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REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting was held on Tuesday, December 15, 1998, at the hour of 3:08 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Loh presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kiang, Kramer, Neal, Taylor,

Uribe and President Loh - 7

Commissioners absent: None

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; and Secretary of the Board.

KPA Consulting Engineers presented a check in the sum of \$25,000.00 to the Port of Oakland Employee Scholarship Fund. The funds were raised from a recent job fair which KPA sponsored the National Association of Black Accountants presented an award to the Port for the Port's roll in providing opportunity for black accountants.

Approval to Submit an Application to Impose and Use Passenger Facility Charges at Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that Air carriers serving the Airport began collection of a \$3.00 PFC in 1992 as authorized by the Federal Aviation Administration (FAA). Since that time, the FAA has approved seven applications and authorized the collection of approximately \$89 million in PFC revenues to fund capital projects at the Airport. As of August 31, 1998 the Port has collected approximately \$79 million in PFC's. To continue collecting PFC funds, the Airport must periodically submit applications to the FAA which describe projects proposed for PFC funding. The Port has satisfied the requirements for "Notification of Air Carriers" and "Consultation with Air Carriers" and is eligible to file the PFC application on behalf of the projects known as Terminal

Development Projects - Airport Comprehensive Management System, Airport Facilities Complex, MUSE System and Year 2000 Compliance Upgrades; Airfield/Safety Improvement Projects - Overlay Taxiway "R", Runway 11/29 Threshold Improvement, Security Access System Upgrade, Reconstruct Concrete Apron S.E. of Building L-812, and Rehabilitate Apron at Building L-820 and a portion of T/WD; and Noise Reduction Projects - Noise Insulation Program, for a total collection under PFC of \$22,152,174.00 on behalf of the subject projects. The Air Carriers are required to certify their agreement or disagreement on each of the projects but the Port does not anticipate any carrier responses would affect FAA approval of the application. Upon FAA approval of this application which is anticipated in April of 1999, adoption of an ordinance by the Board for continuation of the imposition of a \$3.00 PFC and upon satisfying the requirement for "Notice to Air Carriers", airlines serving the Airport will continue to collect a \$3.00 PFC for each enplaning passenger until the authorized PFC revenue is collected. The charge effective date for the PFC is estimated to begin July 1, 1999 and to expire in January 2001. It was recommended that the Executive Director be authorized to submit an application to the FAA for the collection and use of funds for PFC application. The recommendation was approved on passage of Resolution No. 98471.

Authorization to Include the Construction of Taxi Staging Lot on Old Earhart Road, North Airport, MOIA, in the Port's Small Business Program was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port proposes to construct a Taxi Staging Lot on Old Earhart Road, at the North Airport. This staging lot for taxi cabs has an area of approximately two-thirds of an acre and includes a modular building that provides restroom and lounge facilities for the taxi drivers. This staging area is used by the taxis as a remote holding or "staging" lot until the airport's dispatcher determines additional taxis are needed at the terminal curb. The current staging lot is located in an area of the Airport that is being redeveloped for rental car service facilities. The taxi staging lot is being relocated and the facilities are being upgraded to meet the current codes. It was recommended that the construction of the Taxi Staging Lot on Old Earhart Road be included in the Port's Small Business Program, and that it be found to be in the

best interest of the Port to dispense with formal bidding procedures. It was also recommended that the Executive Director be authorized to execute a contract for this work with a small local contractor, said contract to be based on informal, competitive bidding; and further recommending that the Executive Director be authorized to execute a contract for this work with any qualified contractor, based on informal, competitive bidding, if the attempt to secure acceptable bids for small local contractors is not successful. The recommendation was approved on passage of Resolution No. 98472.

Airport Valet Parking Rate Modification was the subject of a memo to the Board from the Director of Aviation notifying the Board that after a comprehensive review of the current rate structure for the Airport Valet Parking operation, it was recommended that the parking rates be modified. The proposed effective date of this change would be January 1, 1999. The rate change is first day, 0 - 2 hours \$8.00, 2 - 4 hours \$18.00, and 4 - 24 \$25.00; second day; and each day thereafter, 0 - 2 \$8.00 and 2 - 24 \$25.00. Operating expenses currently are approximately 47% gross revenues. However, the parking industry acceptable standard ratio between gross revenues and expenses for self park operations is approximately 30% while valet parking operating expenses typically are higher than self-park operations. The proposed daily rate increase is approximately 13% making the current rate more competitive with the industry, while reducing operating expenses to an acceptable level. The current gross revenue is approximately \$1,077,395.00 annually. Projected gross revenue is anticipated to be \$1,217,000.00 annually after the proposed rate increase. It was recommended that the Board approve the public parking rates to be amended to modify the Airport Valet Parking fee structure. The recommendation was approved on passage of an ordinance to print.

Approval of New License and Concession Agreement with Existing Tenant America West Airlines, Inc. was the subject of a memo to the Board from the Director of Aviation recommending approval of agreement with America West Airlines, for 489 square feet of ticket counter space, 1,084 square feet of office space, 1,993 square feet of bag make-up space in Building

M-101, and 210 square feet of office space in Building M-103, at \$19,534.62 per month, effective April 1, 1998. The recommendation was approved on passage of Resolution No. 98473.

Ratification of Change Order for "Construction of Parking Lot, Swan Way and Doolittle Drive, Oakland Airport Industrial Park" was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Port has a contract with Oliver de Silva, dba Gallagher & Burk, Inc. to perform the construction of the parking lot. The work consists of constructing asphalt concrete pavement, drainage system, decorative fencing, striping, lighting, access control system, and security surveillance system. Subsequent to an acceptable installation of the required base material, and prior to the installation of the required asphalt concrete surface for the parking lot, rain water combined with the rising ground water made the newly installed base material and native soil layers saturated. It became impossible for paving machines and heavy truck transports to continue construction of asphalt pavement surface within the time frame allowed in the contract. Construction methods, as well as extensions of contract time, were considered at the time. It was discovered that due to ground-water elevations in the area, tidal activities, native soil texture and conditions (dredged material), and the approaching wet season, paving could have been delayed for months. The Contractor was directed to perform lime treatment of the base and native material, 18 inches in depth, to stabilize the areas for paving operations. The total area requiring stabilization was 70,000 square feet, approximately 25% of the entire parking lot. The Port and the Contractor agreed on a unit price of \$0.65 per square foot (70,000 x \$0.65) for a total price of \$45,500.00. It was recommended that the Board ratify a change order to Oliver de Silva, dba Gallagher & Burk, Inc., in the amount of \$45,500.00 for the concrete pavement work. The recommendation was approved on passage of Resolution No. 98474.

Approval of First Supplemental Agreement with Woodward-Clyde International-Americas (WC-IA) Environmental Consulting Services for the Berths 55-58 Project EIR and EA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port proposes to develop approximately 250 acres of marine cargo terminals, four new cargo berths, a tugboat facility, and a 30 plus acre public park. This effort is known as the Berths

55-58 Project. The Port is preparing and bearing all costs for development of the appropriate environmental review documents, an Environmental Impact Report (EIR) under the California Environmental Quality Act (CEQA), and Environmental Assessment (EA) under the National Environmental Policy Act (NEPA). The EIR is scheduled for release to the public the week of December 14, 1998. The EA will be delivered to the Federal Lead Agency, the U.S. Army Corps of Engineers, by the end of December 1998. The public review period for the EIR will be from December 14, 1998 through January 29, 1999. The Port currently has an agreement with Woodward-Clyde International-Americas (WC-IA) to perform environmental document preparation services for the Berths 55-58 Project EIR. The current authorized compensation under the existing agreement is \$550,000.00 including a \$95,481.00 contingency authorized by the Executive Director. Additional tasks not identified in the original scope of work, and increased levels of effort for tasks identified in the scope of work have occurred, resulting in additional work as analysis of new options for off-site disposal of dredged material; WC-IA original budget assumed a 350-page EIR, and the actual document will be 800 plus pages; changes to Middle Harbor dike design and construction sequencing require re-analysis; multiple re-analysis of traffic and transportation scenarios; recalculation and analysis of air emissions and noise due to changes in traffic numbers, construction scenario, tenant operations, and locomotive operations assumptions; distribution of the EIR and posting of the document on Port's Internet site; 404(b)(1) review and impact analysis for bench alternative (new) at Middle Harbor; analysis of invasive species issues, preparation of ballast water white paper, and inclusion of findings in EIR; analysis of air emission credit transfer from Navy at FISCO; and one additional round of EIR review and comment. As a result of these and other unanticipated changes, the level of effort required by Woodward-Clyde Consultants has increased dramatically, since that anticipated at the inception of the contract. It was recommended that the Board authorize the preparation and execution of a supplemental agreement with WC-IA to provide document preparation services for Berths 55-58 Project EIR in an amount not to exceed \$138,000.00 thereby increasing the total maximum compensation to \$688,000.00; and authorize the Executive Director to approve an additional contingency amount of

\$50,000.00 to accommodate any unanticipated changes in the scope of work. The recommendation was approved on passage of Resolution No. 98480 with Commissioner Uribe abstaining.

Presentation of Berths 55-58 Project EIR and Air Quality Mitigation Measures

Feasibility Study was the subject of a memo to the Board from the Director of Engineering notifying the Board that as part of Vision 2000 Program, the Port plans to construct and operate two new marine terminals on the Inner Harbor, including four cargo berths and two container yards, as well as a new road and 30 plus acres of public access improvements which are collectively known as Berths 55-58 Project. The Port prepared and certified a program-level environmental impact statement/environmental impact report (EIS/EIS) in September 1997 for the Disposal and Reuse of the FISCO/Vision 2000 Maritime Development program. To construct and operate the Berths 55-58 Project, the Port has prepared a project-level Draft EIR. The Draft EIR will be available for public review during the week of December 14, 1998. In Spring of 1998, the Port settled a lawsuit with the West Oakland Neighbors (WON) that was concerned with the adequacy of mitigation measures for the Vision 2000 Program, particularly as they related to air quality impacts. The provisions of the Consent Decree included consultation with WON and their consultants during the preparation of the Berths 55-58 project-level EIR. The Berths 55-58 Project Draft EIR will be completed on December 14, 1998. As part of the Berths 55-58 project, the Port contracted with URS Greiner/Woodward Clyde to prepare an Air Quality Mitigation Measures Feasibility Study. This study includes analysis and possible integration of an extensive range of potentially feasible air quality mitigation measure including those suggested by WON. Pursuant to provisions of the Consent Decree, an administrative draft of the Air Quality Mitigation Measures Feasibility Study was provided to WON and their consultant, Dr. Phyllis Fox, in late July 1998. Upon the completion of the agreed 30-day review period, the Port met with representatives from WON to review their comments and suggestions on the feasibility study. The administrative draft was then revised to incorporate the comments and suggestions made by WON and their consultant. The Draft EIR is scheduled for release to the public the week of December 14, 1998. The Draft EA will be delivered to the Federal Lead Agency, the U.S. Army Corps of Engineers, by the end of December 15, 1998

December 1998. The public review period for the Draft EIR will be from December 14, 1998 through January 2, 1999. Public hearings to receive oral and written comments on the Draft EIR will be scheduled for mid-January 1999. The information was noted and filed.

Authorization to Dispense with Formal Bids for Demolition of Buildings D-721 and D-722, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the seven bids received and opened on October 7, 1998. This item had been on the agenda for Board approval to award the contract on November 10, 1998. The Board did not approve the item at that time requesting that the Port further investigate claims of alleged bid improprieties by the apparent low bidder. The forty-five day period within which the Board is authorized to award a contract expired shortly after the last meeting. The Port has completed the review and found that the apparent low bidder's actions were within the law. It is desirable to minimize delay in demolishing these structures as they were within the footprint of the first part of the Joint Intermodal Facility and the New Road portions of the Vision 2000 Program. Therefore, it was recommended that the Board authorize dispensing with formal bidding procedures in order to negotiate a contract to perform the work. The Port will negotiate first with the low bidder, and if successful will execute a contract with that bidder. The work consists of demolition and removal of Buildings D-721 and D-722, each a 121,000 square foot warehouse with wood-framed structure, transite siding, and a dock high concrete foundation. This work is necessary in order to clear the site for construction of the Joint Intermodal Terminal (JIT) beginning in early 1999. The recommendation was approved on passage of Resolution No. 98475.

Public Works Contract Consultant contained in a letter to the Board from the Port Attorney notifying the Board that the Port will soon embark on several very large development projects including the Oakland Airport Development Program (ADP) and the Vision 2000 Maritime development. The Port Attorney's office and the Engineering Division have been coordinating an approach to restructure public works contracts administration at the Port. This restructuring is critical to the success of these major capital improvement programs, both due to the changes in state law regarding public works contracts, and the unprecedented number of

construction and design contracts for such programs as well as their time schedules. In addition, creation of less complex, public works contract forms for the Port's Small and Local Business Program will help to ensure a broader base of contractors for the Port's Capital Improvement Program. After review of firms with construction and design contracting and claim experience, it was recommended that the Oakland-based Wulfsberg Reese Ferris & Sykes law firm be retained. The Port's goal is to create modular, interchangeable sections for a wide variety of public works contracts, from purchase order contracts up to \$50,000.00 through complex large construction contracts in excess of \$2,000,000.00. The scope of work for the Wulfsberg firm will include in-house training in contract administration for the Engineering Division and paralegals as well as development of standardized policies and procedures on such matters as bidding, bid protests, development of specifications, and technology procurement. Standardization will also support consistent risk management, efficient preparation of documents, and implementation of Board policies. All of these activities will increase the knowledge base throughout the Port. The Wulfsberg retention would also include assistance in the preparation and structuring of the master architect and design contracts for the ADP and Vision 2000 programs and developing strategies for reducing claims and litigation costs during the upcoming Port construction programs. It was also recommended that the Board authorize the Port Attorney to retain the Wulfsberg firm as special counsel for the Port in an amount not to exceed \$250,000.00. The recommendation was approved on passage of Resolution No. 98577.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal,

Taylor, Uribe and President Loh - 7

Noes: None

Absent: None

“RESOLUTION NO. 98471

AUTHORIZING AN APPLICATION TO BE FILED WITH THE FEDERAL AVIATION ADMINISTRATION FOR APPROVAL TO COLLECT AND USE PASSENGER FACILITY CHARGES AT THE METROPOLITAN OAKLAND INTERNATIONAL AIRPORT.”

"RESOLUTION NO. 98472

GRANTING AUTHORIZATION TO INCLUDE CONSTRUCTION OF TAXI STAGING LOT ON OLD EARHART ROAD, NORTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, IN THE SMALL BUSINESS PROGRAM, FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR SUCH WORK WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS."

"RESOLUTION NO. 98473

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH AMERICA WEST AIRLINES, INC."

"RESOLUTION NO. 98474

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH OLIVER DE SILVA DBA GALLAGHER & BURK, INC., FOR CONSTRUCTION OF PARKING LOT SWAN WAY AND DOOLITTLE DRIVE, OAKLAND AIRPORT INDUSTRIAL PARK, OAKLAND, CALIFORNIA."

"RESOLUTION NO. 98475

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR DEMOLITION OF BUILDINGS D-721 AND D-722, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS."

"RESOLUTION NO. 98476

GRANTING WELLS FARGO BANK PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 98477

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH WULFSBERG REESE FERRIS & SYKES FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98478

APPROVING APPOINTMENT OF SPECIAL COUNSEL."

"RESOLUTION NO. 98479

IN TRIBUTE TO MAYOR ELIHU M. HARRIS."

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal,
Taylor and President Loh - 6

Noes: None

Abstained: Commissioner Uribe - 1

Absent: None

“RESOLUTION NO. 98480

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH WOODWARD-CLYDE INTERNATIONAL-AMERICAS FOR CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

Port Ordinance No. 3478 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE STATE OF CALIFORNIA FOR A TEMPORARY CONSTRUCTION EASEMENT AND RIGHT OF ENTRY FOR LANDSCAPING PURPOSES IN VICINITY OF BAY BRIDGE TOLL PLAZA, was read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal,
Taylor, Uribe and President Loh - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 2613 AS AMENDED, FIXING CERTAIN REVISED PARKING RATES IN THE PORT’S PUBLIC AUTOMOBILE PARKING FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL,” was read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal,
Taylor, Uribe and President Loh - 7

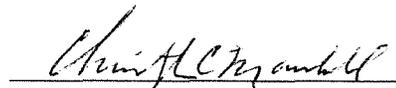
Noes: None

Absent: None

At the hour of 4:16 p.m., the Board entered into closed session pertaining to conference with legal counsel existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Oakland v. Pacific Gas & Electric Company, U.S. District Court Case No. C-97-00894-SBA; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 2 matters; conference with real property negotiator, property - Fleet Industrial Supply Center, Oakland, CA, Negotiating parties - Port and Navy, under negotiation - price and terms of payment; and reconvened in open session at the hour of 6:28 p.m.

During the closed session Commissioners Harris and Taylor were excused from participation concerning litigation with P.G. & E.

At the hour of 6:29 p.m. the meeting was adjourned on a motion duly made and second.



Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular was held on Tuesday, December 1, 1998, at the hour of 3:07 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Loh presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kiang, Kramer, Neal, Taylor
and President Loh - 6

Commissioners absent: Uribe - 1

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; and Secretary of the Board.

Approval of First Supplemental Agreement with GKO-Messinger & Associates for Design of Jack London Square Marina Redevelopment Project was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port currently has a professional services agreement with GKO-Messinger & Associates, to provide design services and prepare plans and specifications for the Phase 1 development of the Jack London Square Marina. The agreement provided for a maximum payment of \$700,000.00 with up to \$180,000.00 of additional work with approval from the Executive Director. Since the agreement became effective, the consultant has performed out-of-scope studies and other additional services related to work in the Jack London Square area to assist the Commercial Real Estate Division (CRED) in their marketing plan. The consultant also prepared design revisions during the BCDC Design Review. The lengthy BCDC Design Review process delayed and changed the scope of the project, particularly on the landside, and escalated the cost for design and construction administration. A Change in Scope was authorized which increased the maximum allowable compensation by \$180,000.00 to \$880,000.00 while the final fee for all the changes was being negotiated. These

changes included the redesign of the center basin promenade to replace the existing Oakland mast and planter with a water fountain, and the design of a new civic building, including the Harbor Master's office, with over 2,000 square feet of public viewing deck on the second floor. In addition, CRED also requested that a part of the West Basin Marina, adjacent to the Ferry Terminal, be redesigned for charter vessel operations and guest berthing as proposed by one of the earlier studies performed by the consultant; and GKO-Messinger added subconsultant Adrienne Wong Associates, to design the fountain and landscape/hardscape. The final fee for all the scope changes, including those already authorized by the Executive Director is \$310,000.00. It was recommended that the current maximum compensation of \$880,000.00 be increased an additional \$130,000.00 to \$1,010,000.00 to provide the necessary funds to complete the project and to authorize an additional \$50,000.00 to made available for future changes in scope. The recommendation was approved on passage of Resolution No. 98462.

Approval of the Oakland Estuary Policy Plan and Recommendation to Incorporate the Estuary Policy Plan into the Oakland General Plan was the subject of a memo to the Board from the Director of Strategic and Policy Planning. After discussion this item was held over until the beginning of the 1999.

The following people appeared before the Board concerning their personal observations on the Estuary Policy Plan: Bruce Taylor; Bonnie Hamlin representing the League of Women Voters of Oakland; Margaret Elizares; Wilda L. White representing Jack London Neighborhood Association; Robin Bartoo; Greg Rowe representing the Oakland Chamber of Commerce; and Charles Webor representing Friends of the 9th Avenue Terminal.

Approval of Supplemental Agreement with Arcadis, Geraghty & Miller, Inc. for Environmental Compliance Contract was the subject of a memo to the Board from the Director of Engineering notifying the Board that a wide variety of businesses and industries use Port-owned properties and equipment. The Port, as landowner, is subject to various federal, state and local environmental compliance regulations arising from these activities. As previously discussed with the Board, portable generators routinely have been used in various terminals in the Maritime Area

to provide power to refrigerated containers while they remain in the yard. The Port has met with the Bay Area Air Quality Management District (BAAQMD) regarding the Port's on-going permanent and interim programs to eliminate the routine use of 250 to 465 horsepower diesel-fueled generators. The technical expertise and support that is currently being provided by Arvadis is essential for assuring that the Port's generator program complies with applicable regulations. All of the work by Arcadis has been authorized through the existing "as-needed environmental service" contract. However, due to the complexity of equipment-related compliance issues, the scope of work for Arcadis has expanded to include comprehensive air emissions source inventory of Maritime equipment and activities, assistance in developing the Port's permanent and interim programs to eliminate the routine use of 250 to 465 horsepower diesel-fueled generators, review of exclusion provisions contained in various regulations, Best Available Control Technology (BACT) evaluations, and emission offset calculations. Further, Arcadis may be called upon to provide technical support to the Port in connection with the Port's future dealings with the BAAQMD. The additional expenses associated with the air compliance services described above were not contemplated in the preparation of the initial "as-needed environmental service" contract with Arcadis, but the urgency of the situation was such that the work had to commence immediately and the "as-needed" contract was the best way to meet that need. Arcadis has now exceeded the maximum compensation cap on their contract, but the portion of their work on the generator/electrification project, which is required to support on-going discussions with the BAAQMD, is not yet complete, so the Chief Engineer directed that they continue with their work while the Port pursued Board authorization for increased compensation. It was recommended that the Board approve a supplemental agreement increasing the maximum allowable compensation of the agreement by \$400,000.00. This amount would raise the total maximum allowable compensation to \$1,000,000.00; also requested was that the Executive Director be authorized to approve up to an additional \$100,000.00 for potential changes in scope; and billed on a time-and-materials basis at mutually agreed-upon rates. The recommendation was approved on passage of Resolution No. 98463.

Request First Reading of an Ordinance to Grant Caltrans a Temporary Construction

Easement (TCE) for Premises Located at Radio Road North of the Bay Bridge Toll Plaza was the subject of a memo to the Board from the Director of Maritime recommending approval of a TCE Deed and Right of Way Contact-State Highway with Caltrans. The purpose of the TCE is to perform mitigation landscape measures by removing ice plants, planting and maintaining native grasses and laying a bark buffer strip along Radio Road and would expire on January 1, 2003. The land required is approximately 97,529 square feet along the I-80 freeway and Radio Road. Caltrans will compensate the Port with a lump sum settlement of \$98,700.00, plus interest of \$6,184.00. Interest is paid for the period covered by the Permit to Enter issued by the Port from January 1, 1998, expiring on January 31, 1999, the anticipated close of escrow. The Port's average income stream from the radio station rentals is \$0.015 per square feet per year for land value of \$1.50 per square feet based on a 10% return. Caltrans' offer would generate a rental income stream of \$0.26 per square feet for an equivalent land value of \$2.60 per square foot. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of an ordinance to print.

Ratification of Change Order for "Demolition of Buildings D-320 and D-321, Harbor

Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with Evans Brothers for the demolition work which became effective on October 1, 1998. The work consists of the demolition of Building D-320, a 7,000 square foot Navy Exchange building with an unoccupiable 10,000 square foot addition, and Building D-321, a 58,000 square foot administration building. The work is necessary in order to clear the site for construction of the Joint Intermodal Terminal (JIT). The contract with Evans for a lump sum and unit prices totaling \$395,718.00. The lump sum price under Removal and Disposal of Asbestos-Containing Materials is \$139,440.00. During the course of the abatement work, additional asbestos material which was hidden in the columns and under the flooring was uncovered. This material was not included in the original survey report available to bidders. A new survey has been finalized and approximately 8,650 linear feet of asbestos wrapped pipe and

5,000 square feet of asbestos-containing floor tiles are in the two buildings. There is also 3,065 square feet of loose insulation lying in the crawl space. The Contractor is responsible for 3,130 lineal feet of wrapped pipe. The balance of 5,520 linear feet which is floor tiles and the loose insulating material are both extra work. The Port negotiated with the Contractor to perform all the extra work for an agreed price of \$80,645.25. It was recommended that the Board ratify the change order to Evans Brothers Inc. The recommendation was approved on passage of Resolution No. 98464.

Substitution of Concrete Breaking Subcontractor for the "Demolition of Building D-312, Harbor Transportation Center" was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with Pacific Western Trucking dba Covey Trucking Company (Covey) for the work. Covey has requested Board approval to substitute its listed subcontractor to perform the concrete breaking work on the subject project. It was recommended that Elon, Inc. be deleted as the listed subcontractor to perform the concrete breaking work on the subject project, and that Ruby L. Evans be added as the listed subcontractor to perform the concrete breaking work. The recommendation was approved on passage of Resolution No. 98465.

Renewal of Korean Agency Contract was the subject of a memo to the Board from the Director of Maritime notifying the Board that Global Enterprises, Ltd. as represented by Mr. P.S. Chung has served as the Port's agent in Korea since 1984. Compensation for Global Enterprises, Ltd. is USD \$18,000.00 per year plus allowable expenses of up to USD \$6,000.00 annually. Global Enterprises, Ltd. has consistently provided value to our marketing efforts through their personal knowledge of the key decision makers at the three Korean based ocean carriers and governmental agencies, and through their ability to interact with and represent the Port to these entities. Also, Global Enterprises, Ltd. has coordinated media representation for the Port in Korea including executive interviews, article placement and advertising. Further, their long-term relationship with the Port has enabled them to develop an in-depth understanding of the trade and transportation issues facing Oakland; and additionally Global has provided valuable support to the Board and staff

during Port trade missions to Korea in arranging business meetings, press conferences and transportation. It was recommended that the agreement with Global Enterprises, Ltd. agency representation contract be approved for a twelve month period through December 31, 1999 at a compensation level of USD \$18,000.00 per year plus allowable expenses of up to USD \$6,000.00. The recommendation was approved on passage of Resolution No. 98466.

Plans and Specifications for Demolition of Building D-123, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition. The work consists of demolition and removal of Building D-123, a two-story, approximately 42,000 square foot general storage warehouse with cement floors and exterior walls, steel columns and beams, and built-up tar and gravel roofing. The recommendation was approved on passage of Resolution No. 98467.

Approval of First Supplemental Agreement with PricewaterhouseCoopers Dated June 9, 1997 and A Separate Agreement with Yano and Associates to Review and Update the Port's Methodology for Cost Allocation at the Airport, Engineering Credits, and Indirect Cost Allocation was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that each year the Port receives several million dollars in federal grants for various capital projects. The reimbursable costs are comprised of the allowable direct costs of the program plus its allowable indirect costs. Federal cost rules are designed to provide that federal programs bear their fair share of recognized costs as determined by the Office of Management and Budget (OMB) Circulars. The Port's Cost Allocation Plan (CAP) is the method used to calculate and comply with federal indirect cost provisions. The Port has not updated its CAP since 1994, because the CAP is not being updated each year, there is an issue as to whether the Port has complied with the requirements of OMB Circular A-87, "Cost Principles for State and Local Governments" (A-87). Attachment E of A-87 specifically requires that grantees prepare a CAP within six months after the end of each fiscal year, including all of the supporting documents. This requirement holds even if no cognizant agency requests submission of the CAP. In addition, the rates currently charged to grants may be less than the actual indirect cost rates. The Port, therefore, may not have recovered

all sums it can claim as legitimate costs on the grants, because the Port wants to ensure compliance with all Federal regulations and recover all allowable and allocable indirect costs, the Port is recommending that the firm of Yano and Associates perform a review of the current CAP. Annually the Port prepares allocated financial statements. Indirect costs are allocated to the revenue divisions based on various methodologies and assumptions. The Port has not reviewed or updated these methodologies for several years. Surveys and allocation assumptions developed in 1981 are still being used to allocate certain costs. Because the Port would like to develop recommendations for identifying and allocating indirect costs in a manner that is logical, supportable, fair, useful to all management levels and easy to administer, a current review is being recommended. PricewaterhouseCoopers and Yano and Associates have participated in the annual review of the Port's accounting records for the years ended June 30, 1997 and 1998. PricewaterhouseCoopers has also successfully completed a preliminary review of Port practices relating to indirect cost allocation methods. Therefore, the Port is recommending that the firm of PricewaterhouseCoopers perform the review of the Port's method of cost allocation to Revenue Divisions, Engineering credits and indirect cost allocation methods. It was recommended that the Board authorize a contract with Yano and Associates to perform a review and prepare a formal CAP for fees not to exceed \$24,000.00. and approve an additional \$5,000.00 to cover specific projects outside the scope of the project. It was also recommended that the Board authorize the Executive Director to enter into a contract with PricewaterhouseCoopers to perform a review of the Port's method of costs allocation to Revenue Divisions, Engineering credits and indirect costs allocation methods for fees not to exceed \$90,000.00 and approve an additional \$10,000.00 to cover specific projects outside the scope of the project. After discussion, the recommendation was approved on passage of Resolution No. 98468 for PricewaterhouseCooper and Resolution No. 98469 for Yano and Associates.

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal,

Taylor and President Loh - 6

Noes: None

Absent: Commissioner Uribe - 1

“RESOLUTION 98462

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH GKO-MESSINGER & ASSOCIATES FOR ENGINEERING DESIGN CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID FIRST SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98463

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH ARCADIS, GERAGHTY & MILLER, INC. FOR ENVIRONMENTAL CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98464

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH EVANS BROTHERS, INC., FOR DEMOLITION OF BUILDINGS D-320 AND D-321, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 98465

AUTHORIZING SUBSTITUTION OF CONCRETE BREAKING SUBCONTRACTOR FOR DEMOLITION OF BUILDING D-312, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 98466

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH GLOBAL ENTERPRISES, LTD., FOR MARITIME CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98467

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-123, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98468

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH PRICE-WATERHOUSE-COOPERS FOR FINANCIAL ADVISORY SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98469

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH YANO AND ASSOCIATES FOR FINANCIAL ADVISORY SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98470

APPROVING AND AUTHORIZING 1) THE EXECUTIVE DIRECTOR TO EXECUTE A PROTOCOL AGREEMENT FOR SETTLEMENT NEGOTIATIONS BETWEEN THE PORT AND RINGSBY TERMINALS, INC. (“RINGSBY”), AND 2) THE FILING OF A COMPLAINT AGAINST RINGSBY AND ANY OTHER PARTY OR INSURANCE CARRIER DEEMED NECESSARY AT THE DIRECTION OF THE PORT ATTORNEY CONCERNING ENVIRONMENTAL CONTAMINATION AND RELATED INSURANCE ISSUES AT 2225 7TH STREET (THE “RINGSBY SITE”) AND ADJACENT PROPERTY AT 2277 7TH STREET (THE “SEA-LAND SITE”).”

Port Ordinance No. 3476 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH KAISERAIR, INC.,” and Port Ordinance No. 3477 being, “AN ORDINANCE AMENDING SECTION 8.011 OF PORT ORDINANCE NO. 867, ADDING ADDITIONAL POSITION WITHIN AN EXISTING PORT CLASSIFICATION,” and were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal,
Taylor and President Loh - 6

Noes: None

Absent: Commissioner Uribe - 1

Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE STATE OF CALIFORNIA FOR A TEMPORARY CONSTRUCTION EASEMENT AND RIGHT OF ENTRY FOR

LANDSCAPING PURPOSES IN VICINITY OF BAY BRIDGE TOLL PLAZA," was read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal,

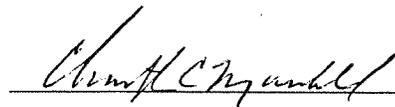
Taylor and President Loh - 6

Noes: None

Absent: Commissioner Uribe - 1

At the hour of 4:02 p.m., the Board entered into closed session pertaining to conference with legal counsel existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Oakland v. Pacific Gas & Electric Company, U.S. District Court Case No. C-97-00894-SBA, Pacific Western Airomotive, Inc. dba Covey Trucking Co., v. Board of Port Commissioners, et al., Alameda County Superior Court Case No. 799860-1; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 2 matters; and reconvened in open session at the hour of 5:05 p.m.

At the hour of 5:06 p.m. the meeting was adjourned on a motion duly made and second.



Secretary of the Board

**ADJOURNED REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND**

The regular meeting scheduled for November 17, 1998, was adjourned by the Secretary of the Board to Tuesday, November 24, 1998, at the hour of 3:00 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, due to the absence of all the members of the Board.

The adjourned regular meeting was held on Tuesday, November 24, 1998, at the hour of 3:15 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Loh presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

Commissioners absent: None

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; and Secretary of the Board.

The Port Attorney informed the Board that a special request was received from the City Manager's Office asking the Board to review a real estate proposal from the Alameda Newspaper Group. As the item was not noticed, he recommended that the Board make the appropriate finding to discuss the subject in closed session under instructions to negotiators on price and terms of lease with the Alameda Newspaper Group as provided for under Government Code Section 54956.8. The recommendation was approved on passage of Resolution No. 98447.

Approval of Lease Supplemental Agreement with Ameriflight, Inc. for Roof Drainage Cost Reimbursement (Buildings L-230, C and D) North Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that Ameriflight, Inc., an air courier

company and a North Airport tenant for over twenty-two years, occupies 4,410 square feet of office, 30,691 square feet of hangar, 3,287 square feet of shop, 6,038 square feet of mezzanine, 213,560 square feet of apron and 10,514 square feet of parking space in and adjacent to Building L-210, L-230C and L-230D, North Airport, under a long term lease. Ameriflight pays the Port \$544,102.00 annually in rent and fuel flowage fees. Under the terms of Ameriflight's lease, the Port is responsible for the repair and maintenance of the premises' roofs. Last year, during Ameriflight's construction of an over \$1,200,000.00 Port-approved annex to its L-230C premises, Ameriflight experienced substantial roof leakage that threatened to ruin newly built dry wall, floor and other building elements. To minimize the damage, the Port agreed to recommend to the Board approval of reimbursement of up to \$20,000.00 for the actual cost of Ameriflight undertaking the roof drainage repair, subject to the Port Engineering approval of the work, and proof of payment. The Port has approved the work done by Ameriflight and verified Ameriflight's expenditure of \$25,236.00. In addition, Ameriflight has agreed to amend its lease to include a provision obligating them to comply with Port Prevailing Wage, Non-Discrimination, and Small Local Business Utilization policies. It was recommended that the Board authorize the Director of Aviation to execute the first supplemental agreement to Ameriflight's lease to provide a \$20,000.00 reimbursement to Ameriflight for roof drainage work. The recommendation was approved on passage of Resolution No. 98448.

First Reading of Ordinance Approving Lease with KaiserAir, Inc. for Continued Fixed Base Operator (FBO) Use of Hangar 4 and Westerly Half of Hangar 3, North Airport

was the subject of a memo to the Board from the Director of Aviation notifying the Board that KaiserAir, Inc. (KaiserAir), a North Airport tenant for over 15 years, occupies approximately 1,550,000 square feet of hangar, office, shop, storage, parking and apron space under several occupancy agreements. KaiserAir uses the complex for a complete range of FBO aircraft services including maintenance, fueling, flight planning and charter operations. KaiserAir pays the Port over \$1,450,000.00 annually in rent and fuel flowage fees. Since the expiration of the Hangar 4/3 West lease on August 30, 1996, KaiserAir has occupied the premises pursuant to the holdover November 24, 1998

provisions of a license and concession agreement. After extensive negotiations, agreement has been reached on the provisions of a new lease as follows: premises - 50,406 square feet of hangar, 9,541 square feet of office space, 7,960 square feet of storage, 4,860 square feet of shop, 7,490 square feet of parking and 310,806 square feet of apron space in or adjacent to Hangar 4 and the westerly half of Hangar 3 on the North Airport; term - ten years with one option to renew for an additional ten years, contingent upon KaiserAir's investment of a minimum of \$1,500,000.00 in certain Port approved hangar upgrades within the first ten years of the Lease; use - maintenance and operation of a first-class, fixed base aircraft facility and uses incidental thereto, including self-fueling and secondary fueling; rent - \$30,383.00 per month plus percentage of gross receipts and fuel flowage fees determined as \$0.15 per gallon or 19% of the gross margin, whichever is greater, adjustment of rent - CPI, rent shall be subject to adjustment based upon the percentage change in the CPI from September 1, 1996 to February 28, 1999 and every successive thirty month period thereafter, with a ceiling of 8% per annum and adjustment of rent - Market or Additional Hangar Upgrade Expenditure, before the end of the first ten years of the Lease, KaiserAir shall have the option to have the then current rent adjusted (upward only) to reflect market conditions (three appraiser method in the event of disagreement between KaiserAir and the Port) or to invest an additional \$500,000.00 in hangar upgrades on or before the fifteenth year of the Lease; performance deposit - three times the monthly rent or \$91,150.00, subject to CPI adjustment and there shall be a separate performance deposit for the first \$500,000.00 of hangar upgrade work; improvements - subject to Port review and approval, KaiserAir is to spend \$500,000.00 within the first three years for the Lease and an additional \$1,000,000.00 in certain hangar improvements before the expiration of the tenth year of the lease, KaiserAir may also be obligated to spend an additional \$500,000.00 before the expiration of the fifteenth year of the Lease, and KaiserAir to comply with Port Prevailing Wage and Equal Opportunity/Non-Discrimination requirements; maintenance - KaiserAir shall be responsible for the maintenance and repair of the entire premises, except for the roof, exterior walls (excluding doors) and apron for which the Port shall be responsible; utilities, taxes and assessments - KaiserAir shall be responsible for all utility use charges and for all taxes

and assessments; self- and secondary fueling - consistent with the Federal Grant Assurances, applicable Port ordinances and leases, KaiserAir shall have the right to self-fuel and also in consideration of KaiserAir agreeing to staying open for FBO business activities no less than twelve hours each day, obligating itself to pay the above fuel flowage fees and further agreeing to lease no less than 37,000 square feet of hangar-related and 150,000 square feet of apron space, KaiserAir, will have non-exclusive right to engage in retail fueling activity on a secondary (i.e., customers come to KaiserAir, not vice versa) basis; and other standard Port lease provisions - shall include but not be limited to Environmental Liability, Insurance and Indemnification and Right to Relocate KaiserAir. It was recommended that the Board approve a lease with KaiserAir. The recommendation was approved on passage of an ordinance to print.

Approval of a Building Permit Application for Fed Ex Ramp Lighting was the subject of a memo to the Board from the Director of Engineering recommending approval for the construction of lighting improvements on the ramp adjacent to the sort facility on their leased premises at the Airport. The work will include installation of 12 new light poles, 70 feet high, with new concrete foundations; installation of directional and gate identification signs; and installation of electrical conduits, panels, and other electrical equipment to serve the new lighting. The estimated value of the work is \$260,000.00. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98449.

Approval of New License and Concession Agreement with I.S.B.A., Inc. dba North Field Aviation was the subject of a memo to the Board from the Director of Aviation recommending approval of a new agreement with I.S.B.A., Inc., dba North Field Aviation, for 9,600 square feet of hangar, 35,090 square feet of apron, 2,041 square feet of parking and 4,862 square feet of unpaved land in and adjacent to Building L-908, North Airport, at \$3,727.20 per month, effective June 1, 1998. The recommendation was approved on passage of Resolution No. 98450.

Approval of New License and Concession Agreement with Jack W. Ratliff Corporation dba Astro-Aire Enterprises was the subject of a memo to the Board from the Director of Aviation recommending approval of a new agreement with Jack W. Ratliff Corporation dba Astro-Air Enterprises, for 1,850 square feet of storage space in Building L-643, North Airport, at \$493.07 per month, effective September 15, 1998. The recommendation was approved on passage of Resolution No. 98451.

Award of Contract for Furnishing Service and Maintenance for Passenger Loading Bridges for the Period Commencing January 1, 1999, and Ending December 31, 2001, 2002 or 2003, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the three bids received and recommending award of the contract to Marine Maintenance Inc., the low bidder, at \$442,202.00. The recommendation was approved on passage of Resolution No. 98452.

Approval of Consultant Agreements for Geotechnical Design Services with AGS, Inc., Olivia Chen Consultants, Inc./Treadwell & Rollo (Joint Venture), and Fugro West, Inc. for Construction of Berths 55/56 Yard Buildings and Middle Harbor Shoreline Park, Inner Harbor Channel was the subject of a memo to the Board from the Director of Engineering notifying the Board that as part of the Port's Vision 2000 Program, a container yard with associated buildings and the Middle Harbor Shoreline Park are being designed along the north side of the Oakland Inner Harbor Channel in the former Fleet Industrial Supply Center Oakland. The proposed consultants are to provide geotechnical design services for construction of the berths 55/56 yard buildings and the shoreline park. The required geotechnical design services are for Project A, construction of Berths 55/56 yard buildings; Project B, construction of buildings and pavements at Middle Harbor Shoreline Park; and Project C, construction of coastal improvements at Middle Harbor Shoreline Park. It was recommended that the Board approve the agreements with AGS, Inc., for Berths 55/56 buildings, Olivia Chen Consultants, Inc./Treadwell & Rollo (Joint Venture) for buildings and pavements, Middle Harbor Shoreline Park, and Fugro West, Inc. for coastal improvements at Shoreline Park. It is anticipated that the amounts of the agreements will

not exceed \$100,000.00 each for AGS, Inc. and Olivia Chen Consultants, Inc./Treadwell & Rollo (Joint Venture), and \$250,000.00 for Fugro West, Inc. It was also requested that the Executive Director be authorized to approve up to an additional \$25,000.00 each for Projects A and B, and \$50,000.00 for Project C for potential changes in scope. The recommendations were approved on passage of Resolution No. 98458 for Fugro West, Inc.; Resolution No. 98459 for AGS, Inc.; and Resolution No. 98460 for Olivia Chen Consultants, Inc./Treadwell & Rollo (Joint Venture).

Ratification of Change Order for "Demolition of Building D-342, Harbor Transportation Center" was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with Covey Trucking Company (Covey) to perform the demolition work. The work consists of demolition of Building D-342, a 122,000 square foot warehouse plus an attached 12,000 square foot shed. The contract with Covey to demolish Building D-342 was awarded a lump sum and unit prices totaling \$312,790.00. Bid Item 4, furnish and install aggregate base, had a unit price of \$9.60 per ton with an estimated quantity of 12,000 tons. This material was to be used to backfill the site after removal of the foundation. The Contractor, at its option, was allowed to either import aggregate base, or to process (crush) the concrete rubble resulting from the demolition work to provide aggregate base material for filling the site. The Contractor elected to process the on-site concrete. In order to construct the container yard for Berth 55, several feet of fill will be placed on this site. Since the material resulting from the crushing of the concrete would be of high quality, it was determined that it would be of greater value to place this material in the upper layers of fill rather than bury it under fill of lesser quality. It was therefore decided not to fill the building site, but to fill the site later as part of the yard construction work. It was further decided that, since Covey already had a crushing plant near the site, it would be more cost effective to have Covey process this material and stockpile it on site for later use in construction of the container yard. The costs of this work were tracked by force accounts tags and totaled \$65,706.71, which amounted to \$6.32 per ton instead of the original \$9.60 per ton under Bid Item 4. Port Construction proposes to eliminate Bid Item 4 entirely and pay the Contractor \$65,706.71 on a contract change order. Since the work under Bid Item 4 would have

cost \$99,849.60 (10,401 tons at \$9.60 per ton), this will result in a net savings of \$34,142.89. It was recommended that the Board ratify a change order to Covey Trucking Company in the amount of \$65,706.71 for the work. The recommendation was approved on passage of Resolution No. 98453.

Ratify Substitution of Electrical Subcontractor for "Installation of Air Conditioning System in Building D-833, Harbor Transportation Center" was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port presently has a contact with Western-Allied Service Company (Western) for the installation work. Western has requested Board approval to substitute its listed subcontractor performing the electrical work on the subject project. By letter dated October 29, 1998, the Contractor notified the Port that its listed subcontractor, Positive Electric (PE) cannot enter into a contract with Western. A letter from PE states that due to their current backlog of work, they cannot perform the work in time to meet the project schedule and therefore cannot enter into a contract with Western. Western has requested that Schwartz & Lindheim, Inc. be listed as the new electrical subcontractor. Due to the short time period remaining to finish the extensive electrical modifications required to complete the project by November 16, 1998, it is imperative that the new subcontractor be allowed to begin work immediately. It was recommended that the Board ratify the action by the Chief Engineer to direct immediate action on substitution of the listed subcontractor be deleted and that Schwartz & Lindheim, Inc. be added as the subcontractor to perform the work. The recommendation was approved on passage of Resolution No. 98454.

Plans and Specifications for Reconstruction of Berth 25 Yard, Outer Harbor Terminal was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the reconstruction of Berth 25 yard. The work consists of approximately 39 acres of container terminal development and reconstruction. The work includes modifying the existing gate facility (including relocating truck scales and one canopy); removing existing and construction new asphalt concrete pavement; repairing and overlaying existing asphalt concrete pavement; restriping for new layout and refreshing existing

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striping as necessary; modifying the fencing and yard lighting; relocating crane bus interchange; and furnishing and installing pre-engineered guard booths and truckers' kiosk. The recommendation was approved on passage of Resolution No. 98455.

Personnel Items was contained in a memo to the Board from the Acting Director of Administration recommending the appointment of Leslie J. McCoy, as Custodian, effective December 14, 1998, at \$2,733.00 per month. Also recommended was the creation of one additional position of Chief Engineer in the Engineering Division to implement the redesignation of an employee from the position of Chief of Central Facilities. The recommendation was approved on passage of Resolution No. 98456 for the appointment and on an ordinance to print for the creation of one additional position.

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,

Uribe and President Loh - 7

Noes: None

Absent: None

RESOLUTION NO. 98447

FINDING AND DETERMINING THAT NEED TO TAKE ACTION RELATING TO ALAMEDA NEWSPAPER GROUP LEASE AROSE AFTER POSTING OF AGENDA.”

“RESOLUTION NO. 98448

APPROVING AND AUTHORIZING EXECUTION OF FIRST SUPPLEMENTAL AGREEMENT TO LEASE WITH AMERIFLIGHT, INC.”

“RESOLUTION NO. 98449

GRANTING FEDERAL EXPRESS CORPORATION, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 98450

APPROVING AN AUTHORIZING EXECUTION OF A LICENSE AND CONCESSION AGREEMENT WITH I.S.B.A., INC. DOING BUSINESS AS NORTH FIELD AVIATION.”

"RESOLUTION NO. 98451

APPROVING AND AUTHORIZING EXECUTION OF A LICENSE AND CONCESSION AGREEMENT WITH JACK W. RATLIFF CORPORATION DOING BUSINESS AS ASTRO-AIRE ENTERPRISES."

"RESOLUTION NO. 98452

AWARDING CONTRACT TO MARINE MAINTENANCE, INC. FOR FURNISHING SERVICE AND MAINTENANCE FOR PASSENGER LOADING BRIDGES FOR THE PERIOD COMMENCING JANUARY 1, 1999, AND ENDING DECEMBER 31, 2001, 2002 OR 2003, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 98453

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH PACIFIC WESTERN AIRMOTIVE, INC. DBA COVEY TRUCKING COMPANY, FOR DEMOLITION OF BUILDING D-342, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA."

"RESOLUTION NO. 98454

APPROVING AND RATIFYING SUBSTITUTION OF ELECTRICAL CONTRACTOR FOR INSTALLATION OF AIR CONDITIONING SYSTEM IN BUILDING D-833, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA."

"RESOLUTION NO. 98455

APPROVING PLANS AND SPECIFICATIONS FOR RECONSTRUCTION OF BERTH 25 YARD, OUTER HARBOR TERMINAL, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98456

CONCERNING CERTAIN APPOINTMENT."

"RESOLUTION NO. 98457

GRANTING INTEGRE MARINE, LTD., PERMISSION TO PERFORM CERTAIN WORK."

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor
and President Loh - 6

Noes: None

Abstained: Commissioner Uribe - 1

Absent: None

“RESOLUTION NO. 98458

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH FUGRO WEST, INC. FOR GEOTECHNICAL DESIGN CONSULTING CONSTITUTES PROFESSIONAL TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98459

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH AGS, INC. FOR GEOTECHNICAL DESIGN CONSULTING CONSTITUTES PROFESSIONAL TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98460

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH OLIVIA CHEN CONSULTANTS, INC. AND TREADWELL & ROLLO, JOINTLY AND SEVERALLY, FOR GEOTECHNICAL DESIGN CONSULTING CONSTITUTES PROFESSIONAL TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

Port Ordinance No. 3468 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A LEASE WITH JACK W. RATLIFF CORPORATION DOING BUSINESS AS ASTRO-AIRE ENTERPRISES,” and Port Ordinance No. 3469 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A MULTI-YEAR LICENSE AND CONCESSION AGREEMENT WITH ALASKA AIRLINES, INC., AND DIRECTING RECORDATION THEREOF,” and Port Ordinance No. 3470 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, ADOPTING NEW SALARY SCHEDULE FOR PORT ENVIRONMENTAL ASSESSMENT SUPERVISOR AND PORT ENVIRONMENTAL COMPLIANCE SUPERVISOR, AND CREATING ADDITIONAL

POSITION OF AVIATION COMMERCIAL REPRESENTATIVE V AND PORT ATTORNEY LAW CLERK,” and Port Ordinance No. 3471 being, “AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF DEBT INSTRUMENTS PURSUANT TO SECTION 706(24) OF THE CHARTER OF THE CITY OF OAKLAND, CALIFORNIA,” and Port Ordinance No. 3472 being, “AN ORDINANCE AMENDING SECTION 2.1 OF PORT ORDINANCE NO. 2832 RELATING TO ESTABLISHING STANDARDS AND RESTRICTIONS REGULATING THE USE OF LAND AND THE DESIGN AND CONSTRUCTION OF STRUCTURES AND OTHER IMPROVEMENTS IN THE OAKLAND AIRPORT BUSINESS PARK,” and Port Ordinance No. 3473 being, “AN ORDINANCE AUTHORIZING AND APPROVING THE EXECUTION OF TERMINAL USE AGREEMENT WITH SAGA FORREST PRODUCTS,” and Port Ordinance No. 3474 being, “AN ORDINANCE AMENDING SECTION 1.0302 OF PORT ORDINANCE NO. 867 PROVIDING FOR ADDITIONAL COMPENSATION FOR EMPLOYEES BELONGING TO EMPLOYEE REPRESENTATION UNIT H UNDER THE TERMS OF THE PERFORMANCE MANAGEMENT PROGRAM,” and Port Ordinance No. 3475 being, “AN ORDINANCE AMENDING SECTION 1.0301 OF PORT ORDINANCE NO. 867 PROVIDING FOR ADDITIONAL COMPENSATION FOR EMPLOYEES BELONGING TO EMPLOYEE REPRESENTATION UNITS D AND E UNDER THE TERMS OF THE PERFORMANCE MANAGEMENT PROGRAM,” were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,

Uribe and President Loh - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH KAISERAIR, INC,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 8.011 OF PORT

ORDINANCE NO. 867, ADDING ADDITIONAL POSITION WITHIN AN EXISTING PORT CLASSIFICATION," were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

Noes: None

Absent: None

At the hour of 4:50 p.m., the Board entered into closed session pertaining to conference with legal counsel existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Oakland v. Pacific Gas & Electric Company, U.S. District Court Case No. C-97-00894-SBA, Pacific Western Airomotive, Inc. dba Covey Trucking Co., v. Board of Port Commissioners, et al., Alameda County Superior Court Case No. 799860-1; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 2 matters; conference with real property negotiator, property - Alameda Newspaper Group, 66 Jack London Square, Oakland, CA 94612, negotiating parties - Port and Alameda Newspaper Group, Inc., under negotiation - price and terms of lease; and reconvened in open session at the hour of 5:50 p.m.

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor
Uribe and President Loh - 7

Noes: None

Absent: None

"RESOLUTION NO. 98461

APPROVING FIRST SUPPLEMENTAL AGREEMENT TO THE ALAMEDA NEWSPAPER GROUP (ANG) LEASE."

At the hour of 5:55 p.m. the meeting was adjourned on a motion duly made and second.



Secretary of the Board

Section 54956.9: 3 matters; conference with real property negotiator, property - Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000, Negotiating Parties - Port and City, under negotiation - price and terms of payment; and reconvened in open session at the hour of 3:05 p.m.

At the approximate hour of 3:00 p.m. Commissioners Kramer and Neal joined the meeting.

Information Presentation and Update on the Airport Roadway Project was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport Roadway Project is one of the Capital Improvement Projects approved by Alameda County voters with the passage of Measure B in 1986. The project will build an arterial roadway from the I-880/98th Avenue Interchange in the City of Oakland through the Oakland Airport to Bay Farm Island in the City of Alameda. The Airport Roadway will serve as an alternate route for regional traffic generated by the Airport and Bay Farm Island. It will accommodate projected traffic growth at the Air Cargo Center, the Airport Passenger Terminals, and the Harbor Bay Business Park. The Port is the Project Sponsor listed in the Alameda County Transportation Authority (ACTA) 1986 Expenditure Plan. The design of the project is at 70% completion, with final design completion projected to early 1999. The purpose of this informational briefing provided the Board members with an update on the Airport Roadway Project.

