



CITY OF  
**HAYWARD**  
HEART OF THE BAY

DATE: July 22, 2010  
TO: Council Airport Committee  
FROM: Robert A. Bauman, Director of Public Works  
SUBJECT: Informational Update on the California Air National Guard Site

**RECOMMENDATION**

That the Committee accepts this report as an informational update only; no action is necessary.

**BACKGROUND**

Airport staff has been working closely with the California Air National Guard (CANG) in preparation for complete transfer of the airport site to the City. Meetings were held in February 2009 and March 2010 with various state and federal agencies to resolve issues and develop a plan of action that would allow the seamless turnover of the site to the City. The State of California Department of Toxic Substances Control (DTSC) has been working with the CANG to address additional environmental issues revealed during site testing in March of 2010. A defined plan of action is needed to mitigate both state and federal environmental concerns.

**DISCUSSION**

Following selection of Hayward Airport Development, LLC as the top proponent to redevelop the site, City staff has held regular discussions with the developer. Lease negotiations were progressing smoothly until new information obtained during a site closure Environmental Assessment was revealed in March 2010. The CANG, at that time, was unable to reach an acceptable plan of action with the DTSC that would allow either partial or full reuse of the property. More recent discussions and meetings have defined a plan of action to allow a turnover of the site to the City of Hayward, detailed in the attached correspondence from the National Guard Bureau, dated June 24, 2010 (Attachment 1).

The correspondence indicates that CANG is now seeking immediate transfer of twenty-four acres of the site to the City of Hayward, less three acres of property that will remain under Army National Guard control. The terms included in the correspondence will require the City and the developer to enter into agreement with the CANG allowing unrestricted access to the site for environmental remediation activities. The CANG has indicated a twenty-one month period of time necessary to

submit a new proposed plan of action to DTSC and to complete a new Environmental Record of Decision.

Staff is preparing a response to the CANG that will ensure the City of Hayward's acceptance of the site in no way obligates the City for any environmental liability stemming from the cleanup or past use of the site. The attached correspondence indicates that the CANG has agreed it will be responsible for all actions related to cleanup.

At this time, it is unknown what actions may be necessary to complete full clean up the site or how the ongoing cleanup activity will impact any future development. The CANG and the State of California have both verbally agreed that reuse of the existing hangar and portions of tarmac required to gain access to the runways can be made available to SP Aviation for use with minimal impact to SP's operations. However, it remains uncertain at this time what new development, other than upgrades to the existing CANG hangar, can occur.

Bud Field Aviation (BFA) has plans to construct new fuel storage and dispensing facilities on the south side of the airport. Until BFA's fuel storage and dispensing facility is constructed on the airport's south side, SP Aviation will have limited access to aviation fuel. Mobile refuelers are not authorized to cross the runways to access the south side. Staff clearly indicated in the RFP and during the interviews that only self-fueling would be allowed and that the development of the CANG site in no way will construe the rights of a Fixed Base Operator to the developer. At present, BFA has hired an environmental consultant to assist with completion of environmental studies necessary to comply with the FAA required National Environmental Policy (NEPA) and State of California Environmental Qualities Act (CEQA). The BFA development will not occur on the Airport until the environmental clearances are received, which may take up to twenty-four months to complete.

## **PUBLIC CONTACT**

This project will be subject to the normal public review process through this and future CAC meetings and subsequent Council review of the lease agreement, once negotiated and finalized. Staff has also provided informational presentations to the San Lorenzo Village Homeowners Association on planning at the Airport. The last presentation was held on May 20, 2010 concerning the Airport Layout Plan Update. When more information is available on the CANG development, staff will again offer to update the community.

## **SCHEDULE**

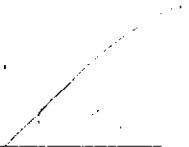
Staff will resume negotiations with Hayward Airport Development, LLC in August of 2010. The development schedule is contingent upon the CANG's completion of the submitted plan of action for site cleanup and DTSC agreement for site closure activities. The initial, short-term goal will be to restore and reuse the existing CANG hangar as rapidly as possible, a project that will also require pavement rehabilitation of existing tarmac areas, and construction of a new paved taxiway. A

specific development schedule will be negotiated in the lease, but it is estimated that the timing of construction of any new hangers in later phases will be in the thirty-six to seventy-two month range.

*Prepared by:* Lloyd Partin, Airport Manager

*Recommended by:* Robert A. Bauman, Director of Public Works

Approved by:

  
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Fran David, City Manager

Attachments:

Attachment I - CANG Letter to City of Hayward