

Official Minutes for CAC Meeting on January 26, 2023

Minutes were approved by the CAC on April 27, 2023



DATE: April 27, 2023

TO: Council Airport Committee

FROM: Director of Public Works

SUBJECT; Approval of Minutes of the Council Airport Committee (CAC) Meeting held on January 26, 2023

CALL MEETING TO ORDER

Council Member (CM) Zermeño called the meeting to order at 5:32 p.m. with CM Syrop and CM Goldstein present.

City staff: Alex Ameri, Director of Public Works
Doug McNeeley, Airport Manager
Pamela Svrclin, Airport Operations Supervisor
Todd Strojny, Airport Business Supervisor
Amy Toste, Senior Secretary

Members of the public present:

Seventeen members of the public were present on the Zoom webinar.

PUBLIC COMMENTS

None.

REPORTS/ACTION ITEMS

1. Approval of Minutes for October 27, 2022

A motion was made by Council Member Syrop and seconded by Council Member Goldstein. The motion passed unanimously; minutes approved as submitted.

2. Oral Presentation: Hangar Repair Project Update – Phase III

Airport Operations Supervisor Pamela Svrclin provided an update on the hangar repair project.

Committee Questions

Council Member Syrop asked what the FAA grant amount would be for a non-revenue producing hangar repair. Airport Manager McNeeley answered that the FAA grants are for common areas of the airport and most hangars are revenue-generating.

Council Member Zermeño asked why there is only a 10-year guarantee for new roofs on the hangar buildings. Ms. Svrclin responded that the project wasn't a complete replacement, but a repair, and so the guaranteed time is less.

Public Comments

Drew Detsch, hangar tenant, thanked staff for the much-needed fix of hangar roofs.

Mimi Dean asked where the tenants' aircraft were relocated during the project. Airport Operations Supervisor Svrclin responded.

Director Ameri commented that Airport is self-sufficient. None of the money it makes can be transferred to the General Fund and used for non-airport purposes.

Committee Comments

None.

3. FY23 and FY24 Hangar Rent Increase and FY24 Master Fee Changes at Hayward Executive Airport

Mr. McNeeley presented the report.

Committee Questions

CM Goldstein asked for the number of hangar vacancies, how long they have been vacant, and if there is sufficient interest in the vacant hangars. Airport Manager McNeeley answered that there are a total of 8 vacancies since November 2022 and there is an adequate number of people on the wait list to fill any vacancies.

CM Goldstein asked how much of an increase in hangar rents will occur in Fiscal Year 2024 (FY24). Staff explained the increase in rents will be 6% for the remainder of Fiscal Year 2023 (FY23), which should have been effective as of July 1, 2022. The Consumer Price Index (CPI) calculation will determine the rent increase amount in FY24, and it is expected to not exceed \$30.00 per month on top of the FY23 rate. All future increases will be effective at the start of each fiscal year (July 1st).

CM Syrop asked why land rent was projected to be over \$1 million for FY24. Mr. Strojny explained the figure includes the rent for two hotels plus the expected development at the California Air National Guard (CANG) site.

CM Syrop asked for a status update on the recommendations from the 2017 market rate study and if we were still 51% below the average. Director Ameri summarized the rent increases resulting from the study. Hangar rents are still below comparable airports in 2023 and staff is looking at increases based on the CPI instead of another market rate study.

CM Zermeño asked how the Home2Suites hotel is performing. Airport Manager McNeeley answered that the performance is meeting expectations and they are working on a plan to address the landscaping.

Public Comments

Drew Detsch, tenant, said there was no outreach for public comment, and he discovered the planned rent increase after looking at the CAC agenda. Mr. Detsch pointed out that there are vacant hangars and that he knew of a hangar which has been vacant for 4-6 months.

Mimi Dean, resident, was surprised Airport subsidizes their tenants so much with their rents and if the same offer was extended to the Hayward Area Recreation District (HARD).

Harry Shin, tenant, expressed concern over the eight hangar vacancies. He feels that the proposed rent increases will only add to the Airport's surplus. Mr. McNeeley explained that the surplus revenue will be used towards \$18 million in pavement needs. Director Ameri said that the current vacancy rate is only 3.8%. Airport requires more revenue, and development of the California Air National Guard (CANG) site might not happen in the way staff projects. The proposed rent increases will be recirculated into airport improvements, which will benefit all tenants.

