AGENDA

Regular Meeting of the Board of Port Commissioners
September 25, 2014 – 1:00 p.m.
Board Room – 2nd Floor

ROLL CALL

Commissioner Colbruno, Commissioner Head, Commissioner Parker, Commissioner Uno, 2nd Vice-President Hamlin, 1st Vice President Butner and President Yee.

1. CLOSED SESSION

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 – EXISTING LITIGATION (Significant Exposure to Litigation Pursuant to Paragraph (1) of Subdivision (d) of California Government Code Section 54956.9):

Roland Flores v. Tarlochan Singh; Kaur Rajvindger et al, Does 1 to 40; Alameda County Superior Court, Case No. RG10543161

1.2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of California Government Code Section 54956.9): 1 Matter

1.3 CONFERENCE WITH REAL PROPERTY NEGOTIATORS – (Pursuant to California Government Code Section 54956.8)

Property: Oakland Army Base
Negotiating Parties: Prologis, LP; CCIG Oakland Global, LLC; Oakland Global Rail Enterprises, LLC and Port of Oakland
Agency Negotiator: John Driscoll, Director of Maritime
Under Negotiation: Price and Terms of Tenancy
1.4 THREAT TO PUBLIC SERVICES OR FACILITIES – (Pursuant to California Government Code Section 54957).

Consultation with:  Michael O’Brien
Port Facilities Security Officer

1.5 CONFERENCE WITH LABOR NEGOTIATORS – (Pursuant to California Government Code Section 54957.6).

Employee Organizations:  International Federation of Professional and Technical Engineers, Local 21 (IFPTE-Local 21); Services Employees International Union, Local 1021 (SEIU-Local 1021); Western Council of Engineers (WCE); and International Brotherhood of Electrical Workers, Local 1245 (IBEW-Local 1245)

Unrepresented Employees:  Unit H and M

1.6 PUBLIC EMPLOYEE PERFORMANCE EVALUATION – (Pursuant to California Government Code Section 54957)

Title:  Executive Director

ROLL CALL/OPEN SESSION (Approximately 3:30 p.m.)

Commissioner Colbruno, Commissioner Head, Commissioner Parker, Commissioner Uno, 2nd Vice-President Hamlin, 1st Vice President Butner and President Yee.

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: Third Supplemental Agreement to the Professional Services Agreement with Ensminger Consulting to Continue Property Management of the Oakland Maintenance Center for an Additional Six Month Term (Aviation)

2.2 Ordinance 4304: 2nd Reading Of An Ordinance Approving Various Space/Use Permits With Airline Services Providers Operating At Oakland International Airport.

2.3 Ordinance 4305: 2nd Reading Of An Ordinance Approving A Space/Use Permit With Aviation Port Services L.L.C. At Oakland International Airport.
2.4 **Ordinance 4306:** 2nd Reading Of An Ordinance Approving And Authorizing The Executive Director To Execute A No-Rent Lease Agreement With Union Pacific Railroad Company For Six Acres Of Land In The Roundhouse/Sherex Area For A Term Of 66 Years In Exchange For The Displacement Of Approximately Six Acres Of Parking And Storage Uses On Union Pacific Lands For The New South Lead Tracks To The Port’s New Rail Yard In The Oakland Army Base.

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.

3.1 **Report:** Shorepower Major Project Update *(Maritime)*

3.2 **Report:** Informational Report on the Coliseum Area Specific Plan from the City of Oakland *(CRE)*

4. **BUDGET & FINANCE**

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

5. **STRATEGY & POLICY**

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

5.1 **Report:** Report by FM3 (Dave Metz) on Public Opinion Poll Results *(Communications)*

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:** Exclusive Negotiating Agreement with Agro Merchants Global, Inc. for Development of “Cool Port Oakland” Logistics Site *(Maritime)*

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 October 9, 2014.
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.portofoakland.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.
CONSENT ITEMS

Action by the Board under “Consent Items” means that all matters listed below have been summarized, and are considered to be perfunctory in nature, 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.
AGENDA REPORT

TITLE
Third Supplemental Agreement to the Professional Services Agreement with Ensminger Consulting to Continue Property Management of the Oakland Maintenance Center for an Additional Six Month Term (Aviation)

AMOUNT
$500,000 Maximum Annual Expense

PARTIES INVOLVED
Ensminger Consulting, Tracy, California
Norman Ensminger, Principal

SUBMITTED BY
Deborah Ale Flint, Director of Aviation

APPROVED BY
J. Christopher Lytle, Executive Director

REQUESTED ACTION
RESOLUTION

EXECUTIVE SUMMARY

This action would authorize the Executive Director to execute a Third Supplemental Agreement which would provide for a six month extension of the Professional Services Agreement, as amended, with Ensminger Consulting (“Ensminger”) for its management of the Oakland Maintenance Center (“OMC”) at the Airport.

ADDITIONAL FINDINGS

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BACKGROUND

United Airlines, Inc. (“United”) occupied the OMC pursuant to a triple-net Lease (i.e., United was responsible for all maintenance of the facility) dated September 5, 1989. United filed for bankruptcy on December 9, 2002, rejected the Lease on May 2, 2003, and vacated on May 31, 2003. The Port did not have the staff resources or expertise to assume maintenance of the OMC on short notice, so a Professional Services Agreement (the “Agreement”) was negotiated with Ensminger to provide those facilities maintenance services on at least an interim basis. The estimated total contract costs were approximately $122,000 per month. The Agreement was authorized by Port Ordinance No. 03130.

At the time the Port entered into the Agreement in mid-2003, it was anticipated that another tenant would be found for the OMC and maintenance responsibility would be assumed by the new tenant. In order to keep the OMC fully operational while attempting to secure another tenant, Ensminger provided the following services: on-site mechanics, security staff, a systems analyst and a supervisor; various contractors including fire suppression, janitorial, pest control, landscaping, HVAC; and, contract management. Later, when it was determined that the OMC would be demolished and the land put to an alternate use to accommodate the proposed Terminal A project, many of these services were drastically reduced or eliminated, resulting in a reduction of total charges from approximately $122,000 per month to approximately $42,000 per month. Currently the OMC remains in place and unused as an aircraft hangar/maintenance facility.

In late 2004, the Port decided to use the OMC office space to house:

- Port staff: Terminal Expansion Group, Engineering Project Design/Construction, Landside Operations;
- Turner Construction Company: Project office for Terminal 2 and Roadway Projects;
- Port Contractors; and,
- Shuttleport/Veolia: Offices, break room and locker rooms required per contract.

Over the past ten years, the Port has continued to utilize the OMC office space to house various Port staff and contractors, although the specific tenant mix and project needs have evolved. During construction of the Terminal 2 Renovation and Expansion (T2R and T2X) Projects, portions of the OMC’s hangar area were used for storage and staging of construction materials and equipment. The hangar is now being used for construction materials storage and staging for the Terminal 1 Renovation Project.
ANALYSIS

Since the Port entered into the Agreement in 2003, Port staff and Ensminger have worked to drastically minimize the costs of maintaining the OMC and to reduce total charges from over $122,000 per month to approximately $42,000 per month. Ensminger continues to provide excellent, specialized maintenance and facilities management services at the OMC that would require hiring at least three additional FTEs if it was to be managed by Aviation Facilities staff. Without the on-site management presence now provided by Ensminger, the Port could not utilize the OMC’s office space.

Approximately 100 Port staff, contractors and consultants use office, break room and locker room space at the OMC. Absent the availability of that space, the Port would need to find substitute space elsewhere on the Airport, lease space off Airport, or construct new space.

Marketing of the OMC for long-term occupancy has been limited by the fact it remains within the footprint of the proposed Terminal A project and airlines are off-sourcing new maintenance services outside the United States primarily due to the cost of domestic
labor. The OMC was developed as special purpose building and does not lend itself to uses other than aircraft maintenance. The current estimated cost to recommission the OMC as an aircraft maintenance facility is $6,900,000. The cost to demolish the OMC is estimated to be over $4,000,000 and is not anticipated to occur unless there is a definitive new project for the site. Based on this lack of need, and the Port’s ongoing efforts to eliminate or minimize costs, Port staff has periodically restructured the Agreement with Ensminger to reduce hours and charges.

As noted above, Ensminger has been successfully managing the OMC for the past eleven years. Consistent with Port policy, it is appropriate to re-engage the community, and staff plans to issue a new RFP for on-site maintenance services. With a limited amount of time before the September 30, 2014 contractual expiration date, Aviation staff believes it prudent to extend the Agreement for six months (through March 31, 2015). Over the next several months, staff will conduct widespread outreach and then develop an updated RFP to provide facility management services at the OMC for the next five years. The cost to extend the Agreement through March 31 is approximately $250,000 and the annual cost for these services is approximately $500,000, however, no new funding is being requested as the cost for these services will be managed within Aviation Division's operating expense budget.

**BUDGET & STAFFING**

The cost of Ensminger's services was originally budgeted under T1 Renovation in the CNA. After careful review, it was determined that the expenditures were operating expenses in nature. Though these expenditures were not included the operating budget, there will be no budget impact as expenditures will be managed within Aviation Division's operating expense budget. The cost to provided these services for six months is approximately $250,000.

**MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

This contract is for professional services that do not include construction testing and inspection and the provisions 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](http://www.portofoakland.com/pdf/about/strategicPlan2011-2015.pdf)).
• Goal A: Objective 1: Maximize the use of existing assets.
• Goal D: Objective 2: Minimize expenditures and focus on core services.

**LIVING WAGE**

Living wage requirements 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**

CEQA: 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. Entering into the Third Supplement to amend the terms of payment of the Agreement does not change the scope of Ensminger’s work at the OMC and is therefore categorically exempt under CEQA.

**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)**

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. Adopt a Resolution approving the terms and authorizing execution by the Executive Director of the proposed Third Supplemental Agreement to the Professional Services Agreement with Ensminger Consulting to extend the Agreement by six months, through March 31, 2015. This is the recommended action;

2. Do not approve a Resolution approving the terms and authorizing execution by the Executive Director of the proposed Third Supplemental Agreement to the Professional Services Agreement with Ensminger Consulting to extend the Agreement by six months, through March 31, 2015, which would require the Port to terminate the Professional Services Agreement and would leave the OMC with no facilities maintenance contractor; or,

3. Do not approve Third Supplemental Agreement as outlined above, but recommend different terms and conditions for modifying the Professional Services Agreement.

RECOMMENDATION

Adopt a resolution authorizing execution by the Executive Director of the proposed Third Supplemental Agreement to the Professional Services Agreement with Ensminger Consulting to extend the Agreement by six months, through March 31, 2015, subject to the form being approved by the Port Attorney.
BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND

RESOLUTION APPROVING THIRD SUPPLEMENTAL AGREEMENT WITH NORMAN ENSMINGER, AN INDIVIDUAL, DOING BUSINESS AS ENSMINGER CONSULTING TO PROVIDE FOR PROPERTY MANAGEMENT OF THE OAKLAND MAINTENANCE CENTER AT AN ADDITIONAL MAXIMUM COMPENSATION OF $250,000 FOR A PERIOD OF SIX (6) MONTHS.

WHEREAS, by Resolution No. 03130, adopted by the Board of Port Commissioners ("Board") on May 28, 2003, as amended by Resolution No. 09037 adopted on April 7, 2009 and Resolution No. 11-957, adopted on September 1, 2011, the Board authorized an Agreement with NORMAN ENSMINGER, an individual, doing business as ENSMINGER CONSULTING, for consulting services with respect to property management of the Oakland Maintenance Center;

WHEREAS, it is desirable at this time to further amend said agreement to authorize the Executive Director of the Port of Oakland ("Port") to approve additional work under said agreement as set forth in the Agenda Report Item No. 2.1, dated September 25, 2014 ("Agenda Report"), and additional compensation for such work; and

WHEREAS, the Board has reviewed and evaluated the 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, 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 an agreement with NORMAN ENSMINGER, an individual, doing business as ENSMINGER CONSULTING 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 NORMAN ENSMINGER, an individual, doing business as ENSMINGER CONSULTING and waiving competitive procurement requirements.
SECTION 2. The Board hereby:

A. Approves an Agreement with NORMAN ENSMINGER, an individual, doing business as ENSMINGER CONSULTING to provide property management of the Oakland Maintenance Center for an additional compensation not to exceed $250,000 for six (6) months, from October 1, 2014 through March 31, 2015, and subject to additional material terms and conditions as further described in the Agenda Report.

