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A G E N D A

Regular Meeting of the Commercial Real Estate Committee Wednesday, December 5, 2007 – 12:00 Noon Boardroom

Roll Call

Commissioner Mark **McClure**, Chair
Commissioner Patricia **Scates**
Commissioner Kenneth **Katzoff**

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

CLOSED SESSION – 12:00

1. Conference With Legal Counsel – Existing Litigation. Pursuant to subdivision (a) of Section 54956.9. Names of cases: None
2. Conference With Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: (2 Matters)
3. Conference With Real Property Negotiator. Government Code Section 54956.8.

Property: Various Parcels in Jack London Square
Negotiating Parties: Port of Oakland and Ellis Partners
Agency Negotiator: Director of Commercial Real Estate
Under Negotiation: Price and Terms of Payment

Property: Oak to Ninth Area, Oakland
Negotiating Parties: Port of Oakland and Oakland Harbor Partners, LLC
Agency Negotiator: Director of Commercial Real Estate
Under Negotiation: Price and Terms of Payment

OPEN SESSION – 12:40 p.m.

Reports

1. Informational Report on October 2007 Commercial Real Estate Division Tenant Survey.
(J. Washington)

January 15th Board Item

1. Approval to dispense with formal bidding and award a disposal contract in the amount of \$95,000 to an on-call contractor (Rigging International) for the disposal of a 30' x 60' Barge.

OPEN FORUM

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

ADJOURNMENT

The next regular meeting will be held on Wednesday, January 9, 2008 at 12:00 Noon

Public Participation

This meeting is wheelchair accessible. To request materials in alternative formats, or to request an ASL interpreter or assistive listening device, please call the Board Secretary, John Betterton, at 510-627-1696 at least three working days before the meeting. Please refrain from wearing scented products to this meeting so attendees who experience chemical sensitivities may attend.

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. All speakers will be allotted a minimum of two minutes.

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.

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

ITEM 1

INFORMATIONAL REPORT ON OCTOBER 2007 COMMERCIAL REAL ESTATE TENANT SURVEY

As a way of assessing tenant needs and continuing to improve customer service, the Commercial Real Estate Division (CRE) recently conducted an on-line tenant survey of its commercial tenants. Of the 78 total surveys sent out, 22 tenants responded (28.3%). The following are some of the survey highlights:

- Average tenant occupancy = 14.37 years
- 72% of respondents are contractually obligated to repair and maintain their own premises.
- Of the remaining respondents, 50% rated the Port's maintenance services as fair and 50% as good to excellent.
- 100% of respondents thought the Port's rental bills were accurate and easy to understand.
- 76% of respondents were aware of who their CRE account representative was.
- 100% of respondents reported that CRE staff responded to their calls, letters and/or e-mail's promptly.
- 90.5% of respondents were aware of the Jack London Square and Oak to Ninth development projects.
- 75% of respondents were aware of construction projects that might impact their business.
- 81% of respondents rated their tenancy experience as good – excellent.
- 62% of respondents were interested in attending a CRE informational meeting.
- 54% of respondents anticipated growth in their business over the next year; however the majority felt that their existing facilities were adequate to accommodate their growth.
- 100% of respondents would renew their tenancy agreements with the Port.

In light of the survey responses, CRE staff will endeavor to improve in areas where improvement is indicated. CRE staff would like to thank, Ben Wu (IT), for his assistance in conducting the on-line survey.

ITEM 2

DRAFT

AGENDA REPORT

TITLE: Authorization to Dispense with Standard Bidding Procedures for Disposal of the 30' X 60' Barge at the End of 5th Ave

AMOUNT: \$95,000

PARTIES INVOLVED:

Corporate Name/Principal	Location
Rigging International	Alameda
Victor Rolandi - Principal	

TYPE OF ACTION: Resolution

SUBMITTED BY: Joyce B. Washington, Director of Commercial Real Estate

COMMITTEE ASSIGNED: Commercial Real Estate

SCHEDULED FOR COMMITTEE: December 5, 2007

APPROVED BY: Omar R. Benjamin, Executive Director

FACTUAL BACKGROUND

Through legal settlement pursuant to the "Port of Oakland vs. John Baker" the Port has taken possession of a 30'x 60' barge at the foot of 5th Avenue, and needs to dispose of it to facilitate the future transfer of certain water areas to the Oak to Ninth developers as part of their ground lease agreement. The barge is Port property and as such needs Board approval to allow disposal. The barge is of an old Navy type of double-hull fiberglass and honeycomb construction and is in poor condition. Port staff spent considerable time trying to find a buyer without success.

