Council Airport Committee

January 26, 2023

How to Provide Public Comments

- **Click the “Raise Hand” button to request to speak when the Staff Liaison calls for public comments. You will be permitted to speak for 3 minutes**
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Hangar Repair Project Update

Background

- Nineteen Airport-owned and enclosed rental spaces – hangars, storage rooms, offices
- Kimley-Horn selected to conduct hangar condition assessment
- Project conducted in phases
- Two hangars designated for roof repair in first phase
- Contract with Garland for second and third phases of repairs

Executive Summary Report for
Facility Condition Assessment Services

For
Hayward Executive Airport
20301 Skywest Drive
Hayward, CA 94541

Date of Report: April 25, 2019
Provided By:

Kimley-Horn/Faithful+Gould, Inc.

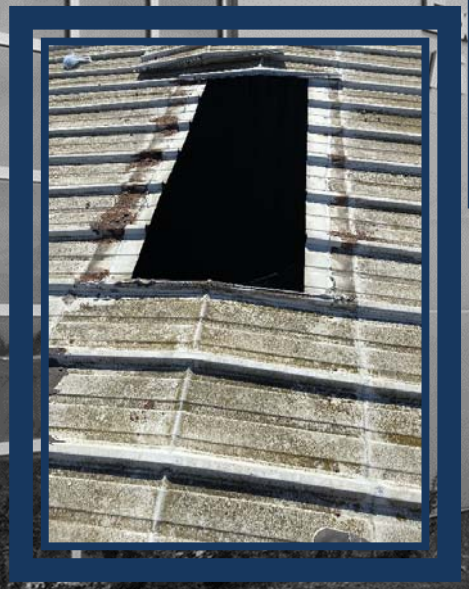
Provided For:

City of Hayward

Kimley»Horn
Expect More. Experience Better.
FAITHFUL+GOULD
Member of the SNC-Lavalin Group

Discussion

- Work tasks
- Warranty
- Communication with tenants
- Progress update



Before

After

Aerial View

Next Steps

- **Next phase of project**
- **Regular status updates to Committee**

Hangar Repair Project Update

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FY23 and FY24 Hangar Rent Increase & FY24 Master Fee Changes

Background

- Enterprise fund
- Financial self-sufficiency
-
- Managing costs and increasing revenues
- Hangar rent increases

History of Rent Increases

- **Most recent policy: 5/25/99**
- **75% of CPI every 2 years**
- **Market analysis every 4 years**
- **Deviations from policy and impact**
- **Market rate study in 2017**
- **Below market rate**

Rent Increase Agreement (FY19-FY22)

- **Discussions with tenants**
- **Rent increase package approved by Council 1/15/19**

Methodology

- Compliance with FAA policy
- Financially self-sustaining
- Hangar subsidies
- Fair and reasonable
- CPI standard

Rationale for New Rates

- Goal of self-sufficiency
- Revenues lagging behind expenditures
- Efforts to enhance revenues

