



DATE: June 23, 2026

TO: Council Infrastructure and Airport Committee

FROM: Director of Public Works

SUBJECT: Joint Agency Discussion and Recommendation to City Council on Revised Site Plan for Skywest Property

RECOMMENDATION

That the Council Infrastructure and Airport Committee (CIAC) hold a joint meeting with the Capital Outlay Standing Committee of the Hayward Area Recreation and Park District (HARD) to review a revised site plan for the future use and development of the Skywest Property and recommend the updated concept to the City Council.

SUMMARY

The Skywest Property is a 126-acre site located on the property of Hayward Executive Airport. It was formerly the Skywest Golf Course that was completed in 1963 and operated by HARD between 1975 and 2020. After closure in September 2020, Airport staff assumed basic maintenance of the property and initiated a process to guide future use and development of the site. City staff and consultants prepared an initial site plan for the Skywest Property that included a mix of open space and business park uses, as well as a Runway Safety Area required by the Federal Aviation Administration (FAA) and sought community feedback on the plan. In response to extensive community input, staff is now proposing a revised site plan and seeking review and comment from the CIAC and HARD Capital Outlay Standing Committee and a recommendation of the revised site plan to the full City Council.

FISCAL IMPACT

This project has no adverse impact on the General Fund or Measure C.

However, the maintenance of the Skywest Property does have a significant fiscal impact to the Airport Fund with actual expenses at approximately \$250,000 annually, creating a financial burden on the Airport that cannot be sustained given current revenues.

The reuse has the potential to become a source of significant revenue for the Airport. This revenue will support the long-term financial viability and stability of the Airport and bolster the Airport's ability to cover the required local 10% share of FAA and State monetary grants and meet other operational needs. For instance, revenue from annual lease payments for a 28-acre office park could be over \$1.5 million. In addition, the City's General Fund would benefit from additional business license fees, property tax, and sales tax.

BACKGROUND

The Skywest Property is a 126-acre site located on the property of Hayward Executive Airport (Airport). It was formerly the Skywest Golf Course that was completed in 1963 and operated by HARD between 1975 and 2020. After closure in September 2020, Airport staff assumed basic maintenance of the property and initiated a process to guide future use and development of the site.

The overarching goals guiding the future use of the Skywest Property include: (1) creating a Runway Safety Area in the middle of the property at the end of the Airport's two runways consistent with FAA safety requirements; (2) providing enhanced community-oriented open space and trail opportunities; and (3) planning for business park development that will generate FAA required fair market rate lease revenue to support the long-term financial viability of the Airport, including its operations and maintenance expenses.

As part of the planning process, City staff and consultants held three virtual public scoping workshops during July and August 2021, culminating in an Initial Site Plan (Attachment II), which included 20 acres of open space and several airport hangars at the eastern side of the property, 48 acres of business park development area on the western side, and 28 acres of a Runway Safety Area in the middle of the property at the end of the runways.

Subsequently, City staff solicited extensive community feedback on the Initial Site Plan and received over 700 comments. Additionally, the CIAC, the Hayward Youth Commission, the San Lorenzo Village Homeowners Association, and City Council held public meetings to review and discuss the Initial Site Plan.

The major highlights of the public input include the following:

- Greater public open space and trail opportunities;
- Clearer and enhanced trail connections that link the entire property and provide public access to and from the adjacent community;
- Preservation of existing wildlife and habitat and retention of natural features, such as trees and ponds;
- A landscaping buffer between development and residents
- Specific recreational uses, such as a dog park, an ice/roller rink, bike track, outdoor learning space, agricultural use, disc golf, recreational businesses, smaller golf

course, and an airport viewing area

- Professional management of the open space by a qualified park provider;
- Support for economic development on the site, although some desire to minimize business park use;
- Minimization of the impact of aeronautical development on nearby residents, including minimal to no airport hangars;
- Preservation of the existing clubhouse, if possible;
- One- to two-story height limits; and
- Swapping of the open space and business park uses so that the open space abuts and seamlessly connects with the existing regional shoreline uses along the western edge.

In addition, FAA has identified several airport safety hazards on the Skywest Property that need to be addressed over the next six months, including tall trees in the proposed Runway Safety Area, as well as ponds that are home to turtles and other species that attract birds, which increase the risk of airplane bird strikes.