B. Authorizes the Executive Director to execute such supplemental agreement, subject to approval as to form and legality by the Port Attorney.

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 an identical 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 and effective agreement.

SECTION 4. This resolution shall be effective immediately upon adoption by the Board.
PORT ORDINANCE NO. 4304

ORDINANCE APPROVING VARIOUS SPACE/USE PERMITS WITH AIRLINE SERVICES PROVIDERS OPERATING AT OAKLAND INTERNATIONAL AIRPORT.

WHEREAS, the Board of Port Commissioners (“Board”) has reviewed and evaluated the Agenda Report Item 2.6, dated September 11, 2014 (“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, 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 ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. The Board approves the terms and conditions of, and ratifies the Executive Director’s execution of, Space/Use Permits (“SUP”) with British Airways PLC and Pegasus Aviation Services, LLC, to provide services to passenger and cargo airlines as described in the Agenda Report, each for a term of five years through March 31, 2019, and each with a minimum monthly fee of $250 or 10% of gross revenues, whichever is greater, and at terms and conditions set forth in the Agenda Report, and upon such standard terms and conditions as specified in the SUP and approved by the Executive Director, subject to the Port Attorney’s review and approval as to form and legality.

Section 2. The Board hereby authorizes the Executive Director to make such additions, modifications, or corrections as necessary to implement the SUP 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. The Board hereby finds and determines that executing these SUPs is categorically exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Sections 15301, Existing Facilities. CEQA does not apply to 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 4. 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 agreement(s) are duly executed on behalf of the Board as authorized by this ordinance, 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(s).

The Board of Port Commissioners, Oakland, California, September 11, 2014. Passed to print for one day by the following vote: Ayes: Commissioners Butner, Colbruno, Hamlin, Uno and President Yee – 5. Excused: Commissioners Head and Parker – 2. Noes: 0.

John T. Betterton
Secretary of the Board
PORT ORDINANCE NO. 4305

ORDINANCE APPROVING A SPACE/USE PERMIT WITH AVIATION PORT SERVICES L.L.C. AT OAKLAND INTERNATIONAL AIRPORT.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report Item 2.7, dated September 11, 2014 ("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, 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 ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. The Board hereby approves the terms and conditions set forth in the Agenda Report for the Space/Use Permit ("SUP") with Aviation Port Services, L.L.C., based on the following terms:

A. The term of the SUP is for five years through April 30, 2019, subject to termination by either party upon thirty days’ notice;

B. Consideration for the operating privilege is 10% of gross revenues;

C. Right to occupy approximately 124 square feet of office space in Terminal 1 at an initial monthly rent of $2,259.28 pursuant to the Rates and Charges Ordinance;

D. Right to occupy approximately 2,200 square feet of warehouse space in the Cargo Building at an initial monthly rent of $4,000, subject to annual increase based on changes in the CPI; and

E. The additional terms and conditions as further described in the Agenda Report.

Section 2. The Board hereby ratifies the Executive Director’s execution of said SUP, and hereby authorizes the Executive Director to make such additions, modifications, or corrections as necessary to implement the SUP 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. The Board hereby finds and determines that execution of the SUP is categorically exempt from the requirements of 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.

Section 4. 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 5. This ordinance shall be effective immediately upon adoption by the Board.

The Board of Port Commissioners, Oakland, California, September 11, 2014. Passed to print for one day by the following vote: Ayes: Commissioners Butner, Colbruno, Hamlin, Uno and President Yee – 5. Excused: Commissioners Head and Parker – 2. Noes: 0.

John T. Betterton
Secretary of the Board
PORT ORDINANCE NO. 4306

ORDINANCE APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A NO-RENT LEASE AGREEMENT WITH UNION PACIFIC RAILROAD COMPANY FOR SIX ACRES OF LAND IN THE ROUNDHOUSE/SHEREX AREA FOR A TERM OF 66 YEARS IN EXCHANGE FOR THE DISPLACEMENT OF APPROXIMATELY SIX ACRES OF PARKING AND STORAGE USES ON UNION PACIFIC LANDS FOR THE NEW SOUTH LEAD TRACKS TO THE PORT’S NEW RAIL YARD IN THE OAKLAND ARMY BASE.

WHEREAS the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the proposed no-rent Lease Agreement with Union Pacific Railroad Company ("UP") for six acres of land in the Roundhouse/Sherex area for a term of 66 years to replace a comparable amount of land on UP property being displaced to accommodate the new South Lead tracks to the Port’s new rail yard in the Oakland Army Base, as set forth in the Agenda Report for Agenda Item 6.1, dated September 11, 2014 (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 finds and determines as follows:

A. The proposal to execute a lease agreement or any project-related agreement with UP for constructing the lead track is part of the Phase 1 Rail Yard project at the former OAB. Project components such as this were previously reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA) and the Port CEQA Guidelines.

B. In July 2002, 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.

C. The OAB EIR and the 2012 Addendum described projects to be developed by the Port and City on and immediately adjacent to the former OAB, including rail improvements on non-Port property. Thus, no further CEQA review is required to take the actions recommended in this agenda report.

Section 3. The Board approves and authorizes the Executive Director to execute a no-rent Lease Agreement with Union Pacific Railroad Company for approximately six acres of land within the Roundhouse/Sherex area (all as depicted in the map attached hereto as Exhibit A) for a Term on 66 years in exchange for the displacement of a comparable amount of land on UP property. The proposed Lease Agreement will have the following major terms and conditions:

A. Premises: The Premises will be approximately six acres of paved and lighted contiguous land within the Roundhouse/Sherex area, which the Port will have the right to move anywhere within the Roundhouse/Sherex area so long as the Port provides at least 120 days prior written notice that includes a site plan for the proposed new Premises within the Roundhouse/Sherex area, the new Premises are paved, lighted, and of comparable functionality as the lands on UP’s property where the new South Lead will be developed, and there is no cost to UP for its relocation to the new Premises;

B. Rent: The Port will not charge UP rent for the term of the Lease;

C. Term: 66 years. Upon expiration of the term, the parties will engage in good faith negotiations for a new lease upon terms that are mutually acceptable to each party;

D. Permitted Uses: The operation, relocation, and storage of intermodal containers, chassis, trailers, and tractors that support UP’s intermodal business, and purposes incidental thereto, and for no other purpose;

E. Improvements: Port to provide initial paving, lighting, and fencing of Premises, but UP to maintain, repair and replace thereafter. UP will not install any improvements without the Port’s prior approval based upon the Port’s reasonable and sound discretion.

F. Such other terms and conditions as are consistent with the intent of this Ordinance and the Agenda Report.
Section 4. 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 ordinance approves and authorizes the execution of an agreement in accordance with the terms of this ordinance. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this ordinance, 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.

Section 5. This ordinance shall be effective immediately upon adoption by the Board.

The Board of Port Commissioners, Oakland, California, September 11, 2014. Passed to print for one day by the following vote: Ayes: Commissioners Butner, Colbruno, Hamlin, Uno and President Yee – 5. Excused: Commissioners Head and Parker – 2. Noes: 0.

John T. Betterton
Secretary of the Board
MAJOR PROJECTS

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

In 2008, the State of California Air Resources Board (CARB) put into effect the Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port (“At-Berth Regulation” or “Regulation”). The key requirements of the regulation include emission reductions from ocean-going vessels of 50% starting in 2014, 70% starting in 2017, and 80% starting in 2020. Almost all vessel fleets are complying with the regulation by connecting (“plugging in”) each vessel to the land-side electric grid while docked (“shore power”).

The Port of Oakland’s (Port’s) Shore Power Program involved the design and construction of high voltage electrical infrastructure in the Port’s Maritime area (seaport), so that ships can plug into the electric grid while docked. The infrastructure generally runs from the Port’s main substations to on-terminal substations and, from there, to the terminal wharves. Power is extended down to the wharves, where vaults with electrical connections will provide the interface (outlets) for ocean going vessels (plugs). Most of the grant funding awarded to the Port to help offset the costs of constructing this infrastructure requires emission reductions additional to those required by the CARB regulation. As a result of certain grant assurances, 60%, 80%, and 90% of the vessel calls (irrespective of fleet affiliation) at each berth must be connected to shore power in 2014, 2017, and 2020, respectively.

The Port completed its Shore Power Program in three phases, as summarized in the table below. In total, the Program involved equipping 11 berths with shore power infrastructure.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Berths</th>
<th>Construction Start</th>
<th>Construction Completion</th>
<th>Berth Commissioning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 2A</td>
<td>25, 35, 37, 55, 59, 68</td>
<td>May 2012</td>
<td>Jun 2013</td>
<td>Aug - Dec 2013</td>
</tr>
<tr>
<td>Phase 2B</td>
<td>30, 32</td>
<td>May 2012</td>
<td>Jun 2013</td>
<td>Aug - Dec 2013</td>
</tr>
</tbody>
</table>

Some terminals constructed shore power infrastructure independently of the Port. At the Berths 60-63 terminal, EMS/APL previously installed shore power capability at Berths 61 and 62; that infrastructure remains in place for use under the new lease executed with SSAT for the terminal
(now called the Matson Terminal). Shore Power at Berth 24 was constructed by Ports America Outer Harbor Terminal and was completed in December 2013. In total, 14 berths at the Port are equipped with shore power. A map of the project is provided at the end of this report.

2. Cost and Funding

The Port's total Program cost was approximately $56 million, offset by grant funding as follows:

- Total Program Cost: $56 million
- Grant Funding Received/Expected: $29 million
- Net Program Cost: $27 million

The average all-in per-berth cost for Phases 1 and 2A/2B was $5 million and $4.5 million, respectively. Of the total Program cost, approximately $2 million was for common “backbone” infrastructure that serves multiple marine terminals, and another approximately $2 million was for environmental, hazardous materials management, program management, and MAPLA. The Program was delivered on-schedule and on budget (last budget estimate in Fall 2013 was $57 million).

To help offset the costs of the Program, the Port applied for and was awarded approximately $33 million of grant funding. To date, the Port has received approximately $28.6 million of the awarded amount and expects an additional $400,000 to be reimbursed shortly, for a total of approximately $29 million.

It should be noted that $2.3 million of the funding received was for Berth 68, located at the Howard Terminal, which is currently no longer in use as a container terminal. Future uses of the Terminal may involve the use of the shore power system constructed there. All grant funding is subject to partial repayment if grant assurances are not met.

### Grant Funding Detail

<table>
<thead>
<tr>
<th>Grant</th>
<th>Source</th>
<th>Amount ($ million)</th>
<th>Status &amp; Notes</th>
<th>Use of Grant Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIGER</td>
<td>Federal</td>
<td>$7.8</td>
<td>• Grant was received in full</td>
<td>• Berths 56, 57, 58</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Common utility infrastructure</td>
<td></td>
</tr>
<tr>
<td>MTC/CMAQ</td>
<td>Federal</td>
<td>$3.0</td>
<td>• Port has received $2.6 million to date and expects an additional $400,000 by the end of 2014</td>
<td>• Berths 30, 32</td>
</tr>
<tr>
<td>Carl Moyer/</td>
<td>Local/State</td>
<td>$4.8</td>
<td>• Port received $4.8 million of the $5 million grant. No further reimbursement.</td>
<td>• Berths 56, 57, 58</td>
</tr>
<tr>
<td>MSIF</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prop 1B</td>
<td>State</td>
<td>$13.5</td>
<td>• Port received $13.5 million of the $16.9 million grant award. No further reimbursement.</td>
<td>• Berths 25, 30, 32, 35, 37, 55, 59, 68</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$29.1²</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. TIGER = Transportation Investment Generating Economic Recovery
2. Grants were not received in full because the total Program cost was less than original estimates and not all Program costs were eligible.

MAJOR PROJECTS Tab 3.1
3. Small, Local Business and Disadvantaged Business Enterprise (DBE) Utilization

Provided below is a summary of DBE utilization on the Shore Power Program.

- **Common Utility System Upgrade**
  Blocka Construction – Total DBE expenditures = $324,950

- **Phase 1 (Berths 56, 57 & 58)**
  St. Francis Electric - no DBE participation (St. Francis is a locally certified firm (LIA) and self performed this contract)

- **Phases 2A and 2B (Berths 25, 30, 32, 35, 37, 55, 59 and 68)**
  - 2A (Shimmick Construction) - contract work performed locally with $631,000 committed to LIA, SBE and VSBE firms. Shimmick is LIA certified with the Port and performed $4,800,000 with its own force.
  - 2B (Shimmick Construction) – an underutilized DBE (UDBEs) commitment of 1.9% or $112,000, and a DBE commitment of 6.44% or $380,000. $96,025 was expended on UDBE, and $511,917 was expended on DBEs.

4. Procedures, Requirements, Rates and Charges

In Fall 2013, the Board adopted revisions to Ordinance 3439 for rates and charges for the use of shore power, including vessel commissioning charges. The Board also adopted an amendment to Tariff 2-A, which sets forth operating requirements, maintenance responsibilities and charges, and grant compliance requirements. Port staff has been billing its tenants accordingly. Port staff is currently reviewing shore power usage and maintenance data to determine if rates and charges need to be adjusted.

5. Use of the System Since January 2014

In January 2014, the CARB shore power regulation went into full effect; that is, 2014 is the first year in which a specific level of shore power usage by vessel fleets is required by the regulation. 2014 is also the first year of shore power usage requirements under the grant agreements from Proposition 1B and Carl Moyer/MSIF.

Recognizing certain implementation challenges, CARB issued a regulatory advisory in December 2013, establishing a transition period for compliance of January 1, 2014 to June 30, 2014. Among other provisions, the advisory allowed shipping lines and marine terminal operators to report good faith efforts in demonstration of compliance with the regulation. That transition period is now over. No corresponding adjustments have been made to grant requirements. It should be noted that any flexibility provided under the Regulation has a direct impact on grant compliance because the two are functionally related. Any flexibility provided under the Regulation may be positive for our customers, but would negatively impact achievement of the grant-specific plug-in levels unless the grants are adjusted.

The Port is not responsible to enforce the CARB regulation. However, the Port is responsible to enforce Tariff 2A and for compliance with grant agreements. To these ends, Port staff has been monitoring shore power usage through information obtained from the system and/or from marine terminal operators. Key findings for the period January 2014 – June 2014 are as follows:
On average, 38% of the total vessel calls have plugged in. On a vessel fleet basis, plug-in percentages for regulated fleets range from 0% to 76%. The Regulation requires 50% in 2014.

Of the 11 berths equipped by the Port and partially grant-funded, two have met the grant requirement of 60%, with a range of 31% to 93%.

The Port has contacted its ocean carrier customers and marine terminal operators to advise them of our findings; almost all have responded that they are aware of the CARB and the Port's Tariff 2A requirements, and are working diligently to meet these requirements.

The routine use of shore power infrastructure continues to present some challenges to both regulatory compliance and Tariff compliance, including but not limited to:

- There are inconsistencies of vessel shore power systems across shipping lines because there are multiple suppliers of the systems, so some ocean carriers experience more challenges than others when connecting to the shore power system.
- Each marine terminal is unique in its physical configuration, berth length, and vessel working procedures. We have seen cases where the shore power connection interferes with gangway operation or line handling. This may be due to terminal configuration, vessel size, berth length, or the impact of adjacent berthed vessels on berthing location. Proximity of a vessel (more specifically, of the vessel's cabling/shore power system) to a shore power outlet will determine if that vessel can in fact connect.
- Global considerations for vessel deployment are complicated by the need to ensure that retrofitted or newly-equipped vessels are deployed to California ports as a result of the CARB regulation. Given that not every vessel in service has been retrofitted or otherwise equipped, some vessels cannot plug in.
- Vessel commissioning by the Port is an on-going and important effort to ensure adequate protection of the Port’s infrastructure. Not all vessels are successfully commissioned during their first visit to the Port, sometimes multiple attempts are necessary.
- On a related but different point, we continue to hear from customers and tenants that the 3-hour connection “grace period” provided for in the CARB regulation is too short and that more time is needed to connect/disconnect a vessel; this affects a fleet’s ability to comply with the Regulation.

3 Fleet with 0% are primarily fleets that are not subject to the Regulation because of the vessel types or the number of calls per year to the Port. If these fleets are removed, the range is 10% to 76%.
4 This excludes Howard Terminal, which is now no longer a container terminal, and where the shore power system is currently not being used.
6. Future Updates, Issues, and Upcoming Board Actions

Staff does not anticipate providing any more routine project updates. Staff will continue to monitor shore power usage, particularly as related to grant compliance, and will update the Board on status or concerns as necessary. Looking ahead, staff is tracking three issues:

- The adequacy of shore power outlets at the marine terminals. As vessel size changes and berthing layouts adjust accordingly, the location and number of outlets may not be adequate to ensure the required levels of plug-ins.

- Staff is analyzing to-date costs for vessel commissioning, system usage, and maintenance, and will determine if Board approval of revised rates for these services is necessary.

- The emergence of alternative technologies, which may supplement or replace shore power, and the impact of such technologies on grant compliance and land-side infrastructure needs.
MAJOR PROJECTS Tab 3.1

Port of Oakland — Shore Power

Port Phase 1
Berths: 56, 57, 58
Grants: TIGER, MSIF
Utility Provider: Port

Port Phase 2A
Berths: 25, 35, 37, 55, 59, 68
Grants: Prop 1B
Utility Provider: 25, 35, 37, 55, 59: Port; 68: PG&E

Port Phase 2B
Berths: 30, 32
Grants: Prop 1B, MTC
Utility Provider: Port

Construct by Tenant
Berths: 24, 61, 62
Grants: Prop 1B, MSIF
Utility Provider: Port and PG&E

Shore Power may be constructed by Tenant in Future
Berths: 20, 21, 22, 23
Utility Provider: Port
AGENDA REPORT

TITLE
Informational Report on the Status of the Coliseum Area Specific Plan

AMOUNT
☐ REVENUE ☐ CAPITAL EXPENDITURE ☐ OPERATING EXPENSE ☐ NON-OPERATING EXPENSE

PARTIES INVOLVED
City of Oakland, Oakland, CA
Henry Gardner, City Administrator

SUBMITTED BY
Pamela Kershaw, Director of Commercial Real Estate

APPROVED BY
J. Christopher Lytle, Executive Director

REQUESTED ACTION
INFORMATIONAL REPORT

EXECUTIVE SUMMARY
The purpose of this report is to provide an informational update to the Board on the status of the Coliseum Area Specific Plan ("Plan") being developed by the City of Oakland ("City"), and specifically some of the key land use proposals and policies for the Plan area. As the Plan is being developed by the City to be a component of the Oakland General Plan which is administered by the City pursuant to the Oakland Municipal Code, the Plan will establish a land use policy framework of use classifications and development standards for all property within the Plan area, including that owned by the Port of Oakland or within Port of Oakland land use jurisdiction. City staff from the Planning and Building Division and Office of Neighborhood Investment, along with their consulting team, will be presenting the Draft Plan to the Board to solicit input and respond to any questions.

ADDITIONAL FINDINGS

<table>
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<th>ADDITIONAL FINDINGS</th>
<th>APPLIES</th>
<th>DOES NOT APPLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>LIVING WAGE REGULATIONS</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>GENERAL PLAN CONFORMITY</td>
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<td>X</td>
</tr>
<tr>
<td>OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)</td>
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</tr>
</tbody>
</table>
BACKGROUND

In March of 2012 the City authorized commencement of work on the Coliseum Area Specific Plan and accompanying Environmental Impact Report ("EIR"). Both tasks are currently underway and a draft of the Plan and EIR were recently released for public review and comment on Friday, August 22, 2014. The study area includes the Coliseum Stadium and Arena complex site on the north side of I-880 as well as the majority of the Oakland Airport Business Park from the I-880 freeway south to Doolittle Drive.

ANALYSIS

While most of the property affected by the Plan is privately owned, the Port still owns a few properties within the Plan area, which are managed by the Commercial Real Estate Division. In addition, the Port exercises land use jurisdiction for all properties in the Oakland Airport Business Park area, both Port owned and privately owned, through its Land Use and Development Code ("LUDC") which is administered through the Port’s Engineering Division, with the accompanying environmental review for all development permits administered through the Port’s Environmental Programs and Planning Division ("Environmental"). The Plan boundary is also adjacent to the footprint of the Oakland International Airport, thus making the Specific Plan effort one of great interest to multiple Divisions at the Port. As a result, a cross-divisional team with representatives from Port Engineering, Environmental, Aviation, Commercial Real Estate and Government Affairs was formed and has been meeting regularly with colleagues in the City Planning Division and City Office of Neighborhood Investment for the past several months to share information and discuss issues and impacts identified during the preparation of the Draft Plan.

Representatives from the City of Oakland, as well as the consulting team, would like to provide an informational status update on the Plan effort, as well as highlight some of the key concepts proposed in the Plan, and more particularly those proposals which directly impact the Port. The City team has prepared a staff report and presentation, a copy of which is attached as Exhibit A to this report.

As the Plan is ultimately intended to modify the Oakland General Plan if adopted by the Oakland City Council, it is likely that modifications will also be necessary to the Port’s LUDC in order to ensure consistency between the LUDC regulations and the Oakland General Plan. Toward that end, staff from the City and Port have been discussing potential modifications to the LUDC that could be presented to the Board for consideration once the final Plan has been adopted by the City Council. The timing for such consideration however is still somewhat uncertain, although is likely to be in 2015.
BOARD MTG. DATE: 9/25/14

**BUDDGET & STAFFING**

As the subject item is an informational report it does not have any budget or 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:

Goal E: Improve the Processes for Evaluating and Managing Capital Expenditures and for Long-Term Management of Port Property and Infrastructure

- Objective 5: Prepare plans for long-term use, development and management of Port property and infrastructure.

**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 matter as this is an informational report and no action is being recommended.

**ENVIRONMENTAL**

As the subject agenda report is simply an informational report on the City of Oakland Coliseum Area Specific Plan and no action is being taken by the Board of Port Commissioners, this matter is not subject to the California Environmental Quality Act ("CEQA"). However, the City has prepared a Draft Environmental Impact Report which evaluates the potential environmental impacts of the proposed Specific Plan, which is currently available for public review. Port Environmental staff will be reviewing that document in the upcoming weeks in coordination with the Port’s cross-divisional team, and will provide any appropriate comments to the City of Oakland prior to the close of the public comment period on the Draft EIR.

**GENERAL PLAN**

As the proposed Coliseum Area Specific Plan is ultimately intended to be adopted by the Oakland City Council and incorporated into the Oakland General Plan, the Specific
Plan will establish new standards to determine General Plan conformity within the Coliseum Specific Plan Area.

**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. Accept this informational report on the status of the Coliseum Area Specific Plan. This is the recommended action.
2. Do not accept this informational report or defer presentation of this matter to a subsequent meeting of the Board of Port Commissioners.

**RECOMMENDATION**

Staff recommends that the Board accept this informational report on the status of the Coliseum Area Specific Plan.

