



DATE: November 16, 2021

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Skywest Property Update: Further Review of Preliminary Site Plan and Authorization to Transmit Draft Site Plan to the Federal Aviation Administration for Initial Review

RECOMMENDATION

That the Council provides further comments on the preliminary site plan for the Skywest property located at Hayward Executive Airport and adopts the attached resolution (Attachment II) authorizing staff to refer the draft site plan to the Federal Aviation Administration (FAA) for initial review.

SUMMARY

The Skywest property, which was formerly used as a golf course, is owned by the Hayward Executive Airport (Airport). After the Hayward Area Recreation and Park District (HARD) ceased operations at the Skywest Golf Course on September 30, 2020, Airport staff assumed maintenance of the property and initiated a process to guide future development of the site.

The Airport staff held three virtual public scoping workshops during July and August, culminating in an initial draft site plan. Subsequent meetings with the Council Airport Committee, the Hayward Youth Commission, the San Lorenzo Village Homeowners Association, and the City Council on October 26¹ resulted in revisions to the preliminary site plan (Attachment III). This latest version of the site plan balances the needs of the public and the Airport, while adhering to FAA regulations and policies.

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¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5192091&GUID=AFAC6EF5-FB0C-4115-85E6-16F2FBCE8A11>

Association, and the City Council on October 26 resulted in revisions to the preliminary site plan (Attachment III). This latest version of the site plan balances the needs of the public and the Airport, while adhering to FAA regulations and policies.

The attached site plan includes:

- 30 acres for parks/recreational use;
- 50 acres for business development (at least 9 of those acres to be set aside for open space);
- A trail connecting Kennedy Park to San Lorenzo Park;
- 11 acres for aeronautical development,
- 7 acres of buffer between the residents of San Lorenzo Village and the new aeronautical development; and
- 28 acres dedicated for protection of the Runway Safety Area.

Council Airport Committee Review

This topic was presented to a special meeting of the Council Airport Committee (CAC) on September 30, 2021. The members provided comments regarding economic development, outreach, land use compatibility, security of the Runway Safety Area, impact of aeronautical development on nearby residents, consideration of specific recreational uses such as trails, and use of recycled water on property. In addition to the CAC members, nine area residents spoke on various aspects of the development, including expansion of the proposed trail network, emphasis on economic development of site, and the consideration of various recreational uses.

Council Work Session

The draft site plan was presented to the Council as a work session item on October 26, 2021. Council and the public provided comments regarding open space, economic development, outreach, impact of aeronautical development on nearby residents, and the consideration of specific recreational uses such as trails. In addition to Council, residents provided comments on the proposed business development; loss of natural elements, such as trees and wildlife; additional open space; potential noise impacts of additional development; expansion of the proposed trail network; and the consideration of various recreational uses.

BACKGROUND

Construction of the Skywest Golf Course was completed in October 1963. The golf course was located on the property of Hayward Executive Airport and operated under a long-term ground lease agreement. The ground lease was assigned to HARD in January 1975. The lease has been amended on four occasions, with the latest amendment allowing HARD to evaluate whether continued operation of the golf course was advisable. HARD ceased operations and the 126-acre leasehold was returned to the City in September 2020.

DISCUSSION

As noted in the staff report and attachments from the Council work session held on October 26, 2021,² the draft site plan was developed after consideration of input received from the community and was weighed against the FAA and Caltrans-related constraints associated with airport-owned land. A draft site plan was then presented to the City Council for their review as a work session item on October 26.

Comments on Draft Site Plan

At the Council work session, input from both the public and the Council was received and primarily focused on the following items:

- The desire to incorporate additional open space into the site plan
- Retention of natural features, such as trees and ponds
- The prioritization of economic development on the site
- Minimization of the impact of aeronautical development on nearby residents
- Interconnectivity of trails within property and to the regional trail system
- Include a landscape buffer between development and residents
- Consideration of specific recreational uses, such as a dog park, an ice/roller rink, bike track, outdoor learning space, agricultural use, disc golf, recreational businesses, smaller golf course, and an airport viewing area
- Verify the size of runway safety zone

Revisions to Draft Site Plan

In response to the comments received on October 26, staff are proposing the following revisions to the site plan, which are noted in Attachment III:

Open Space

The prior draft site plan included a total of twenty-four acres of open space between two sections of the property. With the revised plan, the total number of acres has increased to thirty-nine, which includes a minimum of nine acres of open space to be included within the new business development.

Business Development

Originally estimated at forty-seven acres, this area has been revised up to fifty acres due to narrowing the FAA Airport Zone by three acres to the minimum level required by the FAA. While the amount of acreage for the business development has increased, a requirement will be placed on the developer to reserve at least nine acres of the site as open space. This amount of developable land will allow for the site to be built to its best and highest use, such as life science-related businesses. It is estimated that a fifty-acre site would produce approximately \$2 million in annual income for the airport, which would permit required infrastructure improvements, such as paving and hangar repair.

² <https://hayward.legistar.com/LegislationDetail.aspx?ID=5192091&GUID=AFAC6EF5-FB0C-4115-85E6-16F2FBCE8A11>

Runway Safety Area (RSA)

After further analysis of the requirements that FAA has for this area, the RSA was reduced from thirty-six acres to twenty-eight acres, which will be converted into additional acreage for both business center development and open space.

Aeronautical Development

This development has been reduced by three acres (to eleven acres), which will be set aside as an airport viewing area and serve to increase the total amount of open space by three acres.

