



PORT OF OAKLAND

SUPPLEMENTAL BOARD AGENDA

Thursday, July 28, 2016

Board Room – 2nd Floor

The Public Portion Of The Meeting Will Begin At 3:00 p.m.

ROLL CALL

Commissioner Cluver, Commissioner Hamlin, Commissioner Martinez, Commissioner Yee, 2nd Vice-President Story, 1st Vice President Butner and President Colbruno.

1. CLOSED SESSION (1:00 p.m.)

Closed Session discussions and materials may not be disclosed to a person not entitled to receive it, unless the Board authorizes disclosure of that confidential information.

- 1.1 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION** (Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9): **Number of Matter: 1**

File ID: [242-16]

- 1.2 THREAT TO PUBLIC SERVICES OR FACILITIES** - (Pursuant to California Government Code Section 54957).

Consultation With: Aviation Security Manager

File ID: [243-16]

- 1.3 CONFERENCE WITH LABOR NEGOTIATOR** - (Pursuant to California Government Code Section 54956.8)

Unpresented Employee: Unit H & Unit M

File ID: [244-16]

1.4 CONFERENCE WITH REAL PROPERTY NEGOTIATOR - (Pursuant to California Government Code Section 54956.8)

Property: Berths 20-24 (Port of Oakland)

Negotiating Parties: Gulftainer USA, LLC; Anglo Ports Pty Ltd.; and Port of Oakland

Agency Negotiator: John Driscoll, Director of Maritime

Under Negotiation: Price and Terms of Payments; Various Others

Property: Berths 25-26 (Port of Oakland)

Negotiating Parties: TraPac, LLC and Port of Oakland

Agency Negotiator: John Driscoll, Director of Maritime

Under Negotiation: Price and Terms of Payment

Property: Maritime Street, Oakland (former Oakland Army Base)

Negotiating Parties: Union Pacific Railroad, City of Oakland and Port of Oakland

Agency Negotiator: John Driscoll, Director of Maritime

Under Negotiation: Negotiations on Terms of Rail Facility Development, Operations and Access

Property: Maritime Street, Oakland (Approx. 19 acres, former Oakland Army Base)

Negotiating Parties: CenterPoint Properties, and Port of Oakland

Agency Negotiator: John Driscoll, Director of Maritime

Under Negotiation: Price and Terms of Lease and Development

File ID: [245-16]

OPEN SESSION/ROLL CALL

Commissioner Cluver, Commissioner Hamlin, Commissioner Martinez, Commissioner Yee, 2nd Vice-President Story, 1st Vice President Butner and President Colbruno.

CLOSED SESSION REPORT

The Port Attorney or Board Secretary will report on any final actions taken in Closed Session.

2. CONSENT ITEMS

Action by the Board under "Consent Items" means that all matters listed below have been summarized and will be adopted by one motion and appropriate vote. Consent Items may be removed for further discussion by the Board at the request of any member of the Board.

- 2.1 Resolution:** Approval to Extend the Term of the Existing Fourth Supplemental Agreement from July 20, 2016 to December 31, 2017 with Nordhav Inc., dba BASELINE Environmental Consulting, to Support Hazardous Materials Clean-up at the former Oakland Army Base and Vicinity with No Increase in Maximum Compensation (Engineering)

File ID: [\[212-16\]](#)

Attachments: [Agenda Report](#)
 [Map](#)
 [Resolution Item 2.1](#)

- 2.2 PULLED:** ~~Ordinance: Adoption of an Ordinance Authorizing Execution of Amendment No. 1 to Space/Use Permit with MAG US Lounge Management LLC to Add Storage and Support Space and to Modify the Latest Opening Date to January 1, 2017. (Aviation)~~

File ID: [\[224-16\]](#)

Attachments: [Agenda Report](#)
 [Ordinance Item 2.2](#)

- 2.3 Ordinance 4283,** 2nd Reading Of An Ordinance Authorizing And Approving Amendment Of Lease And Access Agreement With The City Of Oakland On The Former Oakland Army Base.

File ID: [\[236-16\]](#)

Attachments: [Ordinance 4283](#)

- 2.4 Ordinance 4284,** 2nd Reading Of An Ordinance Approving And Authorizing The Executive Director To Execute A Purchase And Sale Agreement With The City Of Oakland For Parcel 15a At The Former Oakland Army Base.

File ID: [\[237-16\]](#)

Attachments: [Ordinance 4284](#)

- 2.5 Ordinance 4285,** 2nd Reading Of An Ordinance Approving Amendment No. 1 To License And Concession Agreement With City Of Oakland To Utilize Hangar Space By Oakland Police Department - Aerial Support Unit At Oakland International Airport.

File ID: [\[238-16\]](#)

Attachments: [Ordinance 4285](#)

- 2.6 Ordinance 4286,** 2nd Reading Of An Ordinance Approving Amendment No. 3 To Space/Use Permit - Public Pay Telephone Concession With Jaroth Inc. Dba Pacific Telemanagement Services.

File ID: [\[239-16\]](#)

Attachments: [Ordinance 4286](#)

- 2.7 Ordinance 4287**, 2nd Reading Of An Ordinance Approving Space/Use Permits With New Zoom, Inc. Dba Zoomsystems And Souvenear, LLC Dba Souvenear To Operate A Non-Exclusive Automated Specialty Retail Concession At Oakland International Airport And Approving A Space/Use Permit With MSH Radcliffe Inc. For Concession Services.

File ID: [\[240-16\]](#)

Attachments: [Ordinance 4287](#)

- 2.8 Ordinance 4288**, 2nd Reading Of An Ordinance Amending Ordinance No. 4079 To Modify Definitions, Clarify Specific Terms And Decrease Off-Airport Rental Car Company Customer Facility Charge.

File ID: [\[241-16\]](#)

Attachments: [Ordinance 4288](#)

- 2.9 Report:** Appointments, Separations and Leaves of Absence for FY 2015-16, 4th Quarter (April 1, 2016 - June 30, 2016). **(Finance & Admin)**

File ID: [\[633-15\]](#)

Attachments: [Report](#)

3. MAJOR PROJECTS

This segment of the meeting is reserved for action and discussions regarding the status of Major Projects and issues of special importance.

4. BUDGET & FINANCE

This segment of the meeting is reserved for action or discussion regarding the status of Budget and Finance issues.

- 4.1 Report:** Unaudited Financials for 11 months ended May 31, 2016. **(Finance & Admin)**

File ID: [\[632-15\]](#)

Attachments: [Report](#)

5. STRATEGY & POLICY

This segment of the meeting is reserved for action or discussion on Strategy and Policy Issues.

- 5.1 Report:** Overview from the Executive Director on the Status of Strategic Planning Process **(Executive Office)**

File ID: [\[234-16\]](#)

Attachments: [Report](#)

6. REMAINING ACTION ITEMS

Remaining Action Items are items not previously addressed in this Agenda that may require staff presentation and/or discussion and information prior to action by the Board.

- 6.1 Resolution:** Authorization to Enter into a New Professional Services Agreement with InterVISTAS Consulting LLC, to Support Air Service Development from Oakland International Airport to North America, Europe, Mexico, Central and South America. **(Aviation)**

File ID: [\[207-16\]](#)

Attachments: [Agenda Report](#)
[Resolution Item 6.1](#)

- 6.2 Resolution:** Budget Authorization to Proceed with Planning and Design for Certain Capital Improvements at the Rental Car Center at Oakland International Airport **(Aviation)**

File ID: [\[213-16\]](#)

Attachments: [Agenda Report](#)
[Resolution Item 6.2](#)

- 6.3 Resolution:** Authorization to Approve Project Budget in the Amount of \$883,000, to Authorize the Director of Engineering to Approve Project Plans and Specifications, and Authorization for the Executive Director to Execute a Construction Contract in an Amount Not to Exceed \$471,000 for an Airport Restroom Reconstruction Project. **(Aviation)**

File ID: [\[217-16\]](#)

Attachments: [Agenda Report](#)
[Resolution Item 6.3](#)

- 6.4 Resolution:** Capital Budget Authorization, Approval to Accept Federal Grant Funding and Related Approvals to Enter into a Contract for Design Services for the Runway 12-30 Rehabilitation Project, South Field, OAK with Kimley-Horn and Associates for a maximum contract amount not to exceed \$5,100,000. **(Aviation)**

File ID: [\[222-16\]](#)

Attachments: [Agenda Report](#)
[Resolution Item 6.4](#)

- 6.5 Resolution:** Authorization for Executive Director to Execute a Supplemental Agreement with the Alameda County Sheriff's Office (ACSO) to (1) Increase Maximum Compensation for FYs 2013-2017 and (2) Extend the Term for Two Additional Years and Increase Corresponding Maximum Compensation (FY 2018 and FY 2019). **(Aviation)**

File ID: [\[223-16\]](#)

Attachments: [Agenda Report](#)
 [Resolution Item 6.5](#)

- 6.6 Ordinance:** Approval of *Amendment No. 3 to Space/Use Permit for Specialty Retail/Wine Bar Concession* with Taste Inc. dba Vino Volo to Incorporate Space E-4 and to Extend the Term of the Agreement through May 31, 2021 at Oakland International Airport **(Aviation)**

File ID: [\[226-16\]](#)

Attachments: [Agenda Report](#)
 [Ordinance Item 6.6](#)

- 6.7 Resolution:** Authorization for Executive Director to Execute a Reimbursement Services Agreement, Memorandum of Understanding and Related Authorizing Documents with the United States Custom and Border Protection Agency and Authorize Use of the Services for up to Five Years and up to \$6,500,000 of Operating Expense and Authorize the Executive Director to enter into Reimbursable Agreements with each of the Port's Marine Terminal Operators for Costs of the Program in the Maritime Area. **(Aviation and Maritime)**

File ID: [\[235-16\]](#)

Attachments: [Agenda Report](#)
 [Resolution Item 6.7](#)

7. UPDATES/ANNOUNCEMENTS

The President, Members of the Board and the Executive Director will report on noteworthy events occurring since the last Board Meeting.

8. SCHEDULING

This segment of the meeting is reserved for scheduling items for future Agendas and/or scheduling Special Meetings

OPEN FORUM

The Board will receive public comment on non-agenda items during this time. Please fill out a speaker card and present it to the Secretary of the Board.

ADJOURNMENT

The next Regular Meeting of the Board will be held on September 8, 2016.

PUBLIC PARTICIPATION

To Speak on an Agenda Item

You may speak on any item appearing on the Agenda. Please fill out a Speaker's Card and give it to the Board Secretary **before the start of the meeting** or immediately after conclusion of Closed Session. Cards received after the start of the meeting will be treated as a single request to speak in Open Forum. All speakers will be allotted a minimum of one minute.

To Receive Agendas & Related Materials

Should you have questions or concerns regarding this Agenda, or wish to review any of the Agenda Related Materials, please contact the Board Secretary, John Betterton, at: (510) 627-1696, or visit our web page at: www.portoakland.com
<<http://www.portoakland.com>>

To receive Port Agendas and Agenda Related Materials by email, please email your request to: jbetterton@portoakland.com

Disability Related Modifications

Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting, may submit a written request, electronic request, or telephone request [via the California Relay Service (telephone) for the hearing impaired at (800) 735-2922], to the Secretary of the Board **no later than five working days** prior to the scheduled meeting date.

John Betterton, Secretary of the Board
530 Water Street, Oakland, CA 94607
jbetterton@portoakland.com
(510) 627-1696

Language & Interpretive Services

As a grantee of federal aid grant funds from the US Department of Transportation, the Port is responsible for ensuring equal access to its programs, services, and benefits. To request bilingual interpreters or materials in alternate formats, please contact the Assistant Secretary of the Board no later than five working days prior to the scheduled meeting date.

Daria Edgerly, Assistant Secretary of the Board
530 Water Street, Oakland, CA 94607
dedgerly@portoakland.com
(510) 627-1337

Scented Products

Please refrain from wearing scented products to this meeting so attendees who experience chemical sensitivities may attend

Commissioner's Statement of Intention

We are a governing Board whose authority lies with the entirety of the Board.

We govern in accordance with our fiduciary duty to the Port of Oakland.

We conduct ourselves with clarity and transparency, grounded in the principles of integrity, trust and respect.

We reach our decisions through candid, open and deliberative debate and hold both staff and ourselves accountable for implementing them.

Legislation Details (With Text)

File #: 212-16 **Version:** 1 **Name:** Extend contract term for Baseline Environmental Consulting from July 2016 to Dec 2017 for OAB clean-up

Type: Resolution **Status:** Consent Agenda

File created: 6/30/2016 **In control:** Board of Port Commissioners

On agenda: 7/28/2016 **Final action:**

Title: Resolution: Approval to Extend the Term of the Existing Fourth Supplemental Agreement from July 20, 2016 to December 31, 2017 with Nordhav Inc., dba BASELINE Environmental Consulting, to Support Hazardous Materials Clean-up at the former Oakland Army Base and Vicinity with No Increase in Maximum Compensation (Engineering)

Sponsors:**Indexes:****Code sections:**

Attachments: [Agenda Report](#)
[Map](#)
[Resolution Item 2.1](#)

Date	Ver.	Action By	Action	Result
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Resolution: Approval to Extend the Term of the Existing Fourth Supplemental Agreement from July 20, 2016 to December 31, 2017 with Nordhav Inc., dba BASELINE Environmental Consulting, to Support Hazardous Materials Clean-up at the former Oakland Army Base and Vicinity with No Increase in Maximum Compensation (**Engineering**)

AGENDA REPORT

Resolution: Approval to Extend the Term of the Existing Fourth Supplemental Agreement from July 20, 2016 to December 31, 2017 with Nordhav Inc., dba BASELINE Environmental Consulting, to Support Hazardous Materials Clean-up at the former Oakland Army Base and Vicinity with No Increase in Maximum Compensation (Engineering)

MEETING DATE: 7/28/2016

AMOUNT: No Financial Impact
Choose an item.

PARTIES INVOLVED: Nordhav, Inc., dba BASELINE Environmental Consulting
Emeryville, CA
Yane Nordhav, Principal

SUBMITTED BY: Richard Sinkoff, Director of Environmental Programs & Planning

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

This Agenda Report seeks authorization from the Board of Port Commissioners ("Board") to approve and execute an extension through December 31, 2017 to the existing supplemental agreement to Contract No. 01377 with Nordhav, Inc., dba BASELINE Environmental Consulting ("BASELINE") to support hazardous materials clean-up at the former Oakland Army Base ("OAB") and vicinity with no increase in maximum compensation. Extending this supplemental agreement will assure continuity of consulting services for environmental investigation and clean-up of certain locations within the OAB pursuant to requirements and protocols set forth in documents and regulatory agreements between the Department of Toxic Substances Control ("DTSC"), and the City of Oakland ("City").

BACKGROUND

OAB Remediation-Remedial Action Plan/Risk Management Plan

On August 7, 2003, the U.S. Army (“Army”) conveyed approximately 364 acres of the OAB to the City¹. Thereafter, through a number of conveyances involving the City, the Port, and others, the City and the Port, each acquired title to certain portions of the OAB. All of this property, also known as the Economic Development Conveyance Property (“EDC Property”), is subject to a September 27, 2002, Remedial Action Plan (“RAP”), which contains, as an appendix, a Risk Management Plan (“RMP”) approved by the DTSC (collectively, the “RAP/RMP”). The RAP/RMP specifies clean-up procedures and risk management procedures that must be followed to control and reduce the potential for exposure of the public, construction workers, and the environment to hazardous materials in soil and groundwater on the EDC Property.

On-Call Environmental Services for Former OAB

On October 2, 2001, the Board awarded a contract to provide *As-Needed Consulting Services Related to the Investigation, Remediation and Reporting Regulatory Requirements on the former Oakland Army Base* to Nordhav, Inc., dba BASELINE Environmental Consulting. Due to the inherent complexity of the former OAB development project and associated required clean-up activities, this contract has a lengthy history. (refer to Table 1).

Table 1 Nordhav, Inc. dba BASELINE Environmental Consulting As-Needed Consulting Services Related to Investigation, Remediation, and Reporting Requirements on the Former Oakland Army Base Contract No. 01377					
DATE	AGREEMENT	RESOLUTION NO.	PRIMARY INVESTIGATION, REMEDIATION, REPORTING, AND SITE COMPLETION/CLOSURE SERVICES PROVIDED	FINAL EXPIRATION	AMOUNT
October 2, 2001	Original Agreement	01377; 01311; 01290	Bldg. 99 RAP Site – Soil and Groundwater Quality Assurance Project Plan Review Analytical Database Creation/Management RMP Support	Not specified	\$660,0000 (includes additional \$110,000 based on Executive Director’s signature)
January 16, 2007	First Supplemental Agreement	07015	Bldg. 807 RAP Site Underground Storage Tanks 11/12/13 RAP Site Bldg. 808/823 and Bldg. 1 RAP Site Support Soil/Materials Management Protocol	Not specified	\$750,000

¹ “City” is collectively referred to include the City of Oakland and all predecessor entities, the Oakland Base Reuse Authority (“OBRA”) and Oakland Redevelopment Agency (“ORA”).

July 20, 2010	Second Supplemental Agreement	10-86	Ecological Risk Assessment Review Storm Water Compliance Five Year Review Mitigation Monitoring and Reporting Underground Storage Tank Closures Bldg. 991 RAP Site	July 20, 2014 (already includes one additional year extension based on Executive Director's signature)	\$900,000
June 5, 2014	Third Supplemental Agreement	14-47	Pollution Legal Liability Insurance Support Berth 10 Stockpile Sampling/Disposal City Redevelopment Oversight on Port Property Port Redevelopment Support	July 20, 2016	N/A
September 14, 2014	Fourth Supplemental Agreement	14-105	Chungking St. Box Culvert Oversight Berth 10 Storm Drain Outfall Support RMP-158 – Soil Sampling and Oversight Under Railroad Trestle Categorical RMP Support Berth 10 Debris Area Investigation / Delineation	July 20, 2016 (unchanged from above)	\$200,000
					Total Contract: \$2.51M

ANALYSIS

A further contract term extension is needed to continue on-going investigation and remediation during construction at the OAB. The scope of services is within the original scope of services of the as-needed contract and includes the following roles and responsibilities:

- Managing soil and groundwater investigation to ensure that all subsurface work is performed in compliance with the RAP/RMP and the Covenant to Restrict Use of Property;
- Collecting, interpreting, and reporting on soil and water samples when contamination is observed, or suspected;
- Preparing remediation specifications, reports, and related documents;
- Evaluating, monitoring, and addressing the potential for construction workers to encounter contaminants whenever soil is disturbed;
- Developing and maintaining environmental databases to track and document progress;

- Providing technical support to Port staff in negotiations with the DTSC and other regulatory agencies; and
- Generating records to support reimbursement of remediation-related costs.

When the Port's OAB development projects started, it was not clear what level of effort would be required to complete investigation and clean-up activities undertaken by BASELINE. At this point, clean-up activities are still required to support development. A fourth supplemental agreement of the BASELINE contract executed in September 2014 increased the compensation \$200,000 for this effort, but not the duration. The current contract balance is approximately \$115,000. Extending the BASELINE supplemental agreement would meet RMP requirements through December 2017, when the current phase of Port construction is expected to be complete. Continuing services are set to commence on July 20, 2016, although due to review and posting requirements, Port staff was not able to present the item to the Board until July 28. There may be minimal services between the start date through July 28th to ensure proper oversight and management of the OAB projects.

BASELINE is currently playing key roles in properly managing the complex environmental regulatory conditions and is well-regarded by the various internal and external stakeholders, including DTSC, the lead regulatory agency. BASELINE is located in Emeryville, inside the Local Impact Area and a relatively short distance from the OAB and Port offices. BASELINE staff (both management and field personnel) has more than fourteen years of experience with OAB remediation activities in various capacities, including working cooperatively with regulatory agencies and City staff. The ability to quickly mobilize technical environmental staff, including professional services from BASELINE, has been, and will remain, important to ensure that all required environmental activities are properly performed, as these constitute a foundational component of the development of the OAB.

Instead of BASELINE, Port staff could use other existing agreements with other consultants or to develop new agreements through a competitive process. However, the value of BASELINE's extensive project-specific history would be lost. Orienting a new consultant to this complicated project will be more expensive and will require more time. This approach risks construction delays with associated higher costs, and/or failure to comply with regulatory mandates and contract requirements, both of which may result in financial penalties, and/or loss of revenue.

BUDGET & STAFFING

This proposed contract term extension to the fourth supplemental agreement with BASELINE has no budget impact because funds were included in the recently adopted Fiscal Year 2016-2017 operating budget. This contract will be utilized on an "As-needed" basis and only remaining budgeted contract funds will be used and no additional funding will be authorized. There is no staffing impact associated with this agenda report.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) does not apply because this contract is for professional services and is not performed by a Port tenant.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Plan

(<http://www.portofoakland.com/pdf/about/strategicPlan2011-2015.pdf>)

- Goal A: Objective 1: Maximize the use of existing assets.
- Goal E: Objective 4: Strengthen contract expenditure controls (i.e., on-call contracts, Technical Services Orders, etc.).
- Goal G: Objective 2: Partner to share risk, accountability, benefits and improve environmental and safety compliance.

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply to this agreement as the service provider does not employ 21 or more employees working on Port-related work. However, the service provider will be required to certify that should living wage obligations become applicable, the service provider shall comply with the Living Wage Regulations.

ENVIRONMENTAL

The proposal to extend the contract term of an agreement with BASELINE to support hazardous materials clean-up at the former OAB and vicinity with no increase in maximum compensation was reviewed in accordance with the requirements of the California Environmental Quality Act ("CEQA") and the Port CEQA Guidelines.

Section 15061(b)(3) of the CEQA Guidelines states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that extending the term of the environmental consulting services agreement will result in a physical change in the environment, and therefore the proposed action is not subject to CEQA and no further environmental review is required.

Furthermore, the investigation and clean-up activities that will be supported by the BASELINE agreement were included in the project description analyzed by the 2002 OAB Area Redevelopment Plan Environmental Impact Report and the 2012 OAB Project Initial Study/Addendum, which were previously considered by the Board. Those documents

analyzed projects to be developed by the Port on its portion of the former OAB, including completion of investigation and clean-up. All construction and operations at the OAB must comply with applicable measures in the adopted Standard Conditions of Approval/Mitigation Monitoring and Reporting Program, which is available online:

<http://www2.oaklandnet.com/Government/o/PBN/OurOrganization/PlanningZoning/s/ApplicationandZoningInformation/OAK042281>.

All projects on the Economic Development Conveyance property at the OAB must be completed in compliance with the September 27, 2002 Remedial Action Plan ("RAP") and Risk Management Plan ("RMP", which is Appendix E to the RAP) prepared for the State of California Department of Toxic Substances Control and the Oakland Base Reuse Authority, which is available online:

http://www.envirostor.dtsc.ca.gov/public/final_documents2.asp?global_id=01970006&doc_id=5003117.

In addition, a Covenant to Restrict Use of Property – Environmental Restriction was recorded for the OAB property on August 8, 2003.

GENERAL PLAN

This action is to approve professional services only and does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)

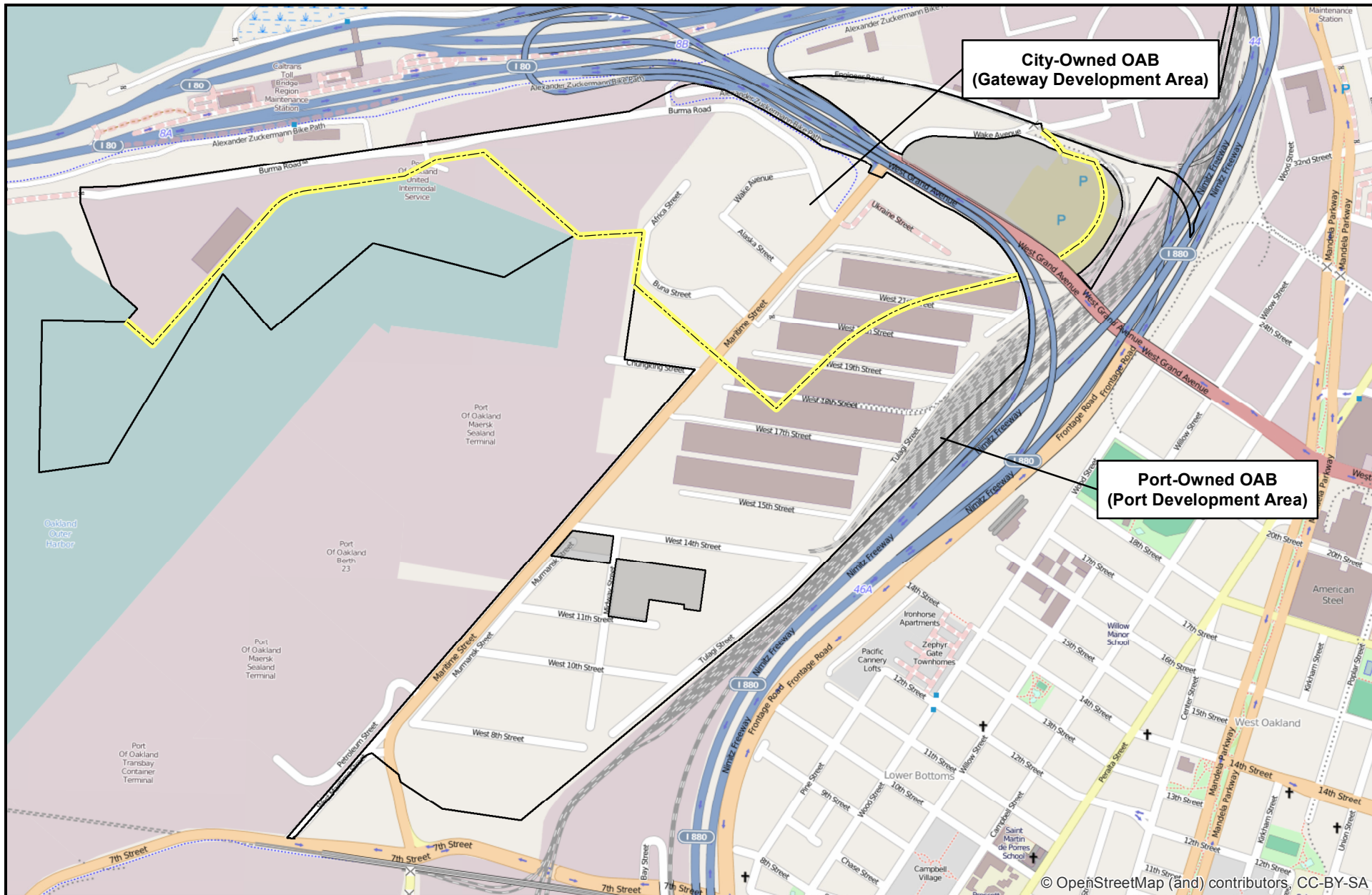
This project is not subject to the Port's Professional Liability Insurance Program (PLIP) as it is not a design project supporting capital improvement construction.

