



**DATE:** January 27, 2022

**TO:** Council Airport Committee

**FROM:** Director of Public Works

**SUBJECT:** 22005 Skywest Drive: Assignment/Assumption of Lease with William Field

### **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, Incorporated. In 2019, the Trustee requested that lease rights be conveyed from William Field (as an individual) to Bud Field Aviation, Inc. This action was approved by the CAC on September 19, 2019, and by the Council on October 1, 2019. At this time, the trustee is requesting that lease rights be conveyed from Bud Field Aviation, Inc. to Friends of Bud Field, LLC, who is led by Adam Grosser, a long-time tenant at the airport. 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 February 22, 2022

### **BACKGROUND**

Mr. William “Bud” Field became an individual tenant at Hayward Executive 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 the 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 of long-time tenants 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. Mr. Grosser is currently the Chairman of UP Partners, an investment firm focused on mobility and has been a tenant of Bud Field since 2000. Additionally, Mr. Grosser has been an enthusiastic supporter of Young Eagles and the annual Airport Open House and is committed to supporting the Airport.

The other members of the LLC include executives 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. Over time, they are planning a series of modest improvements, such as exterior paint, 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 forwarded to Council on February 22, 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', is written above a horizontal line.

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Kelly McAdoo, City Manager