The chart below summarizes the changes between the draft site plan presented on October 26 and the final preliminary plan to be approved tonight. Please note that the FAA Airport Safety Zone (which has been reduced from thirty-six acres to twenty-eight acres) cannot include structures or landscaping. Therefore, the amount of acreage that can be counted as available open or undeveloped space totals ninety-eight acres. Per the chart below, the amount of open space has increased by 25% from the original plan. In total, the amount of acreage dedicated to business and aeronautical development constitutes 62% of the usable space (sixty-one acres), leaving 38% of the site (thirty-seven acres) as open space or a buffer. This amount of open space is valued at approximately \$1.8 million at the current non-aeronautical lease rate of \$1.10 per square foot, per year.

| Use | Initial Acres | Revised Acres | Net acreage Gain (loss) | Percentage of Usable Space (out of 98 Acres) |
|--------------------------|----------------------|----------------------|--------------------------------|---|
| Business Development | 47 | 50 (9 as open space) | 3 | 51% |
| Runway Safety Zone | 36 | 28 | (8) | N/A |
| Aeronautical Development | 14 | 11 | (3) | 11.2% |
| Open Space | 24 | 30 | 6 | 30.6% |
| Buffer | 5 | 7 | 2 | 7.2% |

Please note this site plan is conceptual in nature and will be subject to further refinement as further scoping activities occur and as the project goes through environmental review. This evening, staff is requesting feedback from Council that the visioning process is generally moving in the right direction, and is requesting authorization from Council for staff to transmit the draft site plan to the FAA to request initial review of the draft site plan. Subsequent to FAA initial review, City staff will incorporate any FAA comments, if received, into a revised site plan and return to Council for further review before taking the required step of preparing an Airport Layout Plan (ALP) and associated environmental review. The ALP is the official blueprint for future development on the airport. Due to the size of the Skywest parcel and the potential scope of the project, the FAA is requiring an ALP update with narrative prior to their approval of the Skywest Property project itself. The ALP documents will require approximately nine months to prepare, and once submitted, the FAA review process typically requires nine months.

Environmental Review

Choosing the precise time for environmental compliance under the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) involves a balancing of competing factors. Environmental review should be done as early as feasible in the planning process to enable environmental considerations to influence project program and design and yet late enough to provide meaningful information for environmental assessment. The scoping activities described herein will continue with the requested Council feedback and, if transmittal is authorized by Council, with the initial feedback from the FAA. Once that feedback is incorporated into the preliminary plan, staff anticipates that the project will be definitive enough for meaningful environmental review. That review will be conducted prior to bringing the ALP back to Council and FAA for approval.

ECONOMIC IMPACT

Future development of this site would generate work for skilled and unskilled tradespeople during the construction phase, and office and other jobs after the development is completed. Furthermore, the development of a life sciences/biotechnology center would allow the City to further its presence as an innovative leader for technology in the Bay Area. Along with attracting highly skilled and educated workers from Hayward and the immediate area, such development has the potential to increase overall economic activity as these workers could shop and reside in the City.

FISCAL IMPACT

The Skywest property has the potential to provide a significant source of revenue for the Airport. Furthermore, new revenue will help the Airport offset revenue-related losses tied to the previous lease with HARD as well as assist with infrastructure maintenance, such as paving and hangar improvements. Kimley-Horn will provide a detailed estimate as part of this process, but it is currently estimated at \$2 million annually. Furthermore, the City's General Fund would potentially benefit from additional business license fees, property tax, and sales tax.

STRATEGIC ROADMAP

By allowing for additional airport-specific revenue, development on this site would directly support the Strategic Priority of Improve Infrastructure. Specifically, this item relates to the implementation of the following projects:

Project 11a: Rehabilitate the Pavement in Phases

Project 11d: Design and Construct Capital Improvements to Airport Hangars

SUSTAINABILITY FEATURES

The action taken for this report will not result in physical development, purchase, or service, or a new policy of legislation. Any physical work will depend on future Council action. The Airport is strongly committed to developing projects that are environmentally responsible.

Therefore, staff will ensure than all plans proposed by the developer incorporate features that are in line with the City’s sustainability guidelines. In addition, the CAC suggested the use of recycled water as well as the possibility of installing solar photovoltaic technology (with charging stations) on T-hangars or shade hangars if either are selected to be the new aeronautical development.

PUBLIC CONTACT

There has been extensive public outreach for this project and area residents and interested parties have provided input that has shaped the draft site plan. The following meetings have taken place regarding the draft site plan:

- Virtual public workshops on July 27, August 10, and August 12
- Attendance at San Lorenzo Homeowners Association board meeting on September 16
- Special CAC meeting on September 30
- Hayward Youth Commission meeting on October 4
- City Council work session on October 26
- CAC meeting on October 28
- Airport staff hosted representatives from the San Lorenzo Village Homeowners Association on October 28 and provided them with a tour of the airport

In addition, the agenda and staff report for this item have been posted on the City’s website and distributed to interested parties.

NEXT STEPS

After receiving further feedback on the preliminary site plan by Council, staff will transmit the preliminary site plan to the FAA for initial review. Subsequent to FAA initial review, City staff will incorporate FAA comments into a revised site plan and return to Council for further review before taking the required step of preparing an ALP and the associated environmental review. Staff will initiate environmental review of the preliminary site plan prior to beginning the ALP update process with the FAA. It is expected that the update will be completed by July 2023. Once the ALP update is approved, staff will work with the public, Council Airport Committee, Council Economic Development Committee, and Council to develop a more detailed plan of the uses for the site, which will be included in all future RFPs released to the development community.

Prepared by: Doug McNeeley, Airport Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager