

Official Minutes for CAC Meeting on February 1, 2018

*Minutes were approved by the CAC on April 12, 2018*



DATE: April 12, 2018

TO: Council Airport Committee

FROM: Interim Director of Public Works

SUBJECT: Approval of Minutes of the Council Airport Committee (CAC) Meeting held on February 1, 2018

#### CALL MEETING TO ORDER

Council Member (CM) Zermeño called the meeting to order at 5:30 p.m. with CM Salinas and CM Mendall present.

City staff: Alex Ameri, Interim 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:

Ross Bausone	Drew Detsch	Wayne Phillips
Scott Briggs	Lloyd Emberland	Harry Shin
Bob Burnett	Kevin Flynn	Daniel Shuck
Jim Carnathan	David Gregerson	Jerry Turney
Maggie Cook	Bob Hamilton	Kate Turney
Wayne Cook	Joe Ilmberger	Karla Werninghaus
David Cunningham	Steve Ilmberger	Christine Young

#### PUBLIC COMMENTS

CM Zermeño apologized for being unable to attend the January 11<sup>th</sup> meeting because he was traveling.

CM Mendall apologized to the audience for having to cancel the January 11<sup>th</sup> meeting due to medical issues.

## Staff Announcements

CM Zermeño announced that Morad Fakhrai retired in December 2017, and Alex Ameri is the Interim Public Works Director.

Airport Manager Doug McNeeley announced the passing of Mr. Gary Briggs, President of Ascend Development, on October 29, 2017 and provided a brief overview of his career and history with the Airport.

### 1. Approval of Minutes for October 12, 2017

Minutes approved as submitted.

### 2. Selection of Consultant for Airport Infrastructure Study

Airport Manager Doug McNeeley presented the report.

CM Mendall requested clarification on whether the infrastructure study would include cost estimates for catching up on deferred maintenance, updating the buildings, rebuilding hangars (if needed), and constructing hangars on the southside of the Airport near Taxiway Z. Mr. McNeeley responded that there would be a cost estimate for everything mentioned except for the new hangars on the southside by Taxiway Z. He offered to add that request to the scope of work.

CM Mendall questioned if the study would look at land leases with upcoming expiration dates. Mr. McNeeley explained the scope was limited to the currently vacant parcels, but that the Airport could add that parameter to the scope of work.

CM Mendall stated that since the study will include growth projections, it should also include a recession in the next 5-10 yrs. He noted that all City of Hayward planning documents do this.

CM Salinas queried if the scope of work was only within the boundary of the Airport, or if it would include other economic development opportunities such as retail. Mr. McNeeley clarified that the scope is only within the Airport boundary. Staff is currently working with the FAA to release the former California Air National Guard (CANG) site from an aeronautical use category to non-aeronautical to allow for more development options. Past FAA-approved releases of land allowed for developments such as the Target shopping center, Home Depot, and Smart & Final.

CM Salinas asked why there was only one bid to the RFP. Mr. McNeeley answered that one response is not unusual. Airport staff took the extra step to contact the non-responsive companies to ask why they did not submit proposals. The general response was that they were too busy with other projects. Mr. Ameri stated that Mr. McNeeley went beyond standard practice by asking ten companies to submit a proposal, stating that it was also posted on the City's website and advertised in the newspaper. In Public Works, staff is much more selective by picking only three to four known consultants and asking them to send in a proposal. Staff

reviews each proposal to compare the scope and cost. In Mr. Ameri's opinion, the proposal by Kimley-Horn is very reasonable.

CM Zermeño asked who determines if a building would either be renovated or rebuilt. Mr. McNeeley replied that it would be determined by recommendations from the consultant, and the CAC and other stakeholders would have input. Ultimately, City Council will decide.

CM Zermeño commented that he liked the idea of a STEM-related area on the Airport, which also serves the tenant's needs. He would support a study recommendation which supported this in the development plans.

Kevin Flynn, Kimley-Horn & Associates consultant, spoke about his experience, the company, and the subcontractors that will be used to complete the study.

In terms of the project, Mr. Flynn thought the limited number of responses the City received for the RFP was due to the combination of expertise needed. Because of this, Kimley-Horn will be using three subcontractors: Faithful & Gould (finance and facility condition assessment); Coffman & Associates (Airport Master Plans and future forecasts of facility needs); and Applied Development Economics (analysis of space demands, development, and likely return on investment). Mr. Flynn proceeded to provide a brief description of each company.

Mr. Flynn then answered questions from the Council Members pertaining to the work scope and project phases.

#### Public Comments:

Drew Detsch, tenant for 34-years, spoke about the RFP and its tone. He feels the Airport wants to replace, not renovate buildings, and the study does not address airfield paving. His full statement has been posted on the City of Hayward website with the other documents for the CAC Meeting dated February 1, 2018.

Harry Shin, a hangar tenant, spoke about concerns regarding the RFP and the study. The tenants are suspicious of the study and of the contractor chosen. The cost of the study (\$110,000) is equal to the cost of the extra revenue generated by the FY2018 increase in hangar rents. Mr. Shin thinks the CAC members need to be critical when they examine the proposal by Kimley-Horn and the negotiated scope of work, and they should be a voice of reason. The CAC report states that Kimley-Horn will work closely with designated stakeholders.

Jerry Turney, hangar tenant, spoke about the cost of the study and hangar conditions. Mr. Turney's full statement has been posted on the City of Hayward website with the other documents for the CAC Meeting dated February 1, 2018.

Kate Turney, member of the Hayward Hangar Group, spoke about the study cost, hangar rent increase, and public information requests. Mrs. Turney's full statement has been posted on the

City of Hayward website with the other documents for the CAC Meeting dated February 1, 2018.

CM Salinas queried how many different stakeholders can be included with the study and meetings with Kimley-Horn. Mr. McNeeley responded that it would be commercial and individual stakeholders.

CM Salinas asked if this study is just an assessment of the assets we have, or if there is a possibility that some of the hangars will be transformed into another use. Interim Public Works Director Alex Ameri said that this infrastructure plan will be a guiding document for the CIP; to schedule the maintenance and improvement projects. The Airport Infrastructure Plan will not be implemented without scrutiny and verification.

CM Salinas referred to Mr. Detsch's concerns about airfield paving not being included in the scope of work, and the replacement of hangar buildings instead of repairing them. CM Salinas asked for clarification. Mr. McNeeley answered that airfield pavement condition is not in the scope because the Airport had a separate study for the paving about a year ago. Mr. Ameri added that this study will not address the simple maintenance issues or improvements but will make overall recommendations for the longevity of the 21 structures. Mr. Ameri then addressed Mr. Turney's comment about the life of steel structures. Mr. Turney stated that steel structures last about 100 years, and most of the hangar buildings are only 30 years old. Regardless of the official lifespan, the steel hangar buildings should be inspected regularly to obtain an understanding of the condition. For example, water pipes officially have a 50-year lifespan, but the City of Hayward inspects them regularly for safety concerns. Some pipes do not last the full 50 years while others have a use beyond the expectation.

CM Salinas shared the concern about the Airport receiving only one response to the RFP. He asked if staff could contact the companies who passed on the opportunity again. Mr. Salinas asked Mr. McNeeley, if they were interested in the project now, what the timeline would be to submit a proposal. Mr. McNeeley thinks the timeline is 30 to 60 days, but he would have to review the City's procurement policy. In addition, the Airport would likely have to start a new RFP for the Infrastructure Study. Mr. Ameri added that if a new RFP was released, then Kimley-Horn may no longer be able to submit another proposal.

CM Salinas stated that he wants to see stakeholders participate in the study. He expressed concern that the infrastructure study could gentrify the Airport.

CM Mendall asked for Mr. Ameri to compare the proposed cost of the study to that of the facility plan at the Water Treatment Plant. Mr. Ameri stated that three proposals were received, and the chosen vendor's cost is \$700,000 with a study completion deadline of one year. The plant is smaller than the Airport, and the costs are higher because of the different expertise needed.

CM Mendall stated that Hayward Area Recreation District's (HARD) Master Plan costs \$1 million. In comparison to similar studies commissioned by the City of Hayward, the Airport Infrastructure Study is low cost and reasonably priced. He wants the study so there are facts

and data at hand to make long-term decisions about the Airport's needs. CM Mendall recommended a change to the scope of work: remove the two parcels that the Airport just signed new ground leases for and add any existing leaseholds that have an expiration date within the next five to ten years. He hopes and expects that all existing hangars will remain.

CM Zermeño commented that he, too, wants to protect the base of the Airport and does not expect the hangars will be replaced with a new use. CM Zermeño wants to continue to see the participation of the tenants as we move forward with the study. CM Zermeño also wants to add to the scope of work for Kimley-Horn: the vacant parcel of land by Taxiway Z.

A motion was made by CM Mendall, seconded by CM Salinas, with CM Zermeño in support, to recommend the selection of the consultant for the Airport Infrastructure Study to City Council for approval.

### 3. New Lease with Velo II, LLC.

Airport Manager Doug McNeeley presented the report.

CM Mendall commented that in future negotiations for land leases, there should be a structure in the rent escalation to reflect inflation.

Public Comments:

Jerry Turney, hangar tenant, spoke in support of the new lease. Mr. Turney's full statement has been posted on the City of Hayward website with the other documents for the CAC Meeting dated February 1, 2018.

A motion was made by CM Salinas, seconded by CM Zermeño, with CM Mendall in support, to recommend the Velo II, LLC. lease to City Council for approval.

### 4. New Lease with Briggs Resources, Inc.

Airport Manager Doug McNeeley presented the report.

CM Zermeño asked if there will be a plaque or something else to commemorate Mr. Gary Briggs. Mr. Scott Briggs confirmed that there will be something at this new leasehold in his honor.

CM Mendall commented that in future negotiations for land leases, there should be a structure in the rent escalation to reflect inflation.

A motion was made by CM Salinas, seconded by CM Mendall, with CM Zermeño in support, to recommend the Briggs Resources, Inc. lease to City Council for approval.

Public Comments:

None

5. Proposed 2018 Agenda Planning Calendar

Doug McNeeley, Airport Manager, presented the report. The planning calendar will be used to schedule future CAC meetings. Mr. McNeeley asked if the CAC wanted to add any items to the proposed schedule.

CM Zermeno commented that a colleague at Chabot College complained about aircraft noise from the surrounding neighborhood, and that there was talk of a class-action lawsuit. He encouraged the person to call the Airport's Noise Hotline; otherwise, staff will not know about the problem.

CM Mendall suggested that staff add a discussion about possible rent increases for FY 2019.

Public Comments:

None

Future Agenda Items

1. CIP Update (April 2018)
2. Hangar Occupancy Study (April 2018)
3. Hangar Rent Increase for FY2019 (April 2018)
4. Update on Infrastructure Study (July 2018)
5. Update on the feasibility of a U.S. Customs office at HWD (July 2018)

Committee Member/Staff Announcements and Referrals

CM Salinas offered his condolences to Mr. Scott Briggs on the passing of his father. CM Zermeno asked that Interim Public Works Director Alex Ameri contact the City Manager's office about planting a tree in Mr. Gary Briggs' name.

ADJOURNMENT

The meeting adjourned at 7:06 p.m.