DISCUSSION

In response to the community input received so far and FAA concerns, City staff proposes a Revised Site Plan (Attachment III) and planning approach that address the feedback in the following ways:

- **Increases the open space** by 20 acres for a total of 50 acres of open space;
- **Plans for a perimeter trail** that links the site and community with the open space opportunity;
- **Decreases the business park development** land by 21 acres to a total of 28 acres and eliminates the airport hangar uses;
- **Swaps open space and business park uses** to connect proposed open space with the regional shoreline uses to the west;
- **Pursuing negotiations with HARD** to add the open space portion of the Skywest Property to HARD's Master Lease Agreement (MLA) with the City so HARD can engage the community and initiate a process to plan, preserve, develop and manage the proposed open space;
- **Continues ongoing discussions with the FAA** regarding the use of less than Fair Market Value (FMV) consistent with FAA policy as stated in Chapter 17 of the FAA Airport Compliance Manual that allows FAA-regulated property to be used at a below market rate for open space; and
- **Develops an implementation plan** that addresses interim safety hazard measures identified by the FAA.

Staff is requesting that the CIAC and HARD Capital Outlay Standing Committee jointly review and comment on the Revised Site Plan and planning approach, and that the CIAC recommend the Revised Site Plan and above approach to the full City Council.

ECONOMIC IMPACT

Future development of this site will generate work for skilled and unskilled tradespeople during the construction phase, and administrative and facility maintenance jobs after the development is completed. In addition to development by HARD, the potential development of business park uses would allow the City to further its presence as an innovative leader for technology in the Bay Area. In addition to attracting highly skilled and educated workers from Hayward and the immediate area, such development has the potential to increase overall economic activity in the City.

STRATEGIC ROADMAP

By allowing for additional airport-specific revenue, development on this site would directly support the Strategic Priority of Improve Infrastructure. Specifically, this item relates to the implementation of the following projects:

Project 11a: Rehabilitate the Pavement in Phases
Project 11d: Design and Construct Capital Improvements

SUSTAINABILITY FEATURES

The action taken for this report will not result in physical development, purchase, or service, or a new policy of legislation. Any physical work will depend on future Council action. The Airport is strongly committed to developing projects that are environmentally responsible. Therefore, staff will ensure that all plans proposed by the developer incorporate features that are in line with the City's sustainability guidelines.

PUBLIC CONTACT

There has been extensive public outreach for this project and area residents and interested parties have provided input that has shaped the Initial Site Plan and Revised Site Plan. The following meetings have taken place regarding the draft site plan:

- Virtual public workshops on July 27, August 10, and August 12, 2021
- Attendance at San Lorenzo Homeowners Association board meeting on September 16, 2021
- Special CAC meeting on September 30, 2021¹

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5150169&GUID=B606AB87-2A1F-4F15-A86F-8753AB1CBECC&Options=&Search=>

- Hayward Youth Commission meeting on October 4, 2021
- Council work session on October 26, 2021²
- CAC meeting on October 28, 2021³
- Airport staff hosted representatives from the San Lorenzo Village Homeowners Association on October 28, 2021, and provided them with a tour of the airport
- Continuous comments have been received from community members at meetings of the Council Infrastructure and Airport Committee, Council Sustainability Committee, and Council between 2021 and the present.

The agenda and staff report for tonight's item have been posted on the City's website and distributed to interested parties.

NEXT STEPS

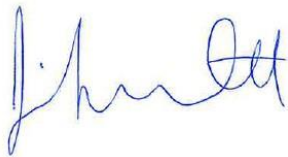
If approved, staff will take the following key next steps:

- Bring the Revised Site Plan and planning approach to the full City Council for review and comment in the Fall;
- Either before or after planned the Council meeting, present the plan to San Lorenzo residents at a convenient location;
- Continue negotiation, planning and transactional next steps with HARD and the FAA on the MLA amendment and Revised Site Plan; and
- Prepare an implementation plan on addressing safety hazards and bring it back to CIAC for further review in the Fall.

Prepared by: Doug McNeeley, Airport Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



² <https://hayward.legistar.com/LegislationDetail.aspx?ID=5192091&GUID=AFAC6EF5-FB0C-4115-85E6-16F2FBCE8A11&Options=&Search=>

³ <https://hayward.legistar.com/LegislationDetail.aspx?ID=5192647&GUID=ADDAE650-9955-48CD-AD17-D8F35A403983&Options=&Search=>

Jennifer Ott, City Manager