



DATE: March 18, 2025

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Adopt a Resolution Authorizing the City Manager to Approve the Amended Ground Lease for California Department of General Services for the California Military Department on a Parcel of Land at Hayward Executive Airport

RECOMMENDATION

That City Council adopts the attached resolution (Attachment II) authorizing the City Manager to approve the Amended Ground Lease for the property located at 1525 West Winton Avenue, Hayward, CA at the Hayward Executive Airport.

SUMMARY

Airport staff monitors the capital and operating budgets to reduce cost and enhance revenue. The improvements to revenue are most commonly through the implementation of new and renegotiated leases with adjusted lease rates. The objective, in conformance with City Council directives and Federal Aviation Administration (FAA) policy, is to become and remain financially self-sufficient.

BACKGROUND

The Airport operates as an enterprise fund and relies solely upon the revenue it generates to fund its operating and capital improvement budgets. It does not receive financial support from the City's General Fund. Both the City Council and the FAA support initiatives to make the Airport financially sufficient. After considering relocation to other facilities in the Bay Area, the California Military Department has opted to remain in Hayward and requests to amend the lease with a term from July 1, 2025 until June 30, 2028.

In addition to revenue, the lease will provide employment opportunities for local members of the California National Guard. This organization provides emergency and humanitarian assistance for California residents, among other duties.

DISCUSSION

All provisions of this Site Lease including the existing monthly rent amount of \$4,077.24, remain the same and in full force and effect. The term of the Lease is for a fixed period,

commencing on the effective date of July 1, 2025 and expiring on June 30, 2028, unless earlier terminated by either party.

ECONOMIC IMPACT

This lease will provide additional revenue through extensions of the lease term.. This lease will also provide employment opportunities for local members of the California National Guard. This organization provides emergency and humanitarian assistance for California residents, among other duties.

FISCAL IMPACT

There is no financial impact to continued revenue to Airport fund.

STRATEGIC ROADMAP

The agenda item does not directly relate to the six priorities outlined in the City Council's Strategic Roadmap.

SUSTAINABILITY FEATURES

The Airport is strongly committed to developing projects that are environmentally responsible. Therefore, staff will ensure that all plans for improvements proposed by the developer incorporate features that are commensurate with the City's sustainability guidelines.

PUBLIC CONTACT

The agenda and staff report for this item have been posted on the City's website.

NEXT STEPS

If approved by City Council, staff will prepare the Amendment for execution by the City Manager.

Prepared by: Doug McNeeley, Airport Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Dr. Ana Alvarez, City Manager