103,841. Over the course of a twenty-year ground lease, that represents over \$2.0 million in revenue.

The twenty-four acre CANG site contains 1,045,440 square feet. It is possible to forecast annual income of \$334,540 based on full utilization of the site, or \$6.6 million over twenty years, but staff does not see that as a realistic assumption. If the entire site is leased to a single entity, it will likely be constructed in phases over time to amortize development costs. It is most probable that the site will be leased to a number of developers over time. For example, discussions with others in the past have included the large CANG hangar, office area and sufficient ramp area containing approximately 88,000 square feet. At current rates, this is equivalent to annual revenue of \$28,160, or \$563,200 over twenty years.

The marketplace will determine the demand for the available parcels on the Airport. Given the assumptions above, however, annual revenue could total \$180,000.

A market study of Airport rates and charges is conducted every ten years by an outside consultant. The last study was done in 2008, and the next regularly-scheduled study is due in 2018. However, based on rapidly changing economic conditions, an interim study has been requested by staff, and the results are expected by March 2015. Staff plans to incorporate these rates and make them the basis for future negotiations with developers.

SCHEDULE

Completion of Market Rate Study	March 15, 2015
RFP Issued for CANG Site	April 15, 2015
Advertising of Non-Aviation Sites	Currently Underway

Prepared by: Douglas McNeeley, Airport Manager

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

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Map of Vacant Airport Parcels



DATE: January 22, 2015

TO: Council Airport Committee

FROM: Director of Public Works – Engineering & Transportation

SUBJECT: Quarterly Evaluation of the Performance Based Noise Ordinance

RECOMMENDATION

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

BACKGROUND

In July 1991, the City of Hayward adopted Ordinance 91-16 to regulate aircraft noise at Hayward Executive Airport (HWD). As a result, staff administers a noise program that includes the operation of noise monitors and the investigation of every noise complaint that is received. Staff also conducts pilot education seminars, distributes information on noise abatement procedures, and participates in outreach activities.

At the request of the Council Airport Committee (CAC), from this point forward staff will provide updated information at each regularly scheduled meeting of the CAC regarding the number of noise complaints received and the mitigation of noise issues. This report addresses the annual operational results for CY 2014.

DISCUSSION

The operational results for CY 2014 are outlined below:

Aircraft Operations	112,726
Complaints Received	483
Complaints Addressed	483
Noise Exceedances	94
Warning Letters	88
Noise Violations	1
Group Presentations	1
Information Distribution	5
Individual Counseling	1

Following is an explanation of the nine categories of information listed above:

- Aircraft Operations – The number of takeoffs and landings for a defined period.
- Complaints Received – The number of complaints received through email, letters, and calls to the Airport Noise Hotline.
- Complaints Addressed – The number of responses by staff to noise complaints.
- Noise Exceedances – The number of aircraft that exceed published noise limits in decibels established by the City noise ordinance.
- Warning Letters – The number of letters sent to aircraft owners warning of a first exceedance of the noise ordinance.
- Noise Violations – The number of official violations processed.
- Group Presentations – The number of presentations by staff to pilots in flight schools, flying clubs, and other airport organizations.
- Information Distribution – The number of events in which electronic or published information was distributed to based pilots regarding ways to reduce aircraft noise.
- Individual Counseling – The number of sessions in which individual pilots are coached regarding noise abatement techniques.

To provide historical perspective, Attachment A depicts operational and noise trends at HWD over the past five calendar years. There is a well-recognized correlation between the number of aircraft operations and the number of noise complaints received. As the number of operations increase, typically so do the number of complaints. However, at HWD, the number of complaints has decreased by 53% over five years, from 1,028 to 483, while the number of operations increased by 29% over the same period. In CY 2014, the 483 noise complaints received represented just 0.42% of annual aircraft operations.

There are three factors that staff believes may account for the decrease in the recent number of complaints received with a corresponding increase in the number of aircraft operations mentioned above. First, the Airport's full-time Noise Analyst carefully monitors noise violations and promptly contacts pilots that exceed published noise standards. It is the experience of staff that the majority of pilots comply with noise abatement procedures once they have been notified of a violation. Second, the Airport conducts public outreach through seminars and the distribution of information to sensitize local pilots to published noise abatement procedures. Third, each noise complaint received is investigated by the Noise Analyst and contact is made with the individual registering the complaint. This demonstrates good faith and maintains an open dialogue with area residents.

It should be noted that two households in San Lorenzo filed a total of 345 noise complaints in CY 2014, seventy-one percent of the total complaints received. Only sixteen of the complaints received correlated with an actual exceedance of noise standards.

Please note that Federal Aviation Administration noise regulations taking effect on December 31, 2015 will eliminate Stage-II aircraft from operating in the United States. Stage-II aircraft are the noisiest aircraft currently operating and must either be modified to meet quieter, Stage-III regulations by the end of the year, or cease operations in the United States. As a result, most of the Stage-II aircraft will likely be exported to other countries. This means that the noisiest aircraft currently in the general aviation fleet, such as the Lear Jet 23 and the Sabreliner 40, will no longer be able to use the Hayward Executive Airport after December 31, 2015.

Prepared by: Douglas McNeeley, Airport Manager

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

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Graphs of Operational Trends