Attachments: Exhibit A – City of Oakland Report and Presentation
To: Pamela Kershaw, Port of Oakland

From: Ed Manasse, Strategic Planning Manager, Planning and Building Department, City of Oakland

Date: August 28, 2014

RE: Draft Coliseum Area Specific Plan informational report to Port Commissioners on 9/25/14

The City of Oakland Bureau of Planning thanks the Board of Port Commissioners for the opportunity to present an informational report on the Draft Coliseum Area Specific Plan and its Draft Environmental Impact Report (DEIR). No action is requested of the Board at this time, other than to comment on the Draft Plan and DEIR. Since April, Port and City staff have met monthly to discuss the comprehensive land use changes being proposed by the Coliseum Plan. The success of those working group meetings has led to a Draft Plan with areas of common agreement and mutual understanding. This report has a discussion of issues unique to the Port of Oakland, starting on Page 6.

The City published the Draft Plan and Draft EIR on August 22, 2014, and the public comment period ends on October 6, 2014. The comments of the Board and from the public at today’s meeting will be taken into consideration by the City in preparing the final Plan and EIR. In addition to this public meeting about the Draft Plan and DEIR, there will be a public hearing of the City Planning Commission on October 1, 2014. The DEIR analyzes potentially significant environmental impacts in all environmental categories/topics. The DEIR identifies significant unavoidable environmental impacts related to: Air Quality; Biological Resources; Cultural and Historic Resources; Land Use and Planning; Noise; Transportation.

The Draft Specific Plan can be viewed online at www.oaklandnet.com/coliseumcity (under the section called ‘Plans, Documents, and Presentations’). The Notice of Availability (NOA) of the Draft Environmental Impact Report may be reviewed at the City’s Current Environmental Review Documents webpage: http://www2.oaklandnet.com/Government/o/PBN/OurServices/Application/DOWD009157 (see Row #23).

PROJECT LOCATION

The Coliseum Area Specific Plan area (“Plan Area”) is located in the City of Oakland, and

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1 Wednesday, October 1, 2014, 6:00 p.m. Oakland City Hall, Hearing Room 1, One Frank H. Ogawa Plaza.
covers an area of approximately 800 acres bounded by 66th Avenue to the north, San Leandro Street on the east, Hegenberger Road on the south, and San Leandro Bay and the Oakland International Airport to the west. The Plan Area includes the Oakland-Alameda County Coliseum and Arena, and the Oakland Airport Business Park. The Plan Area is uniquely served by regional transit, including the Coliseum BART station, Capitol Corridor Amtrak station, AC transit bus service and the future BART Oakland Airport Connector, as well as two I-880 freeway interchanges.

For Specific Plan purposes, the Plan Area is divided into five Sub-Areas (A-E). For ease of comprehension, the current Coliseum/Arena site and Coliseum BART station are designated as Sub Area A; the Oakland Airport Business Park as Sub-Areas, B, C and D, and the open space and East Bay Municipal Utility District-owned lands between Damon Slough and East Creek Slough as Sub Area E. (See Attachment 1)

PROJECT DESCRIPTION

The Coliseum Area Specific Plan will be a 25-year planning document that provides a transformative new vision for the Oakland Coliseum complex, the area around the Coliseum/Airport BART station and the Oakland Airport Business Park. The Specific Plan provides a comprehensive vision for the Plan Area with goals, policies and development regulations. This development vision will require coordination with the Port of Oakland, Bay Conservation and Development Commission, and Federal Aviation Administration, among other outside agencies.

DRAFT SPECIFIC PLAN PROPOSALS

Because of the complexity of the Draft Specific Plan's development program for the Plan Area's 800 acres, this report will present selected goals for both the Coliseum District (site of the current Coliseum and Arena [Subarea A] and a portion of Subarea B on the west side of I-880) and the Oakland Airport Business Park and environs.

A. Selected goals for the Coliseum District:

- New Sports Venues: Development of up to three new multi-purpose sports/entertainment venues that retain the sports teams in Oakland, provide attractions that bring people to the area, and facilitate the development of other uses nearby. This development program includes a proposed new National Football League (NFL) stadium and multi-purpose event center for the Oakland Raiders; a new Major League Baseball (MLB) ballpark for the Oakland A's; and the potential for a new National Basketball Association (NBA) arena for the Golden State Warriors. Under some Plan scenarios, the current Oracle Arena would remain as a multi-purpose venue.

- Housing: Development of new housing near the sports facilities (up to 1,500 residential
units), and in Transit-Oriented Developments (TODs) surrounding the Coliseum BART station.

- Pedestrian access: new elevated pedestrian concourse that connects from the Coliseum BART station to the new sports/entertainment areas at the current Coliseum site. This elevated connector could potentially extend over I-880 and link BART to the San Leandro Bay, by including a streetcar line that uses the elevated concourse to connect from BART through to the Oakland Airport Business Park.

- Open Space and Parks: The Plan includes a total of 26.5 acres of new parks and open space within the Coliseum district, consisting of a proposed two-acre “Grand Plaza” pedestrian streetscape; the 14-acre pedestrian elevated concourse and linear park; a two-acre park next to the proposed MLB ballpark; and more than 8 acres of open space and natural habitat improvement along Damon Slough near the Amtrak railroad tracks and 66th Avenue. The Plan includes a proposal to relocate Elmhurst Creek, which runs through the Coliseum site.

In total, new development within the Coliseum District could include:

- a new Football Stadium with a seating capacity of 72,000 attendees;
- a new Baseball Park with a seating capacity of 39,000 attendees;
- a new Basketball Arena with a seating capacity of 20,000 attendees;
- three new hotels with a total room count of 875 rooms;
- 525,000 square feet of new event-based retail space;
- 190,000 square feet of neighborhood-serving and convenience retail space located primarily within ground-floor locations;
- up to 1.5 million square feet of new science and technology office space; and
- up to 4,000 new residential units in low-, mid-, and high-rise buildings.

B. Selected goals for the Oakland Airport Business Park:

- New office space: Creation of a new Science and Technology District of regional significance that expands opportunities for companies in the tech economy to locate in Oakland, in up to 1.5 million square feet of new and renovated buildings.

- New Arena: The Draft Plan proposes a location for a new National Basketball Association and multi-purpose arena for the Golden State Warriors, should the team decide to remain in Oakland.

- New Residential district: Development of a new waterfront residential district, with up to 1,600 new residential units. The Plan envisions this district to be located in the vicinity of the current City of Oakland Corporation Yard, between Edgewater Drive and the waterfront.
Bay Inlet: The Plan includes potential development scenarios that include the creation of an approximately 12-acre new inlet of San Leandro Bay. The new inlet is not proposed as a navigable waterway (i.e., no ferries or boat docks), but instead could include intertidal mudflats that support wildlife habitat. The primary purpose of the Bay Inlet would be to create a new waterfront edge as an attraction and amenity for new office and residential development in the Business Park.

Habitat Restoration: The Draft Specific Plan recommends creation of up to 15 acres of new wetland habitat between Damon Slough and East Creek Slough. Creation of this proposed new wetland habitat would require agreement between East Bay Regional Parks District (EBRPD), the East Bay Municipal Utility District (EBMUD), and the City of Oakland, to exchange or sell certain properties each agency owns in the Plan Area. Any such exchange or sale would require ongoing negotiations between the City and both the East Bay Regional Parks District, which owns the current 8-acre Edgewater Freshwater Marsh in the Airport Business Park, and the East Bay Municipal Utility District (EBMUD), owners of the subject site of proposed new wetlands area next to EBMUD’s Edgewater wet weather facility and corporation yard. Should the vacant EBMUD Edgewater parcel and a portion of the adjacent City of Oakland property be made available, the Draft Specific Plan proposes the creation of a new 15-acre freshwater seasonal wetland habitat at this location in exchange for, and in replacement of, EBRPD’s existing 8-acre Edgewater Freshwater Marsh.

PROPOSED GENERAL PLAN AND ZONING CHANGES

The City of Oakland has funded preparation of the Coliseum Area Specific Plan, and its related Environmental Impact Report (EIR). The additional efforts that the City can take to facilitate implementation of this Plan include modifying its current planning tools (the Oakland General Plan, Oakland Planning Code and Zoning Map) to better match the development program for the Coliseum Area as described in this Specific Plan. The following describes these intended City-initiated actions.

Proposed General Plan Amendments

To effectively implement this Specific Plan, a number of amendments to the City’s current General Plan Land Use Diagram are recommended. These General Plan amendments will help to better clarify the anticipated character and scale of future development, and will enable future development that is consistent with the Draft Specific Plan to move forward in a timely and efficient manner. For the sake of brevity, this report will just discuss the proposed General Plan Amendments which affect the Oakland Airport Business Park (for a full discussion, see Chapter 7 of the Draft Specific Plan). Attachment 2 shows the full map of proposed General Plan Amendments.
Table 1 shows the selected General Plan Amendments proposed by the Plan.

<table>
<thead>
<tr>
<th>ID #</th>
<th>General Plan Changes</th>
</tr>
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| K    | Existing GP: Business Mix  
|      | Proposed GP: Urban park and Open Space |
| L    | Existing GP: Urban park and Open Space  
|      | Proposed GP: Regional Commercial |
| M    | Existing GP: Business Mix  
|      | Proposed GP: Regional Commercial |
| N    | Existing GP: Business Mix  
|      | Proposed GP: Regional Commercial |
| O    | Existing GP: None  
|      | Proposed GP: Urban Park and Open Space |
| P    | Existing GP: Urban Park and Open Space  
|      | Proposed GP: Regional Commercial |
| Q    | Existing GP: Urban Park and Open Space  
|      | Proposed GP: Business Mix |
| R    | Existing GP: Business Mix  
|      | Existing GP: Urban Park and Open Space |

Of the expected development within Sub Areas B, C and D in the Draft Specific Plan, the proposed amendments include:

- amending the land use designation for the majority of the Oakland Airport Business Park from “Business Mix” to “Regional Commercial”;
- adding and adjusting the “Urban Park and Open Space” land use designation along the edges of Damon Slough, Elmhurst Creek, San Leandro Creek and the San Leandro Bay shoreline; and
- amending the land use designations for the following list of properties, from “Business Mix” to “Regional Commercial”:
  - properties fronting along Oakport Street, between Elmhurst Creek and Hegenberger Road,
  - properties fronting along Pendleton Way (backing to the properties on the Hegenberger Road corridor), and
  - properties fronting along a portion of Pardee Drive nearest to Hegenberger Road.

The “Regional Commercial” land use designation for the Oakland Airport Business Park is necessary to enable development of the proposed mixed-use waterfront residential development and the development of a new Arena as envisioned under the Draft Specific Plan, neither of which are permitted under the current “Business Mix” designation. The new Regional Commercial designation would be similar to the land use designation that currently
exists across I-880 at the Coliseum District, better tying these two integrated development areas together.

The other "Regional Commercial" land use amendments are consistent with the Oakland General Plan's overall planning direction for the Airport Gateway Showcase, which provide for primarily airport-related support services and uses within the Airport Business Park, and visitor-serving businesses such as hotels, restaurants, and retail along the Hegenberger corridor.

The additions or modifications to the "Urban Park and Open Space" land use designations simply clarify the expected minimum 100-foot publicly-accessible open space setback from the top-of-bank of the channels and from the high water line of the shoreline.

**Proposed New Zoning**

Most of the Oakland Airport Business Park is within the Port's land use jurisdiction, so any new zoning proposed or adopted independently by the City of Oakland as part of the Coliseum planning process would not apply to land use changes in the Business Park. Below is a discussion of potential amendments to the Port's Land Use and Development Code that would be necessary to permit the activities in the Draft Plan that are within the Business Park (i.e., a potential new Arena, new science and technology businesses, and a new waterfront residential neighborhood). For a full map and explanation of the proposed zoning in the Business Park, see Chapter 7 of the Draft Specific Plan.

**ISSUES UNIQUE TO THE PORT OF OAKLAND**

The following are Specific Plan issues which may be of particular interest to the Port of Oakland: heights of new buildings, the land use jurisdiction at the Oakland Airport Business Park, and State Tidelands Trust. Each are described more fully below.