Approval of Second Supplemental Agreement with ICF Kaiser Engineers, Inc. for Engineering Design Service for Airport Roadway Project was the subject of a memo to the Board from the Director of Engineering notifying the Board that in May 1996, the Port, the City of Alameda, the City of Oakland, and the Alameda County Transportation Authority (ACTA) entered into an agreement specifying the fund conditions and terms for the Airport Roadway Project. The agreement was amended in December 1997, to provide for an increase in the project budget to \$97.5 million. The Port's obligation for local matching contribution toward the Project is \$16.2 million. In December 1997, the Board certified the Airport Development Project EIR, and approved the Airport Roadway Project. The City of Oakland has also approved the Airport Roadway Project. In February 1998, Alameda's City Council made a net benefit determination November 10, 1998

and expressed support for the Airport Roadway Project. Therefore, all the partners to the funding agreement have expressed their support for the ACTA Measure B Project. The Port has a professional services agreement with ICF Kaiser Engineers, Inc. to provide for the design of the Airport Roadway. The agreement with ICF Kaiser currently provides for a maximum compensation of \$5,937,500.00, which includes \$1,187,500.00 for changes in scope which may be authorized by the Executive Director. The Executive Director has authorized two changes in scope totaling \$1,187,500.00 to date, thereby depleting the available change in scope funds. The first change in scope was for \$714,077.00, and consisted of designing the relocation and upgrade of utilities within the Airport, adding a vehicle service bridge over Air Cargo Road; signal lights and bike paths; and for increased coordination with utility companies. The second change in scope was for \$473,423.00, and consisted of designing the relocation of FAA approach light towers outside roadway limits; participating in a value engineering study to trim \$10 million of construction costs; performing additional environmental and geotechnical investigations to support negotiations between the parties to the agreement, and additional landscaping design efforts to address issues raised by the ongoing gateway study. Of the original \$1,187,500.00 in allowable change in scope funds, \$850,000.00 was for additional work items clearly not contemplated as part of ICF Kaiser's design work. These items were extensive utility relocation's and upgrades to support the Airport Development Program, a vehicle service bridge, support for wetland permit application, architectural review, and FAA utility relocations. The remaining \$337,500.00 was for work identified in the scope of the agreement, but which was expanded after more details become available. This proposed second supplemental agreement would increase the maximum compensation of the agreement by \$950,000.00 to provide for the following: increase in the complexity of the project; BART Connector Study; additional utility ducts; Harbor Bay landscaping; relocation of EBMUD facilities; signal modifications; energy study for Airport street lighting; Gateway Committee's easthetic design changes, and the combining of construction contracts within the Project. It is highly likely that additional changes in scope will occur during the remaining course of this project, and it is anticipated that support during construction will

increase by approximately \$300,000.00 due to the increase in the estimated construction cost from \$43 million to \$65 million. It is also foreseeable that ICF Kaiser may be required by Oakland, Alameda or ACTA to perform additional design work, such as for additional landscaping, sound walls, and architectural design which are estimated to cost \$200,000.00. Since the design is approximately 75% complete, a 7% additional contingency in the amount of \$500,000.00 should be adequate for this project. It is proposed that an additional \$1 million be made available for future changes in scope. It was recommended that the Board authorize the preparation and execution of a Second Supplemental Agreement with ICF Kaiser Engineers, Inc. to increase the maximum allowable compensation to \$6,887,500.00, and to restore the funds in the amount of \$1,000,000.00 available to the Executive Director for changes in scope. The recommendation was approved on passage of Resolution No. 98419.

Approval of Eighth Supplemental Agreement with Environmental Science Associates for Preparation of Environmental Documentation for the Airport Development Program was the subject of a memo to the Board from the Director of Aviation notifying the Board that in March 1988, the Board authorized an agreement with Environmental Science Associates (ESA) for preparation of a joint Federal Environment Impact Statement (EIS) and State Environmental Impact Report (EIR) for the Oakland Airport Master Plan Update. Since that time, the project has been changed to the Airport Development Program (ADP), revised to include the evaluation of the Airport Roadway Project, and rescoped a number of times to address regulatory and business issues. Over the previous ten years several administrative drafts of the joint EIS/EIR were prepared for Port and FAA review. In September 1996, a joint Draft EIS/EIR was published for public review and comment. The comment period ended on December 30, 1996. During 1997, a final EIS/EIR was prepared including responses to over 500 comments received. The FAA submitted comments on the Draft EIS/EIR, published in September 1996, in April 1997, even though this was also an FAA document. In the summer of 1997 it was determined that it was not feasible to prepare a joint Final EIS/EIR that would be acceptable to both the Port and the FAA. The Port proceeded to prepare a Final EIR. The Final EIR was certified by the Board on December 16, 1997. During November 10, 1998

the past ten years, seven supplemental agreements were executed to add to the scope of work and increase compensation to respond to the various changes in information, changes to the project, and changes in direction. Total maximum compensation is currently \$2.65 million. In December 1997, the Port gave the Final EIR to the FAA for use in completing their Final EIS. In March the Port sent a letter to the FAA requesting a schedule for completion of their Final EIS. After several contradictory responses, the FAA determined that they would reevaluate the operational activity numbers used for analysis in the document and they would then require the consultant to rerun all of the analysis to reflect these new numbers. The FAA will then proceed with preparing their final environmental document. Although the document being prepared is exclusively a federal document now that the Port has completed its State document, it is FAA procedure that the Airport Sponsor (Port) contract directly with the consultant and pay the consultant through reimbursed AIP or PFC funds. The FAA has negotiated a scope of work with the consultant which requires an eighth supplemental agreement to be executed to complete the federal environmental document. These additional funds would pay for the reworking of the analysis and the final document to respond to FAA comments and changes. The additional compensation proposed is \$465,000.00. This would bring the maximum compensation to a total of \$3,115,000.00. In addition, it is proposed that up to \$50,000.00 of additional work be available for authorization by the Executive Director for unforeseen changes in the work scope. It was recommended that the Board authorize the Eighth Supplemental Agreement with Environmental Science Associates for providing professional services for the sum of \$465,000.00 with the Executive Director authorized to approve additional work up to \$50,000.00. The recommendation was approved on passage of Resolution No. 98420.

Approval of Increase to Change Order to the Construction of ARFF Facility Contract for the Remodeling of Terminal 1 Area to Accommodate the In-Transit Lounge, MOIA was

the subject of a memo to the Board from the Director of Engineering notifying the Board that on September 15, 1998, the Board approved contracting by means of a change order with C. Overaa & Company (Overaa) to convert gate three to a joint domestic/international gate and to use the November 10, 1998

mezzanine above the Terminal 1 security checkpoint as an in-transit lounge. The work will be performed on a fast-track design/build basis in order to meet the desired December 15, 1998, completion date. The estimated cost at the time was not to exceed \$800,000.00. However, in recent discussions with the Immigration and Naturalization Services (INS), the Port was informed that it must comply with special security requirements for the project which are above and beyond the original scope of the project. The original scope, as developed by the design/build architect, provided for eight-foot high partition walls as separation barriers for the passengers with minimum HVAC and security hardware system upgrades. However, the INS is requiring full height, floor to ceiling walls for both the secure corridor and the in-transit lounge area. This INS requirement has also triggered additional Federal Aviation Administration (FAA) and building code requirements, such as installing security monitoring hardware for all entries and exists leading to and from the in-transit lounge area, fire-rated assemblies, ingress/egress issues, and the addition of an HVAC unit. In light of these new requirements, the design/build team value engineered the project to cut costs, while still retaining a level of quality in keeping with the image that the airport wants to project to the traveling public. However, it is estimated that an additional \$250,000.00 is needed for the additional design and construction required to comply with these requirements. This additional cost will result in a total cost for this design/build change order of \$1,050,000.00. It was recommended that the Board approve the increase to the amount of the change order with C. Overaa & Company from \$800,000.00 to an amount not to exceed \$1,050,000.00. The recommendation was approved on passage of Resolution No. 98421.

First Reading of Ordinance Approving Lease with Jack W. Ratliff Corporation dba Astro-Aire Enterprises for Continued Operation of an Aircraft Instrument Overhaul and Repair Station and for Construction of a 1,542 Square Foot Annex on 20,262 Square Feet of Land was the subject of a memo to the Board from the Director of Aviation notifying the Board that Jack W. Ratliff Corporation dba Astro-Aire Enterprises (Astro-Aire), a North Airport tenant for over thirty-seven years, occupies 20,262 square feet of land on which Astro-Aire has built an approximately 5,800 square feet office and shop building and ancillary parking. Astro-Aire uses

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the facility for repair and overhaul of aircraft instruments. Astro-Aire pays the Port an annual ground rent of \$13,374.24. Astro-Aire occupies the premises pursuant to a ground lease that expires on December 31, 1999. After extensive negotiations, agreement has been reached on the provisions of the new lease as follows: premises - 20,262 square feet of land on which is built an approximately 5,800 square feet office and shop building; terms - sixteen years i.e. to December 31, 2014, contingent upon Astro-Aire's construction of certain Port-approved improvements; use - maintenance and operation of an aviation equipment repair and overhaul facility and all uses incidental thereto including construction of an approximately 1,542 square foot annex; rent - \$1,114.52 per month from the effective date of the lease to December 31, 1999, \$0.2725 per square foot of gross leaseable area per month thereafter, and adjustment of rent - CPI - rent shall be subject to adjustment based upon the percentage change in the CPI or equivalent index from April 1997 to January 2000 and every successive thirty month period thereafter, with a ceiling of 6% per annum; performance deposit - \$4,746.50 or three times the monthly rent, whichever is greater, subject to CPI adjustment; improvements - subject to Port review and approval, Astro-Aire to construct an approximately 1,542 square foot wood frame on concrete slab annex, Astro-Aire to comply with Port Prevailing Wage and Equal Opportunity/Non-Discrimination requirements and all improvements e.g. existing building and to be built annex, to revert to Port upon termination of the lease; Astro-Aire shall be responsible for the maintenance and repair of the entire premises and the Port shall have no maintenance or repair responsibilities; utilities, taxes and assessments - Astro-Aire shall be responsible for all utility use charges and for all taxes and assessments; and other standard Port lease provisions - these shall include but not be limited to Environmental Liability, Insurance and Indemnification and Right to Relocate Astro-Aire. It was recommended that the Board approve the lease with Jack W. Ratliff Corporation dba Astro-Aire Enterprises. The recommendation was approved on passage of an ordinance to print.

Approval to Negotiate a Professional Services Agreement with San Jose State University Professional Development Program to Provide Project Management Training Services to the Aviation Division was the subject of a memo to the Board from the Director of

Aviation notifying the Board that with the onset of the Terminal Expansion Program, a need has been identified to upgrade the project management skills of the Aviation Division's middle managers, supervisors and those employees who will be involved in managing projects. The knowledge and skills needed to make the expansion program a success lies with all employees, but specifically with this level of staff. The training to upgrade this knowledge and skill will enhance individual performance, produce better process decisions as well as enhance organizational productivity and, in addition, all employees who complete the course work will receive up to 5.6 continuing education credits (CEU's). The San Jose State University Professional Development Program was selected to administer the project management training for the Aviation Division staff because of the University's excellent reputation for providing tailored corporate programs which are designed to meet the immediate business needs of individuals, companies and government agencies. The amount of the agreement will not exceed \$24,000.00 and is based on the scope of the work and terms of the contract. It was recommended that the Board authorize the agreement with San Jose State University Professional Development Program to provide training services to a maximum 25 participants per workshop for a total fee not to exceed \$24,000.00 including incidental expenses. The recommendation was approved on passage of Resolution No. 98422.

Modification of Condition to Consent to Air Terminal Services, Incorporated Sublease to McGuire Concessions, LLC dba Freshens was the subject of a memo to the Board from the Director of Aviation notifying the Board that on June 9, 1998 that the Board consented to a sublease between Air Terminal Services, Inc. and McGuire Concessions, LLC dba Freshens. The approval was conditioned upon: the Port Attorney's review and approval of the final sublease and related documents; the receipt of all building permits and any other necessary Port approvals within 150 days (by November 11, 1998); the opening for business within 210 days (by January 9, 1999); and McGuire and CA One entering into an amendment of the sublease providing that McGuire shall be subject to certain rules, regulations and operating standards satisfactory to the Director of Aviation as may be implemented from time to time. Of the four conditions for approval stated, all have been satisfied with the exception of relating to the receipt of all building permits and any other

necessary Port approvals by November 11, 1998 and relating to the opening of business by January 9, 1999, which is unlikely. The Freshens facility was originally designed to have an enclosed storeroom within the concourse of Building M-103, in effect constructing a "building within a building". This design necessitated certain fire safety and air conditioning/heating improvements that are cost prohibitive. After receiving six different construction bids, all approximately double the original estimated construction cost, a decision was made to re-design the facility as a kiosk and eliminate the "building within a building" concept. The redesign has delayed the issuance of permits and will delay the opening date for the business. It is necessary to modify the conditional approval to extend the time period for permitting and opening each by an additional 90 days. Thus, the permits and Port approvals should be received no later than February 9, 1999 and the business should open to the public no later than April 9, 1999. It was recommended that the Board approve the modifications of the Sublease between Air Terminal Services, Incorporated to McGuire Concession, LLC dba Freshens to extend by 90 days the requirement that the receipt of all building permits and any other necessary Port approvals be obtained within 150 days to February 9, 1999; and extend by 90 days the condition that the opening for business occurs within 210 days to April 9, 1999. The recommendation was approved on passage of Resolution No. 98423.

Approval of Lease Amendment to Renew Term for One Year with the United States Postal Service was the subject of a memo to the Board from the Director of Aviation recommending approval to renew the agreement with United States Postal Service, for 686 square feet of office, 11,089 square feet of hangar, 2,029 square feet of shop/storage, 19,784 square feet of apron and 2,280 square feet of paved parking in and adjacent to Building L-810, Bay C and 1,097 square feet of office, 10,930 square feet of hangar, 5,491 square feet of shop/storage, 39,562 square feet of apron and 4,544 square feet of paved parking in and adjacent to Building L-810, Bay D, at \$18,459.85 per month, effective November 1, 1998. The recommendation was approved on passage of Resolution No. 98424 .

First Reading of Ordinance Approving Multi-Year License and Concession Agreement with Alaska Airlines, Inc. was the subject of a memo to the Board from the Director
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of Aviation recommending approval of single five year License and Concession Agreement (Multi-Year Agreement) for all of Alaska Airlines Inc.'s leased premises in Terminal 1. Alaska currently is on holdover status under two separate License and Concession Agreements for its premises in Terminal I. The 4,426 square feet premises Agreement for Building M-101 ended December 31, 1995 and the 244 square feet premises Agreement for Building M-103 ended on May 31, 1996. Currently monthly rent under both Agreements total \$25,678.10. Additionally, Alaska expanded its baggage service office in Terminal 1 by approximately 165 square feet under a Right-of-Entry and Indemnity Agreement effective August 1, 1998 and Agreement to Extend Right-of-Entry and Indemnity Agreement commencing September 15, 1998 and ending December 31, 1998. This extension agreement was issued as an intermediate agreement until the subject Multi-Year Agreement could be approved by Alaska and the Port Attorney, and then processed for approval by the Board. It was recommended that the Board approve the proposed Multi-Year Agreement which has a commencement date of January 1, 1999 and can be terminated by either party with 30 days written notice. It would commence upon passage of an ordinance and their rent would be adjusted to Port Ordinance No. 1149 for rates and charges effective CY 1999. The recommendation was approved on passage of an ordinance to print.

Approval and Authorization for Execution of a Relocation Agreement with the East Bay Municipal Utility District (EBMUD) for Airport Roadway Project, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport Roadway Project is a County Measure B tax-funded project to build an arterial roadway from I-880 at 98th Avenue to the Oakland Airport, and through the Airport to Bay Farm Island, Alameda. As part of this project, a concrete bridge will be constructed over Taxiway "Bravo" with the vehicular traffic on Air Cargo Road to Bay Farm Island being routed under the bridge. The EBMUD owns and maintains a 20" potable water line and a 16" reclaimed waste water line along Air Cargo Road to serve the Federal Express Building and a golf course at the City of Alameda. Since the current Air Cargo Road will be routed under the new Taxiway "Bravo" concrete bridge or overpass, the EBMUD water lines must be relocated during construction. Under the easement agreements

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between the Port and the EBMUD, the Port is responsible for all relocation costs. The Relocation Agreement with the EBMUD will provide for the relocation of the two water lines. The EBMUD will review the design, provide system inspection during construction, certify the construction work, and provide "as-built" drawings for acceptance by the EBMUD. The Port will reimburse the EBMUD for these costs. The estimated cost is \$15,000.00 for design review and \$160,000.00 for construction inspection, but the final reimbursement amount will be the actual costs incurred by the EBMUD under the Agreement. Since the relocation is necessary to the project, all costs will be to the County Measure b tax-funded Airport Roadway Project. It is recommended that the Board approve the Relocation Agreement with EBMUD. The recommendation was approved on passage of Resolution No. 98425.

Presentation of Estuary Policy Plan was the subject a memo to the Board from the Director of Strategic and Policy Planning notifying the Board that on August 4, 1998, the Board received a report on the status of the Estuary Plan. Staff recommended that the original Estuary Plan draft be reformatted into two separate documents to allow for inclusion of some (but not all) of the draft Plan's recommendations into the City's General Plan. Port and City staff made the same recommendation to the Planning Commission on August 5, 1998. Both the Board and the Planning Commission approved the staff recommendation. In approving the recommendation, the Board identified several issues of concern to be addressed in the reformatting exercise, and directed staff to present the two documents to the Board for review and approval, prior to submitting the documents to the City Council. Since August, Port and City staff have been reformatting the draft plan. The first of the two documents, the Estuary Plan, was distributed to the Board and the public last week. At the Board meeting, a review of the organization and content of the Estuary Policy Plan and public comments on the new document were discussed. A more detailed discussion about the plan will take place at the next Commercial Real Estate Committee meeting in anticipation of possible action by the Board to approve the Estuary Plan at the meeting of December 1, 1998. The second document, the Estuary Plan Implementation Guide, will be prepared after the Policy Plan is

approved. Staff will bring that document to the Board for review and approved when it is in draft form. The purpose of this status, is to provide Board members with an update on the Estuary Plan.

Certification of Final Mitigated Negative Declaration/Initial Study for the Construction of the Jack London Aquatic Center at Estuary Park and adoption of the Mitigation Monitoring and Reporting Program was the subject of a memo to the Board from the Director of Engineering notifying the Board that the project proponent (applicant) is the Jack London Aquatic Enter, Inc. (JLAC, Inc.). The Lead Agency is the Port. JLAC, has proposed the construction of a multi-purpose aquatic enter in a waterfront park setting along the Oakland Estuary. The project components include a two story 16,000 square foot multipurpose center which will consist of an administration office, classroom/conference room, lockers and restroom facilities and five boat storage bays; two docks; a half ton hoist; and parking and landscape features. The project will also provide waterfront facilities for the Oakland Parks and Recreation Department (OPR) sponsored programs and for non-profit aquatic sports groups. The OPR will have office space within the aquatic center and will be responsible for maintaining the facility. Port staff has completed its environmental review of the proposed project under the California Environmental Quality Act (CEQA) and the Port's CEQA Guidelines. The project was subject to an Initial Study (IS), and the Port's Environmental Planning Department recommends approval of a Mitigated Negative Declaration. The document has been circulated, and a copy has been provided to the Board under separate cover. The public comment period ended June 22, 1998. Comments were received from the Association of Bay Area Governments (ABAG), East Bay Municipal Utility District (EBMUD), San Francisco Bay Conservation and Development Commission (BCDC), Golden Gate Audubon Society, and California Department of Fish and Game. Their comments have been incorporated into the Final Mitigation Negative compliance with Best Management Practices (BMPs) to reduce water quality and biological impacts during construction, monitoring of water-side construction activities for biological impacts, subsurface site investigation and hazardous materials disposal, and establishment of a Transportation Systems Management Manager for racing events parking. The applicant will receive Certification from the Regional Water Quality Control

Board following adoption of this Mitigated Negative Declaration. The applicant will obtain the necessary permit from the U.S. Army Corps of Engineers following approval from the Bay Conservation and Development Commission Design Review Board. It was recommended that the Board certify that it has reviewed and considered the information contained in the Jack London Aquatic Sports Center at Estuary Park, Final Mitigation Negative Declaration/Initial Study and that the documentation has been prepared in compliance with applicable law; approve the Mitigated Negative Declaration; adopt the mitigation measures which shall constitute the Port of Oakland's reporting or monitoring program under CEQA, and finds that the Project will have no significant effect on the environment because the mitigation measures will reduce potential impacts to a level of insignificance; and find that the Final Mitigated Negative Declaration/Initial Study reflects the independent judgment of the Board. The recommendation was approved on passage of Resolution No. 98426.

At the appropriate hour of 4:00 p.m., Commissioner Harris was excused from the meeting and returned to the meeting at the appropriate time of 6:15 p.m.

Proposed Assignment of the JBN Lodging, LLC Lease (Marriott Residence Inn Project), to Baystay Lodging, LLC; and Recommended Approval of First Supplemental Agreement to the Lease was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that on July 1, 1996, the Port entered into a fifty year Ground Lease Agreement with JBN Lodging, LLC for the development of a 118-room Marriott Residence Inn hotel. The two-acre development site is approximately two miles southeast of Jack London Square, on Embarcadero, near the entrance to the Ninth Avenue Terminal. To date, the project has not been built because the developer, Mr. John Norton, indicated he had lost his construction financing. In addition, Mr. Norton currently owes the Port approximately \$114,000.00 in outstanding construction rent and a \$25,000.00 performance deposit for a total of \$139,000.00. Mr. Norton has requested that the Port consent to the assignment of the JBN Lodging, LLC leasehold interest to Baystay Lodging, LLC (Baystay). Baystay has signed a Purchase Assignment with Mr. Norton to purchase the leasehold interest, and all other project permits, reports and materials. The sale is

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contingent upon the Port's written consent to the assignment of the Lease. If Port approval is granted, and other assignment conditions are met, JBN Lodging LLC would be released from any and all liability under the Lease. Baystay is a newly formed entity whose majority stockholder is Adam Dubroff. Mr. Dubroff is an experienced hotel development professional who owns another company called Alpha Inn Management, Inc.. Alpha Inn will provide operational management for the hotel project. Alpha Inn specializes in the development and management of extended stay hotels. They currently own or manage seven Marriott Residence Inn hotels, and several other hotels with a total of 1,283 rooms. In addition, seven new development projects with 722 additional rooms will be completed by Alpha by the end of next year. Baystay has received a preliminary commitment from the AFL-CIO Pension Fund to finance the project. The hotel development was originally scheduled to be a Marriott Residence Inn franchise; however, the Marriott Corporation has adopted a new company policy of not granting Residence Inn franchises in Northern California. As an alternative, Baystay has entered into a tentative agreement with Hawthorne Suites (Hawthorne) to develop the property under that flag. Hawthorne has a similar quality "upper tier" extended stay lodging product, with special amenities and services, that appeals to guests who seek lodging for more than five consecutive nights. The Hawthorne site plan and exterior design will be identical to the original Marriott Residence Inn design. This is an important consideration since the BCDC design review committee has already approved the Marriott design. One of the added features of the Hawthorne Suite flag is their use of the Hyatt "Spirit" reservation system. Baystay has completed an extensive analysis of the Oakland lodging market, specifically evaluating the potential market for the extended-stay lodging facility. The analysis confirms that there is a strong demand for the "extended stay" hotel product, along with a shortage of competitive supply in the immediate area. Baystay has requested that the Port execute a "Ground Lessor Estoppel" certificate and approve the form of "Assignment of Ground Lease". In addition, Baystay has requested certain changes and additions to the existing Lease Agreement that will necessitate the preparation of a First Supplemental Agreement to the Lease. The following is a summary of the proposed changes: extend the existing 18-month deadline for the construction of

the project improvements (expired 6/30/98) by an additional 18 month period, commencing on the effective date of the Lease assignment; revise the Lease to allow for the payment of one-half of the security deposit (\$12,500.00) upon the assignment of the Lease, and one-half (\$12,500.00) when the Certificate of Occupancy is issued; add the Port's current "Non-Discrimination and Small Local Business Utilization Policy"; revise the Lease to provide for a delay in the minimum rent commencement, under this revision, the minimum rent would commence upon the earliest of the completion of construction, occupancy of any portion of the building for hotel use, or the expiration of 15 months from the effective date of the Lease assignment, and the construction rent would continue at \$5,200.00 per month; revise the Lease to grant the Assignee the first right of refusal to provide parking control services, if the Port decides to institute a parking control system on the adjacent Port parking site; revise the Lease to allow for hotel guests with pets; revise the Lease to provide for a change in the percentage rent schedule. The current schedule calls for the lessee to pay 5% of gross receipts through the fifth year, in order for the assignee to pay back the approximate \$114,000.00 in delinquent rent, it is recommended that the percentage rent be increased to 6% at the beginning of the third year, instead of the fifth year, this additional percentage rent should cover the majority of the delinquent rent currently owned the Port, and if the Port does not receive enough additional percentage rent to cover the delinquency, Bayside would pay the difference to the Port in cash at the end of the fifth year and all current delinquent (late) fees in the amount of \$11,000.00 would be canceled; revision of the notice address; Revise the Lease to include the new trade name "Hawthorne Suites"; and establish January 1, 1997 as a commencement date for the original construction rent. This project has been determined to conform to the policies of the Oakland General Plan. It was recommended that the Board consent to the assignment of the Lease from JBN Lodging, LLC to Baystay Lodging LLC; approve the First Supplemental Agreement to the Lease; and authorize the Executive Director to execute the Ground Lessor Estoppel Certificate and such other documents as may be necessary to effectuate the assignment from JBN Lodging to Baystay Lodging. The recommendation was approved on passage of Resolution No. 98439.

Proposed Amendment of Port Ordinance No. 2832 Implementing a Ban on Fee Parking Lots within the Oakland Airport Business Park, Hegenberger Corridor Study Area

was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that in July 1997, the Board approved a collaborative effort between the Port and the City of Oakland to enhance the image and development potential of the "gateway" to the airport along Hegenberger Road and 98th Avenue. The Board approved the Gateway Development Plan and directed staff to amend the Standards and Restrictions for the Oakland Airport Business Park (OABP). The OABP is bounded by I-880, Hegenberger Road, Doolittle Drive, San Leandro Bay and Damon Slough. It includes most of the area under Port jurisdiction included in the Gateway Plan study area. One of the key recommendations of the Gateway Development Plan is to ban further development of land for fee parking lots, i.e., lots which serve as automobile storage for people with business outside the area. The Plan found that the number of existing spaces currently exceeds the need projected to serve the airport, even considering temporary displacement during the proposed garage construction. The Plan suggests policies that encourage development of hotels, restaurants, and other services for travelers stopping in the area, especially along the Hegenberger corridor. The City revised their Zoning Ordinance in June 1998 to prohibit fee parking lots in the area under their jurisdiction, in response to the Hegenberger Corridor recommendations. This will not prohibit property owners from charging their own tenants and customers for parking while doing business at the site. It was recommended that the Board approve that fee parking lots shall not be permitted in any area of the Business Park. The recommendation was approved on passage of an ordinance to print.

Recommended Approval of New License and Concession Agreement with Van Matre Lumber Co., Inc.

was the subject of a memo to the Board from the Director of Commercial Real Estate recommending approval of a new agreement for 14,916 square feet of warehouse space in Building G-315 and adjacent land on Fifth Avenue and Embarcadero, at \$5,700.00 per month, effective December 1, 1998. The recommendation was approved on passage of Resolution No. 98427.

New Terminal Use Agreement with Saga Forest Products was the subject of a memo to the Board from the Director of Maritime notifying the Board that on September 15, 1998, the Board approved a new Terminal Use Agreement (TUA) with Star Shipping (USWC) Inc. at the Ninth Avenue Terminal, who primarily handle non-containerized newsprint. SAGA Forest Products, a newsprint carrier, has also chosen Oakland's Ninth Avenue Terminal over the other Bay Area ports of Richmond and San Francisco. The Port has recently concluded a negotiations with SAGA for its own TUA which are identical to those previously negotiated with Star Shipping. Under the proposed TUA, SAGA shall have the right to designate the terminal operator and vessel stevedore. In view of the fact that the facility is being considered for other uses as contained in the Estuary Redevelopment Plan, the initial term of the TUA will be for two years. Subsequent annual renewals will be on a year to year basis, by written mutual agreement, for a total base term not to exceed five years. SAGA shall have the right during the term of the TUA to transfer, with the approval of the Executive Director, the rights and obligations of the Agreement to any other of the Port's breakbulk terminals operated as public facilities by terminal operators under agreement or tariff assignment by the Port which SAGA might choose to handle its vessels and cargoes. Any such transfer shall be upon 90 days written notice or such shorter notice as is acceptable to the Port.

The Executive Director of the Port will not be deemed unreasonable in withholding approval to any transfer if the transfer would result in an overburdening of any or other operating deficiency at the proposed transfer facility or if the Port's revenue levels are reduced as a result of such contemplated transfer. All other conditions of the TUA are consistent with previously approved TUAs with other lines and include the key elements: dockage - SAGA shall pay 80% of the prevailing Port marine terminal tariff rates for dockage at the time vessel activity occurs; wharfage - non-containerized news print - SAGA will be subject to a Minimum Annual Guarantee of 35,000 metric tons of non-containerized newsprint and in lieu of the prevailing charges in the Port's marine terminal tariff, SAGA shall be assessed wharfage for newsprint on the basis of \$4.25 per 1,000 kilograms or cubic meter, according to vessel's manifest, on whichever basis water freight charges are assessed, the wharfage rate of \$4.25 per revenue tone for newsprint shall be subject to the same

percentage increase and adjustment at the same time and by the same average percentage as rate increases are applied to the published non-containerized rates in the Port's marine terminal tariff, and at the end of each contract year, if SAGA exceeds the following breakbulk newsprint breakpoints, then SAGA shall receive an additional discount for all non-containerized newsprint handled in that contract year at the Ninth Avenue Terminal: annual newsprint breakbulk exceeds 50,000 revenue tons an additional year-end discount is \$.15/revenue ton, 70,000 revenue tons is \$.25/revenue tone, in lieu of \$.15/revenue ton, 85,000 revenue tons is \$.30 revenue ton, in lieu of \$.25/revenue ton, and 100,000 revenue tons is \$.45/revenue ton, in lieu of \$.30/revenue ton; and all other breakbulk commodities - SAGA shall be assessed wharfage for all other breakbulk commodities on the basis of 80% of the prevailing rates in the Port's marine terminal tariff, the proposed TUA. It was recommended that the Board approve the TUA with SAGA Forest Products. The recommendation was approved on passage of an ordinance to print.

Approval to Dispense with Formal Bids for Construction of Cement Deep Soil Mixing (CESM) Shoreline Stabilization, Berths 55/56, Middle Harbor was the subject of a memo to the Board from the Director of Engineering notifying the Board that as part of the construction of the Port's Vision 2000, the existing harbor shoreline will be cut back so that the wharves at Berths 55 and 56 may be constructed. In order to stabilize the shoreline to allow for the wharf construction, the existing soft soils need to be either stabilized in place or removed and replaced with rock. In-place stabilization or soil improvement, referred to as CDSM, is the most effective in terms of schedule control. The CDSM work is very specialized and the potential proposers need to be pre-qualified in order to submit a proposal to do the work. The CDSM work consists of homogeneously mixing existing on-site soils with cement to improve their strength characteristics. The work is necessary in order to provide static and seismic slope stability along the future shoreline of the Berths 55/56 wharf alignment. It was recommended that the Board find and determine that it is in the best interests of the Port to dispense with formal bidding procedures for the CDMS work and authorize the Executive Director to solicit informal proposals for the CDSM work from pre-qualified contractors, and to negotiate and enter into a contract that provides for

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construction of the CDSM test section and for a port option to enter into a contract for CDSM work for the entire Berths 55/56 shoreline; and subject to the Executive Director's determination that the CDSM test was successful, and subject to the Board's prior certification of the Berths 55-58 EIR and approval of the Berths 55-58 Project, to exercise the Port's option and enter into a contract for CDSM work for the entire Berths 55/56 shoreline as appropriate. The recommendation was approved on passage of Resolution No. 98440.

Approval to Dispense with Formal Bids and Purchase Crane Motors for Improvements to the Berth 24 Cranes was the subject of a memo to the Board from the Director of Engineering notifying the Board that in the new lease agreement with Maersk Pacific, Ltd., the Port agreed to make productivity improvements to the Berth 24 cranes. The proposed crane productivity improvements require installation of new higher speed motors in the crane for the hoist and trolley motions. The existing two KSEC cranes at Berth 24 have General Electrical (GE) controls and motors. The drive and control system on the crane will not be changed. Keeping the GE drives requires the use of GE motors for system compatibility. GE has provided a proposal to supply the motors that will meet the requirements for increased crane hoist speeds and increase trolley speeds. The quoted price for four main hoist motors and two trolley motors for two cranes is \$270,000.00. One spare motor for one of each type is \$75,000.00 for total of \$345,000.00. The lead time for supplying the motors is six months. The price includes on-site technical assistance, drive system parameter adjustments, field change documentation and written start-up report after completion of project. Because of the long lead time for the motor delivery, it is desirable to order the motors ahead of awarding a contract for installation and the balance of the work. It was recommended that the Chief Engineer be authorized to purchase the General Electric motors for a total cost of \$345,000.00 plus taxes and delivery, to modify the two KSEC cranes to meet the tenant's requirements. The recommendation was approved on passage of Resolution No. 98441.

Approval to Dispose with Formal Bids to Purchase Electrical Equipment and Material to power Reefer Receptacles at the Harbor Terminals was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port's Marine Terminal

operators handle a large volume of containerized, perishable cargo as part of their daily operations. The refrigerated containers (reefers) used to hold this cargo are equipped with refrigeration units designed to maintain the proper cargo temperature to prevent spoilage. While in storage at the terminals, the reefers are powered either through in-ground electrical receptacles or receptacles powered by portable generators. Several of the portable receptacles were installed at the Ben E. Nutter Terminal after the 1989 Loma Prieta Earthquake to replace damaged underground electrical conduits serving the reefers. A number of portable receptacles are also being used at other terminals to meet increased reefer volumes or to back-up the in-ground receptacles. The use of portable receptacles provides the tenants with the flexibility to move reefers around the yard to suit changes in terminal configurations. However, over the years, more stringent environment controls have been placed on portable generators, thus causing them to fall out of compliance with current air quality standards. Consequently, in lieu of replacing these portable reefer generators with currently compliant units, it is proposed to replace all portable reefer generators in the harbor terminals with underground electrical system(s) within 6 to 9 months. The work consists of installing 12,000-volt switches, transformers and cables, and 480-volt rated reefer receptacles. The normal lead time for the above equipment and materials is 3 to 4 months. To complete implementation of this program within the 6 to 9 month time frame, it is necessary to procure the above equipment and materials now and expedite delivery by dispensing with formal bids and selecting suppliers on the basis of informal quotes. The total estimated cost for this purchase is \$325,000.00. It was recommended that the Board find it to be in the best interest of the Port to dispense with formal bids to purchase electrical equipment and materials, and that the Executive Director be authorized to execute a contract based on the receipt of informal quotations. The recommendation was approved on passage of Resolution No. 98442.

Approval to Dispense with Formal Bids for Installation of Electrical Systems for Reefer Receptacles at the Harbor Terminals was the subject of a memo to the Board from the Director of Engineering notifying the Board that plans and specifications for the installation of electrical systems for reefer receptacles have been prepared. The work consists of installing

12,000-volt rated switches, transformers and cables, and 480-volt rated refrigerated container (reefer) receptacles. The work also includes trenching and excavation for underground electrical conduits, repaving of existing grades in certain areas and the construction of new concrete pits for the receptacles. The electrical system, including new reefer receptacles will be installed at the Ben E. Nutter Terminal, Charles P. Howard Terminal, and Transbay Container Terminal. The work is necessary to replace existing portable reefer receptacles powered by portable generators now used by the terminal operators. Also, over the years, more stringent environmental controls have been placed on this type of equipment, thus causing them to fall out of compliance with current air quality standards. It is in the Port's best interest to complete implementation of this program within a 6 to 9 month time frame by dispensing with formal competitive bidding and executing contracts based on informal proposals solicited from Oakland-based contractors. The engineer's estimate for this work is \$1,000,000.00. Staff will be soliciting proposals from three qualified "small" Oakland contractors who are interested in submitting competitive quotes for this work. To spread the work among them, a contract will be negotiated with the lowest responsible proposer for the work on any one of the three terminals. If negotiations with any or all of these three contractors are unsuccessful, the Port will then solicit proposals from other qualified contractors, first from within the Local Impact Area then from within the Local Business Area, and finally, if necessary, from the general contracting community. It was recommended that the Board find it to be in the best interest of the Port to dispense with formal bids and that the Executive Director be authorized to execute separate contracts for the work. The recommendation was approved on passage of Resolution No. 98443.

Approval of First Supplemental Agreement with G. Borchard & Associates to Environmental Review and Project Management Services for the Berths 55-58 Project was

the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port proposes to develop approximately 250 acres of marine cargo terminals, a tugboat facility, and a 30 plus acres of public park. This effort is known as the Berths 55-58 Project. The Port is preparing and bearing all costs for development of the appropriate environmental review

documents, an EIR under the California Environmental Quality Act (CEQA), and an Environmental Assessment (EA) under the National Environmental Policy Act (NEPA). The Port currently has an Agreement with G. Borchard & Associates (GBA) to manage the environmental review process, and to provide other environmental support as required. The maximum authorized under the existing agreement is \$77,000.00 plus an \$8,000 contingency to be authorized solely at the discretion of the Executive Director. The Executive Director authorized the contingency on October 1, 1998. Several additional tasks not identified in the original scope, or increased levels of effort for tasks identified in the scope have occurred, resulting in additional work: the EIR schedule has been extended from August, 1998, with certification currently expected to occur in March, 1999, this EIR extension is due to several factors, including appropriate timing relative to other project permitting and regulatory efforts, replacement of the original EIR consultant, and thorough response to input on the air quality analysis from West Oakland Neighbors (WON), as required by the Port's Consent Decree with WON; and several issues have become priorities during the EIR development process, including development of a Good Neighbor Program, possible permitting of on-Port equipment, and the effects of ballast water on San Francisco Bay from Port-bound container vessels, and GBA will serve to coordinate the Port's response to these issues, working with Port staff as well as outside consultants. The additional work and level of effort will cost \$94,624.00. It was recommended that the Board authorize the additional amount making the total maximum compensation \$179,624.00 with the Executive Director granted the authority to approve up to \$10,000.00 for additional unforeseen work. The recommendation was approved on passage of Resolution No. 98444.

Authorization to Prepare and Execute an Agreement with EVS Environmental Consultants, Inc. to Perform Sediment Sampling and Testing in Support of Dredging

Activities was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port dredges approximately 150,000 cubic yards (cy) of sediment per year to maintain its berths and connecting channels to the depths required by the shipping lines. Dredging generally occurs on a routine schedule. However, in some cases, unexpected sedimentation of a

berth, or a particular ship's draft requirements, necessitate that "emergency" dredging be performed. Before sediment can be dredged, sediment samples must be collected and analyzed by qualified laboratories. Over the last several years, dredged material testing was conducted under Public Notice 93-9 (PN 93-2) protocols, which required minimal biological testing and chemical analyses to support dredging and disposal at in-bay sites. Recently, Federal, State, and Local regulatory agencies have finalized and promulgated a new set of sampling and testing protocols for dredged sediment (Inland Testing Manual, ITM). These new protocols will require that more biological and chemical tests be performed which will greatly increase costs over those incurred under previous protocols. The potential long-term benefits of the ITM are the future projects will likely require less testing. However, until sufficient data is collected over the next two to three years, an expanded ITM testing program will be necessary. The data collected over the next two years will be critical in the development of an adequate database that correlates sediment chemistry with toxicity and bioaccumulation. Additionally, in order to ensure that dredging projects remain financially feasible under ITM protocols, it is critical that the firm conducting sediment testing also have experience developing sediment screening concentrations using a database of sediment data. The Port issued a Request for Proposals (RFP) for sediment sampling and testing and it was recommended that EVS Environmental Consultants, Inc. be retained to perform the sediment collection and testing services. The EVS Team consists of Aquifer Sciences, Inc., Lafayette, CA, PLS Survey, Inc., Oakland, CA, West Coast Seaworks, Alameda, CA, Sequoia Analytical, Walnut Creek, CA, and Quanterra Environmental Services, West Sacramento, CA. The combination of not only more testing, but also more expensive testing under the ITM, substantially increase the costs of dredge sediment characterization. Over the last 6 years, the Port has spent approximately \$35,000.00 per episode to sample and test sediments according to regulatory protocols. As a result of the ITM, this cost could increase to approximately \$57,000.00 per episode, or more, depending on the particular project. Over the last few years, the Port has dredged 7 berths per year. Based on this record of dredging and the per episode cost of approximately \$57,000.00, the total amount of the contract will be \$800,000.00. This amount should allow for approximately 2 years of sampling

and testing for the Port's dredging program. Because the testing protocols are new, it is difficult to predict how the regulatory agencies will respond to sediment testing data. This uncertainty justifies a \$120,000.00 for additional or unanticipated work. After discussion, the recommendation was approved on passage of Resolution No. 98445.

Informational Presentation and Update on the Middle Harbor Shoreline Park: Master Plan, Stewardship, and Public Investment was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Public Access component of the Vision 2000 Program is currently known as Middle Harbor Shoreline Park (the Park). The Park will consist of 30 plus acres along the shoreline of Middle Harbor, extending from the UP Mole to the existing Port View Park. The Park is one of several components of the Port's Marine Terminal development project, "Berths 55-58". Master Plan and Public Involvement - The Park project is currently 6 months into a 9-12 month process of developing a Master Plan. The Park Master Plan must be developed to a point which will enable the project to receive the required regulatory permits in the spring of 1999. During the past 6 months, the Port and the consultant design team have designed and conducted an extensive public involvement program. The Port has actively sought community input into the design of the Park through meetings with the Park Community Advisory Committee and Technical Advisory Group; extensive public information and outreach efforts; and a Community Design Fair. Also related to the Park project is the development of the Vision 2000 Transportation and Circulation Study. Port staff recently presented the Park project to Senior Management, in order to clarify the Port's goals for the Park, and to receive direction on refinement of the current Master Plan. Staff is working with the East Bay Regional park District, among others, to begin exploring potential management partnerships for the Park. There are numerous local science program operators interested in utilizing the Park (and the Middle Harbor Enhancement Area) for educational purposes. Port staff has identified the need for a strategic business plan, which will enable Port managers to better understand not only the capital or construction costs of the project, but the ongoing maintenance and operations costs as well. The

purpose of the informational briefing was to provide Board members with an update on the Middle Harbor Shoreline Park Project; Master Plan, Stewardship, and Public Involvement.

Adjustment to Compensation and Escalation Terms for Schnitzer Steel Products was the subject of a memo to the Board from the Director of Maritime notifying the Board that Schnitzer Steel Products Co. (Schnitzer) has a thirty year Lease Agreement with the Port for occupancy of approximately 80,047 square feet of water area; i.e., submerged land contiguous to Schnitzer's property along the Oakland Inner Harbor channel line. The permitted use of the area is for loading and discharging steel scrap; other steel products, but only if owned by Schnitzer; other bulk cargo (excluding coal and sulfur) but only if it is inedible by human or animal; and related uses. The current monthly rental is \$2,001.21 and was last increased February 1, 1996. In addition, Schnitzer is to also pay 20% of the Port's tariff dockage and wharfage charges for all commodities loaded or discharged, except for scrap steel and finished steel. However, since scrap steel is the sole operation, it has not been necessary for the Port to assess the additional 20% tariff charges. The Lease Agreement provides for adjustments to the flat monthly rental every thirty months. This modification is to be in accordance with Rent Adjustment Method A or, if requested by the Port or Schnitzer on the 4th and 8th Rent Adjustment Dates, in accordance with Rent Adjustment Method B. Method A is the monthly rental shall be adjusted by the percentage increase, if any, in the scrap steel wharfage rate equivalent to the average published at the Port of Los Angeles and the Port of Long Beach. In no event will the increase be more than 37 1/2%. Method B is adjustment to the monthly rental is based upon the fair market rental value of the leased premises. The monthly rental was last due for an adjustment on August 1, 1998. During negotiations Port staff indicated that it is impractical to base future increases on the average of the scrap steel wharfage rate published at Los Angeles and Long Beach because those adjustments are infrequent and inconsistent with Oakland tariff changes. Accordingly, the modifications are proposed to the Lease Agreement as the new flat monthly rental shall increase from \$2,001.21 to \$2,301.29 and this adjustment will relate back to August 1, 1998; and future monthly rental adjustments will remain on the thirty month cycle and in lieu of adjusting the flat monthly rental on the basis of Method A

or Method B, increases will be based upon the percentage change for the unpaved land rate in Item 10160 of the Port's tariff. The future increases to the monthly rental will be subject to a minimum percentage increase of 5% to a cap of \$210.00. It was recommended that the Board approve the modifications to the Lease Agreement with Schnitzer Steel. The recommendation was approved on passage of Resolution No. 98428.

Award of the Contract for Demolition of Buildings D-533, D-533B and D-534, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the nine bids received and recommending award of the contract to Peak Engineering, Inc., the low bidder, at \$229,000.00. The recommendation was approved on passage of Resolution No. 98429.

Award of Contract for Demolition of Building D-721 and D-722, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the 7 bids received and recommending award of the contract to Claus Construction, the low bidder, at \$450,185.00.

Mr. James Taylor, President of the Bay Area Black Contractors Association (BABCA), Mr. Clarence Hunt representing California Association of Black Personnel Agencies and Ms. Beth Aaron representing BABCA, all appeared before the Board to accuse Claus Construction of unethical practices with particular attention to "bid shopping" with black subcontractors. After considerable discussion, the item was held over for an investigation of the alleged practices.

Award of the Contract for Demolition of Building D-332, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the five bids received and recommending award of the contract to Peak Engineering, inc., the low bidder, at \$366,860.00. The recommendation was approved on passage of Resolution No. 98430.

Plans and Specifications for the Removal and Disposal of Hazardous Materials and Miscellaneous Utility Work at Building D-122, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and

authority to advertise for bids for work. The work consists of removal and disposal of hazardous waste from Building D-122, a 190,000 square foot warehouse facility, and Building D-122A, a 270 square foot storage shed. This work is necessary to prepare the building for deconstruction by Youth Employment Partnership, Inc. (YEP). YEP is a non-profit organization funded by grants for training youths and adults for work in the construction industry. The CEQA and NEPA requirements were completed. The recommendation was approved on passage of Resolution 98431.

Plans and Specifications for Demolition of Building D-223, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Building D-223, a one-story, approximately 74,013 square foot general storage warehouse with concrete floors and exterior walls, steel columns and beams, and built-up tar and gravel roofing over wood decking. CEQA and NEPA requirements were completed. The recommendation was approved on passage of Resolution No. 98432.

Ratification of Emergency Action and Authorization for Rental/Lease of Certified, Permitted Portable Electrical Generator Sets at Various Maritime Terminals and Facilities was the subject of a memo to the Board from the Director of Maritime notifying the Board that on October 20, 1998, the Board authorized ratifying the emergency action directed by the Chief Engineer to replace the existing portable equipment supplying power to the refrigerated containers at the Ben E. Nutter Terminal with a more reliable source of electrical power. Further review of refrigerated container operations at the Nutter Terminal, other container terminals and other Port container handling facilities revealed additional portable equipment supplying power that need to be replaced as quickly as possible. Several of the terminals already have projects in various stages of design that will permanently replace the portable equipment and all efforts to accelerate the projects are being made. In the interim, replacing the older existing equipment with newer, registered portable gensets pending the near-term completion of the electrification projects will reduce genset emissions. Up to 26 of the new smaller gensets will be required for five to seven

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months. Some of the leased units will be replaced as Port owned equipment is modified and upgraded. Staff estimates the total cost of leasing will be \$600,000.00. The cost to lease these gensets will be approximately \$90,000.00 per month initially and decrease as the electrification projects are completed plus modified Port owned units become available. Given the uncertain availability of electrical transformers necessary for the electrification projects, the exact number of units needed and the length of time each unit will be utilized is uncertain at this time. It was recommended that the Board ratify the emergency actions taken to lease portable generator sets as of the date of November 10, 1998 Board meeting; and also recommended was that the Board find and determine that it is in the Port's best interest to dispense with formal competitive bidding and authorize the Executive Director to approve the rental/leasing, as needed, of additional portable equipment to supply power for refrigerated containers in certain marine terminals and other Port container handling facilities up to an emergency and subsequent rental/lease total amount to exceed \$600,000.00 plus a \$50,000.00 contingency to replace existing equipment. The recommendation was approved on passage of Resolution No. 98433.

Personnel Items contained in a memo to the Board from the Acting Director of Administration recommended the appointment of Audree Thomas, as Port Senior Risk Management Analyst, at \$5,856.00 per month, effective November 16, 1998. Also recommended was the creation of two positions of Aviation Commercial Representative V, at salary schedule 543.1 and Legal Office Services Clerk, at salary schedule 22; and to amend the salary schedule assignment for Port Environmental Assessment Supervisor and Port Environmental Compliance Supervisor from Salary Schedule 537 to Salary Schedule 539.2. The recommendation was approved on passage of Resolution No. 98434 for certain appointment; and on an ordinance to print for creation of classifications and amendment of salary schedule assignments.

Revision to Personnel Appraisal Policies was the subject of a memo to the Board from the Acting Director of Administration notifying the Board that on file with the Secretary are copies of proposed revised personnel appraisal policies for employees belonging to Employee Representation Units D (unrepresented technicians and other support staff not exempt from FLSA),
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E (administrators, managers and professionals - exempt from FLSA), and H (senior management). These policies have been revised to simplify the COLA qualification requirements, provide for administrative flexibility in determining the weight to be given the various performance factors, goals and objectives in an employees' overall performance rating, and provide for two alternative evaluation cycles (June 1 to June 1 or December 1 to December 1), and related premium payout cycles (commencing July 1 or January 1). Also changes were made to ensure administrative controls are provided to minimize grade inflation (Division Director approval will be required for rating of "exceeds expectations" or higher), and for clarification purposes. The recommendation was approved on passage of ordinances to print.

Authorization to Purchase New Computer Workstations, Peripheral Equipment, and Software Identified within the Management Information Systems (MIS) 98-99 Budget was the subject of a memo to the Board from the Acting Director of Administration notifying the Board that in support of the Management Information Services (MIS) Long Range Plan to provide a comprehensive office automation system and to streamline workflow throughout the Port, authorization from the Board is requested to purchase computer workstations, related peripheral equipment and port-wide software using informal quotations and open market purchase procedures. Purchases under this program include the purchase and installation of approximately one hundred new PC workstations and related equipment and software licenses. This replacement program is a critical step maintaining the Port's ability to take advantage of computer technology in executing its programs and projects. Standards in computer technology are still rapidly changing, and it is desirable to have flexibility in the acquisition process to take full advantage of the newest developments in the industry. This equipment and software is expected to cost \$268,000.00. It was recommended that the Board find it in the best interest of the Port to proceed with informal quotations for the purchase of new computer workstations, related peripheral equipment, and software through open market procurement, GSA or other cooperative arrangement, and that the Executive Director be authorized to make this purchase. The recommendation was approved on passage of Resolution No. 98435.

Declaration of Port Revenue Fund Surplus for FY 97-98; Recommendation to Transfer Surplus to General Fund to City; and Approval to Reimburse the City for General Services and Lake Merritt Trust Purposes was the subject of a memo to the Board from the

Chief Financial Officer notifying the Board that review of the Port's year-end financial condition, cash position, and the future commitments and plans is required in order for the Board to consider making a determination that there is a surplus at this time of \$1,437,721.00 in the Port Revenue Fund. Such surplus would be sufficient to reimburse the City for General Services payments of \$403,000.00 for fiscal year 97-98 and reimbursement for net City expenditures of local funds for Lake Merritt trust purposes up to \$1,034,721.00. The amounts for General Services and Lake Merritt payments are estimated only and are subject to confirming data to be provided by the City. In order to determine if there is surplus, the Board should consider whether the Port's anticipated cash position at the end of FY 97-98, together with the cash flow forecasts and projected net income for FY 97-98, will provide sufficient funds to support the Port's operating budget for FY 98-99, the Capital Improvement Program, and any other Port purposes stated in purposes First through Eighth of Section 717(3) of the Charter of the City of Oakland. These Port purposes include ensuring payment of Port bond debt service, additions to Port reserves for operating contingencies and providing for equity investment in future capital projects. Under purpose Ninth, Section 717(3), of the Charter, the surplus moneys determined by the Board to exist are to be transferred to the General Funds of the City. State law requires that the surplus, which consists of tideland trust funds, be transferred only for trust purposes, including valid trust debts. The transfer of \$403,000.00 for General Services and \$1,034,721.00 for Lake Merritt would be made in accordance with the Eleventh and Twelfth Supplemental Agreements to the MOU. It was recommended that the Board determine that there is a surplus in the amount of \$1,437,721.00, or any other amount, in the Port Revenue Fund which is not currently necessary for any of the purposes stated in clauses First through Eighth of Section 717(3) of the Charter, and authorize the transfer of the surplus to the General Fund of the City as payment for General Services and for

reimbursement for the City's Lake Merritt trust purpose expenditures. The recommendation was approved on passage of Resolution No. 98436.

Amendment to Port Procedural Ordinance No. 2858 Conforming Change to Reflect the Addition of the Position of Deputy Executive Director to the Port Organizational Chart and to Include the Deputy Executive Director Within the List of Certain Authorized Officers Relating to the Commercial Paper Program was a memo to the Board from the Chief Financial Officer recommending adopting in 1988 following a Charter amendment concerning the Port's revenue bonds and contains certain procedural authorizations. The amendment is a simple conforming change to reflect the addition of the position of Deputy Executive Director to the Port organizational chart and to include the Deputy Executive Director within the list of certain authorized officers. Any delegated authority to such officers is governed by the Resolution of Issue for a particular bond or note issue. The recommendation was approved on passage of an ordinance to print.

Travel Authorization contained in a memo to the Board from the Secretary of the Board recommending approval of the travel of the President of the Board, John Loh, to Dalian, China via Hong Kong to lead and participate in the Oakland Dalian Sister City Trade Mission and returning via Taipei, Taiwan to call on certain shipping lines, on or about the period of November 11 - 18, 1998. The recommendation was approved on passage of Resolution No. 98437.

Specifications for Furnishing Service and Maintenance for Various Elevators, Escalators and Moving Walkways at Port of Oakland Facilities for the Period Commencing January 1, 1999, and Ending December 2001 or 2004 was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the annual contract. The specifications for this contract include a provision allowing the Port the one-time option to renew the contract for a second three-year period through December 31, 2004. Renewal of the contract will only occur if agreed to in writing by both the Port and the Contractor. Should the contract be renewed, all provisions of the contract shall apply, including the provisions that the unit price bid amounts be increased annually in proportion to the Construction

Cost Index of the Engineering News Record (U.S. City Average). In addition, the specifications include provisions allowing the Port unilaterally, within 30 days notice, either to terminate the Contract at the end of any calendar year for any reason or to terminate the Contract at any time if the Contractor fails to perform the work as specified or fails to maintain the specified personnel.

