



DATE: January 12, 2017

TO: Council Airport Committee

FROM: Director of Public Works

SUBJECT

Approval of Minutes of the Council Airport Committee Meeting on October 13, 2016

CALL MEETING TO ORDER

Council Member (CM) Zermeno called the meeting to order at 5:30 p.m. with CM Márquez present, and CM Mendall absent.

City staff: Morad Fakhrai, Director of Public Works
Doug McNeeley, Airport Manager
David Decoteau, Airport Operations Supervisor
Micah Hinkle, Economic Development Manager
Noemi Dostal, Management Analyst II
Jimmy Vasquez, Airport Operations Specialist
Qiana London, Administrative Secretary

Members of the public present:

Gary Briggs
Tom Panico
Abrar Elahi Siddqui
Ben Henderson

PUBLIC COMMENTS

A Runway Rehabilitation Paving project update was provided by Mr. McNeeley. The project was slated to last seven days but the contractor was able to complete the work in three and a half days. Airport staff was very pleased with the results and received compliments from airport tenants regarding the short turnaround. Grooving work will begin on November 1, 2016, which involves the placement of small channels in the runway pavement to allow for the quick dispersion of water during inclement weather.

Mr. Hinkle gave a presentation on the development of non-aeronautical parcels on airport property. The Economic Development department originally explored bringing in brokerage firms to assist with leasing services. However, it was determined that this service would not

be beneficial or cost-effective. Staff will utilize the City's current license with CoStar to advertise the parcels. Marketing fliers for both parcels have been created and inquiries have been received for the properties. Meetings with developers have been held. Some developers have expressed a preference for purchasing the property. The City will continue to vet interested parties until the right fit for the airport is found.

CM Márquez inquired if marketing materials were brought to the meeting for review. Mr. Hinkle provided samples. She mentioned the new airport monument sign installed at the intersection of Hesperian Avenue and West Winton Avenue and reminded staff that the new Hayward "H" logo should be incorporated whenever possible. Mr. Hinkle responded that there are gateway marker projects underway which will present opportunities to bring the logo to marketing activity going forward, but indicated that the current sign and other products were already in progress.

CM Zermeño indicated that he noticed a post on Facebook that the City has 158,000 plus residents, but the marketing materials state 147,000 and requested that the number be updated. Additionally, he was informed that the airport is the fifth busiest airport in general aviation in the United States. Mr. McNeeley replied that the FAA Hayward control tower is, in fact, the sixty-fifth busiest in the nation based on a combination of Hayward and Oakland air traffic handled by local controllers. Hayward Executive Airport is in the top 200 busiest public use airports based on annual aircraft operations.

CM Zermeño inquired if there were any prospects for the vacant parcels. Mr. Hinkle replied that meetings have been held with hotel developers, but at this time they are interested in purchasing the land as opposed to leasing. He is confident that with more mass marketing and the favorable lease rates that are being offered, more interest will be generated and the right fit will be found.

CM Zermeño officially welcomed Airport Operations Specialist Jimmy Vasquez to the airport. He also thanked the airport for the monument sign at the intersection of Hesperian Boulevard and Winton Avenue. He asked if it needs to be lit at night. Mr. Fakhrai responded that there are long-term plans to improve the corner that include attractive landscaping and lighting. CM Zermeño also thanked the airport for promoting the Open House and encouraging people to visit the airport.

Gary Briggs expressed his appreciation for the quick completion of the Runway Rehabilitation Project. He congratulated staff on a job well done.

1. Approval of Minutes for July 14, 2016

Minutes approved as submitted.

2. Ground Lease for Byculla Homes

Airport Manager Doug McNeeley provided an overview of the staff report. The site is located near the intersection of W. Winton Avenue and Clawiter Road and does not impact the twenty

acre California National Guard (CANG) site. Staff was approached by Byculla Homes, a private company based in Fremont that operates one corporate jet. Upon initial contact, staff provided Byculla with contact information for available hangars. However, they prefer to build their own hangar that is 17,500 square feet in size. The term proposed for the lease is fifty years based on the amount of investment. Staff estimates that the proposed hangar will be in the \$1.5 to \$2.0 million range. Byculla has requested the first option to lease the adjacent 3.17 acres to construct additional hangars. Staff is favorably disposed provided that Byculla pays \$0.10 per square foot, per year to hold the land. This is in addition to the capital improvements that they are making and a one-time ARFF contribution of \$5.00 per square foot of new hangar space.

CM Márquez inquired about revenue projections based on the rental rates. She asked if the rates go into effect once a lease agreement has been executed. Mr. McNeeley clarified that Byculla has an option for the adjacent 3.17-acre site that they can exercise if they choose to, and they would pay additional rent for the privilege.

CM Márquez asked if the size of Byculla's hangar is comparable to other hangars at the airport, and Mr. McNeeley indicated it would be somewhat smaller than the hangars currently being constructed by Meridian and APP Jet Center. Mr. McNeeley confirmed that Byculla will be responsible for all construction costs and that they will not be a Fixed Base Operator (FBO). CM Marquez also asked if there have been any other potential companies interested in the same site within the last year or two. Mr. McNeeley responded that there have been none.