OPTIONS

1. Approve the extension of the term of the existing fourth supplemental agreement from July 20, 2016 to December 31, 2017 with Nordhav Inc., dba BASELINE Environmental Consulting, to support hazardous materials clean-up at the former Oakland Army Base and vicinity with no Increase in maximum compensation in accordance with regulatory requirements.
2. Direct staff to perform hazardous materials monitoring using existing contracts with other consultants or to develop new contracts through a competitive process. This approach will be more expensive and will require more time, and potentially cause construction delays.

RECOMMENDATION

Port staff recommends that the Board adopt a Resolution to approve and authorize an extension to the existing fourth supplemental agreement to Contract No. 01377 with Nordhav, Inc. dba BASELINE Environmental Consulting, to support hazardous materials clean-up at the former Oakland Army Base and vicinity for a term ending December 31, 2017, with no increase in maximum compensation, subject to the terms and conditions stated within the Agenda Report, and subject to the approval as to form and legality by the Port Attorney.



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- Port-City Boundary
- Reserves (RMP Does Not Apply But Similar Restrictions)
- OAB - EDC Boundary

0 1,000 Feet



The Bodhi Group

**Economic Development
Conveyance Area**

Figure

Project No.

Date

FORMER OAKLAND ARMY BASE
OAKLAND, CALIFORNIA

1

9068003

05/2014

**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

**RESOLUTION AUTHORIZING EXTENSION OF TERM THROUGH
DECEMBER 31, 2017 FOR THE AGREEMENT WITH NORDHAV,
INC. DBA BASELINE ENVIRONMENTAL CONSULTING TO
SUPPORT HAZARDOUS MATERIALS CLEAN-UP AT THE FORMER
OAKLAND ARMY BASE.**

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report Item No. 2.1, dated July 28, 2016 ("Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; and

WHEREAS, on October 2, 2001, the Board authorized execution of an agreement with **Nordhav, Inc. dba Baseline Environmental Consulting ("Baseline")** for an amount not to exceed \$660,000 for as-needed consulting services relating to the investigation, remediation, and reporting regulatory requirements on the former Oakland Army Base ("Agreement"); and

WHEREAS, pursuant to Board-approved amendments, the Agreement currently has a maximum contract amount not to exceed \$2,510,000 and a contract term ending no later than July 20, 2016; and

WHEREAS, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. Based upon the information contained in the Agenda Report and testimony received, the Board hereby finds and determines that the extension of term for the Agreement with **Baseline** involves an agreement for services of a professional, technical nature that are temporary in nature and that it is in the Port's best interests to continue to secure such services from **Baseline** through an extension of the Agreement.

SECTION 2. The Board hereby:

A. Approves a Supplemental Agreement with **Baseline** with an extended term ending December 31, 2017 with no additions to the maximum authorized compensation, and as further described in the Agenda Report.

B. Authorizes the Executive Director to (i) execute such Supplemental Agreement described herein and in the Agenda Report, subject to approval of all documents as to form and legality by the Port Attorney and (ii) make such additions, modifications, or corrections as necessary to implement the Agreement or to correct errors, subject to the limitations set forth herein and provided that any such addition, modification or correction does not materially differ from the terms and conditions set forth herein and in the Agenda Report.

SECTION 3. This resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement.

SECTION 4. This resolution shall be effective immediately upon adoption by the Board.

Legislation Details (With Text)

File #:	224-16	Version:	1	Name:	Amendment for MAG Lounge SUP to Add Space and Modify Opening Date
Type:	Ordinance	Status:			Consent Agenda
File created:	7/1/2016	In control:			Board of Port Commissioners
On agenda:	7/28/2016	Final action:			
Title:	PULLED: Ordinance: Adoption of an Ordinance Authorizing Execution of Amendment No. 1 to Space/Use Permit with MAG US Lounge Management LLC to Add Storage and Support Space and to Modify the Latest Opening Date to January 1, 2017. (Aviation)				

Sponsors:**Indexes:****Code sections:****Attachments:** [Agenda Report](#)
[Ordinance Item 2.2](#)

Date	Ver.	Action By	Action	Result
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~~**PULLED:** Ordinance: Adoption of an Ordinance Authorizing Execution of Amendment No. 1 to Space/Use Permit with MAG US Lounge Management LLC to Add Storage and Support Space and to Modify the Latest Opening Date to January 1, 2017. (Aviation)~~

AGENDA REPORT

Ordinance: Adoption of an Ordinance Authorizing Execution of *Amendment No. 1 to Space/Use Permit* with MAG US Lounge Management LLC to Add Storage and Support Space and to Modify the Latest Opening Date to January 1, 2017. **(Aviation)**

MEETING DATE: 7/28/2016

AMOUNT: Maximum Reduction of \$123,667 (Minimum Annual Guarantee Rental) Revenue

PARTIES INVOLVED: MAG US Lounge Management LLC, New York, NY, Beth Brewster, Vice President Commercial, MAG US

SUBMITTED BY: Bryant L. Francis, CM, Director of Aviation

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Ordinance

EXECUTIVE SUMMARY

This action would approve the terms and conditions, and delegate authority to the Executive Director to execute *Amendment No. 1 to Space/Use Permit* with MAG US Lounge Management LLC to add storage and support space and to modify the Latest Opening Date to January 1, 2017.

BACKGROUND

At its meeting of October 8, 2015, the Board of Port Commissioners approved the terms and conditions of a *Space/Use Permit (SUP)* with MAG US Lounge Management LLC (MAG) to construct, maintain and operate a full-service common use airport lounge serving all passengers at Oakland International Airport (OAK) (Ordinance No. 4353). The *SUP* described the lounge premises in Exhibits 1 and 5, and also provided that rent would commence on the date the Lounge first opens to the public, or the "Latest Opening Date", as set forth in Exhibit 5 of the *SUP* as June 1, 2016.

ANALYSIS

As MAG began to develop its construction plans, it experienced unexpected delays in obtaining plan approval from both the City of Oakland and the Alameda County Health Department. As a result, it was unable to make its target opening date of sometime in May 2016. The *SUP* provision for the Latest Opening Date of June 1, 2016 would require MAG to pay rent before it opened to the public, and before it could generate revenue. Since the delay was due to circumstances beyond MAG's control, and because MAG has proceeded diligently

to commence and complete its construction, the proposed *Amendment No. 1 to Space/Use Permit* (the *Amendment*) will change the Latest Opening Date to January 1, 2017. It is expected that construction will be complete and rent will commence much sooner, but in order to allow for any other unforeseen circumstances staff recommends extending the date to January 1, 2017. The monthly portion of the Minimum Annual Guaranty is \$17,666.67. MAG expects to open the lounge by September 1, 2016 resulting in a three month delay in the rent commencement, or a total of \$53,000.00. However, unforeseen circumstances could arise, further delaying the opening. The *Amendment* would cap the maximum reduction in rent at \$123,667.00.

MAG also requires storage and support space outside of its leased Premises. A space was identified for its use, but the Premises were not included in the *SUP*. It is proposed that the *Amendment* will also add space M-102-1033 consisting of 128 square feet to Exhibit 5 (definition of the "Concession Unit") of the *SUP*. There is no rent proposed to be charged for this space, to maintain parity with the other airport concessionaires who do not pay for storage and support space.



BUDGET & STAFFING

Entering into the *Amendment* could result in a maximum reduction of \$123,667 in revenue, however it is anticipated that the reduction in FY2016-17 will be \$53,000. Future year revenues will remain at an annual guarantee of \$212,000 as set forth in the *SUP*.

There will be no change in Port staffing as a result of approving this concession opportunity.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

This *Amendment* does not include additional construction type work beyond that in the *SUP* that is within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and exceeds the thresholds required for coverage under the MAPLA. If the MAPLA is in effect for tenants when Port Permits are requested for future construction type work under this *SUP*, its provisions will apply to that work only.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Plan

(<http://www.portofoakland.com/pdf/about/strategicPlan2011-2015.pdf>)

Goal A: Create Sustainable Economic Growth for the Port and Beyond

- Goal A: Objective 1: Maximize the use of existing assets.
- Goal A: Objective 4: Pursue strategic partnerships at all levels: local, regional, national and international.

Goal B: Maintain and Aggressively Grow Core Businesses

- Goal B: Objective 5: Enhance customer services (i.e., market intelligence, technical knowledge, strategic advice and problem solving).

▪

LIVING WAGE

Based upon a review of the terms and conditions of the *Amendment*, living wage requirements will apply to the *SUP* as amended. Furthermore, the construction portion of this agreement will be subject to construction prevailing wage rates requirements.

ENVIRONMENTAL

CEQA Determination: The *Amendment* is categorically exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15301, Existing Facilities, which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

GENERAL PLAN

Pursuant to Section 727 of the City of Oakland Charter, this project has been determined to conform to the policies for the transportation designation of the Oakland General Plan.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)

The Owner Controlled Insurance Program (OCIP) and Professional Liability Insurance Program (PLIP) do not apply to the matters addressed by this Agenda Report as they are not capital improvement construction or design projects.

OPTIONS

1. Adopt an ordinance to approve, and authorize the Executive Director to execute, the proposed *Amendment No. 1 to Space/Use Permit* with MAG US Lounge Management LLC to add storage and support space and to modify the Latest Opening Date to January 1, 2017. This is the recommended action.

2. Reject the proposed *Amendment No. 1 to Space/Use Permit* with MAG US Lounge Management LLC to add storage and support space and to modify the Latest Opening Date to January 1, 2017 which will cause severe financial hardship to MAG, and instruct staff to modify the proposed Latest Opening Date and/or modify the terms and location of the storage and support space.

RECOMMENDATION

It is recommended that the Board adopt an ordinance approving the proposed *Amendment No. 1 to Space/Use Permit* with MAG US Lounge Management LLC to add storage and support space and to modify the Latest Opening Date to January 1, 2017, and authorizing the Executive Director to execute the *Amendment No. 1 to Space/Use Permit*, subject to the Port Attorney's review and approval as to form and legality.

**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

7/28/16
Item 2.2
CT/1hr
CT [signature]

**ORDINANCE APPROVING AMENDMENT NO. 1 TO SPACE/USE
PERMIT WITH MAG US LOUNGE MANAGEMENT LLC TO ADD
STORAGE AND SUPPORT SPACE AND TO MODIFY THE LATEST
OPENING DATE TO JANUARY 1, 2017.**

WHEREAS, the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the Agenda Report for Agenda Item 2.2, dated July 28, 2016 (the "Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received.

Section 2. The Board hereby approves the terms and conditions set forth in the Agenda Report for the Amendment No. 1 to Space/Use Permit with **MAG US Lounge Management LLC** to add storage and support space and to modify the Latest Opening Date to January 1, 2017.

Section 3. The Board hereby authorizes the Executive Director to execute the Amendment No. 1 to Space/Use Permit with **MAG US Lounge Management LLC**, subject to approval as to form and legality by the Port Attorney.

Section 4. The Board hereby finds and determines that entering into the Amendment No. 1 to Space/Use Permit is not subject to CEQA under CEQA Guidelines Section 15301 (Existing Facilities), which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

Section 5. This ordinance is not evidence of and does not create or constitute (a) a contract(s), or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until a separate written contract is duly executed on behalf of the Board as authorized by this ordinance, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective contract.

Section 6. This ordinance shall be effective upon adoption by the Board.

DRAFT

President.

Attest: _____
Secretary.

Approved as to form and legality:

Port Attorney

Legislation Details (With Text)

File #: 236-16 **Version:** 1 **Name:**

Type: Ordinance **Status:** Consent Agenda

File created: 7/15/2016 **In control:** Board of Port Commissioners

On agenda: 7/28/2016 **Final action:**

Title: Ordinance 4283, 2nd Reading Of An Ordinance Authorizing And Approving Amendment Of Lease And Access Agreement With The City Of Oakland On The Former Oakland Army Base.

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance 4283](#)

Date	Ver.	Action By	Action	Result
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Ordinance 4283, 2nd Reading Of An Ordinance Authorizing And Approving Amendment Of Lease And Access Agreement With The City Of Oakland On The Former Oakland Army Base.

PORT ORDINANCE NO. 4283

ORDINANCE AUTHORIZING AND APPROVING AMENDMENT OF
LEASE AND ACCESS AGREEMENT WITH THE CITY OF
OAKLAND ON THE FORMER OAKLAND ARMY BASE.

WHEREAS, the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the proposed amendment of its lease with the City of Oakland ("City") and proposed access agreement for certain parcels of land at the former Oakland Army Base, as set forth in the Agenda Report for Agenda Item 3.2, dated July 14, 2016 (the "Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; and

WHEREAS, on April 25, 2013, the Board authorized the Executive Director to enter into a lease with the City whereby the Port leased two parcels, Parcels A1 and A2, from the City to allow the Port to maintain access to its tenants; and

WHEREAS, in January of 2015, the Board authorized an amendment to the lease with the City which adjusted and increased the leased premises with the addition of Parcels A3 and A4, and extended the lease term through December 31, 2019; and now therefore

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received.

Section 2. The Board hereby finds and determines as follows:

A. The proposal to authorize the Executive Director to amend the lease with the City was reviewed in accordance with the requirements of the California Environmental Quality Act ("CEQA") and the Port CEQA Guidelines; and

B. In July 2002, the City Council of the City of Oakland ("City"), as the lead agency under CEQA, certified an Environmental Impact Report ("EIR") for reuse of the OAB. On September 17, 2002, the Board, acting on behalf of the Port as a responsible agency under CEQA, adopted findings and a mitigation program in reliance on the City's EIR (Resolution No. 02317). In June 2012, the Board considered the 2012 OAB Project Initial Study/Addendum ("2012 Addendum") and adopted mitigation measures applicable to the Port from the City's OAB Standard Conditions of Approval/Mitigation Monitoring and Reporting Program ("SCA/MMRP") with Resolution No. 12-76. The OAB EIR and the 2012 Addendum described possible City and Port interim leasing to further development of the OAB property. The proposed lease amendment and access agreement were the type of actions that were contemplated in the OAB EIR and 2012 Addendum. Therefore, no further or additional environmental review or documentation is necessary in order for the Board to take the actions recommended in the Agenda Report.

C. The Port, the City and all other users are required to comply with applicable mitigation measures and standard conditions of approval in the adopted SCA/MMRP, which is available on line at:

<http://www2.oaklandnet.com/Government/o/PBN/OurOrganization/PlanningZoning/s/ApplicationandZoningInformation/OAK042281>

D. All projects on the Economic Development Conveyance property at the OAB must be completed in compliance with the September 27, 2002 Remedial Action Plan ("RAP") and Risk Management Plan ("RMP", which is Appendix E to the RAP) prepared for the State of California Department of Toxic Substances Control and the Oakland Base Reuse Authority, which is available online:

http://www.envirostor.dtsc.ca.gov/public/final_documents2.asp?global_id=01970006&doc_id=5003117.

E. A Covenant to Restrict Use of Property-Environmental Restriction, was recorded for this portion of the OAB property on August 8, 2003, and includes environmental restrictions and reporting requirements.

Section 3. The Board approves and authorizes the Executive Director to amend the lease with the City for Parcels A1, A2, A3 and A4 to (1) relinquish the Port's rights to a 0.72 acre portion of parcel A2, (2) terminate the Port's lease rights to Parcel A3, (3) extend the lease term for Parcel A2 through December 31, 2022, (4) provide for City construction of a standard curb on the west side of Maritime Street north of ChungKing Street, (5) provide for Port access through the City-constructed curb cut through December 31, 2022; and (6) amend the permitted uses for Parcel A4 to allow the addition of an employee parking lot for Port tenants.

Section 4. The Board hereby authorizes the Executive Director to approve and execute an access agreement with the City to provide for Port access to the City-constructed curb cut on the west side of Maritime Street north of ChungKing Street through December 31, 2022.

Section 5. This ordinance is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of an agreement in accordance with the terms of this resolution. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed and approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement.

The Board of Port Commissioners, Oakland, California, July 14, 2016. Passed to print for one day by the following vote: Ayes: Commissioners Butner, Colbruno, Cluver, Martinez, Yee and President Hamlin - 6. Excused: Commissioner Story - 1. Noes: 0.

John T. Betterton
Secretary of the Board

Legislation Details (With Text)

File #:	237-16	Version:	1	Name:	
Type:	Ordinance	Status:		Consent Agenda	
File created:	7/15/2016	In control:		Board of Port Commissioners	
On agenda:	7/28/2016	Final action:			
Title:	Ordinance 4284, 2nd Reading Of An Ordinance Approving And Authorizing The Executive Director To Execute A Purchase And Sale Agreement With The City Of Oakland For Parcel 15a At The Former Oakland Army Base.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Ordinance 4284				

Date	Ver.	Action By	Action	Result
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Ordinance 4284, 2nd Reading Of An Ordinance Approving And Authorizing The Executive Director To Execute A Purchase And Sale Agreement With The City Of Oakland For Parcel 15a At The Former Oakland Army Base.

PORT ORDINANCE NO. 4284

ORDINANCE APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A PURCHASE AND SALE AGREEMENT WITH THE CITY OF OAKLAND FOR PARCEL 15A AT THE FORMER OAKLAND ARMY BASE.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report for Item 3.3, dated July 14, 2016 (the "Agenda Report") and related materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; and now, therefore,

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received.

Section 2. The Board hereby finds and determines as follows:

A. The proposal to authorize the Executive Director to enter into a purchase and sale agreement with the City of Oakland for Parcel 15A at the former Oakland Army Base ("Parcel 15A") was reviewed in accordance with the requirements of the California Environmental Quality Act ("CEQA") and the Port CEQA Guidelines; and

B. In July 2002, the City Council of the City of Oakland ("City"), as the lead agency under CEQA, certified an Environmental Impact Report ("EIR") for reuse of the OAB. On September 17, 2002, the Board, acting on behalf of the Port as a responsible agency under CEQA, adopted findings and a mitigation program in reliance on the City's EIR (Resolution No. 02317). In June 2012, the Board considered the 2012 OAB Project Initial Study/Addendum ("2012 Addendum") and adopted mitigation measures applicable to the Port from the City's OAB Standard Conditions of Approval/Mitigation Monitoring and Reporting Program ("SCA/MMRP") with Resolution No. 12-76. The OAB EIR and the 2012 Addendum described possible City and Port land exchanges to further development of the OAB property. The Port's sale of Parcel 15A to the City to allow relocation of recycling facilities is the type of exchange contemplated in the OAB EIR and 2012 Addendum. Therefore, no further or additional environmental review or documentation is necessary in order for the Board to take the actions recommended in the Agenda Report.

C. The Port, the City and all other users are required to comply with applicable mitigation measures and standard conditions of approval in the adopted SCA/MMRP, which is available on line at:

<http://www2.oaklandnet.com/Government/o/PBN/OurOrganization/PlanningZoning/s/ApplicationandZoningInformation/OAK042281>

D. A Covenant to Restrict Use of Property -Environmental Restriction, Subaru Lot OAB was recorded for this portion of the OAB property on November 18, 2004, and includes environmental restrictions and reporting requirements, which is available online at:

E. Parcel A and all other Port facilities disposed of related to this transaction will not, in the aggregate, constitute a "Significant Portion" of the Port, as defined the Port's Master Trust Indenture, dated as of April 1, 1989 (the "Indenture") and the proposed sale of Parcel 15A complies with the provisions of Section 5.13(b) of the Indenture.

F. Parcel 15A with an approximate area of 1.6 acres has become unnecessary for Port purposes or harbor development and is no longer needed for tidelands trust purposes.

Section 3. The Board hereby approves and authorizes the Executive Director to execute a Purchase and Sale Agreement with the City of Oakland for Parcel 15A, for an amount no less than \$1,920,000, with the express provision that if the sale does not close by December 31, 2017, the Purchase and Sale Agreement shall become null and void, and as such agreement is further described in the Agenda Report.

A. The Board hereby further authorizes the Executive Director to execute any additional agreements with the City that may be necessary to ensure the Port's ongoing rights on Parcel 15A for the purposes of accessing, maintaining, and/or constructing utilities that are Port-owned or that serve Port-owned property.

Section 4. The Board hereby recommends that the City adopt an ordinance to remove Parcel 15A from the Port Area.

Section 5. The Board hereby authorizes the Executive Director to approve and execute any documents that may be required to carry out the intent of this resolution as described in the Agenda Report, subject to approval as to form and legality by the Port Attorney.

Section 6. This Ordinance is not evidence of and does not create or constitute (a) a contract or lease, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until separate written agreements are duly executed on behalf of the Board as authorized by this Ordinance, are signed and approved as to form and legality by the Port Attorney, and are delivered to each of the other contracting parties, there shall be no valid or effective agreements.

Section 7. This Ordinance shall take effect immediately upon its final adoption.

The Board of Port Commissioners, Oakland, California, July 14, 2016. Passed to print for one day by the following vote: Ayes: Commissioners Butner, Colbruno, Cluver, Martinez, Yee and President Hamlin - 6. Excused: Commissioner Story - 1. Noes: 0.

John T. Betterton

Secretary of the Board

Legislation Details (With Text)

File #:	238-16	Version:	1	Name:	
Type:	Ordinance	Status:		Consent Agenda	
File created:	7/15/2016	In control:		Board of Port Commissioners	
On agenda:	7/28/2016	Final action:			
Title:	Ordinance 4285, 2nd Reading Of An Ordinance Approving Amendment No. 1 To License And Concession Agreement With City Of Oakland To Utilize Hangar Space By Oakland Police Department - Aerial Support Unit At Oakland International Airport.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Ordinance 4285				

Date	Ver.	Action By	Action	Result
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Ordinance 4285, 2nd Reading Of An Ordinance Approving Amendment No. 1 To License And Concession Agreement With City Of Oakland To Utilize Hangar Space By Oakland Police Department - Aerial Support Unit At Oakland International Airport.

PORT ORDINANCE NO. 4285

ORDINANCE APPROVING AMENDMENT NO. 1 TO LICENSE AND CONCESSION AGREEMENT WITH CITY OF OAKLAND TO UTILIZE HANGAR SPACE BY OAKLAND POLICE DEPARTMENT - AERIAL SUPPORT UNIT AT OAKLAND INTERNATIONAL AIRPORT.

WHEREAS, the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the Agenda Report for Agenda Item 6.1, dated July 14, 2016 (the "Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received.

Section 2. The Board hereby approves the terms and conditions set forth in the Agenda Report for Amendment No. 1 to License and Concession Agreement with the **City of Oakland** ("City") to extend the term for up to ten years through September 30, 2026 (initial five year extension through September 30, 2021, with City's option to extend for five additional one-year periods), with equivalent value in-kind security related services provided to Oakland International Airport in lieu of monetary rent.

Section 3. The Board hereby authorizes the Executive Director to execute Amendment No. 1 to License and Concession Agreement with the **City of Oakland** and such additional documents as may be necessary to effectuate the approval, subject to approval as to form and legality by the Port Attorney.

Section 4. The Board hereby finds and determines that the action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) Guidelines under Section 15300.4, which exempts renewals, extensions or amendments to leases if license and concession agreements where the premises or licensed activity was previously leased or licensed to the same or another person, and involving negligible or no expansion of use beyond that previously existing.

Section 5. This ordinance is not evidence of and does not create or constitute (a) a contract(s), or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until a separate written contract is duly executed on behalf of the Board as authorized by this ordinance, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective contract.

Section 6. This ordinance shall be effective immediately upon adoption by the Board.

The Board of Port Commissioners, Oakland, California, July 14, 2016. Passed to print for one day by the following vote: Ayes: Commissioners Butner, Colbruno, Cluver, Martinez, Yee and President Hamlin - 6. Excused: Commissioner Story - 1. Noes: 0.

John T. Betterton
Secretary of the Board

Legislation Details (With Text)

File #: 239-16 **Version:** 1 **Name:**

Type: Ordinance **Status:** Consent Agenda

File created: 7/15/2016 **In control:** Board of Port Commissioners

On agenda: 7/28/2016 **Final action:**

Title: Ordinance 4286, 2nd Reading Of An Ordinance Approving Amendment No. 3 To Space/Use Permit - Public Pay Telephone Concession With Jaroth Inc. Dba Pacific Telemanagement Services.

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance 4286](#)

Date	Ver.	Action By	Action	Result
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Ordinance 4286, 2nd Reading Of An Ordinance Approving Amendment No. 3 To Space/Use Permit - Public Pay Telephone Concession With Jaroth Inc. Dba Pacific Telemanagement Services.

**ORDINANCE APPROVING AMENDMENT NO. 3 TO SPACE/USE PERMIT
- PUBLIC PAY TELEPHONE CONCESSION WITH JAROTH INC. DBA
PACIFIC TELEMAGEMENT SERVICES.**

WHEREAS, the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the Agenda Report for Agenda Item 6.2, dated July 14, 2016 (the "Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received.

Section 2. The Board hereby approves the terms and conditions set forth in the Agenda Report for Amendment No. 3 to Space/Use Permit - Public Pay Telephone Concession with **Jaroth, Inc.** dba Pacific Telemagement Services ("Permittee") to extend the term for five years through June 30, 2021, provide for no consideration to be paid by Permittee and no charge to the Port for the services, and allow the Permittee to remove its pay phones at its discretion so long as at least two phones remain (one pre-security and one post-security) in each of Terminal 1 and Terminal 2.

Section 3. The Board hereby authorizes the Executive Director to execute Amendment No. 3 to Space/Use Permit - Public Pay Telephone Concession with **Jaroth, Inc.** dba Pacific Telemagement Services, subject to approval as to form and legality by the Port Attorney.

Section 4. The Board hereby finds and determines that there is no possibility that amending the existing Space/Use Permit with Permittee may have a significant effect on the environment, the action is not a "Project" under the California Environmental Quality Act ("CEQA"), and is not subject to CEQA under the General Rule Exclusion in Section 15061(b)(3) of the Guidelines that states that CEQA applies only to activities that have a potential for causing a significant effect on the environment.

Section 5. This ordinance is not evidence of and does not create or constitute (a) a contract(s), or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until a separate written contract is duly executed on behalf of the Board as authorized by this ordinance, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective contract.

Section 6. This ordinance shall be effective immediately upon adoption by the Board.

The Board of Port Commissioners, Oakland, California, July 14, 2016. Passed to print for one day by the following vote: Ayes: Commissioners Butner, Colbruno, Cluver, Martinez, Yee and President Hamlin - 6. Excused: Commissioner Story - 1. Noes: 0.