The recommendations was approved on passage of Resolution No. 98438.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Neal, Taylor,

Uribe and President Loh - 6

Noes: None

Absent: Commissioner Kiang - 1

“RESOLUTION NO. 98419

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH ICF KAISER ENGINEERS, INC. FOR ENGINEERING DESIGN CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98420

FINDING AND DETERMINING THAT A PROPOSED EIGHT SUPPLEMENTAL AGREEMENT WITH ENVIRONMENTAL SCIENCE ASSOCIATES FOR ENVIRONMENTAL CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98421

APPROVING INCREASE OF CHANGE ORDER FOR CONTRACT WITH C. OVERAA & COMPANY FOR CONSTRUCTION OF AIRCRAFT RESCUE AND FIRE FIGHTING FACILITY, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, A.I.P. 3-06-1070-12.”

“RESOLUTION NO. 98422

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH SAN JOSE STATE UNIVERSITY FOR AVIATION CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

"RESOLUTION NO. 98423

CONSENTING TO MODIFICATION OF CONDITION TO AIR TERMINAL SERVICES, INCORPORATED'S SUBLEASE TO MCGUIRE CONCESSIONS, LLC DOING BUSINESS AS FRESHENS."

"RESOLUTION NO. 98424

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO RENEW LEASE FOR TERM OF ONE YEAR OR LESS WITH UNITED STATES POSTAL SERVICE."

"RESOLUTION NO. 98425

APPROVING AND AUTHORIZING EXECUTION OF A RELOCATION AGREEMENT WITH THE EAST BAY MUNICIPAL UTILITY DISTRICT FOR THE AIRPORT ROADWAY PROJECT."

"RESOLUTION NO. 98426

CERTIFYING CONSIDERATION OF INITIAL STUDY AND FINAL MITIGATED NEGATIVE DECLARATION FOR THE CONSTRUCTION OF THE JACK LONDON AQUATIC CENTER AT ESTUARY PARK, OAKLAND, CALIFORNIA, FINDING NO SUBSTANTIAL EVIDENCE OF SIGNIFICANT EFFECT ON THE ENVIRONMENT AND APPROVING THE MITIGATION NEGATIVE DECLARATION."

"RESOLUTION NO. 98427

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH VAN MATRE LUMBER CO., INC."

"RESOLUTION NO. 98428

APPROVING AND AUTHORIZING EXECUTION OF SECOND SUPPLEMENTAL AGREEMENT WITH SCHNITZER STEEL PRODUCTS CO."

"RESOLUTION NO. 98429

AWARDING CONTRACT TO PEAK ENGINEERING, INC. FOR DEMOLITION OF BUILDINGS D-533, D-533B AND D-534, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 98430

AWARDING CONTRACT TO PEAK ENGINEERING, INC. FOR DEMOLITION OF BUILDING D-332, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 98431

APPROVING PLANS AND SPECIFICATIONS FOR REMOVAL AND DISPOSAL OF HAZARDOUS MATERIALS AND MISCELLANEOUS UTILITY WORK AT BUILDING D-122, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98432

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-223, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98433

RATIFYING AND APPROVING EMERGENCY ACTION AND AUTHORIZING RENTAL/LEASE OF CERTIFIED, PERMITTED PORTABLE ELECTRICAL GENERATOR SETS AT VARIOUS MARITIME TERMINALS AND FACILITIES."

"RESOLUTION NO. 98434

CONCERNING CERTAIN APPOINTMENT."

"RESOLUTION NO. 98435

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE NEW COMPUTER WORKSTATIONS, PERIPHERAL EQUIPMENT, AND SOFTWARE IDENTIFIED WITHIN THE MANAGEMENT INFORMATION SYSTEMS (MIS) 98-99 BUDGET, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF CONTRACT."

"RESOLUTION NO. 98436

PROVIDING FOR THE PAYMENT TO THE CITY FOR GENERAL SERVICES PROVIDED TO THE PORT AND FOR THE REIMBURSEMENT OF CERTAIN CITY EXPENDITURES FOR LAKE MERRITT TIDELAND TRUST PURPOSES, AND MAKING CERTAIN DETERMINATIONS IN CONNECTION THEREWITH."

"RESOLUTION NO. 98437

CONCERNING CERTAIN TRAVEL."

"RESOLUTION NO. 98438

APPROVING SPECIFICATIONS FOR FURNISHING SERVICE AND MAINTENANCE FOR VARIOUS ELEVATORS, ESCALATORS AND MOVING WALKWAYS AT PORT OF OAKLAND FACILITIES FOR THE PERIOD COMMENCING JANUARY 1, 1999, AND ENDING DECEMBER 31, 2001 OR 2004, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Kramer, Neal, Taylor, Uribe
and President Loh - 5

Noes: None

Absent: Commissioners Harris and Kiang - 2

“RESOLUTION NO. 98439

CONSENTING TO ASSIGNMENT OF LEASE FROM JEN LODGING, LLC TO BAYSTAY LODGING, LLC AND APPROVING A FIRST SUPPLEMENTAL AGREEMENT TO LEASE WITH BAYSTAY LODGING, LLC.”

“RESOLUTION NO. 98440

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR CONSTRUCTION OF CEMENT DEEP SOIL MIXING (CDSM) SHORELINE STABILIZATION, BERTHS 55/56, MIDDLE HARBOR TERMINAL, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98441

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE CRANE MOTORS FOR IMPROVEMENTS TO THE BERTH 24 CRANES WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS AND AUTHORIZING EXECUTION OF A CONTRACT WITH GENERAL ELECTRIC.”

“RESOLUTION NO. 98442

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE ELECTRICAL EQUIPMENT AND MATERIAL TO POWER REEFER RECEPTACLES AT THE HARBOR TERMINALS, OAKLAND, CALIFORNIA WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98443

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR INSTALLATION OF ELECTRICAL SYSTEMS FOR REEFER RECEPTACLES AT THE HARBOR TERMINALS, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98444

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH G. BORCHARD & ASSOCIATES FOR MARITIME CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98445

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH EVS ENVIRONMENTAL CONSULTANTS, INC. FOR ENVIRONMENTAL CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

Port Ordinance No. 3463 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A FIRST SUPPLEMENTAL AGREEMENT TO MASTER LEASE AND SITE MANAGEMENT AGREEMENT WITH AMERICAN TOWER L.P. WIRELESS TELECOMMUNICATIONS ASSIGNEE OF DIABLO COMMUNICATIONS, INC.,” and Port Ordinance No. 3464 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH G&W SERVICES CO.,” and Port Ordinance No. 3465 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH HARBOR REEFER SERVICE, INC.” and Port Ordinance No. 3466 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING ADDITIONAL POSITION OF PORT SENIOR PROJECT RISK MANAGEMENT ANALYST, AND ADDING ADDITIONAL POSITIONS WITHIN EXISTING PORT CLASSIFICATIONS,” and Port Ordinance No. 3467 being, “AN ORDINANCE RATIFYING AND AMENDING SECTION 1.03 OF PORT ORDINANCE NO. 867 RELATING TO COMPENSATION FOR CERTAIN OFFICERS AND EMPLOYEES,” were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kramer, Neal, Taylor,
Uribe and President Loh - 6

Noes: None

Absent: Commissioner Kiang - 1

Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A LEASE WITH JACK W. RATLIFF CORPORATION DOING BUSINESS AS ASTRO-AIRE ENTERPRISES." and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A MULTI-YEAR LICENSE AND CONCESSION AGREEMENT WITH ALASKA AIRLINES, INC., AND DIRECTING RECORDATION THEREOF," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, ADOPTING NEW SALARY SCHEDULE FOR PORT ENVIRONMENTAL ASSESSMENT SUPERVISOR AND PORT ENVIRONMENTAL COMPLIANCE SUPERVISOR, AND CREATING ADDITIONAL POSITION OF AVIATION COMMERCIAL REPRESENTATIVE V AND PORT ATTORNEY LAW CLERK," and Port Ordinance No. ____ being, "AN ORDINANCE TO PROVIDE FOR THE ISSUANCE AND SALE OF DEBT INSTRUMENTS PURSUANT TO SECTION 706(24) OF THE CHARTER OF THE CITY OF OAKLAND, CALIFORNIA," were read a first time and passed by the following vote:

Ayes: Commissioners Harris, Kramer, Neal, Taylor,
Uribe and President Loh - 6

Noes: None

Absent: Commissioner Kiang - 1

Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 2.1 OF PORT ORDINANCE NO. 2832 RELATING TO ESTABLISHING STANDARDS AND RESTRICTIONS REGULATING THE USE OF LAND AND THE DESIGN AND CONSTRUCTION OF STRUCTURES AND OTHER IMPROVEMENTS IN THE OAKLAND AIRPORT BUSINESS PARK," and Port Ordinance No. ____ being, "AN ORDINANCE

AUTHORIZING AND APPROVING THE EXECUTION OF TERMINAL USE AGREEMENT WITH SAGA FORREST PRODUCTS,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE SECTION 1.0302 OF PORT ORDINANCE NO. 867 PROVIDING FOR ADDITIONAL COMPENSATION FOR EMPLOYEES BELONGING TO EMPLOYEE REPRESENTATION UNIT H UNDER THE TERMS OF THE PERFORMANCE MANAGEMENT PROGRAM,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 1.0301 OF PORT ORDINANCE NO. 867 PROVIDING FOR ADDITIONAL COMPENSATION FOR EMPLOYEES BELONGING TO EMPLOYEE REPRESENTATION UNITS D AND E UNDER THE TERMS OF THE PERFORMANCE MANAGEMENT PROGRAM,” were read a first time and passed by the following vote:

Ayes: Commissioners Kramer, Neal, Taylor,
Uribe and President Loh - 5

Noes: None

Absent: Commissioners Harris and Kiang - 2

At the hour of 7:05 p.m. the Board re-entered into closed session and reconvened in open session at the hour of 9:42 p.m. during which time President Loh excused himself from the meeting.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Taylor, Neal, Uribe
and First Vice President Kramer - 5

Noes: None

Absent: Commissioner Kiang and President Loh - 2

"RESOLUTION NO. 98446

1) ACCEPTING SETTLEMENT OFFERS FROM C. DUANE ERICSON COMPANY, INC. AND C. DUANE ERICSON (AND INSURANCE CARRIERS AS NECESSARY); AND MARINE TERMINALS CORPORATION (AND INSURANCE CARRIERS AS NECESSARY); 2) AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SETTLEMENT AGREEMENTS WITH SAID PARTIES (AND INSURANCE CARRIERS AS NECESSARY; AND 3) APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A SECOND EXTENSION TO THE DEFENSE FUNDING AGREEMENT AND PARTIAL SETTLEMENT AGREEMENT REGARDING INDEMNITY, CONCERNING CITY OF OAKLAND V. KEEP ON TRUCKING COMPANY, INC. ET AL., UNITED STATES DISTRICT COURT CASE NO. C-95-03721-CW."

At the hour of 9:44 p.m. the meeting was adjourned on a motion duly made and seconded.



Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting was held on Tuesday, October 20, 1998, at the hour of 3:17 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Loh presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

Commissioners absent: None

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Engineering; Acting Director of Administration; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; and Secretary of the Board.

The minutes of the regular meeting of September 15, 1998; adjourned regular meeting of September 29, 1998; and special meeting of October 13, 1998 were approved as submitted and ordered filed.

Appearance: Mr. Warren Weber representing the California Department of Transportation presented the Port with an "Excellence in Transportation Award" for the Jack London Square AmTrak Station.

Ms. Leigh Keller-Rice representing the Lakeview Club appeared before the Board to present a painting in honor of the Port's status as the "Economic Engine" for the City of Oakland.

Approval to Execute a Professional Services Agreement with JTB Airport Alliance for Program Management Consultant Services for the Terminal Expansion at MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that on June 4, 1998 the Board authorized negotiations to begin with JTB Airport Alliance as the Program Manager Consultant (Program Manager) for the Airport Terminal Expansion Program. JTB September 15, 1998

Airport Alliance is a three-consultant joint venture comprised of two local firms (F.E. Jordan and Don Todd Associates) and one national firm (Bovis Construction Corporation), all with significant experience in projects similar in scope and size to the Port's. At the time of the authorization, the Port and the consultant's staff were in the process of defining the scope of work and maximum compensation. It was agreed that upon completion of said negotiations, Port staff would report to the Board the terms of the proposed contract and would request Board authorization to proceed with the execution of the contract. The Program Manager will play a crucial role in the management and control of the Terminal Expansion Program. The Program will require an estimated seven years to complete and will cost over \$500 million. This Program is the first of its size and nature that will be undertaken by the Port in recent history, and the Port does not have all the resources necessary to run such a program. The Port and the consultant's staff have now reached agreement on the scope of work, staffing levels, and compensation for the above project. The Program manager will supplement Port staff and resources as required to manage the Program, including but not limited to: providing administrative support; establishing and maintaining project controls; assisting in program definition; project management; design management; and construction planning and logistics. It is expected that the services of the Program Manager will be required for a period of seven years. All tasks to be performed by the consultant will require written approval by the Port's Terminal Expansion Program Director. For performing the work, the consultant will be compensated on the basis of direct labor rates, overhead, profit, and direct reimbursable expenses. The total maximum compensation that can be made under this agreement shall be \$19.5 million. It is also recommended that the Executive Director be authorized to approve up to \$2.85 million increases in compensation for potential changes in scope. The amount of the proposed contract is substantially higher than the amount estimated in the June 4 agenda letter to the Board. The original estimate of \$10 million was intended to be the Port's starting point in the negotiation process. It was based on assumptions of Port supplied resources which have now been reduced due to other Port needs. The negotiated amount is based on a very detailed staffing analysis for a substantially increased scope of work. Based on information available from outside

resources, the industry standard for program management services ranges between 4% to 8% of the total program costs, depending on scope and complexity. The proposed not to exceed amount represents approximately 4.5% of the Port's program cost. The Port may enter into a Project Labor Agreement (PLA) for this program. Should the Port decide to enter into a PLA, the Program Manager may act in an administrative role in the implementation of a PLA. It was recommended that the Board authorize the Executive Director to enter into a professional services agreement for Program Manager Consultant Services for the Airport Terminal Expansion Program. After discussion, the recommendation was approved on passage of Resolution No. 98414 with Commissioners Neal and Uribe voting no.

Approval of Professional Services Payment for Presentation Materials Related to Master Architect Proposals, Terminal Expansion at MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that to increase passenger traffic, airline operations, parking lot activity, and rental car concessions, the Port intends to reconstruct the passenger terminal facilities at the Airport to maintain convenient facilities within budgetary constraints and the Port will ensure that these facilities are functional, constructable, and maintainable while achieving the goal of a world class terminal complex as the gateway to the East Bay region. The Port wants to ensure that the design of the various elements of the expansion program (Program) is presented by an architectural theme that is cohesive and in keeping with the Program's mission statement and values. The Port proposes to employ the services of a qualified consultant or team of consultants in the role of the Master Architect (Architectural and Engineering) consultant to work with the Port in creating the schematic design theme of the entire Terminal Complex; setting the architectural standards and design criteria for the entire Terminal Complex; performing design development packages for individual buildings to be completed by others; and conducting plan checks of design work to be done by other consultants to assure conformance with the schematic design and established architectural standards set forth in the specific design development package. The Port received 11 responses to the request for qualifications. Out of the 11 teams that submitted responses, six were short listed and asked to

submit proposals. The selection committee (which consisted of representatives from Aviation, Engineering, Office of Equal Opportunity, Purchasing, Airline Liaison Office and one outside representative) evaluated the six proposals on the basis of technical ability; understanding of the Master Architect role; aviation architecture and other relevant experience; depth of resources; teamwork; logic and clarity of the proposal; and local business utilization. The six proposals were ranked and the results indicate a logical break between the top two teams. The top two teams will be invited to continue the selection process. In order to reliably determine which of the two teams has the best experience and understanding of the Port's values and requirements for the Program, it is proposed that these two teams be invited to participate in individual interviews/design charettes, each lasting a full day. The purpose of the interview is to allow an interactive process between the Port and the two teams. They will be instructed to come with ideas that support the Program's values and address the functional plan for the expansion; constructability and maintenance issues; and maintenance of existing levels of convenience operations during the various stages of construction. Each team will be asked to support their ideas with presentation materials, including renderings and other items, as they deem appropriate, during the interview. Since this will require significant work and because the Port wishes to ensure that the smaller firms on the teams have an opportunity to participate, it is proposed that a \$25,000.00 stipend be paid to help defray the expenses of the unsuccessful candidate. It is intended that this sum be distributed among the team's participant firms so as to enable the smaller firms to take appropriate roles in the preparation and presentation of the interview/charette. The performance of the two teams in the interview process will be compared on the basis of the experience of the firms and their proposed personnel, the demonstrated teamwork both within their own teams and with the other Program participants on the interview panel, and their commitment to the benefit of the local community. After discussion, the recommendation was approved on passage of Resolution No. 98415 with Commissioner Neal voting no.

Approval of First Supplemental Agreement with the Service Institute was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Airport
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Ambassador program developed by the Service Institute has helped the Port make great strides in increasing coordination among all staff at the Airport, including Port employees and tenants who must work together to create positive impressions and deliver high quality service to airport travelers. One thousand employees were targeted for the training during the first phase of the contract and the goal was exceeded by more than 30 percent and 1,400 front-line staff have been trained. These include all Port employees from various departments who deal first hand with customers and from all sectors of the Airport, including airlines, car rental, concessions, baggage, skycaps, security screeners and more. The dramatic contribution by the Service Institute, a national leader in airport service program development, has been its successful enlistment of Southwest Airlines to join not only the training but the incentive portion of the program. As a result of the Service Institute's recruitment, Southwest Airlines has become the major airline participant, which in recent months has prompted Delta Air Lines as well as other airlines to become involved. In addition, Southwest Airlines has joined American Express and Holland America Lines, two major program sponsors recruited by the Service Institute, as the major airline sponsor of the Airport Ambassador incentive program by contributing numerous air travel benefits for the program's top courtesy performers. The Airport Ambassador program continues to grow in reputation as it touches all members of the OAK community and helps the Port increase commendations from travelers as well as reduce complaints. During the upcoming airport expansion, the program will become even more crucial as a support for staff, as expansion of the facility puts increased demands for service performance on the front line staff; and in the upcoming fiscal year, the Service Institute will form a partnership with a customer service professional in the OAK Local Impact Area who will work to increase program visibility and scope. It was recommended that the Board enter into the First Supplemental Agreement with Service Institute for a total of \$72,000.00 for fiscal year 1998-1999. The recommendation was approved on passage of Resolution No. 98396.

Approval of Extension of Space Use Agreement for Pacific Bell Public Telephones was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Port has a Space Use Agreement with Pacific Bell under which Pac Bell pays the Port 26% of the October 20, 1998

charges assessed for each covered call made from the Airport's Pac Bell pay telephones. A covered call is a call made from a Pac Bell public telephone located at the Airport which terminates in PAC Bell's local Service Area No. 1. Currently, Service Area No. 1 consists of the geographic area serviced by area codes 707, 510, 925, 650 and portions of 408, also known as the "San Francisco Service Area." In Fiscal Year 97/98, Pac Bell paid the Port approximately \$90,000.00 in commissions from the 115 Pac Bell pay telephones at the Airport. In Fiscal Year 98-99 is projected to pay the Port approximately \$95,000.00 in commissions from the Pac Bell pay telephones. The Port and Pac Bell initially entered into the Agreement in November 1992. The Agreement provided for an extension period of three years, which terminates October 31, 1998. Pac Bell has agreed to, and executed, an extension to the Space Use Agreement which would extend the term for one additional year to October 31, 1999. As part of the Terminal Expansion Project an extensive review of the telecommunication service is underway and it is necessary to extend the existing pay telephone agreement to assure that pay telephones continue to be available to the public during the review process. It was recommended that the Board approve and authorize the Executive Director to sign an extension to the Space Use Agreement with Pac Bell to provide pay telephones at the Airport to October 31, 1999. The recommendation was approved on passage of Resolution No. 98397.

First Reading of an Ordinance Approving First Supplemental Agreement To American Tower L.P. Wireless Telecommunications Master Lease and Site Management Agreement was the subject of a memo to the Board from the Director of Aviation notifying the Board that on October 21, 1997, the Board adopted an ordinance approving and authorizing execution of a Master Lease and Site Agreement with Diablo Communications, Inc. (Agreement) to authorize Diablo to master lease a storage facility located in Terminal One for an unmanned telecommunications facility. As contemplated in the Agreement, Diablo has assigned the Agreement to American Tower L.P. (American). American has determined that the premises identified in the Agreement are not suitable for its proposed facility due to FAA imposed constraints. Port staff and American have identified another location on the Airport where

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American proposes to construct a telecommunications tower. It was recommended that the Board provide for the relocated telecommunications facility. The following modifications to the Agreement have been negotiated with American to reflect the differences in the proposed project as a result of the changed location and proposed construction tower: American's right to expand its premises will be deleted; the effective date of the Agreement will be the effective date of the First Supplemental Agreement; the term of the Agreement will be reduced from 25 years to 15 years (including two five year options); the Port will have the right to terminate the Agreement at any time and for any reason on 180 days notice provided that the Port pays American's unamortized cost of improvements if the Agreement is terminated pursuant to this provision within the first five years of the Term; monthly rent will be \$1,500.00 per month for the first 12 months, \$2,500.00 for the next 12 months, and 25% of Gross Revenue thereafter. The proposed Agreement is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of an ordinance to print.

Approval of New License and Concession Agreement with ServiceMaster Aviation Services, L.P. was the subject of a memo to the Board from the Director of Aviation recommending approval of to renew their agreement to perform interior aircraft cleaning and other related services for the Airport airlines. The agreement would have a one-year term commencing on September 14, 1998, with a 30-day termination provision. ServiceMaster would perform its work on apron between the flight times of its contracted airlines. The monthly rental is a minimum of \$250.00 or 10% of gross revenues, whichever is greater. The recommendation was approved on passage of Resolution No. 98398.

Spanish Speaking Unity Council Grant and Amendment of Contract with Kleinfelder was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Spanish Speaking Unity Council (SSUC) has been working with the Port and the City as we move forward to making Union Point Park a reality. One of the issues that the Port needed to address prior to any preliminary design work was the soil condition relative to contamination. The initial investigation of the site, under the site investigation plan approved by

the Port at a cost to the Port of \$19,000.00. This cost may eventually go higher if further investigation is warranted. The Spanish Speaking Unity Council has agreed to reimburse the Port \$10,000.00 for our site investigation. The results of the investigation will be shared with the SSUC and their consultants working on preliminary design for the park. The Port has under annual contract, several environmental firms. The firm selected to do the soil testing at Union Point was a firm by the name of Kleinfelder. Since each contract with the consulting firms has an upper limit on the amount the Port can contract for during the life of the contract, the Port would like to amend the Kleinfelder contract to add an additional \$10,000.00 to the upper limit of the contract. It was recommended that the Board accept the grant of \$10,000.00 from the SSUC, and it was also recommended that the Board approve the amendment to the contract with Kleinfelder by adding \$10,000.00 to that contract's upper limit. The recommendation was approved on passage of Resolution No. 98416 with Commissioner Uribe abstaining.

Acceptance for Airport-Hegenberger Gateway Development Plan was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Board authorized, in July 1997, a collaborative effort between the Port and the City of Oakland to analyze what could be done to enhance the image and development potential of the "gateway" to the airport along Hegenberger Road and 98th Avenue. In August 1997, the Board approved hiring Michael Willis & Associates and the Sedway Group to provide the planning services associated with the Gateway Development Plan. The purposed of the plan was to develop an improvement strategy for implementation by the City and the Port of Oakland to enhance economic development opportunities and create a positive image in the Gateway area. The Gateway area includes the properties along Hegenberger Road from Doolittle Drive at the entrance of the Airport to the Coliseum BART Station and those properties along 98th Avenue from Doolittle Drive to Empire Road. Because Hegenberger Road serves as a primary gateway to the City of Oakland, the Coliseum and the Airport, a development plan for this area represents a significant opportunity to capitalize on some of Oakland's major assets and improve the City's image as a regional center for business, commerce, recreation, hospitality, and transportation. Several major public investments

are currently planned for the Gateway area, including the Oakland Airport Development Program, an expansion of the terminal and construction of new passenger, cargo and maintenance facilities; Airport Roadway Improvements and 98th Avenue widening; BART Connector or "People-mover", a shuttle service to quickly and conveniently transport BART riders down Hegenberger Road to the Airport; the Capitol Corridor/Amtrak Station, an intercity rail station that will provide local access to rail service connecting the San Jose/Oakland area to Sacramento; and the recently completed Coliseum Arena Expansion. The Hegenberger Road Gateway is also part of the Coliseum Redevelopment area. It was recommended that the Board accept the Airport-Hegenberger Gateway Development Plan. The recommendation was approved on passage of Resolution No. 98399 .

Approval for Port of Oakland Along with its Partner, City of Alameda to Issue a Request for Proposal for an Operator of the Alameda/Oakland Ferry Service was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Port and the City of Alameda have entered into an agreement for the funding and operating of the Alameda/Oakland Ferry service. This service is being administered under the Joint Powers Agreement (JPA). Under the Agreement, the City of Alameda is the lead agency. In 1994 the City of Alameda (under its authority in the JPA) entered into an agreement with Blue and Gold Fleet for the operation of Ferry services from Jack London Square and Alameda Main Street. This agreement was a one year term and contained four - one year extensions subject to agreement of subsidies, fares and schedules. This agreement expires on March 28, 1999. Over the past five years, the Alameda/Oakland Ferry service ridership has grown steadily from a total of 248,000 riders in 1993 to approximately 453,000 for the year ending July 5, 1998. Following the September 1997 BART strike, weekday departures were increased from 12 to 15 and a fare increase was implemented in May 1998. It was recommended that the Board approve a Request for Proposal (RFP) because the current agreement expires and it is necessary to allow prospective operators sufficient time in securing vessels, docking rights and any required Public Utilities Commission certificates. The RFP established a minimum weekday service level of 12 departures, but October 20, 1998

encourages increased service levels by awarding evaluation points for additional departures above the minimum. The selected operator will receive a cash subsidy, use the Encinal vessel (owned by the City of Alameda-under the auspices of the JPA), and retain all farebox and concession revenue. The FY 1999-2000 subsidy for the service will remain at the current level of \$521,000.00. The proposed new agreement would be for an initial term of 12 months with an option for four additional one year periods pending mutual agreement. The subsidy moneys are funded 80% from Regional Measure 1 Funds, 10% from local City of Alameda funds and 10% from the Port funds. The recommendation was approved on passage of Resolution No 98417 with Commissioner Kramer voting no.

Approval of Submittal of Application to the State of California Under the Environmental Enhancement and Mitigation Program - Union Point Project was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Environmental Enhancement and Mitigation (EEM) program provides grants to federal, State and Local agencies and non-profit organizations to mitigate the environmental impact of modified or new public transportation facilities. The EEM program was established by the State Legislature in 1989 and provides, as approved by the Legislature, up to \$10,000,000.00 per year to this program. The Port is applying for these funds in connection with the fact that both Interstate 880 and Interstate 580 both highly impact Oakland's Fruitvale and San Antonio Districts and the fact that extensive earthquake retrofit projects are being undertaken on these corridors. Last year the Port applied for \$300,000.00 for these funds for the Union Point Park Project. The funds were used to match a local City of Oakland contribution for the purchase of the remaining private parcel in the Union Point project. The parcel is the 30,000 square foot portion of the former Cryer Boat Yard at Dennison Street and Embarcadero. Because of the strong community support and committed local funds, the program ranked very high, however, competing projects throughout the state also ranked high and funding was not obtained for the project. This year the Port will again apply for funds for this project and limit its request to \$250,000.00. Matching funds for the project would again be obtained from the City of Oakland for \$250,000.00 from Measure K Series C bond funds and an

additional \$150,000.00 is committed from private foundation grants, through a commitment from the Trust for Public Lands. Together these funds would cover the full acquisition cost of the Cryer Parcel. This project is consistent with the City of Oakland Estuary Plan and with the Port's commitment to the community to provide Port land for the purpose of park development at Union Point. According to the procedures and criteria established by the Resources Agency, the Port is required to submit a resolution certifying approval for the grant application by the applicant's governing body before submission of the application to the State. The application was submitted prior to the deadline of October 9, 1998, subject to a resolution from the Board affirming the Executive Director's authority to execute the application. It was recommended that the Board approve the submittal of the application for grant funds to the State of California under the Environmental Enhancement and Mitigation program for the Union Point Project. The recommendation was approved on passage of Resolution No. 98400.

Supplemental Agreement with LaSalle Partners to Perform Facilities/Maintenance

Study was the subject a memo to the Board from the Acting Director of Administration notifying the Board that in April 1998, the Port retained LaSalle Partners to provide a strategic analysis and recommendations of the Commercial Real Estate (CRE) Division and Portfolio. This included a discussion and recommendations for improvement of CRE Facilities Maintenance operations. A task force of senior managers and selected staff also have reviewed the CRE, Maritime Facilities Maintenance and Central Utilities support operations. As a result of these reviews, it has been determined that the Port should consider restructuring alternatives across divisional CRE and Maritime facilities maintenance operations. It was recommended that the Board approve an agreement with LaSalle Partners to provide further advisory services and a report based on: Operations Maintenance Assessment which would identify a facility maintenance organization structure which promotes accountability and effective management of the CRE and Maritime Division real estate assets; "Best Practices" in conjunction with the organizational review, LaSalle will review the processes, procedures, tools and methods being used by the Port to perform its facilities maintenance, and included in this review will have been an evaluation of preventative and

predictive maintenance procedures, energy management processes, safety and security procedures, sub-contracting, inventory, tool management procedures, technology status, and performance measurement; and Facilities Maintenance System Analysis ensuring that the appropriate technological tools are provided to support its Maritime and CRE operations and LaSalle will evaluate current maintenance systems, determine shortcomings or gaps in the technologies' ability to expedite workflow or to provide data critical to analyzing and improving workflow efficiencies, and compare the current system/configuration to industry standards and best-in-class. LaSalle anticipates the time frame of the engagement to be five weeks. LaSalle Partners requires a fee of \$55,000.00 plus reimbursement of reasonable expenses associated with the engagement subject to the Port's approval. The recommendation was approved on passage of Resolution No. 98418 with Commissioner Taylor voting no.

Approval of a Building Permit Application for Maersk Pacific, Ltd. for Paving Repairs and Improvements at Berth 24 was the subject of a memo to the Board from the Director of Engineering recommending approval for paving repairs and improvements to Berth 24. The work represents a portion of the improvements to be covered by the Agreement and includes installing two fire hydrants; installing a 6' water line, including connections to an existing 8" main; installing a 12" storm drain, including connections to the existing storm facility; providing asphalt overlay over the entire site; restriping parking stalls and installing truck bumpers and protective bollards around adjacent above-ground improvements; demolishing of the existing marine operating building (C-318); and installing a new modular building to replace the existing marine operations building. The estimated value of the work is \$700,000.00. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98401.

Ratify Agreement with the U.S. Navy for the Port to Provide Utility Services, and Operations and Maintenance Services to Building D-442 at Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board that on December 3, 1993, the Port entered into a leasehold agreement with the Department of the Navy

for acquiring the first parcel of land at the Fleet Industrial Supply Center (FISCO) under U. S. Government Lease. Pursuant to the Fourth Amendment to this lease, the Port secured a 50-year leasehold interest covering the entire 530 acres of the former FISCO. As a condition of the Lease, the Port was required to take over the operations and maintenance work of most of the utility systems and other infrastructure located within the FISCO boundary. To further satisfy the provisions of the Lease, the Port must provide continuity of utility service within the remaining Government Reserve Area, to the Naval Regional Plant Equipment Office (NRPEO) located in Building D-442. Under the Fourth Amendment to Lease, the Navy may occupy this building until April 30, 1999 and in order to fulfill this obligation, the Director of Engineering executed a U.S. Government contract to provide electricity, gas, water and sewer services, and limited operations and maintenance services to NRPEO in the amount of \$9,527.46 per month for seven months for a total of \$66,692.22 payable to the Port. It was recommended that the Board ratify the execution of said U.S. Government Contract by the Director of Engineering, to provide electricity, gas, water and sewer services, and limited operations and maintenance services to the Naval Regional Plant Equipment Office located at the former Fleet and Industrial Supply Center in Building D-442. The recommendation was approved on passage of Resolution No. 98402.

Ratification of Emergency Action for Installation of Temporary Electrical Power to Reefer Receptacles, Ben E. Nutter Terminal was the subject of a memo to the Board from the Director of Engineering notifying the Board that there is an urgent need to replace the existing portable equipment now supplying power to the refrigerated containers (reefers) in certain marine terminals with a more reliable source of electrical power. Given the urgency of the situation at the Ben E. Nutter Terminal, the Chief Engineer declared an emergency situation existed and directed that a contractor be hired to immediately furnish and install a temporary power system hard wired directly to receptacle panels serving 150 reefer container storage spaces at that terminal. The work is expected to be completed by November 2, 1998. The estimated cost for the temporary improvements will be approximately \$350,000.00. Proposals have been solicited from two very competent electrical contractors with significant experience in our Marine Terminals, and the low

proposer is California Electric Company, with a proposal amount of \$184,598.00. Rosendin Electric, Inc.'s, the other proposal, was \$258,863.00. California Electric Co. has begun the work and expects to be complete by October 27, 1998. The majority of the cost for the temporary improvements is associated with the expense of the electric conductors. Fortunately, these electric conductors may be removed from this temporary installation and then reused in the eventual permanent construction project. Preliminary design work has begun on the permanent installation subject to revision after tenant review. Given the potential terminal assignment changes after the Vision 2000 terminals open, it may be desirable to postpone the permanent project until then to assure that the then current tenant's needs are efficiently met. The City's Chief Electrical Inspector has advised that the temporary electrical system may remain in place for 3-5 years, if necessary. It was recommended that the Board ratify the emergency actions and the expenditure of approximately \$350,000.00 to provide temporary electrical power to 150 reefer receptacles. The recommendation was approved on passage of Resolution No. 98403.

Ordinance Approving Lease with G & W Services (G&W) for a Portion of Building D-833 Located at the Harbor Transportation Center was the subject of a memo to the Board from the Director of Maritime recommending approval of a lease with G & W Services for approximately 4,740 square feet of Building D-833 at the Harbor Transportation Center (HTC) as a distribution and warehousing operation. G & W is a major parts vendor for the Port and an Oakland based small business. By relocating its operation to the HTC, G & W believes it will save the Port certain costs by shortening the lag time between purchase request and delivery. G & W also plans to supply materials specific to maritime operations. The term of the lease is five years, no options to extend the term and the lease contains a 90 day cancellation provision to be exercised without cause by either G & W or the Port. The rental rate is \$1,233.00 per month which is greater than the tariff rate for warehouses and subsequent annual CPI rental adjustments--less than 3%. G & W shall pay for all utilities and be responsible for operational maintenance and repair to the property and shall be responsible for any future utility improvements that may be required during

the lease term. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of an ordinance to print.

Ordinance Approving Lease with Harbor Reefer Service Inc. (HRS) for a Portion of Building D-833 Located at the Harbor Transportation Center (HTC) was the subject of a memo to the Board from the Director of Maritime recommending approval of a lease with Harbor Reefer Services, Inc. for approximately 7,185 square feet of Building D-833 as a distribution, warehousing, and truck refrigeration repair for the major seaport tenants. HRS has been an Oakland based business since 1984. HRS hires skilled local talent from the machinists' union and by relocating its operation to the HTC, HRS will be able to provide better customer service by its proximity to its major customers. The term of the lease is five years, no options to extend the term, and a 90 day cancellation provision to be exercised without cause by either HRS or the Port. The rental rate is \$1,868.00 per month which is greater than the tariff rate for warehouses and subsequent annual CPI adjustments based on the percentage change but no less than 3%. HRS shall pay for all utilities and be responsible for operational maintenance and repair to the property including surface, utilities and fencing and HRS shall be responsible for any future utility improvements that may be required during the lease term. The project is categorically exempt and does not require preparation of an environmental document. The recommendation was approved on passage of an ordinance to print.

Award of Contract for Demolition of Building D-432, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the seven bids received and recommending award of the contract to R & B Equipment, Inc., the low bidder, at \$229,957.00. The recommendation was approved on passage of Resolution No. 98404.

Authorization to Include Demolition of Building D-410, Harbor Transportation Center, in the Small Business Program was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has demolished, or will be demolishing, more than one hundred structures at the Harbor Transportation Center (HTC). Many of these structures are too large to be suitable for inclusion in the Port's Small Business Program. Of the structures

suitable for inclusion in the program, Building D-410 is scheduled for immediate demolition. The work consists of demolition and removal of Building D-410, a 13,000 square foot fire station. This work is necessary in order to clear the site for construction of the Joint Intermodal Terminal beginning in early 1999. It was recommended that the demolition of Building D-410 be included in the Port's Small Business Program and that it be found to be in the best interest of the Port to dispense with formal bidding procedures for this work. It was also recommended that the Executive Director be authorized to execute a contract for this work with a small local contractor, said contract to be based on informal competitive bidding and to be for an amount not to exceed \$150,000.00; and that the Executive Director be authorized to execute a contract for this work with any qualified contractor, based on informal, competitive bidding, if the attempt to secure acceptable bids from small local contractors is not successful. The recommendation was approved on passage of Resolution No. 98405.

Personnel Items contained in a memo to the Board from the Acting Director of Administration recommended the appointment of Robert Maneggio, as Assistant Port Electrical-Mechanical Engineer, effective November 9, 1998, at \$4,871 per month; Anne T. Henny, as Senior Project Administrator, effective October 26, 1998, at \$6,411.00 per month; Bo Estella, as Port Technical Support Analyst II, effective November 9, 1998, at \$3,743 per month; Cherrie Rideout, as Personnel Technician, effective October 26, 1998, at \$4,147.00 per month; and Robert J Andrews, Chris C. M. Chan, and Franklin R. Lobedan, as Engineering Project Managers, effective October 26, 1998, at \$7,204.00 per month. Also recommended was the salary adjustment for Richard Sinkoff, as Port Environment Assessment Supervisor, to \$6,340.00 per month, step "c", effective October 5, 1998; and creation of the classification of Port Senior Risk Management Analyst. Further recommended was the creation of Senior Maritime Projects Administrator - Traffic Representative V, in the Maritime Division and examination announcement for the Civil Service classification of Supervising Civil Engineer. The recommendation was approved on passage of Resolution No. 98406 for certain appointments; Resolution No. 98407 examination

announcements; Resolution No. 98408 for certain appointment of Richard Sinkoff and on an ordinance to print for creation of classifications and additional positions.

Correction of Performance Incentive Program Default Provisions was the subject of a memo to the Board from the Acting Director of Administration notifying the Board that in 1994, the Board established a Performance Incentive Program for employees in Employee Representation Units D and F. Under the terms of the Program, employees became eligible for salary step advancements through their respective salary schedules based upon exemplary performance as reflected in the employees' annual performance appraisals. One limitation of the program was that an employee with exemplary performance, who otherwise was eligible for a salary step advance, could be denied the salary step advance if the employee's rater failed to submit the employee's evaluation to the Port's Program Administrator within 60 days of an employee's evaluation due date. A review of the Program revealed that over the course of the Program's implementation (6 years) approximately 9 employees with exemplary performance appraisals were deprived salary step advances due to no fault of their own, but based solely on the failure of evaluations to be submitted to the Program's Administrator within 60 days of the respective evaluation due date. The average loss in salary for these employees has been approximately \$3,700.00. To correct for the denial of earned but unpaid salary step advances, it is recommended that the Board approve payment of salary increases to those employees who met the eligibility criteria for such advances but were deprived advances as a result of the submission of late evaluations to the Program's Administrator. The cost to the Port to approve payment of the earned salary increases totals approximately \$38,000.00. The recommendation was approved on passage of an ordinance to print.

Approval of Organizational Structure was the subject of a memo to the Board from the, Acting Director of Administration notifying the Board that with the appointment by the Board of the Deputy Executive Director, approval is requested to realign the direct reports between the Executive Director and the Deputy Executive Director to ensure achievement of the Port's mission and strategic objectives. Executive leadership of the Port operations requires an allocation of

leadership responsibilities between the Executive Director and the Deputy Executive Director relating to issues and interests that may impact the achievement of the Port's long-term goals and objectives and relating to day to day operational concerns. To assure comprehensive executive involvement by the Executive Director in matters affecting the Port's achievement of its long-term goals and objectives as set forth in the Port's strategic and policy planning concerns, relations with the Commissioners and public affairs and communications with the residential and business communities served and impacted by the Port. The Deputy Executive Director would provide oversight and direction over operations matters. This structure has been in effect since the appointment of Mr. Yoshitani to the position of Deputy Executive Director with satisfactory results. An organization chart dated July 21, 1998, is on file with the Secretary setting forth the proposed organizational structure. It was recommended that the Board approve the organization structure. The recommendation was approved on a motion by Commissioner Harris which was seconded and passed unanimously.

Travel Authorization contained in a memo to the Board from the Secretary of the Board recommending approval of the travel of the Manager, Aviation Marketing and Communications, George Turner and Commercial Representative III, Karen Stevensen, to London, England, U.K., on or about the period November 14 - 20, 1998, to attend the World Travel Mart London Conference and call on European passenger companies concerning service to Oakland; and the travel of Commissioners David Kramer, Becky Taylor, Robert Harris, and Peter Uribe, Executive Director, Charles Foster, and Director of Aviation, Steve Grossman, to Sydney, Australia, on or about the period October 29 to November 5, 1998, to attend the Airports Council International World and Pacific Conference. The recommendation was approved on passage of Resolution No. 98409.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,

Uribe and President Loh - 7

Noes: None

Absent: None

“RESOLUTION NO. 98396

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH SERVICE INSTITUTE FOR AIRPORT CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98397

AUTHORIZING, APPROVING AND EXECUTING A MODIFICATION OF THE SPACE USE AGREEMENT WITH PACIFIC BELL.”

“RESOLUTION NO. 98398

APPROVING AND AUTHORIZING EXECUTION OF A LICENSE AND CONCESSION AGREEMENT WITH SERVICEMASTER AVIATION SERVICES, L.P. TO PERFORM INTERIOR AIRCRAFT CLEANING AND OTHER RELATED SERVICES FOR SOUTH AIRPORT, OAKLAND.”

“RESOLUTION NO. 98399

ACCEPTING AND ENDORSING AIRPORT-HEGENBERGER GATEWAY DEVELOPMENT PLAN AND AMENDING STANDARDS AND RESTRICTIONS FOR THE OAKLAND AIRPORT BUSINESS PARK.”

“RESOLUTION NO. 98400

AUTHORIZING SUBMISSION OF A GRANT APPLICATION TO THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION FOR FUNDS FOR THE ENVIRONMENTAL ENHANCEMENT AND MITIGATION PROGRAM TO FUND THE ACQUISITION OF PRIVATE LAND ON DENNISON STREET.”

“RESOLUTION NO. 98401

GRANTING MAERSK PACIFIC, LTD., PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 98402

APPROVING, AUTHORIZING AND RATIFYING EXECUTION OF SERVICES AGREEMENT WITH THE DEPARTMENT OF THE NAVY.”

“RESOLUTION NO. 98403

RATIFYING AND APPROVING EMERGENCY ACTION FOR INSTALLATION OF TEMPORARY ELECTRICAL POWER TO REEFER RECEPTACLES, BEN E. NUTTER TERMINAL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 98404

AWARDING CONTRACT TO R & B EQUIPMENT, INC., FOR DEMOLITION OF BUILDING D-432, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98405

GRANTING AUTHORIZING TO INCLUDE DEMOLITION OF BUILDING D-410, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, IN THE SMALL BUSINESS PROGRAM, FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR SUCH WORK WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98406

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98407

APPROVING EXAMINATION ANNOUNCEMENT FOR THE POSITION OF SUPERVISING CIVIL ENGINEER.”

“RESOLUTION NO. 98408

RATIFYING CERTAIN APPOINTMENT OF RICHARD SINKOFF, PORT ENVIRONMENTAL ASSESSMENT SUPERVISOR.”

“RESOLUTION NO. 98409

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 98410

GRANTING LEVITCH ASSOCIATES, INC. PERMISSION TO PERFORM CERTAIN WORK.

“RESOLUTION NO. 98411

GRANTING AIRBORNE EXPRESS, T.I. PERMISSION TO PERFORM WORK.”

“RESOLUTION NO. 98412

GRANTING WESTERN AEROSPACE MUSEUM PERMISSION TO PERFORM WORK.”

“RESOLUTION NO. 98413

RATIFYING AND APPROVING EXECUTION OF SETTLEMENT AGREEMENT WITH DUTRA CONSTRUCTION.”

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Taylor,
and President Loh *AS*

Noes: Commissioners Neal and Uribe - 2

Absent: None

“RESOLUTION NO. 98414

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH JTB AIRPORT ALLIANCE FOR AIRPORT CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Taylor,
Uribe and President Loh - 6

Noes: Commissioner Neal - 1

Absent: None

“RESOLUTION NO. 98415

FINDING AND DETERMINING THAT A PROPOSED PAYMENT FOR ARCHITECTURAL AND ENGINEERING CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING, AUTHORIZING PAYMENT.”

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,
and President Loh - 6

Noes: None

Abstained: Commissioner Uribe - 1

Absent: None

“RESOLUTION NO. 98416

ACCEPTING GRANT OFFER FROM SPANISH SPEAKING UNITY COUNCIL (SSUC) AND APPROVING AND AUTHORIZING AN AMENDMENT OF AGREEMENT WITH KLEINFELDER, INC.”

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Neal, Taylor,

Uribe and President Loh - 6

Noes: Commissioner Kramer - 1

Absent: None

“RESOLUTION NO. 98417

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT OF OAKLAND (“PORT”) AND THE CITY OF ALAMEDA (“ALAMEDA”) TO CONTRACT FOR AN OPERATOR OF THE OAKLAND/ALAMEDA FERRY THROUGH A REQUEST FOR PROPOSALS (RFP), WITHOUT COMPETITIVE BIDDING AND AUTHORIZING AND APPROVING THE RFP FOR SAME.”

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal,

Uribe and President Loh - 6

Noes: Commissioner Taylor - 1

Absent: None

“RESOLUTION NO. 98418

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH LASALLE PARTNERS CORPORATE & FINANCIAL SERVICES, INC. FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

Port Ordinance No. 3454 being, ”AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING ADDITIONAL POSITION OF ENGINEERING PROJECT MANAGER, ADOPTING NEW SALARY SCHEDULE FOR ENGINEERING PROJECT MANAGER, ADDING ADDITIONAL POSITIONS WITHIN EXISTING PORT CLASSIFICATIONS, AND AMENDING SALARY SCHEDULE,” and Port Ordinance No. 3455 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3450 SECTION 2.07, OF PORT ORDINANCE NO. 867, SALARY SCHEDULES FOR WESTERN COUNCIL OF ENGINEERS,” and Port Ordinance No. 3456 being, ”AN ORDINANCE AMENDING

property - Union Pacific Rail Road Leasehold and relocation, negotiating parties - Port and Union Pacific, under negotiation - price and terms of payment; and reconvened in open session at the hour of 6:01 p.m.

At the hour of 6:02 p.m. the meeting was adjourned on a motion duly made and seconded.

A handwritten signature in cursive script, appearing to read "Cheryl C. Merrill", is written over a horizontal line.

Secretary of the Board

SPECIAL MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

On October 2, 1998, President Loh called for a special meeting of the Board to be held Tuesday, October 13, 1998, which meeting commenced on Tuesday, October 13, 1998, at the hour of 2:17 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Loh presiding, appropriate notice having been given and posted.

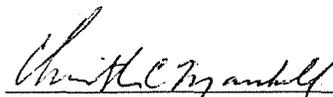
Commissioners present: Harris, Kiang, Kramer, Taylor,
Uribe and President Loh - 6

Commissioners absent: Neal - 1

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; and Secretary of the Board.

At the hour of 2:18 p.m., the Board entered into closed session for conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, name of case: City of Oakland v. Keep On Trucking Company, Inc., et al., U.S. District Court Case No. C-95-03721-CW; conference with legal council - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 3 matters; conference with real property negotiator: property - 55 Water Street, Oakland, CA 94607, negotiating parties - Port and Oakland Portside Associates, under negotiation - terms of lease; personnel item as provided for under Government Code Section 54957; and reconvened in open session at the hour of 6:25 p.m.

At the hour of 6:26 p.m. the meeting was adjourned on a motion duly made and seconded.



Secretary of the Board

October 13, 1998

**SPECIAL MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND**

The special meeting was called for by President Loh to start the regular meeting one hour earlier, on Tuesday, September 15, 1998, at the hour of 2:10 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Loh presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

Commissioners absent: None

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; and Secretary of the Board.

At the hour of 2:15 p.m., the Board entered into closed session for conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 3 matters; and reconvened in open session at the hour of 3:24 p.m.

Ratify Substitution of Asphalt Concrete Paving Subcontractor for Replacement of Cable Conduit for Airfield Lighting System, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Rosendin Electric, Inc. (Rosendin). Rosendin has requested Board approval to substitute its listed subcontractor performing the asphalt concrete paving work on the subject project. By letter dated August 27, 1998, the Contractor notified the Port that its listed subcontractor, A.C. Paving Company (ACP) has refused to execute a subcontract agreement and this refusal is considered a valid basis for substitution of subcontractor under the California Public Contract Code. Since the project is funded in part by federal AIP funds, it is subject to the federal DBE program. ACP is an Oakland company that qualifies as both a DBE and an MBE company. The Port gave written
September 15, 1998

notice to ACP that Rosendin had requested the substitution of their firm. ACP has since sent a letter to the Port indicating that they could not enter into a contract with Rosendin due to conflicting schedules with other work. Rosendin has requested that AJW Paving and Grading Construction be listed as the new asphalt concrete paving subcontractor. AJW is also an Oakland company that qualifies as both a DBE and an MBE company. The asphalt concrete work under this contract involves stringent time constraints for two reasons. First, the work of this contract involves cutting trenches across runways and taxiways, and these trenches must be repaved as soon as possible to restore full service on the runways and taxiways. Second, it is strongly advisable to complete trenching work in the runways and taxiways before the onset of the rainy season to avoid rain-caused delays in repaving, which could delay restoration of full services on those runways and taxiways. Accordingly, since the need was urgent, the Chief Engineer directed that the requested substitution be implemented immediately. It was recommended that the Board ratify the action to direct immediate action on substitution of the asphalt paving concrete and to delete A.C. Paving Company and add AJW Paving and Grading Construction as the subcontractor to perform the work. The recommendation was approved on passage of Resolution No. 98358.

Approval of Change Order to the Construction of ARFF Facility Contract for the Remodeling of Terminal 1 Area to Accommodate the In-Transit Lounge, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that during the past year, the Airport has seen a significant growth in international passengers. The Airport has only one international gate with three aircraft parking positions, only one of which is served by a jetway. This has not been a problem in the past due to the low level of activity and the carriers' ability to avoid schedule conflicts. The International Arrivals Building has been used to not only process inbound passengers but also as a hold room for in-transit passengers on the Paris-Tahiti flights. Recent increases in international passengers has led to improved facility needs on an immediate basis. With the addition of Mexicana Airlines to the activity schedule, significant conflicts are occurring whereby the three aircraft parking positions are not sufficient. In addition, the level of service being provided by routinely using ground level loading positions is not in line

with the Airport's standards and is not conducive to attract additional international flights. Also, it is now very difficult to use the International Arrivals Building as an in-transit lounge because the building is needed to process arriving passengers. The need for a second jetway-served aircraft parking position and a dedicated in-transit lounge are critical if the Airport is to serve its existing tenants and attract new international service. In order to deal with this critical situation, staff has developed a plan to convert gate three to a joint domestic/international gate and to use the mezzanine above the Terminal 1 security checkpoint as an in-transit lounge. The use of these existing facilities is the most feasible solution to solve these problems on a near immediate basis while new facilities are constructed as part of the Terminal Expansion Program. The Aviation Division has requested that this project be completed prior to a December 15, 1998, deadline due to the impending arrival of the additional international flights. In order to meet this requirement, it is necessary to accomplish the work via a design/build approach and to begin the work immediately. The Port currently has a contract with Overaa Construction to perform the construction of Aircraft Rescue and Fire Fighting Facility (ARFF). Overaa Construction has extensive experience with design-build projects and has demonstrated the expertise needed to complete this project on the fast-track schedule. Overaa Construction has submitted an acceptable proposal to complete this project. The project is categorically exempt and does not require the preparation of an environmental document. It was recommended that the Board approve the change order in the amount of \$800,000.00 with Overaa Construction for the design/build work to remodel portions of Terminal 1 to accommodate the proposed in-transit lounge. The recommendation was approved on passage of Resolution No. 98359.

Approval of a Building Permit Application for Alterations to United Airlines Maintenance Fueling Facilities was the subject of a memo to the Board from the Director of Engineering recommending approval for United Airlines Maintenance to modify their fueling systems at their maintenance hangar. They are proposing to remove two underground tanks and two dispensers, abandon two underground tanks in place, and install a new compartmentalized tank with dispensers. The fueling area will be moved from outside the middle of the northwest wall to

just outside the west corner of the hangar. The existing foam tanks are outside the middle of the southeast wall. The work will include removal of two 10,000 gallon underground storage tanks (one gasoline, one diesel); clean and fill in place, with slurry or structural foam, two underground Aer-O-Foam tanks (each 8700 gallons), pending approval by the Oakland Fire Services Agency; removal of associated fuel and foam piping and fuel dispensing equipment; installing a new above-ground compartmentalized fuel tank (8000 gallon diesel, 4000 gallon gasoline) which will include two side-mounted fuel dispensers; and relocate existing Oil Storage Building. The project is categorically exempt and does not require the preparation of an environmental document. The project has been determined to conform to the transportation designation for the site in the Oakland General Plan. It was recommended that the Board approve the building permit application. The recommendation was approved on passage of Resolution No. 98360.

