



DATE: April 28, 2022
TO: Council Airport Committee
FROM: Director of Public Works
SUBJECT: Assignment/Assumption of Bud Field Lease

RECOMMENDATION

That the Council Airport Committee (CAC) reviews this report and recommends approval to Council.

SUMMARY

William “Bud” Field entered into a lease with the City of Hayward in 1999 for the leasehold located at 22005 Skywest Drive. Upon his passing in 2010, the company was transferred to a trust that bears his name and operates as Bud Field Aviation, Inc., (Bud Field). In 2019, the Trustee requested that lease rights be conveyed from William Field (as an individual) to Bud Field. This action was approved by the CAC on September 19, 2019, and by Council on October 1, 2019. At this time, the trustee is requesting that lease rights be conveyed from Bud Field to Friends of Bud Field, LLC, who is led by Adam Grosser, a long-time tenant at the Bud Field hangar. The other partners are also long-time tenants.

If this action is approved by the CAC, the item will be tentatively placed on the Council agenda for June 7, 2022.

BACKGROUND

Mr. William “Bud” Field became an individual tenant at the Hayward Executive Airport (Airport) in 1983. Mr. Field entered into a 48-year commercial lease agreement with the Airport in December 1999 for the parcel located at 22005 Skywest Drive, which had been vacant since 1990. His company, Bud Field Aviation, Inc., primarily provides aircraft storage service in a hangar building constructed at this address.

DISCUSSION

Mr. Field passed away in February 2010, but the operation of his company continues to the present day as Bud Field Aviation, Inc. Jim Bowers is the Trustee of the William Field 2009 Living Trust and oversees the daily operation of the business. To perfect the record, he

previously requested that the commercial ground lease be assigned from Bud Field, an individual, to Bud Field Aviation, Inc., which was approved by the CAC on September 19, 2019 and Council on October 1, 2019.

At this time, the Trustee is in the process of selling their leasehold rights of the existing hangar to a group operating as Friends of Bud Field, LLC. The LLC is led by Adam Grosser, who has also been a tenant at the Airport since 1998. Adam is currently the Chairman of UP.Partners, an investment firm. Mr. Grosser has been a tenant of Bud Field since 2000. Additionally, he has been an enthusiastic supporter of Young Eagles and the annual Airport Open House.

The other members of the Friends of Bud Field, LLC include executives employed with Ring Central, Goldman Sachs, Honeywell, Acrew, GI Partners, and Foundation Capital. Each of the members are aircraft owners who see the value of maintaining and investing in the Airport.

The immediate plans for Friends of Bud Field, LLC are to operate the hangar with the current tenant group. They are planning a series of improvements, including exterior painting, lighting, and an office remodel. The lease terms will remain unchanged.

STRATEGIC ROADMAP

This agenda item pertains to development at the Airport and does not directly relate to one of Council's Strategic Priorities.

ECONOMIC IMPACT

No economic impact is associated with this administrative change to the lease.

FISCAL IMPACT

No fiscal impact is associated with this action above and beyond the existing rent amount, which is approximately \$28,000 per year.

SUSTAINABILITY FEATURES

No sustainability features are associated with this report.

PUBLIC CONTACT

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

NEXT STEPS

If recommended by the CAC, this item will be presented to Council on June 7, 2022 for consideration.

Prepared by: Doug McNeeley, Airport Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written in a cursive style.

Kelly McAdoo, City Manager