Committee Comments

Council Member Goldstein asked if there was time for more debate and to obtain public input. Airport Business Supervisor Strojny replied that the rent increase item was scheduled for City Council's agenda in mid-February. Airport Manager McNeeley said he would be happy to hold a tenant meeting to obtain more input, and then report that information to City Council.

CM Syrop commented that the rent increases are appropriate. For the future, he wants staff to look at the Master Fee Schedule and reflect how jet operations impact the airport infrastructure.

CM Zermeño asked for a comparison between the rent of a small t-hangar and a jet owner at a Fixed Base Operator (FBO). Mr. McNeeley answered that a small t-hangar rents for \$294.00/month and a jet can rent space at the FBO for \$15,000.00/month.

CM Zermeño asked about the effect of a jet on the pavement versus the effect of a small aircraft. Mr. McNeeley stated that several factors affect pavement wear, including the number of takeoffs and landings, and the point load of each aircraft. Wet weather also affects the pavement surface.

CM Zermeño commented that he is fine with the proposed rent increases as the rental rates are still trying to catch up to the market rate study of 2017.

A motion was made by CM Goldstein and seconded by CM Syrop to recommend presentation of this item to City Council for their approval after Airport Staff holds a meeting with the tenants. The motion passed unanimously.

4. Oral Presentation: Update on Reuse of Skywest Property

Airport Manager McNeeley presented the informational report. He added that staff will be attending the Eden Area Municipal Advisory Council (Eden Area MAC) meeting on February 14, 2023, to present the same information to that group.

Committee Questions

Council Member Goldstein asked for more information on the plans for redevelopment of Skywest Property. Airport Manager McNeeley suggested the most complete information can be found on the Airport's website.

CM Syrop questioned the current impact of aircraft and jet fuel emissions on the surrounding neighborhood versus the proposed development. Airport Manager McNeeley answered that there would be no associated increase with jet fuel emissions because the proposed aviation development is shade hangars with solar panels for small aircraft. Additionally, this project has not yet had the required National Environmental Policy Act (NEPA) & California Environmental Quality Act (CEQA) evaluations.

CM Syrop asked what the difference was between Runway Protection Zone and Runway Safety Area. Mr. McNeeley stated the two areas are similar in size and shape and overlap on the Skywest Property redevelopment plan.

CM Syrop wants to see the wildlife and ecological information when it is received.

Public Comments

Mimi Dean, resident, pointed out conflicting runway safety zone depictions between the GIS map on the website and the map used in the slideshow presentation. Other items included ensuring compliance with the City's Master Plan related to park spaces; preservation of the monarch butterflies and western palm turtles; and California Executive Order N-82-20, which pertains to climate change. Director Ameri said that staff will review these items and give a response to the CAC.

Liz Dennis-Eisler, resident, is against removing the ponds at the Skywest Property, wants to keep the open space, and is against additional business parks.

Ann E Maris, PhD, feels the priority for the airport and neighborhood should be open green space and needs to keep the environment in mind when developing open space.

Douglas Spalding, resident, urged the committee to not develop the Skywest Property because it has become a community space and environmental habitat for wildlife since the golf course closed. He suggested that the Airport lease the property for \$1.00/year to East Bay Parks & Recreation District to manage it.

Sheila McClellan, resident, said that the Skywest property is part of the wetland network and needs to be preserved.

Committee Comments

None.

5. Updated 2023 Agenda Planning Calendar

Airport Manager McNeeley presented the informational report of the upcoming items.

Committee Questions

CM Goldstein asked about internship opportunities at the airport. Mr. McNeeley responded that staff is looking into what is available and will report back to the committee.

Public Comments

Douglas Spalding asked about local youth programs and activities on the airport.

Committee Comments

No comments or requests for additional agenda items by the Committee.

Committee Member/Staff Announcements and Referrals

Both CM Syrop and CM Goldstein thanked Airport staff and the public for their participation in the meeting and the great discussion of the topics.

CM Goldstein announced a meeting of the South Hayward NAACP on Saturday, January 28, 2023, between 1:00-3:00 p.m. at Hayward City Hall. He encouraged everyone to attend.

Airport Manager McNeeley announced that the annual operations for CY2022 were up to 134,312. He also shared that CY1978 had the most operations on record with 427,000.

ADJOURNMENT

The meeting adjourned at 7:12 p.m.

Meeting Attendance

	Present 01/26/23 Meeting	Present to Date This Calendar Year	Excused to Date This Calendar Year	Absent to Date This Calendar Year
Francisco Zermeño	✓	1	0	0
George Syrop	✓	1	0	0
Dan Goldstein	✓	1	0	0