Approval and Authorization for Execution of a Reimbursable Agreement with the Federal Aviation Administration for Airport Runway Project, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport Roadway Project is a County Measure B tax funded project to build an arterial roadway from I-880 at 98th Avenue to the Airport and through the Airport to Bay Farm Island, Alameda. As a part of this project, a concrete bridge will be constructed for Taxiway "Bravo" with the vehicular traffic to Bay Farm Island being routed under the bridge. The FAA owns and maintains communication and control cables along Taxiway "Bravo" to connect the North Airport with the South Airport. Since the current Air Cargo Road will be routed under the new Taxiway "Bravo" concrete bridge or overpass, the FAA cables must be relocated during construction. The Reimbursable Agreement with the FAA will provide for the relocation of the cables. The FAA will review the design, provide a systems inspector during construction, and certify the construction work for acceptance by the FAA. The Port will reimburse the FAA for its costs incurred in relocating the cables. The estimated cost is \$75,000.00, but the final reimbursable amount will be the actual costs incurred by the FAA under the Agreement. Since the relocation is necessary to the project, all costs will be charged to the County Measure B funded Airport Roadway Project. It was recommended that the

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Board approve the Reimbursable Agreement with the FAA. The recommendation was approved on passage of Resolution No. 98361.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with Alaska Airlines, Inc. was the subject of a memo to the Board from the Director of Engineering recommending approval of an agreement to extend their Right-of-Entry and Indemnity Agreement which provides for occupying of approximately 165 square feet of baggage service office space in Terminal I for an additional 108 days with the rent remaining the same at \$738.14 per month. This additional time would allow Alaska to continue its expanded operations while awaiting the review, execution and approval of a proposed five year License and Concession Agreement covering all of Alaska's premises in Terminal 1. The project is categorically exempt and does not require preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98362.

Final Design Approval for Lincoln Property Company Project at Site B was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Port entered into a Purchase and Sale Agreement with Lincoln Property Co. dated June 4, 1996. One of the conditions of the sale is that buyer obtain the Board approval of the final detailed design. Lincoln has developed the design to a sufficient level of detail to act on Lincoln's request for design approval. The proposed project consists of four main four-story 'C'-shaped structures, each with ground-level parking and three stories of residential above. There will be approximately 282 rental units and 473 parking spaces. Stairways are arranged to provide direct access from parking to unit clusters, eliminating the need to traverse long hallways. The buildings will have varied roof lines, with "caps" at the corners and parapet roofs in other areas. Roof heights vary from 42 feet to 52 feet high at the cap peaks. Building exteriors will be stucco, and will step back and forward along the outer perimeters to avoid wide flat facades. These base colors will be beige and brick red, varied in pattern and tone, with white window outlines and frames. Pedestrian entrances will be located at the ground floor to each building from each street frontage. Garage entrances will be facing the interior of the site, and ground floor openings will be screened to minimize visibility

and Industrial Supply Center and adjacent land for maritime use. A major component of the Vision 2000 Program is the development of new marine terminals which have been designated the Berths 55/59 Projects. The Union Pacific Railroad (UP) occupies the Port's waterfront property along the western end of the Inner Harbor Channel, under 50-year leases which terminate in August, 2010. In addition to the leaseholds, the UP owns interests in various other parcels adjacent to or near the leaseholds. In order to implement the Vision 2000 Program, the Port must acquire the remaining leasehold rights held by the UP and the additional fee property owned by UP. Time is of the essence, as construction of the new berths must commence early in 1999 to meet the project schedule. Before UP will vacate the premises and make the land available for construction of the new berths and marine terminal yards, the Port and UP must agree on funding for the replacement and relocation of UP railroad operations. Port staff and UP have negotiated an agreement in principle and under the agreement the Port will pay the UP approximately \$65.5 million for all of the property rights the Port seeks to acquire. This payment includes the costs of replacing UP facilities along the waterfront to a portion of the former Southern Pacific (SP) yard now owned by UP and for all other relocation payments and benefits required for the transaction. Because the leasehold is involved, the exact amount of this payment depends upon the date that the transaction closes. This \$65.5 million payment also reflects a \$3.2 million reduction as a settlement of potential costs of remediation and increased construction costs due to contamination of two parcels. Such contamination-related costs for the other parcels, including the two parcels, will be handled in the same manner as the UP "Roundhouse" transaction was handled in 1996, i.e., UP will pay the next \$1.5 million in costs and all additional costs will be paid by the Port. UP's mainline right-of-way property (4.028 acres) for which the Port originally proposed acquiring an option to buy at a fair-market price to be determined in the future. UP's mainline right-of-way (8.221 acres) for which the Port, in 1996, acquired an option from UP to purchase at fair-market value to be determined when the option was exercised. Because the Port's requirements for utilizing the properties at an earlier date, it is necessary that the 4.028 acres and 8.221 acres be acquired in the year 2000 when the mainline is abandoned. The purchase price for this acreage will be based upon

fair-market value, not to exceed \$5.1 million. Under the proposed agreement, upon closing later this year the Port would receive title to 22.544 acres and pay to UP approximately \$34.1 million. At the same time, the port will take possession of all this acreage except for the portion of 8.706 acres that UP will lease back for a short interim period. This will allow the Port to begin construction of Berths 55/56 on schedule. Also, the Port will take possession of approximately 57 acres of the 91.150 acres leasehold and the 8.706 acres lease back premises. The Port will pay for the fair-market value of the mainline 4.028 acres and 8.221 acres when they are abandoned in 2000. The final payment of approximately \$21 million will be made in installments as the UP replacement railroad facilities are constructed in the former SP yard between the initial closing date this year and mid-2000. UP will now relocate to the former SP yard which it has since acquired. An addendum to the Vision 2000 Program EIS/EIR has been prepared and provided to the Board which analyzes the action required to replace and relocate the UP facilities and concludes that this action will not increase or contribute to any new environmental impacts. It was recommended that the Board find and determine that based upon the Addendum, replacement and relocation of UP's railroad facilities to the former SP yard will not increase or contribute to any new environmental impacts identified in the Vision 2000 Program EIS/EIR; authorize the execution of an agreement with UP to terminate the waterfront leases with UP; to provide funding to UP for replacement and relocation of UP's railroad facilities to the former SP Yard; and give approval and authorize execution of an agreement to acquire the other real estate interests from UP. The recommendation was approved on passage of Resolution No. 98364 and on an ordinance to print .

New Terminal Use Agreement with Star Shipping (USWC) Inc. at the Ninth Avenue

Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board that Star Shipping (STAR) has been a consistent customer at the Port for over 20 years, and current operations for containerized cargo are conducted at the APL Terminal where STAR is a secondary user of the facility. STAR has recently been exploring various methods for transporting rolled newsprint to the Bay Area in a non-containerized, or what is referred to as a breakbulk, operation. The cargo would originate in Korea and at destination the ships would be directly

discharged from vessel to flat bed truck with first and final place of rest at an off dock facility so that storage at the dock is not required. After a comprehensive logistical and competitive analysis which included the ports of Richmond and San Francisco, STAR has chosen the Ninth Avenue Terminal in Oakland. Under the proposed Terminal Use Agreement (TUA), STAR shall have the right to designate the terminal operator and vessel stevedore. Maritime operations are winding down at the Ninth Avenue Terminal and that the facility is being considered for other uses contained in the Estuary Redevelopment Plan, the initial term of the TUA will be for two years and subsequent annual renewals will be on a year to year basis by written mutual agreement for a total base term not to exceed five years. STAR shall also have the right during the term of the TUA to transfer, with the approval of the Executive Director, the rights and obligations of the Agreement to any other of the Port's breakbulk terminals operated as public facilities by terminal operators under the agreement or tariff assignment by the Port which STAR might choose to handle its vessels and cargoes. Any such transfer shall be upon 90 days written notice or such shorter notice as is acceptable to the Port. All other conditions of the TUA are consistent with previously approved TUA's with other lines and include Dockage - STAR shall pay 80% of the prevailing Port marine terminal tariff rates for dockage at the time vessel activity occurs; and Wharfage - STAR will be subject to a Minimum Annual Guarantee of 35,000 metric tons of non-containerized newsprint and in lieu of the prevailing charges in the Port's marine terminal tariff, STAR shall be assessed wharfage for newsprint on the basis of \$4.25 per 1,000 kilograms or cubic meter, according to the vessel's manifest, on whichever basis water freight charges are assessed. The wharfage rate of \$4.25 per revenue ton for newsprint shall be subject to the same percentage increase and adjustment at the same time and by the same average percentage as rate increases area applied to the published non-containerized rates in the Port's marine terminal tariff. At the end of each contract year, if STAR exceeds the following breakbulk newsprint breakpoints, then STAR shall receive an additional discount for all non-containerized newsprint handled in that contract year at the Ninth Avenue Terminal. STAR shall be assessed wharfage for all other breakbulk commodities on the basis of 80% of the prevailing rates in the Port's marine terminal tariff. The project is categorically

exempt and does not require preparation of an environmental document. It was recommended that the Terminal Use Agreement be approved. The recommendation was approved on passage of an ordinance to print.

Adjustment to Compensation in the Maersk Agreement at Berth 24 was the subject of a memo to the Board from the Director of Maritime notifying the Board that the current five year Agreement with Maersk Pacific, Ltd. (Maersk) was authorized by the Board on April 21, 1998, and provides for expansion of the Berth 24 premises from approximately 35 to 50 acres. The Port is to fund up to \$3.5 million in facility and crane improvements. It was anticipated that Berth 24 expansion and improvements would commence immediately after the Board's authorization with completion by year end. The Agreement also provides that any re-alignment of the premises which may result in additional acreage or any additional improvements to berth 24 beyond the \$3.25 million spending cap shall be paid by Maersk through adjustments to the annual container guarantee of 110,000 loaded twenty equivalent units (TEUs) and related compensation breakpoint level of 120,000 loaded TEUs. Maersk has been paying the compensation levels specified in their new Agreement since April 1, 1998 and the pricing level of the Agreement reflects facility improvements and full expansion to the approximately 50 acre level. A portion of the expansion area for Maersk is comprised of approximately 5.5 acres of land and berthing area to be taken from contiguous facility at Berth 25. However, due to heavy workloads, design and engineering plans for expanding Berth 24 have run behind schedule. This delay will preclude Maersk from occupying the 5.5 acres which are to be re-assigned from Berth 25 until April, 1999. Maersk is therefore requesting a temporary reduction to compensation levels. The proposed rental reduction is for \$35,000.00 per month which reflects prevailing land value plus loss of operational efficiencies due to Maersk not having the space it readily needs to provide an efficient operation. The Port would pay Maersk this amount beginning October 1, 1998 and conclude reimbursement no later than March 31, 1999 or sooner if the terminal improvements are completed so that the 5.5 acre area is available for occupancy. Consequently, Port payments will not exceed a total reimbursement of \$210,000.00. The project is categorically exempt and does not require the

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preparation of an environmental document. It was recommended that the Board approve the First Supplemental Agreement with Maersk Pacific, Ltd. The recommendation was approved on passage of Resolution No. 98365.

Substitution of Asbestos Abatement Subcontractor for Demolition of Building D-312, Harbor Transportation Center was the subject a memo to the Board from the Director of Engineering notifying the Board of the contract with Pacific Western Airmotive, Inc., doing business as Covey Trucking Company (Covey) for the demolition work. Covey has requested Board approved to substitute their listed asbestos abatement subcontractor, AEC, Inc. (AEC). AEC notified Covey that they will cease operations as of August 10, 1998, and requested that their work be transferred to Advance Installations of Sparks, Nevada (AI) The Port received a copy of the letter sent to Covey. AEC, an African-American Company, was a Nevada-based company with offices in Oakland, and AI is also an African-American company based in Nevada with offices in Oakland. Covey has no objection to AEC's request to have AI perform the asbestos abatement work. It was recommended that the AEC, Inc. be deleted as the listed subcontractor to perform the asbestos abatement work, and that Advance Installations of Sparks, Nevada be added as the subcontractor to perform the asbestos abatement work. The recommendation was approved on passage of Resolution No. 98366.

Award of Contract for Demolition of Building D-131, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the nine bids received and recommending award of the contract to Peak Engineering Inc., the low bidder, at \$190,000.00. The recommendation was approved on passage of Resolution No. 98367.

Award of Contract for Demolition of Buildings D-532 and D-532B, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the eight bids received and recommending award of the contract to Clauss Construction, the low bidder, at \$95,399.00. The recommendation was approved on passage of Resolution No. 98368.

Award of Contract for Demolition of Buildings D-741 and D742, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the nine bids received and recommending award of the contract to Peak Engineering Inc., the low bidder, at \$497,000.00. The recommendation was approved on passage of Resolution No. 98369.

Plans and Specifications for Demolition of Building D-332, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Building D-332, a single story, 121,500 total square foot steel frame workshop/office. This work is necessary in order to clear the site for construction of the Berth 55/56 Container yard beginning in early 1999. The environmental documents associated with the project have been previously considered by the Board and the project conforms to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 98370.

Approval of a Building Permit Application for Construction of Reefer Inspection Platforms Yusen Terminals Inc. (Berth 23) was the subject of a memo to the Board from the Director of Engineering notifying the Board the Yusen Terminals Inc. has submitted a permit application to construct improvements at Berth 23. They are constructing ten four-story reefer platforms to improve access to refrigerated containers, upgrading electrical services, and re-stripping. The proposed work will include removing existing striping and associated lettering; constructing ten new steel-frame reefer platforms; constructing new RTG concrete turning pads; installing electrical substation; and altering electrical and mechanical systems to serve the newly configured space. The estimated value of the work is \$2,700,000.00. The project is categorically exempt and does not require the preparation of an environmental document. It was recommended that the Board approve the building permit. The recommendation was approved on passage of Resolution No. 98371.

Personnel Items contained in a memo to the Board from the Acting Director of Administration recommended the creation of classifications of Special Assistant to the Executive Director--Airport Expansion Project; Senior Project Administrator; and Employment Resources Development Program Technician. Also recommended is the creation of two additional positions of Port Environmental Assessment Supervisors; three additional positions of Assistant Port Environmental Planner; and two additional positions of Senior Secretary. Further recommended the examination announcement for Assistant Port Environmental Planner; and ratify administrative leaves for Phillip Peay, as Gardener III, and Carolyn R. Frazier, as Intermediate Typist Clerk to November 3, 1998. The recommendation was approved on passage of Resolution No. 98372 for examination announcement, Resolution No. 98373 for leaves of absence, and on an ordinance to print for creation of classifications and additional positions.

Approval of the Capital Improvement Award Program and Financing Plan for Fiscal Year Ending June 30, 1999 was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the capital projects for fiscal years 1999 through 2003 was presented to the Board on June 9, 1998 and at that time the Board was informed of the ongoing study which was analyzing project feasibility, debt capacity, and industry trends for Port business lines, as well as developing funding services for the proposed five-year Capital Improvement Program (CIP). This feasibility study is now completed and resulted in the following overview. It was recommended that the Board endorse the five-year Capital Improvement Program in concept, and approve the Capital Improvement Award Program for Fiscal Year 1998-99. The CIP is presented both on an award and expenditure basis. The proposed Capital Improvement Award Program for FY 1998-99 is \$408 million. The projected award for FY 1999-2000 through FY 2002-2003 are \$922 million, for a total five-year Capital Improvement Award Program of \$1.3 billion. From an expenditure basis, the FY 1998-99 CIP is \$239 million, and the five-year expenditure program is \$1.4 billion. For the five-year CIP, the expected funding sources include bonds backed by Passenger Facility Charges (PFC's) (15%); Port revenue bonds (59%); Port cash (17%); and grants such as PFC Stand-Alone, Airport Improvement Program, Measure B, Intermodal

Surface Transportation Efficiency Act and Department of Boating and Waterways (9%). While the Board is approving the overall award amount for FY 1998-99 of \$408 million at this time, individual projects are awarded and approved by the Board during the fiscal year prior to commitment of funds. Therefore, there may be some changes to the individual projects based on many factors including timing, business decisions, environmental and permitting considerations, resources, tenant needs and financial considerations. It was recommended that the Board adopt the Capital Award Program for an amount not to exceed \$406 million for FY 1998-99 and endorse the five-year CIP for an amount not to exceed \$1.3 billion in awards. The recommendation was approved on passage of Resolution No. 98374.

Approval of the Issuance of Port of Oakland Commercial Paper Notes Series A, Series B and Series B and Series C from Time to Time in an Amount Not to Exceed \$300 Million Outstanding at any One Time and Certain Other Transactions was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Port has been reviewing its financial plans and the feasibility of undertaking its long range Capital Improvement Plan with appropriate financing mechanisms. One of the mechanisms recommended is the implementation of a Commercial Paper Program as a means for providing interim financing of the Port's Capital Improvement Program during the construction period. Commercial Paper will provide the Port the ability to issue short-term debt at very low rates on both a tax-exempt as well as a taxable basis for those projects that do not qualify for tax-exempt financing. It also will provide maximum flexibility for the Port, as well as being economical as the funds may be borrowed on short notice as they are needed without incurring unnecessary interest costs or creating arbitrage problems. The program would be established with a five-year horizon. Each series of notes would be issued as necessary to meet the cash flow needs of the Port for capital projects that have been previously approved by the Board. All or a portion of the notes could be refunded by long-term revenue bonds over time. It was recommended at this time that the Board authorize the issuance of the Port of Oakland Commercial Paper Notes Series A and Series B for tax-exempt notes, and Series C for taxable notes (the "Notes") in an aggregate principal amount outstanding at any one time not to

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exceed \$300 million. The Notes would be issued under the Port of Oakland, California, Commercial Paper Notes Trust Indenture. The Notes would be subordinate to Revenue Bonds issued under the Master Trust Indenture, State of California Boating and Waterways Loans and future revenue bonds (such as Aviation Passenger Facility Charges leveraged bonds) that can be issued subordinate to the Revenue Bonds. The Trustee and Issuing and Paying Agent for the Commercial Paper Notes will be U.S. Bank Trust National Association, the present trustee for the Port's Revenue Bonds. The Commercial Paper Program will be backed both as to credit and liquidity by an irrevocable Letter of Credit issued jointly by Commerzbank AG acting through its Los Angeles Branch and The Bank of Nova Scotia acting through its New York agency (the "Banks"). The Port will enter into a Letter of Credit and Reimbursement Agreement with the Banks. The Banks are currently in the highest rating category for short-term paper for both Moody's and Standard and Poor's rating agencies. Holders of the Commercial Paper Notes purchase on the basis of the Banks credit. Due to the current condition in the financial markets, the initial stated amount of the Letter of Credit (and consequently the maximum amount of notes that can currently be issued under the program) will be \$150 million. Increases in the stated amount are subject to Board approval upon agreement with the Banks. The Banks fees are .21% (21 basis points) of the stated amount payable annually. The maturity of a series of notes cannot be greater than 270 days. Upon maturity, a series of notes may be "rolled" into a new series. While the authorizing resolution would establish a maximum interest rate on the notes at 12 percent, which is the rate specified in the Letter of Credit Agreement as the maximum rate, the actual rate of commercial paper currently trades at significantly lower rates. Each initial series of Notes and each "roll" of Notes would have a maturity and bear an interest rate established by the market on the day such initial series or "roll" occurs, as recommended by the Dealer based on current market conditions. Goldman Sachs & Co., a Senior Manager of the Board-appointed financing team, would serve as the Dealer for the Notes under a Dealer Agreement and be paid fees quarterly in arrears of .075% (7.5 basis points) of the average daily principal amounts of the Notes outstanding.

It was recommended that the Board adopt a Commercial Paper Program and the issuance of Port of
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Oakland Commercial Paper Notes, Series A, Series B and Series C in an amount not to exceed \$300 million and related actions in connection therewith, including but not limited to approval of and authorization to execute the Commercial Paper Trust Indenture, the Letter of Credit and Reimbursement Agreement, the Dealer Agreement, the Issuing and Paying Agent Agreement, the Offering Memorandum and other such documents as may be necessary the issuance of said Notes. Ms. Margaret Elizares and Mr. Robin Bartoo appeared before the Board to urge caution before spending the large amount of money on improvements. The recommendation was approved on passage of Resolution No. 98375.

Approval to Enter into Agreements with: Western Area Power Administration to Purchase NDA Power, and with the City and County of San Francisco to Provide for Electrical Interconnection to the Port's Electrical System was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port entered into a leasehold agreement with the Department of the Navy for acquiring a leasehold interest in the first parcel of land at the Fleet Industrial Supply Center-Oakland (FISCO) in 1993. Pursuant to the Fourth Amendment to this Lease, the Port has secured a 50-year leasehold interest commencing in 1995, and covering the entire 530 acres of FISCO. As a condition of the Lease, the Port was required to take over the operations and maintenance (O&M) work of most of the utility systems and other infrastructure located within the FISCO boundary, including the Government's main electric substation (Davis Substation), at no cost to the Government. The Navy has used and maintained Davis Substation as a facility to enable the U.S. Naval Station, Treasure Island, and the Oakland Army Reserve Base, as well as FISCO, to receive electric power. As provided for under Section 2929 of the Final National Defense Authorization Act Procedures (NDA Act Procedures), low cost Central Valley Project power is made available to the Local Reuse Authority responsible for redevelopment and reuse of closed military bases for the purpose of encouraging economic reuse and development. On August 14, 1998, pursuant to the Port's approved Economic Development Project Plan (EDPP), the Western Area Power Administration (WAPA) conditionally approved a one megawatt allocation of NDA power to the Port for use at FISCO (and recently approved a September 15, 1998

similar allocation for the City and County of San Francisco at Treasure Island). Pursuant to its allocation, WAPA prepared a "Contract for Electric Service for NDA Act power to the Port of Oakland". It is the Port's intent to purchase said NDA Act power for use by the Port and its future FISCO tenants, for street lighting and for other miscellaneous uses within the approximate boundary of its Vision 2000 projects. The EDPP, as prepared by the Port and approved by the Government, is described in the Lease as well as in the Vision 2000 EIR/EIS and other certified/approved environmental documents. To satisfy the provisions of its lease with the Federal Government, the Port must provide continuity of 12 kV electrical service through third party electrical circuits to the Oakland Army Reserve Base (OARB) and Treasure Island. This service is to be provided through an Interconnection Agreement. Such an Interconnection Agreement has been negotiated with the City and County of San Francisco, acting by and through its Public Utilities Commission for Treasure Island. The Interconnection Agreement stipulates the terms, conditions, rights, responsibilities, and procedures necessary to facilitate continued interconnection of electric service. It should be emphasized that the Port will not be providing "electric power" to Treasure Island or OARB, but is only required to allow Davis Substation to be used to transmit electrical power to Treasure Island and OARB. Whatever agencies are responsible for operating Treasure Island or OARB are also responsible for securing their own source of electric power. San Francisco, like the Port, has secured WAPA power. Neither the Army nor the Oakland Base Reuse Authority has shown any interest in using the Davis Substation for receiving electric power for OARB; reportedly, electrical power for OARB in the future will be delivered at a 12 kV Substation at OARB instead of continuation of delivery through the 115kV Davis Substation. Should the Army or OBRA in the future want to take delivery of electric power through Davis Substation for OARB, they could do so under the same interconnection terms now proposed for Treasure Island. Under the terms of the proposed Interconnection Agreement with San Francisco and the Port, the Port and San Francisco would share 50-50 in the costs of maintaining and operation Davis Substation. San Francisco would be provided 50% of the capacity of Davis Substation (20 MVA). The Port would reserve the right to reduce the capacity provided to San Francisco down to 33%

(13.3 MVA) in order to accommodate future interconnections at OARB, at which time San Francisco's share of costs would be reduced in the same percentage amount. The term of the Interconnection Agreement would be not greater than 10 years. The Operating Budget for Fiscal Year 1998 should not be affected by the above actions because it is expected that the Port's purchase of WAPA power will eventually result in net savings to the Port, and because San Francisco will be expected to share in a portion of the O&M and other associated costs which already have been budgeted. It was recommended that the board authorize the Executive Director to enter into an agreement with the Western Area Power Administration to allow the purchase of low cost NDA Act power for a minimum five-year period and to request increases in said allocation as the need arises; and to enter into an agreement with the City and County of San Francisco to provide electrical power interconnection at Davis Substation. The recommendation was approved on passage of Resolution No. 98376.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,

Uribe and President Loh - 7

Noes: None

Absent: None

“RESOLUTION NO. 98358

APPROVING AND RATIFYING SUBSTITUTION OF ASPHALT PAVING CONTRACT FOR REPLACEMENT OF CABLE AND CONDUIT FOR AIRFIELD LIGHTING SYSTEM, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, A.I.P. 3-06-0170-17.”

“RESOLUTION NO. 98359

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH C. OVERAA & COMPANY FOR CONSTRUCTION OF AIRCRAFT RESCUE AND FIRE FIGHTING FACILITY, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND CALIFORNIA, A.I.P. 3-06-1070-12.”

“RESOLUTION NO. 98360

GRANTING UNITED AIRLINES, INC., PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 98361

APPROVING AND AUTHORIZING EXECUTION OF A REIMBURSABLE AGREEMENT WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION.”

“RESOLUTION NO. 98362

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH ALASKA AIRLINES, INC.”

“RESOLUTION NO. 98363

AWARDING CONTRACT TO RANGER PIPELINES, INC. FOR RECONSTRUCTION OF JACK LONDON SQUARE MARINA, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98364

APPROVING AND AUTHORIZING LEASE TERMINATION AGREEMENT WITH UNION PACIFIC RAILROAD COMPANY.”

“RESOLUTION NO. 98365

APPROVING AND AUTHORIZING AMENDMENT TO AGREEMENT WITH MAERSK PACIFIC, LTD.”

“RESOLUTION NO. 98366

AUTHORIZING SUBSTITUTION OF ASBESTOS ABATEMENT SUBCONTRACTOR FOR DEMOLITION OF BUILDING D-312, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 98367

AWARDING CONTRACT TO PEAK ENGINEERING, INC. FOR DEMOLITION OF BUILDING D-131, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98368

AWARDING CONTRACT TO CLAUSS CONSTRUCTION FOR DEMOLITION OF BUILDINGS D-532 AND D-532B, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98369

AWARDING CONTRACT TO PEAK ENGINEERING, INC. FOR DEMOLITION OF BUILDINGS D-741 AND D-742 AND WATER SUPPLY FACILITY, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98370

AWARDING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-332, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98371

GRANTING YUSEN TERMINALS, INC. PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 98372

APPROVING EXAMINATION ANNOUNCEMENT FOR THE POSITION OF ASSISTANT PORT ENVIRONMENTAL PLANNER.”

“RESOLUTION NO. 98373

RATIFYING LEAVE OF ABSENCE TO PHILLIP PEAY, GARDENER III, AND CAROLYN R. FRAZIER, INTERMEDIATE TYPIST CLERK.”

“RESOLUTION NO. 98374

APPROVING THE CAPITAL IMPROVEMENT AWARD PROGRAM FOR FISCAL YEAR 1998-99 AND ENDORSING A FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM.”

“RESOLUTION NO. 98375

AUTHORIZING THE ISSUANCE OF PORT OF OAKLAND COMMERCIAL PAPER NOTES AND BANK NOTES IN AN AMOUNT OUTSTANDING OF NOT TO EXCEED \$300,000,000.00 AND AUTHORIZING CERTAIN OTHER ACTIONS.”

“RESOLUTION NO. 98376

APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH THE WESTERN AREA POWER ADMINISTRATION TO PURCHASE NDA ELECTRIC POWER, AND WITH THE CITY AND COUNTY OF SAN FRANCISCO TO PROVIDE FOR ELECTRICAL INTERCONNECTION TO THE PORT'S ELECTRICAL SYSTEM AT THE FLEET INDUSTRIAL SUPPLY CENTER, OAKLAND.”

Port Ordinance No. 3450 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3446, SECTION 1.03 AND 2.07, AND ADDING SUBSECTION 2.1 TO SECTION 1.191

OF PORT ORDINANCE NO. 867 PROVIDING MERIT INCREASES, PROFESSIONAL DEVELOPMENT BENEFITS AND SALARY SCHEDULES FOR CERTAIN OFFICERS AND EMPLOYEES,” was read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH UNION PACIFIC RAILROAD COMPANY PROVIDING FOR THE PORT OF OAKLAND’S ACQUISITION OF CERTAIN RAIL PROPERTY LOCATED IN THE PORT OF OAKLAND INNER HARBOR AND MIDDLE HARBOR AREAS, MAKING AN APPROPRIATION THEREFOR, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH,” and Port Ordinance No. ____ being, “AN ORDINANCE AUTHORIZING AND APPROVING THE EXECUTION OF TERMINAL USE AGREEMENT WITH STAR SHIPPING (USWC) INC.,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING ADDITIONAL POSITIONS OF SENIOR PROJECT ADMINISTRATOR, AND PORT EMPLOYMENT RESOURCES DEVELOPMENT PROGRAM TECHNICIAN, AND ADDING ADDITIONAL POSITIONS WITHIN EXISTING PORT CLASSIFICATIONS.” was read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

Noes: None

Absent: None

At the hour of 6:25 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of case: Foster Gardner, Inc. v. National Union Fire Insurance Company of Pittsburgh, PA,

No. S 063425, Pacific Western Airmotive, Inc., dba Covey Trucking Co., v. Board of Port Commissioners, et al., Alameda County Superior Court Case No. 799860-1; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 3 matters; conference with labor negotiator, Agency Negotiator - Robert Martinez and Employee Organization - International Brotherhood of Electrical Workers; and reconvened in open session at the hour of 6:45 p.m.

At the hour of 6:50 p.m. the meeting was adjourned to Tuesday, September 29, 1998, at 1:30 p.m.

The meeting was reconvened on Tuesday, September 29, 1998, at the hour of 1:37 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Loh presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

Commissioners absent: None

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; and Secretary of the Board.

The minutes of the regular meeting of September 1, 1998 were approved as submitted and ordered filed.

At the hour of 1:40 p.m., the Board entered into closed session pertaining to a conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 3 matters; conference with real property negotiator, property - Alameda Newspaper Group, 66 Jack London Square, Oakland, CA 94612, negotiating parties - Port and Alameda Newspaper Group, Inc., under negotiation - terms of lease, and property - 55 Water Street,

oakland, CA 94607, negotiating parties - Port and Oakland Portside Associates, under negotiation - terms of lease; and reconvened in open session at the hour of 3:33 p.m.

Installation of Emergency Call Boxes in the Airport Public Parking Facilities was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Airport public parking facilities have increased in capacity over the last several years and currently have a capacity in excess of 7,000 vehicle spaces. Some of these parking lots are remotely located. For the safety and security of the passengers who park in these lots, staff concluded that the most cost effective security measure would be to install "Emergency Call" boxes, conveniently located for easy access in compliance with the ADA, in all Airport public parking lots. These call boxes are solar powered and utilize the cellular technology for communication. Call boxes installed at the Airport will be identical to those installed on Bay Area freeways. It was recommended that the Board waive competitive bidding and the Executive Director or his designee be authorized to proceed with the purchase and installation of call boxes and award the contract to International Connection, a local business. Twenty call boxes are necessary to provide adequate coverage for all the parking lots. The cost of the project, which includes all the necessary equipment and installation, shall not exceed \$108,000.00. The installation of the solar panels with proper technical integration with the call boxes is a specialized field and it is in the Port's best interest to require the supplier of the call boxes to install them. The recommendation was approved on passage of Resolution No. 98377.

Award of the Contract for Removal of Fuel Storage Tanks MF-08, MF-09 and MF-10 at Taxiway U, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the seven bids received and recommending award of the contract to Enviroclean, Inc., the low bidder, at \$45,395.00. The recommendation was approved on passage of Resolution No. 98378.

Specifications for Furnishing Service and Maintenance for Passenger Loading Bridges for the Period Commencing January 1, 1999, and Ending December 31, 2001, 2002 or 2003, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering

recommending their approval and authority to advertise for bids for the maintenance of the Passenger Loading Bridges. The work consists of regular inspection and maintenance, and performing routine and emergency repairs, of the passenger loading bridges. The specifications for this contract include a provision to allow the Port to renew the contract in one-year increments through December 31, 2003. Renewal of the contract shall only occur if agreed to in writing by both the Port and the Contractor. Should the contract be renewed, all provisions of the contract shall apply, except that the bid amounts will be adjusted in direct proportion to the percentage change between the Consumer Price Index (CPI) at the commencement of the additional term(s) and the Original CPI. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98379.

Final Design Approval for Lincoln Property Company Project at Site B was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Port entered into a Purchase and Sale Agreement with Lincoln Property Co. (Lincoln) in 1996 and one of the conditions of the sale is that buyer obtain approval of the final detailed design. Lincoln has developed the design to a sufficient level of detail to act on Lincoln's request for design approval. The project will be subject to permit approval by the Executive Director, as it is assumed such application will be made after the sale has been completed, and will be classified as a building permit on private property. The proposed project consists of four main four-story 'C'-shaped structures, each with ground-level parking and three stories of residential above. There will be approximately 282 rental units and 473 parking spaces (194 outside, not covered). Stairways are arranged to provide direct access from parking to unit clusters, eliminating the need to traverse long hallways. The buildings will have varied roof lines, with "caps" at the corners and parapet roofs in other areas. Roof heights vary from 42 feet to 52 feet high at the cap peaks. Building exteriors will be stucco, and will step back and forward along the outer perimeter to avoid wide flat facades. The base colors will be beige and brick red, varied in pattern and tone, with white window outlines and frames. Garage entrances will be facing the interior of the site, and ground floor openings will be

screened to minimize visibility from the public right-of-way. The site will include two accessory buildings, an exercise building and a lease/community building. They are located in the middle of the site, and each of these buildings is one story. A swimming pool will be located just south of these buildings. Wrought iron fencing will be installed around the pool and between the buildings. Gates will be installed for vehicle access from Alice Street, at Water Street, from Embarcadero, at Jackson Street; and from Embarcadero at the east end of the site. All vehicle gates will remain open during daylight hours allowing the public to circulate through the site. Pedestrian gates will be installed adjacent to the vehicle gates, at the pool, and from the public access path which runs along the east edge of the site from Embarcadero to the shoreline path. Six parking spaces will be provided for the public at the Embarcadero end of the public access path, with 24 hour access to the waterfront. The entire site will be landscaped with a variety of trees, shrubs, and ground cover. Improvements will be made to the existing waterfront pathway, providing a ten foot wide asphalt path with an adjacent two foot wide decomposed granite jogging path. The buildings will be set back between 80 and 220 feet from the water, and a pond will be installed between the path and the buildings in the middle portion of the Estuary frontage. A small plaza will be constructed at the Alice Street entrance as a terminus for Water Street, and will include four decorative columns, some benches, and landscaping. Special pedestrian-scale treatments will be made at the Embarcadero entrance and the landing of the Amtrak bridge. It was recommended that the Board approve the final design. After discussion, the recommendation was approved on passage of Resolution No. 98380.

Recommended Finding of Public Convenience or Necessity for Approval of the Alcoholic Beverage License for the Bagheera Charters, LLC, Jack London Square was the subject of a memo to the Board from the Director of Engineering notifying the Board that the State law was amended in the 1994 legislative session concerning new license applications for the sale of alcoholic beverages throughout the State. The law requires that in some cases the Board, as the local governing body, must make certain findings prior to license issuance by the State Department of Alcoholic Beverage Control (ABC). Bagheera Charters, LLC, operates a charter service on the September 29, 1998

“Schooner Bagheera”, a small boat which holds about 25 passengers, and has applied to the ABC for approval of an “On-sale Beer and Wine” beverage license. The ship is berthed in Alameda, and also sails from Jack London Square. The on-board service includes hors d’oeuvres and beverages, and the applicant would like to include beer and wine. Since part of its operations, including passenger loading, are in Oakland, the ABC requires approval by the Port of Oakland. The vessel is docked in Alameda so the City of Alameda is also required to act on the application. They found that the issuance of such license will serve the public convenience or necessity and will not constitute an undue concentration of alcohol sales business. According to the State law, because Jack London Square is located in an area where the issuance of the new license would result in or add to an “undue concentration” of licenses, the ABC may issue this license only if the Board determines that public convenience or necessity would be served by the issuance. State law defines “undue concentration” as being in a location where the crime rate of the precinct is more than 20% higher than the average for all precincts within the jurisdiction, or in a census tract where the number of licenses per capita exceeds the number for the county. The Bagheera Charter is a unique service, a small boat charter on a classic schooner. It was recommended that the Board approve that public convenience or necessity would be served by the issuance of the “On-sale beer and wine” beverage license to Bagheera Charters. The recommendation was approved on passage of Resolution No. 98381.

Ratify and Authorize Approval of Change Order for Martin Luther King, Jr. Regional Shoreline Wetlands Project, Including Additive Alternates B3 and B6 was the subject of a memo to the Board from the Director of Engineering notifying the Board that the contract with Fanfa, Inc. for the contract work of the Phase I work is completed. The project was to create an approximately 71.5-acre wetland complex at the Distribution Center. The work involved excavating and grading existing fill; breaching the outboard levee; and constructing a pedestrian bridge and various improvements. The Phase II is now underway which is plant establishment. Under the terms of the Consent Decrees, the Port agreed to provide a total of \$2.5 million to the project; \$2.1 million to be spent on contract work to create the wetlands at this site; and

\$400,000.00 to be given to the East Bay Regional Park District (EBRPD) to help defray their future maintenance costs. The original items of work in order to spend the total amount or, if any portion of that amount remains unspent, the unspent amount is to be added to the \$400,000.00 to be given to the EBRPD for maintenance. There is approximately \$310,000.00 remaining in the original account for the construction project, and the parties are meeting to identify additional items of work they wish to have performed which would allow the parties to expend all funds allocated to them as expeditiously as possible before site work is restricted by the coming rainy season. Approximately \$52,000.00 of additional work has been identified and agreed to, and the Contractor has been directed to proceed with that work because some portions of the work are in areas which will be unworkable after the start of the rainy season. Rather than ask the Board to approve multiple change orders as desired work is identified and agreed to by the parties, it was recommended the Chief Engineer be authorized to approve \$310,000.00 worth of additional change orders. After discussion, the recommendation was approved on passage of Resolution No. 98382.

Approval of Submittal of Application to the State of California under the Environmental Enhancement and Mitigation Program was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Environmental Enhancement and Mitigation (EEM) program provides grants to federal, state and local agencies and non-profit organizations to mitigate the environmental impact of modified or new public transportation facilities. The EEM program was established by the enactment of the Transportation Blueprint Legislation of 1989 (AB 471, Katz). This legislation states that it is the intent of the Legislature to allocate \$10 million annually to this program for grant purposes for a 10-year period from Fiscal Year 1991-1992 to Fiscal Year 2000-2001. The legislation provides the following delegation of responsibilities for the EEM program. The Resources Agency prescribes procedures and criteria to evaluate grant proposals. Based on its evaluation, the Resources Agency prepares and submits a list of proposals recommended for funding to the California Transportation Commission (CTC). The CTC annually awards grants to fund proposals from the Agency's list. Grants for individual projects are generally limited to \$250,000.00. The Port is proposing to submit an application to the

State to fund the Embarcadero Parkway Urban Forestry Enhancement project. The proposed work to be included in the application consists of furnishing and installing street trees and irrigation improvements along the south edge of Embarcadero between 5th and 19th Avenues. The proposed street trees are consistent with the infrastructure enhancements envisioned in the February 1998 draft City-Port Estuary Plan. The preliminary schedule is for the proposed work to be completed in FY99/00. The deadline to submit the application is Friday, October 9, 1998. According to the procedures and criteria established by the Resources Agency, the Port is required to submit a resolution certifying approval of the grant application by the applicant's governing body before submission of said application to the State. It was recommended that the Board approve the submittal of an application for grant funds to the State of California under the Environmental and Mitigation program. The recommendation was approved on passage of Resolution No. 98383.

Award of Contract for Demolition of Building D-113, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the four bids received and recommending award of the contract to Evans Brothers Inc., the low bidder, at \$783,310.00. The recommendation was approved on passage of Resolution No. 98384.

Award of Contract for Demolition of Building D-311, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the four bids received and recommending award of the contract to CST Environmental, Inc., the low bidder, at \$888,800.00. The recommendation was approved on passage of Resolution No. 98385.

Award of Contract for Demolition of Buildings D-211 and D-310, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the four bids received and recommending award of the contract to CST Environmental, Inc., the low bidder, at \$846,200.00. The recommendation was approved on passage of Resolution No. 98386.

Award of Contract for Demolition of Buildings D-221 and D-222, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the four bids received and recommending award of the contract to CST

Environmental, Inc., the low bidder, at \$497,900.00. The recommendation was approved on passage of Resolution No. 98387.

Personnel Items contained in a memo to the Board from the Acting Director of Administration recommended the appointment of Emily Regnier, as Special Assistant to the Executive Director, Airport Expansion Project, at \$7,175.00 per month, effective October 5, 1998; Kristi McKenney, as Senior Project Administrator, at \$6,411.00 per month, effective October 5, 1998; Mary LeBlanc, as Senior Secretary, at \$3,503.00 per month, effective October 5, 1998; Jon Amdur and Gail Staba, as Port Environmental Assessment Supervisors, at \$6,024.00 per month, effective October 5, 1998; Anh K. Chu, as Intermediate Drafting Technician, at \$3,554.00 per month, effective October 5, 1998; and Katri Jones, as Senior Secretary, at \$3,170.00 per month, effective October 5, 1998. Also recommended creation of new classification of Engineering Project Manager and Personnel Technician; the creation of salary schedule 883 to accommodate the creation of the Engineering Project Manager classification; amendment Salary Schedules, 800, 831, 860.2 and 893 to reflect a 3.5% increase effective June 27, 1998, in accordance with the newly adopted MOU agreement between the Port and the Western Council of Engineers; and authorizing additional compensation of an additional 4.9% above their regular salary rate for Engineering Project Managers who have received a Certification of Registration as a professional engineer or architect issued by the State of California. Further recommended was amendment of salary schedule assignments for Personnel Technician from Salary Schedule 216.93 to Salary Schedule 222.66; examination announcement for the Civil Service classification of Employment Resources Development Program Technician; and revision of job specifications for the classification of Assistant Port Environmental Planner. The recommendation was approved on passage of Resolution No. 98388 for appointments; Resolution No. 98389 for revision of job specifications; Resolution No. 98390 for examination announcement; and ordinances to print for creation of position, new salary schedule and amending salary schedule; salary schedules for WCE, compensation of certain employees; additional compensation for Engineer Project Managers.

Ratification and Approval of Resolutions and Ordinances for Implementation of MOU with the International Brotherhood of Electrical Workers (IBEW) was the subject of a memo to the Board from the Acting Director of Administration recommending approval to authorize the Executive Director to execute a Memorandum of Understanding between the Port and the International Brotherhood of Electrical Works (IBEW) for a term of three years commencing September 1, 1998. The draft has been completed and it was recommended that the Board ratify and approve the resolutions and ordinances to permit the implementation of the MOU between the Port and the IBEW. The recommendation was approved on passage of Resolution No. 98391 and on the appropriate ordinances to print.

Amendment to Deferred Compensation Agreement with Washington Mutual Bank was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that Great Western Bank (Great Western), our deferred compensation plan administrator, has merged with Washington Mutual, FA. In an effort to provide better service to the Port's participants, Washington Mutual has installed a new computer system and needs to amend the index date which is used to pay participants. The proposal is to determine the index rate as of the 15th of the month prior to the end of the calendar quarter. The current rate is determined on the last day of the calendar quarter as published in the Wall Street Journal. Port staff believes there will be no material effect on participants' rates. It was recommended that the Board approve the amendment to the Washington Mutual FA agreement and authorizing the administrator to use a different index rate date. The recommendation was approved on passage of Resolution No. 98392.

Ratification and Approval of FY 1997-1998 and 1998-1999 Purchase Orders; Status of Procurement Pilot Projects was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Procurement Manual includes the requirement to report annually to the Board the utilization of monthly purchase orders whose primary function is facilitating the purchase of routine, small-dollar value maintenance and repair operations, supplies and services. Accounts are established with selected vendors on the basis of price, with service, geographic location, product selection, and availability as additional factors. Monthly purchase

orders are an important component of the Port's procurement activities. They ensure timely availability of frequently used products at competitive prices. For Fiscal Year 1998-1999, local vendors comprise approximately 80% of monthly purchase orders with Oakland-based vendors accounting for 60%. In reviewing the proposed monthly purchase orders for Fiscal Year 1998-1999, projections indicate that the following monthly purchase orders and utility expenses could exceed the bid limit for the aggregate of all purchases during the fiscal year. The Board is requested to waive competitive bidding with respect to each vendor in the amounts indicated below and approve such purchases: Crystal Data, Oakland, Copier/Lease, at \$90,000.00; Xerox Corporation, Oakland, Copier/Lease, at \$96,000.00; Waste Management of Alameda County, Oakland, Refuse Collection Terminal 1 & 2, at \$180,000.00 (the Port is reimbursed by ATS/Concession Air, a tenant, for approximately 57% of the refuse collection costs at Terminals 1 and 2); WESCO/G&W Services, Oakland facility, Electrical supplies, equipment rental, other miscellaneous maintenance and repair operation supplies, safety supplies, etc., at \$650,000.00; and Gallagher & Burk, Oakland facility, Asphalt mix, at \$60,000.00. The purchase orders listed below have exceeded the \$50,000.00 bid limit for the aggregate of all purchases during the Fiscal year 1997-1998. It was recommended that the Board ratify said purchases with respect to each vendor in the amounts indicted and approve such purchases: Channel Lumber, Piles for fender repairs of Berths 20, 21, 22, 23, 24, 25, 35, 37 and 40, at \$175,000.00; Island Advertising, various Aviation marketing promotional items, at \$70,000.00; Advanced Technology, computer hardware and accessories for Engineering, at \$95,000.00; G&W Services, X-ray machines for Metropolitan Oakland Airport, at \$123,000.00; Golden Bay Fence, fence repairs as needed prior to contract, at \$100,000.00; and J.A. Jones Management, maintenance of Harbor Transportation Center prior to contract, at \$190,000.00. The Board was notified that the procurement card pilot program is operational, with approximately 50 employees participating. The underlying concept of the cards is increased productivity through the elimination of paperwork. By using the cards several steps in the procurement and vendor payment process are entirely eliminated or significantly reduced. There is no need to process requisitions or purchase orders and vendor payments are consolidated

into one check monthly. Vendors like the cards because they receive payment within a few days of the transactions. This is particularly helpful for small companies trying to conserve their capital requirements. The participants like the cards because of the flexibility to meet unanticipated supply requirements. The following procedures have been established to ensure that Port policies pertaining to local procurement, expenditure authorizations and contracting are adhered to: participants are required to attend a training session before receiving a procurement card; participants are required to sign a form attesting to their responsibility to use the card only for approved type of transactions; supervisors must approve all purchases; participants must submit all supporting documents to Accounts Payable for verification; participants may not purchase Public Works or capital equipment; transactions are restricted to selected merchant categories related to maintenance and repair supplies; expenditure limits are established consistent with departmental controls; and purchasing reviews all transactions to ensure compliance with the rules. Indications are that the cards are a positive addition to procurement operations at the Port. In addition, we are in contact with other public agencies which use procurement cards, such as the East Bay Municipal Utility District (EBMUD) and the State of California, to ascertain their feedback regarding the effectiveness of the cards. Over the next year, the Port plans to gradually expand the number of participants in the program. The integrated supplier program initially targeted for electrical supplies has been extended to other commodity classes such as hardware, tools, equipment rental and other maintenance and repair supplies. As anticipated, the integrated supplier approach has significantly reduced paperwork, improved efficiency and payment processing. It was recommended that the Board approve the monthly purchase orders for FY 1998-1999 and ratify and approve six purchase orders for FY 1997-1998 for Channel Lumber, Island Advertising, Advanced Technology, G&W Services, Golden Bay Fence, and J.A. Jones Management and in each case waive competitive bidding requirement for monthly purchase orders, integrated suppliers, and utilities. The recommendation was approved on passage of Resolution No. 98393.

Authorization for Director of Administration to Sign Warrants and Financial

Documents was the subject of a memo to the Board from the Chief Financial Officer

recommending the Board amend the designation of officers and staff authorized to sign warrants and approve claims, demands, and other similar documents to change the title of Chief Administration Officer to Director of Administration; and signing authority would include warrants upon the Port Revenue Fund and wire transfer authorizations. The recommendation was approved on passage of Resolution No. 98394.

Travel Authorization contained in a memo to the Board from the Secretary of the Board recommending approval of the travel of President John Loh, to Rio de Janeiro, San Paulo, Brazil and Buenos Aires, Argentina, for the purpose of participation in a South American Business Development mission sponsored by the Greater Oakland International Trade Center on or about September 16 to September 25, 1998. The recommendation was approved on passage of Resolution No. 98395.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

Noes: None

Absent: None

“RESOLUTION NO. 98377

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR INSTALLATION OF EMERGENCY CALL BOXES WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98378

AWARDING CONTRACT TO ENVIROCLEAN, INC. FOR REMOVAL OF FUEL STORAGE TANKS MF-08, MF-09 AND MF-10 AT TAXIWAY U, SOUTH AIRPORT METROPOLITAN OAKLAND INTENTIONAL AIRPORT, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98379

AWARDING SPECIFICATIONS FOR FURNISHING SERVICE AND MAINTENANCE FOR PASSENGER LOADING BRIDGES FOR THE PERIOD COMMENCING JANUARY 1, 1999, AND ENDING DECEMBER 31, 2001, 2002 OR 2003, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98380

APPROVING FINAL DESIGN FOR THE LINCOLN PROPERTY COMPANY PROJECT AT SITE B (EMBARCADERO AT ALICE STREET).”

“RESOLUTION NO. 98381

FINDING AND DETERMINING THAT PUBLIC CONVENIENCE OR NECESSITY WOULD BE SERVED BY THE STATE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL’S ISSUANCE OF A TYPE 42 ON SALE BEER AND WINE PUBLIC PREMISES LICENSE TO BAGHEERA CHARTERS, LLC, JACK LONDON SQUARE.”

“RESOLUTION NO. 98382

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH FANFA, INC., FOR MARTIN LUTHER KING, JR. REGIONAL SHORELINE WETLANDS PROJECT, OAKLAND, CALIFORNIA, INCLUDING ADDITIVE ALTERNATES B3 AND B6.”

“RESOLUTION NO. 98383

APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE ENVIRONMENTAL ENHANCEMENT AND MITIGATION PROGRAM UNDER SECTION 164.56 OF THE STREETS AND HIGHWAYS CODE FOR THE EMBARCADERO PARKWAY URBAN FORESTRY ENHANCEMENT PROJECT.”

“RESOLUTION NO. 98384

AWARDING CONTRACT TO EVANS BROTHERS, INC. FOR DEMOLITION OF BUILDING D-113, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98385

AWARDING CONTRACT TO CST ENVIRONMENTAL, INC. FOR DEMOLITION OF BUILDING D-311, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98386

AWARDING CONTRACT TO CST ENVIRONMENTAL, INC. FOR DEMOLITION OF BUILDINGS D-211 AND D-310, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98387

AWARDING CONTRACT TO CST ENVIRONMENTAL, INC. FOR DEMOLITION OF BUILDINGS D-221 AND D-222, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98388

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98389

APPROVING THE REVISION OF JOB SPECIFICATIONS FOR THE POSITION OF ASSISTANT PORT ENVIRONMENTAL PLANNER.”

“RESOLUTION NO. 98390

*APPROVING EXAMINATION ANNOUNCEMENT FOR THE POSITION OF EMPLOYMENT RESOURCES DEVELOPMENT PROGRAM TECHNICIAN.”

“RESOLUTION NO. 98391

RATIFYING MEMORANDUM OF UNDERSTANDING WITH INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS.”

“RESOLUTION NO. 98392

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO APPROVE AMENDMENT TO THE DEFERRED COMPENSATION AGREEMENT WITH WASHINGTON MUTUAL FINANCIAL ASSOCIATION.”

“RESOLUTION NO. 98393

RATIFYING PURCHASE ORDERS FOR SOUTH BAY MAINTENANCE, APPROVING MONTHLY PURCHASE ORDERS FOR CRYSTAL DATA, XEROX CORPORATION, WASTE MANAGEMENT OF ALAMEDA COUNTY, WESCO/G&W SERVICES AND GALLAGHER & BURK, DISPENSING WITH COMPETITIVE BIDDING AND AUTHORIZING THE IMPLEMENTATION OF PROCUREMENT CARD TEST PROJECT.”

“RESOLUTION NO. 98394

AMENDING PORT RESOLUTION NO. 97210 APPROVING DESIGNATION BY EXECUTIVE DIRECTOR OF OFFICERS AND EMPLOYEES AUTHORIZED TO SIGN WARRANT AND OTHER DOCUMENTS.”

“RESOLUTION NO. 98395

CONCERNING CERTAIN TRAVEL.”