John T. Betterton
Secretary of the Board

Legislation Details (With Text)

File #: 240-16 **Version:** 1 **Name:**

Type: Ordinance **Status:** Consent Agenda

File created: 7/15/2016 **In control:** Board of Port Commissioners

On agenda: 7/28/2016 **Final action:**

Title: Ordinance 4287, 2nd Reading Of An Ordinance Approving Space/Use Permits With New Zoom, Inc. Dba Zoomsystems And Souvenear, LLC Dba Souvenear To Operate A Non-Exclusive Automated Specialty Retail Concession At Oakland International Airport And Approving A Space/Use Permit With MSH Radcliffe Inc. For Concession Services.

Sponsors:

Indexes:

Code sections:

Attachments: [Ordinance 4287](#)

Date	Ver.	Action By	Action	Result
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Ordinance 4287, 2nd Reading Of An Ordinance Approving Space/Use Permits With New Zoom, Inc. Dba Zoomsystems And Souvenear, LLC Dba Souvenear To Operate A Non-Exclusive Automated Specialty Retail Concession At Oakland International Airport And Approving A Space/Use Permit With MSH Radcliffe Inc. For Concession Services.

PORT ORDINANCE NO. 4287

ORDINANCE APPROVING SPACE/USE PERMITS WITH NEW ZOOM, INC. DBA ZOOMSYSTEMS AND SOUVENEAR, LLC DBA SOUVENEAR TO OPERATE A NON-EXCLUSIVE AUTOMATED SPECIALTY RETAIL CONCESSION AT OAKLAND INTERNATIONAL AIRPORT AND APPROVING A SPACE/USE PERMIT WITH MSH RADCLIFFE INC. FOR CONCESSION SERVICES.

WHEREAS, the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the Agenda Report for Agenda Item 6.3, dated July 14, 2016 (the "Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received.

Section 2. The Board hereby approves the terms and conditions set forth in the Agenda Report for (i) the Space/Use Permit with **New Zoom, Inc.** and the Space/Use Permit with **SouveNEAR, LLC** for the installation and operation of multiple automated specialty retail units ("machines") for a period of four (4) years and nine (9) months (commencing September 1, 2016 and expiring on May 31, 2021) at varying rental rates consisting of the greater of a Minimum Annual Guaranty or a percentage of gross receipts based on each individual machine's performance, as described in the Agenda Report; and (ii) the Space/Use Permit with **MSH Radcliffe**, which permits it to operate as a concessionaire services provider for a period of four (4) years and nine (9) months (commencing September 1, 2016 and expiring on May 31, 2021) at no rent.

Section 3. The Board hereby authorizes the Executive Director to execute the Space/Use Permits with **New Zoom, Inc.**, **SouveNEAR, LLC**, and **MSH Radcliffe**, subject to approval as to form and legality by the Port Attorney.

Section 4. The Board hereby authorizes the Director of Aviation to execute any necessary supplements to reflect additions, removals, or relocation of machines.

Section 5. The Board hereby finds and determines that this project is categorically exempt from the California Environmental Quality Act ("CEQA") Guidelines under Section 15301 (Existing Facilities), which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures,

facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

Section 6. This ordinance is not evidence of and does not create or constitute (a) a contract(s), or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until a separate written contract is duly executed on behalf of the Board as authorized by this ordinance, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective contract.

Section 7. This ordinance shall be effective immediately upon adoption by the Board.

The Board of Port Commissioners, Oakland, California, July 14, 2016. Passed to print for one day by the following vote: Ayes: Commissioners Butner, Colbruno, Cluver, Martinez, Yee and President Hamlin - 6. Excused: Commissioner Story - 1. Noes: 0.

John T. Betterton
Secretary of the Board

Legislation Details (With Text)

File #:	241-16	Version:	1	Name:	
Type:	Ordinance	Status:		Consent Agenda	
File created:	7/15/2016	In control:		Board of Port Commissioners	
On agenda:	7/28/2016	Final action:			
Title:	Ordinance 4288, 2nd Reading Of An Ordinance Amending Ordinance No. 4079 To Modify Definitions, Clarify Specific Terms And Decrease Off-Airport Rental Car Company Customer Facility Charge.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Ordinance 4288				

Date	Ver.	Action By	Action	Result
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Ordinance 4288, 2nd Reading Of An Ordinance Amending Ordinance No. 4079 To Modify Definitions, Clarify Specific Terms And Decrease Off-Airport Rental Car Company Customer Facility Charge.

PORT ORDINANCE NO. 4288

**ORDINANCE AMENDING ORDINANCE NO. 4079 TO MODIFY
DEFINITIONS, CLARIFY SPECIFIC TERMS AND DECREASE
OFF-AIRPORT RENTAL CAR COMPANY CUSTOMER FACILITY
CHARGE.**

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report Item 6.4, dated July 14, 2016 ("Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore,

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. In Article I of Port Ordinance No. 4079, the definition of "Rental Car Radius" shall be amended by replacing the definition with the following:

"Rental Car Radius" shall mean the geographic area within the boundaries extending from the Airport to and including Bay Farm Island in Alameda, from the Bay Farm Island Bridge in Alameda, across San Leandro Bay to the intersection of Oakport Street and 66th Avenue in Oakland; and the area encompassed by and the frontage on both sides of the following streets: 66th Avenue, from Oakport Street to San Leandro Street in Oakland; San Leandro Street, from 66th Avenue to Hegenberger Road in Oakland; Hegenberger Road, from San Leandro Street to Baldwin Street in Oakland, Baldwin Street, from Hegenberger Road to 85th Avenue in Oakland; 85th Avenue, from Baldwin Street to Edes Avenue in Oakland; Edes Avenue from 85th Avenue to 98th Avenue in Oakland; 98th Avenue, from Edes Avenue to Interstate 880 in Oakland; Interstate 880, from 98th Avenue to Williams Street in San Leandro; and Williams Street, from Interstate 880 to and including Oyster Bay Regional Shoreline in San Leandro; and Oyster Bay Regional Shoreline extending to Eden Road in Oakland and extending to the Airport, as illustrated on the map attached hereto as Exhibit "A".

Section 2. Article II(b) of Port Ordinance No. 4079 shall be amended by replacing "\$10.00" with "\$8.00."

Section 3. Article IV of Port Ordinance No. 4079 shall be amended by deleting the phrase "copies of the Local Rental Area residency evidence."

Section 4. Article VII of Port Ordinance No. 4079 shall be amended by replacing the expiration date of "December 31, 2019" with "December 31, 2018."

Section 5. In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth

in the Agenda Report and in related agenda materials and in testimony received.

Section 6. The Board finds that because it can be seen with certainty that there is no possibility that amendments to Port Ordinance No. 4079 have a significant effect on the environment, the action is not subject to the California Environmental Quality Act ("CEQA") under the General Rule Exclusion in Section 15061(3) of the Guidelines, which states that CEQA applies only to activities that have a potential for causing a significant effect on the environment.

Section 7. This ordinance shall be effective immediately upon adoption by the Board.

The Board of Port Commissioners, Oakland, California, July 14, 2016. Passed to print for one day by the following vote: Ayes: Commissioners Butner, Colbruno, Cluver, Martinez, Yee and President Hamlin - 6. Excused: Commissioner Story - 1. Noes: 0.

John T. Betterton
Secretary of the Board

Exhibit A
Rental Car Radius

Rental Car Radius for Off-Airport Rental Car Operators per Port Ordinance 4079



Legislation Details (With Text)

File #: 633-15 **Version:** 1 **Name:** quarterly report April-Jun 2016 for Hires, separations and leave of absence

Type: Report **Status:** Consent Agenda

File created: 12/1/2015 **In control:** Board of Port Commissioners

On agenda: 7/28/2016 **Final action:**

Title: Report: Report of Appointments, Separations and Leaves of Absence for FY 2015-16, 4th Quarter (April 1, 2016 - June 30, 2016). (Finance & Admin)

Sponsors:

Indexes:

Code sections:

Attachments: [Report](#)

Date	Ver.	Action By	Action	Result
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Report: Appointments, Separations and Leaves of Absence for FY 2015-16, 4th Quarter (April 1, 2016 - June 30, 2016). **(Finance & Admin)**

QUARTERLY REPORT

REPORT: Report of Appointments, Separations and Leaves of Absence for FY 2015-16 4th Quarter (April 1, 2016 – June 30, 2016). **(Finance & Admin.)**

MEETING DATE: 7/28/2016

SUBMITTED BY: Sara Lee, Chief Financial Officer

APPROVED BY: J. Christopher Lytle, Executive Director

SUMMARY

The attached reports of all appointments, separations, and leaves of absence are for the quarter ending June 30, 2016.

As of June 30, 2016, the FTE count is 459. The approved FTE budget for FY2015-16 is 502. There are a total of 43 vacancies; the budget assumes a vacancy factor of 30 FTEs.

Attachment

**Quarterly Report of Appointments, Separations and Leaves of Absence
FY 2015-16 4th Quarter (April 1, 2016 – June 30, 2016)**

Appointments (New Hires)

	HIRE DATE	NAME	UNIT	POSITION JOB TITLE	MONTHLY SALARY	CHANGE REASON
1	5/9/16	Leong, Matthew	C	Port Associate Engineer (Electrical & Mechanical Work)	\$ 10,502	New Hire
2	5/9/16	Moreno, Daniel	F	Airport Terminal Services Supervisor	\$ 6,874	New Hire
3	5/9/16	Narayan, Rajive	F	Senior Equipment Systems Engineer	\$ 9,485	New Hire
4	5/9/16	Rigney, Laura	K	Airport Operations Superintendent, Landside	\$ 10,325	New Hire
5	5/18/16	Smeester, Robert	B	Equipment Systems Engineer	\$ 7,773	New Hire
6	5/31/16	Corso, Sarah	L	Administrative Analyst II	\$ 7,671	New Hire
7	6/6/16	Cai, Bingwen	C	Port Assistant Engineer (Electrical & Mechanical Work)	\$ 7,843	New Hire
8	6/20/16	Blackmon, Alonzo	B	Custodian	\$ 4,925	New Hire
9	6/20/16	Brown, Jason	B	Custodian	\$ 4,925	New Hire
10	6/20/16	Miller, Michael	B	Custodian	\$ 4,925	New Hire
11	6/20/16	Oderinde, Olusola	L	Programmer Analyst III	\$ 9,935	New Hire
12	6/20/16	Padilla, Terry	F	Port Utilities Foreman	\$ 9,675	New Hire

Quarterly Report of Appointments, Separations and Leaves of Absence
FY 2015-16 4th Quarter (April 1, 2016 – June 30, 2016)

	HIRE DATE	NAME	UNIT	POSITION JOB TITLE	MONTHLY SALARY	CHANGE REASON
13	6/20/16	Saavedra,Arnold	B	Custodian	\$ 4,925	New Hire
14	6/20/16	Wu,Xiu Juan	B	Custodian	\$ 4,925	New Hire
15	6/27/16	Jakubowska,Eva	H	Director of Information Technology	\$ 13,646.84	New Hire
16	6/27/16	Stockdale,Doreen	K	AP Noise Abatement/ Environmental Affairs Supervisor	\$ 10,065	New Hire

**Quarterly Report of Appointments, Separations and Leaves of Absence
FY 2015-16 4th Quarter (April 1, 2016 – June 30, 2016)**

Separations

	SEPARATION DATE	NAME	UNIT	POSITION JOB TITLE	MONTHLY SALARY	SEPARATION REASON
1	4/16/2016	Eisele, Lauren	L	Senior Maritime Projects Administrator	\$10,325	Resignation
2	4/23/2016	Doherty, Jerry	L	Senior Maritime Projects Administrator	\$10,840	Resignation
3	4/30/2016	Elbanna, Mahmoud	C	Port Associate Engineer (Electrical & Mechanical Work)	\$11,134	Retirement
4	5/7/2016	Aremu, Oyebola	L	Aviation Associate Marketing & Communications Representative	\$8,722	Resignation
5	5/14/2016	Pirouzmand, Farbod	M	Human Resources Manager	\$13,176	Resignation
6	5/15/2016	Bonds, Draymon	B	AP Operations Specialist I	\$6,789	Deceased

Leaves of Absence

	NAME	UNIT	BEGIN DATE	END DATE	CHANGE REASON	REMARKS
1	Employee # 400685	L	3/9/2016	Present	Leave without pay	Anticipated return to work on 1/26/17
2	Employee # 400686	K	3/23/2016	6/30/2016	Leave without pay	Anticipated return to work on 7/3/16

Legislation Details (With Text)

File #: 632-15 **Version:** 1 **Name:** Monthly Financials ending May 31, 2016
Type: Report **Status:** Budget & Finance
File created: 12/1/2015 **In control:** Board of Port Commissioners
On agenda: 7/28/2016 **Final action:**
Title: Report: Unaudited Financials for 11 months ended May 31, 2016. (Finance & Admin)
Sponsors:
Indexes:
Code sections:
Attachments: [Report](#)

Date	Ver.	Action By	Action	Result
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Report: Unaudited Financials for 11 months ended May 31, 2016. **(Finance & Admin)**



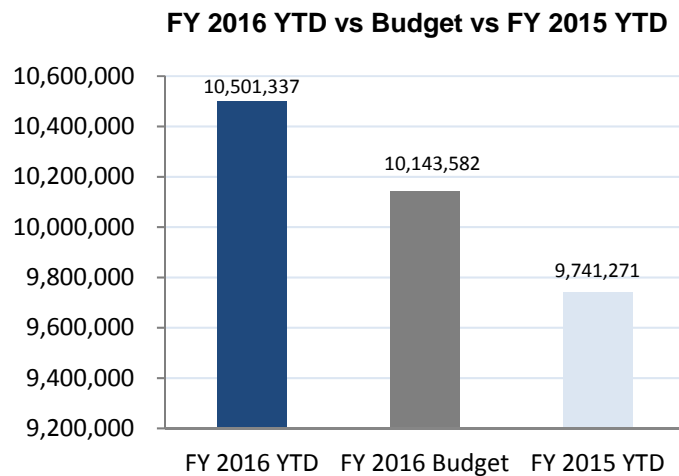
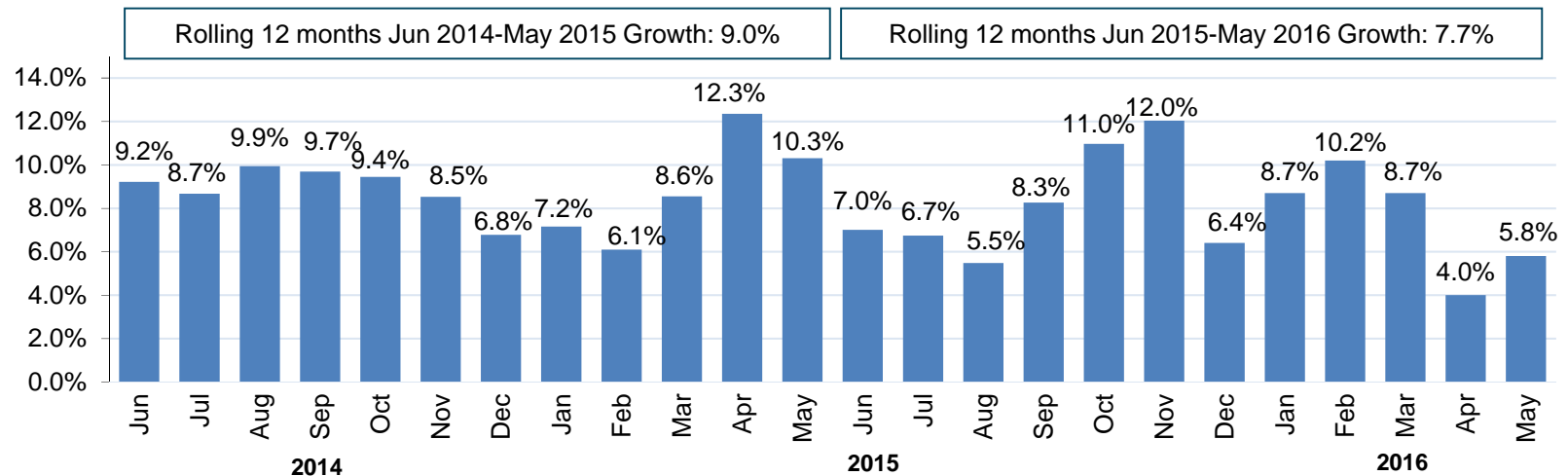
Eleven Months Ending
May 31, 2016
Financial Highlights
Unaudited Results

Board of Port Commissioners Meeting
July 28, 2016

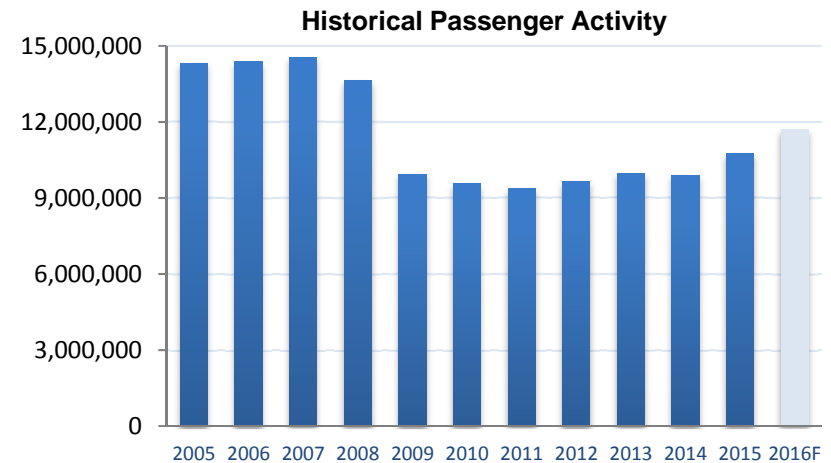
The information contained in this presentation is disclosed publicly for general information relating to the Port only. The information and figures herein include projections and forecasts that are based upon certain assumptions and involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such projections and forecasts. The information and figures herein are subject to change without notice after the date thereof, and may differ from the information and figures contained in the Port's final audited financial statements. The overall cost of the Port's capital projects is subject to change, and the variance from the cost estimates reflected herein could be material. The Port is not obligated to and does not plan to issue any updates or revisions to this presentation.

Passenger Activity Levels

OAK Monthly Passengers - YoY Growth



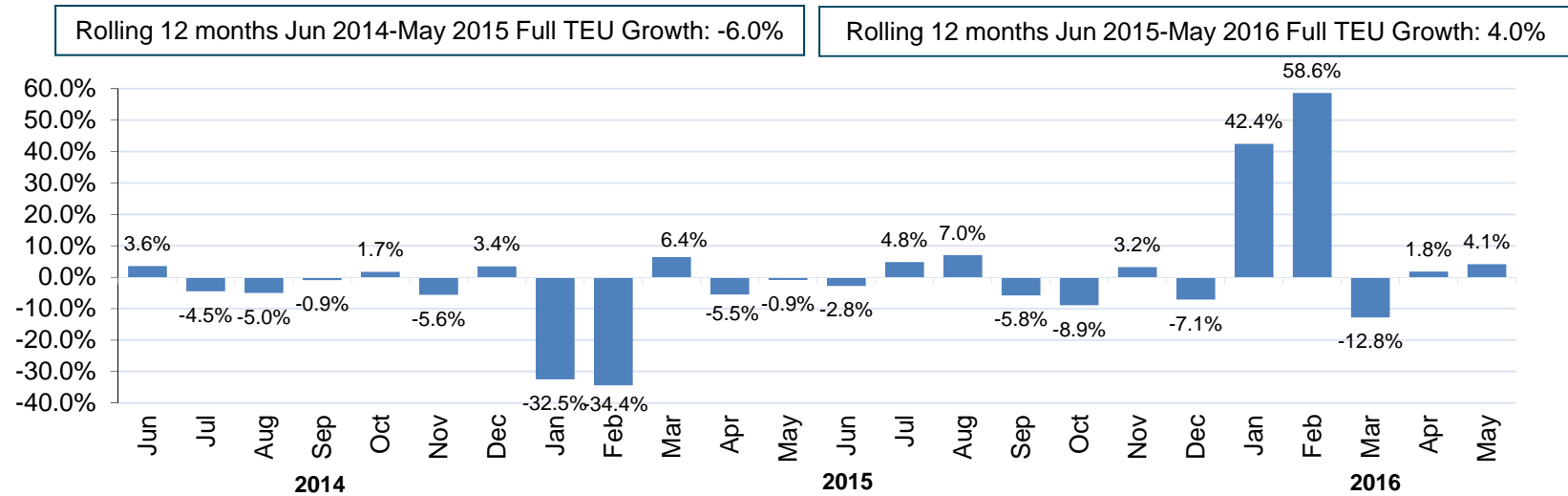
Comparison to Budget +3.5%
Comparison to Prior Year +7.8%



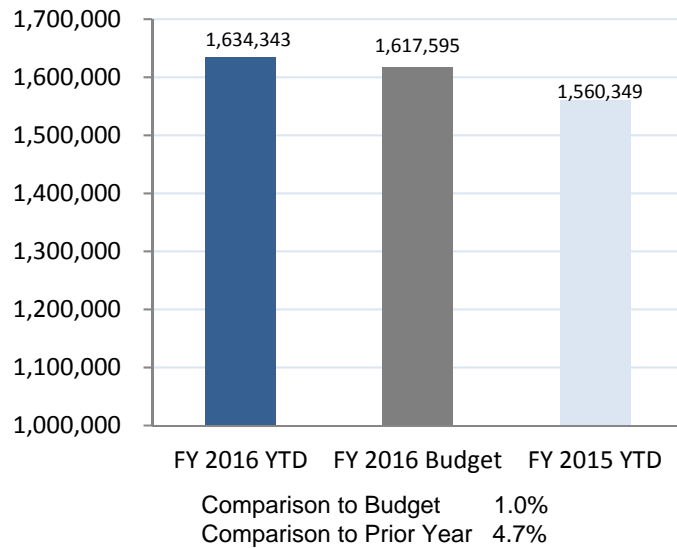
CAGR FY 2005-2015 (2.8%)
Total Growth (24.8%)

Full TEU Activity Levels

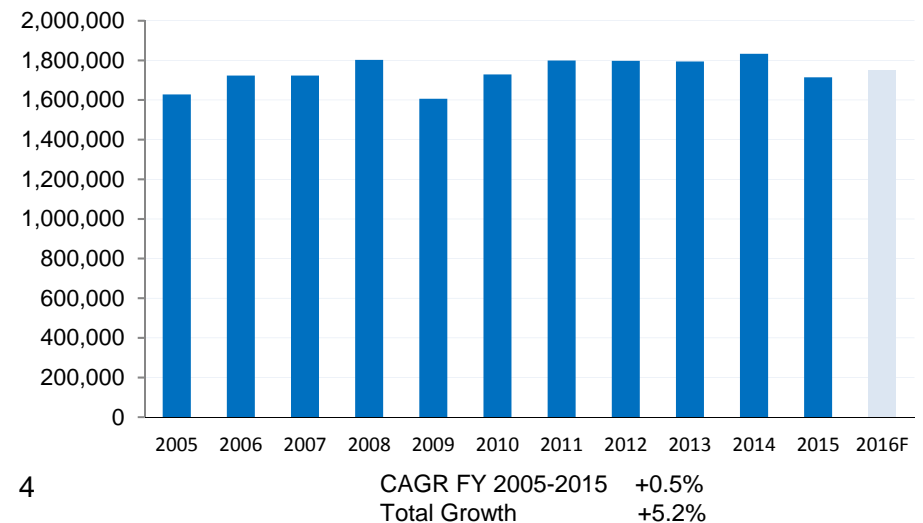
Monthly Full TEUs - YoY Change



FY 2016 YTD vs Budget vs FY 2015 YTD

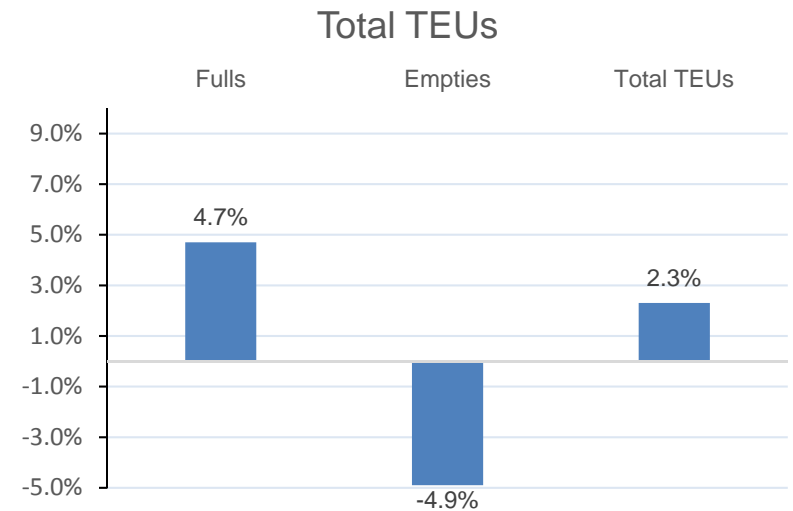
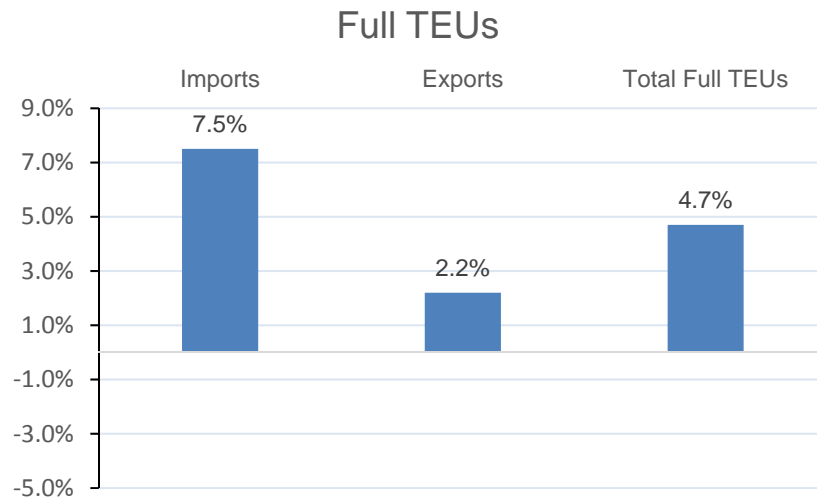


