



**DATE:** June 7, 2022

**TO:** Mayor and City Council

**FROM:** Director of Public Works

**SUBJECT:** Adopt a Resolution Authorizing the City Manager to Negotiate and Execute an Assignment/Assumption of Lease with Friends of Bud Field, LLC, for Property located at 22005 Skywest Drive

### **RECOMMENDATION**

That the City Council adopts the attached resolution (Attachment II) authorizing the City Manager to negotiate and execute an Assignment/Assumption of Lease with Friends of Bud Field, LLC, for Property located at 22005 Skywest Drive, in a form to be approved by the City Attorney.

### **SUMMARY**

William “Bud” Field entered into a lease with the City 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, Inc., (Bud Field). 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 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 Bud Field hangar. The other partners are also long-time tenants. The subject property is depicted in Attachment III.

#### *Council Airport Committee Review*

This item was presented to the Council Airport Committee during their April 28, 2022<sup>1</sup> meeting and was unanimously recommended for Council approval.

### **BACKGROUND**

Mr. William “Bud” Field became an individual tenant at Hayward Executive Airport (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

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<sup>1</sup> <https://hayward.legistar.com/LegislationDetail.aspx?ID=5567169&GUID=07B04B65-108B-4235-9AF2-523E20242C1B&Options=&Search=>

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 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 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. Adam is currently the Chairman of UP Partners, an investment firm. Mr. Grosser has been a tenant of Bud Field since 2000. Additionally, he has been an enthusiastic supporter of Young Eagles and the annual Airport Open House.

The other members of Friends of Bud Field, LLC include executives employed 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. They are planning a series of improvements, including exterior painting, 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, of approximately \$28,000 annually.

## **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 approved, Airport staff will circulate the Assignment, Assumption, and Consent Agreement for execution by the City Manager.

*Prepared by:* Doug McNeeley, Airport Manager

*Recommended by:* Alex Ameri, Director of Public Works

Approved by:



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Kelly McAdoo, City Manager