Port Ordinance No. 3451 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH UNION PACIFIC RAILROAD COMPANY PROVIDING FOR THE PORT OF OAKLAND’S ACQUISITION OF CERTAIN RAIL PROPERTY LOCATED IN THE PORT OF OAKLAND INNER HARBOR AND MIDDLE HARBOR AREAS, MAKING AN APPROPRIATION THEREFOR, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH,” and Port Ordinance No. 3452 being, “AN ORDINANCE AUTHORIZING AND APPROVING THE EXECUTION OF TERMINAL USE AGREEMENT WITH STAR SHIPPING (USWC) INC.,” and Port Ordinance No. 3453 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING ADDITIONAL POSITIONS OF SENIOR PROJECT ADMINISTRATOR, AND PORT EMPLOYMENT RESOURCES DEVELOPMENT PROGRAM TECHNICIAN, AND ADDING ADDITIONAL POSITIONS WITHIN EXISTING PORT CLASSIFICATIONS,” were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,

Uribe and President Loh - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, ”AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING ADDITIONAL POSITION OF ENGINEERING PROJECT MANAGER, ADOPTING NEW SALARY SCHEDULE FOR ENGINEERING PROJECT MANAGER, ADDING ADDITIONAL POSITIONS WITHIN EXISTING PORT CLASSIFICATIONS, AND AMENDING SALARY SCHEDULE,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3450 SECTION 2.07, OF PORT ORDINANCE NO. 867, SALARY SCHEDULES FOR WESTERN COUNCIL OF ENGINEERS,” and Port Ordinance No. ____ being, ”AN ORDINANCE AMENDING

SECTION 1.3392 OF PORT ORDINANCE NO. 867 FIXING THE COMPENSATION OF CERTAIN EMPLOYEES OF THE PORT DEPARTMENT,” and Port Ordinance No. ____ being, “AN ORDINANCE ADDING SECTION TO PORT ORDINANCE NO. 867 PROVIDING FOR ADDITIONAL COMPENSATION FOR ENGINEER PROJECT MANAGERS,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 BY THE ADDITION OF SECTION 1.0303 PROVIDING FOR ADDITIONAL COMPENSATION FOR EMPLOYEES BELONGING TO EMPLOYEE REPRESENTATION UNIT F UNDER THE TERMS OF THE PERFORMANCE INCENTIVE PROGRAM SET FORTH IN THE MEMORANDUM OF UNDERSTANDING WITH INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 1.306 OF PORT ORDINANCE NO. 867, RELATING TO PARTICIPATION BY REGULAR EMPLOYEES BELONGING TO REPRESENTATION UNITS A,B,C,D,E, AND H WORKING AT LEAST 19 HOURS PER WEEK IN PORT OF OAKLAND FLEXIBLE BENEFITS PLAN,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 1.32 OF PORT ORDINANCE NO. 867, RELATING TO THE PROVISION OF ACTING PAY FOR PORT EMPLOYEES.” and Port Ordinance No. ____ being, “AN ORDINANCE ADDING SUBSECTION 2.2 TO SECTION 1.191, ADDING SECTION 1.33993, AND AMENDING SECTION 2.06 OF PORT ORDINANCE NO. 867 RELATING TO COMPENSATION FOR CERTAIN OFFICERS AND EMPLOYEES,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 7(a) OF PORT ORDINANCE NO. 1166, RELATING TO EMPLOYEE PARTICIPATION IN THE PUBLIC EMPLOYEES’ RETIREMENT SYSTEM, HEALTH BENEFITS PROGRAM,” were read a first time and passed to print by the following vote:

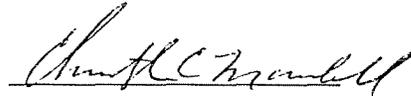
Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

Noes: None

Absent: None

At the hour of 4:45 p.m., the Board entered into closed session pertaining to conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 3 matters; conference with real property negotiator, property - Alameda Newspaper Group, 66 Jack London Square, Oakland, CA 94612, Negotiating Parties - Port and Alameda Newspaper Group, Inc., under negotiation - Terms of Lease, property - 55 Water Street, Oakland, CA 94607, negotiating parties - Port and Oakland Portside Associates, under negotiation - Terms of Lease; and reconvened in open session at the hour of 6:30 p.m.

At the hour of 6:32 p.m. the formal portion of the meeting was adjourned on a motion duly made and seconded.



Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting was held on Tuesday, September 1, 1998, at the hour of 3:13 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Loh presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

Commissioners absent: None

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; and Secretary of the Board.

The minutes of the regular meeting of August 4, 1998 was approved as submitted and order filed.

Approval to Hire Huffman & Associates/Chow Engineering to Provide Consulting Services for the Oakland International Airport Wetlands Re-Delineation and Management Plan Project was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port needs to update the Jurisdictional Delineation Map of Wetlands within the boundaries of the Airport and adjacent to Galbraith Golf Course. The re-delineation is required to be updated every five years by the Army Corps of Engineers (COE). In addition, the Port would like to improve service to Airport facilities and operations by development of a wetlands management plan. A Request for Proposals (RFP) was sent out on June 9, 1998, to 90 consultant firms with offices in the Greater Bay Area. Due to the specific technical expertise required for this project, the geographic areas for proposals were extended outside of the Port's Local Impact Area/Local Business Area. It was recommended that the Board authorize the preparation and execution of an agreement with Huffman & associates/Chow Engineering for a fixed fee agreement not to exceed \$600,000.00, with a \$75,000.00 contingency fee. The cost of this service is included

in the FY 1998-99 Capital Budget. The recommendation was approved on passage of Resolution No. 98334.

Approval of Third Supplemental Agreement to Lease with National Car Rental System, Inc., South Airport was the subject of a memo to the Board from the Director of Aviation recommending that the Board approve the proposed Third Supplemental Agreement which permits the Port to deactivate and eventually remove an underground fuel tank from the National Car Rental System, Inc. (National) rental car service facility located on Neil Armstrong Way on the South Airport. National leases the former gasoline service station site at a rental rate of \$7,617.56 per month under a Lease with the Port dated August 19, 1980. Federal regulations require that all underground fuel storage tanks either be modified or deactivated prior to December 1998. The deactivated fuel tanks must be removed no later than December 1999. National has declined to modify the tank, so it will be deactivated and removed as part of the Port's underground storage tank program. This project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98329.

Approval of First Supplemental Agreement with The Hertz Corporation, North Airport was the subject of a memo to the Board from the Director of Aviation recommending approval of a First Supplemental Agreement with The Hertz Corporation, for deletion of 28,803 square feet of unimproved land adjacent to Building L-719, at a new rate of \$12,262.37 per month, effective June 3, 1998. The recommendation was approved on passage of Resolution No. 98330.

Approval of an Agreement to Extend Right-of-Entry and Indemnity Agreement with National Car Rental System, Inc. was the subject of a memo to the Board from the Director of Aviation recommending approval with National Car Rental System, Inc. to enter into a one-year Right-of-Entry and Indemnity Agreement (ROE) with the Port effective September 9, 1998 providing for the installation and operation of three ground water monitoring wells on its service facility site located on Neil Armstrong Way. No monetary consideration is imposed under this agreement. To meet Alameda County's regulatory requirements for evaluation of the September 1, 1998

concentrations of dissolved petroleum in the ground water and the assessment of the ground water gradient at the site, National is requesting an extension through September 8, 1999. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98331.

Authorization to Include the Demolition of Buildings L-647, L-721, L-723, L-725 and L-731, MOIA, in the Port's Small Business Program was the subject of a memo to the Board from the Director of Engineering recommending approval to demolish the 5 buildings. These buildings are approximately 40-55 years old, and deteriorated. The buildings contain hazardous materials such as asbestos and lead paint, and attract transients and wild animals seeking shelter. The demolition will not only remove deteriorated structures and hazardous materials, and eliminate associated maintenance costs, but will also allow the site to be developed for Replacement Rental Car Service Facilities. It was recommended that the demolition work be included in the Port's Small Business Program for small local contractors and that it be found to be in the best interest of the Port to dispense with formal bidding procedures to accomplish the work. The recommendation was approved on passage of Resolution No. 98332.

Ratification and Approval of Assignment of Contract for Removal of Rubber Deposits from and Restriping of Runways for the Period Commencing March 1, 1997, and Ending February 28, 1998, 999 or 2000, MOIA was the subject of a memo to the Board from the Director of Aviation notifying the Board of the contract with Rampart Waterblast, Inc. for the removal of the rubber deposits. The Port has been requested to approve an assignment of this contract to Safeworks, LLC. At that time the Port requested appropriate documentation in order for a recommendation to be made to the Board to approve the assignment. On April 13, 1998, the Port was further notified that Safeworks had sold the rubber removal company to Rampart Construction Services LP. Again the company requested approval of assignment of the contract and again the Port requested the appropriate documentation. The required documentation for both transactions has now been received and has been deemed satisfactory by the Port Attorney's office. During the past 18 months the company has provided excellent service to the Airport and it was recommended September 1, 1998

that their services be retained and the contract be approved. The recommendation was approved on passage of Resolution No. 98333.

Consent to Contractor Performing Work of Listed Subcontractor for Enhancements to Ferry Terminal, Jack London Square was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port presently has a contract with EAI International (EAI) for the construction of enhancements to Ferry Terminal. EAI has requested Board approval to perform the remaining work of one of its subcontractors on the project using EAI's own work force. The Contractor has stated that its listed subcontractor for installation of concrete pavers, Gutierrez Construction, will be unable to complete the remaining work. Under the California Public Contract Code, this is considered to be a valid basis for consent to EAI's request. The Port has received a copy of the letter sent to EAI from Gutierrez Construction informing them that, due to the company's full work capacity, they will be unable to man the job at levels sufficient to complete the work on the project in a timely manner. They requested to be released from their contract agreement with EAI. The letter further stated that Gutierrez Construction will release EAI from its contractual responsibility, in turn they will hold no liability associated with the required work. As the remaining work under this contract involves stringent time constraints, and as the concrete pavers work is on the critical path schedule, the Contractor has stated that he intends to perform the remaining concrete pavers work with his own forces. A replacement subcontractor will not be obtained and it was recommended that EAI International perform the remaining work. After discussion, the recommendation was approved on passage of Resolution No. 98334.

Award of Contract for Demolition of Buildings D-212, D-213 & D-213A, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the six bids received and recommending award of the contract to Peak Engineering Inc., the low bidder, at \$449,600.00. The recommendation was approved on passage of Resolution No. 98335.

Award of Contract for Demolition of Buildings D-422 and D-522, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering

notifying the Board of the eight bids received and recommending award of the contract to Clauss Construction, the low bidder, at \$391,000.00. The recommendation was approved on passage of Resolution No. 98336.

Authorization to Include the Demolition of Buildings D-111, D-114, and D-116, Harbor Transportation Center, in the Port's Small Business Program was the subject a memo to the Board from the Director of Engineering notifying the Board that the Port has demolished, or will be demolishing, more than 100 structures at the Harbor Transportation Center. Most of these structures are large and beyond the capabilities of local small contractors. Of the structures potentially suitable for small contractors, Buildings D-111, D-114 and D-116 are scheduled for immediate demolition. The work consists of demolition and removal of Building D-111, a one story wood-framed building with metal roofing, formerly a 4,200 square foot warehouse; Building D-114 is a pump station with concrete floors and walls, wood roof beams, and a built-up tar and gravel roof which covers a total of 144 square feet; and Building D-116 is a one story hose storage facility/maintenance office with concrete floors and steel columns, beams, and roof which covers a total of 4,000 square feet. It was recommended that the Board dispense with formal bidding procedures and authorize the Executive Director to execute a contract for this work with a small local contractor, said contract to be based on informal, competitive bidding and to be for an aggregate not to exceed \$150,000.00. The environmental documents associated with the project have previously been considered by the Board and the project conforms to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 98337.

Plans and Specifications for Demolition of Buildings D-721 and D-722, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Buildings D-721 and D-722, each a 121,000 square foot warehouse with wood framed structure, transite siding and a dock high concrete foundation. The environmental documents associated with the project have previously been considered by the Board

and the project conforms to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 98338.

Plans and Specifications for Demolition of Buildings D-533, D-533B and D-534, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Building D-533, a two story, 106,800 total square foot steel frame workshop/office; Building D-533B, a one story, 6,700 square foot wood and steel frame workshop; and D-534, a one story, 8,160 square foot steel frame workshop. This work is necessary in order to clear the site for construction of the Berth 55/56 Container yard beginning in early 1999. The environmental documents associated with the project have been previously considered by the Board and the project conforms to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 98339.

Personnel Items contained in a memo to the Board from the Acting Director of Administration recommended the appointments of Gurcharan Duggal and Teressa Gonzalez, as Relief Airport Custodians, intermittent Part-Time, at \$12.07 per hour, effective September 21, 1998; Ronald E. Nelson and Gerald Serventi, as Port Principal Engineers, at \$7,962.00 per month; effective September 7, 1998; and Cheryl Friedman, as Secretary to the Deputy Executive Director, at \$4,931.00 per month, effective September 2, 1998. Further recommended is the amendment of appointment date for Mukesh Bhatia, as Port Technical Support Analyst III, from August 3, 1998 to September 4, 1998; the rescission of appointments of Hilda Ayon and Cynthia Duenas who were appointed to positions of Relief Airport Custodian, Intermittent Part-Time, effective August 10, 1998; and the leave of absence for Laurice Henry-Ross, as Legal Secretary II for maternity reasons beginning August 24, 1998 through and including November 20, 1998. Mr. Enrique Zamora and Mr. Paul Cobb appeared before the Board concerning the process for selection of the Port Principal Engineer. The recommendation was approved on passage of Resolution No. 98340 for appointments; Resolution No. 98341 for amending appointment; Resolution No. 98342 for rescinding appointments; and Resolution No. 98343 for leave of absence.

Authorization to Purchase and Install New Financial Software was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that in October 1997, and according to a previously approved capital budget project, the Board authorized the Executive Director to contract with SoftResources, a firm specializing in software selection, and Grant & Smith, a local MBE accounting and consulting firm. The firms were chosen to assist Port staff in selecting financial software to replace existing software which is not year 2000 compliant and is technical obsolete. Several additional operational benefits were identified to increase productivity arising from flexible, user friendly financial information systems; improve efficiency of customer services based on more accurate and timely financial information; and better tools for broader and more strategic use of financial information. The evaluation process has been multifaceted and comprehensive. SoftResources conducted Port-wide interviews to determine the Port's financial information requirements related to financial planning, analysis and reporting, fiscal control and transactions record keeping, project accounting and work management, and business planning and strategic analysis. The product of these interviews was a document referred to as "Differentiating Criteria" which categorized approximately 150 functional requirements into three categories: required, important, and nice to have. SoftResources used the "Differentiating Criteria" as the basis for evaluating hundreds of financial software packages. Based on software demonstrations, site visits, and reference checks, it was recommended GEAC-SmartStream, located in Atlanta Georgia, with a local office in San Mateo, meets the Port's functional performance requirements. The software will utilize the Port's local area network Local Area Network (LAN) which should enhance productivity and ease of operations. The technology is Windows-based, work flow management capabilities are built-in, and flexible reporting hierarchies provide for user customization. Implementing the new software is complex and will require the assistance of GEAC and other outside experts for services, such as setting up and testing the software, training, work flow analysis, writing software code (programming), and evaluating the Port's LAN. Port staff from MIS, Finance, and other departments will also be required and the requirement for outside assistance offers an excellent opportunity to involve small and Oakland-based firms in this

project. Staff has identified a pool of local and MBE consultants, including ATS, Williams Adley & Company, Grant & Smith and Cordoba to participate in this project. Local hardware suppliers have also been identified, including Oakland Computer, Oakland Mirco and Technical Consulting. It was recommended that the Board approve the purchase and installation of financial software and authorize the Executive Director to enter into contracts with GEAC-SmartStream, ATS, Williams Adley & Company, Cordoba and Grant & Smith for software and consulting services totaling \$1,550,000.00. It was further recommended that the Board authorize the Executive Director to back-fill selected positions in MIS, Finance and other departments as required for a period of appropriately 9 months at an estimated cost of \$350,000.00 and to purchase computer network and related equipment, through state contract or open market procurement, at an estimated cost of \$200,000.00 and to extend contingency funds not to exceed \$225,000.00 for anticipated requirements to complete Phase I of the Project. The total cost of Phase I will not exceed \$2,345 million. The recommendation was approved on passage of Resolution No. 98344 for consulting with American Training Systems Company, Williams Adley & Company, Cordoba and Grant & Smith and Resolution No. 98345 for consulting with GEAC-SmartStream.

Approval of Memorandum of Understanding with the City of Oakland for Special Services Payments for Fiscal Year Ending June 30, 1999 was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Fiscal Year 1998-99 Operating Budget was adopted by the Board on June 23, 1998. The Operating Budget for FY 98-99 includes \$1,730,300.00 for Special Services Payments to the City of Oakland, which covers police services at the Airport and the Maritime area, as well as other specified administrative services that the City provides to the Port. In addition to the Port budgeting this payment in the operating budget, the City and Port, must execute an annual Memorandum of Understanding (MOU) covering these Special Services Payments. The Port includes this operating expense in its budget each year and the City bills the Port for such services on an annual basis. It was recommended that the Board authorize the Executive Director to execute the MOU with the City of Oakland for the FY 98-99

Special Services Payments for an amount not to exceed \$1,730,300.00 plus actual dental premiums incurred by the Port. The recommendation was approved on passage of Resolution No. 98347.

Authorization to Negotiate a Professional Services Agreement with Insurance Data

Services was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that staff administers thousands of individual contracts and these contracts have insurance requirements, whereby, the other party must provide evidence of liability insurance that names the Port as an additional insured as respects their tenancy or activity. This provides significant protection for the Port in insulating it from tort liability. However, the administrative burden is significant. Existing software is outdated and incompatible with the Ports windows based environment. Insurance Data Services (IDS) provides software and related software services to many United States and Canadian Corporations, including Home Depot and GATX Leasing. They offer a turnkey operation for approximately \$10.00 per certificate of insurance. Their software is cutting-edge technology which includes document imaging, permanent historical records and on-line access for Port staff. It was recommended that the Board approve a professional software and services contract with Insurance Data Services for insurance certificate administration. Initial start up fees the first year are \$8,500 for programming, set-up conversion, downloading existing data bases and on-line access; and annual tracking fees for processing 3000 certificates is \$30,000.00 the first year fees will not exceed \$38,500.00. The recommendation was approved on passage of Resolution No. 98348.

Authorization to Pay Annual Audit Premium for Special Events Liability Insurance

was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Port purchased Special Events Liability Insurance May 20, 1997 from Fireman's Fund Insurance Company. The policy insured events occurring in Jack London Square including Farmers Markets, Port Day, Christmas Celebrations, Italianfest, Easter, Fourth of July Celebrations. The policy provides insurance in excess of that provided by vendors or events sponsors. The policy was set up with a deposit premium of \$8,000.00 and an annual audit based on number of attendants. Estimated attendance exceeded 330,000 for the May 20, 1997 to May 20, 1998 policy period. This

has resulted in an additional premium due of \$18,431.00. During this period the Port did not purchase primary General Liability Insurance other than Special Events Insurance which insured all special events. As of May 20, 1998, the Port again is purchasing primary General Liability. The only special events that will be insured by the renewal policy will be major and Port sponsored (e.g. Christmas, Port Day and 4th of July) which will keep the annual premium in the \$8,000.00 range. It was recommended that the Board authorize the payment of \$18,431.00 additional premium for Special Events Liability Insurance. The recommendation was approved on passage of Resolution No. 98349.

Authorization to Purchase Automobile Physical Insurance on Gillig Buses was the subject of a memo to the Board from the Chief Financial Officer recommending that the Board approve the purchase of physical damage insurance on the 20 Gillig buses for an annual premium not to exceed \$25,000.00. These buses will be used to shuttle passengers at the Airport from the terminals in Bart and airport parking lots. The Lease with GE Capital Public Financial, Inc. requires the Port to insure the buses for automobile liability insurance and physical damage insurance. The Port's automobile liability insurer, Genesis has agreed to insure the buses for a composite rate of \$466.00 per unit. Coverage will be provided with a limit of \$1,000,000.00 subject to a \$100,000.00 self-insured retention. The Port does not insure its fleet for physical damage coverage except on a catastrophic basis. The Port has secured a quotation from Twin City Fire Insurance Company (Hartford Group) for physical damage insurance for Limit of Coverage - \$5,000,000.00; Deductible - \$5,000.00; Estimated Premium \$25,000.00 (based on 20 vehicles valued at \$250,000.00 each, therefore, if some of the vehicles have a lower value, the premium would reflect same); and valuation - Replacement cost. The recommendation was approved on passage of Resolution No. 98350.

Ratification and Approval of Resolutions and Ordinances for Implementation of MOU with Western Council of Engineers was the subject of a memo to the Board from the Acting Director of Administration notifying the Board that on June 23, 1998, the Board approved and authorized the Executive Director to execute a Memorandum of Understanding (MOU) September 1, 1998

between the Port and Western Council of Engineers (WCE) for a term of three years commencing June 27, 1998. Resolutions and Ordinances required for implementation of the MOU were not submitted to the Board for approval at that time pending review and finalization of the complete written agreement. The drafting of the MOU is now complete and it was recommended that the Board ratify and approve the resolutions and ordinances to permit the implementation of the MOU between the Port and WCE. The recommendation was approved on passage of Resolution No. 98351.

Travel Authorization contained in a memo to the Board from the Secretary of the Board recommending the travel of President John Loh to Dalian and Hong Kong, China, to participate in an Oakland-Dalian Sister City Trade Delegation, on or about the period of September 7 through 14, 1998; the travel of the Executive Director, Charles Foster, to Japan and Hong Kong, China, to participate in Alameda County's Economic Development for Business Investment Mission, on or about the period September 11 through 23, 1998; and travel of George Turner, Manager of Aviation Marketing & Communications, to London, England and other European cities, to attend the Routes in London Conference, and meet with certain European passenger carriers regarding service to OAK, on or about the period September 18 through 25, 1998. The recommendation was approved on passage of Resolution No. 98352.

Authorization for Deputy Executive Director to Sign Warrants and Financial Documents was the subject of a memo to the Board from the Chief Financial Officer recommending that the Board amend the designation of officers and staff authorized to sign warrants and approve claims, demands, and other similar documents to include the new Deputy Executive Director, Tay Yoshitani. Signing authority would include, warrants upon the Port Revenue Fund and Port Construction Funds and wire transfer authorizations. The recommendation was approved on passage of Resolution No. 98353.

Mason Tillman Associates was the subject of a letter from the Port Attorney notifying the Board that the firm was retained in 1995 by the Port to conduct the Port's initial Croson or Disparity Study (The Study). In 1996, Mason Tillman Associates (MTA) was asked to update The
September 1, 1998

Study in light of existing and threatened litigation against non-discrimination programs statewide. In addition, MTA was requested to conduct additional community outreach; analyze and study the Port's federally funded projects (Adarand Study); analyze and evaluate the Port's "below the bid limit" contracting; and evaluate the Port's contracting process all at additional cost. It was recommended that the Board authorize an additional amount of \$70,000.00 to the firm for services rendered. The recommendation was approved on passage of Resolution No. 98354.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,

Uribe and President Loh - 7

Noes: None

Absent: None

"RESOLUTION NO. 98328

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH HUFFMAN & ASSOCIATES AND CHOW ENGINEERING, JOINTLY AND SEVERALLY, FOR AVIATION CONSULTING CONSTITUTES PROFESSIONAL TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98329

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN THIRD SUPPLEMENTAL AGREEMENT WITH NATIONAL CAR RENTAL SYSTEM, INC."

"RESOLUTION NO. 98330

APPROVING AND AUTHORIZING EXECUTION OF FIRST SUPPLEMENTAL AGREEMENT TO LICENSE AND CONCESSION AGREEMENT WITH THE HERTZ CORPORATION."

"RESOLUTION NO. 98331

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH NATIONAL CAR RENTAL SYSTEM, INC."

“RESOLUTION NO. 98332

GRANTING AUTHORIZATION TO INCLUDE DEMOLITION OF BUILDINGS L-647, L-721, L-723, L-725 AND L-731, NORTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, IN THE SMALL BUSINESS PROGRAM, FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR SUCH WORK WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98333

APPROVING, AUTHORIZING AND RATIFYING ASSIGNMENT OF RIGHTS OF RAMPART WATERBLAST, INC. OF THE CONTRACT FOR REMOVAL OF RUBBER DEPOSITS FROM AND RESTRIPIING OF RUNWAYS FOR THE PERIOD COMMENCING MARCH 1, 1997, AND ENDING FEBRUARY 28, 1998, 1999 OR 2000, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 98334

AUTHORIZING DELETION OF CONCRETE PAVERS WORK SUBCONTRACTOR FOR CONSTRUCTION OF ENHANCEMENTS TO FERRY TERMINAL, JACK LONDON SQUARE, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 98335

AWARDING CONTRACT TO PEAK ENGINEERING, INC. FOR DEMOLITION OF BUILDINGS D-212, D-213 AND D-213A, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98336

AWARDING CONTRACT TO PEAK ENGINEERING, INC. FOR DEMOLITION OF BUILDINGS D-422 AND D-522, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98337

GRANTING AUTHORIZATION TO INCLUDE DEMOLITION OF BUILDINGS D-111, D-114, AND D-116, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, IN THE SMALL BUSINESS PROGRAM, FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR SUCH WORK WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98338

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-721 AND D-722, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98339

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-533, D-533B AND D-534, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98340

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98341

AMENDING PORT RESOLUTION NO. 98294 CONCERNING CERTAIN APPOINTMENT.”

“RESOLUTION NO. 98342

RESCINDING PORT RESOLUTION NO. 98291 CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98343

RATIFYING LEAVE OF ABSENCE TO LAURICE HENRY-ROSS, LEGAL SECRETARY II.”

“RESOLUTION NO. 98344

FINDING AND DETERMINING THAT PROPOSED CONSULTING AGREEMENTS WITH 1) AMERICAN TRAINING SYSTEMS COMPANY, 2) WILLIAMS ADLEY & COMPANY, 3) CORDOBA, AND 4) GRANT & SMITH FOR FINANCIAL SOFTWARE CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENTS.”

“RESOLUTION NO. 98345

FINDING AND DETERMINING THAT A PROPOSED CONSULTING AGREEMENT WITH GEAC-SMARTSTREAM FOR PURCHASING AND INSTALLING FINANCIAL SOFTWARE CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

“RESOLUTION NO. 98346

FINDING AND DETERMINING THAT THE BACKFILLING OF SELECTED POSITIONS, PURCHASING COMPUTER NETWORK AND RELATED EQUIPMENT, AND EXPENDING CONTINGENCY FUNDS, CONSTITUTE PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENTS WITH VARIOUS VENDORS.”

“RESOLUTION NO. 98347

APPROVING AND AUTHORIZING EXECUTION OF A SUPPLEMENTAL AGREEMENT TO MEMORANDUM OF UNDERSTANDING WITH THE CITY OF OAKLAND FOR PROVISION OF AND PAYMENT FOR FISCAL YEAR 1998-99 SPECIAL SERVICES.”

“RESOLUTION NO. 98348

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH INSURANCE DATA SERVICES FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98349

AUTHORIZING PAYMENT OF ANNUAL AUDIT PREMIUM FOR SPECIAL EVENTS LIABILITY INSURANCE.”

“RESOLUTION NO. 98350

AUTHORIZING PURCHASE OF AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE INSURANCE ON GILLIG BUSES.”

“RESOLUTION NO. 98351

RATIFYING AND APPROVING MEMORANDUM OF UNDERSTANDING WITH WESTERN COUNCIL OF ENGINEERS.”

“RESOLUTION NO. 98352

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 98353

AMENDING PORT RESOLUTION NO. 97210 APPROVING DESIGNATION BY EXECUTIVE DIRECTOR OF OFFICERS AND EMPLOYEES AUTHORIZED TO SIGN WARRANTS AND OTHER DOCUMENTS.”

“RESOLUTION NO. 98354

AUTHORIZING AND APPROVING PAYMENT TO MASON TILLMAN ASSOCIATES FOR SERVICES IN CONNECTION WITH THE DISPARITY STUDY.”

“RESOLUTION NO. 98355

1) APPROVING TENTATIVE SETTLEMENT WITH ENCINAL TERMINALS AND CHEVRON U.S.A., INC.; 2) AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SETTLEMENT AGREEMENTS WITH SAID PARTIES; AND 3) AMENDING PORT RESOLUTION NUMBER 98181 CONCERNING THE PROPOSED TENTATIVE SETTLEMENT WITH THE ESTATE OF KALMAN, KALMAN TRUST, THE KALMAN COMPANIES, KALMAN STEEL PRODUCTS COMPANY, INC., LAKESIDE NON-FERROUS METALS AND EDEN NATIONAL STEEL CORPORATION (INCLUDING INSURANCE CARRIERS, AS APPROPRIATE) (COLLECTIVELY, THE “KALMAN GROUP”), CONCERNING CITY OF OAKLAND V. KEEP ON TRUCKING COMPANY, INC. ET AL., UNITED STATES DISTRICT COURT CASE NO. C-95-03721-CRB.”

“RESOLUTION NO. 98356

APPROVING AND AUTHORIZING EXECUTION OF SETTLEMENT AGREEMENT WITH SAN LEANDRO UNIFIED SCHOOL DISTRICT AND SAN LORENZO UNIFIED SCHOOL DISTRICT.”

“RESOLUTION NO. 98357

AUTHORIZING THE PORT ATTORNEY TO RETAIN A CONTRACT ATTORNEY TO HANDLE THE PORT’S LABOR AND EMPLOYMENT MATTERS.”

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3446, SECTION 1.03 AND 2.07, AND ADDING SUBSECTION 2.1 TO SECTION 1.191 OF PORT ORDINANCE NO. 867 PROVIDING MERIT INCREASES, PROFESSIONAL DEVELOPMENT BENEFITS AND SALARY SCHEDULES FOR CERTAIN OFFICERS AND EMPLOYEES,” was read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,

Uribe and President Loh - 7

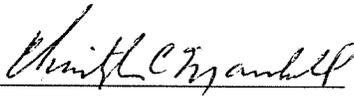
Noes: None

Absent: None

At the hour of 5:20 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of case: City of Oakland v. Keep On Trucking Company, Inc. et al., U.S. District Court Case No. C-95-03721-CW, City of Alameda, et al. v. Port of Oakland, et al., Alameda County Superior Court Case No. 793056-0 (Consolidated Cases), Pacific Western Airmotive, Inc., dba Covey

Trucking Co., v. Board of Port Commissioners, et al., Alameda County Superior Court Case No. 799860-1; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 3 matters; conference with labor negotiator, Agency Negotiator - Robert Martinez and Employee Organization - International Brotherhood of Electrical Workers; Public Employee Discipline/Dismissal/Release; and reconvened in open session at the hour of 7:30 p.m.

At the hour of 7:35 p.m. the meeting was adjourned on a motion duly made and seconded.

A handwritten signature in cursive script, appearing to read "Smith C. Ryan", is written over a horizontal line.

Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting was held on Tuesday, August 4, 1998, at the hour of 3:07 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Loh presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

Commissioners absent: None

Also present were the Port Attorney; Manager, Pricing and Contracts, Maritime, Sal DiGrande; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer, Fred Rickert; Director of Communications; and Secretary of the Board.

The minutes of the regular meeting of July 21, 1998 was approved as submitted and order filed.

President Loh welcomed new commissioners, Frank Kiang, Kathy Neal and Peter Uribe, to the Board of Port Commissioners.

Ratification of Agreement with Valet Parking Service to Provide Interim Airport Parking and AirBART Shuttle Service was the subject of a memo to the Board from the Director of Aviation notifying the Board that on February 17, 1998, the Board authorized the Executive Director to enter into an interim agreement with Champagne Coaches, Inc. to provide shuttle bus services at the Airport on an interim basis until a request for proposal process for a long-term shuttle bus agreement could be completed. Champagne Coaches, Inc. has notified the Port that they intend to cease the operation effective August 1, 1998. Given the extremely short notice provided to the Port and in order to ensure that the shuttle bus services are provided without interruption, Valet Parking Services has agreed to take over the shuttle bus operations on an interim basis, until the RFP process has been completed and will commence such operation services to the Port on August 1, 1998. The Port currently has a contract with Valet Parking Services to manage

the Airport Parking Operations. It was recommended that the Board ratify the agreement with Valet Parking Services to provide interim shuttle bus service and the terms and conditions will remain the same as the current shuttle service agreement that was in effect with the previous company, except as may be revised to reflect the acquisition of certain buses by the Port. The recommendation was approved on passage of Resolution No. 98304.

Authorization of Easement and Lease Agreements for Installation of Noise Monitoring Terminals was the subject of a memo to the Board from the Director of Aviation notifying the Board that on March 10, 1998, the Board authorized the purchase of four additional noise monitoring terminals for the Airport's existing noise monitoring system. The terminals consist of a microphone, 20-foot high pole and a noise analyzer in a weatherproofed enclosure. The terminals require electricity and telephone service to operate. The terminals must be located in areas where noise readings are desired. Six of the nine existing terminals are located in Alameda, two are located in San Leandro and one is located in San Lorenzo. All are currently located on private property or in public areas in the cities surrounding the Airport. Easements (or lease agreements, in some cases) were obtained from the property owners to permit installation and maintenance of the terminals. The agreements for easement or lease contain standard language and conditions specifying duration of the agreement, compensation or electrical and telephone services, and a termination clause. Easements are required for three of the four new terminals which are located on the property of the San Leandro Unified School District. The fourth terminal is located in a public area of San Leandro and does not require an easement, only a city permit which has been obtained. It was recommended that the Board authorize the Executive Director and Port Attorney to find and determine that the terms and conditions of the easements or lease agreements are satisfactory; to authorize them to enter into a grant of easement or lease agreement with the public agencies or private property owners, for the purposes of installation and maintenance of noise monitoring terminals; and that this authorization applies to the easements for the three new terminals and for terminals that may be added in the future. The recommendation was approved on passage of Resolution No. 98305.

Acceptance of Federal Aviation Administration (FAA) Grant Offer for AIP-21 was the subject of a memo to the Board from the Director of Engineering notifying the Board that on June 4, 1998, the Board approved the submittal of an Airport Improvement Program (AIP) grant application to the Federal Aviation Administration (FAA) to fund the Reconstruction of Apron at Building L-820 project. The total estimated cost of the project is \$3,685,670.00. The FAA share under this grant for federal fiscal year 1997-1998 is estimated at \$2,970,281.00. The Port's share is proposed to be funded by the Passenger Facility Charges (PFC) Program. It was recommended that the Board authorize the Executive Director to accept the FAA's AIP-21 Grant Offer. The recommendation was approved on passage of Resolution No. 98306.

Approval to Assess Penalty to O.C. Jones and Sons for Adding Three Subcontractors was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port currently has a contract with O.C. Jones and Sons for the reconstruction of Apron southeast of Building L-812. The contract is based on lump sum and unit prices totaling \$1,256,920.00. The work consists of reconstructing approximately 90,000 square feet of apron, constructing asphalt concrete overlay, installing an 8 inch waterline, ground rods, storm drainage system, fencing, and pavement striping and markings. On July 20, 1998, O.C. Jones informed the Port, in writing, that they inadvertently neglected to list three subcontractors necessary to construct the subject project. The subcontractors are Penhall Company, for demolition of existing concrete, at \$19,078.00; M.F. Maher, Inc., for barrier work, at \$32,000.00; and Golden State Caulking Co., for caulk and seal joints, at \$13,850.00, for a total of \$64,928.00. After careful review of O.C. Jones' request, it was felt that there was no apparent intent by O.C. Jones to subvert the contract requirements. It was therefore recommended that the Board assess O.C. Jones and Sons a ten percent penalty of \$6,492.80 for violation of State Public Contract Code. The recommendation was approved on passage of Resolution No. 98307.

Recommendation and Directions to Staff Concerning Adopting and Implementing the Oakland Estuary Plan was the subject of a memo to the Board from the Director of Strategic and Policy/Planning notifying the Board that on July 2, 1996, the Board authorized the execution of an August 4, 1998

agreement with ROAM Design Group, Inc., in order to prepare the Oakland Estuary Plan. That plan is now completed, and ready to be approved. Preparation of the Estuary Plan was a collaborative effort between the City of Oakland's Community and Economic Development Agency (CEDE) and the Port. It makes over 200 specific recommendations of things to do to enhance the Estuary shoreline and adjacent inland neighborhoods; to provide more and better public access to the waterfront; to promote development and activities; and to improve methods of pedestrian and vehicle circulation to and along the Estuary. It represents the culmination of 18 months' work by the staff, consultant team, and the Public Advisory Committee established to guide the staff and consultants. Since February 1998, the draft Estuary Plan has been circulating throughout the city, as the staff has been soliciting input and comments on the Plan's recommendations. To further strengthen the collaborative nature of the planning exercise, a joint public hearing was conducted by the Port Board and Planning Commission in June 1998. A draft Environmental Impact Report has been prepared and circulated; all in anticipation that the Board of Port Commissioners, the Planning Commission and ultimately the City Council, would approve the plan and use it as a common basis for development decisions in the separate jurisdictions along the waterfront. Although approving the Estuary Plan requires separate actions by the Board and the City, collaboration between the city and port continues into the adoption and approval stages. Staff from CEDE and the Port have come together to prepare joint staff report and the specific staff recommendations which is separate document. It was recommended that the Board recommend to the City Council that the Estuary Plan's Section I and II, a portions of Section III (as identified in the joint staff report) be adopted as part of the Oakland General Plan, according to appropriate procedures of the Planning Commission and City Council; direct staff to take all necessary steps to work with City staff to prepare an additional report entitled Estuary Plan Implementation Guide, as described in the joint staff report, and initiate the process to have the Board, City Planning Commission, and the City Council adopt such report as soon as possible, but no later than 180 days; and direct staff to take all necessary steps to evaluate and propose appropriate regulatory controls as "Port Standards & Restrictions", to effectively regulate the use of land and site

development characteristics within Port jurisdiction, as recommended by the Estuary Plan. After considerable discussion and a series of motions which included provisions for economic development, forcing access, use of local contractors, and review of height limits (FAR standards) assurance that EBMUD and the First and Last Chance Salon be accommodated and that the Board review the plan one more time in mid-September. The recommendation was approved on passage of Resolution No. 98308.

The following individuals appeared before the Board to comment on their particular concerns regarding the proposed plan on the implementation of the plan: Linda Brown, California Alliance for Jobs; Greg Rowe, Oakland Chamber; Robin Bartoo; Carol Brookman, First & Last Chance; Nate Anderson, Associate State Coordinator of Community Operations, AARP; Pamela Clark; Eva Lucia, EBMUD; Margaret Elizares, Oakland Citizen for Site B; C. Speck, Embarcadero Pacific; Patty Stilouis; and Joyce Hooks, Time Out for Fun and Games.

Authorization to Renew the Potomac Hull and Machinery and Protection and Indemnity Insurance was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the agreement between the Port and the Association for the Presidential Yacht Potomac dated September 27, 1983 requires the Port to provide Hull and Machinery and Protection and Indemnity Insurance on the vessel, USS Potomac. This insurance expires on September 1, 1998. The incumbent Commercial Union has quoted a 12.5% lower premium than last year. The annual premium is \$44,932.00 with a separate policy maintaining for pollution liability for \$1,566.73 per year. It was recommended that the Board authorize the renewal of the Potomac's Hull and Liability Policy and Pollution Policy for a premium of \$46,498.73. The recommendation was approved on passage of Resolution No. 98309.

Relocation of Work/Able Development Systems, Inc. from Building 833 to Building 502 at Fleet Industrial Supply Center, Oakland ("FISCO") was the subject of a memo to the Board from the Director of Maritime notifying the Board that Work/Able Youth Development Systems, Inc. (Work/Able) is a non-profit vocational training organization. On January 6, 1998, the Board approved a License and Concession Agreement with Work/Able for use of 10,200 square August 4, 1998

feet in Building 833 at the Fleet Industrial Supply Center, Oakland (FISCO) for training of unemployed adults in various disciplines. The current Agreement provides that if the Port's Executive Director determines that the training program is not effective, he then may terminate the Agreement upon 30 days prior written notice. The Port has subsequently taken possession of FISCO Building 502, a 6,426 square foot structure, and proposed to Work/Able that this facility is better suited for its training program. Work/Able concurs and would like to move its operation to Building 502 as soon as possible. This would benefit all concerned as Work/Able will occupy a building closer to public transportation and parking as the Port gains better control over the tenant mix at Building 833. While the Port has not assessed any rental at Building 833 and will not assess any at Building 502, Work/Able will continue to be responsible for all maintenance, payment of utilities and comply with prevailing Port insurance requirements. The project is categorically exempt and does not require the preparation of an environmental document. It was recommended that the Board approve the modification of the License and Concession Agreement by substituting Building 502 for Building 833 at the Fleet Industrial Supply Center, Oakland in order to reflect relocation by Work/Able. The recommendation was approved on passage of Resolution No. 98310.

Approval to Negotiate and Enter into a Consultant Agreement with Terry Lim for Preparation of a Museum Quality Exhibit in the Second Floor Observation Area of the Oakland Pier Train Tower in Port View Park was the subject of a memo to the Board from the

Director of Engineering notifying the Board that in November 1986, the Board certified the Final Environmental Impact Report for the Redevelopment of the Carnation Terminal Area (the Project).

In March 1991, the Board certified the Final Supplemental Environmental Impact Report for the project which included the relocation of the Oakland Pier Train Tower to Port View Park. The relocation was agreed to during the environmental assessment process to reduce the possibility of lengthy negotiations due to the potential historical significance of the building. In October 1991, letter to the State Historic Preservation Officer, the Port stipulated that the two-story structure (known in the railroad industry as a "tower") would be "used as a museum with photographs

representing the historical railroad era and as a viewing platform for marine terminal operations.” Reinforcing this commitment, a condition of construction permit 12-91 approved by the San Francisco Bay Conservation and Development Commission in January 1991, specifies that the historical railroad building “include...interpretive exhibits depicting port operations and a second floor observation area allowing an overview of port activities. As of July 1998, the second floor observation area of the tower, allowing an overview of Port maritime activities, is open but development of the interpretive exhibits depicting Port operations and representing the historical railroad era has not been authorized. In consultation with the staff of the Oakland Museum, Port staff explored conceptual approaches and requested recommendations of local artists with a strong reputation for graphic communications and relevant past experience in preparing public exhibits for unsupervised spaces. A \$75,000.00 budget was established for the purpose of designing, fabricating and installing the interpretive exhibits and memorabilia. Of the exhibit design firms suggested by the Oakland Museum staff, graphic artist Terry Lim (MBE/WBE) emerged as the most qualified candidate and has submitted a proposal for consideration. Her Oakland-based firm, a sole proprietorship, proposes to subcontract the exhibit fabrication to the Oakland-based firm of Jonathan Hirabayashi Design (MBE) and the historical narrative to Woody Minor of Berkeley, who is currently preparing an illustrated history of the Port of Oakland, utilizing the graphic arts services of Ms. Lim. Ms. Lim proposes the creation of a comprehensive series of exhibits, oriented to the principal “viewscapes,” that will inform the visitor of their past, present and future components (as applicable). The emphasis will be on rail history as it relates to port development, land form changes, and the people who contributed to the evolution of these elements. It was recommended that the Board authorize the agreement with Ms. Terry Lim for a cost not to exceed \$49,500.00 (\$45,000.00 services, \$4,500.00 reimbursable expenses) and for the approval up to \$5,000.00 for change-of-scope work. The recommendation was approved on passage of Resolution No. 98327 with Commissioner Kiang abstaining.

Award of Contract for Demolition of Buildings D-320 and D-321, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering

notifying the Board of the seven bids received and recommending award of the contract to Evans Brothers Inc. the lowest modified bidder, at their bid price of \$395,718.00. The recommendation was approved on passage of Resolution No. 98311.

Award of Contract for Demolition of Buildings D-331, D-431 and D-531, Harbor Transportation Center was the subject a memo to the Board from the Director of Engineering notifying the Board of the nine bids received and recommending award of the contract to OGISO Environmental, the lowest modified bidder, at their bid price of \$490,460.00. The recommendation was approved on passage of Resolution No. 98312.

Award of Contract for Replacement of Fuel Storage Tank EF-05, Berth 67 was the subject of a memo to the Board from the Director of Engineering notifying the Board of the four bids received and recommending award of the contract to Accutite Environmental Engineering, the low bidder, at \$172,144.00. The recommendation was approved on passage of Resolution No. 98313.

Plans and Specifications for Demolition of Building D-113, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of a four story building, approximately 155,000 square foot concrete warehouse with offices and a transformer room on the first floor, and two loading docks. The environmental documents associated with the project have previously been considered by the Board and the project conforms to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 98314.

Plans and Specifications for Demolition of Building D-311, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Building D-311, a four story warehouse of concrete construction having a total floor area of 289,000 square feet. The environmental documents associated with the project

have been previously considered by the Board and the project conforms to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 98315.

Authorization to Dispense with Formal Bidding to Dispose and/or Demolish Buildings

D-322, D-323, D-324 and D-325, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has demolished, or will be demolishing, more than 100 structures at the Harbor Transportation Center in order to construction the Vision 2000 Program. As identified in the Disposal and Reuse of Fleet and Industrial Supply Center EIR dated July 1997, the Port is required to make the three flag officers' quarters, Buildings D-323, D-324, and D-325, available for relocation off-site for reuse by nonprofit or other community-based organizations at no charge, for a period not to exceed three months. The Port is to provide funding to assist with the relocation up to the amount of the Port Engineer's cost estimate to demolish the buildings. The current estimate is approximately \$25,000.00 per building. If no viable offers that meet the Port's requirements to timely remove and relocate the officers' quarters are received within the three months, the Port will demolish the houses. At the same time the Port is advertising for relocation proposals, the Port will be soliciting proposal from small local businesses to demolish the three officers quarters plus Building D-322, a 7,500 square foot structure not identified in the EIR as part of the relocation program. The demolition work consists of the demolition and removal of Building D-322, a 7,250 square foot dispensary; demolish and removal of the foundations from Buildings D-323, D-324, and D-325 for a total of 10,372 square feet and any work that is not completed in the removal and relocation of the officer's quarters by the non-profit, community based organizations. This work is necessary to prepare the site for the new road construction in the Vision 2000 program. It was recommended that the requests to remove/relocate one, two or all three flag houses and demolish those left along with D-322 be approved and authorization be granted to advertise to non-profit or community based organizations for the removal and to small local businesses for the demolition work. The environmental documents associated with the project have previously been considered by the Board

and the project conforms to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 98316.

Plans and Specifications for Demolition of Building D-432, Harbor Transportation

Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition of Building D-432, a single story, 121,600 square foot steel frame warehouse. The environmental documents associated with the project have been previously considered by the Board and the project has been determined to conform to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 98317.

Approval of First Supplemental Agreement with EVS Environmental Consultants for Collection, Testing, and Analysis of Dredged Materials for the 50' Harbor Deepening Project

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the existing agreement with EVS Environmental Consultants to collect, test, and evaluate sediments that would be dredged as part of the -50' project. EVS was tasked with the evaluation sediments for various disposal options, each with its own testing requirements. For this work the Board approved compensation not to exceed \$3,700,000.00 with an additional \$500,000.00 to be approved by the Executive Director, if needed. The contingency of \$500,000.00 was approved, for additional work requested by the regulatory agencies beyond EVS' original scope of work. This work consisted of field sampling and laboratory testing of sediments, and negotiations with environmental groups and agencies. Sediment sampling, testing, and evaluation of the 12.8 million cubic yards (cy) of sediment that would be dredged as part of the -50' sediment is complete. Pursuant to the agreed-upon scope of work, EVS has evaluated the sediments for the following disposal options: ocean disposal, in-bay/upland and nearshore reuse in habitat creation (Middle Harbor Enhancement Area (MHEA)) and Hamilton Wetlands Restoration (Hamilton), construction fill, and reuse as cap material for contaminated sediment sites in San Francisco Bay. Based on this characterization, the Port has determined that, of the total 12.8 million cy, 9 million cy can be approved for ocean disposal; 300,000 cy are contaminated and can be approved only for off-site

disposal; 3 million cy can be used for MHEA or Hamilton; and 500,000 cy can be reused on-site as construction material. Since implementation the -50' project sampling and testing program, continuing controversy about MHEA and the high cost of Hamilton have made these projects tenuous. Therefore, in the event that neither of these reuse/disposal options is available to the -50' project, the Port must consider alternative disposal options for the approximately 3 million cy of sediment originally proposed for MHEA and Hamilton. The most economically feasible alternative disposal option is ocean disposal. These 3 million cy of material were originally tested for habitat reuse, not ocean disposal. However, these sediments are likely to be considered suitable for ocean disposal if additional analysis of the sediments is performed. This additional analysis consists primarily of contaminant modeling and the Port has received a cost estimate of \$100,000.00 for this work. The 500,000 cy that can be reused for on-site construction were originally tested for habitat reuse and were determined to be suitable for reuse for wetlands, although not at the surface of the wetland. The United States Environmental Protection Agency has stated that the Port may re-evaluate this material for ocean disposal in conjunction with the effort to re-evaluate the 3 million cy of sediment originally proposed for MHEA and Hamilton. Evaluation of the 500,000 cy of sediment for ocean disposal would require resampling and retesting of the sediments. With regard to the 3 million cy of sediment, the regulatory agencies may require that the modeling work be supplemented by some resampling and resting of the sediments. With regards to the 500,000 cy of sediment, the Port may or may not decide to undertake the effort of resampling and retesting. If the agencies require confirmation of the modeling for the 3 million cy of sediment and if the Port decides to resample and retest the other 500,000 cy of sediment, the combined cost of these two tasks could be as high as \$400,000.00. Still, ocean disposal of the 500,000 cy of sediment would provide a cost savings of several million dollars over disposing of the same sediment at an upland site such as a landfill. Ocean disposal would also shorten the construction period for both the -50' and Berths 55-58 development projects. Evaluation of ocean disposal for the 3.5 million cy of sediment will involve agency meeting and negotiations during the next several weeks. The Port will require EVS' technical support for these negotiations. Additionally, the Port will require

similar technical support for preparation of the permits for the -50' project. EVS has performed to a high standard and has saved the Port considerable time and money. The current issues regarding potential resampling and retesting are beyond the scope of EVS's performance under the existing contract. Port staff has met with EVS and has agreed on a scope of work and a cost estimate to evaluate 3.5 million cy for ocean disposal, as an alternative to MHEA and Hamilton. Less than \$10,000.00 remain in the existing contract and a First Supplement Agreement is required to fund this additional work. The Supplemental Agreement would authorize additional compensation in the amount of \$500,000.00 with an additional \$75,000.00 that could be authorized by the Executive Director if additional work is needed. The First Supplemental Agreement would increase the maximum compensation to a total maximum authorized amount to \$4,775,000.00. It was recommended that the Board authorize a First Supplemental Agreement with EVS Environmental Consultants in the amount of \$500,000.00 and authorize the Executive Director to approve an additional work in an amount up to \$75,000.00. After discussion, the recommendation was approved on passage of Resolution No. 98318.

Personnel Items contained in a memo to the Board from the Acting Director of Administration recommended the appointment of Debbie Girard, Public Relations Representative, at \$4,728 per month, effective August 24, 1998; amendment of appointment date for Tay Yoshitani, as Deputy Executive Director, from August 10, 1998 to August 28, 1998; leaves of absence for Cleminatu McKinney, as Contract Compliance Office, from August 24, 1998 through and including February 21, 1999 for personal reasons and Barbara Leslie, as Government Affairs Specialist, from July 20, 1998 through and including October 4, 1998, for maternity reasons; examination announcement for Equipment Systems Engineer, Associate Port Environmental Scientist, Associate Port Environmental Scientist (CUPA), and Port Technical Support Analyst III; and revision of job specifications for Port Technical Support Analyst III. The recommendation was approved on passage of Resolution No. 98319 for appointment; Resolution Nos. 98320 and 98321 for leaves of absence; Resolution No. 98322 for amending certain appointment; Resolution No.

98323 for examination announcements; and Resolution No. 98324 for revision of job specifications.

Authorization to Execute the Agreement with the City of Oakland for a Fourth Cycle Used Oil Opportunity Grant was the subject of a memo to the Board from the Director of Engineering notifying the Board that the California Oil Recycling Enhancement Act (Act) provides funds to cities and counties for establishing and maintaining local used oil collection programs that encourage recycling or appropriate disposal of used oil. Under this Act, opportunity grants are available to local governments through the California Integrated Waste Management Board (CIWMB), on a competitive basis, for the establishment of new programs that address the proper disposal of used lubricating oil. The CIWMB only allows one grant application for each City jurisdiction. On November 14, 1997, the Port and the City of Oakland (City) submitted a joint application to the CIWMB for a Fourth Cycle Used Oil Opportunity Grant which sought funds in the amount of \$384,735.02 for used motor oil public education activities. However, due to budget costs, the CIWMB has authorized a grant to the City not to exceed \$293,639.00 for the period April 1, 1998 to March 31, 2000. The City's grant application sought funds, on behalf of the Port, in the amount of \$95,244.00 for three new used oil collection facilities at the North Airport and \$6,100.79 for publicity and educational expenses. However, due to the budget cuts, the CIWMB has authorized funds in the amount of \$31,748.00 for the construction of one new used oil collection facility at the North Airport and \$6,100.79 for used motor oil public education activities. The City has requested that the Port enter into a formal agreement to provide protection for both parties. The intention is for the Port to indemnify the City in case the Port does not abide by the established Terms and Conditions and applicable Administrative Procedures and Requirements of the Opportunity Grant. Also, the Port would need assurance that the portion of the grant funds, designated for the Port's projects, will be disbursed to the Port in a timely manner. It was recommended that the Board authorize the two Port projects and authorize the Executive Director to execute the Agreement with the City of Oakland. The recommendation was approved on passage of Resolution No. 98325.

Election of Officers, as provided for in the Bylaws, President Loh called for the delayed election of certain officers, and opened nominations for Vice Presidents. Commissioner Harris noted that he was available for either position. Commissioner Neal nominated Commissioner Kramer as First Vice President and Commissioner Taylor as Second Vice President. Commissioners Kramer and Taylor were elected with 6 votes with Resolution No. 98326 being introduced to declare election of the officers..

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,

Uribe and President Loh - 7

Noes: None

Absent: None

“RESOLUTION NO. 98304

APPROVING, AUTHORIZING AND RATIFYING EXECUTION OF AGREEMENT WITH VALET PARKING SERVICE.”

“RESOLUTION NO. 98305

AUTHORIZING EASEMENTS AND LEASE AGREEMENTS WITH SAN LEANDRO UNIFIED SCHOOL DISTRICT FOR INSTALLATION OF NOISE MONITORING TERMINALS.”

“RESOLUTION NO. 98306

ACCEPTING FEDERAL AVIATION ADMINISTRATION GRANT OFFER UNDER THE AIRPORT IMPROVEMENT PROGRAM FOR PROJECT NO. 21.”

“RESOLUTION NO. 98307

ASSESSING O.C. JONES AND SONS, CONTRACTOR FOR RECONSTRUCTION OF APRON SOUTHEAST OF BUILDING L-812, NORTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, A PENALTY FOR SUBCONTRACTING WORK FOR WHICH ORIGINAL BID DID NOT DESIGNATE A SUBCONTRACTOR.”

“RESOLUTION NO. 98308

CONCERNING RECOMMENDATIONS TO THE CITY COUNCIL AND DIRECTIONS TO PORT STAFF CONCERNING A PROCESS FOR ADOPTING AND IMPLEMENTING THE OAKLAND ESTUARY PLAN.”