Airport Operating Fund - Fund 620

	FY 2020 Actual	FY 2021 Actual	FY 2022 Estimated	FY 2023 Adopted	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected
Beginning Working Capital*	$ 8,344,522	$ 6,952,234	$ 5,557,312	$ 5,418,972	$ 3,906,178	$ 4,135,801	$ 4,915,648	$ 5,922,483
Program Revenues								
Interest & Tower Rent	294,091	150,351	123,590	168,865	100,760	100,760	100,760	100,760
Land Rent	1,852,167	1,862,258	1,924,983	1,753,903	2,992,667	3,581,047	3,598,214	3,598,214
Hangar Rent	1,229,288	1,233,153	1,294,728	1,253,376	1,373,577	1,414,784	1,457,228	1,500,945
Fees & Service Charges	6,752	1,411	44,731	8,000	44,731	44,731	44,731	44,731
Other Revenues	325,809	392,343	423,973	327,911	281,520	284,335	287,179	290,050
Total Revenues	$ 3,708,107	$ 3,639,516	$ 3,812,005	$ 3,512,054	$ 4,793,255	$ 5,425,657	$ 5,488,112	$ 5,534,700
Expenditures								
Personnel	1,715,128	1,663,245	1,676,229	1,975,455	2,054,473	2,136,651	2,222,118	2,311,003
Non-Personnel	1,830,852	1,783,357	437,304	1,130,546	448,032	448,032	448,032	448,032
Transfers Out	1,554,415	1,587,836	1,836,812	1,918,848	2,061,127	2,061,127	1,811,127	1,811,127
Total Expenditures	$ 5,100,395	$ 5,034,438	$ 3,950,345	$ 5,024,849	$ 4,563,632	$ 4,645,810	$ 4,481,277	$ 4,570,162
Annual Surplus/(Shortfall)	(1,392,288)	(1,394,922)	(138,340)	(1,512,795)	229,623	779,847	1,006,835	964,538
Ending Working Capital*	$ 6,952,234	$ 5,557,312	$ 5,418,972	$ 3,906,178	$ 4,135,801	$ 4,915,648	$ 5,922,483	$ 6,887,021

**projected ending working capital on budget basis.*

Rationale for Rent Increases

- Analysis of strategies for increase
- Decision to use CPI
- CPI increase = 6%
- Effective dates: 4/1/23 and 7/1/23

Hangar Type	Current Rent/Month	FY23 Rent (Effective 4/1/23)	FY24 Rent (Effective 7/1/23)
Small	$294	$312	FY23 rent + CPI adjustment
Standard	$455	$482	FY23 rent + CPI adjustment
Large	$566	$600	FY23 rent + CPI adjustment
Small Executive	$982	$1,041	FY23 rent + CPI adjustment
Standard Executive	$1,359	$1,441	FY23 rent + CPI adjustment
Large Executive	$1,483	$1,572	FY23 rent + CPI adjustment

Updates to Master Fee Schedule

- **Reviewed annually**
- **Last increase: 2021**
- **CPI increase of 6% utilized**

- **Hangar storage rooms**

Storage Room Type	Current Rent/Month	FY24 Rent (Effective 7/1/23)
Small	$73	$77
Medium	$101	$107
Large	$196	$208
Extra Large	$250	$265

- **Office spaces**

Current Rent/Month	FY24 Rent (Effective 7/1/23)
$650	$689

- **Tie-down spaces**

Current Rent/Month	FY24 Rent (Effective 7/1/23)
$60	$64

Next Steps

- **Approve recommendation**
- **Forward to Council for consideration**
- **Implementation of increases on 4/1/23 and 7/1/23**

FY23 and FY24 Hangar Rent Increase & FY24 Master Fee Changes

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Skywest Property Update

Presentation to Eden Area Municipal Advisory Council

- **Follow-up meeting with Advisory Council planned**
- **Meeting postponed due to conflict with City Council meeting**
- **Special meeting to be scheduled for this item**

Skywest Property Update

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Updated 2023 Agenda Planning Calendar

2023 Calendar

APRIL 27, 2023

1. Skywest Property Update
2. Update on Sulphur Creek Project
3. Aircraft Noise in Community & Annual Noise Report for 2022

JULY 27, 2023

1. Skywest Property Update
2. Airport Layout Plan with Narrative – Project Update
3. Pavement Management Plan – Project Update

OCTOBER 26, 2023

1. Skywest Property Update
2. Internship Opportunities at Airport
3. Report on Summer Activities for Teens at Other General Aviation Airports

UNSCHEDULED

1. Attracting Small Commercial Flight Operators
2. Partnership Opportunities with Other Airports for U.S. Customs
3. Taxiways Zulu & Foxtrot – Project Update

Committee Members and Staff Announcements and Referrals

Meeting Adjournment
Council Airport Committee
January 26, 2023