Historical Full TEUs



TEU Activity Levels

FY 2016 YTD vs FY 2015 YTD

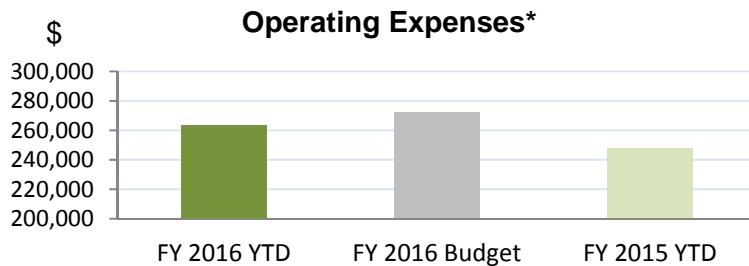
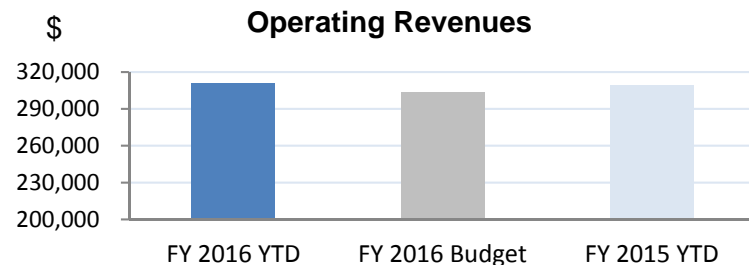


Unaudited, Preliminary Numbers – Subject to Change

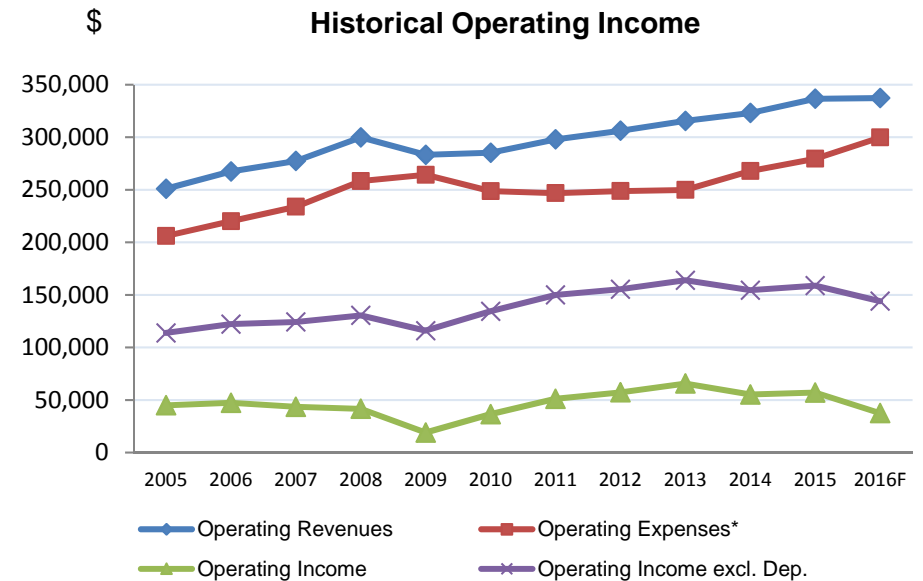
Operating Income

(\$000s)

	Unaudited 11 Months Ended May 2016	Comparison to 11 Months Ended May 2016 Budget Better/(Worse)		Comparison to 11 Months Ended May 2015 Actual Better/(Worse)	
Operating Revenues	\$311,125	\$7,432	2.4%	\$2,030	0.7%
Operating Expenses *	263,773	8,375	3.1%	(16,238)	(6.6%)
Operating Income	\$47,352	\$15,807	50.1%	(\$14,209)	(23.1%)
Operating Income excl. Dep.	\$142,650	\$13,452	10.4%	(\$9,563)	(6.3%)



* Includes Depreciation



Operating Revenues

(\$000s)

	Unaudited 11 Months Ended May 2016	Comparison to 11 Months Ended May 2016 Budget Better/(Worse)		Comparison to 11 Months Ended May 2015 Actual Better/(Worse)	
Aviation	\$153,639	\$4,014	2.7%	\$8,874	6.1%
Maritime	129,612	322	0.2%	(7,772)	(5.7%)
CRE	14,786	1,154	8.5%	375	2.6%
Utilities*	13,088	1,941	17.4%	553	4.4%
Total Operating Revenues	\$311,125	\$7,432	2.4%	\$2,030	0.7%

* In the Port's audited financial statements, Utility revenues are allocated to the Port's 3 business lines.

Operating Expenses

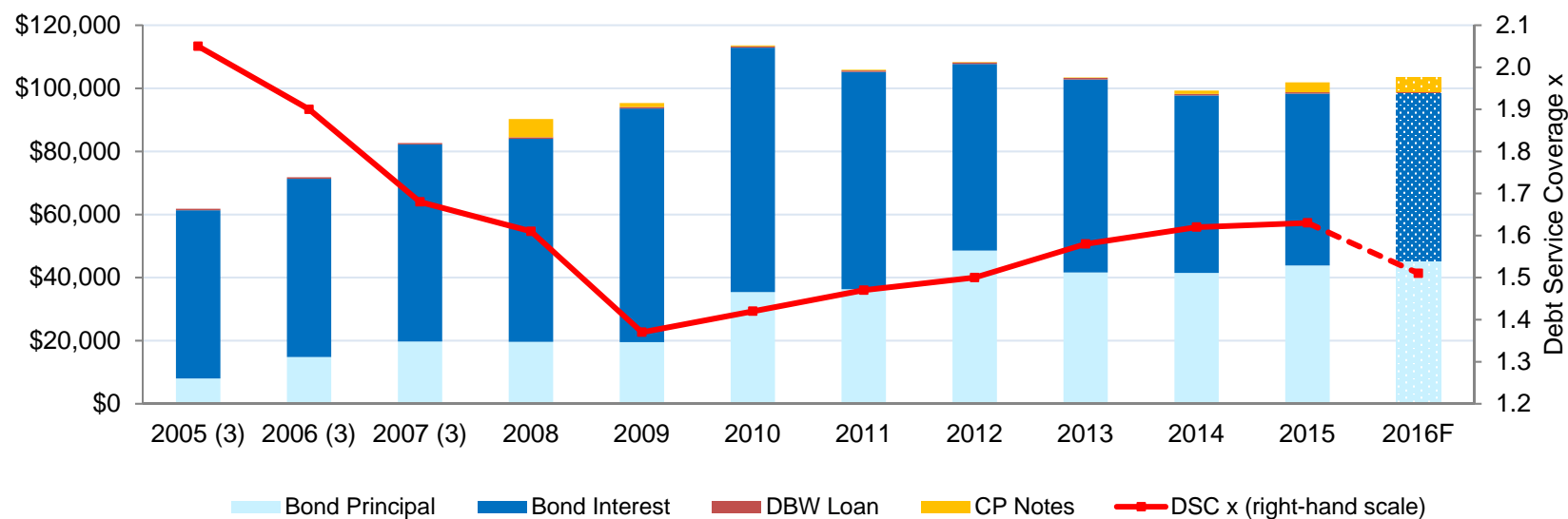
(\$000s)

	Unaudited 11 Months Ended May 2016	Comparison to 11 Months Ended May 2016 Budget Better / (Worse)		Comparison to 11 Months Ended May 2015 Actual Better / (Worse)	
		\$	%	\$	%
Personnel Costs	\$91,029	\$2,179	2.3	(4,007)	(4.6)
Contractual Services	59,832	4,606	7.1	(6,303)	(11.8)
General & Administrative	13,118	2,610	16.6	187	1.4
Supplies	4,167	(181)	(4.6)	346	7.7
Utilities Cost of Sales	6,191	274	4.2	472	7.1
Departmental Credits	(5,861)	(3,467)	(37.2)	(2,288)	(28.1)
Operating Expenses excl. Dep.	\$168,475	\$6,021	3.5	(\$11,593)	(7.4)
Depreciation	95,298	2,355	2.4	(4,645)	(5.1)
Total Operating Expenses	\$263,773	\$8,375	3.1	(\$16,238)	(6.6)

FY 2016 Debt Service Payments

(\$000s)

Type of Debt	Debt Service	Outstanding Debt as of 5/31/16
Bonds	\$98,420	\$1,029,075
Dept. of Boating and Waterways Loan	458	4,678
Commercial Paper Notes	4,798	80,723
Total	\$103,676	\$1,114,476



Unrestricted Cash Balance

(\$000s)

	Unaudited May 2016	Unaudited May 2015	Comparison to May 2015 Better/(Worse)	
			\$	%
General Fund*				
Debt Service Fund**	\$35,468	\$32,313	\$3,154	9.8
Other	191,028	103,430	87,598	84.7
Total	\$226,496	\$135,744	\$90,752	66.9

Monthly Cash Receipts and Expenditures



* Used to pay for the Port's 5-Year Capital Plan, semi-annual debt service payments, unfunded liabilities and day-to-day operating expenses; balance also includes contractor retention and security deposits.

** In 2016, Senior Lien debt service payment due on May 1st was recorded in April.

Restricted Cash Balances

(\$000s)

	Unaudited May 2016	Unaudited May 2015	Comparison to May 2015 Better/(Worse)	
			\$	%
Board Reserves				
Operating Reserve	\$24,153	\$23,288	\$865	3.7
Capital Reserve	15,000	15,000	0	0.0
Bond Reserve	30,000	30,000	0	0.0
Total	\$69,153	\$68,288	\$865	1.3
Passenger Facility Charges	2,436	5,804	(3,369)	(58.0)
Customer Facility Charges	10,189	6,561	3,627	55.3
Contractor Retention Held in Escrow	3,063	3,459	(397)	(11.5)
Trustee Held Bond Reserves	58,268	58,122	146	0.3
Total	\$143,108	\$142,235	\$873	0.6

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PORT OF OAKLAND

Unaudited
Financial Results

May 31, 2016

- Cash Recap
- Statements of Net Position
- YTD Revenue & Expenses (Actual vs. Budget)
- YTD Expenses by Category (Actual vs. Budget)
- Aviation Revenue (Actual vs. Budget)
- Maritime Revenue (Actual vs. Budget)
- CRE Revenue (Actual vs. Budget)
- Activity Summary Report
- YTD Revenue & Expenses Variance Explanations

**PORT OF OAKLAND
CASH
MAY 31, 2016, 2015 AND JUNE 30, 2015**

**UNAUDITED
DRAFT**

	Unaudited 05/31/16	Audited 06/30/15	Unaudited 05/31/15
Unrestricted Cash:			
Board Reserves	\$ 69,153,218	\$ 68,287,869	\$ 68,287,869
General Fund:			
Debt Service Fund	35,467,598	40,580,084	32,313,390
Other	191,027,995	90,078,542	103,430,398
Sub-total	<u>226,495,593</u>	<u>130,658,626</u>	<u>135,743,788</u>
Sub-total	<u>295,648,811</u>	<u>198,946,495</u>	<u>204,031,657</u>
Restricted Cash & Investments:			
Bond Reserves / Trustee Deposits (a)	58,268,338	58,047,122	58,122,263
Passenger Facility Charges	2,435,505	2,434,827	5,804,329
Customer Facility Charges	10,188,530	6,717,306	6,561,412
Other (b)	<u>3,062,521</u>	<u>4,010,251</u>	<u>3,459,394</u>
Sub-total	<u>73,954,893</u>	<u>71,209,506</u>	<u>73,947,398</u>
TOTAL	<u>\$ 369,603,704</u>	<u>\$ 270,156,001</u>	<u>\$ 277,979,055</u>

(a) Funds on deposit with the Bond Trustee. Reserve Funds are only available for debt service as specified in the Trust Indenture. Other amounts may include upcoming debt service payments deposited with the Trustee and IRS rebate amounts.

(b) Escrow accounts related to the Port's capital program.

**PORT OF OAKLAND
STATEMENTS OF NET POSITION
MAY 31, 2016, 2015 AND JUNE 30, 2015**

**UNAUDITED
DRAFT**

	Unaudited 05/31/16	Audited 06/30/15	Unaudited 05/31/15
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents			
Designated	\$ 69,153,218	\$ 68,287,869	\$ 68,287,869
Undesignated	226,495,593	130,658,626	135,743,788
Accounts receivable (less allowance) (05/16 \$715,516; 06/15 \$1,128,000; 05/15 \$1,053,728)	27,868,274	104,882,261	78,535,668
Restricted deposits with fiscal agent for current debt service	22	18	17
Accrued interest receivable	-	170,322	-
Prepaid expenses and other assets	2,866,349	3,527,260	3,671,098
Total current assets	326,383,456	307,526,356	286,238,440
RESTRICTED CASH AND INVESTMENTS:			
Bond funds and other	61,330,837	62,057,355	61,581,640
Passenger facility charges	2,435,505	2,434,827	5,804,329
Customer facility charges	10,188,530	6,717,306	6,561,412
Total restricted cash and investments	73,954,872	71,209,488	73,947,381
PROPERTY, PLANT AND EQUIPMENT:			
Land improvements	539,450	539,450	539,450
Buildings and improvements	852,822,195	852,565,272	851,649,163
Container cranes	148,697,264	148,697,264	148,697,264
Systems and structures	1,939,950,008	1,871,039,191	1,820,119,013
Intangibles - depreciable	13,675,967	13,675,967	13,675,967
Other equipment	95,594,293	93,463,714	92,922,457
	3,051,279,177	2,979,980,858	2,927,603,314
Less accumulated depreciation	(1,579,670,817)	(1,484,511,516)	(1,474,305,928)
	1,471,608,360	1,495,469,342	1,453,297,386
Land	523,369,254	523,338,715	523,283,450
Intangibles - nondepreciable	25,852,647	25,852,647	25,852,647
Construction in progress	178,056,283	167,751,218	200,154,112
Total property, plant and equipment	2,198,886,545	2,212,411,922	2,202,587,595
OTHER ASSETS			
	31,960,400	31,031,378	40,966,575
DEFERRED OUTFLOWS - PENSION CONTRIBUTIONS			
	15,076,480	15,076,480	-
TOTAL ASSETS	\$ 2,646,261,752	\$ 2,637,255,624	\$ 2,603,739,991
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES:			
Accounts payable and accrued expenses	\$ 60,845,749	\$ 71,682,305	\$ 62,512,672
Liability to City of Oakland	8,523,231	8,915,858	8,618,693
Unearned income-current portion	15,218,658	10,948,492	6,498,551
Payable from restricted assets:			
Accrued interest payable	4,462,851	9,070,611	4,622,470
Current maturities of long-term debt	38,264,736	50,797,244	46,385,140
Retentions on construction contracts	5,260,453	6,763,420	6,420,858
Total current liabilities	132,575,677	158,177,930	135,058,384
LONG-TERM LIABILITIES:			
Long-term debt	1,110,686,556	1,142,234,417	1,147,361,770
Unearned income	83,106,764	82,956,764	88,009,911
Environmental liabilities and other	23,970,702	20,073,425	19,352,875
Net pension liabilities	164,917,632	164,917,632	-
Deferred inflows - Non-pension contributions	29,137,450	29,137,450	-
Total long-term liabilities	1,411,819,103	1,439,319,688	1,254,724,556
NET POSITION:			
Reserved retained earnings:			
Grants from government agencies	434,932,347	399,942,744	395,349,929
Passenger facility charges	296,254,437	275,566,696	287,070,410
Customer facility charges	16,687,528	15,217,411	15,411,453
Port equity:			
City of Oakland	(58,477,543)	(58,477,543)	(58,477,543)
Appraisal surplus	3,004,335	3,004,335	3,004,335
Land conveyed to Port	24,746,000	24,746,000	24,746,000
Retained earnings	384,719,867	379,758,363	546,852,467
Total net position	1,101,866,971	1,039,758,006	1,213,957,051
TOTAL LIABILITIES AND NET POSITION	\$ 2,646,261,752	\$ 2,637,255,624	\$ 2,603,739,991

PORT OF OAKLAND
ACTUAL VS. BUDGET REVENUE AND EXPENSES
ELEVEN MONTHS ENDED MAY 31, 2016

UNAUDITED
DRAFT

Division	Actual 05/31/16	Budget 05/31/16	\$ Variance	% Variance	Actual 05/31/15
<u>Operating Revenue</u>					
Aviation	\$ 153,639,018	\$ 149,624,739	\$ 4,014,279	2.7%	\$ 144,764,794
Maritime	129,611,654	129,289,326	322,328	0.2%	137,384,045
CRE	14,785,932	13,632,313	1,153,619	8.5%	14,410,951
Utilities	13,088,002	11,146,667	1,941,335	17.4%	12,534,947
Total Operating Revenue	311,124,606	303,693,045	7,431,561	2.4%	309,094,737
<u>Operating Expenses</u>					
Aviation	(78,763,625)	(83,875,978)	5,112,353	6.1%	(76,020,441)
Maritime	(10,258,764)	(9,981,364)	(277,400)	-2.8%	(8,031,908)
CRE	(5,420,541)	(5,908,442)	487,901	8.3%	(5,440,597)
Engineering & Environmental	(25,969,770)	(29,318,124)	3,348,354	11.4%	(24,535,051)
Utilities Cost of Sales	(6,191,174)	(6,465,250)	274,076	4.2%	(6,662,749)
Executive	(4,086,369)	(4,979,987)	893,618	17.9%	(4,039,003)
Board of Port Commissioners	(438,142)	(544,807)	106,665	19.6%	(450,693)
Audit Services	(1,101,830)	(1,244,042)	142,213	11.4%	(1,091,925)
Port Attorney	(3,530,565)	(4,482,977)	952,412	21.2%	(3,474,418)
Finance & Administration	(12,265,065)	(13,232,587)	967,522	7.3%	(11,145,664)
Non-Departmental Expenses	(25,967,325)	(23,612,407)	(2,354,918)	-10.0%	(23,898,979)
Absorption of Labor and Overhead to					
Capital Assets	5,518,416	9,150,512	(3,632,096)	-39.7%	7,909,903
Depreciation & Amortization	(95,298,107)	(97,652,848)	2,354,741	2.4%	(90,652,914)
Total Operating Expenses	(263,772,862)	(272,148,302)	8,375,440	3.1%	(247,534,439)
Operating Income (A)	47,351,744	31,544,743	15,807,001	50.1%	61,560,298
<u>Non-Operating Items</u>					
Interest Income	1,701,964	1,534,140	167,824	10.9%	1,569,703
Interest Expense	(45,729,874)	(46,282,209)	552,335	1.2%	(47,106,777)
Passenger Facility Charges (PFCs)	20,687,741	19,526,395	1,161,346	5.9%	19,452,431
Customer Facility Charges (CFCs)	5,374,660	5,274,663	99,997	1.9%	5,408,537
Abandoned/Demolished Capital Assets	(629,751)	(225,000)	(404,751)	-179.9%	(79,253)
Other Income (Expenses)	(1,631,993)	(3,011,360)	1,379,367	45.8%	3,741,705
(B)	(20,227,254)	(23,183,371)	2,956,117	12.8%	(17,013,654)
Change in Net Position before					
Capital Contributions (A+B)	27,124,490	8,361,372	18,763,118		44,546,644
<u>Capital Contributions</u>					
Grants from Government Agencies	34,984,475	58,804,688	(23,820,213)	-40.5%	62,410,958
(C)	34,984,475	58,804,688	(23,820,213)	-40.5%	62,410,958
CHANGE IN NET POSITION (A+B+C)	\$ 62,108,965	\$ 67,166,060	\$ (5,057,095)	-7.5%	\$ 106,957,602

PORT OF OAKLAND
Actual vs. Budget Expenses by Category
Eleven Months Ended May 31, 2016

UNAUDITED
DRAFT

	Actual 05/31/16	Budget 05/31/16	\$ Variance	% Variance
<u>Operating Expenses</u>				
Personnel Services	\$ (91,029,022)	\$ (93,208,086)	\$ 2,179,064	2.3%
Contractual Services	(59,831,633)	(64,437,424)	4,605,791	7.1%
Supplies	(4,166,620)	(3,985,121)	(181,499)	-4.6%
General and Administrative	(13,117,671)	(15,727,967)	2,610,296	16.6%
Utilities Cost of Sales	(6,191,174)	(6,465,250)	274,076	4.2%
Departmental Credits	5,861,365	9,328,394	(3,467,029)	-37.2%
Subtotal	(168,474,755)	(174,495,454)	6,020,699	3.5%
Depreciation & Amortization	(95,298,107)	(97,652,848)	2,354,741	2.4%
Total Operating Expenses	\$ (263,772,862)	\$ (272,148,302)	\$ 8,375,440	3.1%

Port of Oakland
Actual vs. Budget Aviation Revenue
For the Eleven Months Ended May 31, 2016

UNAUDITED
DRAFT

	ACTUAL 05/31/16	BUDGET 05/31/16	\$ VARIANCE	% VARIANCE
TERMINAL RENT	\$ 31,566,277	\$ 31,369,800	\$ 196,477	0.6%
TERMINAL CONCESSIONS	21,248,222	20,504,287	743,935	3.6%
OTHER TERMINAL REVENUE (a)	8,894,302	8,659,329	234,973	2.7%
TERMINAL RENTALS & CONCESSIONS	<u>61,708,801</u>	<u>60,533,415</u>	<u>1,175,386</u>	1.9%
PARKING	30,175,602	29,492,326	683,276	2.3%
GROUND ACCESS	3,215,336	1,712,243	1,503,093	87.8%
PARKING AND GROUND ACCESS	<u>33,390,938</u>	<u>31,204,569</u>	<u>2,186,369</u>	7.0%
OTHER AIRPORT RENTALS (b)	27,166,567	26,928,688	237,879	0.9%
LANDING FEES	26,445,717	26,407,701	38,016	0.1%
OTHER FIELD REVENUE (c)	2,489,641	2,170,709	318,932	14.7%
AVIATION FUELING	2,111,640	2,277,679	(166,039)	-7.3%
MISCELLANEOUS REVENUE (d)	<u>325,714</u>	<u>101,978</u>	<u>223,736</u>	219.4%
TOTAL AVIATION OPERATING REVENUE	<u>153,639,018</u>	<u>149,624,739</u>	<u>4,014,279</u>	2.7%
BAD DEBT RESERVE	<u>-</u>	<u>-</u>	<u>-</u>	0.0%
TOTAL AVIATION REVENUE	<u><u>\$ 153,639,018</u></u>	<u><u>\$ 149,624,739</u></u>	<u><u>\$ 4,014,279</u></u>	2.7%

(Continued)

Port of Oakland
Actual vs. Budget Aviation Revenue
For the Eleven Months Ended May 31, 2016

UNAUDITED
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(a) Other Terminal Revenue

This category includes primarily terminal use fees for charter/itinerant airlines, baggage carousel/conveyor fees, customs room usage, identification badge sales & fingerprinting, and vending machine sales not associated with concession tenants.

(b) Other Airport Rentals

This category includes rental of land (e.g., vehicle/aircraft parking, rights-of-way); billboards; buildings; hangar and hangar areas; commercial filming; tank farm fuel fees; as well as cargo building, land, and apron rental.

(c) Other Field Revenue

This category includes plane storage, in-flight catering, ground handling, and cargo handling revenue.

(d) Miscellaneous Revenue

This category includes one-time and recurring revenues that are usually not directly related to Airport operations. The majority of miscellaneous revenue is associated with the Port's Materials Management Program and janitorial services provided by the Port at TSA's Airport offices. Other revenue may include, for example, payments for the rental of Airport conference rooms.

Port of Oakland
Actual vs. Budget Maritime Revenue
For the Eleven Months Ended May 31, 2016

UNAUDITED
DRAFT

	ACTUAL 05/31/16	BUDGET 05/31/16	\$ VARIANCE	% VARIANCE
MARINE TERMINAL RENT	\$ 106,011,837	\$ 111,299,671	\$ (5,287,834)	-4.8%
RAIL TERMINAL RENT	2,021,855	2,227,038	(205,183)	-9.2%
OTHER RENT (a)	21,577,962	15,887,617	5,690,345	35.8%
TOTAL MARITIME OPERATING REVENUE	129,611,654	129,414,326	197,328	0.2%
BAD DEBT RESERVE	-	(125,000)	125,000	100.0%
TOTAL MARITIME REVENUE	\$ 129,611,654	\$ 129,289,326	\$ 322,328	0.2%

(a) Other Rent

This category primarily includes land and facility rental revenue from non-marine/rail terminal tenants.
Examples include: truck parking and transloading tenants.

Port of Oakland
Actual vs. Budget CRE Revenue
For the Eleven Months Ended May 31, 2016

UNAUDITED
DRAFT

	ACTUAL 05/31/16	BUDGET 05/31/16	\$ VARIANCE	% VARIANCE
SPACE RENTAL				
Land	\$ 1,371,587	\$ 1,461,337	\$ (89,750)	-6.1%
Building with Land	526,405	526,405	0	0.0%
Warehouse Lease	1,370,218	1,325,501	44,718	3.4%
Hotel	2,850,197	2,448,548	401,649	16.4%
Restaurant	1,480,391	1,471,844	8,547	0.6%
Retail	1,723,963	1,699,663	24,300	1.4%
Office Lease	1,917,799	1,908,747	9,052	0.5%
Marinas Revenue	21,676	21,430	246	1.1%
Subtotal	11,262,236	10,863,474	398,762	3.7%
PARKING REVENUE				
Parking Revenue - Parking Lot Revenue	2,550,740	2,088,350	462,390	22.1%
Subtotal	2,550,740	2,088,350	462,390	22.1%
MISCELLANEOUS REVENUE				
Miscellaneous Revenue (a)	365,074	84,903	280,171	330.0%
Billboard Advertising Revenue	602,776	595,586	7,191	1.2%
Delinquency Charge	5,105	-	5,105	100.0%
Subtotal	972,956	680,489	292,467	43.0%
TOTAL CRE OPERATING REVENUE	14,785,932	13,632,313	1,153,619	8.5%
BAD DEBT RESERVE	-	-	-	0.0%
TOTAL CRE REVENUE	\$ 14,785,932	\$ 13,632,313	\$ 1,153,619	8.5%

(a) Miscellaneous Revenue

This category includes recurring and one-time revenues that are not part of the Space Rental revenue category. Examples include: easements, antennae and bank teller machines on/in Port-owned buildings, and ancillary development-related transactions.