“RESOLUTION NO. 98309

AUTHORIZING RENEWAL OF INSURANCE WITH COMMERCIAL UNION
INSURANCE COMPANY FOR THE POTOMAC.”

“RESOLUTION NO. 98310

APPROVING AND AUTHORIZING EXECUTION OF A FIRST SUPPLEMENTAL
AGREEMENT WITH WORK/ABLE YOUTH DEVELOPMENT SYSTEMS, INC. FOR
RELOCATION FROM BUILDING 502 AT FLEET INDUSTRIAL SUPPLY CENTER,
OAKLAND (“FISCO”).”

“RESOLUTION NO. 98311

AWARDING CONTRACT TO EVANS BROTHERS, INC. FOR DEMOLITION OF
BUILDINGS D-320 AND D-321, HARBOR TRANSPORTATION CENTER,
OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL
OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98312

AWARDING CONTRACT TO CLEMENT I. OKOH, AN INDIVIDUAL, DBA OGISO
ENVIRONMENTAL FOR DEMOLITION OF BUILDINGS D-331, D-431 AND D-531,
HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE
AMOUNT BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF
BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98313

AWARDING CONTRACT TO ACCUTITE ENVIRONMENTAL ENGINEERING
FOR REPLACEMENT OF FUEL STORAGE TANK EF-05, BERTH 67, OAKLAND,
CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER
BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98314

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING
D-113, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND
CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98315

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING
D-311, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND
CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98316

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE
PORT TO CONTRACT FOR DISPOSITION AND/OR DEMOLITION OF
BUILDINGS D-322, D-323, D-324 AND D-325, HARBOR TRANSPORTATION
CENTER, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND
AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON
RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98317

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-432, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98318

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH EVS CONSULTANTS, INC. FOR ENVIRONMENTAL CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98319

CONCERNING CERTAIN APPOINTMENT.”

“RESOLUTION NO. 98320

APPROVING LEAVE OF ABSENCE TO CLEMINATU MCKINNEY, CONTRACT COMPLIANCE OFFICER.”

“RESOLUTION NO. 98321

RATIFYING LEAVE OF ABSENCE TO BARBARA LESLIE, GOVERNMENT AFFAIRS SPECIALIST.”

“RESOLUTION NO. 98322

AMENDING PORT RESOLUTION NO. 98202 CONCERNING CERTAIN APPOINTMENT.”

“RESOLUTION NO. 98323

APPROVING EXAMINATION ANNOUNCEMENT FOR THE POSITIONS OF EQUIPMENT SYSTEMS ENGINEER, ASSOCIATE PORT ENVIRONMENTAL SCIENTIST, ASSOCIATE PORT ENVIRONMENTAL SCIENTIST (CPU), AND PORT TECHNICAL SUPPORT ANALYST III.”

“RESOLUTION NO. 98324

APPROVING THE REVISION OF JOB SPECIFICATIONS FOR THE POSITION OF PORT TECHNICAL SUPPORT ANALYST III.

“RESOLUTION NO. 98325

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A USED OIL OPPORTUNITY GRANT AGREEMENT WITH THE CITY OF OAKLAND.”

“RESOLUTION NO. 98326

DECLARING ELECTION OF OFFICERS TO BE EFFECTIVE AUGUST 5, 1998.”

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Neal, Taylor,
Uribe and President Loh - 6

Noes: None

Abstained: Commissioner Kiang - 1

Absent: None

“RESOLUTION NO. 98327

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH TERRY LIM FOR PREPARATION OF A MUSEUM QUALITY EXHIBIT IN THE SECOND FLOOR OBSERVATION AREA OF THE OAKLAND PIER TRAIN TOWER IN PORT VIEW PARK CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, AND WAIVING COMPETITIVE BIDDING.”

Port Ordinance No. 3449 being, “AN ORDINANCE AMENDING SECTION 8.01, SUBSECTION (E) (1) OF PORT ORDINANCE OF NO. 2199 ESTABLISHING PERSONNEL RULES AND PROCEDURES OF THE PORT OF OAKLAND, AS IT PERTAINS TO THE DEPUTY EXECUTIVE DIRECTOR APPOINTED AUGUST 10, 1998,” was read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor,
Uribe and President Loh - 7

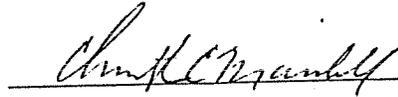
Noes: None

Absent: None

At the hour of 5:45 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of case: United Public Employees Local No. 790, AFL-CIO v. Board of Port Commissioners of the Port of Oakland, et al., Court of Appeal Case No. A078003; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of

Section 54956.9: 6 matters; conference with real property negotiator, property - Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), Negotiating Parties - Port and City, Under Negotiation - Price and Terms of Payment, Property - Union Pacific Rail Road Leasehold and Relocation, Negotiating Parties - Port and Union Pacific, Under Negotiation - Price and Terms of Payment; and reconvened in open session at the hour of 7:10 p.m.

At the hour of 7:20 p.m. the meeting was adjourned on a motion duly made and seconded.

A handwritten signature in cursive script, appearing to read "Cheryl C. Randall", is written over a horizontal line.

Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting was held on Tuesday, July 21, 1998, at the hour of 3:11 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Ortiz presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Commissioners absent: Cole - 1

Also present were the Port Attorney; Manager, Pricing and Contracts, Maritime, Sal DiGrande; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer, Fred Rickert; Director of Communications; and Secretary of the Board.

The minutes of the regular meeting of June 23, 1998 was approved as submitted and order filed.

Informal Portion: The Board received an oral presentation on the annual Equal Opportunity Report; Update of Capital Improvement Program; and MIS - Year 2000 Update.

Financing of Gillig Corp. Buses was the subject of a memo to the Board from the Director of Aviation notifying the Board that in January, 1998, the Board authorized the Executive Director to order twenty transit type buses from Gillig Corporation, located in Hayward, California. Fifteen of the buses will be used to convey passengers who utilize the Airport parking lots, and five buses will be used to provide service between the Airport and the Coliseum BART Station. The Board also authorized either a lease or purchase of the buses. After considering several options, it was concluded that a seven year lease financing package would be the best option for the Port at current interest rates. Since the inception of the parking lot and BART Shuttle, the operator of the shuttle service has provided maintenance of the buses. It is common in equipment lease financing for maintenance to be provided in conjunction with the financing. It was recommended that the Board authorize an Agreement with GE Capital Public Finance to provide tax-exempt lease/financing,

with maintenance to be provided by GE through its wholly owned subsidiary, Penske Truck Leasing, for the twenty buses purchased from Gillig Corporation at such final interest rates and changes as may be approved by the Executive Director, and authorize the Executive Director, Chief Financial Office and other employees of the Port to execute such other documents and take such other actions as may be necessary to accomplish the actions. It was determined that the performance of the maintenance of the buses under this lease arrangement is in the Port's best interest because of public safety, economy, better performance, and convenience of the passengers. GE is offering approximately 5.1% tax-exempt interest rate on a seven year financing option. The actual principal amount to be financed will be determined when the Port takes custody of all twenty buses, but will not exceed \$5 million. The total interest amount paid over seven years, calculated upon a principal amount of \$5,000,000.00, will be \$955,997.32. The GE proposal includes total maintenance as recommended by the manufacturer and as required by law of the fleet of twenty buses at an additional amount estimated to be approximately \$195,000.00 per year, based on current operating projections. GE will be responsible for maintaining the buses through it wholly owned subsidiary, Penske Truck Leasing, located in Oakland, CA, near the Oakland International Airport. The recommendation was approved on passage of Resolution No. 98271.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with JetAir Capital, Inc. was the subject of a memo to the Board from the Director of Aviation recommending approve of an Agreement with JetAir Capital, Inc., for 3,547 square feet of shop space in Building L-723, North Airport, at \$926.83 per month, effective July 1, 1998. The recommendation was approved on passage of Resolution No. 98272.

Approval of Plans and Specifications for Removal of Fuel Storage Tanks MF-08, MKF-09 and MF-10 at Taxiway U, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the work. The project consists of removing three underground ground fuel tanks (one 5,000-gallon and two 1,000-gallon). The project is categorically exempt and does not require the

preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98273.

Approval of Lease Modification/Supplement with the United States of America, Department of Transportation, Federal Aviation Administration (FAA) was the subject of a memo to the Board from the Director of Aviation notifying the Board that the FAA is currently occupying a total of 3,622 square feet of space in Terminal 1 under a Lease dated September 15, 1991, currently under a Lease Modification/Supplement which expires on September 30, 1998. The premises under this lease are comprised of 3,309 square feet in Terminal 1 for office space, equipment, storage, control tower cab, training room and the fire escape landing and 313 square feet in Building M-104, housing the FAA's engine generator. The present rent is \$2,143.64 per month. FAA proposes to amend this Lease via a Lease Modification/Supplement which would extend the Lease term for an additional three year period from September 30, 1998 through September 30, 2001; monthly rent to remain at \$2,143.64. The three-year extension is requested to give FAA adequate time to complete construction of the new ATCT facility on a site near Fed Ex Metroplex on the South Airport, this facility would consolidate the activities of both the North and South ATCTs under along-term Lease for the site. The project is categorically exempt and does not require preparation of an environmental document. It was recommended that the Board approve the Lease Modification/Supplemental with FAA. The recommendation was approved on passage of Resolution No. 98274.

Recommended Approval of Fiscal Year 98-99 Annual Target Rental Rates for License and Concession Agreements was the subject of a memo to the Board from the Director of Commercial Real notifying the Board that in 1989, the Board approved procedures for the renewal of existing License and Concession Agreements. These procedures provide that the Board at closed session, under instructions to negotiators, consider the recommendations as to the annual renewal rental rate for each tenant. The project is categorically exempt and does not require an environmental document. It was recommended that the Board authorize staff to negotiate the target

rents in accordance with its instructions. The recommendation was approved on passage of Resolution No. 98275.

Recommended Approval of New License and Concession Agreement with Oakland Telecards, Limited Liability Corporation for Property in Jack London Square was the subject of a memo to the Board from the Director of Commercial Real Estate recommending approval of the agreement with Oakland Telecards, LLC, for space in Port Building F-111 and Building No. 601 which are two sites each containing an area required for the installation of 14" w x 24" H 13" D, telephone calling card vending machine. One site is in the lobby area of Washington Street Garage and the second site is located by the information booth adjacent to the entrance to the Underground Parking Garage. The monthly rate would be 3% of gross revenue, less than \$5,000.00, 5% of gross revenue between \$5,000.01 and \$10,000.00, 10% of gross revenue between \$10,000.01 and \$15,000.00, 15% of gross revenue between \$15,000.01 and \$20,000.00, or 20% of gross revenue exceeding \$20,000.01, effective July 21, 1998. The recommendation was approved on passage of Resolution No. 98276.

Award of Contract for Construction of Asphalt Concrete Overlay of Swan Way, Oakland Airport Business Park was the subject of a memo to the Board from the Director of Engineering notifying the Board of the three bids received and recommending award of the contract to McGuire and Hester, the low bidder, at \$102,838.00. The recommendation was approved on passage of Resolution No. 98277.

Plans and Specifications for the Reconstruction of Jack London Square Marina, Jack London Square was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the reconstruction of the Jack London Square Marinas. The work consists of dredging; rebuilding the berthing facilities from Jack London Village at Harrison Street to Waterfront Hotel on Washington Street; construction of a new public pier at the water's edge at Harrison Street; demolition of the existing Salty Dog building and adjacent shed on the Webster Street Pier and construction of an extension to the pier and a fuel service/snack shop structure; demolition of existing Harbor Master Office structure and

July 21, 1998

77 Jack London Square and construction of a new Harbor Master Office/Comfort Station building which will include public viewing areas and rest room facilities; construction of a kayak dock; and reconstruction of the public promenade between Franklin and Webster Streets, including construction of a water fountain. The project was originally approved in 1994 and was deferred due to funding provided by the State. The recommendation was approved on passage of Resolution No. 98278.

Authorization to Apply for Air District Funding for the Vision 2000

Bicycle/Pedestrian Trail: Phase 1 was the subject of a memo to the Board from the Director of Maritime notifying the Board that on June 30, 1998, the Port submitted an application for funding to the Bay Area Air Quality Management District. Funding in the amount of \$100,000.00 was requested for the Vision 2000 Bicycle/Pedestrian Trail: Phase 1. This project is a Class 1 bike/ped trail that will be constructed along 7th Street from west of Cedar Street to Port View Park. The first phase of the Trail is 1.4 miles long. As part of the application for funds, the Bay Area Air Quality Management District requires a resolution from the governing board of a project sponsor stating that the sponsoring agency is authorized to submit an application for these funds; a designated member of the sponsoring agency is authorized to sign a funding agreement with the Bay Area Air Quality Management District in the event the project is approved for funding; and the sponsoring agency commits to fully fund the project where full funding is not requested from the Bay Area Air Quality Management District. This is the case with this project, where staff estimated the cost at \$329,250.00 and we are asking for \$100,000.00 in funding. It was recommended that the Board adopt the requirements of the Bay Area Quality Management District with respect to the Port's application for funding for the Vision 2000 Bicycle/Pedestrian Trail: Phase 1. The recommendation was approved on passage of Resolution No. 98279.

Authorization to Negotiate Contract for Removal and Disposal of Hazardous Materials and Miscellaneous Utility Work at Buildings D-734 & D-831, Harbor Transportation Center was the subject a memo to the Board from the Director of Engineering notifying the Board of the four bids received. The Engineer's estimate for the total Bid Price is

\$170,000.00. The Port's Office of Equal Opportunity (OEO) evaluated the low bidder's compliance with the Port's Non-Discrimination Policy (PNDP) and found that the makeup of the subcontractor list did not meet the intent of the PNDP. OEO then asked the low bidder to submit their good faith efforts documentation for evaluation and several days passed before it was received. After OEO reviewed the documentation, it was again found that the intent of the PNDP was not met. OEO then began their evaluation of the second-low bidder and the same sequence of events occurred. The time sequence of events was such that the Port could not recommend award of the contract at the June 23 Board Meeting. The next Board Meeting after June 23 was not scheduled until July 21, and the 45-day period within which the Port's purchasing ordinance provided that award must be made expired on July 11, 1998. Therefore, the bids have now expired and all bid securities should be returned to the bidders. It was recommended the Board find it to be in the best interest of the Port to dispense with the formal bidding process and that the Executive Director be authorized to negotiate a contract on the open market and to execute a contract based on such negotiations due to the potential loss of time to rebid this project. The recommendation was approved on passage of Resolution No. 98280.

Award of Contract for Demolition of Building D-343, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the eleven bids received and recommending award of the contract to Clauss Construction, the low bidder, at \$350,900.00. The recommendation was approved on passage of Resolution No. 98281.

Award of Contract for Demolition of Building D-443, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the seven bids received and recommending award of the contract to Peak Engineering, Inc., the low bidder, at \$127,300.00. The recommendation was approved on passage of Resolution No. 98282.

Award of Contract for Furnishing Labor, Materials and Equipment for Reconditioning, Repairing and Reconstructing Port of Oakland Railroad Tracks and Crane Rails for the Period Commencing July 1, 1998 and Ending June 30, 1999, 2000 or 2001

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the July 21, 1998

three bids received and recommending award of the contract to Industrial Railways Co., as modified (lowered) by being a local impact business enterprise (LIABE) to a bid amount of 75.2% of labor costs to be added to the direct costs, which compensates the contractor for his overhead, insurance and profit. The award is at their bid price of 80% of labor cash. The recommendation was approved on passage of Resolution No. 98283.

Award of Contract for Demolition of Building D-312, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the eight bids received and recommending award of the contract to Pacific Western Airmotive Inc. dba Covey Trucking Co., the low responsible bidder, at \$913,760.00. The recommendation was approved on passage of Resolution No. 98284.

Award of Contract for Demolition of Building D-313, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the five bids received and recommending award of the contract to Evans Brothers, Inc., as modified by being a local impact business enterprise (LIABE), at \$963,996.00. The award is at their bid price of \$1,027,650.00. The recommendation was approved on passage of Resolution No. 98285.

Plans and Specifications for Demolition of Buildings D-211 and D-310, Harbor

Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Building D-211, a steam plant of concrete and steel construction, and Building D-310, a five-story warehouse of concrete construction. The environmental documents associated with the project have been previously considered by the Board. The recommendation was approved on passage of Resolution No. 98286.

Plans and Specifications for Demolition of Buildings D-131, Harbor Transportation

Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Building D-131, a 175,000 square foot warehouse and steam plant of concrete and steel construction located on Pier 4. The environmental documents associated with

the project have been previously considered by the Board. The recommendation was approved on passage of Resolution No. 98287.

Plans and Specifications for Demolition of Buildings D-741 and D-742 and Water Supply Facility, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Buildings D-741 and D-742, each a 121,000 square foot warehouse of wood construction with transit siding, and a water supply facility consist of two 350,000-gallon water tanks, a 1,600 square foot pump building of concrete construction, and a 300 square foot chlorination building of steel construction. The environmental documents associated with the project have been previously considered by the Board. The recommendation was approved on passage of Resolution No. 98288.

Plans and Specifications for Demolition of Buildings D-532 and D-532B, Harbor Transportation Center was the subject of a memo to the Board recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition of Building D-532, a single story, 75,800 square foot steel frame workshop area, including a corrugated metal shed, and Building D-532B, a 2,400 square foot wood shed. The environmental documents associated with the project have been previously considered by the Board. The recommendation was approved on passage of Resolution No. 98289.

Plans and Specifications for Demolition of Buildings D-221 and D-222, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Building D-221, a two story, 100,160 square foot warehouse with offices on the mezzanine, and two 7,225 square foot loading docks; and Building D-222, a two story, 101,211 square foot warehouse with two 7,225 square foot loading docks. The environmental documents associated with the project have been previously considered by the Board. The recommendation was approved on passage of Resolution No. 98290.

Personnel Items contained in a memo to the Board from the Acting Director of Administration recommended the appointment of Hilda Avon, Patricia Castellanos, Cynthia Duenas, Kenthol Fenceroy, and Robert Hill, as Relief Airport Custodians, at \$12.07 per hour, effective August 10, 1998; Wing Kit, as Port Supervising Electrical/Mechanical Engineer, at \$7,129.00 per month, effective July 27, 1998; Young S. Kim-Berger, as Junior Port Electrical-Mechanical Engineer, at \$3,951.00 per month, effective July 27, 1998; Michael Berg, as Diver, at \$4,788.00 per month, effective July 22, 1998; Len Phu, as Youth Aide, Class "D", at \$5.75 per hour, effective June 30, 1998; and Binh Ly, as Youth Aide, Class "C", at \$9.25 per hour, effective June 30, 1998. Also recommended was the amendment of appointment date of Mukesh Bhatia, Port Technical Support Analyst III, from June 29, 1998, to August 3, 1998; and to rescind the appointment of Michael Gibson who was appointed to the position of Youth Aide, Class "C", effective June 15, 1998. The recommendations were approved on passage of Resolution No. 98291 for appointments; Resolution No. 98292 for ratifying Youth Aide appointments; Resolution No. 98293 for rescinding appointment; and Resolution No. 98294 for amending certain appointment.

Approval of Benefits Package for Deputy Executive Director was the subject of a memo to the Board from the Acting Director of Administration notifying the Board that the Board approved on May 19, 1998, the appointment of Tay Yoshitani to the position of Deputy Executive Director, at \$13,750.00 per month at Salary Grade 19, Rep. Unit E. In addition to his monthly salary, Mr. Yoshitani negotiated a benefits package that would include vacation leave of three weeks effective the first day of employment, through and including each year thereafter through the first twelve years of employment; a Real Estate Transactions Closing Costs in the amount of \$30,000.00, and a \$15,000.00 miscellaneous relocation fund to cover unexpected out-of-pocket expenses; and a Severance Pay equal to six months salary to be paid to Mr. Yoshitani in the event that he is terminated within the first three years of his employment with the Port. It was recommended that the Board approve the benefits package for the Deputy Executive Director. The recommendation was approved on passage of Resolution No. 98295.

Approval to Flexible Benefits Plan--125/129 was the subject of a memo to the Board from the Acting Director of Administration notifying the Board that on August 6, 1996 the Board approved a contract for the administration of a flexible benefits plan with Benefits-Plus Administrators, Inc., now called Benesphere Administrator, for Rep. Unit C Employees, represented by Western Council of Engineers (WCE). Contract negotiations resulted in the Board's approval of an extension of the 125/129 Flexible Benefits Plan to Local 790 and IBEW, and subsequent approval of a similar compensation package to the unrepresented Units D, E & H. It was recommended that the Board approve the renewal and expansion of the Flexible Benefits agreement with Benesphere Administrator, Inc. covering the period of January 1, 1998 through December 31, 1998 to provide administrative services and assistance with respect to the administration of a 125/129 Flexible Benefits Plan for Rep. Units A, B, C, D, E & H. Additionally, it was recommended that the Board authorize the Executive Director to execute this agreement on an annual basis, for up to three years, at the approximate rate of \$3,000.00 for annual renewal fees, plus participants' fees of approximately \$6.00 per person per month and out of pocket miscellaneous and other charges, for a total amount of \$3,300.00. The recommendation was approved on passage of Resolution No. 98296.

Publication of Notice of Public Hearing Pursuant to the Requirements of the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) Regarding the Port of Oakland's 1998 Commercial Paper Program was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Port is in the process of developing a Commercial Paper Program to provide interim financing for the Capital Improvement Program during its construction period. The advantages of a commercial paper program are that the debt can be issued at much lower rates on both a tax exempt, as well as a taxable basis for projects that do not qualify for tax exempt financing. It also is economical and flexible as the funds can be borrowed quickly on a short-term basis as they are needed, without incurring unnecessary interest cost or creating arbitrage problems. Prior to issuing the proposed Port of Oakland Commercial Paper (tax-exempt), the Board will need to authorize the publication of a notice of public hearing and the holding of a public July 21, 1998

hearing in order to comply with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). The purpose of a public hearing is to allow interested parties to comment regarding the advisability of the proposed issuance of commercial paper. The Port would have the notice printed in the Oakland Tribune no later than 15 calendar days prior to the public hearing which would most likely be held about the second week of August. The Port would be authorized to issue the proposed Commercial Paper in an amount not to exceed \$300 million to provide proceeds to pay or reimburse the Port for all or a portion of the costs of various projects. It was recommended that the Board authorize publication of the notice and the holding of a public hearing during or about the second week of August 1998 for the proposed Port Commercial Paper Program in order to comply with the TEFRA; and also authorize the Administrative Services Manager II, Port Senior Accountant, or the Chief Financial Officer to hold the public hearing when scheduled and duly noticed. The recommendation was approved on passage of Resolution No. 98297. Pamela Clark and Margaret Elizares appeared before the Board to make certain personal observations on the proposed list of projects.

Request for Approval of \$50,000.00 Contribution for Bay Area Water Ferry Transit Study was the subject of a memo to the Board from the Director of Strategic and Policy Planning notifying the Board that in response to a resolution of the State Senate, the Bay Area Council and the Bay Area Economic Forum have created a Blue Ribbon Task Force to undertake the Water Transit Project, a serious study of expanding passenger and cargo ferry transportation on San Francisco Bay. The Task Force includes the mayors of many of the cities fronting on the Bay, including Oakland, San Francisco and San Jose, as well as the Executive Directors of the Port of Oakland and the Port of San Francisco. The Task Force has adopted a scope of work and retained a consultant, Dames and Moore, to pursue the study. Funding for the study is being solicited by the Bay Area Council from members of the Task Force. The City of Oakland and the Port of Oakland have each been requested to contribute \$50,000.00, as have other major participants. Given the high visibility and political interest in this study, the outcome of the effort has the potential to significantly affect waterfront development, as well as waterborne transportation, for all major

population centers on the Bay. As the agency with jurisdiction over Oakland's waterfront, the Port has a sizable stake in the results of the study. As it appears to be in the Port's best interests to participate in funding as requested by the Bay Area Council; it was recommended that the Board authorize the \$50,000.00 contribution to the Bay Area Council and the Bay Area Economic Forum to assist in conducting studies associated with the Water Transit Project. The recommendation was approved on passage of Resolution No. 98298. Ms. Sandra Threlfall appeared before the Board to note that the ferry service study was a duplication of existing efforts and the money could be better spent.

At the hour of 4:30 p.m. Commissioner Cole joined the meeting.

Election of Officers, as provided for in the Bylaws, President Ortiz called for the annual election of the officers, and opened nominations for President. Commissioner Kramer, nominated himself, and Commissioner Lockhart nominated Commissioner Loh. Commissioner Loh was elected with 5 votes, with Commissioner Kramer receiving one vote.

President Ortiz then opened nominations for Vice President with Commissioner Loh nominating Commissioner Taylor and Commissioner Lockhart nominating Commissioner Harris. Each nominee received only three votes each and the matter was held over until the next meeting with the new commissioners participating. President Ortiz nominated Christopher C. Marshall as Secretary and Sharon Krippene, Patricia Saito as Assistant Secretary, which were elected with 7 votes, and passed declaring election of officers. The recommendation was approved on passage of Resolution No. 98301.

The following resolutions were introduced and passed separately by the following vote:

Ayes:	Commissioners Harris, Kramer, Lockhart, Loh, Taylor and President Ortiz - 6
Noes:	None
Absent:	Commissioner Cole - 1

"RESOLUTION NO. 98271

AUTHORIZING AND APPROVING A MASTER LEASE AGREEMENT WITH GE CAPITAL PUBLIC FINANCE, INC., A MAINTENANCE AGREEMENT WITH PENSKE TRUCK LEASING, AND CERTAIN OTHER ACTIONS."

"RESOLUTION NO. 98272

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH JETAIR CAPITAL, INC."

"RESOLUTION NO. 98273

APPROVING PLANS AND SPECIFICATIONS FOR REMOVAL OF FUEL STORAGE TANKS MF-08, MF-09 AND MF-10 AT TAXIWAY U, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98274

AUTHORIZING, APPROVING AND EXECUTING A LEASE MODIFICATION/ SUPPLEMENT WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION."

"RESOLUTION NO. 98275

INSTRUCTING PORT STAFF REGARDING RENTAL RATES AND TERMS TO BE NEGOTIATED WITH EXISTING OR PROSPECTIVE LICENSEES OF CERTAIN COMMERCIAL REAL ESTATE PROPERTIES."

"RESOLUTION NO. 98276

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH OAKLAND TELECARDS, LLC."

"RESOLUTION NO. 98277

AWARDING CONTRACT TO MCGUIRE AND HESTER FOR CONSTRUCTION OF ASPHALT CONCRETE OVERLAY OF SWAN WAY OAKLAND AIRPORT BUSINESS PARK, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 98278

APPROVING PLANS AND SPECIFICATIONS FOR THE RECONSTRUCTION OF THE JACK LONDON SQUARE MARINA, JACK LONDON SQUARE, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98279

APPROVING AND RATIFYING THE FILING OF AN APPLICATION WITH THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT FOR FUNDS FOR THE VISION 2000 BICYCLE/PEDESTRIAN TRAIL; PHASE I AND AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE DISTRICT FOR SAID PROJECT."

"RESOLUTION NO. 98280

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR REMOVAL AND DISPOSAL OF HAZARDOUS MATERIALS AND MISCELLANEOUS UTILITY WORK AT BUILDINGS D-734 AND D-831, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS."

"RESOLUTION NO. 98281

AWARDING CONTRACT TO CLAUSS CONSTRUCTION FOR DEMOLITION OF BUILDING D-343, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 98282

AWARDING CONTRACT TO PEAK ENGINEERING, INC. FOR DEMOLITION OF BUILDING D-443, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 98283

AWARDING CONTRACT TO INDUSTRIAL RAILWAYS COMPANY FOR FURNISHING LABOR, MATERIALS AND EQUIPMENT FOR RECONDITIONING, REPAIRING AND RECONSTRUCTION PORT OF OAKLAND RAILROAD TRACKS AND CRANE RAILS FOR THE PERIOD COMMENCING JULY 1, 1998 AND ENDING JUNE 30, 1999, 2000 OR 2001, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 98284

AWARDING CONTRACT TO PACIFIC WESTERN AIRMOTIVE, INC. DBA COVEY TRUCKING COMPANY FOR DEMOLITION OF BUILDING D-312, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

“RESOLUTION NO. 98285

AWARDING CONTRACT TO EVANS BROTHERS, INC. FOR DEMOLITION OF BUILDING D-313, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98286

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-211 AND D-310, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98287

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-131, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98288

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-741 AND D-742, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98289

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-532 AN D-532B, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98290

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-221 AND D-222, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98291

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98292

RATIFYING CERTAIN YOUTH AIDE APPOINTMENTS.”

“RESOLUTION NO. 98293

RESCINDING PORT RESOLUTION NO. 98201 CONCERNING CERTAIN APPOINTMENT.”

“RESOLUTION NO. 98294

AMENDING PORT RESOLUTION NO. 98260 CONCERNING CERTAIN APPOINTMENT.”

"RESOLUTION NO. 98295

APPROVING TAY YOSHITANI, DEPUTY EXECUTIVE DIRECTOR'S REAL ESTATE TRANSACTIONS CLOSING COSTS AND SEVERANCE PAY."

"RESOLUTION NO. 98296

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH BENESPHERE ADMINISTRATOR, INC. FOR ADMINISTRATION OF A FLEXIBLE BENEFITS PLAN CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98297

AUTHORIZING PUBLICATION OF NOTICE AND THE HOLDING OF A PUBLIC HEARING PURSUANT TO SECTION 147(F) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, IN CONNECTION WITH THE FINANCING OF THE PORT'S CAPITAL IMPROVEMENT PROGRAM."

"RESOLUTION NO. 98298

APPROVING AND AUTHORIZING A CONTRIBUTION OF \$50,000.00 TO BE THE BAY AREA COUNCIL AND THE BAY AREA ECONOMIC FORUM FOR WATER TRANSIT PROJECT STUDY, AND AUTHORIZING EXPENDITURE OF PORT FUNDS."

"RESOLUTION NO. 98299

GRANTING SPRINT SPECTRUM L.P. PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 98300

GRANTING THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION PERMISSION TO PERFORM CERTAIN WORK."

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Cole, Harris, Kramer, Lockhart, Loh,

Taylor and President Ortiz - 7

Noes: None

Absent: None

"RESOLUTION NO. 98301

DECLARING ELECTION OF OFFICERS TO BE EFFECTIVE JULY 22, 1998."

“RESOLUTION NO. 98302

1) ACCEPTING SETTLEMENT OFFERS FROM THOMAS AND BETTS CORPORATION; WESTERN TUBE AND CONDUIT, AND SUMITOMO METAL USA CORPORATION; AND 2) AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SETTLEMENT AGREEMENTS WITH SAID PARTIES CONCERNING CITY OF OAKLAND V. KEEP ON TRUCKING COMPANY, INC. ET AL., UNITED STATES DISTRICT COURT CASE NO. C-95-03721-CW.”

“RESOLUTION NO. 98303

APPROVING AND AUTHORIZING THE PORT ATTORNEY TO FILE A COMPLAINT AGAINST CARNATION, ALBERS MILLING COMPANY AND ANY OTHER PARTY OR INSURANCE CARRIER DEEMED NECESSARY AT THE DISCRETION OF THE PORT ATTORNEY, AND AUTHORIZING, APPROVING AND DIRECTING THE RETENTION OF THE LAW FIRM OF WENDEL ROSEN BLACK & DEAN, LLP AS OUTSIDE SPECIAL COUNSEL CONCERNING ENVIRONMENTAL CONTAMINATION MATTERS AT BERTH 30.”

Port Ordinance No. 3439 being, “AN ORDINANCE ESTABLISHING RATES AND CHARGES FOR ELECTRICAL POWER AT THE METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Portt Ordinance No. 3440 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH CHANCELLOR MEDIA CORPORATION FOR RADIO STATION KABL-AM,” and Port Ordinance No. 3441 being, “AN ORDINANCE AMENDING SECTIONS 2.01, 2.02, 2.03 AND 2.05 OF PORT ORDINANCE NO. 867 INCREASING THE RATES SET FORTH ON SAID SALARY SCHEDULES AND GRADES BY THREE AND ONE-HALF PERCENT,” and Port Ordinance No. 3442 being, “AN ORDINANCE AMENDING SECTION 8.02 OF PORT ORDINANCE NO. 2199 RELATING TO THE MAXIMUM NUMBER OF WORKING DAYS AN EMPLOYEE MAY TAKE FAMILY SICK LEAVE IN ANY CALENDAR YEAR,” and Port Ordinance No. 3443 being, “AN ORDINANCE AMENDING SECTION 1.306 OF PORT ORDINANCE NO. 867, EXTENDING FLEXIBLE BENEFITS PLAN TO REGULAR EMPLOYEES BELONGING TO REPRESENTATION UNITS A, B, C, D, E, F AND H WORKING AT LEAST 19 HOURS PER WEEK,” and Port Ordinance No. 3444 being, “AN ORDINANCE ADDING SECTION 1.33991 TO PORT ORDINANCE NO. 867 FIXING THE COMPENSATION OF CERTAIN EMPLOYEES OF THE PORT DEPARTMENT, and Port

Ordinance No. 3446 being, "AN ORDINANCE AMENDING SECTION 1.191 OF PORT ORDINANCE NO. 867 PROVIDING PROFESSIONAL DEVELOPMENT BENEFITS FOR CERTAIN OFFICERS AND EMPLOYEES," and Port Ordinance No. 3447 being, "AN ORDINANCE AMENDING SECTION 1.20 OF PORT ORDINANCE NO. 867 PROVIDING FOR MANAGEMENT LEAVE FOR CERTAIN FLSA EXEMPT EMPLOYEES," and Port Ordinance No. 3448 being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 BY THE ADDITION OF SECTION 1.0302 PROVIDING FOR ADDITIONAL COMPENSATION FOR EMPLOYEES BELONGING TO EMPLOYEE REPRESENTATION UNIT H UNDER THE TERMS OF THE PERFORMANCE MANAGEMENT PROGRAM," were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 8.01, SUBSECTION (E) (1) OF PORT ORDINANCE OF NO. 2199 ESTABLISHING PERSONNEL RULES AND PROCEDURES OF THE PORT OF OAKLAND, AS IT PERTAINS TO THE DEPUTY EXECUTIVE DIRECTOR APPOINTED AUGUST 10, 1998." were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

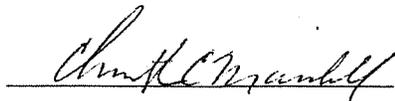
Noes: None

Absent: Commissioner Cole - 1

At the hour of 5:10 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Oakland v. Keep on Trucking Company, Inc. et al., U.S. District Court Case No. C-95-03721-CW, United Public Employees Local No. 790, AFL-CIO v. Board of Port

Commissioners of the Port of Oakland, et al., Court of Appeal Case No. A078003, Port of Oakland v. Pacific Gas & Electric Company, U.S. District Court Case No. C-97 00894, United Public Employees Local No. 790, AFL-CIO v. Board of Port Commissioners of the Port of Oakland, et al., Court of Appeal Case No. A078003, Pacific Western Airmotive, Inc., dba Covey Trucking Co., v. Board of Port Commissioners, et al., Alameda County Superior Court Case No. 799860-1, and In the Matter of the Application for Reclassification to Safety Membership Made on Behalf of Oakland Airport Servicemen by United Public Employees' Local 790, SEIU, AFL-CIO, Petitioners and The City of Oakland, Respondents, Before the Board of Administration of the State of California Public Employees' Retirement System, OAH Case No. N-9704107; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 6 matters; conference with real property negotiator, property - Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), Negotiating Parties - Port and City, Under Negotiation - Price and Terms of Payment, Property - Union Pacific Rail Road Leasehold and Relocation, Negotiating Parties - Port and Union Pacific, Under Negotiation - Price and Terms of Payment, Property - Various Existing Commercial Real Estate Tenants, Oakland, California, Negotiating Parties - Port of Oakland and Various Tenants, Under Negotiation - Price and Terms of Payment; and reconvened in open session at the hour of 5:30 p.m.

At the hour of 5:35 p.m. the meeting was adjourned on a motion duly made and seconded.



Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting was held on Tuesday, June 23, 1998, at the hour of 3:16 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Ortiz presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Commissioners absent: Cole - 1

Also present were the Port Attorney; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Chief Engineer, Thomas Daniels; Director of Equal Opportunity; Acting Chief Financial Officer, Fred Rickert; Director of Communications; and Secretary of the Board.

The minutes of the regular meeting of June 9, 1998 was approved as submitted and order filed.

Informal Portion: The Board received an oral presentation on the status of the Estuary Plan.

Adoption of Electric Rate Schedule for Sale of Power at the Airport was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has been buying power at the Airport and reselling it to Airport tenants for over 40 years. Initially, the Port bought and sold this power at PG&E retail rates then current for the various sizes of customers. For many years the retail rates provided a reasonable rate of return because the rates for large users were considerably lower on a per unit basis than the rates for small users. The Port, as a large user, paid low rates to buy power for the entire Airport but charged higher rates for our many smaller customers. In the early 1980's, the Port's rate of return began shrinking due to a rate-making policy change at the California Public Utilities Commission. The rates for larger users began to be increased significantly while those for small users were increased only modestly. Consequently, the Port was actually losing money on power sales. In 1985, after many years of litigation, the Port acquired the right to purchase power from PG&E at the Airport at wholesale rates negotiating a

"Power Sale Agreement" with PG&E which became effective in late 1985. This agreement allowed the Port to recoup part of the lost earnings on the sale of power prior to winning the lawsuit. The wholesale rates in the 1985 agreement were fixed until January 1, 1990, at which time the wholesale rates rose and put the Port again not earning reasonable rates of return on power sales. At the end of 1991, the Port raised its rates to its tenants in order to keep from losing money. The Energy Policy Act of 1992 made significant changes to the electricity regulation landscape. This Act enabled some electricity producers to sell electricity to certain classes of customers over the lines of public utilities such as PG&E. The Port was able to take advantage of this Act by soliciting proposals and entering into a contract with Destec Energy Services. The five-year contract took effect at the beginning of 1996, and electricity rates for power to the Airport dropped nearly 60%. The Port invested considerable, but not easily quantifiable, sums of money in litigation and negotiation between 1975 and 1995; and it is now believed that accrued profits from the sale of electricity have paid these expenses. Because of this, and because of competitive and public relations realities, it is now proposed that the Port lower its electricity rates charged to tenants at the Airport. It was recommended that the Board adopt rates for sale of electricity to Airport tenants to approximate current retail rates charged by PG&E. The new rates will average out over the year to be about the same as rates presently charged by PG&E. The recommendation was approved on passage of an ordinance to print.

Approval of New License and Concession Agreement with Existing Tenant Southwest Airlines Co. was the subject of a memo to the Board from the Director of Aviation recommending approve of an Agreement with Southwest Airlines Co. providing for the addition of 43,712 square feet of unimproved land to Southwest's existing site. Southwest's provisioning operations are snacks and beverage storage and preparation which currently occur in a number of areas, both in Terminal II and Building M-145. Southwest is relocating and consolidating its airline provisioning operations into the new facility. The proposed new construction and remodeling efforts are construction of a 6,000 square foot metal building; remodeling of the existing 3,000 square foot Building M-145; installation of a new, perimeter fence; upgrading of electrical service; installation

of a sewage ejector and sanitary sewer line; and modification of and addition to the electrical/mechanical systems. Southwest's currently monthly rate is \$3,150.00. The proposed monthly rent will increase to \$5,148.00 during construction and \$7,147 upon beneficial occupancy of the new facility. A periodic increase will occur every 30 months, based on any increase in the regional Consumer Price Index. Southwest will utilize the new 6,000 square foot facility to warehouse all of its provisioning related items and to produce ice for its airplane galleys. The existing 3,000 square foot building will be remodeled into office space for the provisioning staff. This relocation of food preparation and storage from the lower level of Terminal II also will ensure that Southwest complies with applicable health codes and improve the security of its alcoholic beverage storage. Southwest agrees that this new site and operation is a temporary structure and will demolish all buildings at the commencing of the Port's construction of the Airport's East Concourse under the Airport Development Program and the maintenance of all buildings will be the sole responsibility of Southwest. It is a wholly tenant financed project and the estimated cost of the construction and tenant improvements is \$1.4 million. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98244.

Approval of New License and Concession Agreement with Ontario Aircraft Service, Inc. was the subject of a memo to the Board from the Director of Aviation recommending that the Board approve the agreement with Ontario Aircraft Service, Inc. which Ontario would perform ground handling and other related services under contract to airlines on the South Airport and no premises would be granted by this agreement. The Agreement would have a one-year term commencing on June 22, 1998, with a 30-day termination provision. Ontario would perform its work on the apron between the flight times of its contracted airline(s). The monthly rental is a minimum of \$250.00 or 10% of gross revenues, whichever is greater. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98245.

Approval of New License and Concession Agreement with Hallmark Aviation

Services was the subject of a memo to the Board from the Director of Aviation recommending approval of an agreement with Hallmark Aviation Services which would provide passenger handling and other related services under contract to an airline on the South Airport and no premises would be granted by this agreement. The agreement would have a one-year term commencing on June 5, 1998, with a 30-day termination provision. Hallmark will perform its work at the America West ticket counters in Terminal I and the monthly rental is a minimum of \$250 or 10% of gross revenues, whichever is greater. The project is categorically exempt and does not require preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98246.

Ratification of Change Order for Construction of Air Cargo Road Parking Facility,

South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with McGuire and Hester for construction of Air Cargo Road Parking Facility which became effective on May 4, 1998 at a lump sum and unit prices totaling \$803,670.00. The project consists of expanding the parking facility located at the intersection of Air Cargo Road and Airport Drive by an additional 1,000 stalls and the work consists of constructing asphalt concrete pavement, drainage system, fencing and lighting. A portion of this parking facility is planned to be used as temporary rental car parking which will be displaced during the construction of the multi-level garage in the Terminal Expansion Program. A remote customer service building (trailers) with ADA compliant rest rooms will be needed for the rental car operation. This change order will provide underground utility lines (sewer, water, and electrical conduits) to serve the future rental car customer service building. It is in the best interest of the Port to proceed with this work at this time, as a change order to this contract, so that the underground utilities can be installed prior to the construction of the asphalt pavement. It was recommended that the Board authorize commencement of the change order work so as not to delay the contact work. The site of this parking facility is an old concrete and asphalt rubble disposal site.

Since it is unknown to what extent underground obstructions will affect trenching for the utilities,

estimating the cost of this work is problematic at best. It is also recommended that the Board ratify the action of a change order in an amount not to exceed \$60,000.00 to McGuire and Hester for construction of underground utilities for the future rental car customer service building at Air Cargo Road Parking Facility. The recommendation was approved on passage of Resolution No. 98248.

Approval of Change Order for Installation of Water Main for Aircraft Rescue and Fire Fighting Facility and Connection of Earhart Road Water Main, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contact with McGuire and Hester to perform the installation of water main for Aircraft Rescue and Fire Fighting Facility (ARFF) and connection of Earhart Road water main which became effective in January, 1998. The work consists of two phases. The first phase is to install approximately 2,600 feet of piping from the existing water main on Air Cargo Road to the ARFF facility currently under construction. The second phase is to connect the water main on Earhart Road to the existing water main on Airport Drive. While performing the construction work on Earhart Road, an excess amount of Class II contaminated soil material was found. The Port's Environmental Department recommended the Contractor to excavate and stockpile approximately 1,500 tons of this material. The contract contains a bid unit price item to remove and dispose of soil and material excavated from the Earhart Road Water Main Site to a Class II disposal site. The estimated bid amount to be excavated was 20 tons at \$10 a ton. In accordance with the Specifications, "Contract Price Adjustments", the unit price was adjusted and agreed to by the Port and the Contractor at \$23.42 per ton. It was recommended that the Board approve a change order to McGuire and Hester to dispose of approximately 1,500 tons of excavated material to a Class II disposal site for an estimated amount not to exceed \$45,000.00. The recommendation was approved on passage of Resolution No. 98249.

Authorization to Include the Remodeling of Airline Ticket Offices, Building M-101 and Remodeling of Portions of the Lower Level of Building M-103, in the Small Business Program, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that at the west end of the Oakland Airport's Terminal I ticketing building,

Building M-101, there are currently 19 passenger ticketing stations and four airline administration offices used primarily by international carriers. Airlines utilizing these areas include Taesa, Corsair, Martinaire, and Citybird Airlines. Many of the stations are in use for only a few hours per day and others are not in use at all. It is proposed that these administration offices be remodeled into offices that would serve as common-use offices that would attract additional airlines. In conjunction with this remodeling, it is proposed to remodel a portion of the lower level of Building M-103 corridor and overhang area to provide additional office space for current and future tenants. The work in Building M-103 consists of remodeling the four existing offices behind the ticket counters into four common-use offices with a conference room, modular furniture, lockable storage, and two small private offices. The remodeling work in Building M-103 consists of constructing seven, 200 square foot private offices. The project is categorically exempt and does not require preparation of an environmental document. It was recommended that the Board find it in the best interest of the Port to dispense with formal bidding procedures and to execute a contract for this work with a small local contractor, said contract to be based on informal, competitive bidding and to be an aggregate amount not to exceed \$700,000.00. It was further recommended that the Executive Director be authorized to execute a contract for this work with any qualified contractor, based on informal, competitive bidding, if the attempt to secure acceptable bids from small local contractors is not successful. The recommendation was approved on passage of Resolution No. 98250.

Ratify Change Order for Martin Luther King Jr. Regional Shoreline Wetlands Project, Including Additive Alternates B3 and B6 was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with Fanfa, Inc. to construct the Martin Luther King Jr. Regional Shoreline Wetlands Project, including Additive Alternates B3 and B6 which became effective on August 4, 1997. This project is to create an approximately 71.5 acre wetland complex at the Distribution Center. The work involves excavating and grading existing fill; breaching the outboard levee; and constructing a pedestrian bridge and various improvements. The project is part of a litigation settlement regarding the

June 23, 1998

Distribution Center and the Airport. On January 6, 1998, the Board approved a change order to be issued to the Contractor to remove and stockpile a large volume of concrete rubble found while excavating the new marsh area. The material was placed on the adjacent retained site; however, the Commercial Real Estate Division has requested that the site be cleaned by June 10, 1998, in order to market the property. In order to perform the cleanup work by the date requested, the Contractor was directed by the Resident Engineer to commence work on a force account basis. The material was crushed and stockpiled for future use as fill material. It was recommended that the Board ratify a change order for the work, for an amount not to exceed \$100,000.00 to Fanfa, Inc. The recommendation was approved on passage of Resolution No. 98251.

Adjustment to Compensation Terms in the Yusen Terminals, Inc. Agreement for Berth 23 was the subject of a memo to the Board from the Director of Maritime notifying the Board that Yusen Terminals Inc. (YTI) provides terminal operation services at Berth 23 for various shipping lines known as the "Grand Alliance" under a Preferential Assignment Agreement. The Grand Alliance is presently comprised of Nippon Yusen Kaisha (NYK Line), Orient Overseas Container Line (OOCL), Hapag-Lloyd and P&O Containers, Ltd. The Agreement with YTI provides that every five years the annual container throughput guarantee and corresponding breakpoint level as well as the Office Building with related parking area and the Maintenance & Repair facility rentals are to be adjusted by the percentage increase in the fair market value of the land and water areas within the Assigned Premises. In accordance with the Fourth Supplemental Agreement, these adjustments were deferred for one year and were to have been implemented February 1, 1998, but have not been finalized to date. The delay to the scheduled increases in the YTI Agreement is attributable to various reasons. After executing the Agreement with the Port, changes occurred in the Grand Alliance vessel deployments which adversely impacted volume levels. The Grand Alliance also expressed concerns that it was very difficult to complete with other shipping lines and direct competitors. YTI management also changed and has been trying to reopen negotiations on the compensation terms. Negotiations with YTI is now prepared to execute a new Supplemental Agreement under a new and more simplified assessment procedure while

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obtaining additional improvements to the facility in order to accommodate higher volume levels. The proposed changes will eliminate the existing two 5 year term options resulting in expiration of the base term on January 2, 2007 and including Compensation, IPI Incentive, Terminal Expansion and Improvements and Adjustments to Rental. For the Compensation, in lieu of Port tariff charges for dockage, wharfage, wharf demurrage, wharf storage and crane rental, YTI will guarantee to pay a flat monthly fee of \$604,166.67 and continue to report on a vessel by vessel basis primary use activity at the Assigned Premises during each contract year. In addition to the monthly payment, during each contract year when primary use activity at the Assigned Premises reaches 125,000 loaded TEUs (1st Breakpoint Rate), then all loaded Primary Use TEUs which exceed 125,000 shall be assessed \$52.00 per loaded TEU (1st Breakpoint Rate). All loaded primary use TEUs which exceed 140,000 (2nd Breakpoint) during each contract year shall be assessed \$26.00 per loaded TEU (2nd Breakpoint rate). The compensation terms will commence July 1, 1998. The monthly fee as well as the 1st Breakpoint Rate of \$52.00 and the 2nd Breakpoint Rate of \$26.00 shall be subjected to future increase and adjustments to dockage wharfage, wharf demurrage, wharf storage and crane rental rate increases as applied to the Port's tariff. The increases will be based upon a weighted average factor for Port tariff charges agreed to by YTI and the Port which will then be applied to the monthly and Breakpoint rates. If primary use activity at the terminal reaches or exceeds an annual throughput of Interior Point Intermodal Throughput Service (IPI) cargo of 40,000 loaded IPI TEUs annually, then all such IPI TEUs which exceed 20,000 loaded IPI TEUs annually through Berth 23 shall receive a discount at the end of the contract year of \$5.00 for each such loaded IPI TEU. For Terminal Expansion and Improvements, the Port shall fund up to \$4.7 million of facility construction comprising improvements to the gate, excluding the camera and computer systems, as well as a reefer stacking system. Improvements beyond \$4.7 million shall be paid for by YTI directly or through adjustment in the guaranteed monthly fee payment to the Port. For Adjustments to Rental, the rental for the Office Building and Maintenance and Repair Building will remain at \$177,000.00 per year until January 31, 2003 and effective February 1, 2003, all rentals as well as 1st and 2nd Breakpoint Rates will be increased based upon the percentage

increase in land value rates as reflected in the Port's tariff. This project is categorically exempt and does not require preparation of an environmental document. It was recommended that the Board approve the modifications to the Preferential Assignment Agreement with Yusen Terminals, Inc. The recommendation was approved on passage of Resolution No. 98252.

New Ten Year Lease Agreement with Chancellor Media Corporation for Radio Station KABL-AM was the subject a memo to the Board from the Director of Maritime recommending approval of a new ten year lease agreement with Chancellor Media Corporation which owns, operates and manages Radio Station KABL-AM. The present Lease Agreement is scheduled to expire July 31, 1998. KABL-AM occupies a radio transmitter site comprising approximately 10.2 acres of land and water area near the Bay Bridge toll plaza. The Agreement presently provides for monthly rental of \$3,090.00 with annual adjustments based upon changes in the Consumer Price Index. Two other radio stations have transmitter sites near KABL-AM and both have recently signed ten year agreements with the Port. The Port is proposing similar compensation provisions and terms and conditions to Chancellor Media for this area. The Agreement will contain a term of ten years, however, the Port will retain its right to terminate the Lease Agreement upon one year's written notice if the assigned area is required for other Port uses; in the event, there is a change in ownership in the radio station, the Port reserves its right to assign the leased premises to the new owner and the Port's consent to assignment to such new ownership shall not unreasonably be withheld; the new rental commencing August 1, 1998 will be \$3,750.00 per month and at the end of every 12 months, the monthly rental will be increased in accordance with the percentage change in the Consumer Price Index for the 12 month period immediately preceding the annual adjustment date which in no case will this adjustment result in the lowering of the then existing monthly rental; the present performance deposit of \$4,000.00 will be increased to \$11,250.00 commencing with the new Lease Agreement and the performance deposit will be adjusted by the same percentage increase as the annual rental adjustment; KABL-AM will continue to be responsible for all maintenance; and insurance requirements will conform to current Port requirements. The project is categorically exempt and does not require the preparation of an

environmental document. The recommendation was approved on passage of and ordinance to print.

Forfeiture of Bid Security and Authorization to Negotiate a Contract for Demolition of Building D-542, Harbor Transportation Center the subject of a memo to the Board from the Director of Engineering notifying the Board that on March, 1998 the award of the contract for demolition of Building D-542 to G.A. Kause, Inc. The Port Ordinance No. 1606 states that if the bidder to whom the contract is awarded shall, for twenty calendar days after receipt of such contract, fail or neglect to enter into contract and file the required bonds, the bid security shall be forfeited. As of June 12, 1998, the Port had not received the signed contract documents, the necessary bonds, or the insurance certificate for G.A. Kause, Inc. The project to demolish Building D-542 has now been delayed approximately three months and any additional delay is likely to have a severe adverse impact on construction of the new Berth 55 Yard. It was recommended that G.A. Kause, Inc.'s bid security be forfeited and the Executive Director draw the money due on such bid security and pay the same into the City Treasury and that the Executive Director be authorized to negotiate a contract for the work in the open market. The recommendation was approved on passage of Resolution No. 98253.

Approval of Consultant Agreement with De Leuw, Cather and Company for Engineering Studies of Rail Operations in the Oakland Army Base and JIT Peer Review was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port Vision 2000 Program consists of a Joint Intermodal Terminal (JIT), up to five container terminals, the realignment of Seventh Street, construction of a new road and Public Access Improvements along the north side of the Oakland Inner Harbor Channel at the former Fleet Industrial Supply Center Oakland (FISCO). To further the development of the JIT, the Port will need to use the railroad areas of the Oakland Army Base known as the Knight Yard and make connections into the Union Pacific mainline tracks north of the Oakland Army Base. Additionally, as the Oakland Army Base is closed, the Port needs to protect rail access to our facilities in the Outer Harbor and Bay Bridge Terminal areas. We are proposing to hire an engineering consultant

to study these two areas, perform an analysis and develop a plan so that we are able to better support the JIT and other Port areas in the near future. Additionally, we propose to have the same consultant perform a Peer review on various aspects of the JIT currently being designed. In light of the negotiations with the Oakland Base Re-use Authority concerning the Knight Yard, it is important that work commence immediately. After considerable review, it was recommended that the Board approve the agreement with De Leuw, Cather and Company team. The selection is based on the team's JIT proposal, presentation and response to committee questions, their skills and extensive experience with the understanding of the railroad operations in the Port area and working relationship with the Union Pacific staff. The Port is currently negotiating with De Leuw, Cather and Company to further develop the scope of work and the terms of the agreement. It is anticipated that the maximum compensation for these services will not exceed \$340,000.00 and that the Executive Director be authorized to approve up to an additional \$90,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 98254.