1. **Heights of proposed buildings and review of FAA regulations**

The Draft Plan proposals include a number of buildings, such as the proposed new Raiders Stadium and neighboring residential towers, which, if built, would be taller than the 159 feet established by the FAA as a height which would not interfere with the operations of OAK.

The Draft Specific Plan includes two policies with refer to buildings which are proposed to be taller than the 159 foot height ceiling established by the FAA:

**LU Policy 3-30:** Development of the Plan Area should respect Port of Oakland and Oakland International Airport functions, by following the Alameda County Airport Land Use Compatibility Plan for Oakland International Airport. In addition, all new

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2 Federal Aviation Regulations Part 77 allows the Federal Aviation Administration (FAA) to identify potential aeronautical hazards, thus preventing or minimizing adverse impacts to safe and efficient use of navigable airspace.
development should follow Federal Aviation Administration guidelines and permitting processes.

**LU Policy 3-31:** Buildings and sports venues over 159 feet in height are subject to Port of Oakland and FAA approval.

The Plan DEIR includes two mitigation measures which address the issue of buildings proposed to be taller than 159 feet:

**MM Land-7A:** No structures that exceed 159.3 feet above mean sea level or otherwise exceed the applicable Part 77 surfaces of the Oakland International Airport Land Use Compatibility Plan, or which exceed 200 feet above the ground level of its site, will be approved by the City unless such a structure has been reviewed by the FAA in accordance with FAR Part 77 and receives either:

a) an FAA finding that the structure is “not a hazard to air navigation” and would not result in the FAA instituting any alterations or curtailing of flight operations, or

b) a conclusion by the Alameda County Airport Land Use Commission (ALUC) that the proposed structure is acceptable (i.e., no hazard and no alterations to flight operations) only with appropriate marking and lighting, and that the applicant agrees to mark and light that structure in a manner consistent with FAA standards as to color and other features.

**MM Land-7B:** Sellers or lessees of real property located within the Oakland Airport Influence Area (AIA) shall disclose within an aviation easement included as part of all real estate transactions within the AIA that their property is situated within the AIA, and may be subject to some of the annoyances or inconveniences associated with proximity to airport operations.³

2. **Land Use Jurisdiction in Airport Business Park – New Residential uses**

³ Coliseum Area Specific Plan DEIR, Chapter 4.9, page 63.
A segment of the Plan area, the Oakland Airport Business Park, is under the land use jurisdiction of the Port. Development in this area must be consistent with the land use designations of the City of Oakland General Plan, but then must also adhere to the development regulations of the Port, as defined in Airport Business Park Land Use and Development Code, (LUDC), and receive development permit approval from the Port. The area within the Port's regulatory jurisdiction consists of most of the Draft Plan's Sub-Area B and all of Sub-Areas C and D.

New development pursuant to Plan Buildout within the Oakland Airport Business Park includes a mixed-use waterfront residential development with a retail component, proposed to be located between Edgewater Drive and the San Leandro Bay shoreline near the confluence of Damon Slough. The site preliminarily selected for the new residential uses is: the City's Corporation Yard; the Edgewater Seasonal Wetland; and an adjacent warehouse/office property. Under the Port of Oakland's LUDC, residential uses are not currently permitted on any properties within the Oakland Airport Business Park (Sub-Area B), and retail use is only permitted within the Commercial Corridor area along Hegenberger Road and on certain parcels adjacent to Oakport Street. The introduction of new residential and mixed-use development within the boundaries of the Business Park would therefore be in conflict with the Port's current land use regulations as specified in the LUDC. These proposed new uses along the San Leandro Bay waterfront would also require the relocation of all the services, activities and operations of the City's Corporation Yard be relocated elsewhere in Oakland.

Other proposed development within Sub-Areas B, C and D includes Science and Technology offices, light industrial, logistics and warehouse uses – all of which are permitted uses in this area pursuant to the Port's LUDC and which would not be in conflict with the LUDC.

In the DEIR, there is a discussion of this potential conflict:

The Specific Plan notes that implementation of the proposed Project will require the Port to consider this EIR as a responsible agency, and potentially to co-adopt the Specific Plan or to cede land use jurisdiction over certain properties to the City of Oakland, or adopt amendments to the LUDC to allow the development program proposed by the Plan.

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1 Located at 6767 Edgewater Drive.
2 Owned and maintained by East Bay Regional Parks District
3 7303 Edgewater Drive, "Port of Oakland Business Center".
Recommendation/Project Requirement Land-6: In order to enable implementation of the Project as proposed, the Port Board of Commissioners must either:

a) Adopt the Specific Plan as its new land use plan for the Business Park, or
b) Elect to cede land use authority over the ultimate new Arena site and the waterfront residential site to the City of Oakland, or
c) Choose to instead amend its own LUDC to allow the new Arena and waterfront residential /retail mixed use as permitted or conditionally permitted uses within the Business Park.

The City/Port working group have discussed the three options, and have generally agreed that option C -- amendments to the LUDC -- is the most likely procedure, should the City of Oakland adopt the Coliseum Area Specific Plan and certify the EIR. If the Port Board were to decide on any of the three actions described in the DEIR, the conflict with plans and policies of the Port’s LUDC would no longer apply. However, unlike the recommended changes to applicable City of Oakland’s policies and regulations, the City does not have jurisdictional authority to change or modify the Port’s LUDC, and cannot ensure implementation of this requirement.

If, on the other hand, the Port Board decides to not take any of the actions identified in Recommendation/ Project Requirement Land-6, then the proposed new Arena and the proposed new waterfront residential mixed-use development would directly conflict with the LUDC, and those elements of the Project could not move forward.

3. State Tidelands Trust

The California State Lands Commission oversees approximately four million acres of land underlying the State’s navigable and tidal waterways, managed under the “public trust doctrine” which typically limits uses on these tidelands to water-related commerce, navigation, fishing, general recreation, open space, and wildlife habitat. Uses developed within the tidelands are

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7 Coliseum Area Specific Plan DEIR, Chapter 4.9, page 54.
expected to be for the benefit of all of the people of the state. AB 2769 (2002) expanded allowable uses to include: establishment of harbors, commercial and industrial purposes, airports, highways, streets, bridges, belt line railroads, parking facilities, transportation and utility facilities, public buildings, convention centers, public parks, public recreation facilities, small boat harbors and marinas, snack bars, cafes, cocktail lounges, restaurants, motels, hotels, protection of wildlife habitats, open space areas and areas for recreational use with open access to the public, and “any other uses or purposes of statewide, as distinguished from purely local or private, interest and benefit which are in fulfillment of those trust uses and purposes described in this act.”

Uses not permitted on public trust lands are those that do not serve a public purpose, and can be located on non-waterfront property; these prohibited uses include residential, non-maritime related commercial including department stores, and certain office uses. State lands in the immediate vicinity of the Project area are limited to submerged lands within the San Leandro Bay including Arrowhead Marsh and San Leandro Creek, which border portions of Sub-Area B and Sub-Area D.

Like all other Port-owned land, land within the Plan Area currently owned by the Port (even if leased to other operating entities) is subject to state tidelands trust requirements. However, land sold by the Port (including property currently located in Sub-Areas B, C and D) no longer
Port of Oakland Board of Commissioners—September 25, 2014
City of Oakland informational presentation on Draft Coliseum Area Specific Plan

retains public trust requirements. Future development on Port-owned lands pursuant to the

Draft Plan Buildout includes land owned by the Port. Development of these Port-owned lands

with uses inconsistent with the tidelands trust (primarily the waterfront residential area) would be inconsistent with the tidelands trust obligations, and would be prohibited.

The Coliseum Draft EIR includes a mitigation measure which addresses State Tidelands Trust:

**MM Land-9:** To remove potential conflicts with tidelands trust obligations and

requirements, the developer of any future project within the Project Area that proposes to use land that is owned by the Port of Oakland must either:

a) Enter into an agreement with the Port (via the Commercial Real Estate Division) to ground lease and develop such project for uses deemed by the Port Board as consistent with the public trust, or

b) Buy the underlying land from the Port, subject to a finding that the property is no longer needed or required for the promotion of the public trust (none of these properties would include lands granted to the City by the original legislative grants), with the proceeds of the land sale to be used at the Port Board's discretion for public trust purposes, or

c) Arrange for an authorized exchange of any lands granted to the Port, subject to a finding that the land is no longer needed or required for the promotion of the public trust, for other lands not now subject to the public trust.

**OTHER AGENCIES WITH REVIEW AUTHORITY**

Numerous agencies are expected to comment on the Draft EIR, and some will have permit authority over some components of future development under the Draft Plan. Some of these agencies include: East Bay Municipal Utility District; East Bay Regional Parks District; the San Francisco Bay Conservation and Development Commission; BART; Alameda County; the
Port of Oakland Board of Commissioners—September 25, 2014
City of Oakland informational presentation on Draft Coliseum Area Specific Plan

Oakland-Alameda County Coliseum Authority. Of note to the Port Board is the Alameda County Airport Land Use Commission.

Alameda County ALUC - Oakland International Airport Land Use Compatibility Plan

The Oakland International Airport Land Use Compatibility Plan is used by the Alameda County Airport Land Use Commission (ALUC) to promote compatibility between the Oakland International Airport (OAK) and the surrounding land uses. The ALUC was established by Alameda County as a tool for reviewing general plans, proposed changes to zoning codes and ordinances, land use actions and development projects, and airport development plans that are within the Airport Influence Area (AIA) for consistency with compatibility criteria.

The Airport Land Use Commission Plan (ALUCP) compatibility criteria are used for safeguarding the general welfare of the public. The role of the ALUC is to review and make recommendations based on the ALUCP criteria. It does not authorize the ALUC to zone property or apply land use controls. Additionally, the advisory jurisdiction of the ALUC is limited to new land uses. Ultimately, the authority and responsibility for enforcing ALUC compatibility lies fully with the affected jurisdictions (i.e., the City of Oakland).

Except for a relatively small portion near the Coliseum BART station, the Plan Area is entirely within the AIA. As such, the compatibility criteria contained within the ALUCP are applicable to land use plans and development proposals within the Coliseum Area Specific Plan. In addition, the Plan Area is entirely within the Aviation Easement Zone which mandates that sellers or lesasers of real property disclose that their property is situated within the AIA. The City will present the Draft Coliseum Plan to the ALUC on September 17, 2014, at a public meeting.

BACKGROUND TO THE DRAFT COLISEUM AREA SPECIFIC PLAN

In November 2011, the City issued a Request for Proposals (RFP) seeking a master developer and environmental consultant for the 800-acre Coliseum plan area. A team led by JRDV Urban International (an Oakland-based architecture and development firm) was selected, and in March 2012, an Exclusive Negotiating Agreement (ENA) was entered into with the City. At the same time, a contract with Lamphier-Gregory (an Oakland-based Planning and Environmental consultant) was signed, to prepare the Draft Specific Plan and Draft EIR. In April 2013, the Notice of Preparation (NOP) for the Draft EIR was issued, and scoping sessions were held in May 2013 before the Planning Commission and the Landmarks Preservation Advisory Board.
Port of Oakland Board of Commissioners—September 25, 2014
City of Oakland informational presentation on Draft Coliseum Area Specific Plan

Public workshops were held in April and June, 2014 to gain comment and refinements for the Draft Plan, prior to its release. The Notice of Availability (NOA) for the DEIR was issued on August 22, 2014, beginning a 45-day public comment period that ends on October 6, 2014.

Attachments.