**Port of Oakland
Activity Summary Report
For the Eleven Months Ended May 31, 2016**

**UNAUDITED
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	Actual	Budget	Variance to Budget	Variance to Budget (%)	Prior Year Actual	Variance to Prior Year Actual	Variance to Prior Year Actual (%)
AVIATION ACTIVITY							
Total Passengers							
July	1,067,398	1,066,620	778	0.1%	1,000,013	67,385	6.7%
August	1,044,556	1,046,126	(1,570)	-0.2%	990,299	54,257	5.5%
September	928,666	890,827	37,839	4.2%	857,798	70,868	8.3%
October	984,557	930,929	53,628	5.8%	887,274	97,283	11.0%
November	951,385	917,035	34,350	3.7%	849,223	102,162	12.0%
December	972,335	955,293	17,042	1.8%	913,783	58,552	6.4%
January	843,073	804,589	38,484	4.8%	775,420	67,653	8.7%
February	805,109	774,884	30,225	3.9%	730,874	74,235	10.2%
March	962,258	899,757	62,501	6.9%	885,378	76,880	8.7%
April	941,248	905,806	35,442	3.9%	905,048	36,200	4.0%
May	1,000,752	951,715	49,037	5.2%	946,161	54,591	5.8%
June							
Year to Date	10,501,337	10,143,582	357,755	3.5%	9,741,271	760,066	7.8%
Aircraft Landing Weights * (000 lbs)							
July	841,189	898,277	(57,088)	-6.4%	814,148	27,041	3.3%
August	815,154	871,639	(56,485)	-6.5%	791,621	23,533	3.0%
September	773,916	776,983	(3,067)	-0.4%	746,201	27,715	3.7%
October	815,441	827,948	(12,507)	-1.5%	781,558	33,883	4.3%
November	787,660	791,977	(4,317)	-0.5%	720,420	67,240	9.3%
December	967,309	939,984	27,325	2.9%	868,190	99,119	11.4%
January	788,120	726,790	61,330	8.4%	730,363	57,757	7.9%
February	738,055	695,675	42,380	6.1%	656,378	81,677	12.4%
March	828,263	792,812	35,451	4.5%	746,632	81,631	10.9%
April	785,028	792,564	(7,536)	-1.0%	752,204	32,824	4.4%
May	805,178	814,842	(9,664)	-1.2%	764,683	40,495	5.3%
June							
Year to Date	8,945,313	8,929,489	15,824	0.2%	8,372,398	572,915	6.8%

* Includes passenger and air cargo carriers. Excludes non-revenue passenger flights.

**Port of Oakland
Activity Summary Report
For the Eleven Months Ended May 31, 2016**

**UNAUDITED
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	Actual	Budget	Variance to Budget	Variance to Budget (%)	Prior Year Actual	Variance to Prior Year Actual	Variance to Prior Year Actual (%)
MARITIME ACTIVITY							
Loaded (Full) TEUs**							
July	154,625	149,138	5,487	3.7%	147,537	7,088	4.8%
August	160,149	153,624	6,525	4.2%	149,652	10,497	7.0%
September	142,844	148,505	(5,661)	-3.8%	151,676	(8,832)	-5.8%
October	144,989	154,146	(9,157)	-5.9%	159,189	(14,200)	-8.9%
November	150,356	149,764	592	0.4%	145,694	4,662	3.2%
December	139,045	147,386	(8,341)	-5.7%	149,689	(10,644)	-7.1%
January	144,911	137,109	7,802	5.7%	101,750	43,161	42.4%
February	144,075	126,471	17,604	13.9%	90,868	53,207	58.6%
March	137,178	148,318	(11,140)	-7.5%	157,286	(20,108)	-12.8%
April	150,909	148,182	2,727	1.8%	148,217	2,692	1.8%
May	165,262	154,952	10,310	6.7%	158,791	6,471	4.1%
June							
Year to Date	1,634,343	1,617,595	16,748	1.0%	1,560,349	73,994	4.7%
Vessel Calls							
July	136	147	(11)	-7.5%	153	(17)	-11.1%
August	140	148	(8)	-5.4%	157	(17)	-10.8%
September	126	140	(14)	-10.0%	148	(22)	-14.9%
October	127	139	(12)	-8.6%	138	(11)	-8.0%
November	140	130	10	7.7%	124	16	12.9%
December	139	134	5	3.7%	126	13	10.3%
January	144	122	22	18.0%	73	71	97.3%
February	138	111	27	24.3%	65	73	112.3%
March	144	124	20	16.1%	108	36	33.3%
April	145	126	19	15.1%	106	39	36.8%
May	162	137	25	18.2%	140	22	15.7%
June							
Year to Date	1,541	1,458	83	5.7%	1,338	203	15.2%

** Loaded TEUs does not include restows/shifts

Port of Oakland
Revenue Actual vs. Budget Variance
Eleven Months Ended May 31, 2016

UNAUDITED
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OPERATING REVENUE

Port Operating Revenue = **\$311.1 million**
Variance to Budget (\$) = **\$7.4 million (better)**
Variance to Budget (%) = **2.4% (better)**

Aviation - \$153.6 million

Better than budget by \$4.0 million or 2.7%

- Higher trip fees from TNCs (Transportation Network Companies) of \$1.7 million partially offset by lower trip fees from limousine & cab services and ground transportation providers of \$0.1 million
- Higher concessions revenue (\$0.7 million) due to higher restaurant/bar, car rental, and advertising commission revenues
- Higher parking revenue (\$0.7 million) due to higher passenger traffic
- Higher cargo building rental revenue (\$0.3 million)
- Higher delinquency charges and miscellaneous revenue (\$0.2 million)
- Higher cargo handling revenue (\$0.2 million)
- Higher customs room use and fingerprinting revenue (\$0.2 million)
- Higher terminal rent (\$0.2 million)
- Higher land rents (\$0.1 million)
- Lower aviation contract fueling (\$0.2 million)

Maritime - \$129.6 million

Better than budget by \$0.3 million or 0.2%

- Higher space assignment revenue (\$3.5 million)
- Higher truck parking (\$2.3 million)
- Higher crane rental revenue (\$1.3 million)
- Higher over MAG revenue at certain outer harbor terminal (\$0.2 million)
- Lower bad debt reserve (\$0.1 million)
- Lower than budgeted revenue for vacated space at Outer Harbor (\$5.8 million)
- Lower than budgeted revenue at one middle harbor terminal due to less over MAG revenue (\$1.2 million)
- Lower revenue at Oakland International Gateway (\$0.2 million)

Commercial Real Estate - \$14.8 million

Better than budget by \$1.2 million or 8.5%

- Higher parking revenues (\$0.5 million)
- Higher percentage rents from hotels (\$0.4 million)
- Higher miscellaneous revenue due to the allocation of 216 units of residential density from Port controlled parcel to developer controlled parcels (\$0.3 million)
- Lower land revenue due to the Brooklyn Basin developer exercising an early final payment option (\$0.1 million)

Utilities - \$13.1 million

Better than budget by \$1.9 million or 17.4%

- Higher shore power usage and more ships requiring vessel commissioning (\$1.6 million), higher electricity revenue at Oakland Army Base (\$0.2 million), and higher electricity capacity charges in the Harbor Transportation area (\$0.1 million)

Port of Oakland
Expense Actual vs. Budget Variance
Eleven Months Ended May 31, 2016

UNAUDITED
DRAFT

EXPENSES by CATEGORY

Port Operating Expenses* = \$168.5 million
Variance to Budget (\$) = \$6.0 million (better)
Variance to Budget (%) = 3.5% (better)

Personnel Services - \$91.0 million

Better than budget by \$2.2 million or 2.3%

- 449 FTEs as of 5/31/16 vs. budgeted 472** FTEs (502** FTEs with vacancy factor of 30 FTEs)
- Open headcount savings (\$4.1 million) - *Various divisions*
- Lower workers' compensation and retiree medical (net \$0.6 million) - *Non-departmental*
- Lower medical premiums (\$0.5 million) - *Various divisions*
- Higher overtime and temporary help (-\$1.8 million) - *Various divisions*
- Higher cost of living adjustments (-\$1.2 million) - *Various divisions*

Contractual Services - \$59.8 million

Better than budget by \$4.6 million or 7.1%

- Lower legal, professional services, and consulting costs (\$3.2 million) - *Various divisions*
- Lower maintenance and repair costs (\$1.2 million) - *Aviation and Engineering*
- Lower parking and ground transportation (\$1.1 million) - *Aviation and CRE*
- Lower security costs (\$0.6 million) - *Aviation, Maritime*
- Lower Port of Oakland building and Jack London Square operating costs (\$0.1 million) - *CRE*
- Higher truck parking (-\$1.1 million) - *Maritime*
- Higher Alameda County Sheriff (-\$0.5 million) - *Aviation*

Supplies - \$4.2 million

Worse than budget by \$0.2 million or -4.6%

- Higher maintenance, electrical, and mechanical supplies partially offset by lower automotive fuel, expendable equipment, and other various supplies - *Various*

General and Administrative - \$13.1 million

Better than budget by \$2.6 million or 16.6%

- Lower legal contingency and pollution remediation (\$1.2 million) - *Non-departmental*
- Lower exhibits & displays, marketing, special events, promotional costs (net \$0.8 million) - *Various*
- Lower travel and hosting expenses (\$0.4 million) - *Various divisions*
- Lower port use utilities at South Airport (\$0.4 million) - *Non-departmental*
- Lower community outreach and sponsorships (\$0.2 million) - *Executive*
- Lower insurance claims (\$0.1 million) - *Non-departmental*
- Higher port operation contingency due to \$0.9 million for extended gate subsidies (net -\$0.6 million) - *Maritime*

Utilities Cost of Sales - \$6.2 million

Better than budget by \$0.3 million or 4.2%

- Lower electricity at Maritime Harbor Transportation and South Airport (\$0.6 million)
- Higher shore power electricity costs (-\$0.3 million)

Departmental Credits - (\$5.9 million)

Worse than budget by \$3.5 million or -37.2% due to less direct labor charged to capital projects

* Excludes depreciation & amortization

** Staffing plan increased by 5 FTEs at November 12, 2015 Board Meeting

General Notes:

- "Revenue divisions" are collectively Aviation, Maritime, Commercial Real Estate (CRE)
- Where applicable, primary source of variance by division is noted after each item.
- In general, the Port's annual budget is seasonally adjusted. However, certain line items that cannot be seasonally adjusted with any level of predictability (e.g. legal contingency) and are simply allocated equally over 12 months.

Legislation Details (With Text)

File #:	234-16	Version:	2	Name:	Report on Strategic Planning Process
Type:	Report	Status:		Status:	Strategy & Policy
File created:	7/12/2016	In control:		In control:	Board of Port Commissioners
On agenda:	7/28/2016	Final action:		Final action:	
Title:	Report: Overview from the Executive Director on the Status of Strategic Planning Process (Executive Office)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Report				

Date	Ver.	Action By	Action	Result
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Report: Overview from the Executive Director on the Status of Strategic Planning Process (Executive Office)

REPORT

REPORT: Overview from the Executive Director on the Status of Strategic Planning Process (Executive Office)

MEETING DATE: 7/28/2016

SUBMITTED BY: J. Christopher Lytle, Executive Director

APPROVED BY: J. Christopher Lytle, Executive Director

SUMMARY

The Executive Director will give a brief overview to the Board about the strategic planning process, the work underway and the next steps for completion. He will provide the Board with a description of the current business context for developing a plan and describe where staff will focus its energy for the next 12 months.

In addition, there will be three (3) 10-minute presentations from each of the revenue divisions; Aviation, Commercial Real Estate, and Maritime giving an overview of their strategic business plans. They will describe their current business environment, key goals, and focus areas for FY2017.

Legislation Details (With Text)

File #: 207-16 **Version:** 1 **Name:** Increase a professional service contract with Intervista's Consulting by \$150K to max of \$300K

Type: Resolution **Status:** Remaining Action

File created: 6/28/2016 **In control:** Board of Port Commissioners

On agenda: 7/28/2016 **Final action:**

Title: Resolution: Authorization to Enter into a New Professional Services Agreement with InterVISTAS Consulting LLC, to Support Air Service Development from Oakland International Airport to North America, Europe, Mexico, Central and South America. (Aviation)

Sponsors:

Indexes:

Code sections:

Attachments: [Agenda Report](#)
[Resolution Item 6.1](#)

Date	Ver.	Action By	Action	Result
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Resolution: Authorization to Enter into a New Professional Services Agreement with InterVISTAS Consulting LLC, to Support Air Service Development from Oakland International Airport to North America, Europe, Mexico, Central and South America. **(Aviation)**

AGENDA REPORT

Resolution: Authorization to Enter into a New Professional Services Agreement with InterVISTAS Consulting LLC, to Support Air Service Development from Oakland International Airport to North America, Europe, Mexico, Central and South America. (Aviation)

MEETING DATE: 7/28/2016

AMOUNT: An additional \$150,000 contract authority to \$300,000 for FY16-18, \$150,000 for FY19 and \$150,000 for FY20 for total additional contract authority of \$450,000 and total maximum compensation of \$600,000 Operating Expense

PARTIES INVOLVED: InterVISTAS Consulting, 1150 Connecticut Ave. NW, Washington, DC 20036

Barney Parrella, Executive Vice President

SUBMITTED BY: Bryant L. Francis C.M., Director of Aviation

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

Based on demonstrated proficiencies and successes, Port staff is requesting approval to increase the contract authority for InterVISTAS Consulting, LLC from \$150,000 to \$300,000 for the existing contract expiring June 30, 2018 to assist in increasing air service to North America, Mexico, Europe, Central and South America, and other industry analytical projects as needed. Additionally, Port staff is requesting approval to add two one-year extensions beyond Fiscal Year 2018, in the amount of \$150,000 per fiscal year, at the discretion of the Port.

BACKGROUND

In accordance with Port of Oakland policy for securing professional services, and in support of the Port's objectives as identified in the Port Strategic Plan to aggressively grow our core business, the Aviation Marketing and Communications Department released an Invitation for Expressions of Interest in October 2014 to a wide variety of firms that specialize in air service development work, to support our efforts to secure new air service to North America, Asia,

Europe, Mexico, Central and South America. Expressions of Interest were received from five firms.

In 2015, based upon an evaluation of interested firms' references, knowledge and expertise, plan and approach, and proposed costs, the Aviation Marketing and Communications Department entered into three-year professional services agreements with four air service development consultants for a specific scope of work based on each firm's expertise. All four contracts were within the Executive Director's contract authority as follows: InterVISTAS (\$150,000), Ailevon Pacific (\$150,000), Campbell-Hill Aviation (\$75,000) and the Center for Aviation Policy and Economics (\$50,000). The contracts are effective for fiscal years 2016-18.

ANALYSIS

After one contract year, and based on demonstrated proficiencies and successes, Port staff is now requesting approval to increase the contract amount for InterVISTAS from \$150,000 to \$300,000 for the three-year contract expiring June 30, 2018. The services provided by InterVISTAS have been superior to that of the other firms, and we expect that InterVISTAS will provide the majority of the consultant work during the remainder of the terms of the contracts listed above. InterVISTAS was instrumental in OAK's successful Section 559 application with U.S. Customs and Border Protection that will allow for increased staff coverage for international flights.

To date, we have used approximately \$100,000 of InterVISTAS' contract authority.

We are also requesting authorization to add two one-year extensions to this contract, at the option of the Port, with additional contract authority of \$150,000 for each fiscal year.

InterVISTAS will assist staff primarily in the following three types of tasks, with both existing and prospective carriers:

- 1) Developing business cases to support applicable routes and markets
- 2) Conducting competitive airport analyses, hub connectivity analyses and opportunity assessments
- 3) Developing forecast and growth projections

The specific geographic market areas in InterVISTAS' scope of work remain the following:

- 1) SF Bay Area – Western Europe
- 2) SF Bay Area – Mexico
- 3) SF Bay Area – Central and South America

InterVISTAS will be tasked with additional assignments as needed, to be approved in advance by the Director of Aviation and Aviation Marketing Manager.

BUDGET & STAFFING

There is no budget or staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

This contract is for professional services that do not include construction testing and inspection. Therefore, the provision of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) do not apply to this work.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Plan (<http://www.portofoakland.com/pdf/about/strategicPlan2011-2015.pdf>)

Goal B: Maintain and Aggressively Grow Core Businesses

- Goal B: Objective 1: Retain existing customers and tenants.
- Goal B: Objective 2: Market strategically and aggressively to attract new customers and tenants.

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply to this agreement as the tenant does not employ 21 or more employees working on Port-related work and does not have a tenancy agreement that is expected to generate greater than \$50,000 in payments to the Port. However, the tenant will be required to certify that should living wage obligations become applicable, the tenant shall comply with the Living Wage Regulations.

ENVIRONMENTAL

California Environmental Quality Act (CEQA) Guidelines Section 15378(2) states that "Project" means the whole of an action that has a potential for resulting in either direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The general rule in Section 15061(b)(3) of the Guidelines additionally states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. Because it can be seen with certainty that there is no possibility that increasing expenditures with InterVISTAS will have a significant effect on the environment, the action is not a "Project" under CEQA, and is not subject to CEQA under the General Rule Exclusion.

The Port is required to conduct an environmental impact analysis pursuant to the California Environmental Quality Act (CEQA) as part of all of its project development, approval, and entitlement processes. In 1997, the Port proposed an Airport Development Program (ADP) to improve OAK facilities and to relieve existing and projected future (2010) congestion to accommodate forecasted air passenger and air cargo activity. The Port prepared an Environmental Impact Report (EIR) for the ADP that was certified and adopted by the Board of Port Commissioners (Board) on December 16, 1997, through Board Resolution No. 97376. The Board later adopted a supplemental EIR (SEIR) in 1999 (Resolution No. 99623), and a second supplemental EIR in 2003 (Resolution No. 03345).

The ADP forecasted air passenger levels to be 22.4 million annual passengers (MAP) by 2010, and air cargo activity to be 2.1 million annual tons (MAT). Airport operations activity in 2015 for air passenger activity and air cargo services was 11.2 MAP and 0.5 MAT, respectively, which is half the activity level projected for 2010. The Port anticipates that any new air service generated by the Board's approval to increase expenditures with InterVISTAS will still be significantly below forecast levels analyzed in the ADP (and below the peak experienced in 2007). Therefore, this project does not constitute a substantial change in the ADP project and does not result in new significant environment effects or a substantial increase in the severity of previously identified significant effects. No further analysis is required.

The Port will continue to monitor the air passenger and cargo activity levels. If annual passenger and air cargo activity levels begin to meet the forecasted levels analyzed in the ADP, the Port will conduct further environmental review on the proposed new operational activity.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)

This action is not subject to the Port's Owner Controlled Insurance Program (OCIP) or Professional Liability Insurance Program (PLIP) as it is not a capital improvement construction project or design project supporting such construction.

OPTIONS

1. Approve a new professional services agreement with InterVISTAS, and authorize the Executive Director to enter into such agreement, that will reflect the following:
 - a) An increase of \$150,000 to \$300,000 contract authority for the initial term, expiring June 30, 2018;
 - b) Two one-year extensions to the contract, at the option of the Port, in the amount of \$150,000 per year, for an extended term to June 30, 2020 for total contract authority of \$600,000.
2. Do not authorize the expansion of procurement of this air service development specialist firm. This would result in the Port reverting to less effective firms and staff-specific outreach with a potential loss of opportunity to increase North America, Mexico, Europe, Central and South America air service.

RECOMMENDATION

Based upon the recent quality of deliverables from InterVISTAS and their scope of work for air service development from Oakland International Airport to select points in North America, Mexico, Europe, Central and South America, Port staff recommends the Board approve a new professional services agreement with InterVISTAS and authorize the Executive Director to enter into such agreement, that will increase the contract authority by \$150,000 to \$300,000 for the initial contract term expiring June 30, 2018, and that will provide for two one-year extensions to the contract, at the option of the Port, in the amount of \$150,000 per year, for an extended term to June 30, 2020 for total contract authority of \$600,000.

**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

**RESOLUTION AUTHORIZING THE EXECUTIVE
DIRECTOR TO EXECUTE A NEW AGREEMENT WITH
INTERVISTAS CONSULTING LLC FOR A MAXIMUM
TERM TO JUNE 30, 2020 AT A MAXIMUM AMOUNT
NOT TO EXCEED \$600,000 TO PROVIDE AIR
SERVICE DEVELOPMENT SERVICES FOR OAKLAND
INTERNATIONAL AIRPORT.**

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report for Agenda Item No. 6.1, dated July 28, 2016 and related agenda materials ("Agenda Report"), has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; and

WHEREAS, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report, and in related agenda materials and in testimony received;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The Board hereby authorizes the Executive Director to enter into a new agreement with **InterVISTAS Consulting LLC** ("InterVISTAS") for an initial term expiring June 30, 2018, with Port options to extend for two one-year extensions, for a maximum term through June 30, 2020 in an amount not to exceed \$300,000 for the initial term expiring June 30, 2018, and \$150,000 for each one-year extension, for a maximum amount not to exceed \$500,000 for air service development services from Oakland International Airport to North America, Europe, Mexico and Central and South America, subject to approval as to form and legality by the Port Attorney.

Section 2. Based upon the information contained in the Agenda Report and in testimony received, the Board finds that the requested action is exempt from the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines because there is no potential that the requested expenditures with InterVISTAS will result in a significant effect on the environment.

Section 3. This resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement, or property interest; or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of a contract in accordance with the terms of this resolution. Unless and until a separate written contract is duly executed on behalf of the Board as authorized by this resolution, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective contract.

Section 4. This resolution shall be effective immediately upon adoption by the Board.

DRAFT

Legislation Details (With Text)

File #:	213-16	Version:	1	Name:	Approve budget for capital improvements to Rental Car Center at Oak
Type:	Resolution	Status:			Remaining Action
File created:	6/30/2016	In control:			Board of Port Commissioners
On agenda:	7/28/2016	Final action:			
Title:	Resolution: Budget Authorization to Proceed with Planning and Design for Certain Capital Improvements at the Rental Car Center at Oakland International Airport (Aviation)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Agenda Report Resolution Item 6.2				

Date	Ver.	Action By	Action	Result
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Resolution: Budget Authorization to Proceed with Planning and Design for Certain Capital Improvements at the Rental Car Center at Oakland International Airport (**Aviation**)

AGENDA REPORT

Resolution: Budget Authorization to Proceed with Planning and Design for Certain Capital Improvements at the Rental Car Center at Oakland International Airport (Aviation)

MEETING DATE: 7/28/2016

AMOUNT: \$700,000 FY 2017
Capital Expenditure

PARTIES INVOLVED: On-Call Design Consultant
Mott MacDonald, Pleasanton, CA
Lee Abramson, Executive Vice President

SUBMITTED BY: Bryant L. Francis C.M., Director of Aviation
Chris Chan, Director of Engineering

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

This agenda report seeks budget approval of \$700,000 to proceed with design services under the current Professional Services Agreement with Mott MacDonald for certain capital improvements in support of rental car operations. The design will be funded using Customer Facility Charges (CFCs).

BACKGROUND

In the past ten (10) years, the Airport and the on-airport rental car companies have experienced significant changes. The Airport's passenger traffic and customer profiles have changed and there is an increasingly competitive environment to meet customer needs while maintaining and/or growing individual market share amongst the group of existing on-airport rental car companies. The existing on-airport rental car companies have consolidated into three (3) nationally recognized companies that control eleven (11) "brands", including a couple of smaller operators (Firefly and Zipcar), that have co-located their operations at the Consolidated Customer Facility (Rental Car Center) and ready/return spaces in the North Field of Oakland International Airport.

The Existing Space Use Permit (SUP) for Non-Exclusive Rental Car Concession that is in place with six (6) on-airport rental car companies is scheduled to expire on June 30, 2017. The Port intends to issue a Request for Bids (RFB) for a new Non-Exclusive Rental Car Concession in early 2017. In order to address current and anticipated operational needs, staff has identified key improvements that will maximize the Port's success in its RFB efforts next year.



ANALYSIS

Staff has identified capital improvements that are needed to develop a larger Rental Car Center that can serve more customers in a more efficient manner while generating additional land rent revenue to the Port. These improvements on the contiguous parcels would be completed in time for these areas to be included in the forthcoming RFB in early 2017. The proposed capital improvements (as shown on the exhibit) include:

- Demolition of Building L-825 and site preparation.
- Fairchild Street Improvements to add an ingress main access roadway to the customer service building and adjacent facilities to better accommodate shuttle bus and vehicular traffic.

- Improvements to Ryan Street Parking Lot to better serve rental car operations on contiguous site.

Staff has initiated the planning for these improvements and intends to use Mott MacDonald, one of the approved on-call design firms, to prepare the project design plans and specifications. The list of on-call design firms has been pre-selected through a formal competitive process.

Staff will return to the Board for construction budget authorization, approval of plans and specifications, and the award of construction contracts. The proposed project is estimated to cost between \$4 to 4.5 million and will be bid as one package.

Staff is requesting approval of \$700,000 capital budget authority at this time to proceed with the planning and design for the identified capital projects for the Rental Car Center.

Staff has assessed the Rental Car Center and identified the improvements as discussed below.

Building L-825 Demolition

This site is located at 7850 Earhart Road and was originally used by Oakland Aviation High School. The building is approximately 25,604 square feet on a land area of about 100,000 square feet (2.1 acres) and has been vacant since 2014. Port staff proposes to prepare the site as described above and offer it to the rental car community as part of the RFB solicitation process in 2017 to generate additional revenue which the Port deems as the best and highest use for the site. To maximize the rental car site available, it is best to demolish the building and make the entire site available for lease to the rental car companies.

The site is currently unsuitable for occupation as documented in the Port's hazardous material survey in February 2016 for lead-based paints, asbestos-containing construction materials, and associated environmental hazards at the site. Prior to any renovation or demolition, the National Emission Standards for Hazardous Air Pollution (NESHAP) mandated by the Environmental Protection Agency (EPA) and locally enforced by the Bay Area Air Quality Management District (BAAQMD), require that buildings be inspected for asbestos-containing materials (ACM) and materials subject to damage or which will be made friable, be removed. Sampling conducted during this survey found hazardous materials including lead-based paints, asbestos-containing construction material and other chemicals that would be classified as hazardous waste. Based on the NESHAP rules, the Port will perform a hazardous material abatement prior to the demolition of Building L-825 and clean-up of the entire site prior to leasing to the RAC companies.

The Port's Environmental Division has also recently conducted a Cultural Resources Survey of Building L-825 which was built in 1941. This study included a literature search of the California Historical Resources Information System (CHRIS) at Sonoma State

University, preparation of a Primary Department of Park and Recreation (DPR) 532 form, and preparation of a draft and final technical memorandum documenting the results of the literature search and proposed California Register of Historical Resources (CRHR) and National Register of Historic Places (NRHP) eligibility. The final technical memo found that the building does not qualify as a historic site. This finding supports the California Environmental Quality Act (CEQA) determination.

Fairchild Street Improvements

Fairchild Street provides exclusive vehicular ingress to, and egress from Earhart Road to the Rental Car Center Customer Service Building via the existing circular drive. It's primarily used by Common Use Busing System, taxis, and private vehicles that pick-up and drop-off customers, employees, and other users of the Rental Car Center. Fairchild Street has been evaluated as being narrow, hinders good line of sight for vehicular turns, creates traffic hindrances and contributes to occasional vehicular accidents. The suggested solution includes a widened Fairchild Street with separate and dedicated ingress and egress lanes that can accommodate large vehicles with wide turning radius such as incoming and outgoing shuttle buses and private vehicles. This will allow for a more efficient traffic flow in and around the site. There is also an existing parking lot (12 spaces including 2 handicap spaces) used by visitors that is immediately adjacent to the Customer Service Building. This existing parking lot will be relocated as part of the Fairchild Street widening work. The implementation of these improvements would improve traffic circulation to and from the Consolidated Customer facility.