Approval of a Building Permit Application for Matson Yard Improvements for Conversion from Straddle Carriers to Wheeled Operations was the subject of a memo to the Board from the Director of Engineering recommending approval for modifications to the yard for conversion from straddle carriers to wheeled operations. Matson leases the terminal space for Berths 32-34. The proposed work will involve re-striping and other modifications to the yard area to allow for a change in their storage methods. The project is part of a larger effort to improve yard efficiency which also includes the recently approved project to reconfigure the entrance gate. The work will include re-striping of all container storage areas; relocation of K-rail and fencing; removal of two existing scales (being replaced in gate project); relocation of reefer outlets; and relocation and alterations to 12KV substations and conduit system. The estimated value of the work is \$900,000.00. The project is categorically exempt and does not require preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98255.

Plans and Specifications for Demolition of Buildings D-212, D-213 and D-213A,

Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Buildings D-212, and D-213, each a 88,705 square foot warehouse with two 7,225 square foot loading docks, and Building D-213A, a 43.5 square foot shed. This work is necessary to clear the site for construction of the JIT beginning in mid-1998. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98256.

Award of Contract for Demolition of Buildings D-141, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the eight bids received and recommending award of the contract to Covey Trucking Co., the responsible bidder, at \$186,024.00. The recommendation was approved on passage of Resolution No. 98257.

Personnel Items contained in a memo to the Board from the Acting Director of Administration recommended the appointment of Fred Rickert, as Chief Financial Officer, at a salary rate within Salary Grade 16, effective June 24, 1998; Ty Nguyen, as Youth Aide, Class "D", High School Intern, at \$5.75 per hour, effective June 24, 1998; and Barbara Leslie, as Government Affairs Specialist, at \$5,553.00, effective July 13, 1998. Also recommended appointment date for Mukesh Bhatia, Port Technical Support Analyst III, from May 26, 1998, to June 29, 1998; and rescinding the appointment of Jacqueline Velasquez, who was appointed to the position of Youth Aide, Class "D", effective June 15, 1998. The recommendations were approved on passage of Resolution No. 98258 for appointments; Resolution No. 98259 for rescinding appointment; and Resolution No. 98260 for amending appointment.

Approval of the Annual Operating Budget for Fiscal Year Ending June 30, 1998 was

the subject of a memo to the Board from the Acting Chief Financial Officer notifying the Board that the Fiscal Year 1998-99 Operating Budget was presented to the Board on May 19, 1998, and June 23, 1998

the Proposed Capital Improvement Program was presented on June 9, 1998. Also included in the May 19 presentation were the proposed FY 1999-2000 and FY 2000-2001 Operating Budgets. At this meeting, the Board is asked to approve the proposed FY 1998-99 Operating Budget and authorize the related appropriations for Port operating and maintenance expenses. As in the past, we are consolidating Oakland Portside Associates (OPA) revenue and expenses under the Commercial Real Estate Division. This budget reflects the Port's constant efforts to achieve greater efficiency and effectiveness in order to meet our many challenges. Beginning FY 98-99, the operating goals have been expanded to include a 5% revenue growth, a 5% or lower expense growth and a 10% return on income. The goals also include a change in the ratio of operating expense to operating revenue to a more realistic and more achievable 54%, which is consistent with the Port's past performance. The Port aims to reduce or maintain this operating ratio at or below 50% by FY 01-02. The current 54% operating ratio goal was achieved by a combination of a 4.6% planned revenue growth and a baseline budget reduction of 7% in non-personnel expenses, or \$3.0 million. The budget supports the Port's revitalized focus on our customers and the community, as illustrated by the re-establishment of the Communications Division and the Office of Equal Opportunity. In addition, the budget reflects a 10% increase in personnel services due to salary adjustments resulting from a new merit compensation and benefit plan to ensure labor stability, maximize productivity and enhance performance incentives. Revenue Over Expenses for FY 98-99 is projected at \$16.6 million. This represents about 10% return on revenue. Fiscal Year 1999-2000 and 2000-2001 revenue over expenses are projected to be \$16.2 million and \$26.0 million, which represent about 9% and 14% return on revenue. The Port anticipates consolidated operating revenue to be approximately \$166.4 million for FY 98-99, which is about 5% more than FY 97-98 anticipated revenue. The Port expects Maritime revenue to increase about 4% due to terminal upgrades and increased activity. Aviation revenue is projected to increase 7% over FY 97-98 mainly due to increase in passenger activity and parking rates. Commercial Real Estate, including Oakland Portside Associates revenue, is projected to increase 3% due mainly to increase in rent and parking rates. Utilities revenue is forecasted to decrease about 18% over FY 97-98 due to lower



budget also includes General Services and Lake Merritt Payments to the City of \$1.5 million, although actual remittance of these funds will be based on verification of City expenditures and the Board of Port Commissioners declaring a surplus at the end of the fiscal year. The projected amounts for FY 99-2000 and FY 2000-01 for General Services and Lake Merritt payments are \$1.5 million for each year. In addition, \$3.8 million has been budgeted to pay the City for ARFF services that the Oakland Fire Department provides to the Metropolitan Oakland International Airport. The Port budgeted consolidated depreciation and amortization and non-operating items to be \$60.0 million for FY 98-99 compared to the \$60.9 million anticipated for FY 97-98 (not including sale of cranes). On the expenditure side, the Port budgeted \$34.8 million for depreciation and amortization expense compared to the anticipated \$33.6 million for FY 97-98, and \$29.0 million for interest expense compared to the \$28.6 million anticipated for FY 97-98. For FY 99-2000 and FY 2000-01, these items are budgeted as follows: \$35.7 million and \$36.9 million for depreciation and amortization expense; and \$30.7 million and \$34.4 million for interest expense. There are additional debt issues, incorporated into the three-year interest expense figures starting in FY 99-2000. It was recommended that the Board adopt the Operating Budget for the fiscal year ending June 30, 1999; approving appropriating funds for Port operations and maintenance expenses for the fiscal year ending June 30, 1999; and endorsing the FY 99-2000 and FY 2000-01 operating budgets in concept. The recommendation was approved on passage of Resolution No. 98261.

Approval to Negotiate a Professional Services Agreement with Amistad Associates and InPartnership to Provide Diversity Training Service to the Aviation Division was the subject of a memo to the Board from the Director of Equal Opportunity notifying the Board that the Aviation Division recently requested that the Port's Office of Equal Opportunity assist in developing a Diversity Training Program. The initial request originated in the Facilities Department's Employee Relations Improvement Committee (ERIC). The request cited the improvement in employee interpersonal relations that an earlier Diversity Training Program had several years ago. Because of the potential improvement in employee performance that such a program may have, Aviation management decided to extend this type of training to the entire

division. It was recommended that the Board approve the agreement with Amistad to provide training services for the Aviation Division staff with a fee schedule not to exceed \$30,000.00 including incidental expenses. The firm offers executive briefings, seminars, training and consulting services in the area of "Valuing Diversity". It specializes in facilitating individual programs as well as large scale strategic planning to address changing employee/client demographics, shifts in the organizational culture and women and minorities moving into experience in this area and focuses on customizing programs to meet specific organization needs. The recommendation was approved on passage of Resolution No. 98262.

Approval of Contract to Design and Commence Implementation of the Strategic Communications Plan for Vision 2000 was the subject of a memo to the Board from the Director of Communications notifying the Board that the Communications Division is proposing that the Port enter a contract with Kathy Russeth of Russeth Strategic Communications to design and commence the implementation of the strategic communications plan for Vision 2000. This contract is needed because of the immediacy of the need as expressed by the Maritime Division; the length of time it has taken to fill the public relations representative; and the complexity and importance of the issues necessitate a concentrated, intense approach. The objective of Russeth Strategic Communications scope of work is to develop an inclusive strategic communication plan for Vision 2000 that can be used throughout the life of the project. The goal is to help the Port communicate proactively and effectively with both internal and external stakeholders. The scope of work includes research, development, review and implementation. For the research Russeth Strategic Communications will conduct an environmental scan of the project. The consultant will gather and analyze information on supporters and on those likely to oppose elements of Vision 2000. The consultant will research communications vehicles and their effectiveness with specific audiences; will examine how other ports and public agencies have successfully communicated similar expansive projects to their stakeholders. The development would encompass key messages, aimed at distinct audiences identified in the research; stakeholder identification, including what issues are likely to arise, ways for the Port to address these issues, overcome opposition and empower

supporters' speaking skills; strategic and communications tactics, covering specific approaches to distinct audiences and provide insight on how operations might impact select audiences and make suggestions for alleviating negative impact; implementation/timeline, submit a schedule for what will be done and when and by whom; and measurement system, consultant will develop a system by which the communications effort will be measured for effectiveness. The contract will be review in which the plan will be presented to the Vision 2000 team and revised as needed. The implementation of the multi-pronged strategy that will carry the Port's communications message through the completion of the Vision 2000 program. It was recommended that the Board approve the agreement with Russeth Strategic Communications to provide a targeted strategic communication implementation plan for Vision 2000 and the contractual fee is not to exceed \$18,000.00. The recommendation was approved on passage of Resolution No. 98263.

Authorization to Dispense with Formal Bids for an Annual Contract for Furnishing Labor, Materials and Equipment for Emergency and Major Roof Repairs of Port of Oakland Buildings for the Period Commencing August 1, 1998 and Ending July 31, 1999, 2000, or 2001 was the subject of a memo to the Board from the Director of Engineering notifying the Board that specifications have been prepared for furnishing labor, materials and equipment for emergency and major roof repairs. The work consists of performing emergency roof repair; investigation and repairs of persistent leak problems; and replacement of identified sections of roof. The work under this annual roofing contract will supplement the work performed by Port maintenance staff. Port staff have met with the representatives of Local 790 and both parties agree that the annual roofing contract will benefit the Port without affecting the level of work performed by Local 790 Port employees. It is in the best interest of the Port to execute a contract with more than one contractor in case one contractor is busy during emergency situations. The preference would be execute a contract with two competent small local business, as defined by the Port's Small/Local Business Utilization Policy, cable of performing both small and large roofing projects. However, should this not be possible, it would then be in best interest of the Port to execute a contract with one large as well as one small local business to provide the roofing services on an as-needed basis. The work is

set at \$150,000.00 per year. The specifications for this contract include a provision allowing the Port to renew the contracts in one-year increments through July 31, 2001. Renewal of the contract shall only occur if agreed to in writing by both the Port and the Contractor. Should a contract be renewed, all provisions of the contract shall apply, including the bid amount for percentage mark-up for direct labor costs. It was recommended that the Board find it the best interest of the Port to dispense with formal bidding procedures; and that the Executive Director be authorized to execute contracts for this work with two local roofing contractors and the said contract be based on informal competitive bidding and to be an aggregate amount not to exceed \$150,000.00. The recommendation was approved on passage of Resolution No. 98264.

Approval of Assignment of Rights to the Name of Gallagher & Burk, Inc. to Oliver DeSilva, Inc. was the subject of a memo to the Board from the Director of Engineering notifying the Board that on May 20, 1997, the Board award the contract to furnish labor, materials and equipment for paving, grading and associated general contractor services for Port of Oakland facilities for the period commencing June 1, 1997 and Ending May 31, 1998, 1999 or 2000, to Gallagher & Burk, Inc. On February 2, 1998, the name Gallagher & Burk, Inc. was changed to Gallagher Properties, Inc. and the corporation sold its construction and related businesses including the trade name of Gallagher & Burk, Inc. to Oliver DeSilva, Inc. Gallagher Properties, Inc. requests assignment of the contract to Oliver DeSilva as it is no longer in the construction business. It was recommended that the Board approve the assignment of the rights to the contract to Oliver DeSilva, Inc. doing business as Gallagher & Burk, Inc. The recommendation was approved on passage of Resolution No. 98265.

Approval of MOU with Western Council of Engineers was the subject of a memo to the Board from the Acting Director of Administration notifying the Board that the representatives of the Port and Western Council of Engineers have agreed in principle on the terms of a memorandum of understanding regarding wages, hours and other terms and conditions of employment. The proposed term of the MOU is three years. The effective date of the MOU is June 27, 1998. It was recommended that the Board approve the terms of the MOU with Western Council of Engineers;

and approve the ordinances and resolutions required to implement the MOU. The recommendation was approved on passage of Resolution No. 98266.

Compensation Package for Unit H Employees was the subject of a memo to the Board from the Acting Director of Administration notifying the Board that the elements of the package have been reviewed in detail by the Administrative Committee. The proposal for a comprehensive package for Unit H includes extension of Family Leave to 10 days; extension of Flexible Benefit Program; Medical Premium Buy-Back for Employees with alternate medical coverage (this has already been approved); Professional Development, subject to budget approval annually, as follows: \$500 for FY 97-98, \$600 - FY 98-99, \$700 for FY 99-00, \$800 for FY 00-01, and \$900 for FY 01-02; increase in Management Leave to 75 hours per year; optional Supplemental Dependent Life Insurance at employee cost; Deferred Compensation matching program beginning the third year (action items to be deferred until fiscal year 1999-2000); Incentive Pay, subject to Budget approval annually, as follows: 3% increase in base pay for "Meets Expectations" performance rating, 7% increase in pay for "Exceeds Expectations" performance rating, comprised of a 3% increase in base pay and a 4%, one time only, premium, 10% increase in pay for "Outstanding" performance rating, 0.5% increase pay, not added to base pay, for achieving Port operating ratio and revenue goals for employees with "Meets Expectations" performance rating or better; and Housekeeping matters, including: approval of payments for PERS' employee and employer contributions, consistent with current practice, and approval of PERS' medical premiums consistent with current practice. It was recommended that the Board approve the compensation package for the Unit H employees. The recommendation was approved on passage of Resolution No. 98267 for life insurance coverage; Resolution No. 98268 and 98269 for Medical and Hospital care; and ordinances passed to print.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

“RESOLUTION NO. 98244

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND
CONCESSION AGREEMENT WITH SOUTHWEST AIRLINES CO.”

“RESOLUTION NO. 98245

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND
CONCESSION AGREEMENT WITH ONTARIO AIRCRAFT SERVICE, INC.”

“RESOLUTION NO. 98246

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND
CONCESSION AGREEMENT WITH HALLMARK AVIATION SERVICES.”

“RESOLUTION NO. 98247

AWARDING CONTRACT TO OLIVER DESILVA, INC. DBA GALLAGHER &
BURK, INC. FOR CONSTRUCTION OF PARKING LOT, SWAN WAY &
DOOLITTLE DRIVE, OAKLAND AIRPORT INDUSTRIAL PARK, OAKLAND,
CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER
BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98248

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR
CONTRACT WITH MCGUIRE AND HESTER FOR CONSTRUCTION OF AIR
CARGO ROAD PARKING FACILITY, SOUTH FIELD, METROPOLITAN
OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 98249

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR
CONTRACT WITH MCGUIRE AND HESTER FOR INSTALLATION OF WATER
MAIN FOR AIRCRAFT RESCUE AND FIRE FIGHTING FACILITY AND
CONNECTION OF EARHART ROAD WATER MAIN, METROPOLITAN
OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 98250

GRANTING AUTHORIZATION TO INCLUDE REMODELING OF AIRLINE TICKET OFFICES, BUILDING M-101, AND REMODELING OF PORTIONS OF THE LOWER LEVEL OF BUILDING M-103, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, IN THE SMALL BUSINESS PROGRAM, FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR SUCH WORK WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98251

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH FANFA, INC., FOR MARTIN LUTHER KING, JR. REGIONAL SHORELINE WETLANDS PROJECT, OAKLAND, CALIFORNIA, INCLUDING ADDITIVE ALTERNATES B3 AND B6.”

“RESOLUTION NO. 98252

APPROVING AND AUTHORIZING EXECUTION OF A FIFTH SUPPLEMENTAL AGREEMENT WITH YUSEN TERMINALS, INC. FOR BERTH 23, OUTER HARBOR TERMINAL.”

“RESOLUTION NO. 98253

FORFEITING THE BID SECURITY RECEIVED FROM G. R. KAUSE, INC. FOR DEMOLITION OF BUILDING D-542, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, DIRECTING THE EXECUTIVE DIRECTOR TO DRAW THE MONEY DUE ON SAID BID SECURITY AND PAY THE SAME INTO THE CITY TREASURY AND FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO NEGOTIATE A CONTRACT FOR THE PROJECT WITHOUT FURTHER COMPETITIVE BIDDING.”

“RESOLUTION NO. 98254

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH DE LEUW, CATHER AND COMPANY FOR MARITIME CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98255

GRANTING MATSON NAVIGATION COMPANY PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 98256

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-212, D-213 AND D-213A, HARBOR TRANSPORTATION CENTER, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

"RESOLUTION NO. 98257

AWARDING CONTRACT TO COVEY TRUCKING COMPANY FOR DEMOLITION OF BUILDING D-141, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 98258

CONCERNING CERTAIN APPOINTMENTS."

"RESOLUTION NO. 98259

RESCINDING PORT RESOLUTION NO. 98201 CONCERNING CERTAIN APPOINTMENT."

"RESOLUTION NO. 98260

AMENDING PORT RESOLUTION NO. 98201 CONCERNING CERTAIN APPOINTMENT."

"RESOLUTION NO. 98261

MAKING APPROPRIATIONS OF CERTAIN MONEYS TO PROVIDE FOR CERTAIN EXPENDITURES PROPOSED TO BE MADE BY THE ESTIMATED BUDGET OF THE PORT OF OAKLAND FOR THE FISCAL YEAR 1998-1999."

"RESOLUTION NO. 98262

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH AMISTAD ASSOCIATES AND INPARTNERSHIP, JOINTLY AND SEVERALLY, FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98263

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH RUSSETH STRATEGIC COMMUNICATIONS FOR AVIATION CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98264

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR FURNISHING LABOR, MATERIALS AND EQUIPMENT FOR EMERGENCY AND MAJOR ROOF REPAIRS OF PORT OF OAKLAND BUILDINGS FOR THE PERIOD COMMENCING AUGUST 1, 1998 AND ENDING JULY 31, 1999, 2000 OR 2001, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS."

"RESOLUTION NO. 98265

APPROVING AND AUTHORIZING ASSIGNMENT OF RIGHTS OF GALLAGHER & BURK, INC. TO OLIVER DESILVA, INC. OF THE CONTRACT FOR FURNISHING LABOR, MATERIALS AND EQUIPMENT FOR PAVING, GRADING AND ASSOCIATED GENERAL CONTRACT SERVICES FOR PORT OF OAKLAND FACILITIES FOR THE PERIOD COMMENCING JUNE 1, 1997 AND ENDING MAY 31, 1998, 1999 OR 2000, OAKLAND, CALIFORNIA."

"RESOLUTION NO. 98266

APPROVING AND AUTHORIZING MEMORANDUM OF UNDERSTANDING WITH WESTERN COUNCIL OF ENGINEERS."

"RESOLUTION NO. 98267

AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AMENDMENT OF THE PORT'S INSURANCE CONTRACT WITH CANADA LIFE INSURANCE COMPANY TO INCLUDE OPTIONAL DEPENDENT LIFE INSURANCE COVERAGE FOR EMPLOYEES BELONGING TO EMPLOYEE REPRESENTATION UNIT H AND AUTHORIZING SAID EMPLOYEES TO PURCHASE SUCH COVERAGE."

"RESOLUTION NO. 98268

ELECTING TO BE SUBJECT TO PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT ONLY FOR EMPLOYEES AND ANNUITANTS IN REPRESENTATION UNIT H BELONGING TO THE PUBLIC EMPLOYEES RETIREMENT SYSTEM, FIXING THE PORT'S CONTRIBUTION AT AN AMOUNT GREATER THAN OR EQUAL TO THAT PRESCRIBED BY SECTION 22825 OF THE GOVERNMENT CODE, AND RESCINDING RESOLUTION NO. 98184."

"RESOLUTION NO. 98269

FIXING THE PORT'S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT FOR EMPLOYEES AND ANNUITANTS IN REPRESENTATION UNIT H BELONGING TO THE PUBLIC EMPLOYEES RETIREMENT SYSTEM.

"RESOLUTION NO. 98270

CORRECTING AND AMENDING THE SCHEDULE OF CLASSIFICATIONS ASSIGNED TO EMPLOYEE REPRESENTATION UNIT E."

Port Ordinance No. 3438 being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING AN ADDITIONAL POSITION OF DIRECTOR OF ADMINISTRATION, AND ADDING AN ADDITIONAL POSITION WITHIN AN EXISTING PORT CLASSIFICATION," and Port Ordinance No. 3441 being, "AN ORDINANCE AMENDING SECTIONS 2.01, 2.02, 2.03 AND 2.05 OF PORT ORDINANCE NO. 867

INCREASING THE RATES SET FORTH ON SAID SALARY SCHEDULES AND GRADES BY THREE AND ONE-HALF PERCENT," were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

Port Ordinance No. ____ being, "AN ORDINANCE ESTABLISHING RATES AND CHARGES FOR ELECTRICAL POWER AT THE METROPOLITAN OAKLAND INTERNATIONAL AIRPORT," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH CHANCELLOR MEDIA CORPORATION FOR RADIO STATION KABL-AM," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 1.20 OF PORT ORDINANCE NO. 867 PROVIDING FOR MANAGEMENT LEAVE FOR CERTAIN FLSA EXEMPT EMPLOYEES," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 8.02 OF PORT ORDINANCE NO. 2199 RELATING TO THE MAXIMUM NUMBER OF WORKING DAYS AN EMPLOYEE MAY TAKE FAMILY SICK LEAVE IN ANY CALENDAR YEAR," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 1.306 OF PORT ORDINANCE NO. 867, EXTENDING FLEXIBLE BENEFITS PLAN TO REGULAR EMPLOYEES BELONGING TO REPRESENTATION UNITS A, B, C, D, E, F AND H WORKING AT LEAST 19 HOURS PER WEEK," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 1.191 OF PORT ORDINANCE NO. 867 PROVIDING PROFESSIONAL DEVELOPMENT BENEFITS FOR CERTAIN OFFICERS AND EMPLOYEES," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 BY THE ADDITION OF SECTION 1.0302 PROVIDING FOR ADDITIONAL COMPENSATION FOR EMPLOYEES BELONGING TO EMPLOYEE REPRESENTATION UNIT H UNDER THE TERMS OF THE

PERFORMANCE MANAGEMENT PROGRAM,” and Port Ordinance No. ____ being, “AN ORDINANCE ADDING SECTION 1.33991 TO PORT ORDINANCE NO. 867 FIXING THE COMPENSATION OF CERTAIN EMPLOYEES OF THE PORT DEPARTMENT,” were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,

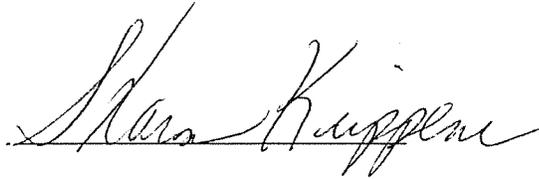
Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

At the hour of 5:05 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Alameda, a Municipal Corporation; Citizens League for Airport Safety and Serenity v. Port of Oakland et al., Sonoma County Superior Court Case No. 793056-0 (Consolidated Cases), City of Oakland v. Keep on Trucking Company, Inc. et al., U.S. District Court Case No. C-95-03721-CW, United Public Employees Local No. 790, AFL-CIO v. Board of Port Commissioners of the Port of Oakland, et al., Court of Appeal Case No. A078003, and Dew-Dew Financial v. Port of Oakland, Alameda County Superior Court Case No. 732404; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 4 matters; conference with real property negotiator, property - Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), Negotiating Parties - Port and City, Under Negotiation - Price and Terms of Payment, Property - Union Pacific Rail Road Leasehold and Relocation, Negotiating Parties - Port and Union Pacific, Under Negotiation - Price and Terms of Payment; conference with Labor Negotiator - Agency Negotiator - Robert C. Martinez, Employee Organization - Western Council of Engineers, Agency Negotiator - Robert C. Martinez, Employee Organization - International Brotherhood of Electrical Workers; and reconvened in open session at the hour of 6:10 p.m.

At the hour of 6:12 p.m. the meeting was adjourned on a motion duly made and seconded.

A handwritten signature in cursive script, appearing to read "Sara Kippene". The signature is written in black ink and is positioned above a horizontal line.

Assistant Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting was held on Tuesday, June 9, 1998, at the hour of 3:16 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Ortiz presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Commissioners absent: Cole - 1

Also present were the Executive Director; Port Attorney; Director of Engineering; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Equal Opportunity; Acting Chief Financial Officer, Fred Rickert; Director of Communications; and Secretary of the Board.

The minutes of the regular meeting of May 19, 1998 was approved as submitted and order filed.

Informal Portion: The Board received an oral presentation on the status of the Estuary Plan and a presentation on the 98/99 Budget and Capital Improvement Program.

Award of Contract for Reconstruction of Apron Southeast of Building L-812, North Airport, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the four bids received and recommending award of the contract to O.C. Jones and Sons, the low bidder, at \$1,256,920.00. Ms. Beth Aaron, Executive Director, BABCA, Mr. Loyal Moore, Owner, Moore and Sons Trucking, Mr. Ted Gallagher, Vice President, Gallagher and Burk, Inc., appeared before the Board to protest the award of the contract to O.C. Jones and Sons, the low bidder, as they alleged that the contract did not need the good faith efforts concerning subcontractors. After discussion the recommendation was approved on passage of Resolution No. 98216.

Approval to Negotiate a Professional Services Agreement with JTB Airport Alliance for Program Management Consultant Services for the Terminal Expansion was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Metropolitan Oakland International Airport (MOIA) has had dramatic increases in passenger traffic, airline operations, parking lot activity, and rental car concessions. The growth has been significant enough that the challenges of maintaining MOIA's convenience and high level of service have become significantly strained, and has reached or exceeded capacity in various areas of operations. In response to the increasing demand, the Port intend to reconstruct the passenger terminal facilities at MOIA to maintain convenient facilities with a goal of achieving a world class terminal complex as the gateway to the East Bay region which will be known as the Airport Terminal Expansion Program hereinafter referred to as the Program. The Port proposes to employ the services of a Program Management consultant or team of consultants referred to as Program Manager to supplemental the Port staff and resources as required to manage the Program. It was recommended that the Board authorize approval to begin negotiations with JTB Airport Alliance to prepare a professional services agreement for Program Management Consultant Services for the Program. The Program will be based on Technical ability in prime functions; understanding of the Program Manager role; teamwork; depth of resources; similarity and success of relevant experience; logic and clarity of the proposal; and local business utilization. The amount of the agreement is estimated at \$10 million and the Executive Director be authorized to approve up to an additional 25% increase in maximum compensation for potential changes in scope. The recommendation was approved on passage of Resolution No. 98217.

Conditional Consent to Air Terminal Services, Incorporated Sublease to McGuire Concessions, LLC dba Freshens was the subject of a memo to the Board from the Director of Aviation recommending that the Board approve the agreement with Air Terminal Service, Incorporated (CA One) to sublease a portion of CA One's food and beverage concession premises to McGuire Concessions, LLC, a Licensee of Freshens. McGuire is a California Limited Liability Company and will operate the outlet as a Freshens Licensee, Freshens Premium Yogurt based in
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Atlanta, Georgia which operates 380 locations nationwide in regional malls, airports, universities and hospitals. Its product concepts include Freshens Yogurt, The Smoothie Authority and Pretzel Logic. The concept proposed is a Freshens modular, compact treat center offering premium frozen yogurt, smoothies and beverages. The sublease premises are located in the blue tile area of the Terminal I lobby at the end of the connector ramp to Terminal II. The premises covers approximately 500 square feet including a storage area of approximately 90 square feet. The sublease term would be concurrent with CA One's food and beverage Lease continuing to May 31, 2008. McGuire's rent would commence upon completion of the build-out and pay \$30,700.00 minimum annual rent against 12% of annual food and beverage sales. Pursuant to CA One's Lease, the sublessee must invest at least 20% of the build-out costs of the subleased premises which will not be less than \$200,000.00. McGuire and Freshens proposed to spend approximately \$200,000.00 to build-out the space. CA One would finance 80% of the build-out costs of \$160,000.00 to be repaid at an interest rate of 10% per annum over the term of the sublease. The recommendation was approved on passage of Resolution No. 98218.

Approval of New License and Concession Agreement with Existing Tenant Delta Air Lines, Inc. with Accompanying Rental Credit Not to Exceed \$255,000.00 was the subject of a memo to the Board from the Director of Aviation recommending approval of a new agreement with Delta Air Lines, Inc. providing for the expansion and relocation of its existing ticketing positions and adjacent airline ticket office space and bag make-up space to the Terminal I airline space next to United Airlines at the Airport. This work is to be performed under a rental credit of up to \$255,000.00. The rental credit for any one month would not exceed 25% of Delta's monthly rental obligation for any particular month or approximately \$5,192.00 monthly. The estimated cost of the general contractor's work is \$150,000.00 and there also will be additional costs for conveyer belt work and related mechanical repairs. The recommendation was approved on passage of Resolution No. 98219.

Ratification of Change Order for Fire Alarm System Replacement, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port
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has a contract with McMillan Technology, Inc. (MTI) for fire alarm system replacement. The work consists of replacement of the forty-year old, telegraph-type fire alarm systems in the North and South Airports. During the design, FAA informed the Port that it had completed plans and specifications for replacing the entire fire alarm system on all eleven floors of the Air Traffic Control Tower building. Installation, by the FAA, of the ATC Tower fire alarm system was scheduled prior to completion of design for the Port's project. Therefore, the Port deleted the tower fire alarm work from the bid documents to preclude duplication, based on the scope of work scheduled by the FAA. The FAA did not proceed as scheduled and, in the final phase of construction of the Port's project, the FAA canceled its fire alarm system project upon deciding to consolidate the North and South ATC Towers at a new site. To provide emergency notification to tower occupants after the old system is disconnected, a change order was negotiated with MTI to install a new system in the ATC Tower building. To avoid further delays on the entire project, MTI was directed to proceed immediately with the change order work. The total cost for the work is \$46,048.00. It was recommended that the Board ratify the change order of \$46,048.00 to McMillan Technology, Inc. for the work at ATC Towers building. The recommendation was approved on passage of Resolution No. 98220.

Ratification of Submittal of Application to Federal Aviation Administration (FAA)

was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport Improvement Program (AIP) Grant Preapplication to the Federal Aviation Administration (FAA) to fund the reconstruction of apron at Building L-820 project was approved and the total estimated cost of the project is \$3,685,670.00. The FAA share under this grant for fiscal year 1998 is estimated at \$2,970,281.00. The Port's share is \$715,389.00 which is proposed to be funded by the Passenger Facility Charges (PFC) Program. To ensure that a grant offer be processed prior to the end of the federal fiscal year (9/30/98), the grant application had to be submitted as soon as possible. Therefore, an application was submitted on May 15, 1998 to the FAA. It was recommended that the Board ratify the submittal of the grant application to the FAA

for reconstruction of apron at Building L-820. The recommendation was approved on passage of Resolution No. 98221.

Approval of Lease Supplement with the United States of America, Department of Transportation, Federal Aviation Administration to Extend Lease Term was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Department of Transportation, FAA entered into a lease commencing July 1, 1997, for approximately 2.9247 acres of land on Grumman Street near Earhart Road on the North Airport, used by the FAA at no cost for its Bay Terminal Approach Control facility. It was recommended that the Board approve a Lease Supplement with FAA which would extend the term of the Lease for one year from July 1, 1998 through June 30, 1999. The recommendation was approved on passage of Resolution No. 98222.

Approval of New License and Concession Agreement with Southwest Airlines Co. was the subject of a memo to the Board from the Director of Aviation recommending approval of a new agreement with Southwest Airlines Co., for approximately 616 square feet of storage space between column lines 14 and 16 in the vicinity of Gates 7A and 9, Building M-103, effective April 20, 1998, at \$3,552.47 per month. The recommendation was approved on passage of Resolution No. 98223.

Approval of New License and Concession Agreement with Compania Mexicana De Aviacion, S.A. DE C.V. dba Mexicana Airlines was the subject of a memo to the Board from the Director of Aviation recommending approval of an agreement with Mexicana Airlines, for access to the South Airport for the purpose of enplaning and deplaning passengers for three flights per week to Guadalajara, Mexico. American West Airlines Inc. would provide ticket counter space and baggage handling. The agreement would have a one-year term commencing on June 5, 1998, with a 30-day termination provision. No premises would be granted by this Agreement. All charges to Mexicana (landing/jetway/holdroom, parking, baggage claim, etc.) would be billed directly by Aviation Finance. The recommendation was approved on passage of Resolution No. 98224.

Consultative/Marketing Services Contract with Oakland Museum of California, for the Creation of a Museum Quality, Changing Exhibition Program was the subject a memo to

the Board from the Director of Aviation recommending approval of a service contract with the Oakland Museum of California. The museum is one of the region's most important art facilities, with an excellent national and international reputation. The proposed contract with the Museum is for two airport exhibits. The museum will create and maintain two exhibits for the summer "Did You Know" and "The Pacific Coast League". Both exhibits highlight the attractions of the airport's nine-county service area and subtly position Oakland International as that region's preferred gateway to domestic and international travelers. Both exhibits meet the goals and objectives of the Aviation Division, are supportive of local sports and history and are relevant to the season and to the community's interests. The exhibit period would be from June 29 until September 30, 1998. It was recommended the Board approve an agreement with the Oakland Museum of California for the contact services at an amount not to exceed \$36,600.00 for the two exhibits. Based on the success of this enterprise, an ongoing museum quality changing exhibition program is envisioned for the near future and also for the terminal expansion. The recommendation was approved on passage of Resolution No. 98225.

Extension of Modified Compensation Provisions through Supplemental Agreements with APL, TraPac and Hyundai Merchant Marine the subject of a memo to the Board from the Director of Maritime notifying the Board that last year Hyundai Merchant Marine (HMM) joined the New World Alliance of shipping lines which included American President Lines (APL), Orient Overseas Container Line (OOCL) and Mitsui O.S.K. Lines (MOL). In Oakland, APL's operations are domiciled at the Middle Harbor Terminal; and MOL calls at Berth 30 where terminal services are provided by its operating subsidiary, TransPacific Container Service Corporation (TraPac). Since then OOCL, which was a secondary user of the Middle Harbor Terminal, has left the new World Alliance to join the Grand Alliance at Berth 23. At the time, HMM conducted operations at the Seventh Street Terminal where terminal services are provided by Marine Terminals Corporation. The Port's Agreement with APL and TraPac provide that APL's containers handled at TraPac Berth 30 are to be treated as APL's activity under the Middle Harbor Terminal are to be treated as MOL's activity under the compensation terms of the Berth 30 Agreement with TraPac.

In addition, OOCL's containers handled at TraPac Berth 30 were to be treated as secondary use activity under the Middle Harbor compensation terms with APL. In order to accommodate operational terminal requirements of the New World Alliance along with HMM's entry into the consortium, in October 1997, the Board authorized a series of interim amendments to the Port's agreements with APL, TraPac and Hyundai. The temporary nature of the amendments reflected the need for the shipping lines and the Port to evaluate the financial and operating impacts the rationalizations would have on all concerned parties. The guiding principle underlying these arrangements was that the Port remain financially whole despite the various vessel slot exchanges and terminal sharing among the shipping lines. The interim modifications provide that MOL containers handled at the Seventh Street Terminal from HMM vessels are treated as MOL activity under the Berth 30 compensation terms with TraPac; and HMM containers handled at Berth 30 from MOL vessels would be assessed as HMM activity under the Seventh Street Terminal Compensation terms with HMM; HMM cargo activity from APL or OOCL vessels at the Middle Harbor Terminal will be subject to the same compensation terms and economic benefits received under the HMM Terminal Use Agreement at the Seventh Street Terminal; APL cargo from HMM vessels at the Seventh Street Terminal will be subject to the same compensation and economic benefits presently received at the Middle Harbor Terminal; i.e., no charge will accrue to the benefit of the Port in addition to the existing fixed payment; and OOCL cargo activity from HMM vessels at the Seventh Street Terminal will be subject to the same compensation terms and economic benefits presently received at the Middle Harbor Terminal; i.e., in accordance with the secondary use provisions Port tariff charges will be split 60% APL/40% Port. Although the provisions were to be in effect on an interim basis through December 31, 1997, the New World Alliance partners and HMM in particular, were still in a state of operational transition for the period commencing January 1, 1998 through February 22, 1998. In order to accommodate this extended transitional period while maintaining a neutral revenue stream, we proposed that the Board's previous authorization of the interim arrangements for HMM be extended through February 22, 1998 as the last operative date under the interim arrangements. This proposed action will cover HMM's cargo

activities at the Middle Harbor Terminal and Berth 30 as well as other New World Alliance cargo from HMM vessels at the Seventh Street Terminal during HMM's transition from January 1 through February 22, 1998. For the period beyond February 22, 1998, the Board recently approved an amendment to the HMM Terminal Use Agreement at Seventh Street which would suspend that Agreement and HMM began calling Berth 30 as a secondary user. The Board also authorized an amendment to TraPac's Agreement which approves a 5 year use agreement between TraPac and HMM for HMM to use Berth 30 as a secondary user and thereby qualifies the secondary use revenues for sharing on the basis of 60%-TraPac/40%-Port for this HMM activity commencing March 25, 1998. It was recommended that the Board approve the modifications to the APL, TraPac and HMM Agreements. The recommendation was approved on passage of Resolution No. 98226.

Approval of First Supplemental Agreement with Subsurface Consultants, Inc. for the Preparation of a Study of the Geotechnical and Geohydrologic Conditions of the Oakland Harbor Channels for the -50' Navigation Improvement Project was the subject of a memo to the Board from the Director of Engineering notifying the Board that on April 30, 1997, the Port entered into a professional services agreement with Subsurface Consultants, Inc. (SC) to prepare a study of the geotechnical and geohydrologic (i.e. groundwater) conditions for the Oakland harbor channels for the -50' Navigation Improvement Project. The agreement provided for a maximum compensation of \$892,000.00. The work under this contract included an extensive field investigation, as well as compilation of available record data for the preparation of the analysis and report. In addition to the contract amount, the Board authorized the Executive Director to approve changes in the scope of work up to \$125,000.00 over the contract amount. During the course of the investigation and analysis, additional data compilation, field testing, and computer modeling that were not included in the original contract amount were identified as necessary to prepare a sufficiently comprehensive report to address the concerns of the Port, adjacent property owners, and the Regional Water Quality Control Board which the work was authorized by Executive Director. In addition, the Executive Director authorized payment for two additional items of work which

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are identified as necessary to support the -50' project and which SCI could most efficiently provide to the Port. Concerns over potential impacts of the proposed construction of the Inner Harbor turning basin on adjacent property owners prompted the need for a structural analysis and preliminary engineering design for retaining bulkheads at the turning basin; and correlation of the sediment quality analysis prepared by EVS Consultants with the geologic information developed under this study is critical to adequately determine the actual anticipated dredge volumes as well as to provide a better translation of the sediment quality data into the engineering design for the proposed channel improvements. Originally, both items were not anticipated to be a part of the scope of work for this study but can be most efficiently prepared by SCI. SCI will provide these services at a cost of \$149,500.00 and the Port will provide a contingency of \$75,000.00, subject to approval, to respond to specific concerns that may be raised by the Port, the Regional Water Quality Control Board, and/or adjacent property owners at the Inner Harbor turning basin stemming from the conclusions and recommendations reached in the geotechnical and geohydrologic reports. It was recommended that the Board approve the agreement with Subsurface Consultants, Inc. to provide the professional services for the -50' navigation improvement project, up to a total of \$1,166,500.00; and to authorize the Executive Director to approve additional work in an amount up to \$75,000.00, if needed. The recommendation was approved on passage of Resolution no. 98227.

Plans and Specifications for Demolition of Buildings D-320 and D-321, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Building D-320, a 7,000 square foot Navy Exchange building with an unoccupiable 10,000 square foot addition; and Building D-321, a 58,000 square foot administration building. This work is necessary in order to clear the site for construction of the Joint Intermodal Terminal (JIT) beginning in early 1999. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98228.

Plans and Specifications for Demolition of Buildings D-422 and D-522, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition and removal of Buildings D-422 and D-522, two warehouses joined by a building addition into a single 266,000 square foot facility. This work is necessary in order to clear the site for construction of the Joint Intermodal Terminal beginning in early 1999. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98229.

Plans and Specifications for Demolition of Buildings D-331, D-421, and D-531, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition work. The work consists of demolition of Buildings D-331, D-431, and D-531, three 121,600 square foot warehouses. This work is necessary in order to clear the site for construction of the relocation of Middle Harbor Road, the JIT, and the Berth 55/56 Container Yard beginning in late 1998. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98230.

Personnel Items contained in a memo to the Board from the Executive Director recommended the appointment of Robert C. Martinez, as Acting Director of Administration, effective June 10, 1998, at \$7,882.00 per month; and Kate Nichol, as Associate Port Environmental Planner, effective July 6, 1998, at \$4,697.00 per month. Also recommended was the leave of absence for Deborah Ann Boykin, as Relief Telephone Operator, for medical reason, from May 33, 1998 through and including August 3, 1998; and the creation of classification of Director of Administration; examination announcement for the Port Technical Support Analyst II. Further recommended was the approval of a cost of living adjustment of 3.5% to the salary schedules assigned to classifications in Units A and B, effective June 27, 1998, in accordance with the terms of the Memorandum of Understanding between the Port and Local 790, covering the period July 1, 1997 through and including June 30, 2002; and approve a cost of living adjustment of 3.5% to the June 9, 1998

salary schedules assigned to classifications in Units D and E effective June 27, 1998, in accordance with the recently approved "Salary Administration and Performance Management Program for Employees in Units D and E." The recommendations were approved on passage of Resolution No. 98231 for appointments; Resolution No. 98232 for appointing Robert C. Martinez; Resolution No. 98233 for leave of absence; Resolution No. 98234 for examination announcement; ordinance to print for creation of additional position; and an ordinance to print for salary increase of 3.5%.

Rejection of All Bids and Authorization to Negotiate a Contract for Construction of Security Fencing for Port of Oakland Facilities for the Period Commencing June 1, 1998 and Ending May 31, 1999, 2000 or 2001 was the subject of a memo to the Board from the Director of Engineering notifying the Board that three bids were received, and that a letter from the second low bidder was submitted protesting the low bidder's bid. Their complaint is that the low bidder's office location is 2 to 4 miles beyond the 30-mile driving distance requirement from Jack London Square as stated in the project specifications. The intent of the distance requirement in the project specifications was to assure a reasonable response time to the job site. The low bidder did not comply with the contract documents, however, it is believed that their current office location is not unreasonably beyond the 30 mile limit. Because of the need to execute a contract expeditiously, it was recommended all bids be rejected and the Executive Director allowed to negotiate a contract on the open market without competitive bidding. Mr. Paul Guerrero, an attorney for Golden Bay Fence, the second low bidder, appeared before the Board to ask that the contract be awarded to Golden Bay, as they were the low proper bidder. After discussion, the recommendation was approved on passage of Resolution No. 98235.

Authorization to Purchase and Install New Telephone Service Equipment for the Port Administration Building and Building D-833, Harbor Transportation Center was the subject of a memo to the Board from the Executive Director notifying the Board that the Port has been planning the relocation of existing Maritime, CRE and Engineering personnel from offices as Brush and Third Streets, to newly refurbished offices within the Naval Supply Center. One aspect of this move is to provide for telephone, fax and modem services at the new location. The Port has

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received a proposal from Williams Communications Solutions, LLC (WCS), to perform this work.

WCS is a specialist in telecommunication systems, and thoroughly familiar with the Port of Oakland and its communication needs. WCS's proposal outlines a fully engineered telecommunication system for sixty people, complete with switch components, phone sets, and administrative tools. Installation and setup would include on-site training for new phone users and MIS support personnel. The new system would be fully inter-linked with the Port's present phone systems at 530 Water Street, allowing for call transferring and shared voice mail services. The new system would also provide the foundation to replace Port's outdated Walker-Marathon telephone equipment necessary in the near future. The estimated cost for the purchase and installation is \$160,000.00. It was recommended that the Board approve the purchase and installation with Williams Communications Solutions, LLC and to authorize the Executive Director to increase the amount by \$10,000.00 if necessary to allow for additional work that may occur as the relocation to the new building proceeds. The recommendation was approved on passage of Resolution No. 98236.

Amended Agreement with Frank Lee Associates for Board Consulting Services was the subject of a memo to the Board from the Executive Director notifying the Board that on March 10, 1998, the Board retained the consultant services of Frank Lee Associates to assist the Board and the Executive Director in the development of a performance evaluation instrument and succession plan for the Executive Director position. To complete all elements of the performance evaluation process and succession planning initiatives, an additional \$31,000.00 has been requested by Frank Lee Associates and the subconsultant, PeopleWorks, to complete the project. The total cost of services will be approximately \$71,000.00. It was recommended that the Board approve the amended agreement with Frank Lee Associates. The recommendation was approved on passage of Resolution No. 98237.

Travel Authorization was the subject of a memo to the Board from the Secretary of the Board recommending the travel of the Executive Director Charles Foster and the Director of Engineering Joseph Wong, to Dalian, Beijing and Shanghai, China to attend and participate in the
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9th Pan Pacific Port Conference, to meet with government officials, and to meet with ZPMC on or about the period June 19 to July 2, 1998. Also recommended was the travel of President Ortiz, Commissioners Kramer, Loh, Harris, Lockhart and Taylor, Director of Maritime, Ray Boyle, Manager, Maritime Marketing, Dan Westerlin, Manager, Customer Service, Gary Hallin, Manager, Pricing and Contracts, Salvatore Di Grande, and Secretary of the Board, Christopher C. Marshall, to various cities in Europe to call on shipping lines, shippers and to make technical visits to ports on or about the period June 25 to July 10, 1998. The recommendation was approved on passage of Resolution No. 98238.

Approval for Executive Director to Enter into a Memorandum of Understanding with BCDC to Process the Port's Application for a Bay Plan Amendment was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port submitted an application to the San Francisco Bay Conservation and Development Commission (BCDC) on January 30, 1998, for an amendment to the Bay Plan to expand the Plan's wildlife policies to encompass water area for fish and wildlife refuges/areas. It was recommended that the Board authorize the Memorandum of Understanding with BCDC to process the Port's application for a Bay Plan Amendment to allow the placement of approximately 7 million cubic yards of dredged material in the Middle Harbor for sub-tidal habitat enhancement, and to allow the placement of jetty and fish enhancement structures made of rock or a similar material as part of the 190-acre Middle Harbor Enhancement Area project. This project will allow the Port to reuse dredged material from the -50' channel deepening project to restore the Middle Harbor to a condition similar to its historical depth and environmental characteristics. The Port paid BCDC \$5,000.00 as an initial fee for processing the application, with the understanding that final charges would be based on the actual costs; and BCDC anticipated that the total costs will not exceed \$67,440.00. It is recommended that the Board authorize the Executive Director to expend up to \$67,440.00 to support BCDC staff participation in this project. The recommendation was approved on passage of Resolution No. 98239.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Taylor
and President Ortiz - 4

Noes: None

Absent: Commissioners Cole, Lockhart and Loh - 3

“RESOLUTION NO. 98216

AWARDING CONTRACT TO O.C. JONES AND SONS FOR RECONSTRUCTION OF APRON SOUTHEAST OF BUILDING L-812, NORTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98217

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH JTB AIRPORT ALLIANCE FOR PROGRAM MANAGEMENT CONSULTANT SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98218

CONSENTING TO AIR TERMINAL SERVICES, INCORPORATED SUBLEASE TO MCGUIRE CONCESSIONS, LLC DOING BUSINESS AS FRESHENS, SUBJECT TO CERTAIN CONDITIONS.”

“RESOLUTION NO. 98219

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH DELTA AIRLINES, INC.”

“RESOLUTION NO. 98220

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH MCMILLAN TECHNOLOGY, INC., FOR FIRE ALARM SYSTEM REPLACEMENT, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 98221

RATIFYING AND APPROVING SUBMITTAL OF A GRANT APPLICATION TO FEDERAL AVIATION ADMINISTRATION UNDER THE AIRPORT IMPROVEMENT PROGRAM.”

“RESOLUTION NO. 98222

AUTHORIZING, APPROVING AND EXECUTING A LEASE SUPPLEMENT WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION.”

“RESOLUTION NO. 98223

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH SOUTHWEST AIRLINES CO.”

“RESOLUTION NO. 98224

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH COMPANIA MEXICANA DE AVIACION, S.A. DE C.V., DOING BUSINESS AS MEXICANA AIRLINES.”

“RESOLUTION NO. 98225

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH OAKLAND MUSEUM OF CALIFORNIA FOR AVIATION CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98226

APPROVING AND AUTHORIZING EXECUTION OF AMENDMENTS TO TERMINAL ASSIGNMENT AGREEMENTS WITH AMERICAN PRESIDENT LINES, LTD. AND TRANS PACIFIC CONTAINER SERVICE CORPORATION AND AMENDMENT TO TERMINAL USE AGREEMENT WITH HYUNDAI MARINE CO., LTD.”

“RESOLUTION NO. 98227

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH SUBSURFACE CONSULTANTS, INC. FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98228

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-320 AND D-321, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, EXTENDING TIME TO AWARD CONTRACT AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98229

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-422 AND D-522, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, EXTENDING TIME TO AWARD CONTRACT AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98230

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-331, D-431 AND D-531, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, EXTENDING TIME TO AWARD CONTRACT AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98231

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98232

APPOINTING ROBERT C. MARTINEZ TO EXTRA POSITION NO. 1, ACTING DIRECTOR OF ADMINISTRATION.”

“RESOLUTION NO. 98233

RATIFYING LEAVE OF ABSENCE TO DEBORAH ANN BOYKIN, RELIEF TELEPHONE OPERATOR.”

“RESOLUTION NO. 98234

APPROVING EXAMINATION ANNOUNCEMENT FOR THE POSITIONS OF PORT TECHNICAL SUPPORT ANALYST II.”

“RESOLUTION NO. 98235

REJECTING ALL BIDS FOR CONSTRUCTION OF SECURITY FENCING FOR PORT OF OAKLAND FACILITIES FOR THE PERIOD COMMENCING JUNE 1, 1998 AND ENDING MAY 31, 1999, 2000 OR 2001, OAKLAND, CALIFORNIA, DIRECTING RETURN OF BID BONDS TO BIDDERS AND AUTHORIZING A CONTRACT IN THE OPEN MARKET WITHOUT COMPETITIVE BIDDING.”

“RESOLUTION NO. 98236

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE AND INSTALLATION OF NEW TELEPHONE EQUIPMENT FOR THE PORT ADMINISTRATION BUILDING AND BUILDING D-833, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT WITH WILLIAM COMMUNICATIONS SOLUTIONS, LLC.”

“RESOLUTION NO. 98237

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH FRANK LEE ASSOCIATES FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98238

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 98239

APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION TO REIMBURSE COSTS FOR SERVICES RENDERED IN CONNECTION WITH PROPOSED SAN FRANCISCO BAY PLAN AMENDMENT NO. 2-97.”

“RESOLUTION NO. 98240

GRANTING MCGUIRE CONCESSIONS, LLC, DOING BUSINESS AS FRESHENS PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 98241

GRANTING MATSON NAVIGATION COMPANY PERMISSION TO PERFORM CERTAIN WORK.”

Port Ordinance No. 3435 being, “AN ORDINANCE AMENDING SECTION 9 OF PORT ORDINANCE 1149 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. 3436 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A FIFTH SUPPLEMENTAL AGREEMENT TO LEASE WITH OAKLAND PORTSIDE ASSOCIATES,” were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kramer, Taylor
and President Ortiz - 4

Noes: None

Absent: Commissioners Cole, Lockhart and Loh - 3

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING AN ADDITIONAL POSITION OF DIRECTOR OF ADMINISTRATION, AND ADDING AN ADDITIONAL POSITION WITHIN AN EXISTING PORT CLASSIFICATION,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTIONS 2.01, 2.02, 2.03 AND 2.05 OF PORT ORDINANCE NO. 867 INCREASING THE RATES SET FORTH ON SAID SALARY SCHEDULES AND GRADES

BY THREE AND ONE-HALF PERCENT,” were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kramer, Taylor
and President Ortiz - 4

Noes: None

Absent: Commissioners Cole, Lockhart and Loh - 3

At the hour of 6:05 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Alameda, a Municipal Corporation; Citizens League for Airport Safety and Serenity v. Port of Oakland et al., Sonoma County Superior Court Case No. 793056-0 (Consolidated Cases), City of Oakland v. Keep on Trucking Company, Inc. et al., U.S. District Court Case No. C-95-03721-CW, In the Matter of the Application for Reclassification to Safety Membership Made on Behalf of Oakland Airport Servicemen by United Public Employees' Local 790, SEIU, AFL-CIO, Petitioners and The City of Oakland, Respondents, Before the Board Administration of the State of California Public Employees' Retirement System, OAH Case No. N-9704107, and Dew-Dew Financial v. Port of Oakland, Alameda County Superior Court Case No. 732404; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 3 matters; conference with real property negotiator, property - Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), Negotiating Parties - Port and City, Under Negotiation - Price and terms of Payment, Property - Union Pacific Rail Road Leasehold and Relocation, Negotiating Parties - Port and Union Pacific, Under Negotiation - Price and Terms of Payment; and reconvened in open session at the hour of 6:45 p.m.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Taylor
and President Ortiz - 4

Noes: None

Absent: Commissioners Cole, Lockhart and Loh - 3

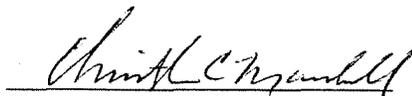
“RESOLUTION NO. 98242

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A STANDSTILL AND TOLLING AGREEMENT BETWEEN THE PORT AND LLOYD’S SYNDICATES AND LONDON MARKET COMPANIES (HEREINAFTER (“LLOYD’S”)) AND AUTHORIZING THE FILING OF A COMPLAINT AGAINST LLOYD’S CONCERNING THE NINTH AVENUE TERMINAL.”