1. Draft Coliseum Area Plan Sub Area Map (Make Map from PRAC Map)
2. Figure 7.6: Proposed General Plan Amendments
COLISEUM AREA SPECIFIC PLAN
Port of Oakland Board of Commissioners
September 25, 2014
Project Goals

Create a regionally significant Science and Technology District - that can act as a catalyst to expand Oakland’s participation in innovation economy
Create an **Vibrant Urban Mixed Use District** - with 7x24 activity and provides an enhanced pedestrian experience, site security and high quality of place.
Project Goals

Retain the sports teams - and maximize economic value recapture for Oakland and Alameda County
Leverage and enhance the existing transit infrastructure - create a model transit development consistent with SB 375 Regional Policies.
5

Create new Open Space, Bay Access, and Natural Habitat - opportunities through a significant environmental reclamation that is functional, educational and accessible.
Create the Premier Sports/Mixed Use Urban Center in the Nation
CREATE A NEW RESIDENTIAL DISTRICT ON THE OAKLAND WATERFRONT.
BUILD NEW SCIENCE AND TECHNOLOGY OFFICES.
COLISEUM CITY
PLANNING PROCESS
PROCESS OVERVIEW & TIME LINE

What's happened so far?

- 2011: City issued an RFP for a developer and CEQA/Specific Plan consultants
- 2012: City selected Oakland-based firms JRDV International and Lamphier-Gregory
- 2013: City published Notice of Preparation for EIR with a public comment period; JRDV completed the Coliseum Master Plan
- 2014: Draft Specific Plan and EIR released August 22nd; public workshops held
  - 2014: September - December: Public Hearings: Planning Commission, October 1st
DRAFT SPECIFIC PLAN

The Draft Specific Plan addresses:

- Types and locations of land uses
- Types and location of transportation improvements that enable people to conveniently and safely get around by car, transit, bike, and foot
- Design standards to ensure high quality and physically attractive buildings, streets, and open spaces
- Regulations to ensure sustainability and protection of natural resources
- Implementation measures that are necessary to carry out the Plan, including regulations, public works improvements, and financing tools
COMMUNITY AND ECONOMIC DEVELOPMENT BENEFITS

Support the Coliseum Master Plan’s vision of:

- **Up to three** new multi-functional sports and entertainment venues and abundant restaurant and retail offerings
- **Up to 20,000 new jobs** (in construction, science and technology, and seasonal at the sports facilities)
- Increased opportunities for existing businesses in the Coliseum area
- **Up to 12 million square feet** of new commercial and business space
- 5,000 housing units and **up to 7,000 new residents**
- **Up to 25 acres** of new parks, trails and restored natural habitat
Figure 7.6: Proposed General Plan Amendments
DRAFT ENVIRONMENTAL IMPACT REPORT

State law (CEQA) requires that environmental impacts that may result from a project be evaluated and that alternative proposals and/or mitigation measures be crafted before final plan adoption.


Among topics studied in the DEIR:

- Land Use
- Housing, Population, and Employment
- Traffic and Transportation
- Water Quality
- Air Quality
- Biology
- Cultural and Historic
- Plan Alternatives
CONTACT US!

Email comments to: strategicplanning@oaklandnet.com

Leave a message on the Strategic Planning Division line at: (510) 238-7299

Mail comments to:

Devan Reiff
City of Oakland Strategic Planning Division
250 Frank Ogawa Plaza, Suite 3315
Oakland, CA 94612

For more information, go to www.oaklandnet.com/coliseumcity

COLISEUM AREA SPECIFIC PLAN
Public Workshops
April 2014
BUDGET & FINANCE

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

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

TITLE
Report on 2014 Community Satisfaction Survey Results

AMOUNT
NA – Informational Report

PARTIES INVOLVED
Port of Oakland and Oakland-based consultant Fairbank, Maslin, Maullin, Metz & Associates (FM3)

SUBMITTED BY
Robert Bernardo, Communications Manager

APPROVED BY
J. Christopher Lytle, Executive Director

REQUESTED ACTION
Informational Report

EXECUTIVE SUMMARY
To advance overall organizational effectiveness, the Port of Oakland continues to use metrics. The Port Communications Department hired Oakland-based consultant Fairbank, Maslin, Maullin, Metz & Associates (FM3) to conduct a “Community Satisfaction Survey” in order to measure community perceptions about the Port. The results of the survey will be used to help guide the Port’s communications and public engagement efforts for FY2014-2015 and our strategic planning. The data is included in the attached PowerPoint, being presented at the Board meeting by FM3 partner, Dave Metz. The findings indicate that, overall, the community has a positive perception of the Port of Oakland.

ADDITIONAL FINDINGS

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<th>MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)</th>
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<tr>
<td>OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)</td>
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BACKGROUND
In late August 2013, the Port of Oakland issued a Request for Proposal (RFP) to hire a public opinion research consultant to conduct a Community Satisfaction Survey and provide results. Of the three research firms that submitted an RFP, we selected Oakland-based FM3 Research based upon pricing, methodology, qualifications, regional demographic familiarity, and client list. FM3 also has a history working with the Port in 2005 and 2007 to conduct tenant focus groups.
ANALYSIS

In the area of communications, the best practice for gauging communications’ effectiveness is to use public opinion research. The collected data will be used to inform our external communications and community relations efforts. The purpose of this survey was threefold: 1) To gather baseline information regarding community understanding and perception of the Port and its businesses against which future progress can be measured; 2) To identify areas of public misunderstanding of or dissatisfaction with Port activities, which can be addressed through changes in Port activities and/or targeted communications; and 3) To collect data that can help sharpen and refine ongoing Port communications and messaging efforts.

This public opinion survey gives our policymakers and staff, objective, statistically-valid data on true public sentiment of Port activities. It provides us the baseline for developing and conducting tracking surveys in future years. By repeating key questions from this year’s survey we will be able to observe changes in opinion over time and know where we stand with our stakeholders with specifically measured results. This data is critical for informing what we need to communicate going forward.

The findings from the 2014 survey will be specifically used to guide informational/educational campaigns and messaging to address areas of public concern and misconceptions identified in the survey, as well as strengthen existing positive perceptions of the Port with our external stakeholders.

BUDGET & STAFFING

The cost for this Community Satisfaction Survey was $51,500 and it was included in the FY 2013-14 Budget. There was no change in Port staffing.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

This contract was for professional services that did not include construction testing and inspection. The provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) did not apply to this work.

STRATEGIC PLAN

Goal K: Promote a Proactive and Responsive Communications Model
Goal L: Provide Timely and Relevant Information to Support Critical Analysis and Decision-Making

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”), did not apply to this public opinion poll contract as the service provider did
not employ 21 or more employees working on Port-related work. However, the service provider was required to certify that had living wage obligations become applicable, it would comply with the Living Wage Regulations.

ENVIRONMENTAL

NA – Informational Report

GENERAL PLAN

This action did 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 was not subject to the Port’s Owner Controlled Insurance Program (OCIP) as it was not a capital improvement construction project.

OPTIONS

NA – Informational Report

RECOMMENDATION

NA – Informational Report
2014 Port of Oakland
Community Satisfaction Survey

Key Findings from a Regional Public Opinion Survey Conducted May 13-23, 2014

Fairbank, Maslin, Maullin, Metz & Associates - FM3
Public Opinion Research & Strategy

SANTA MONICA • OAKLAND • MADISON • MEXICO CITY
Methodology

• Telephone survey of 1,202 randomly-selected voters in the Port’s Local Business Area (LBA) -- Alameda and Contra Costa Counties – including:
  – 700 in the Port’s Local Impact Area (LIA), including 400 in the City of Oakland and 100 each in the Cities of Alameda, Emeryville and San Leandro
  – 500 in the balance of Alameda and Contra Costa Counties
  – All data statistically weighted to reflect the true distribution of voters throughout the LBA

• Survey was conducted May 13 - 23, 2014
  – Interviews were conducted via landline and cell phones
  – Bilingual interviews in English, Spanish and Chinese

• The margin of sampling error is +/- 4.9% at the 95% confidence level for the City of Oakland, +/- 9.8% for each of the other cities in the Local Impact Area, and approximately +/- 4.4% for the LBA as a whole.
  – Margins of error for population subgroups will be higher
  – Some percentages do not sum to 100% due to rounding
Many Port neighbors see traffic as a top concern, fewer are worried about air and water pollution.

### Extensive/Very Serious Problems

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<th>Smwt Ser</th>
<th>Not a Ser Prob</th>
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<td>^Too much growth and development</td>
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3. I’m going to read you a list of issues that some people say are problems. Please tell me whether you think it is an extremely serious problem, a very serious problem, a somewhat serious problem, or not a serious a problem in your community. *Not Part of Split Sample
Oakland residents are especially likely to see the Port’s air pollution as a concern.

*Total Extremely/Very Serious Problem*

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3. I’m going to read you a list of issues that some people say are problems. Please tell me whether you think it is an extremely serious problem, a very serious problem, a somewhat serious problem, or not a serious a problem in your community. ^Not Part of Split Sample
Majorities have favorable views of the Port, the Oakland International Airport, and Jack London Square.

2. I'm going to read a list of organizations. I would like you to tell me if you have a generally favorable or generally unfavorable opinion of that organization. If you've never heard of that person or organization, or don't know enough about them to offer an opinion, please say so.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Oakland International Airport</td>
<td>49%</td>
<td>38%</td>
<td>9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jack London Square</td>
<td>43%</td>
<td>35%</td>
<td>16%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>The Port of Oakland</td>
<td>19%</td>
<td>33%</td>
<td>39%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Your local Board of Supervisors</td>
<td>13%</td>
<td>27%</td>
<td>43%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Oakland Seaport</td>
<td>13%</td>
<td>22%</td>
<td>59%</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>The Oakland City Council</td>
<td>7%</td>
<td>19%</td>
<td>49%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>The Oakland Board of Port Commissioners</td>
<td>6%</td>
<td>12%</td>
<td>72%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Total Favorable: Oakland International Airport - 87%, Jack London Square - 77%, The Port of Oakland - 52%

Total Unfavorable: Oakland International Airport - 4%, Jack London Square - 6%, The Port of Oakland - 10%
Neighbors are most likely to associate the Port with shipping and economic benefits.

Please tell me the first two or three words or phrases that come to your mind when you think about the Port of Oakland?
Most Port neighbors do *not* consider themselves knowledgeable about the Port of Oakland.

*Overall, how knowledgeable would you say that you are about the structure and operations of the Port of Oakland?*

- Very knowledgeable: 5%
- Somewhat knowledgeable: 16%
- Not too knowledgeable: 25%
- Not at all knowledgeable: 48%
- NHO/DK/NA: 6%

Total Knowledgeable: 21%
Total Not Knowledgeable: 73%
Most know that the Port owns the sea port and Jack London Square, but fewer believe that it operates the Oakland International Airport.

*let me ask you about what makes up the Port of Oakland. Would you say that ______ is part of the property of the Port of Oakland?*

<table>
<thead>
<tr>
<th>Property</th>
<th>Yes</th>
<th>No</th>
<th>DK/NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>The sea port and shipping terminals in West Oakland</td>
<td>75%</td>
<td>6%</td>
<td>18%</td>
</tr>
<tr>
<td>Jack London Square</td>
<td>52%</td>
<td>28%</td>
<td>20%</td>
</tr>
<tr>
<td>Oakland International Airport</td>
<td>47%</td>
<td>36%</td>
<td>18%</td>
</tr>
<tr>
<td>Middle Harbor Shoreline Park</td>
<td>38%</td>
<td>21%</td>
<td>41%</td>
</tr>
<tr>
<td>The Bay Bridge</td>
<td>32%</td>
<td>49%</td>
<td>19%</td>
</tr>
<tr>
<td>Lake Merritt</td>
<td>17%</td>
<td>58%</td>
<td>26%</td>
</tr>
</tbody>
</table>
Neighbors tend to see the Port as a positive presence in the community - except when it comes to traffic and air and water quality.

I’m going to read a list of areas where the Port’s operations might have an impact on the community. Please tell me whether you think the Port of Oakland has a generally positive or negative impact in that area.