ANALYSIS

Informal proposals were received from current Port contractors and Rigging International has offered the most attractive price. They will remove the barge from the Oakland Estuary and guaranty that it will not return to the estuary area for \$95,000.

Rigging International proposes to move it to Mare Island for temporary use and to demolish it at some point thereafter.

BUDGET & FINANCIAL IMPACT

The work of this contract will be done under Commercial Real Estate Budget account number PB00 C260.

STAFFING IMPACT

Execution of the contracts, oversight and management of this work can be accomplished within the current staffing levels. No additional staff is required and none will be impacted.

SUSTAINABILITY

The removal of the barge from the environment is in accordance with the BCDC's general policy of improving the Bay Environment.

ENVIRONMENTAL

BCDC requested that the Port of Oakland remove the existing 30-ft. x 60-ft. double-hull, fiberglass barge from the Oakland Estuary and properly dispose of it. The barge is currently located at the foot of 5th Avenue and is in poor condition. There is no fuel on board and the barge is not powered. The former owner previously used the barge as a residence. Rigging International, under contract with the Port, would tow the barge out of the estuary by tug boat to Mare Island for demolition. Removal and demolition of the barge complies with BCDC's San Francisco Bay Plan policies for appearance and scenic views, recreation, water-related industry on the Bay, and water surface area. The Port will meet BCDC requirements to protect the San Francisco Bay environment by preventing pollution of bay waters, protecting water quality, habitat, and its visual quality by removing the barge from the Oakland Estuary.

The proposed project is to remove and demolish a small structure. It would involve no expansion of use beyond current use; therefore, it is Categorically Exempt from the requirements of the California Environmental Quality Act (CEQA) and the Port CEQA guidelines pursuant to Section 15301, Existing Facilities, Class 1.

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA)

As this project and scope is not funded under the CIP, there are no provisions of the MAPLA that apply.

OWNER CONTROLLED INSURANCE PROGRAM (OCIP)

As this project and scope is not funded under the CIP, the applicable Owner Controlled Insurance Program (OCIP) coverages and provisions do not apply.

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.

LIVING WAGE

Because staff plans to use an existing on call contractor the applicable living wage obligations are currently met.

OPTIONS

1. Authorize staff to dispose of the barge by dispensing with standard bidding procedures, and include the disposal under a change order to a current on-call contract for the estimated price of \$95,000.
2. Direct staff to prepare new contract documents utilizing standard bid procedures. This will result in a delay to the overall disposal schedule and will require some changes to the contract documents. The Port will incur the increased costs to provide formal bidding documents.
3. Direct staff not to dispose of the barge. This is contrary to the current plans of the commercial real estate development along the estuary and would have to be coordinated with BCDC.
4. Direct staff to demolish the barge using in-house Port maintenance personnel. Note that performing the work in-house is likely to require special oversight to avoid impacting existing habitat and potential pollution of the bay. In addition, it would most likely still require hiring a contractor to hoist it out of the water on a dock of adequate strength if available. Generally speaking such an effort is possible, but because the Port is not set up for this type of activity, there is a risk of spending well over the bid price as well as other safety and environmental risks.

RECOMMENDATION

It is recommended that the Board find it to be in the best interest of the Port to dispense with standard bidding procedures for the disposal of the barge and authorize the Executive Director to issue a change order to the current on call contract with Rigging International for the removal of the barge for an estimated amount of \$95,000 and to further authorize the Executive Director to spend up to an additional 20% of the estimated costs to cover unforeseen conditions.