Ryan Street Lot Improvements

This approximately 3.86-acre lot is bounded by Earhart Road on the west, Ryan Street on the north, Doolittle Avenue on the east and Sikorsky Street (the Rental Car Center perimeter road on the south). This site is currently unpaved, covered with loose gravel, has one ungated driveway entrance, and is primarily used for overflow parking and vehicle storage by three (3) of the rental car companies as part of the executed *SUPs*. Proposed capital improvements include as needed grading, subgrade preparation work, paving, striping, and installation of light fixtures. The improved Ryan Street Lot site would support additional parking capacity (vehicular storage and/or employee parking) and be incorporated into the package of related operational space to be made available to the rental car companies during the forthcoming RFB solicitation effort. The proposed improvements would include two new entrances equipped with manual gate control system on Ryan Street, serving as ingress and egress to the Ryan Street Lot. RAC companies will install an automated barrier/spikes system. The site would also include stormwater treatment.

BUDGET & STAFFING

These projects are included in the Port's financial planning in the proposed FY17 Capital Improvement Program (CIP). These projects will be funded using Customer Facility Charges (CFCs) that are collected by the rental car companies. The Port is obliged to spend these collections on eligible capital projects. These projects qualify to be funded 100% through CFCs. The requested budget authorization is \$700,000 to cover total consultant and engineering design costs. The Port's total estimated project cost ranges between \$4.0 and \$4.5 million and will be fully funded using CFCs. As of April 2016, there were \$8.5 million in CFC collections available.

Table 1. Estimated Project Design Costs

Project	Design Consultant Cost	Port Labor Cost	Total
Demolition of Building L-825	\$100,000	\$40,000	\$140,000
Fairchild Road Access Improvements	275,000	110,000	385,000
Ryan Street Lot Improvements	125,000	50,000	175,000
Total	\$500,000	\$200,000	\$700,000

There is no anticipated staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The requested action is for engineering and design professional services. The provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) will not apply to this professional services contract.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Plan (<http://www.portofoakland.com/pdf/about/strategicPlan2011-2015.pdf>).

Goal A: Create Sustainable Economic Growth for the Port and Beyond

- Goal A: Objective 1: Maximize the use of existing assets.

Goal B: Maintain and Aggressively Grow Core Businesses

- Goal B: Objective 1: Retain existing customers and tenants.
- Goal B: Objective 2: Market strategically and aggressively to attract new customers and tenants.

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), may apply to the professional services of this contract, if the contract is more than \$50,000 and the service provider employs 21 or more employees. Future construction work will be subject to prevailing wages.

ENVIRONMENTAL

The Port is required to conduct an environmental impact analysis pursuant to the California Environmental Quality Act (CEQA) as part of all of its project development, approval, and entitlement processes. This action to authorize design services with Mott MacDonald is not considered a project pursuant to CEQA Guidelines Section 15378(2) which states that "Project" means the whole of an action that has a potential for resulting in either direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The general rule in Section 15061(b)(3) of the Guidelines additionally states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. Because it can be seen with certainty that there is no possibility that design services will have a significant effect on the environment, the action is not a "Project" under CEQA, and is not subject to CEQA under the General Rule Exclusion. Further environmental review will be conducted after design and prior to construction.

GENERAL PLAN

This project is for professional services and authorizing budget to proceed with the planning and design of the following improvements: 1) demolition of Building L-825; 2) removal of utilities and related electrical equipment and light poles; 3) Fairchild Road access

improvements; 4) construction of 30 parking spaces; and 5) construction of curbside improvements at Langley and Earhart Road. Additional improvements will also include upgrading of Ryan Street lot to serve as additional parking and storage for the rental car companies. The Port will also perform a hazardous material abatement prior to the demolition of Building L-825 and clean-up of the entire site prior to leasing to the RAC companies. These services will not directly include any alteration of the property. Development projects that result from these professional services will be subject to separate findings of conformity with the City of Oakland General Plan in accordance with Section 727 of the Charter.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)

As the design project is a capital improvement project, the applicable Professional Liability Insurance Program (PLIP) coverages and provisions apply to the design phase.

OPTIONS

Following are options for the Board's consideration:

1. Authorize budget of \$700,000 to proceed with planning and design services under the current Professional Services Agreement with Mott MacDonald for certain capital improvements in support of rental car operations. This is the recommended option.
2. Do not authorize the budget for the planning and design services. This action could jeopardize the ability of OAK to improve RAC services and accommodate potential growth of the rental car revenue from adding leasable property.

RECOMMENDATION

Staff recommends that the Board:

- Authorize budget of \$700,000 to proceed with planning and design services under the current Professional Services Agreement with Mott MacDonald for certain capital improvements in support of rental car operations.

**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

**RESOLUTION APPROVING AND AUTHORIZING CAPITAL PROJECT
BUDGET IN THE AMOUNT NOT TO EXCEED \$700,000 FOR
PLANNING AND DESIGN OF CAPITAL IMPROVEMENTS AT THE
RENTAL CAR CENTER AT OAKLAND INTERNATIONAL AIRPORT.**

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report Item 6.2 dated July 28, 2016 ("Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; and

WHEREAS, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report, and in related agenda materials and in testimony received;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. Based upon the information contained in the Agenda Report, and testimony received, the Board finds that:

A. It is in the best interest of the Port to approve and authorize a capital budget authorization of \$700,000 for planning, and design of capital improvements at the Rental Car Center at Oakland International Airport.

B. This action to authorize budget for design and planning services is not considered a project pursuant to the California Environmental Quality Act Regulations which states that a "Project" means the whole of an action that has a potential for resulting in either direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Although further environmental review may be conducted after design and prior to construction, the design budget authorization action is not a "Project" under CEQA.

SECTION 2. The Board hereby approves the following:

A. A capital budget authorization of \$700,000 for planning and design of capital improvements at the Rental Car Center at Oakland International Airport under the current Professional Services Agreement with Mott MacDonald.

SECTION 3. This resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of an agreement(s) in accordance with the terms of this resolution. Unless and until a separate written agreement(s) is duly executed on behalf of the Board as authorized by this resolution, is signed and approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement(s).

DRAFT

Legislation Details (With Text)

File #:	217-16	Version:	1	Name:	Approve budget of \$883K to reconstruct restroom in Terminal 1
Type:	Resolution	Status:			Remaining Action
File created:	6/30/2016	In control:			Board of Port Commissioners
On agenda:	7/28/2016	Final action:			

Title: Resolution: Authorization to Approve Project Budget in the Amount of \$883,000, to Authorize the Director of Engineering to Approve Project Plans and Specifications, and Authorization for the Executive Director to Execute a Construction Contract in an Amount Not to Exceed \$471,000 for an Airport Restroom Reconstruction Project. (Aviation)

Sponsors:

Indexes:

Code sections:

Attachments: [Agenda Report](#)
[Resolution Item 6.3](#)

Date	Ver.	Action By	Action	Result
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Resolution: Authorization to Approve Project Budget in the Amount of \$883,000, to Authorize the Director of Engineering to Approve Project Plans and Specifications, and Authorization for the Executive Director to Execute a Construction Contract in an Amount Not to Exceed \$471,000 for an Airport Restroom Reconstruction Project. **(Aviation)**

AGENDA REPORT

Resolution: Authorization to Approve Project Budget in the Amount of \$883,000, to Authorize the Director of Engineering to Approve Project Plans and Specifications, and Authorization for the Executive Director to Execute a Construction Contract in an Amount Not to Exceed \$471,000 for an Airport Restroom Reconstruction Project. **(Aviation)**

MEETING DATE: 07/28/2016

AMOUNT: \$883,000 FY 2017 Capital Budget

PARTIES INVOLVED: On-Call Design Consultant:
Powell and Partners, Oakland, CA

Construction Contractor:
TBD

SUBMITTED BY: Bryant Francis, Director of Aviation
Chris Chan, Director of Engineering

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

This Agenda Report seeks budget approval for the reconstruction of the former restroom at Gate 4 in Terminal One. The recommended actions include:

- (1) Authorization of the project budget of \$883,000, including change order authority;
- (2) Authorization for the Director of Engineering to approve Project Plans and Project Manual;
- (3) Authorization for the Executive Director to execute a contract with the lowest responsive responsible bidder in an amount not to exceed \$471,000; and
- (4) Authorization for the Executive Director to resolve any bid protests in accordance with the Port Purchasing Ordinance.

This project is included in the Port's proposed Fiscal Year 17 Capital Improvement Program (CIP).

BACKGROUND

Restrooms are one of the most basic and necessary features of an airport terminal. Terminal One (T1) currently has two women's restroom (at Gates 5 and 10) and three

men's restrooms (at Gates 3, 7 and 11). There was previously a women's restroom near Gate 4, but it was permanently closed in 2011. See Figure 1 for project location. The custodial storage closet adjacent to the closed restroom remains in use. The recommended restroom facility is needed to meet growing passenger demands and to provide facilities not currently offered in T1.



Figure 1. Photo of Project Location.

ANALYSIS

OAK is experiencing its 31st straight month of air passenger growth. Part of this growth picture includes Southwest Airlines using two gates in Terminal One – Gates 4 and 6. When Gate 4 restroom was closed in 2011, passenger traffic was down and demand for women's restrooms could be accommodated at other locations. However, with the increased passenger demand and greater activity at the Gate 4 area, it is now a priority to re-open restroom facilities at this location. The proposed design accommodates a family restroom, lactation room, electrical room and custodial storage closet.

Family Restrooms

Although Terminal Two provides a Family Restroom, there are none in T1. Family restrooms are in demand and are often requested in the Airport's on-going customer

service surveys. The design supports families, persons with disabilities, persons with medical conditions that may require extra space, persons needing assistance with multi-gender parties, and the transgender community. The Family Restroom will comply with all Americans with Disabilities Act/Rehabilitation Act structure and program accessibility requirements.

Lactation Room

In 2015, the State of California mandated that all airports with more than 1,000,000 annual enplanements provide a place in each terminal for ticketed passengers (post-security) to express breast milk. The lactation room must be located outside of the confines of a public restroom. OAK complied with this regulation by installing two Mamava lactation suites. See example in Figure 2. While these have been a popular, well-used amenity amongst our passengers, a hardwall lactation room with running water is better suited for an airport environment in the long-term.



Figure 2. Mamava Lactation Suite.

To meet the basic passenger needs and provide permanent facilities not currently available in T1, the Port proposes to reconstruct the 425 square-foot space that currently contains the closed women's restroom and custodial storage closet and

provide a family restroom, lactation room and supporting facilities of an electrical room and custodial storage closet.

The scope of work for the Gate 4 Restroom Reconstruction project includes building temporary walls, demolition, debris removal; constructing a new lactation room, family restroom, electrical room and custodial storage closet; installing/modifying existing water lines, storm drains, sanitary sewer, HVAC system, electrical and fire alarm systems; performing related structural and architectural modifications. The project construction schedule is expected to be approximately five-months. Most of the work will be performed during the day; about fifteen percent of the work is expected to be performed at night.

Staff has contracted with Powell and Partners to provide design services for the Gate 4 Restroom Reconstruction project. Design is now complete and the project plans and project manual have been prepared. Staff is seeking the authorizations listed below in order to move forward and advertise for bids for the construction phase of this project:

- (1) Authorization of the project budget of \$883,000, including change order authority;
- (2) Authorization for the Director of Engineering to approve Project Plans and Project Manual;
- (3) Authorization for the Executive Director to execute a contract with the lowest responsive responsible bidder in an amount not to exceed \$471,000; and
- (4) Authorization for the Executive Director to resolve any bid protests in accordance with the Port Purchasing Ordinance.

BUDGET & STAFFING

The Gate 4 Restroom Reconstruction project is included in the Port's financial planning in the proposed FY17 Capital Improvement Program (CIP).

A design budget of \$95,000 was initiated in Fiscal Year 2016 using Pre-development funds. The project was authorized for funding 85.6% with Passenger Facility Charges (PFCs) as part of the T1 Renovation in PFC Application #14. The remaining 14.4% of the budget, or \$127,152 will be funded with Port cash and reimbursed through the airlines' rates and charges over time.

Table 1. Estimated Project Costs.

Construction Cost	Consultant Cost*	Port Labor Cost	Total Project Cost
595,000	96,000	192,000	883,000

* Includes non-labor overhead

Construction costs include contracting authority, which includes change order contingency, permits, MAPLA, OCIP, and non-labor overhead.

There is no anticipated staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) apply to this work.

STRATEGIC PLAN

Goal A: Create Sustainable Economic Growth for the Port and Beyond

- Goal A: Objective 1: Maximize the use of existing assets.

Goal B: Maintain and Aggressively Grow Core Businesses

- Goal B: Objective 1: Retain existing customers and tenants.
- Goal B: Objective 5: Enhance customer services (i.e., market intelligence, technical knowledge, strategic advice and problem solving).

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the

“Living Wage Regulations”), do not apply because the contract is a construction contract covered by state prevailing wage rules and the prevailing rate of wage is higher than the wage required by the Living Wage Regulations.

ENVIRONMENTAL

This restroom reconstruction project has been determined to be categorically exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15301, Existing Facilities, which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.

GENERAL PLAN

Pursuant to Section 727 of the City of Oakland Charter, this project has been determined to conform to the policies for the transportation designation of the Oakland General Plan.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)

As the construction project is a capital improvement project, the applicable Owner Controlled Insurance Program (OCIP) coverages and provisions apply to the construction phase.

OPTIONS

1. Approve authorizations associated with the Reconstruction of the Gate 4 Restroom including:
 - a. Authorization of the project budget of \$883,000, including change order authority;
 - b. Authorization for the Director of Engineering to approve Project Plans and Project Manual;
 - c. Authorization for the Executive Director to execute a contract with the lowest responsive responsible bidder in an amount not to exceed \$471,000; and
 - d. Authorization for the Executive Director to resolve any bid protests in accordance with Port Purchasing Ordinance.
2. Do not approve authorizations associated with the Reconstruction of the Gate 4 Restroom. Postponing this important terminal restroom project may create a

negative perception amongst our passengers about the level of services provided in the terminal.

RECOMMENDATION

Staff recommends that the Board Approve authorizations associated with the Reconstruction of the Gate 4 Restroom:

- (1) Authorization of the project budget of \$883,000, including change order authority;
- (2) Authorization for the Director of Engineering to approve Project Plans and Project Manual;
- (3) Authorization for the Executive Director to execute a contract with the lowest responsive responsible bidder in an amount not to exceed \$471,000; and
- (4) Authorization for the Executive Director to resolve any bid protests in accordance with Port Purchasing Ordinance.

BOARD OF PORT COMMISSIONERS CITY OF OAKLAND

RESOLUTION APPROVING AND AUTHORIZING THE TOTAL PROJECT BUDGET OF \$883,000 FOR THE RECONSTRUCTION OF GATE 4 RESTROOM PROJECT AT OAKLAND INTERNATIONAL AIRPORT; AUTHORIZING THE DIRECTOR OF ENGINEERING TO APPROVE THE PROJECT MANUAL AND PLANS FOR THE RECONSTRUCTION OF GATE 4 RESTROOM PROJECT AT OAKLAND INTERNATIONAL AIRPORT; CALLING FOR BIDS THEREFORE; AND AUTHORIZING THE EXECUTIVE DIRECTOR TO AWARD A CONTRACT TO THE LOWEST RESPONSIBLE RESPONSIVE BIDDER IN TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$471,000.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report Item 6.3 dated July 28, 2016 ("Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; and

WHEREAS, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report, and in related agenda materials and in testimony received:

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. Based upon the information contained in the Agenda Report, and testimony received, the Board finds that:

A. It is in the best interest of the Port to approve and authorize the total project budget for the **Reconstruction of Gate 4 Restroom Project at Oakland International Airport ("Gate Restroom Project")** in a total aggregate amount not to exceed \$883,000;

B. It is in the best interest of the Port to authorize the **Gate Restroom Project**;

C. The development and use provided for in the project manual and the subsequent use of the development approved by this resolution are in conformity with the General Plan of the City; and be it

D. Pursuant to the Port Purchasing Ordinance, it is in the best interest of the Port to delegate to the Executive Director the authority to finally resolve all bid protests in connection with this project.

SECTION 2. The Board hereby approves the following:

A. Authorizing the project budget for Construction of the **Gate Restroom Project** in a total aggregate amount not to exceed \$883,000.

B. Delegation of authority to the Director of Engineering to approve the Plans and Project Manual for **Gate Restroom Project**.

C. Advertising for bids for the construction of the **Gate Restroom Project**.

D. Award of a contract for construction of the **Gate Restroom Project** to the lowest responsible responsive bidder, in a total aggregate amount not to exceed \$471,000.

E. Rejection of all other bids received for the **Gate Restroom Project** and direction that securities accompanying said bids shall be returned to the respective bidders.

SECTION 3. The Board hereby authorizes the Executive Director to:

A. Finally resolve bid protests in connection with this project pursuant to the Port Purchasing Ordinance.

B. Award contract to the lowest responsible responsive bidder, based upon the receipt of formal sealed bids, for the **Gate Restroom Project**, in a total aggregate amount not to exceed \$471,000.

SECTION 4. The Board further finds that:

A. The Director of Engineering or his designee is authorized to approve the project manual and plans for the **Gate Restroom Project** in advance of construction, pursuant to Government Code Section 830.6.

B. The Secretary of the Board is hereby authorized to advertise for four consecutive days in the official newspaper of the City of Oakland for sealed bids for the project, not less than ten calendar days prior to the date set for receiving said bids.

C. A bond for the faithful performance of the work, and a bond to guarantee the payment of all claims for labor and materials furnished and for amounts due under the Unemployment Insurance Code, each in the amount of one hundred percent (100%) of the contract price shall be provided by the Contractor as prescribed by applicable laws and regulations and the contract specifications.

D. The procedure prescribed by applicable laws, regulations and the contract specifications shall be taken for the executed of said contract.

SECTION 5. This project has been determined to be categorically exempt from the California Environmental Quality Act ("CEQA") Guidelines pursuant to Section 15301, Existing Facilities, which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public and private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

SECTION 6. This resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of an agreement(s) in accordance with the terms of this resolution. Unless and until a separate written agreement(s) is duly executed on behalf of the Board as authorized by this resolution, is signed and approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement(s).

Legislation Details (With Text)

File #: 222-16 **Version:** 1 **Name:** Capital budget authorization of \$5.2m and Grant funding for Design of Runway 12-30 at Oak.

Type: Resolution **Status:** Remaining Action

File created: 7/1/2016 **In control:** Board of Port Commissioners

On agenda: 7/28/2016 **Final action:**

Title: Resolution: Capital Budget Authorization, Approval to Accept Federal Grant Funding and Related Approvals to Enter into a Contract for Design Services for the Runway 12-30 Rehabilitation Project, South Field, OAK with Kimley-Horn and Associates for a maximum contract amount not to exceed \$5,100,000. (Aviation)

Sponsors:

Indexes:

Code sections:

Attachments: [Agenda Report](#)
[Resolution Item 6.4](#)

Date	Ver.	Action By	Action	Result
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Resolution: Capital Budget Authorization, Approval to Accept Federal Grant Funding and Related Approvals to Enter into a Contract for Design Services for the Runway 12-30 Rehabilitation Project, South Field, OAK with Kimley-Horn and Associates for a maximum contract amount not to exceed \$5,100,000. **(Aviation)**

AGENDA REPORT

Resolution: Capital Budget Authorization, Approval to Accept Federal Grant Funding and Related Approvals to Enter into a Contract for Design Services for the Runway 12-30 Rehabilitation Project, South Field, OAK with Kimley-Horn and Associates for a maximum contract amount not to exceed \$5,100,000. **(Aviation)**

MEETING DATE: 7/28/2016

AMOUNT: \$5,275,000 FY 2016 – Additional Budget Authorization
\$5,100,000 – Design Contract Authority
\$3,969,903 – AIP Grant Award
Capital Expenditure

PARTIES INVOLVED: Kimley-Horn and Associates, Inc., Oakland, CA,
Enda Melvin, P.E., Principal

SUBMITTED BY: Bryant Francis, Director of Aviation
Chris Chan, Director of Engineering

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

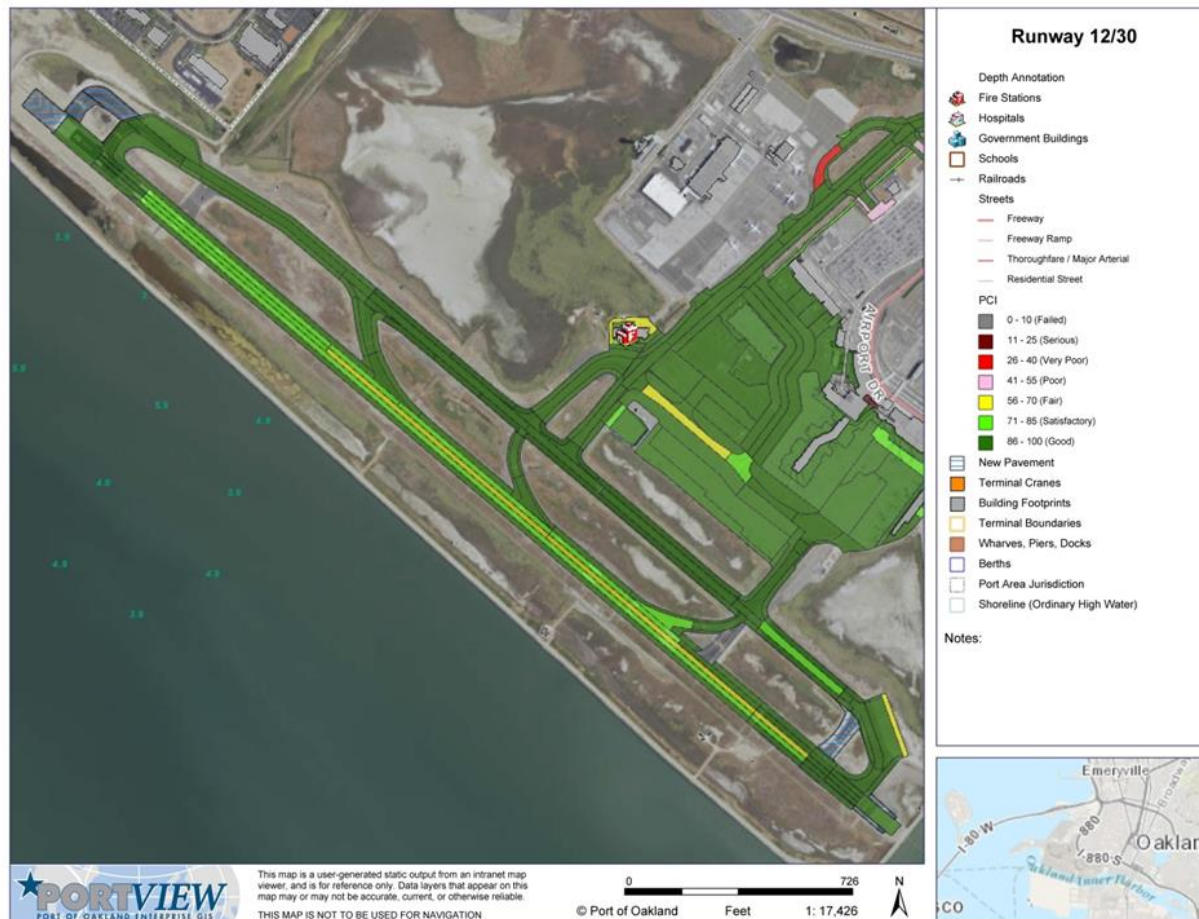
This Agenda Report seeks the following actions for the Runway 12-30 Rehabilitation project: (a) authorization of \$5.275 million in additional budget for project design, (b) approval to accept Federal Fiscal Year (FFY) 2016 Airport Improvement Program (AIP) grant funding from the Federal Aviation Administration (FAA) for design work; and, (c) authorization for the Executive Director to enter into a professional services contract with Kimley-Horn and Associates, Inc. for design services for \$840,000 and delegate authority to the Executive director to execute a Supplemental Agreement with Kimley-Horn and Associates, Inc. to finish the design for an additional contract amount of \$4.26 million pending approval of FFY 2016 AIP grant funding, for a total contract value of \$5.1 million.

BACKGROUND

The Runway 12-30 Rehabilitation project includes an asphalt concrete overlay and upgrade of the in-pavement lighting infrastructure for the main air carrier runway at OAK. This runway previously received a pavement overlay in 2001 that was engineered for a 15-year design life.

The runway is currently due for a new overlay to ensure continued availability and to continue to provide a safe operating surface for aircraft.

Runway 12-30 is typically in service 24 hours per day. As a result, the project will face a significant challenge constructing the project while avoiding negative impacts to air carrier operations. Staff has conducted a planning process with airlines and air carriers, the FAA and other stakeholders to develop, assess and identify a preferred option to construct the runway rehabilitation project. Port staff is recommending a full closure option for Runway 12-30, which includes enabling work to convert Taxiway W to a temporary runway for use during construction. Port staff is working with the FAA to receive necessary approvals and review operational safety criteria and procedures associated with the recommended option.



As reported to the Board at the April 23, 2015 meeting, the Port budgeted \$2.5 million for initial planning and design of the Runway 12-30 Rehabilitation project which included \$2.014 million of AIP grant funds received from the FAA. Work completed to date utilizing this budget includes the: runway lighting design; conceptual study of the runway overlay; conceptual study of temporary conversion of Taxiway W to a runway for the purposes of closing Runway 12-30 during the overlay construction; initial environmental evaluation; and preliminary operational analyses associated with construction sequencing options.

Approximately \$1.175 million of this initial planning and design budget remains available for the next phase of Runway design. This next phase of the project includes developing detailed design and construction bid documents for the pavement overlay and any enabling work necessary to facilitate the project. On April 29, 2016, the Port applied for additional AIP grant funds of \$3.97 million for the final design work and is awaiting FAA approval.

Port staff prepared and issued a Request for Qualifications (RFQ) to interested consultant teams to provide design and construction management services to develop construction bid documents and manage the construction of the runway rehabilitation work. The selected consultant's scope will include designing a pavement overlay for Runway 12-30, designing the conversion of Taxiway W to a temporary runway and back to a taxiway, and performing construction management services. Evaluation of the consultant teams and selection of the recommended team, Kimley-Horn and Associates, Inc. ("Kimley-Horn") is presented in the Analysis section below.