<table>
<thead>
<tr>
<th>Area</th>
<th>Total Positive</th>
<th>Total Negative</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>The overall economy of the Bay Area</td>
<td>79%</td>
<td>8%</td>
<td>+71%</td>
</tr>
<tr>
<td>Jobs</td>
<td>78%</td>
<td>9%</td>
<td>+69%</td>
</tr>
<tr>
<td>Commercial development</td>
<td>67%</td>
<td>11%</td>
<td>+56%</td>
</tr>
<tr>
<td>Local small businesses</td>
<td>67%</td>
<td>12%</td>
<td>+55%</td>
</tr>
<tr>
<td>Neighboring communities</td>
<td>55%</td>
<td>18%</td>
<td>+37%</td>
</tr>
<tr>
<td>Water quality</td>
<td>26%</td>
<td>45%</td>
<td>-19%</td>
</tr>
<tr>
<td>Air quality</td>
<td>22%</td>
<td>56%</td>
<td>-34%</td>
</tr>
<tr>
<td>Traffic</td>
<td>19%</td>
<td>59%</td>
<td>-40%</td>
</tr>
</tbody>
</table>
Neighbors see generating jobs as one of the Port’s greatest successes.

Please tell me whether you approve or disapprove of the job the Port of Oakland is doing on each of the following issues.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Generating jobs in the region</td>
<td>41%</td>
<td>35%</td>
<td>10%</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Improving security in the Port to deal with post-September 11th security threats</td>
<td>29%</td>
<td>34%</td>
<td>13%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Hiring local residents for jobs funded by the Port</td>
<td>27%</td>
<td>33%</td>
<td>9%</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Managing Jack London Square</td>
<td>27%</td>
<td>32%</td>
<td>11%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Taking measures to control and reduce air pollution generated by Port operations</td>
<td>22%</td>
<td>31%</td>
<td>18%</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td>Running Port operations in a financially sound and professional manner</td>
<td>24%</td>
<td>28%</td>
<td>11%</td>
<td>37%</td>
<td></td>
</tr>
<tr>
<td>Working with local residents living near the Port to improve their quality of life</td>
<td>21%</td>
<td>29%</td>
<td>17%</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>Hiring local contractors</td>
<td>22%</td>
<td>25%</td>
<td>7%</td>
<td>46%</td>
<td></td>
</tr>
<tr>
<td>Keeping residents in surrounding communities informed of Port issues that may affect them</td>
<td>20%</td>
<td>22%</td>
<td>25%</td>
<td>33%</td>
<td></td>
</tr>
</tbody>
</table>

Q9. *Not Part of Split Sample
Given arguments on both sides, close to two-thirds say that the Port has a net positive impact on surrounding communities.

In general, the Port of Oakland has a positive impact on surrounding communities by generating tax revenues, creating jobs, investing in important projects, and utilizing local firms in its development projects.

OR

In general, the Port of Oakland has a negative impact on surrounding communities by generating harmful pollution, creating a noisy environment, and causing traffic congestion.

Both/Neither/DK/NA
Jack London Square is a popular (though only occasional) destination for members of the community.

Over the past year, have you visited the Jack London Square area?

- Yes, every day: 2%
- Yes, once a week: 5%
- Yes, once a month: 12%
- Yes, every few months: 22%
- Yes, about once a year: 19%
- No, have not visited/...

Total Frequently: 19%

Total Rarely: 41%
Voters offer diverse suggestions for improvements to Jack London Square.

What do you think would make you visit Jack London Square more?

- Activities for kids/Festivals/Events/Vendors: 15%
- More dining/restaurants/entertainment/bars: 14%
- Don't care/No reason/Unable to go/Not in my area: 13%
- Better parking/transportation: 11%
- More shopping/retail: 11%
- Nothing/good as it is now: 7%
- Better security: 7%
- Clean up the area: 3%
- More business - non specific: 3%
- Advertising/upcoming events/activities: 3%
- Other mention: 11%
- DK/NA/unsure: 13%
A plurality of Port neighbors have not used the Oakland International Airport recently, and those who have are most likely to be infrequent fliers.

Over the past year, have you taken any airplane flights that departed from or arrived at the Oakland International Airport?

- No flights: 46%
- 1 to 3 flights: 36%
- 4 to 5 flights: 8%
- 6 to 9 flights: 4%
- Ten or more flights: 4%
- DK/NA: 2%

Frequent fliers are disproportionately likely to be higher income; highly educated; aged 40-49; and conservative, white, and young men.
Among users, views of the airport are overwhelmingly positive.

And was your impression of the Oakland International Airport favorable or unfavorable?

- Very favorable: 69%
- Somewhat favorable: 27%
- Somewhat unfavorable: 2%
- Very unfavorable: 1%
- DK/NA: 1%

Total Favorable: 96%

Total Unfavorable: 3%

Q16. Asked of those who have used the Oakland International Airport in the past year – 52% of the sample.
Users give the airport high marks in a range of categories...

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Very Sat.</th>
<th>Smw.t. Sat.</th>
<th>Smw.t./Very Dissat.</th>
<th>DK/NA</th>
<th>Total Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of flights and destinations</td>
<td>50%</td>
<td>39%</td>
<td>10%</td>
<td></td>
<td>89%</td>
</tr>
<tr>
<td>Transportation options to and from the airport</td>
<td>42%</td>
<td>39%</td>
<td>14%</td>
<td>6%</td>
<td>81%</td>
</tr>
<tr>
<td>The quality and variety of airport shops and restaurants</td>
<td>38%</td>
<td>43%</td>
<td>13%</td>
<td>6%</td>
<td>81%</td>
</tr>
<tr>
<td>The availability of parking at the airport</td>
<td>42%</td>
<td>32%</td>
<td>14%</td>
<td>12%</td>
<td>75%</td>
</tr>
</tbody>
</table>

17. Let me ask you about some more specific aspects of service at the Oakland International Airport. Please tell me whether you are generally satisfied or dissatisfied with that aspect of the Airport’s service. Asked of those who have used the Oakland International Airport in the past year – 52% of the sample.
…and describe the airport as convenient and affordable.

I am going to give you some words and phrases. After you hear each one, please tell me how well that phrase describes Oakland International Airport.

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Well</th>
<th>Total Not Well</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conveniently located</td>
<td>92%</td>
<td>6%</td>
<td>+86%</td>
</tr>
<tr>
<td>Makes it easy to check in</td>
<td>92%</td>
<td>7%</td>
<td>+85%</td>
</tr>
<tr>
<td>Flights are usually available</td>
<td>90%</td>
<td>7%</td>
<td>+83%</td>
</tr>
<tr>
<td>Easy to get in and out of</td>
<td>90%</td>
<td>9%</td>
<td>+81%</td>
</tr>
<tr>
<td>Easy passenger drop off and pick up</td>
<td>88%</td>
<td>8%</td>
<td>+80%</td>
</tr>
<tr>
<td>Has affordable flights</td>
<td>81%</td>
<td>14%</td>
<td>+67%</td>
</tr>
<tr>
<td>Has quick security lines</td>
<td>81%</td>
<td>18%</td>
<td>+63%</td>
</tr>
<tr>
<td>Has good shops, restaurants, and amenities for passengers</td>
<td>80%</td>
<td>17%</td>
<td>+63%</td>
</tr>
<tr>
<td>Easy parking</td>
<td>73%</td>
<td>16%</td>
<td>+57%</td>
</tr>
<tr>
<td>Lacks non-stop flights to places I want to go</td>
<td>61%</td>
<td>34%</td>
<td>+27%</td>
</tr>
</tbody>
</table>

18. I am going to give you some words and phrases. Please tell me how well that phrase describes Oakland International Airport – very well, somewhat well, not too well, or not well at all. Spit Sample. Asked of those who have used the Oakland International Airport in the past year – 52% of the sample.
Users largely reject negative characterizations of the airport.

<table>
<thead>
<tr>
<th>Perception</th>
<th>Total Well</th>
<th>Total Not Well</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has expensive flights</td>
<td>47%</td>
<td>45%</td>
<td>+2%</td>
</tr>
<tr>
<td>Too hard to reach by public transit</td>
<td>44%</td>
<td>44%</td>
<td>--</td>
</tr>
<tr>
<td>Not enough shops, restaurants, and amenities for passengers</td>
<td>38%</td>
<td>57%</td>
<td>-19%</td>
</tr>
<tr>
<td>Does not have enough flight choices</td>
<td>38%</td>
<td>58%</td>
<td>-20%</td>
</tr>
<tr>
<td>Makes too much noise at night</td>
<td>25%</td>
<td>46%</td>
<td>-21%</td>
</tr>
<tr>
<td>Parking is difficult</td>
<td>28%</td>
<td>59%</td>
<td>-31%</td>
</tr>
<tr>
<td>Too crowded</td>
<td>31%</td>
<td>67%</td>
<td>-36%</td>
</tr>
<tr>
<td>Too noisy</td>
<td>28%</td>
<td>68%</td>
<td>-40%</td>
</tr>
</tbody>
</table>

18. I am going to give you some words and phrases. Please tell me how well that phrase describes Oakland International Airport – very well, somewhat well, not too well, or not well at all. Spit Sample. Asked of those who have used the Oakland International Airport in the past year – 52% of the sample.
Conclusions
Challenges Facing the Port

• Awareness of the Port and its properties remains low.
• In particular, voters have no clear idea of which waterfront properties are owned and operated by the Port; while they have overwhelmingly positive feelings about the airport, few associate it with the Port.
• There is only minimal understanding of how the Port is governed.
• Although most neighbors have positive views of the Port, there is some ambivalence over the Port’s impact on traffic and air pollution; its dedication to hiring local contractors; and its responsiveness to community concerns.
• Voters also have concerns about the appearance of the Port, with three in five saying it needs to be developed into a more upscale and attractive property.
• Voters are heavily divided on the issue of whether the Port provides them personally with any benefits.
• A significant number of airport users are frustrated by a lack of non-stop service to desired destinations.
• Only a minority of residents regularly visit Jack London Square; those who do not say that the area needs more and better entertainment and retail options.
• The Port’s social media and online presence draw only minimal use.
Opportunities Facing the Port

• An overwhelming majority of Port neighbors have positive feelings toward the Port.
• Residents have a strong belief that the Port generates significant jobs and economic activity for the region.
• With the exception of traffic, none of the potentially negative aspects of the Port’s operations are viewed as serious concerns by many voters.
• While voters perceive both positive and negative aspects to the Port’s operations, they overwhelmingly believe its positive impacts outweigh the negative.
• Creating a clearer identity for the Port, connecting to popular institutions like Jack London Square and the Oakland International Airport, could be helpful.
• Voters generally have confidence in the Port’s commitment to diversity.
For more information, contact:

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Dave@FM3research.com

Rachel Weiler
Rachel@FM3research.com

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Oakland, CA 94612
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Fax (510) 451-0384
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.
AGENDA REPORT

<table>
<thead>
<tr>
<th>TITLE</th>
<th>Exclusive Negotiating Agreement with Agro Merchants Global, Inc. for Development of “Cool Port Oakland” Logistics Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMOUNT</td>
<td>$350,000 (One Time)</td>
</tr>
<tr>
<td>REVENUE</td>
<td>CAPITAL EXPENDITURE</td>
</tr>
<tr>
<td>PARTIES INVOLVED</td>
<td>Agro Merchants Global, Inc. (Alpharetta, GA) Chris Hughes, Partner</td>
</tr>
<tr>
<td>SUBMITTED BY</td>
<td>John C. Driscoll, Maritime Director</td>
</tr>
<tr>
<td>APPROVED BY</td>
<td>J. Christopher Lytle, Executive Director</td>
</tr>
<tr>
<td>REQUESTED ACTION</td>
<td>RESOLUTION</td>
</tr>
</tbody>
</table>

EXECUTIVE SUMMARY

Following a competitive solicitation process that recently concluded, Port staff recommends entering into an exclusive negotiation agreement (ENA) with Agro Merchants Global, Inc. (“Agro”) to negotiate the terms of a lease and development agreement to build and operate a new temperature-controlled (“cold storage”) logistics facility. If approved by the Board, the ENA would enable Port staff to negotiate for an initial 4-month period, with the possibility of extending the negotiation period an additional two months. Negotiations would commence on October 1, 2014. If the negotiations are successful, Port staff would then request the Board’s authorization to enter into a lease, and related agreements, with Agro.