CM Zermeño asked about the schedule for rent increases. Mr. McNeeley responded that rent will increase in increments until a certificate of occupancy is received. Once received, the rate becomes \$0.32 per square feet, per year.

CM Zermeño asked for clarification on the location site of the new Meridian hangar. Mr. McNeeley clarified that it is adjacent to Tuskegee Drive.

CM Márquez made a motion to recommend the item to Council. CM Zermeño seconded the motion.

Gary Briggs asked for additional information on Byculla Homes.

Mr. Fakhrai said that additional information will be provided.

The Committee unanimously recommended this item for Council action.

3. Evaluation of Airport Noise Program

Airport Operations Specialist, Jimmy Vasquez, provided an overview of the airport noise program in lieu of a staff report. He stated that this quarter compares four months of data so the numbers may appear a bit higher as opposed to the previous report which compared two months. The largest number of complaints in comparison to operations was received in the month of August as a result of a local flight by a Reno Racer aircraft. Mr. McNeeley noted the

pilot must run the engine in flight to make adjustments prior to the race, and that it has a unique noise signature. The pilot has been extremely cooperative in the past when asked to reduce noise to the extent possible, and in this case he did not violate the airport noise ordinance.

CM Márquez inquired about the hours of operation for the FAA Hayward air traffic control tower. Mr. Vasquez responded the hours are from 7:00 a.m. to 9:00 p.m.

CM Márquez asked if there is a short list of frequent offenders and how the incidents are tracked. Mr. Vasquez replied that there is currently only one repeat offender. Mr. McNeeley clarified that letters are sent to aircraft operators that exceed established noise limits and these are usually effective. Other measures can be taken inclusive of, but not limited to monetary fines for non-compliance.

Mr. Decoteau added that operators may change flight crews and the new pilots may be unfamiliar with our procedures. Airport staff ensures that newer crews are provided with noise abatement information.

CM Márquez clarified that the letters are tailored to individual instances. Mr. McNeeley confirmed that they are tailored to the individuals and are highly effective.

CM Zermeño inquired about noise complaints received from residents in other cities. Mr. Vasquez noted that airport staff responds to each noise complaint received, but a large volume of calls are typically not received from residents in other cities with the exception of San Leandro.

4. Ground Lease Extension for Air Plaza, LLC.

Agenda item added by two-thirds vote as requested by Mr. Fakhrai.

Mr. McNeeley gave an overview of a proposed lease for Air Plaza, LLC. and their site location. Staff is proposing a new lease term of thirty years, and in consideration, Air Plaza will make significant interior and exterior capital improvements in the amount of approximately \$350,000, which would be completed in phases. There will be an option for early expiration of the lease upon mutual agreement.

CM Márquez inquired about sustainability features, specifically solar panels. Mr. McNeeley replied that the owner of the building is amenable to utilizing sustainability materials. However, solar panels were not discussed specifically due to size and light impacts to aircraft in flight that must be taken into consideration. Reusable materials and other energy efficient items will be utilized. Any additional changes made would be subject to review by the City and would have to meet code requirements.

CM Márquez asked if the proposed payment increment structure has been utilized before. Mr. McNeeley confirmed that it has been used before with Meridian Hayward.

CM Zermeño asked if there are other tenants who may need to renovate their facilities or readjust their current rent payment structure. Mr. McNeeley indicated that there are a few others. However, staff approached Air Plaza with the idea of renegotiating the rental rates.

CM Márquez inquired whether there is a timeline in place for completion of the improvements. Mr. Fakhrai replied that the work has to be completed within two years.

CM Márquez made a motion to recommend the item to Council. CM Zermeño seconded the motion.

The Committee unanimously recommended this item for Council action.

PUBLIC COMMENTS

None

5. Proposed Meeting Change

Agenda item added by CM Zermeño.

CM Zermeño proposed that future CAC meeting dates be changed due to a conflict with HASPA meetings. Mr. Fakhrai suggested that the month of occurrence change by one month. For example, instead of every three months, CAC meetings would occur every four months. However, the week and day would remain the same. He asked if the topic could be revisited after further planning and discussion.

CM Márquez recommended that, due to CM Mendall's absence, the City Manager's office provide options via email for further discussion.

Mr. Fakhrai agreed that the calendar should not be changed at this time.

CM Zermeño was in favor of changing the month going forward.

Committee Member/Staff Announcements and Referrals

CM Márquez inquired about the status of an agenda item regarding the airport budget. Mr. Fakhrai replied that staff was unable to provide the information for this meeting and that the preference would be to have a full committee present. Staff will try to have the information for the next meeting. He clarified that it will be a brief presentation.

CM Márquez appreciated the presentation from Mr. Hinkle. However, she would prefer that future presentations be added to the agenda so that the public can ask questions if necessary. She also requested that Mr. Hinkle be available for questions from the public.

Mr. Fakhrai responded that efforts will be made to provide advance notice in the future.

Mr. McNeeley reminded everyone about the upcoming annual Airport Open House on Sunday, October 16, 2016.

Next CAC meeting is proposed for January 12, 2017.

ADJOURNMENT

The meeting adjourned at 6:24pm.