Port staff is seeking authorization for: \$5.275 million of additional capital budget for design of the Runway 12-30 Rehabilitation project, to be added to the \$2.5 million previously approved budget, for a total revised budget of \$7.775 million (see Table 2, below). In addition, staff is requesting approval to accept FFY 2016 AIP grant funding from the FAA for the design work, and authorization for the Executive Director to enter into a professional services contract with Kimley-Horn for design services for \$840,000, delegate authority to the Executive Director to execute a Supplemental Agreement with Kimley-Horn to finish the design for an additional contract amount of \$4.26 million pending approval of FFY 2016 AIP grant funding, for a total contract value of \$5.1 million.

The contract with Kimley-Horn would be structured in two parts. The first part would be for services up to \$840,000, to be funded through the existing grant. After the written approval of FFY 2016 AIP grant funding is received or other project funding course is identified, the Executive Director would be authorized to execute a supplemental agreement to proceed with the second part for remaining design services with a corresponding fee of \$4.26 million. The total fee for the two parts of the contract would equal the total negotiated price of \$5.1 million.

Table 1 below summarizes the proposed revised design budget.

Table 1 –Runway 12-30 Rehabilitation
Revised Design Budget (in 1,000's)*

Project Description	Consultant	Port Labor	Total
Planning / Environmental	\$ 670	\$ 230	\$ 900
Lighting Design	325	100	425
Pending Runway Design	840	335	1,175
Subtotal	\$1,835	\$ 665	\$2,500
Final Runway Design Work	4,260	1,015	5,275
Total	\$6,095	\$1,680	\$7,775

*Budget excludes Consultant, Port Labor, and Contractor costs during the construction phase of the project.

Based on the project scope defined in the conceptual study described above, Port staff estimate an order of magnitude total project cost of approximately \$55 million. Port staff will refine the total project cost estimate as the design is advanced.

ANALYSIS

Port staff working with FAA have identified the summer of 2017 for the Runway 12-30 Rehabilitation overlay construction. This will allow the Port to construct the overlay during the driest season and also allow the optimal use of Taxiway W as a temporary runway from an operational and safety perspective. In order to meet the schedule for the runway overlay, the project design work needs to start in early August 2016.

In response to the issued RFQ, the Port received Statements of Qualifications (SOQs) from two consultant teams. The SOQs were determined to be responsive and were evaluated and ranked by a Port staff team including Engineering and Aviation Planning and Development staff. Both teams were invited to participate in consultant interviews on May 17, 2016. The Port staff evaluation team also participated on a panel for the consultant interviews, during which the invited teams presented their capabilities, understanding of the project, recommended method of project delivery, and answered questions from the panel. Based on the results of the SOQ reviews and consultant interviews, Port staff ranked the consultant teams as follows:

Rank	Consultant Team	Location
1	Kimley-Horn and Associates, Inc.	Oakland, California
2	AECOM Technical Services, Inc.	Oakland, California

The evaluation of the teams was based on the following criteria:

- Knowledge of runway rehabilitation and taxiway conversion to a temporary runway at an operating airport;
- Knowledge of FAA requirements and approval processes;
- Experience in preparation of design-build project delivery bridging documents for Federally funded projects;
- Construction management experience related to runway rehabilitation projects at an operating airport; and
- Proposed Disadvantaged Business Enterprise (DBE) participation.

Based on the evaluation process, Port staff selected Kimley-Horn as the preferred consultant team for design and construction management services. Port staff therefore has negotiated and agreed with Kimley-Horn on a scope of work and an associated fee for design services in the amount of \$5.1 million. Only the budget for design services is being requested for authorization at this time. Once the design is finalized, and subsequent funding identified, staff will return to the Board for budget authorization for construction and consultant construction management services and contractor selection.

Although the Port's Non-Discrimination and Small Local Business Utilization Policy does not apply to this project because it is federally funded, both proposers have local offices in the local impact area.

BUDGET & STAFFING

The Runway 12-30 Rehabilitation project is included in the Port's 5-year Capital Improvement Program (CIP) financial plan and is eligible for AIP grant funding. The CIP total for the Runway 12-30 Rehabilitation project is \$55 million, of which \$2.5 million for planning and preliminary design has previously been authorized and funded. Port staff is requesting an additional \$5.275 million budget authorization for design work, for a total Board authorized project budget of \$7.775 million.

The project is eligible for AIP funding, and the Port is working with the FAA to submit and receive grant funding to meet the project schedule. To date, the Port has received \$2.014 million in AIP funds and has submitted an FFY 2016 AIP grant application for \$3.97 million in funds. The Port intends to cover the local share of project costs using Passenger Facility Charge (PFC) funding (\$5.8 million was approved in PFC 17 and the remainder will be included in a future PFC application).

If the FAA does not approve the AIP grant, the remaining design budget may have to be funded with Port cash. This could result in other projects being deferred. Cash-funded portion of the project would be reimbursed through airlines' rates and charges over the useful life of the improvements, estimated at 15 years.

A summary of previous and current AIP grant funding for the total project to-date is shown in Table 2 below:

Table 2 –Runway 12-30 Rehabilitation Project
AIP Grant Funding Summary (in 1,000's)

Description	FFY 2015 AIP Grant #072	FFY 2016 AIP Grant Application*	Total Budget
Federal Share	\$2,014	\$3,970	\$5,984
Port Share	486	1,305	1,791
Total	\$2,500	\$5,275	\$7,775

*Application excludes Port labor overhead, estimated at \$349,000, which will be funded with Port cash.

Port staff will submit an AIP grant application for the Runway 12-30 Rehabilitation construction and construction management in FFY 2017 and will return to the Board to seek budget and other project authorizations.

There is no anticipated staffing impact associated with the requested project authorizations.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

This contract is for engineering design professional services. The provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) apply to this professional services contract only for work within the craft jurisdiction of the unions signatory to the MAPLA, such as any field surveying, on-site soils and materials testing and inspection, and geotechnical and exploratory drilling work.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Plan (<http://www.portofoakland.com/pdf/about/strategicPlan2011-2015.pdf>)

Goal A: Create Sustainable Economic Growth for the Port and Beyond

- Goal A: Objective 1: Maximize the use of existing assets.

Goal B: Maintain and Aggressively Grow Core Businesses

- Goal B: Objective 1: Retain existing customers and tenants.

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply to this agreement as the service provider does not employ 21 or more employees working on Port-related work. However, the service provider will be required to certify that should living wage obligations become applicable, the service provider shall comply with the Living Wage Regulations.

ENVIRONMENTAL

The actions for budget authorization for design of the Runway 12-30 Rehabilitation project and to apply for/accept FFY 2016 AIP grant funding are exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15273 (a)(4). CEQA does not apply to the establishment, modification, structuring, restructuring, or approval rates, tolls, fares, or other charges by public agencies which the public agency finds are the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas.

The action for the Executive Director to enter into a contract with Kimley-Horn for design services is not considered a project pursuant to CEQA Guidelines Section 15378(2) which states that "Project" means the whole of an action that has a potential for resulting in either direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The general rule in Section 15061(b)(3) of the Guidelines additionally states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. Because it can be seen with certainty that there is no possibility that entering into a contract with Kimley-Horn for design services will have a

significant effect on the environment, the action is not a “Project” under CEQA, and is not subject to CEQA under the General Rule Exclusion. Further environmental review will be conducted when the design of the Runway 12-30 Rehabilitation project is complete.

GENERAL PLAN

This project is for professional services and will not directly include any alteration of property. Development projects that result from these professional services will be subject to separate findings of conformity with the City of Oakland General Plan in accordance with Section 727 of the Charter.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)

As the design project is a capital improvement project, the applicable Professional Liability Insurance Program (PLIP) coverages and provisions apply to the design phase.

OPTIONS

The following are options for the Board’s consideration:

1. Approve the actions as outlined in this agenda report. This is the recommended option.
2. Do not proceed with the actions requested in this agenda report. This is not recommended because action is necessary to rehabilitate Runway 12-30, which is the primary runway for passenger airlines and air cargo carriers. Not proceeding with the project will require increased maintenance to keep the existing runway operational and result in increased impacts to airline and air carrier operations.

RECOMMENDATION

Staff recommends the Board authorize \$5.275 million in additional budget for design of the Runway 12-30 Rehabilitation project, approve acceptance of FFY 2016 Airport Improvement Program (AIP) grant funding from the Federal Aviation Administration (FAA) for design work, authorize the Executive Director to enter into a professional services contract with Kimley-Horn and Associates, Inc., for design services for \$840,000, delegate authority to the Executive director to execute a Supplemental Agreement with Kimley-Horn and Associates, Inc., to finish the design for an additional contract amount of \$4.26 million pending approval of FFY 2016 AIP grant funding or other project funding source, for a total contract value of \$5.1 million.

**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

RESOLUTION APPROVING AND AUTHORIZING AN INCREASE OF \$5,275,000 IN THE TOTAL PROJECT BUDGET FOR THE DESIGN OF THE RUNWAY 12-30 PROJECT AT OAKLAND INTERNATIONAL AIRPORT; AUTHORIZING AND APPROVING ACCEPTANCE OF FEDERAL FISCAL YEAR 2016 AIRPORT IMPROVEMENT PROGRAM GRANT FUNDING; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. FOR PROJECT DESIGN SERVICES IN A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$5,100,000.

WHEREAS, the Board has reviewed and evaluated the Agenda Report Item No. 6.4 dated July 28, 2016 ("Agenda Report") and related agenda materials, has received the expert testimony of Port staff, and has provided opportunities for and taken public comment; and

WHEREAS, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. Based upon the information contained in the Agenda Report and testimony received, the Board hereby finds and determines that:

A. It is in the best interest of the Port to approve and authorize an increase in the total project budget of \$5,275,000 for a total project budget of \$7,775,000 for the **Runway 12-30 Rehabilitation Project, South Field, Oakland International Airport ("Runway 12-30 Project")**.

B. The proposed agreement with Kimley-Horn and Associates, Inc. ("Kimley-Horn") for design services related to the Runway 12-30 Project will constitute an agreement for obtaining professional, technical and

specialized services that are temporary in nature and that it is in the best interest of the Port to secure such services from Kimley-Horn.

SECTION 2. The Board hereby:

A. Approves and authorizes an increase in the total project budget of \$5,275,000 for a total project budget of \$7,775,000 for the **Runway 12-30 Project**.

B. Authorizes and approves acceptance of Federal Fiscal Year 2016 Airport Improvement Grant funding ("AIP Funding") in the amount of \$3,970,000 for the **Runway 12-30 Project**.

C. Approves a professional services agreement with Kimley-Horn for the **Runway 12-30 Project**, for an initial maximum contract amount not to exceed \$840,000 and for an additional \$4,260,000 contingent upon written approval of receipt of AIP Funding or identification of an approved funding source in the amount of \$3,970,000, for a total maximum contract amount not to exceed \$5,100,000 and subject to additional material terms and conditions as further described in the Agenda Report.

D. Authorizes the Executive Director to execute a professional services agreement with Kimley-Horn for the Runway 12-30 Project ("Agreement") for a maximum contract amount not to exceed \$840,000.

E. Authorizes the Executive Director to execute an amendment(s) to the Agreement with Kimley-Horn to increase maximum compensation by \$4,260,000 for a total maximum contract amount not to exceed \$5,100,000 contingent upon written approval of receipt of AIP Funding or identification of an approved funding source in the amount of \$3,970,000.

F. Authorizes the Executive Director to (i) execute such Agreement and amendments, subject to approval as to form and legality by the Port Attorney, and (ii) make such additions, modifications, or corrections as necessary to implement the Agreement and amendments or to correct errors, subject to the limitations set forth herein and provided that any such addition, modification or correction does not materially differ from the terms and conditions set forth herein and in the Agenda Report.

SECTION 3. This resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement.

SECTION 4. This resolution shall be effective immediately upon adoption by the Board.

DRAFT

Legislation Details (With Text)

File #:	223-16	Version:	1	Name:	Execute supplemental agreement with Sherriff's office (ACSO) for \$5.5m and add two years to contract for max addition authority of \$46.6m
Type:	Resolution	Status:			Remaining Action
File created:	7/1/2016	In control:			Board of Port Commissioners
On agenda:	7/28/2016	Final action:			
Title:	Resolution: Authorization for Executive Director to Execute a Supplemental Agreement with the Alameda County Sheriff's Office (ACSO) to (1) Increase Maximum Compensation for FYs 2013-2017 and (2) Extend the Term for Two Additional Years and Increase Corresponding Maximum Compensation (FY 2018 and FY 2019). (Aviation)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Agenda Report Resolution Item 6.5				
Date	Ver.	Action By	Action		Result

Resolution: Authorization for Executive Director to Execute a Supplemental Agreement with the Alameda County Sheriff's Office (ACSO) to (1) Increase Maximum Compensation for FYs 2013-2017 and (2) Extend the Term for Two Additional Years and Increase Corresponding Maximum Compensation (FY 2018 and FY 2019). (**Aviation**)

AGENDA REPORT

Resolution: Authorization for Executive Director to Execute a Supplemental Agreement with the Alameda County Sheriff's Office (ACSO) to (1) Increase Maximum Compensation for FYs 2013-2017 and (2) Extend the Term for Two Additional Years and Increase Corresponding Maximum Compensation (FY 2018 and FY 2019).
(Aviation)

MEETING DATE: 7/28/2016

AMOUNT: \$46,570,000
Operating Expense

PARTIES INVOLVED: Alameda County Sheriff's Office
Oakland, California - Gregory J. Ahern, Sheriff
Alameda County Board of Supervisors
Oakland, California

SUBMITTED BY: Bryant L. Francis, Director of Aviation

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

This action is to request an increase of \$5,506,000 to the maximum compensation for FYs 2013-2017 for the Airport Police Services contract with Alameda County Sheriff's Office (ACSO). In addition, this action seeks Board approval to authorize a contract extension of two additional years with the Alameda County Sheriff's Office for FY 2018 and FY 2019 for an amount not to exceed \$41,064,000.

BACKGROUND

Providing highly effective security measures at the nation's airports is a priority of airport operators and the Transportation Security Administration (TSA). Terrorist and criminal threats continue to surface and include challenges such as perimeter breaches / intrusions, insider threats, and protection of the publicly accessible areas of airports. Since 2004, the Port of Oakland has partnered with Alameda County Sheriff's Office (ACSO) to, along with Port staff, address these and other security-related challenges, while maintaining a high level of safety and security for passengers and employees at Oakland International Airport (OAK).

Since 2007, ACSO has provided all law enforcement services at the Airport that are required by 49 CFR 1542.215, several TSA Security Directives (issued in accordance with 49 CFR 1542.303), and the TSA-approved Airport Security Program (required by 49 CFR 1542.101-103). The Port's current contract with ACSO covers Fiscal Year (FY) 2013 through FY 2017 (i.e., 5 years, from July 1, 2012, through June 30, 2017) with a maximum compensation not to exceed \$71,660,000¹. By contract, the Port reimburses Alameda County for costs associated with ACSO providing law enforcement services at the Airport, including a 10% overhead charge for ACSO and County costs not billed directly to the Port (e.g., County human resources support, County legal support, etc.).

ACSO provides a dedicated Airport Police Services (APS) unit of sworn supervisory / command staff, sworn Deputies, and non-sworn Sheriff Safety Aides (SSAs) to provide all law enforcement services at the Airport including the following key functions:

- Routine patrols, crime deterrence, investigation of crimes, crime analysis/statistics, etc.
- Provide ability to respond to simultaneous security incidents requiring law enforcement presence (e.g., security breaches, bomb threats, hijackings, etc.).
- Respond to security door alarms / breaches and any other security alarms.
- Assume Incident Command and establish Incident Command Post in accordance with National Incident Management System (NIMS), California Standardized Emergency Management System (SEMS), and Incident Command System (ICS) principals for all security-related incidents at the Airport.
- Provide all law enforcement services and support for VIP arrivals and departures, including SWAT and Explosives Ordinance Disposal (EOD) teams and motorcade escort as directed by the protective detail (e.g., President of the United States, Vice President of the United States, foreign dignitaries, cabinet secretaries, etc.).
- Provide security training to the Airport community, including Port and tenant employees (such as basic personal safety classes and active shooter training) and non-sworn staff.
- Provide SWAT / tactical team response to the Airport as necessary and conduct on-going SWAT / tactical team training at the Airport.
- Provide EOD team(s) (bomb squad) to the Airport as necessary.
- Provide routine and emergency marine patrol services to the Water Perimeter Security Zone (WPSZ) surrounding Runway 11-29, including support for the United States Department of Agriculture Wildlife Hazard Management Program.
- Provide all assigned Deputies and Sergeants airport-specific law enforcement training as required or recommended by the California Peace Officer Standards and Training (POST) guidelines, the Transportation Security Administration (TSA), or Airport Law Enforcement Agency Network (ALEAN).
- Provide and deploy highly trained explosives detection canine units.

¹ In 2012, Port staff prepared minimum requirements for law enforcement services at the Airport and requested proposals from the Oakland Police Department (OPD) and Alameda County Sheriff's Office (ACSO). OPD withdrew from the competitive selection process, and the Port finalized negotiations with ACSO and entered into a contract to provide all law enforcement services at the Airport for FY 2013 – FY 2017.

- Use Sheriff Safety Aides (SSAs) or Deputies to guard unsecured access points (e.g., gates / doors) and/or fence lines, as directed by the Port to prevent unauthorized access.
- Support the Aviation Security Department in ongoing efforts to mitigate insider threats at the Airport.

Many of the above items, such as EOD, marine patrol, and multi-jurisdictional activities, represent “value added” services that are provided without direct cost to the Airport but are available due to ACSO’s vast in-house resources and regional capabilities. ASCO has been able to provide the Airport with excellent service inclusive of these “value added” items in a cost-effective manner. ACSO has demonstrated its ability to not only meet basic regulatory law enforcement requirements but also assist Port staff to improve the overall security posture at OAK.

ANALYSIS

ACSO leadership and Port staff have prepared a budget estimate for the cost of ACSO law enforcement services at the Airport for FY 2017, the final year of the Port’s current contract with ACSO, and Port staff has included this request in the Airport’s overall operating budget for FY 2017, which was approved by the Board on June 23, 2016. Based on spending estimates for the remainder of FY 2016, plus the approved budget for FY 2017, Port staff estimates that we will exceed the current contract’s five-year maximum compensation by approx. \$5,506,000 (approx. 7.7%). The reason for this overrun is because the maximum compensation in the contract authorized by the Board was a “best estimate” prepared by Port staff in FY 2013, and since then, several aviation security and other considerations and factors have emerged resulting in an increase in costs to provide law enforcement services at the Airport. Examples of considerations / factors causing the contractual overrun include:

- Unanticipated increases in public agency healthcare and retirement plans
- Funding for an insider threat squad
- Unanticipated law enforcement vehicle costs
- Need for additional full-time, non-sworn SSA due to flight increases (SSAs)
- Need for increased law enforcement presence following overseas terrorist attacks
- Procurement of body-worn personal video recorders (cameras)
- Need for law enforcement support at protest activities at OAK and Maritime area
- Increases in law enforcement support related to Super Bowl 50

The following table compares planned spending levels for each fiscal year of the contract (2013-2017) prepared in FY 2013 (at the start of the contract) vs. the actual amount spent in each fiscal year (estimated for FY 2016 and FY 2017). The table also shows the planned growth rate in costs from fiscal year to fiscal year (3.5% per year, on average) vs. actual (7.5% per year, on average).

Fiscal Year	Estimated Monthly Costs up to Contract Maximum (including contingency), prepared in FY 2013 [X]	Percent Increase Compared to Prior Year	Spent, Actual for FY 2013-2015 & Estimated for FY 2016-2017 (including contingency) [Y]	Percent Increase Compared to Prior Year	Difference [X-Y]
2013	\$13,262,000*		\$13,278,868		-\$16,868
2014	\$14,247,139	7.4%	\$14,155,135	6.6%	\$92,004
2015	\$14,204,696	-0.3%	\$15,031,182	6.2%	-\$826,486
2016	\$14,710,873	3.6%	\$17,000,000	13.1%	-\$2,289,127
2017	\$15,232,236	3.6%	\$17,700,815	4.1%	-\$2,465,523
Total	\$71,660,000**		\$77,166,000		-\$5,506,000
Average (all years)	\$14,332,000	3.5%***	\$15,433,200	7.5%***	

* The contract with ACSO specifies maximum compensation for FY 2013 as \$12,800,000; in May 2013, this amount was increased by Board Resolution No. 13-47 to \$13,262,000.

** Rounded.

*** Average annual percent increase from FY 2013 to FY 2017.

Therefore, Port staff recommends that the Board authorized the Executive Director to execute a Supplemental Agreement with Alameda County to increase the maximum compensation allowed under the FY 2013 – FY 2017 contract by \$5,506,000, not to exceed \$77,166,000.

Further, Port staff recommends the Board authorize the Executive Director to execute a Supplemental Agreement with Alameda County to extend the term of current contract for two additional years (i.e., FY 2018 and FY 2019). As noted above, ACSO has provided all law enforcement services at the Airport since 2007 (and been on-site providing security services under contract to the Port since 2004). ACSO has been an excellent partner in enhancing security at the Airport to counter emerging and evolving threats. Port staff estimates that ACSO's services are cost effective, considering the "value added" services ACSO provides, and in-line with other law enforcement agencies in the S.F. Bay Area. Additionally, Port staff believes the current contract with ACSO includes fair operating provisions and terms.

To provide these two additional years of law enforcement services at OAK, staff recommends increasing the contract maximum by approx. 10% each year (from FY 2017 requested contract authority), as shown in the following table, not to exceed \$41,064,000.

Fiscal Year	Requested Contract Authority	Percent Increase Compared to Prior Year
2017 (from table above)	\$17,700,815	
2018	\$19,554,000	10%
2019	\$21,510,000	10%

Total, FY 2018-2019	\$41,064,000	
Average (FY 2013-2019)	\$16,890,000	8.4%*

* Average annual percent increase from FY 2013 to FY 2019 (7 years).

It is important to note that the actual amount that is anticipated to be spent on law enforcement services in FY 2018 and FY 2019 will be (1) estimated by staff and approved by the Board on an annual basis through the Board's adoption of the Port's operating budget for the Airport, and (2) will be less than this requested contract authority. The requested contract authority for FY 2018 and FY 2019 includes anticipated increases in salary and benefits plus contingency (total of 10% each year over the FY 2017 level) for unanticipated events / incidents requiring increased law enforcement services, including, for example, increased law enforcement presence in public areas of the Airport following terrorist attacks at overseas or other U.S. airports, all subject to Board-approved operating budget constraints for the Airport.

For extreme emergencies that could not be responded to within the contract authority recommended above, and as is currently allowed by Port Resolution No. 13-47, Port staff recommends that the Board authorize that in the event the Executive Director has declared an emergency, he or she is authorized to increase law enforcement staffing and expend additional funds for such increase law enforcement staffing, and will bring to the Board for ratification the expenditure of any funds in excess of the contract maximum, proposed to be \$118,230,000 for FY 2013 through FY 2019, as summarized in the table below.

Cost Summary Table

Description	Amount
Additional amount requested for final FY of existing contract (FY 2017) [A]	\$5,506,000
Amount requested for FY 2018 and FY 2019 extension [B]	\$41,064,000
Subtotal [A+B=C]	\$46,570,000
Maximum compensation authorized in existing contract for FY 2013 – FY 2017 [D]	\$71,660,000
Proposed new maximum compensation for FY 2013 – FY 2019 [C+D]	\$118,230,000

Finally, Port staff recommends that it provide an annual report to the Board on actual law enforcement costs for the previous fiscal year compared to the Board-approved budget and maximum contract authorization, including explanations for any significant differences. Also, during the FY 2018 and FY 2019 contract extension period, if authorized by the Board, Port staff will evaluate options for providing law enforcement services at the Airport and make recommendations to the Board for FY 2020 and beyond.

BUDGET & STAFFING

The Port's operating budget for FY 2017, which was approved by the Board on June 23, 2016, includes \$17,083,000 for ACSO to provide all law enforcement services at the Airport. This amount represents approx. 14% of the Airport's overall operating budget for FY 2017. Depending on events / incidents and special assignments, approx. 75% of this amount is recovered through airline rates and charges; the remaining 25% (approx.) is paid for through other Airport operating revenues, such as North Field rents and public parking revenues.

For FY 2018 – FY 2019, the Port is requesting contract authority for \$41,064,000; however, the actual budget for each of these Port fiscal years will be submitted for consideration by the Board of Port Commissioners prior to each fiscal year through the normal Port operating budget preparation and approvals.

There is no Port staffing impact associated with this request.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The matters contained in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

STRATEGIC PLAN

The Port of Oakland's Strategic Plan was adopted by the Board of Port Commissioners on October 5, 2010. The Strategic Plan provides direction and overall alignment for Port initiatives. It provides the framework for focusing the work of staff and the Board of Port Commissioners with overall strategic goals of the organizations in identified key areas of Sustainable Business and Economic Development, Stewardship and Accountability, Port Workforce and Operations, and Communications and Information.

This resolution would help the Port achieve the following goals and objectives:

Strategic Priority Areas	Goal	Objective	How Implemented?
Sustainable Business and Economic Development	Goal A: Create sustainable economic growth for the Port and beyond.	4. Pursue strategic partnerships at all levels.	Air travelers utilizing OAK will feel more confident about air safety by seeing a visible security presence at checkpoints.
	Goal B: Maintain and aggressively grow core business.	1. Retain existing customers and tenants.	By extending the services provided by ACSO, the Port can ensure no lapse in safety and security for individuals traveling through OAK.

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements, do not apply to this agreement because Alameda County Sheriff's Office is a government agency.

ENVIRONMENTAL

CEQA Determination

California Environmental Quality Act (CEQA) Guidelines Section 15378(2) states that “Project” means the whole of an action that has a potential for resulting in either direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The general rule in Section 15061(b)(3) of the Guidelines additionally states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. Because it can be seen with certainty that there is no possibility that this agreement may have a significant effect on the environment, the action is not a “Project” under CEQA, and is not subject to CEQA under the General Rule Exclusion. No further review of this action under CEQA is required.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)

This action is not subject to the Port’s Owner Controlled Insurance Program (OCIP) or Professional Liability Insurance Program (PLIP) as it is not a capital improvement construction project or design project supporting such construction.