<table>
<thead>
<tr>
<th>ADDITIONAL FINDINGS</th>
<th>APPLIES</th>
<th>DOES NOT APPLY</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>LIVING WAGE REGULATIONS</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>GENERAL PLAN CONFORMITY</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
BACKGROUND

On December 1, 2008, the Port entered into a lease with Shippers Transport Express (STE) for approximately 38 acres of land (the Site) adjacent to the Port-owned rail terminal operated by Burlington Northern Santa Fe (BNSF), in the Port's maritime area (seaport). That lease terminated on July 31, 2014, but STE continues to occupy the Site on a month-to-month basis.

In December 16, 2013, the Port issued a Request for Proposal (RFP) to solicit offers for the development and lease of the Site to operate and develop a cold storage logistics facility in the Port's maritime area (seaport). Staff believes that developing cold storage facilities at the seaport is a critical component of the Port's long term strategic goals. The RFP is accessible online at: http://www.portofoakland.com/opportunities/bidsrfpsrfqs_archive.aspx. Exhibit A shows the Site location within the seaport.

The intent of the RFP was to capture market demand for modern rail-servicing cold storage for processing ocean-going refrigerated commodities. In turn, such growth is expected to generate additional jobs and spur economic activity within the seaport as well as the local and greater regional areas. The Port believes the Site is uniquely situated for a new cold storage facility given the:

- Strong market demand for refrigerated exports, such as beef, poultry and fruits
- Faster time to Asia due to Oakland’s competitive advantage as a last-port-of-call for ocean carriers on a transpacific loop
- Location of the Site within the Port’s overweight truck corridor, allowing cargoes to be transloaded to ISO containers to their maximum weight capacity
- Proximity of the Site to each of the Port’s marine terminal entrances, thus reducing transportation costs to and from each ocean carrier’s facility
- Attractiveness of a new cold storage facility to food producers and consumers, as well as the Port better supporting USDA and FDA regulations

Proposals were due on February 3, 2014. The RFP was disseminated in a variety of ways:

- Port website
- Advertisement in the Bay Area News Group
- Advertisement in three trade journals and/or affiliated websites (Journal of Commerce, American Journal of Transportation, and American Association of Port Authorities)
- Directly e-mailed to seaport customers and maritime industry contacts
- Verbal communication with known interested parties or in response to inquiries about available property within the seaport
Scheduled pre-proposal meetings were held individually for six companies on January 13 and January 14. A total of 18 companies downloaded the RFP from the Port’s website. On February 3, 2014, two offerors submitted proposals in response to the RFP: Agro Merchants Global, Inc. (“Agro”) and Lineage Logistics/Dreisbach Enterprises (“Lineage”). Both companies possess extensive experience in the cold storage industry.

**ANALYSIS**

A five-person Evaluation Panel (“Panel”) comprised of four Port Staff and an independent maritime advisor ranked each proposal, with findings subsequently reviewed by the Maritime Director and Executive Director. The Panel evaluated each proposal based on criteria set forth in the RFP, and as listed below:

1. **Proposer Information (15%)** – Cover Letter, Company Information, Knowledge and Experience, Financial Capacity, and Local Knowledge
2. **Plan and Approach (40%)** – Land Use Area Intended to Use/Occupy, Term of Occupancy, Intended Use of the Site, and Site Improvements
3. **Rent (40%)** – Base Rent Over Lease Term, Variable Rent above Base Rent, and Rent Escalators
4. **Edits to Form of Lease (5%)** – Willingness to Enter into Lease Agreement Provided in RFP and Proposed Changes to Lease Agreement
5. **Port Policy Requirements and Required Forms (Pass/Fail)** – Completion of Forms Attached to RFP

Ratings were assigned to each criterion based on the sub-set of indicators noted above. Agro was awarded the highest point score based on the following key factors:

- Plan and approach to develop and operate the Site as its premier West Coast cold storage hub;
- Clarity and specifics regarding its partnerships, particularly with local entities;
- Assumptions regarding the Port’s financial obligations for Site improvements; and
- Proposed base and variable rent structure for leasing the Site.

Port staff believes that the development of cold storage facilities in the seaport is a critical component of the Port’s long term strategic business and financial goals. Below is an overview of how criteria were evaluated:

- **Proposer Information** – The Panel rated proposers equally across many sub-factors under this criterion including knowledge and experience. While Agro indicated greater specifics regarding its financial backing for Site construction and development, Lineage received a slightly higher score overall, in part due to some of its proposed local partnerships.
- **Plan and Approach** - Agro received a higher score under this criterion due to several factors, including its intent to establish a cold storage hub, its design plan to...
more efficiently utilize facility space for operations and its intention to allow current tenants to remain onsite; comparatively greater projected economic impacts within the Port and regional area, including job creation and business growth; and, approach for Site development funding.

- **Rent** – Both proposers proposed relatively comparable base rents. However, Agro received higher scoring because it proposed variable rent.

- **Edits to Lease Form** – Proposers were rated relatively equally in this area, although Lineage received a slightly higher score overall. Neither proposer would provide detailed lease edits until entering into more concrete ENA discussions.

- **Port Policy Requirements and Required Forms** – Both proposers received a “Pass” under this criterion.

In summary, while both proposals were competitive, Agro’s overall proposal was determined to be more responsive and aligned with the Port’s objectives. Given the revenue and economic development potential of cold storage development within the seaport, and currently strong market demand, Port staff believes entering into an ENA immediately (effective October 1, 2014) best serves the Port’s goals. Staff is recommending an initial 4-month term, with two, 1-month extensions if deemed necessary by the Executive Director. Staff expects that the first two months will be dedicated to Agro’s due diligence, including geotechnical investigations, determination of rent terms, design and construction methods, and development schedule. The goal at the end of these first two months would be finalizing a term sheet. The next two months would be for preparation of a detailed lease document based upon the term sheet.

While the ENA is in effect, Port staff expects STE to continue leasing the property at the current terms and conditions (month-to-month, tariff rates), thereby maintaining Port revenues.

**BUDGET & STAFFING**

The negotiation and (potential) drafting of the transaction documents requires significant legal effort, as well as analytical support from various technical advisors. Port staff estimates $350,000 is necessary for financial, legal and other advisory services if the parties are to earnestly negotiate the terms and conditions of a lease. These funds are anticipated to be expended in the current fiscal year (FY 2014-15).

The Port’s FY 2014-15 Operating Budget does not include any funds for this purpose because staff did not anticipate an extensive negotiating period. The original schedule for this project’s anticipated completion of an agreement is by April 2014. However, during the preliminary due diligence period several unanticipated issues appeared and proposers felt strongly that these issues should be negotiated after further due diligence. Staff anticipates this ENA expenditure will be managed within the Maritime Division’s FY 2014-15 operating budget.
The proposed action is not currently anticipated to require additional Port staff. Staffing for the negotiations will be provided by one staff person from the Port Attorney’s office and two staff persons in the Maritime Division. Various divisions and departments will be engaged on an as-needed basis, including engineering, environmental, commercial real estate, finance, social responsibility, etc. This project’s high priority and demand for staffing will place pressure on staffing for other Port projects.

**MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

Authorizing the Executive Director to enter into an ENA does 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 to this action. However, it is intended that MAPLA will apply to the future Site development construction work.

**STRATEGIC PLAN**

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

- Increase revenue, job creation and small business growth (Goal A, Objective 3)
- Retain existing customers and tenants (Goal B, Objective 1)
- Market strategically and aggressively to attract new customers and tenants (Goal B, Objective 2)

**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 requested action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage Regulations.

**ENVIRONMENTAL**

The proposal to authorize an ENA with Agro to negotiate the terms of a lease and development agreement at the Site was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), and the Port CEQA Guidelines. The general rule in 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 entering into an ENA to discuss terms of a potential agreement will result in a physical change in the environment, and therefore this action is not subject to CEQA. If negotiations are successful, staff will return to the Board for approval to execute the final lease and development agreement that may result
from the ENA. Appropriate environmental review will be conducted prior to the Board’s approval of an agreement.

GENERAL PLAN

This action relates to professional services and does not approve a specific project. No conformity determination is 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

Staff has identified the following options:

1. Authorize the Executive Director to enter into an Exclusive Negotiating Agreement with Agro Merchants Group, Inc. to negotiate the terms of a lease and development of approximately 38 acres of land for the purpose of developing a new temperature controlled (“cold storage”) logistics facility.

2. Authorize the Executive Director to enter into an Exclusive Negotiating Agreement with Lineage Logistics/Dreisbach Enterprises to negotiate the terms of a lease and development of approximately 38 acres of land for the purpose of developing a new temperature controlled (“cold storage”) logistics facility.

3. Do not authorize the Executive Director to enter into an Exclusive Negotiating Agreement with Agro Merchants Group, Inc. or Lineage Logistics/Dreisbach Enterprises and maintain current operations at the Site (continue leasing and utilizing the land “as is”).

RECOMMENDATION

Staff recommends that the Board authorize a 4-month Exclusive Negotiating Agreement (ENA) with Agro Merchants Group, Inc., and authorize the Executive Director to approve two, 1-month extensions to the initial term of the ENA, if necessary, to negotiate the terms of a lease and development agreement for approximately 38 acres of land for the purpose of developing a new temperature controlled (“cold storage”) logistics facility in the Port’s Maritime area.
Exhibit A

Site Map
RESOLUTION APPROVING AND AUTHORIZING THE
EXECUTIVE DIRECTOR TO ENTER INTO AN EXCLUSIVE
NEGOTIATING AGREEMENT WITH AGRO MERCHANTS
GLOBAL INC., FOR DEVELOPMENT OF "COOL PORT
OAKLAND" LOGISTICS SITE.

WHEREAS, the Board of Port Commissioners ("Board") has
reviewed and evaluated the recommendation to enter into an exclusive
negotiating agreement ("ENA") with Agro Merchants Global Inc. ("Agro")
to negotiate a long-term ground lease as set forth and described in
Agenda Report Item 6.1 ("Agenda Report") dated September 25, 2014
and related agenda materials, has received the expert testimony of Port
staff, and has provided opportunities for public comment; now, therefore, be it

RESOLVED, that the Board hereby finds and determines that
the proposal to authorize an ENA with Agro to negotiate the terms of a
lease and development agreement was reviewed in accordance with the
requirements of the California Environmental Quality Act ("CEQA"), and
the Port CEQA Guidelines. The general rule in 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
entering into an ENA to discuss terms of a potential agreement will
result in a physical change in the environment, and therefore this
action is not subject to CEQA. If negotiations are successful, staff
will return to the Board for approval to execute the final lease and
development agreement that may result from the ENA. Appropriate
environmental review will be conducted prior to the Board's approval
of such a lease and development agreement; and be it

FURTHER RESOLVED, that the Board hereby approves and
authorizes the Executive Director of the Port of Oakland ("Executive
Director") to negotiate and execute, for and on behalf of the Board
and subject to approval as to form and legality by the Port Attorney,
a 4-month ENA with Agro, and authorize the Executive Director to
approve two, 1-month extensions to the initial term of the ENA, if
deemed necessary by the Executive Director to finalize the form of a
lease agreement as more fully described in the Agenda Report; and be it
FURTHER RESOLVED, that the purpose of the ENA will be to negotiate the terms of a lease and development agreement for approximately 38 acres of land for the purpose of developing a new temperature controlled cold storage logistics facility in the Port's Maritime area; and be it

FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract for 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 the other contracting party, there shall be no valid or effective agreement, and be it

FURTHER RESOLVED, that this resolution shall become effective immediately upon adoption by the Board.
The President, Members of the Board and the Executive Director will report on noteworthy events occurring since the last Board Meeting.
SCHEDULING

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