OPTIONS

1. Authorize the Executive Director to execute a Supplemental Agreement with Alameda County to (i) increase the maximum compensation allowed under the FY 2013 – FY 2017 contract by \$5,506,000, not to exceed \$77,166,000, and (ii) extend the term of current contract for two additional years (i.e., FY 2018 – FY 2019) for an additional amount not to exceed \$41,064,000, for a maximum compensation under the contract of not to exceed \$118,230,000 for FY 2013 – 2019 (7 years, including the additional funds for FY 2017).
“This is the recommended action.”
2. Authorize the Executive Director to execute a Supplemental Agreement with Alameda County to increase the maximum compensation allowed under the FY 2013 – FY 2017 contract by \$5,506,000, not to exceed \$77,166,000. Do not authorize the Executive Director to extend the term of the current agreement two additional years (i.e., FY 2018 – FY 2019).

RECOMMENDATION

Adopt a resolution authorizing the Executive Director to execute a Supplemental Agreement with Alameda County to (i) increase the maximum compensation allowed under the FY 2013 – FY 2017 contract by \$5,506,000, not to exceed \$77,166,000, and (ii) extend the term of current contract for two additional years (i.e., FY 2018 – FY 2019) for an amount not to

exceed \$41,064,000, for a maximum compensation under the contract of not to exceed \$118,230,000 for FY 2013 – 2019 (7 years), subject to approval as to form and legality by the Port Attorney.

**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A SUPPLEMENTAL AGREEMENT WITH ALAMEDA COUNTY SHERIFF'S OFFICE TO (I) INCREASE MAXIMUM COMPENSATION FOR FYS 2013-2017 AND (II) EXTEND THE TERM FOR TWO ADDITIONAL YEARS AND INCREASE CORRESPONDING MAXIMUM COMPENSATION FOR FYS 2018 AND 2019 AT THE OAKLAND INTERNATIONAL AIRPORT.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report Item 6.5, dated July 28, 2016 (herein "Agenda Report") and related agenda materials, has received the expert testimony of Port staff, and has provided opportunities for and taken public comment; now, therefore, be it

RESOLVED, that based upon the information contained in the Agenda Report, the Board hereby authorizes the Executive Director to execute a Supplemental Agreement with Alameda County Sheriff's Office to (i) increase the maximum compensation allowed under the FY 2013-FY 2017 contract by \$5,506,000, not to exceed \$77,166,000, and (ii) extend the term of the current contract for two additional years (i.e. FY 2018-FY 2019) for an amount not to exceed \$41,064,000, for a maximum compensation under the contract of not to exceed \$118,230,000 for FY 2013-2019 (7 years, including the additional funds for FY 2017), subject to the approval of the Port Attorney as to form and legality; and be it

FURTHER RESOLVED, the Board hereby authorizes the Executive Director to make such additions, modifications, or corrections as necessary to implement the Agreement with Alameda County Sheriff's Office or to correct errors, subject to the limitations set forth herein and provided that any such addition, modification or correction does not materially differ from the terms and conditions set forth herein and in the Agenda Report; and be it

FURTHER RESOLVED, that in the event the Executive Director has declared an emergency, the Board hereby authorizes the Executive Director to increase law enforcement staffing and expend the additional funds for such increased law enforcement staffing, and will bring to the Board for ratification the expenditure of any funds in excess of the contract maximum; and be it

FURTHER RESOLVED, that the Board hereby directs Port staff to submit to the Board annual reports with respect to the actual expenditures under the contract compared to budget and maximum contract authorization; and be it

FURTHER RESOLVED, the Board hereby finds that there is no possibility that this Agreement may have a significant effect on the environment, the action is not a "Project" under the California Environmental Quality Act ("CEQA"), and is therefore not subject to CEQA under the General Rule Exclusion in Section 15061(b)(3) of the Guidelines which states that CEQA applies only to activities that have a potential for causing a significant effect on the environment; and be it

FURTHER RESOLVED, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received; and be it

FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed and approved as to form and legality by the Port Attorney, and is delivered to the other contracting party, there shall be no valid or effective agreement.

Legislation Details (With Text)

File #:	226-16	Version:	1	Name:	Amend SUP with Vino Volo for additional Concessions Space
Type:	Ordinance	Status:			Remaining Action
File created:	7/1/2016	In control:			Board of Port Commissioners
On agenda:	7/28/2016	Final action:			
Title:	Ordinance: Approval of Amendment No. 3 to Space/Use Permit for Specialty Retail/Wine Bar Concession with Taste Inc. dba Vino Volo to Incorporate Space E-4 and to Extend the Term of the Agreement through May 31, 2021 at Oakland International Airport (Aviation)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Agenda Report Ordinance Item 6.6				

Date	Ver.	Action By	Action	Result
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Ordinance: Approval of *Amendment No. 3 to Space/Use Permit for Specialty Retail/Wine Bar Concession* with Taste Inc. dba Vino Volo to Incorporate Space E-4 and to Extend the Term of the Agreement through May 31, 2021 at Oakland International Airport (**Aviation**)

AGENDA REPORT

Ordinance: Approval of *Amendment No. 3 to Space/Use Permit for Specialty Retail/Wine Bar Concession* with Taste Inc. dba Vino Volo to Incorporate Space E-4 and to Extend the Term of the Agreement through May 31, 2021 at Oakland International Airport (**Aviation**)

MEETING DATE: 7/28/2016

AMOUNT: \$49,500.00/yr. Minimum Annual Guaranty Revenue

PARTIES INVOLVED: Taste Inc. dba Vino Volo (Oakland, CA)
Douglass Tomlinson, Chairman of the Board

SUBMITTED BY: Bryant L. Francis, C.M. Director of Aviation

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Ordinance

EXECUTIVE SUMMARY

This action approves the terms and conditions and authorizes execution by the Executive Director of *Amendment No. 3 to Space/Use Permit for Specialty Retail/Wine Bar Concession* with Taste Inc. dba Vino Volo to incorporate the addition of Space E-4 consisting of 660 square feet and extending the term of the existing *Space/Use Permit* through May 31, 2021. Anticipated additional Port revenue will be approximately \$49,500 per year.

BACKGROUND

At its meeting of July 7, 2009, the Board of Port Commissioners approved a *Space/Use Permit for Specialty Retail/Wine Bar Concession (SUP)* with Taste Inc. dba Vino Volo ("Vino Volo") to operate a Vino Volo branded wine bar in Terminal 2 at the Oakland International Airport (OAK). Vino Volo opened for business in December 2007 and has been a very successful and popular concept at OAK. During calendar year 2015, Vino Volo generated \$1,839,807 in gross receipts and paid the Port \$237,573.

ANALYSIS

Passenger traffic at OAK has been steadily growing for the past few years. The addition of flights, particularly in Terminal 1 has put a strain on the service levels of the existing

concessions. Space in Terminal 1 is very constrained and the addition of the common use lounge further limits options for additional concession locations. Vino Volo operates as a retailer, selling bottles of wine, in addition to providing tastings/wine pourings and small bites. The level of infrastructure required for it to operate is not as extensive as a full service food facility but it

can provide the type of amenities that are popular with passengers. A 25' x 26' footprint was identified at the end of the Terminal 1 concourse that is suitable for development of a "satellite" Vino Volo facility (in addition to its Terminal 2 location discussed above).

This space is identified as E-4. Amendment No. 3 to Space/Use Permit for Specialty Retail/Wine Bar Concession (Amendment No. 3) proposes to incorporate the E-4

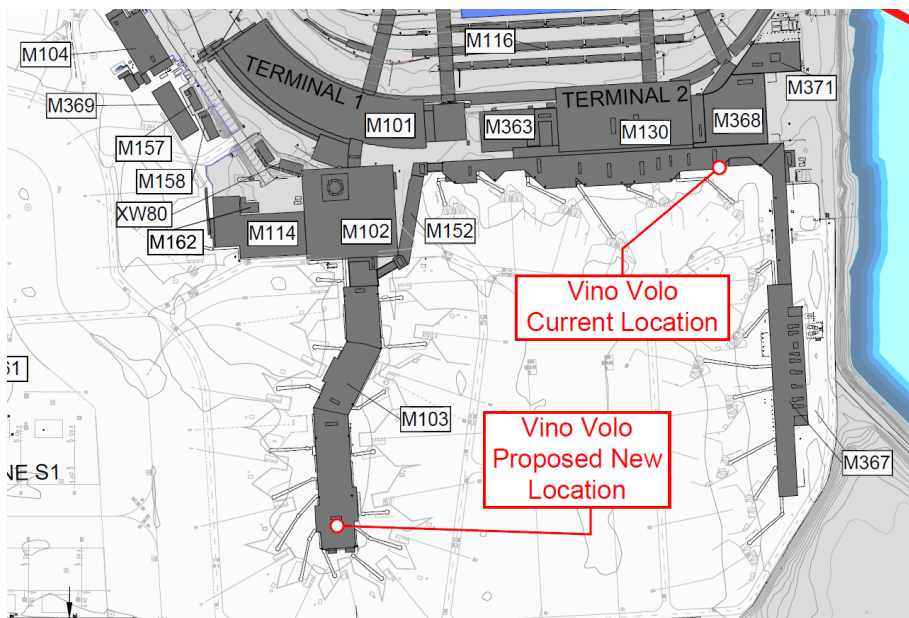
premises into the SUP on the same rental terms and conditions as the original Terminal 2 premises. The initial minimum rent would be the greater of a percentage of gross receipts or \$75 per square foot per year. The percentage rates are 12% for gross receipts up to \$1,000,000; 14% for gross receipts between \$1,000,000 and \$2,000,000 and 16% of gross receipts in excess of \$2,000,000. After a full

calendar year of operation, the minimum rent is adjusted to 85% of the amount actually payable during the preceding calendar year. Rent would be calculated, reported and paid separately for each location.

Existing Location in Terminal 2 – Near Gate 25



Volo) were extended to May 31, 2021. Extending the term of the Vino Volo SUP will keep the expiration dates of the retail program consistent.



In addition, it is proposed that Amendment No. 3 extend the expiration date from May 31, 2018 to May 31, 2021. In December 2014, pursuant to Port Ordinance 4314, the expiration date of all retail concession operations at OAK (with the exception of Vino

BUDGET & STAFFING

Revenue for space E-4 was not included in the FY 2016-17 Budget. It is anticipated that the unit would open for business midway through the fiscal year providing for unbudgeted revenue of approximately \$24,750. In future years space E-4 would provide additional annual revenue of a minimum of \$49,500.

There is no staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The matters contained in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Plan

<http://www.portofoakland.com/pdf/about/strategicPlan2011-2015.pdf>

Goal A: Create Sustainable Economic Growth for the Port and Beyond

Goal A: Objective 1: Maximize the use of existing assets

Goal B: Maintain and Aggressively Grow Core Businesses

Goal B: Objective 5: Enhance customer services (i.e., market intelligence, technical knowledge, strategic advice and problem solving).

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply to this agreement as the tenants do not employ 21 or more employees working on Port-related work. However, the tenants will be required to certify that should living wage obligations become applicable, the tenants shall comply with the Living Wage Regulations.

ENVIRONMENTAL

CEQA Determination: This project has been determined to be categorically exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15301, Existing Facilities, which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)

The Owner Controlled Insurance Program (OCIP) and Professional Liability Insurance Program (PLIP) do not apply to the matters addressed by this Agenda Report as they are not capital improvement construction or design projects.

OPTIONS

- Adopt an ordinance to approve, and authorize the Executive Director to execute, the proposed *Amendment No. 3 to Space/Use Permit* with Taste Inc. dba Vino Volo to add Space E-4 and to modify the expiration date to May 31, 2021. This is the recommended action;
- Do not approve *Amendment No. 3* but direct staff to negotiate different terms and conditions from those presented herein; or,
- Do not approve *Amendment No. 3*, which will result in a lower level of retail concession service in Terminal 1 and the loss of an estimated \$49,500 in anticipated annual revenue.

RECOMMENDATION

Staff recommends adoption of an ordinance (i) approving the terms and conditions of *Amendment No. 3 to Space/Use Permit for Specialty Retail/Wine Bar Concession* with Taste Inc. dba Vino Volo to add Space E-4 and to modify the expiration date to May 31, 2021 as described above, and (ii) authorizing the Executive Director to execute *Amendment No. 3*, subject to the Port Attorney's approval as to form and legality.

7/28/16
Item 6.6
CT/1hr
CT/DW

**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

ORDINANCE APPROVING AMENDMENT NO. 3 TO SPACE/USE
PERMIT FOR SPECIALTY RETAIL/WINE BAR CONCESSION WITH
TASTE INC. DBA VINO VOLO TO INCORPORATE SPACE E-4 AND
TO EXTEND THE TERM OF THE AGREEMENT THROUGH MAY 31,
2021.

WHEREAS, the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the Agenda Report for Agenda Item 6.6, dated July 28, 2016 (the "Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received.

Section 2. The Board hereby approves the terms and conditions set forth in the Agenda Report for the Amendment No. 3 to Space/Use Permit for Specialty Retail/Wine Bar Concession with **Taste Inc. dba Vino Volo** to add Space E-4 and to modify the expiration date to May 31, 2021.

Section 3. The Board hereby authorizes the Executive Director to execute the Amendment No. 3 to Space/Use Permit for Specialty Retail/Wine Bar Concession with **Taste Inc. dba Vino Volo**, subject to approval as to form and legality by the Port Attorney.

Section 4. The Board hereby finds and determines that entering into the Amendment No. 3 to Space/Use Permit is not subject to CEQA under CEQA Guidelines Section 15301 (Existing Facilities), which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

Section 5. This ordinance is not evidence of and does not create or constitute (a) a contract(s), or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until a separate written contract is duly executed on behalf of the Board as authorized by this ordinance, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective contract.

Section 6. This ordinance shall be effective upon adoption by the Board.

DRAFT

President.

Attest: _____
Secretary.

Approved as to form and legality:

Port Attorney

Legislation Details (With Text)

File #:	235-16	Version:	2	Name:	MOU with CBP for services: OAK budget authority for \$10m for 5 yrs and Maritime Tenants Agreement to reimburse Port
Type:	Resolution	Status:			Remaining Action
File created:	7/14/2016	In control:			Board of Port Commissioners
On agenda:	7/28/2016	Final action:			
Title:	Resolution: Authorization for Executive Director to Execute a Reimbursement Services Agreement, Memorandum of Understanding and Related Authorizing Documents with the United States Custom and Border Protection Agency and Authorize Use of the Services for up to Five Years and up to \$6,500,000 of Operating Expense and Authorize the Executive Director to enter into Reimbursable Agreements with each of the Port's Marine Terminal Operators for Costs of the Program in the Maritime Area. (Aviation and Maritime)				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	Agenda Report Resolution Item 6.7				

Date	Ver.	Action By	Action	Result
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Resolution: Authorization for Executive Director to Execute a Reimbursement Services Agreement, Memorandum of Understanding and Related Authorizing Documents with the United States Custom and Border Protection Agency and Authorize Use of the Services for up to Five Years and up to \$6,500,000 of Operating Expense and Authorize the Executive Director to enter into Reimbursable Agreements with each of the Port's Marine Terminal Operators for Costs of the Program in the Maritime Area. **(Aviation and Maritime)**

AGENDA REPORT

Resolution: Authorization for Executive Director to Execute a Reimbursable Services Agreement, Memorandum of Understanding and Related Authorizing Documents with the United States Customs and Border Protection Agency and Authorize Use of the Services for up to Five Years and up to \$6,500,000 of Operating Expense and Authorize the Executive Director to enter into Reimbursable Agreements with each of the Port's Marine Terminal Operators for Costs of the Program in the Maritime Area.
(Aviation and Maritime)

MEETING DATE: 7/28/2016

AMOUNT: \$6,500,000 (Total Operating Expense)

PARTIES INVOLVED: United States Customs and Border Protection
Commissioner R. Gil Kerlikowski
Washington, D.C.

SUBMITTED BY: Bryant L. Francis, Director of Aviation
John Driscoll, Director of Maritime

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

This action is to request authorization to 1) enter into the Reimbursable Services Agreement (RSA) with U.S. Customs and Border Protection (CBP), which allows the Port of Oakland to participate in Congressionally authorized programs to have local jurisdictions fund additional CBP services otherwise not normally provided at a particular Port of Entry, 2) execute a memorandum of understanding (MOU) with local CBP regarding the specific details of what services are to be provided at any given time, 3) use these services for up to five years and spend up to \$6,500,000 of operating expense depending on business need, and 4) enter into reimbursable agreements with terminal operators in the maritime area to reimburse the Port for costs incurred under the RSA Program. These services are essential to business growth at both the Seaport and Oakland International Airport (OAK) to ensure operations out of the currently defined hours of CBP services.

BACKGROUND

Both the Seaport and OAK require CBP services for processing international cargo and passengers. Services required include passenger immigration processing, customs baggage inspection, agricultural inspection and cargo screening such as with radiation portal monitors, non-intrusive detection, and container inspection. These services have traditionally been limited in duration as a result of CBP staffing allocations (eight hours per day, seven days per week at OAK with occasional approvals outside of this window; at the Seaport the regular and recurring hours have been more flexible but can still be constrained for as needed or urgent services). When services are requested outside of the regular “windows” for businesses that need to operate at different times, they are at CBP discretion and may be and have been denied in the past.

Recognizing that certain Ports of Entry such as the Port of Oakland may require more services than the CBP staffing allocation windows provide, Congress created the Reimbursable Services Program (Program). This program allows local CBP to allocate staff on an overtime basis for additional services that would not otherwise be provided and to be reimbursed for those services. For seaports the program allows an unlimited number of participants; however, for airports the program is limited with only 10 airports allowed to be selected for the Program this year. OAK competed with 30 other airports and was one of the 10 selected airports; the Seaport was also approved in this round.

ANALYSIS

The Reimbursable Services Agreement (RSA) is a high level agreement that sets forth the Port’s approval to participate in the Program and that the Port will reimburse CBP for specified expenses incurred based on the mutually agreed upon services as spelled out in the MOU and agreed to with local CBP. The RSA anticipates that the services will change over time and thus does not contain any specific time or financial commitment. The MOU is utilized to specify the services mutually agreed to at any given time and is anticipated to change, as business needs change. The RSA can be cancelled by CBP for lack of prompt payment by the Port with 30 days notice and may be cancelled by either party for any reason with 90 days notice. The Port can cancel services agreed to in the MOU (e.g., if a flight that caused the Port to request the services is cancelled or seasonal and the services are no longer required) but CBP and the Port must mutually agree to additions of services. Reimbursement for services is at direct cost plus 15% overhead. Although there is not a set time frame or financial commitment with the RSA, to ensure best practices with Board authorized time and budget limits, Port staff is recommending a time horizon of up to five years and up to \$6,500,000 (inclusive of Seaport and OAK services total over the five years). This provides clear guidelines and limitations on staff authorization to utilize the Program. This would require staff to return to the Board should these services be requested for a longer period or for additional funds.

Both OAK and the Seaport have a need for these additional CBP services and will not be able to serve demand without the CBP services. CBP has provided for some flexibility in hours to

accommodate requested services outside of regular and recurring operating hours but has not been able to for all requests.

Most recently at OAK, CBP denied landing rights for times requested by Volaris airlines for daily flights to Guadalajara, Mexico. As a consequence Volaris is now operating those flights from San Francisco International Airport, which has a considerably longer operating window due to its volume of traffic. With Southwest Airlines' recent announcement of launching two international destinations from OAK as well as anticipated additional destinations from other carriers in the coming months, the flexibility the RSA provides is essential to ensure landing rights are approved for the required flight times. This flexibility is essential for carriers to be able to operate at times of the day when each region and customer type is best accommodated to make sure the flights are successful as well as times that are required by slot controls at many airports around the world. While the RSA will allow OAK to meet near- and mid-term demand throughout the day as needed, in the future, once there is sufficient activity levels the goal is to work CBP to increase OAK's window of service as part of their standard operations, reducing the need for RSA services.

At the Seaport, services are required to support gate operations outside the regular and recurring operational hours. The Program flexibility and convenience for scheduling as-needed and urgent staffing solutions will improve the overall utilization of CBP officers in the Seaport while ensuring that the needs of the Seaport customers and tenants can be addressed in a timely matter.

On behalf of its marine terminal operators, Maritime will fund services rendered through the Program. However, Maritime will enter into reimbursable agreements with each of its marine terminal operators to be reimbursed for all associated costs. Costs for the Program at OAK will be borne by the Port through revenue generated at the OAK. Staff will continue to work with air carriers at OAK on maximizing utilization of the staffed eight-hour window to minimize the need for use of the RSA and will evaluate new flights on a case-by-case basis to ensure the overall value to OAK if RSA services are requested. While each case is unique depending on the time of day, time proximity to other flights, and time proximity to the normal operating window, in general staff estimates that the cost for services under the Program will be more than offset by the revenue generated by the added services including Passenger Facility Charges (\$4.50 per passenger) , International Arrivals Building Charges (\$10 per passenger), airlines aircraft parking and gate charges, public parking and ground transportation revenue, ground handling percentage of gross revenue, etc.

BUDGET & STAFFING

The Port's operating budget for FY 2017, which was approved by the Board on June 23, 2016, includes \$500,000 for RSA services at OAK and \$165,600 for the Maritime Area (services will only be over a partial year once the agreement is executed). Each year staff will forecast and propose operating budget for RSA services. Because the Maritime RSA will be funded as a pass through with costs paid by the tenants, the recommendation includes authorization to enter into agreements with tenants to reimburse the Port for these costs in the

Maritime area. For accounting purposes Maritime will need to budget both the expense and the revenue associated with the program, which will offset each other.

There is no Port staffing impact associated with this request.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The matters contained in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

STRATEGIC PLAN

The Port of Oakland's Strategic Plan was adopted by the Board of Port Commissioners on October 5, 2010. The Strategic Plan provides direction and overall alignment for Port initiatives. It provides the framework for focusing the work of staff and the Board of Port Commissioners with overall strategic goals of the organizations in identified key areas of Sustainable Business and Economic Development, Stewardship and Accountability, Port Workforce and Operations, and Communications and Information.

This resolution would help the Port achieve the following goals and objectives:

Strategic Priority Areas	Goal	Objective	How Implemented?
Sustainable Business and Economic Development	Goal A: Create sustainable economic growth for the Port and beyond.	4. Pursue strategic partnerships at all levels.	CBP services are essential to international air service growth. With the RSA Program the Port is furthering its partnership with CBP to grow international air service.
	Goal B: Maintain and aggressively grow core business.	1. Retain existing customers and tenants.	CBP services provided through the RSA Program are essential to both maintaining and growing international air service.

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements, do not apply to this agreement because CBP is a government agency.

ENVIRONMENTAL

The proposal to execute reimbursement and other agreements with CBP and with tenants and to authorize funding of CBP services was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA). Continuing administrative activities and

general policy and procedure making, such the agreements under consideration, are not projects pursuant to CEQA Guidelines Sections 15060(c)(3) and 15378(b)(2), which states that a project under CEQA does not include "continuing administrative or maintenance activities, personnel-related actions, general policy and procedure making . . ." Furthermore, Section 15061(b)(3) states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that executing agreements and providing CBP services will result in a physical change in the environment, and therefore they are not subject to CEQA and no further environmental review is required.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)/ PROFESSIONAL LIABILITY INSURANCE PROGRAM (PLIP)

This action is not subject to the Port's Owner Controlled Insurance Program (OCIP) or Professional Liability Insurance Program (PLIP) as it is not a capital improvement construction project or design project supporting such construction.

OPTIONS

1. Authorize the Executive Director to execute a Reimbursable Services Agreement, Memorandum of Understanding and related authorizing documents with the United States Custom and Border Protection Agency and authorize use of the services for up to five years and up to \$6,500,000 of Operating Expense and authorize the Executive Director to enter into reimbursable agreements with each of the Port's marine terminal operators for reimbursement of costs of the program in the Maritime area. This is the recommended action.
2. Authorize the Executive Director to execute a Reimbursable Services Agreement, Memorandum of Understanding and related authorizing documents with the United States Custom and Border Protection Agency and authorize use of the services for a different timeframe or operating expense amount than the recommended action.
3. Do not authorize the Executive Director to execute a Reimbursable Services Agreement, Memorandum of Understanding and Related Authorizing Documents with the United States Custom and Border Protection Agency. This would likely result in the denial of landing rights for anticipated international flights outside the eight-hour window resulting in a loss of service and revenue and will limit flexibility for operating hours in the Maritime area.

RECOMMENDATION

1. Authorize the Executive Director to execute a Reimbursable Services Agreement, Memorandum of Understanding and related authorizing documents with the United States Custom and Border Protection Agency and authorize use of the services for up to five years and up to \$6,500,000 of Operating Expense and authorize the Executive Director to enter into reimbursable agreements with each of the Port's marine terminal operators for reimbursement of costs of the program in the Maritime area. This is the recommended action, subject to approval as to form and legality by the Port Attorney.

**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A REIMBURSABLE SERVICES AGREEMENT, MEMORANDUM OF UNDERSTANDING AND RELATED AUTHORIZING DOCUMENTS WITH THE UNITED STATES CUSTOM AND BORDER PROTECTION AGENCY AND AUTHORIZE USE OF THE SERVICES FOR UP TO FIVE YEARS AND UP TO \$6,500,000 OF OPERATING EXPENSE AND AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO REIMBURSABLE AGREEMENTS WITH EACH OF THE PORT'S MARITIME TERMINAL OPERATORS FOR REIMBURSEMENT OF COSTS OF THE PROGRAM IN THE MARITIME AREA.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report Item 6.7 dated July 28, 2016 ("Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore be it

RESOLVED, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received; and be it

FURTHER RESOLVED, that the Board hereby authorizes the Executive Director to execute a Reimbursable Services Agreement, Memorandum of Understanding and related authorizing documents with the United States Custom and Border Protection Agency ("CBP") and authorizes use of the services for up to five years and up to \$6,500,000 of operating expense, subject to approval as to form and legality by the Port Attorney; and be it

FURTHER RESOLVED, that the Board hereby authorizes the Executive Director to execute reimbursable agreements with each of the Port's marine terminal operators for reimbursement of costs of the program in the Maritime area, subject to approval as to form and legality by the Port Attorney; and be it

FURTHER RESOLVED, that the Board determines and finds that the proposed reimbursement and other agreements with CBP and with tenants and the authorized funding of CBP services are not projects pursuant

to California Environmental Quality Act (CEQA) Guidelines Section 15060(c)(3) and 15378(b)(2) which states that a project under CEQA does not include continuing administrative or maintenance activities, personnel-related actions, general policy and procedure making, and further Section 15061(b)(3) states that CEQA applies only to activities that have a potential for causing a significant effect on the environment and it can be seen with certainty that there is no possibility that executing agreement and providing CBP services will result in a physical change in the environment and are therefor not subject to CEQA and no further environment review is required; and be it

FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract(s), or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. Unless and until a separate written contract is duly executed on behalf of the Board as authorized by this resolution, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective contract.

DRAFT