“RESOLUTION NO. 98243

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A TOLLING AGREEMENT BETWEEN THE PORT AND DONGARY INVESTMENTS, LTD. (“DONGARY”), AND AUTHORIZING, APPROVING AND DIRECTING THE RETENTION OF THE LAW FIRM OF WENDEL ROSSEN BLACK & DEAN, LLP AS OUTSIDE SPECIAL COUNSEL.”

At the hour of 6:50 p.m. the meeting was adjourned on a motion duly made and seconded.



Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting was held on Tuesday, May 19, 1998, at the hour of 3:15 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Ortiz presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Commissioners absent: Cole - 1

Also present were the Executive Director; Port Attorney; Director of Engineering; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Equal Opportunity; Acting Chief Financial Officer, Fred Rickert; Director of Communications; and Secretary of the Board.

The minutes of the regular meeting of May 5, 1998 was approved as submitted and order filed.

Informal Portion: The Board received an oral presentation on the status of the Estuary Plan and a presentation on the 98/99 Maintenance and Operations Budget.

Approval of an Amendment to Port Ordinance 1149 to Increase North Field Fees by Current CPI was subject of a memo to the Board from the Director of Aviation notifying the Board that in May 1979, the Board adopted a policy of linking rates and charges of certain North Airport activities and properties to the previous calendar year's Consumer Price index for Urban Wage Earners and Clerical Workers (CPI-W). The San Francisco - Oakland area calendar year March 1997 to March 1998 increase was 3.0%. It was recommended that the Board approve increased fees governing aircraft parking, assigned ramp spaces, T-Hangars, Port-A-Ports and tiedowns by 3.0% effective July 1, 1998. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of an ordinance to print.

Award of Contract for Replacement of Cable and Conduit for Airfield Lighting System, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the nine bids received and recommending award of the contract to Rosendin Electric, Inc., the low proper bidder, at \$1,326,486.37. It was noted that Willie Electric had submitted a bid of \$1,212,000.00. However, their bid bond was not responsive in that the surety is not currently approved by the Department of Treasury to do business in the State of California. Mr. Chris Albort of Willie Electric appeared before the Board to ask that the bid be awarded to Willie as the Port did not do enough to make the bid bond responsive. The Port Attorney noted that it was not the Port's duty to prepare bid bonds. The recommendation was approved on passage of Resolution No. 98188.

Second Amendment of Funding and Implementation Agreements with Alameda County Transportation Authority (ACTA) for Airport Roadway Project, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport Roadway Project is a County Measure B tax-funded project to build an arterial roadway from I-880 at 98th Avenue to the MOIA and through the Airport to Bay Farm Island, Alameda. On May 7, 1996, the Board approved the execution of three related agreements for the Airport Roadway Project: a "Measure B Funding Agreement" with Alameda County Transportation Authority (ACTA), the City of Oakland (Oakland), and the City of Alameda (Alameda); a "Measure B Implementation Agreement" with ACTA; and an agreement with ACTA that the agreed-upon appraised value of the Port's Contributed Property for the Airport Roadway Project is \$9.5 million, subject to adjustment to account for substantial design changes. On December 2, 1997, the Board approved execution of an amendment to the Measure B Funding Agreement and the Measure B Implementation Agreement with ACTA. On December 16, 1997, the Board certified review and consideration of the Final Environmental Impact Report on the Airport Development Program, approving the Airport Development Program, including the Measures B Airport Roadway Project which is a specific project component of the program, and committing the Port's pro rata Local Match share of all eligible costs for the Airport Roadway Project. As a result

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of events since the Amended Measure B Funding Agreement and Implementation Agreement were executed by the parties, ACTA, Oakland, and Alameda have each approved the Airport Roadway Project and made a binding commitment to pay its pro rata Local Match share of all Eligible Project Costs. However, FAA's action the Airport Roadway Project is now not expected until the spring of 1999, after the final NEPA document on the Airport Development Program is completed, This anticipated delay is expected to have a consequential effect on the right-of-way acquisition activities necessary to meet the requirements of the current amended Funding Agreement. It was recommended that additional amendments be added to the agreements: the parties agree that Measure B Funds and Local Matching Funds may be used for acquisition of Third Party Property in the City of Oakland, including, but not limited to, relocation and maintenance costs, and any remediation costs for such Third Party Property prior to receipt of all development approvals; notwithstanding obligations upon termination of the current amended agreements, if the Agreements are terminated prior to the receipt of all Development Approvals, or if the Agreements terminate because FAA has not issued a Record of Decision that includes approval of the Project as identified and on substantially the same conditions as set forth in the Port's Notice of Determination for the project, or on conditions that are acceptable to the parties, Alameda will not be liable for the costs of acquisition of such Third Party Property, and those costs will be shared by the ACTA, the Port of Oakland and the City of Oakland in the pro rata shares as stated - Authority Share, 85.51%, Port Share, 14.16%, and Oakland Share, 0.33%, or the Port's share of the \$10 million estimated acquisition costs is \$1.416 million, and of the \$10 million estimated acquisition costs is within the current project budget of \$97.5 million; and if the Agreement terminates and Third Party Property located in the City of Oakland has been acquired, the Third Party Property shall be owned by the City of Oakland (as to property outside the Port Area) or the Port (as to property inside the Port Area), with the value of the property owned by the Port is expected to be at least equal to or greater than the Port's share of the Third Party Property acquisition costs, and ACTA would not seek reimbursement from the City of Oakland or the Port for ACTA's share of the Third Party Property acquisition costs, and in addition, such Third Party Property, whether

owned by the City of Oakland or the Port, shall be developed for access and compatible gateway facilities for the Airport in a manner mutually agreed to by the City of Oakland and the Port. The recommendation was approved on passage of Resolution No. 98189.

Award of Contract for Recarpeting of M-103 Finger Building and Ramp, Passenger Level, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the one bid received and recommending award of the contract to Hoem-Schurba & Associates, the bidder, at \$277,050.00. The recommendation was approved on passage of Resolution No. 98190.

Ordinance Approving a Second Supplemental Agreement with Oakland Portside Associates for the Addition of an Outdoor Eating Area to the Site A Office Building Complex Lease was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Port and Oakland Portside Associates (OPA) entered into a lease dated July 21, 1987, known as the Site A Office Building Complex Lease covering the seven-story building which currently houses the Port's corporate headquarters. OPA subsequently entered into a sublease with Peninsula Holdings, Inc. for the development of a Tony Roma's restaurant in approximately 6,500 square feet of the ground floor of the building. The lease provided approval for an outdoor eating area on the Washington Street side of the restaurant which would be further defined as the construction drawings were completed. The area to be converted to outdoor seating (503 square feet) would then be added to the ground lease. This project is categorically exempt and does not require the preparation of an environmental document. It was recommended that the Board approve the Second Supplemental Agreement with OPA to provide for the Tony Roma's outdoor eating area. The recommendation was approved on passage of an ordinance to print.

Approval of Consultant Agreement with Concept Marine Associates, Inc. for Engineering Design Services for Reconstruction of FDR Pier and Construction of the Historic Ship Cove at Jack London Square was the subject of a memo to the Board from the Director of Engineering notifying the Board that the existing FDR Pier is a timber wharf constructed in the 1920's. The pier was converted from industrial to public access and fishing use in the early 1980's

as mitigation for construction of Charles P. Howard Terminal. The pier also serves as temporary berthing facilities for the historic yacht Potomac. It has been determined that the existing pier has deteriorated from dry rot and termite infestation and is no longer safe for public use, and repair would not be cost-effective. The concept of a Historic Ship Cove has been under discussion since the acquisition of the Potomac by the Port in 1981. The Port's 1992 Jack London's Waterfront Marina Planning Study noted that the concept was under study, although at the time the main location being considered was the basin at the foot of Broadway. With the approval and final design of the Howard Terminal Wharf Extension, the Port's preferred berthing for the Potomac, and of the Lightship Relief, became the basin at the foot of Clay Street. It was recommended that Concept Marine Associates, Inc. be approved to perform the required design services for the project. The selection was based on their project team's oral presentation and response to the Panel's questions; the skills and experience of the team members; and their creativity and recent experience in planning and designing similar projects. The amount of the agreement will not exceed \$500,000.00 based on the agreed-upon scope of work and terms of the contract. In addition, it is requested that the Executive Director be authorized to approve up to an additional \$100,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 98191.

Approval of First Supplemental Agreement with Security by Design for Engineering Design Services to Upgrade the Existing Security System at Jack London Square was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a professional services agreement with Security By Design (SBD) to provide engineering design services to upgrade the existing security system at Jack London Square (JLS). The current agreement was approved and effective on September 23, 1997. It provided for a maximum compensation of \$172,000.00 unless additional work was authorized by the Executive Director. It was proposed that up to \$28,000.00 of additional work may be so authorized, in which case the maximum possible payment could be increased to \$200,000.00. SBD's scope of work includes the preparation of plans and specifications to replace or refurbish the existing closed-circuit television

(CCTV) system in JLS and expand the recording capability of associated video cassette recording (VCR) equipment which have been completed. In recent months, the Port and SBD have had the opportunity to attend presentations made by various security equipment manufacturers on the rapidly evolving technology on digital video recording (DVR). A number of facilities either have or are in the process of converting their existing VCR systems into a DVR system. A digital recording system has several advantages over an analog-type (VCR) recording system. Experts in the security industry believe that DVR is the technology of the future and will ultimately make obsolete, if not replace, all analog-type recording equipment in the next couple of years. SBD will provide additional engineering services for designing a DVR system for an additional fee of \$36,000.00. To compensate SBD for this extra work, it was recommended that the existing agreement be amended to increase their allowable maximum compensation from \$172,000.00 to \$208,000.00 unless additional work is authorized by the Executive Director; and it was also recommended that up to \$42,000.00 of additional work may be so authorized, in which case the maximum possible payment could be increased to \$250,000.00. The recommendation was approved on passage of Resolution No. 98192.

Plans and Specifications for Construction of Asphalt Concrete Overlay of Swan Way, Oakland Airport Business Park was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the improvements. The work consists of installing storm drainage inlets and reinforced concrete pipes, cold planing, installing geotextile fabric, asphalt concrete paving, installing pavement markings and replacing a traffic signal loop detector system. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98193.

Authorization to Advance Funding for Preliminary Design to Relocate the Union Pacific from Port Property was the subject of a memo to the Board from the Director of Engineering notifying the Board that in conjunction with the overall Vision 2000 Program, the Union Pacific Railroad (UP) will need to move their rail operations from their lease-hold on Port-

owned land and from their privately-owned property along the Inner Harbor Channel. The Maritime Division is in negotiations with the UP to accomplish the move and the plan involves consolidating these operations within their other locations in the area. Of primary interest to the Port is the early relocation of their intermodal operations, a service which is an asset to the Port operations. The current plan is to incorporate their intermodal operation now located in the inner harbor facility with that located in the former Southern Pacific Railroad yard. To minimize impact on the Port's schedule for the construction of the Berth 55/56 Terminal Project, the realigned roadways, and the first portion of our new intermodal rail yard, their design needs to commence immediately and proceed on a fast-track basis. After initial meetings with the UP, it was determined that they currently are unable to accomplish the work with their staff and will need to hire a consultant team to accomplish the work in the necessary time frame. To expedite the preliminary design and environmental review effort need to meet the schedule for the move, it was recommended that the Port advance funds for this consultant effort. The cost of the consultant is anticipated to be \$300,000.00. To maximize the efficiency of the work, the consultant team will be working directly with the UP and the work will commence immediately. The recommendation was approved on passage of Resolution No. 98194.

Approval of Two Consultant Agreements with GAIA Consulting, Inc. to Prepare an Environmental Impact Report for the Joint Intermodal Project; and Prepare Findings of Suitability to Transfer for FISCO Parcels was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port proposes to construct and operate a 150-acre rail-yard terminal to accommodate projected growth in intermodal container distribution from its marine terminals. The project is pursuant to the objectives of the Port's Vision 2000 Program as the final EIR/EIS, Disposal and Reuse of Fleet and Industrial Supply Center, Oakland, Vision 2000 Maritime Development was in July 1997. The Joint Intermodal Terminal (JIT) project is a component of the Vision 2000 Program and in order to construct and operate the JIT, the Port must complete an assessment of potential environmental impacts of the project as required by the California Environmental Quality Act (CEQA). The environmental analysis for the JIT will tie off

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the EIR/EIS and an Initial Study was prepared by the Environmental Planning Department for the JIT project and identified the potential for the project to have significant impacts primarily related to air quality, traffic, noise, and contaminated materials. Further environmental analysis will be required for the JIT project in the form of an Environmental Impact report (EIR). The Request for Proposals was distributed and it was recommended that the Port approve an agreement with GAI Consulting, Inc. for the work. In order to facilitate the construction of the JIT and related projects, it was also recommended that the transfer of Fee Title of Navy lands to the Port be accelerated. This acceleration of transfer will simplify development and save time by eliminating indemnification's, Navy approvals, and other related procedures. In order to transfer the property, a Findings of Suitability to Transfer (FOST) document must be prepared for each parcel as it becomes available for transfer. The Port has agreed to prepare and fund the FOST in order to expedite the transfer process. The recommendation was approved on passage of Resolution No. 98195 for the two agreements.

Authorization to Dispense with Formal Bids for Demolition of Building D-541, Harbor Transportation Center was the subject a memo to the Board from the Director of Engineering notifying the Board that the Port has demolished, or will be demolishing more than 100 structures at the Harbor Transportation Center. Most of the structures are large and beyond the capabilities of local small contractors. Of the structures potentially suitable for small contractors, Building D-541 is scheduled for immediate demolition. The work consists of demolition and removal of a wood-framed building, formerly a 120,000 square foot warehouse. The work is necessary in order to clear the site for construction of a container yard facility. The CEQA and NEPA requirements are completed and the Board certified the Final EIR/EIS on September 2, 1997. It is believed to be in the best interest of the Port to assist small local contractors in attaining experience in the public works sector. It was recommended that the Board approve of dispensing with formal bidding procedures and authorize the execution of a contract for this work with a small local contractor, said contract to be based on informal, competitive bidding and to be an aggregate amount not to exceed \$180,000.00. It was further recommended that the Board authorize the

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execution of a contract for this work with any qualified contractor, based on informal, competitive bidding, if the attempt to secure acceptable bids from small local contractors is not successful. The recommendation was approved on passage of Resolution No. 98196.

Plans and Specifications for Demolition of Building D-443, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition. The work consists of demolition and removal of Building D-443, a 121,000 square foot warehouse. The work is necessary in order to clear the site for construction of the Berth 55 Container yard beginning in late-1998. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98197.

Plans and Specifications for Replacement of Fuel Storage Tank EF-05, Berth 67 was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the replacement of the fuel storage tank. The work consists of removing the existing 12,000 gallon underground fuel tank and installing one new 10,000 gallon above ground diesel fuel tank with a dispensing system. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution no. 98198.

Approval to Negotiate and Enter into an Agreement with URSGreiner/Woodward-Clyde to Provide Environmental Consulting Services to Complete the Berths 55-58 Project EIR and EA was the subject of a memo to the Board from the Director of Engineering notifying the Board that on May 12, 1998, the Port terminated its Agreement with Parsons Engineering Science, Inc., the consultant retained to conduct technical environmental analyses and to prepare environmental review documentation in support of the Berths 55-58 Project. Under the Port's Agreement with Parsons, the Port reserved the right to terminate with or without cause and based upon review of Parsons' most recent work submittal, the Port recommended that it was in the best interests of the Port to terminate the Agreement immediately. It was recommended that the Port retain URSGreiner/Woodward-Clyde to complete the environmental documentation for the Berths

55-58 Project. This work entails reviewing the work completed to date by the previous consultant, conducting any identified technical studies that may be needed and preparing the second Administrative Draft EIR and EA, and the Draft EIR and EA, and the Final EIR and EA. URSGreiner/Woodward-Clyde will complete all outstanding tasks related to the air quality analysis and analysis of the feasibility of mitigation measures for the Vision 2000 Program EIS/EIR as set forth in the Consent Decree between the Port and West Oakland Neighbors (WON). Under the City Sunshine Ordinance, agenda items are required to be posted at least 10 days before a regular meeting in order for the Board to act on a matter unless two-thirds of the Board members present make a good-faith reasonable determination that the need to take immediate action on the item is necessary to prevent serious injury to the public interest if actions were deferred to a subsequent special or regular meeting; and the need for such action came to the attention of the Board subsequent to the Agenda being posted. The Port staff was unable to complete review of Parsons' work which was submitted late, May 8, and formulate a recommended plan of action until May 12. Given the importance of the Berths 55-58 Project to the Port's future, the Project's important linkages to other related Port projects, and the very tight schedule for completing the environmental review process, it was determined to be necessary in order to maintain the Port's schedule immediately to terminate the Parsons Agreement and to retain URSGreiner/Woodward-Clyde who could complete the necessary work on time. The determination was made that although the change of consultants would cause some delay in completing the environmental documentation, it would cause less delay than not making the change and was necessary for the Port ultimately to meet its deadlines. A Purchase Order for not more than \$15,000.00, the limit of the Executive Director's authority for consultant contract, was issued on May 12 for URSG to begin work on the Project. It was recommended that the Board approve the Agreement to retain URSG. The recommendations were approved on passage of Resolution No. 98199 finding necessity to take immediate action and Resolution No. 98200 for consultant services with URSGreiner/Woodward-Clyde.

Personnel Items contained in a memo to the Board from the Executive Director recommended the appointment of Gary R. Rutland, as Principal Engineering Assistant, at May 19, 1998

\$4,834.00 per month, effective May 25, 1998; Tay Yoshitani, as Deputy Executive Director, at \$13,750.00 per month, effective August 10, 1998; Mukesh Bhatia, as Port Technical Support Analyst III, at \$4,535.00, effective May 26, 1998; Ginette Aliotti, Esmaeaida Arrizon, Lila Escalante, Michael Gibson, King Lam, Linda Lee, Robert Montanio, Karina Navar, Matthew Norris, Antone Smith, and Kai Tramiel, as College Interns to Youth Aide, Class "C", at \$8.94 per hour, effective June 15, 1998; and Jimmy Chai, Yavair Earl, Sugey Esparza, Chantel Haney, Lee Lawrence, Da Lin, Lam Loi, Araceli Nieves, Patrice Noble, and Jacqueline Velasquez, as High School Interns to Youth Aide, Class "D", at \$5.75 per hour, effective June 15, 1998. Further recommended the amended appoints of James Kangas, as Carpenter, from May 4, to May 11, 1998; Julie To, as Senior Account Clerk, from May 11 to June 8, 1998, from rate "a" \$3,097.00 per month to rate "b" \$3,248.00 per month; William E. Morrison, as Diver, from May 11 to May 26, 1998; and Lester Patilla, as Airport Operations Supervisor, from May 18 to May 26, 1998. Also recommended was the maternity leave of absence for Anh K. Chu, as Land Records Computer Assistant, from June 8, 1998 through and including August 30, 1998; the creation of one additional position of Principal Engineering Assistant; and the revision of job specifications for the Civil Service classification of Principal Engineering Assistant. The recommendations were approved on Resolution No. 98201 for appointments; Resolution No. 98202 for appointment of Deputy Executive Director; Resolution No. 98203 for amending certain appointments; Resolution No. 98204 for leave of absence; Resolution No. 98205 for revision of Port job specification; and an ordinance to print for creating an additional position.

Approval of Consultant Agreements with Lamphier & Associates, G. Borchard & Associates, and USR Greiner Woodward-Clyde to Provide As-Needed Environmental Planning Consulting Services was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port is subject to a variety of environmental laws and regulations and as an agency responsible for a wide range of activities, the Port often needs to prepare environmental documentation and secure certain permits. The Port's Environmental Planning Department often requires professional consultants to perform or assist with these

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activities. Such professional services would be facilitated by having "as-needed" contracts in place so that assistance would be immediately available when required. It was recommended that the Board approve consultant agreements with USR Greiner Woodward-Clyde, B. Borchard & Associates and Lamphier & Associates. It is proposed to execute professional services contracts for approximately three years each, with all three teams, and compensate them at agreed rates on a time-and-materials basis for a total amount not to exceed \$900,000.00 per firm. For all three contracts, a \$2.7 million aggregate maximum amount is recommended based upon the projection of projects and efforts within the Environmental Planning Department work program. The contracts will be used only as required and the contract maximums will not be exceeded without future Board approval. The recommendations were approved on passage of Resolution No. 98206 with URS Greiner Woodward-Clyde, Resolution No. 98207 with G. Borchard & Associates, and Resolution No. 98208 with Lamphier & Associates.

Approval to Amend the Contracts with Ricondo & Associates, Inc., and Booz-Allen & Hamilton, Inc. to Update 1996 Feasibility Financial Projections Related to the Port's Upcoming Commercial Paper Program and Subsequent Revenue Bond Issues was the subject of a memo to the Board from the Acting Chief Financial Officer notifying the Board that on May 7, 1996, the Board approved awarding feasibility study contracts to both Ricondo & Associates and Booz-Allen & Hamilton to prepare feasibility studies to support the issuance of the 1997 Port Revenue Bond issues, for a term of three years. Fees for future feasibility study amendments or updates are to be negotiated and approved by the Board at the time of such updates. It is vital to the upcoming Tax Exempt Commercial Paper program and the probability of near term issuance of new money revenue bonds to finance the Capital Improvement Program to update those projects. The updates are to reflect subsequent events that have or are likely to occur, significant revisions to the CIP, as well as the passage of time. Ricondo will again serve as the lead consultant and complete the Aviation projections and Booz-Allen will update the Maritime feasibility. LaSalle Partners, who are already under contract to Commercial Real Estate will supply the information for the Commercial Real Estate Division. The fees for updating the feasibility projections are expected

not to exceed \$110,000.00 plus administrative expenses not to exceed \$11,000.00. It was recommended that the Board approve the execution of amendments to Ricondo & Associates Inc. contract in an amount not to exceed \$50,000.00, with itemized administrative expenses not to exceed \$5,000.00; Booz-Allen & Hamilton Inc. contract in an amount not to exceed \$60,000.00, with itemized administrative expenses not to exceed \$6,000.00; and that the Board authorize the Executive Director to authorize an additional sum of \$15,000.00 for each contact for any additional work that the Port deems necessary. The recommendations were approved on passage of Resolution No. 98209 with Ricondo & Associates, and Resolution No. 98210 with Booz-Allen & Hamilton, Inc.

Renew the Financial Advisor Contract Awarding the Contract to Fullerton & Friar, Inc. was the subject of a memo to the Board from the Acting Chief Financial Officer notifying the Board that on July 12, 1994, the Board approved awarding the financial advisory services contact to Fullerton & Friar, Inc. The financial advisory services contact was for two years with two one-year options. Both these options were exercised and the contract concluded on March 16, 1998. Fullerton & Friar, Inc., has provided the Port with a high level of service over the past four years. Over the next six months, the Port is considering several complex financial transactions to find financing solutions to an aggressive Capital Improvement Program. The need for continuity in financial advisory services is critical to the Port's successful implementation of the Capital Improvement Program. It was recommended that the Board enter into a contract with Fullerton & Friar, Inc., for a period of one year, cancelable after six months with 30 days' written notice, for a retainer fee of \$10,000.00 per month with out-of-pocket expenses limited to an average of \$2,500.00 per month. The recommendation was approved on passage of Resolution No. 98211.

Authorization to Renew Public Officials Errors and Omissions Liability Insurance and Purchase Non-Airport General Liability Insurance was the subject of a memo to the Board from the Acting Chief Financial Officer recommending approval to renew the policy with Coregis Insurance Company for an annual premium of \$15,031.00 and purchase Non-Airport General

Liability Insurance from the Lloyds of London for \$105,053.00. The recommendation was approved on passage of Resolution No. 98212.

Authorization to Renew Fire Insurance Including Loss of Access to Harbor Insurance

was the subject of a memo to the Board from the Acting Chief Financial Officer recommending approval to place the fire policy with Travelers' Fire Insurance for a three year period commencing July 1, 1998 and place the business interruption, loss of access with Lloyds of London at a premium of \$27,000.00. The recommendation was approved on passage of Resolution No. 98213.

Amendment to Contract with Montgomery West for Executive Search Services

was the subject of a memo to the Board from the Executive Director recommending approval to retain the firm to assist in the search for the position of Deputy Executive Director, at a fee not to exceed \$31,000.00. The recommendation was approved on passage of Resolution No. 98214.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh
 Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

“RESOLUTION NO. 98188

AWARDING CONTRACT TO ROSENDIN ELECTRIC, INC. FOR REPLACEMENT OF CABLE AND CONDUIT FOR AIRFIELD LIGHTING SYSTEM, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98189

APPROVING AND AUTHORIZING EXECUTION OF SECOND AMENDMENT TO FUNDING AGREEMENT AND IMPLEMENTATION AGREEMENT WITH THE ALAMEDA COUNTY TRANSPORTATION AUTHORITY FOR THE AIRPORT ROADWAY PROJECT.”

“RESOLUTION NO. 98190

AWARDING CONTRACT TO HOEM-SCHURBA & ASSOCIATES FOR RECARPETING OF M-103 FINGER BUILDING AND RAMP, PASSENGER LEVEL, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS TO BE PROVIDED IN CONNECTION THEREWITH.”

“RESOLUTION NO. 98191

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CONCEPT MARINE ASSOCIATES, INC. FOR ENGINEERING CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98192

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH SECURITY BY DESIGN FOR ENGINEERING CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98193

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF ASPHALT CONCRETE OVERLAY OF SWAN WAY, OAKLAND AIRPORT BUSINESS PARK, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98194

APPROVING AND AUTHORIZING FUNDING FOR PRELIMINARY DESIGN TO RELOCATE UNION PACIFIC RAILROAD FOR INNER HARBOR CHANNEL SHORELINE.”

“RESOLUTION NO. 98195

FINDING AND DETERMINING THAT PROPOSED AGREEMENTS WITH GAIA CONSULTING, INC. FOR PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT FOR THE JOINT INTERMODAL TERMINAL PROJECT AND FOR PREPARATION OF FINDINGS OF SUITABILITY TO TRANSFER CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENTS.”

“RESOLUTION NO. 98196

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR DEMOLITION OF BUILDING D-541, HARBOR TRANSPORTATION CENTER, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98197

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-443, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98198

APPROVING PLANS AND SPECIFICATIONS FOR REPLACEMENT OF FUEL STORAGE TANK EF-05 AT BERTH 67, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98199

DETERMINING THAT THE NEED TO TAKE IMMEDIATE ACTION ON AGENDA ITEM REGARDING BERTHS 55-58 PROJECT IS NECESSARY TO PREVENT SERIOUS INJURY TO THE PUBLIC INTEREST AND THAT THE NEED TO TAKE ACTION CAME TO THE ATTENTION OF THE BOARD SUBSEQUENT TO THE AGENDA BEING POSTED.”

“RESOLUTION NO. 98200

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH USR GREINER/WOODWARD-CLYDE FOR PROVIDING ENVIRONMENTAL CONSULTING SERVICES TO COMPLETE BERTHS 55-58 PROJECT EIR AND EA CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98201

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98202

APPOINTING TAY YOSHITANI TO THE POSITION OF DEPUTY EXECUTIVE DIRECTOR.”

“RESOLUTION NO. 98203

AMENDING PORT RESOLUTION NOS. 98158 AND 98172 CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98204

APPROVING LEAVE OF ABSENCE TO ANH K. CHU, LAND RECORDS COMPUTER ASSISTANT.”

“RESOLUTION NO. 98205

APPROVING THE REVISION OF THE PORT JOB SPECIFICATIONS FOR THE CIVIL SERVICE CLASSIFICATION OF PRINCIPAL ENGINEER.”

“RESOLUTION NO. 98206

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH URS GREINER WOODWARD-CLYDE FOR ENVIRONMENTAL CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98207

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH G. BORCHARD & ASSOCIATES FOR ENVIRONMENTAL CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98208

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH LAMPHIER & ASSOCIATES FOR ENVIRONMENTAL CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98209

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH RICONDO & ASSOCIATES FOR FINANCIAL FEASIBILITY SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98210

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH BOOZ-ALLEN & HAMILTON, INC. FOR FINANCIAL FEASIBILITY SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98211

FINDING AND DETERMINING THAT A PROPOSED THIRD SUPPLEMENTAL AGREEMENT WITH FULLERTON & FRIAR, INC. FOR FINANCIAL ADVISORY CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98212

AUTHORIZING RENEWAL OF AUTOMOBILE, PUBLIC OFFICIALS ERRORS AND OMISSIONS LIABILITY, AND PURCHASE OF NON-AIRPORT LIABILITY INSURANCE POLICIES.”

“RESOLUTION NO. 98213

AUTHORIZING RENEWAL OF FIRE INSURANCE INCLUDING LOSS OF ACCESS TO HARBOR INSURANCE POLICIES.”

“RESOLUTION NO. 98214

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH MANAGEMENT SOLUTIONS, INC. FOR EXECUTIVE SEARCH SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

Port Ordinance No. 3423 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3044, FIXING CERTAIN REVISED PARKING RATES AT THE PARKING FACILITIES IN JACK LONDON SQUARE,” and Port Ordinance No. 3424 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH LAKESIDE NON-FERROUS METALS, INC,” and Port Ordinance No. 3425 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 CREATING NEW SALARY SCHEDULES AND ASSIGNING CERTAIN EMPLOYEE CLASSIFICATIONS TO SAID NEW SALARY SCHEDULES,” and Port Ordinance No. 3426 being, “AN ORDINANCE AMENDING SECTION 1.303 OF PORT ORDINANCE NO. 867 RELATING TO PAYMENT OF PUBLIC EMPLOYEES’ RETIREMENT SYSTEM CONTRIBUTION FOR EMPLOYEES OF PORT OF OAKLAND,” and Port Ordinance No. 3427 being, “AN ORDINANCE AMENDING SECTION 3 OF PORT ORDINANCE NO. 1166 RELATING TO THE ELIGIBILITY OF EMPLOYEES AND RETIREES TO PARTICIPATE IN GROUP HEALTH INSURANCE,” and Port Ordinance No. 3428 being, “AN ORDINANCE AMENDING SECTION 1.306 OF PORT ORDINANCE NO. 867, EXTENDING FLEXIBLE BENEFITS PLAN TO REGULAR EMPLOYEES BELONGING TO REPRESENTATION UNIT A,B,C,D,E AND F WORKING AT LEAST 19 HOURS PER WEEK,” and Port Ordinance No. 3429 being, “AN ORDINANCE AMENDING SECTION 1.03 AND REPEALING SECTION 2.04 OF PORT ORDINANCE NO. 867,” and Port Ordinance No. 3430 being, “AN ORDINANCE AMENDING SECTION 8.02 OF PORT ORDINANCE NO. 2199 RELATING TO THE MAXIMUM NUMBER OF WORKING DAYS AN EMPLOYEE MAY TAKE FAMILY SICK LEAVE IN ANY CALENDAR YEAR,” and Port Ordinance No. 3431 being,

“AN ORDINANCE AMENDING SECTION 1.20 OF PORT ORDINANCE NO. 867 PROVIDING FOR MANAGEMENT LEAVE FOR CERTAIN FLSA EXEMPT EMPLOYEES,” and Port Ordinance No. 3432 being, “AN ORDINANCE ADDING SECTION 1.191 TO PORT ORDINANCE NO. 867 PROVIDING PROFESSIONAL DEVELOPMENT BENEFITS FOR CERTAIN OFFICERS AND EMPLOYEES,” and Port Ordinance No. 3433 being, “AN ORDINANCE AMENDING SECTION 7(a) OF PORT ORDINANCE NO. 1166 RELATING TO EMPLOYEE PARTICIPATION IN THE PUBLIC EMPLOYEES’ RETIREMENT SYSTEM, HEALTH BENEFITS PROGRAM,” and Port Ordinance No. 3434 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 BY THE ADDITION OF SECTION 1.0301 PROVIDING FOR ADDITIONAL COMPENSATION FOR EMPLOYEES BELONGING TO EMPLOYEE REPRESENTATION UNITS D AND E UNDER THE TERMS OF THE PERFORMANCE MANAGEMENT PROGRAM,” were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 9 OF PORT ORDINANCE 1149 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A FIFTH SUPPLEMENTAL AGREEMENT TO LEASE WITH OAKLAND PORTSIDE ASSOCIATES,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT

ORDINANCE NO. 867 CREATING AN ADDITIONAL POSITION OF PRINCIPAL ENGINEERING ASSISTANT,” were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh

Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

At the hour of 6:05 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Alameda, a Municipal Corporation; Citizens League for Airport Safety and Serenity v. Port of Oakland et al., Sonoma County Superior Court Case No. 793056-0 (Consolidated Cases), City of Oakland v. Keep on Trucking Company, Inc. et al., U.S. District Court Case No. C-95-03721-CW, and In the Matter of the Application for Reclassification to Safety Membership Made on Behalf of Oakland Airport Servicemen by United Public Employees' Local 790, SEIU, AFL-CIO, Petitioners and The City of Oakland, Respondents, Before the Board Administration of the State of California Public Employees' Retirement System, OAH Case No. N-9704107; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 3 matters; conference with real property negotiator, property - Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), Negotiating Parties - Port and City, Under Negotiation - Price and terms of Payment, Property - Union Pacific Rail Road Leasehold and Relocation, Negotiating Parties - Port and Union Pacific, Under Negotiation - Price and Terms of Payment; Public Employee Discipline/Dismissal/Release, "Evaluation"; and reconvened in open session at the hour of 6:40 p.m.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh

Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

“RESOLUTION NO. 98215

“Under Custody of Secretary of the Board” as provided for under rules for Closed Session.”

At the hour of 6:50 p.m. the meeting was adjourned on a motion duly made and seconded.

A handwritten signature in cursive script that reads "Chris C. Marshall". The signature is written in dark ink and is positioned above a horizontal line.

Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting was held on Tuesday, May 5, 1998, at the hour of 3:15 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Ortiz presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kramer, Loh,
Taylor and President Ortiz - 5

Commissioners absent: Cole and Lockhart - 2

Also present were the Executive Director; Port Attorney; Director of Engineering; Director of Maritime; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Director of Equal Opportunity; Acting Chief Financial Officer, Fred Rickert; Director of Communications; and Secretary of the Board.

The minutes of the regular meeting of April 21, 1998 was approved as submitted and order filed.

Authorization to Award Construction Contract for Pilot Sound Insulation Program through Open Market, Purchase Order Procurement Process was subject of a memo to the Board from the Director of Aviation notifying the Board that for over a year, the Port and its consultants have worked with the City of Alameda and residents of Bay Farm Island to implement a Pilot Sound Insulation Program (PSIP). This program will install double pane windows and weatherstripping and upgrade the ventilation systems in four homes on Bay Farm Island, which are located within the Airport's "noise impact area." The four homeowners who volunteered to participate in the program have granted a noise easement to the Port and have worked cooperatively with all concerned towards program implementation. The program architect estimated that the construction costs for the PSIP would be under \$50,000.00, therefore following Port procedures, solicited quotes were received pursuant to the guidelines for purchase order contracts. When quotes were opened on April 14, 1998, all exceeded the \$50,000.00 maximum allowed for purchase order contracts and due to the sensitive

nature of this project, and in consideration of our good faith efforts to follow the appropriate Port procedures for securing competitive purchase order quotes, it is recommended that the Board suspend the formal bidding process and find it is in the best interest of the Port to authorize open market procurement through a purchase order contract for completion of the PSIP work. It was also recommended that the Board authorize a purchase order contract with American Synergy Corporation, an Oakland firm, and proceed with project implementation. The purchase order contract with American Synergy Corporation is at a price of \$69,819.00. The recommendation was approved on passage of Resolution No. 98166.

Approval of Fourth Supplemental Agreement to License and Concession Agreement with Dollar Rent A Car Systems, Inc. was the subject of a memo to the Board from the Director of Aviation notifying the Board that Dollar Rent A Car Systems, Inc. the surviving corporation of the merger of Dollar Systems, Inc. and Dollar Operations Inc. ("Dollar") requests approval for the relocation of its Terminal II counter premises displaced by the addition of a third baggage carousel in Terminal II baggage claim. Dollar has been on-Airport rental car concessionaire at Oakland since 1974. Dollar is the smallest of the six Airport rental car concessionaires and generates approximately \$6.5 million in gross revenue annually. Dollar pays the Port 9.5% of its gross revenue (approximately \$617,000.00 annually) plus approximately \$20,000.00 annual rent for ready car parking lot space and approximately \$26,000.00 annual rent for the counters Dollar occupies in Terminals I and II baggage claim. The proposed Fourth Supplemental Agreement to the Agreement provides for a relocated, 120± square foot, Terminal II baggage claim counter premises. The monthly per square foot rental rate is set by Port Ordinance. The current Ordinance rate is \$6.408 per square foot per month (%76.90 per square foot per year) producing a monthly rental rate of \$768.96 (\$9,227.52 per year) for the Terminal II counter space. The project is categorically exempt and does not require preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98167.

Jack London Square Parking Rates and Charges, Amendment to the Parking Rate Ordinance was the subject of a memo to the Board from the Director of Commercial Real Estate

recommending that the monthly parking rates be adjusted upward by 10 percent (rounded to the nearest whole dollar). This increase in fees will increase the total parking revenue from this source by \$3,300.00 per month which will have the effect of increasing the parking revenue for Jack London Square by about 1.6%. The new monthly parking rates are recommended as follows: Washington Street Garage - open parking, \$110.00 per month; covered nest parking, \$66.00 per month; and seventh level parking, \$44.00 per month; Lots 5, 7 and 9 (between Webster and Alice Streets) - Marina tenants, \$33.00; and Proposed monthly parking nest, \$61.00; Lot 13 (east of Alice Street) - proposed rate \$33.00 - 8 a.m. to 5 p.m.; and Lot 11 (Webster and Embarcadero) - proposed \$61.00. The recommendation was approved on passage of an ordinance to print.

Recommendation to Give First Reading to an Ordinance, Approving a New Lease Agreement with Lakeside Non-Ferrous Metals, Inc., for the Use of Port Building H-314, and Adjacent Land Area was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Port Attorney's office has reached a tentative settlement on the Ninth Avenue Terminal Environmental Litigation. Under the terms of the proposed settlement agreement the Port would terminate an existing Lease with San Kalman & Company, and enter into a new Lease Agreement with Lakeside Non-Ferrous Metals, Inc. (Lakeside). The lease premises would consist of Port Building H-314 (33,750 square feet of warehouse), and 20,581 square feet of adjacent land area. The proposed settlement is contingent upon the Port Ordinance approving the Lease with Lakeside. Lakeside, the current subtenant of the premises, has been in occupancy since February 1989. They use the site exclusively for the recycling of non-ferrous metals. The following Lease terms and conditions are part of the proposed settlement: the Port will enter into a new 5-year lease with Lakeside at a monthly rental of \$8,000.00 during the entire lease term; Lakeside will comply with the final terms and conditions of a consent decree, currently being negotiated, to resolve a related lawsuit (BayKeeper Suit), the decree tentatively calls for stormwater sampling; installation of containment berms, and an oil/water separator to treat storm runoff; additional corrective measures to further reduce contaminant levels; the submission of final Storm Water Pollution Plan to BayKeeper; and the payment of \$65,000.00; and in addition, the proposed Lease would require Lakeside to submit a

deposit of \$16,000.00; provide insurance coverage in types and amounts required by Port; be responsible for all maintenance and repair of the premises; pay all tax, utility and assessment costs; and obtain all required licenses and permits. The agreement is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of an ordinance to print.

Plans and Specifications Demolition of Building D-312, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition project. The work consists of demolition and removal of Building D-312, a six-story, 433,000 square foot concrete warehouse. This work is necessary in order to clear the site for construction of the Joint Intermodal Terminal beginning in early 1999. The environmental documents were completed and the project has been determined to conform to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 98168.

Plans and Specifications Demolition of Building D-313, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition. The work consists of demolition and removal of Building D-313, a six-story, 433,000 square foot concrete warehouse. This work is necessary in order to clear the site for the construction of the Joint Intermodal Terminal beginning in early 1999. The environmental documents were completed and the project has been determined to conform to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 98169.

Plans and Specifications for Demolition of Building D-343, Harbor Transportation

Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition project. The work consists of demolition of Building D-343, a 121,600 square foot warehouse plus a 12,000 square foot storage shed. The work is necessary in order to clear the site for the construction of the Berth 55 Container Yard beginning in late 1998. The environmental documents were completed and the project has been

determined to conform to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 98170.

Specifications for an Annual Contract for Reconditioning, Repairing and Reconstructing Port of Oakland Railroad Tracks and Crane Rails for the Period Commencing July 1, 1998, and Ending June 30, 1999, 2000 or 2001 was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the rail maintenance work. The work consists of repairing, rehabilitating and reconstructing railroad tracks and crane rails at the Port of Oakland. The specifications for the contract include a provision allowing the Port to renew the contract in one year increments through June 30, 2001. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98171.

Personnel Items contained in a memo to the Board from the Executive Director recommended the appointment of Carolyn Anderson, George Carthan and Lester Patilla, as Airport Operations Supervisors, Airside, at \$5,010.00 per month, effective May 18, 1998; Lauren Eisele, as Associate Port Environmental Planner, at \$4,697.00 per month, effective May 11, 1998; Douglas Herman, as Assistant Port Environmental Scientist, at \$4,075.00 per month, effective May 11, 1998; C. William E. Morrison and Donald P. Ockrassa, as Divers, at \$4,626.00 per month, effective May 11, 1998; and Harold Jones, as Governmental Affairs Manager, at \$7,385.00 per month, effective May 11, 1998. Further recommended the personal leave of absence for Flavia Rogiers, as Telephone Operator, without pay, beginning March 30, 1998, through and including September 30, 1998. Also recommended to approve certain resolutions to establish and implement a compensation and benefit plan for unrepresented, administrative, professional, and executive employees. The Board is requested to approve include restructuring of employee representation units, adoption of new salary schedules, reassignment of employees to salary schedules and grades, extension of the Port's Flexible Benefit Plan, extension of leave benefits including management and family leave, amendment of ordinance provisions relating to rate increases on approved salary schedules, provision of salary increases on the basis of merit, and provision of monies for professional development and adoption of a compensation

and benefit plan for unrepresented, administrative, professional, and executive employees. The recommendations were approved on Resolution No. 98172 for appointments; Resolution No. 98173 for leave of absence; Resolution No. 98182 for creation of Employee Representation Unit H; Resolution No. 98183 for creation of Employee Representation Unit E; Resolution No. 98184 for medical coverage for Unit H and extended PERS medical coverage; Resolution No. 98185 for life insurance contract for dependent coverage at the option of employees for Units D & E; Resolution No. 98186 for termination; and 10 ordinances to print for compensation package for Units D & E Group.

Authorization to Continue Port of Oakland's Participation in the California Association of Port Authority Excess Liability Insurance Program was the subject of a memo to the Board from the Acting Chief Financial Officer notifying the Board that the Port has been a member of California Association of Port Authorities (CAPA) since the 1940's and has purchased Excess Liability Insurance on a group basis since 1949. The program was restructured this year to take advantage of favorable market conditions. The major coverage enhancements include: \$100,000,000.00 in limits for Public Officials Liability Errors and Omissions including Employment Practices, There was no coverage in the expiring policy; \$100,000,000.00 limits for Employee Benefits Liability; Improved Defense Costs; Improved Pollution Coverage; and Three-year Rate Guarantee tied to overall Loss Experience. The annual premium and fees of \$382,860.00 is an overall 18% reduction from last year. The Port of Oakland's allocated premium is estimated to be \$147,837.00 plus a one time charge for "NOSE" coverage necessary to convert prior years policies from "Claims Made" to "Occurrence". It is estimated that this charge will be \$20,000.00. The program covers May 20, 1998 to May 20, 1999, U.S. & London Insurers placed and with limits of \$150,000,000.00 for Bodily Injury & Property Damage Liability, Personal Injury Liability, and \$100,000,000.00 for Public Officials Errors & Omissions, Employment Practices, Employee Benefits, Liability Insurance at an extended premium of \$168,000.00. It was recommended that the Board authorize the continued participation in the CAPA Excess Liability Insurance Program for the policy period May 20, 1998 to May 20, 1999. The recommendation was approved on passage of Resolution No. 98174.

Authorization to Renew Airport General Liability Insurance was the subject of a memo to the Board from the Acting Chief Financial Officer recommending approval to place the Airport General Liability Insurance policy with Associated Aviation Underwriters with a \$200,000,000.00 limit at annual premium of \$180,000.00. The recommendation was approved on passage of Resolution No. 98175.

Authorization to Renew Crane Physical Damage Insurance was the subject of a memo to the Board from the Acting Chief Financial Officer recommending approval to renew the Crane Physical Damage Insurance policy with Lloyds/London & U.S. Insurers with a limit of \$50,000,000.00 at an annual premium of \$798,000.00. The recommendation was approved on passage of Resolution No. 98176.

Authorization to Renew Automobile Liability Insurance was the subject of a memo to the Board from the Acting Chief Financial Officer notifying the Board that the Port of Oakland purchases primary Automobile Liability Insurance for its fleet of 226 vehicles. The incumbent insurer is Genesis Insurance Company a member of the General Reinsurance Group and quoted renewal quotation maintaining their existing composite pricing of \$391.00 per unit. It was recommended that the Board authorize the purchase of Automobile Liability insurance with Genesis Insurance Company. The recommendation was approved on passage of Resolution No. 98177.

Approval of Second Supplemental Agreement with DuDell and Associates, Inc. and Community Assessment and Research Evaluation, Inc. (C.A.R.E.) for Close-Out Communications Consulting Services was the subject of a memo to the Board from the Governmental Affairs Specialist, Harold Jones, notifying the Board that on October 7, 1997 Dudell & Associates, Inc. along with C.A.R.E. was retained to develop and implement a proactive communications and community relations strategy to educate and influence the public, opinion leaders, elected officials, community groups, Port tenants, and local businesses relative to a number of Port projects and issues. The Board has engaged the services of DuDell & Associates, Inc. for the past six months for a total amount of \$233,000.00 and the activities and services proposed are now well underway and have proven beneficial and useful to all divisions of the Port. An in-depth audit of

portwide communications and community relations activities is being undertaken by the consultants. The objective of the audit has been to determine what media, communications, and community relations activities are being conducted in each division and how greater coordination of such can be achieved to ensure consistency and effective use of Port resources. A further objective will be to ascertain external needs and response to Port communication and community relations efforts which is currently underway and will assist the Director of Communications in the assessment of the Port's communications needs and profile. The agreement with DuDell & Associates has been completed, however, certain close-out activities are required to conclude current assignments and facilitate an effective transition of communications activities. In order to achieve these objectives, it is recommended that the Dudell & Associates be continued for thirty days so that the audit activities currently underway be concluded. It was recommended that the staff be given authority to enter into a Second Supplemental Agreement in an amount not to exceed \$50,000.00 with the same terms and conditions as approved in the Port's original and First Supplemental Agreements. The recommendation was approved on passage of Resolution No. 98187.

Approval of a First Supplemental Agreement with Patton Boggs, L.L.P. (Phil Bangert) for Federal Legislative Consultation and Advocacy was the subject of a memo to the Board from the Governmental Affairs Specialist, Harold Jones, notifying the Board that a formal one-year extension of the original 1995 Agreement with the Port's federal legislative lobbyist in Washington, D.C., Patton Boggs, LLP represented by Phil Bangert, expired on October 31, 1997. Mr. Bangert has provided effective federal legislative advocacy services for the Port of Oakland through Patton Boggs, LLP, since 1995 and prior to that Mr. Bangert worked both directly and through his affiliation with the Port's prior federal lobbyist, Richard Sinnott. The Government Affairs Department has reached a tentative agreement with Patton Boggs on a new contract for the services of that firm as represented by Phil Bangert. The new agreement is essentially the same as in previous years, with a significant increase in federal legislative relative to support of the Port's major expansion in maritime and aviation. Mr. Bangert and others in the firm of Patton Boggs will spend increased time and advocacy effort in seeking support for reauthorization and funding of the 1998 Water Resources Development Act as

well as authorization and funding for the -50' dredging project, Joint Intermodal Terminal and support for the reauthorization of the Intermodal Surface Transportation Efficiency Act, as well as pursue on the Port's behalf, matters that will come before the Federal Aviation Administration and Environmental Protection Agency. The maximum annual compensation is set at a maximum of \$182,000.00. The recommendation was approved on passage of Resolution No. 98178.

Amendments to Deferred Compensation Plan Administration Agreements with GreatWest Life and Related Actions was the subject of a memo to the Board from the Acting Chief Financial Officer recommending that the Board authorize several additional benefits for the Plan Administration Agreement. These benefits include: a reduction in the asset administration fee from .40% to .36% (a survey showed even the existing fee is very low for the services); the imposition of an asset fee cap at the \$100,000.00 account balance level; (at the end of 1997 there were nearly 100 participants with account balances over \$100,000.00) and a trustee/custodian for all assets as required by federal law at no cost, and the option to combine the current guaranteed fixed fund and Great Western Bank account into a custom stable value fund with GreatWest created solely for the Port with a limited fee and investments backed by the full faith and credit of the U.S. government. It was also recommended that the Board authorize the Executive Director to appoint a retired Port employee who is a participant in the Plan to the Committee and expand the membership of the Committee accordingly, and delegate to the Committee the authority to exercise the option to establish a custom stable value fund if deemed in the best interests of the Port and the Plan. The recommendation was approved on passage of Resolution No. 98179.

The following resolutions were introduced and passed separately by the following vote:

Ayes:	Commissioners Harris, Kramer, Loh Taylor and President Ortiz - 5
Noes:	None
Absent:	Commissioners Cole and Lockhart - 2

"RESOLUTION NO. 98166

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR WORK RELATED TO THE PILOT SOUND INSULATION PROGRAM IN THE FORM OF A PURCHASE ORDER CONTRACT WITHOUT COMPETITIVE BIDDING FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS AND AWARD OF CONTRACT TO AMERICAN SYNERGY CORPORATION."

"RESOLUTION NO. 98167

APPROVING AND AUTHORIZING EXECUTION OF FOURTH SUPPLEMENTAL AGREEMENT TO LICENSE AND CONCESSION AGREEMENT WITH DOLLAR RENT A CAR SYSTEMS, INC."

"RESOLUTION NO. 98168

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-312, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98169

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-313, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98170

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-343, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA."

"RESOLUTION NO. 98171

APPROVING PLANS AND SPECIFICATIONS FOR FURNISHING LABOR, MATERIALS AND EQUIPMENT FOR RECONDITIONING, REPAIRING AND RECONDITIONING PORT OF OAKLAND RAILROAD TRACKS AND CRANE RAILS FOR THE PERIOD COMMENCING JULY 1, 1998, AND ENDING JUNE 30, 1999, 2000 OR 2001, OAKLAND, CALIFORNIA AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98172

CONCERNING CERTAIN APPOINTMENTS."

"RESOLUTION NO. 98173

RATIFYING LEAVE OF ABSENCE TO FLAVIA ROGIERS, TELEPHONE OPERATOR.'

"RESOLUTION NO. 98174

AUTHORIZING CONTINUED PARTICIPATION IN THE CALIFORNIA ASSOCIATION OF PORT AUTHORITY EXCESS LIABILITY INSURANCE."

“RESOLUTION NO. 98175

AUTHORIZING RENEWAL OF AIRPORT GENERAL LIABILITY INSURANCE.”

“RESOLUTION NO. 98176

AUTHORIZING RENEWAL OF CRANE PHYSICAL DAMAGE INSURANCE.”

“RESOLUTION NO. 98177

AUTHORIZING RENEWAL OF AUTOMOBILE LIABILITY INSURANCE.”

“RESOLUTION NO. 98178

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH PATTON BOGGS, L.L.P. FOR FEDERAL LOBBYING CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 98179

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO AUTHORIZE CERTAIN AMENDMENTS TO AGREEMENTS RELATING TO THE ADMINISTRATION OF THE RESTATED DEFERRED COMPENSATION PLAN OF THE PORT OF OAKLAND.”

“RESOLUTION NO. 98180

GRANTING UNITED AIRLINES PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 98181

ACCEPTING A SETTLEMENT OFFER FROM THE ESTATE OF SAM KALMAN, KALMAN TRUST, THE KALMAN COMPANIES, KALMAN STEEL PRODUCTS COMPANY, INC., LAKESIDE NON-FERROUS METALS AND EDEN-NATIONAL STEEL CORPORATION (COLLECTIVELY THE “KALMAN GROUP”) (AND INSURANCE CARRIERS, AS APPROPRIATE) AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A SETTLEMENT AGREEMENT WITH THE KALMAN GROUP (AND INSURANCE CARRIERS, AS APPROPRIATE) PROVIDED, HOWEVER THAT THE PORT ORDINANCE APPROVING AND AUTHORIZING A NEW 5-YEAR LEASE WITH LAKESIDE NON-FERROUS METALS (“LAKESIDE”) BECOMES EFFECTIVE CONCERNING CITY OF OAKLAND V. KEEP ON TRUCKING COMPANY, INC. ET AL., UNITED STATES DISTRICT COURT CASE NO. C-95-03721-CW (“NINTH AVENUE TERMINAL ENVIRONMENTAL LITIGATION”) AND THE INSURANCE MATTER RELATED THERETO.”

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Loh, Taylor
and President Ortiz - 4

Noes: None

Abstained: Commissioner Kramer - 1

Absent: Commissioners Cole and Lockhart - 2

“RESOLUTION NO. 98182

ESTABLISHING THE CREATION OF EMPLOYEE REPRESENTATION UNIT H.”

“RESOLUTION NO. 98183

ESTABLISHING THE CREATION OF EMPLOYEE REPRESENTATION UNIT E.”

“RESOLUTION NO. 98184

FIXING THE PORT’S CONTRIBUTION UNDER THE PUBLIC EMPLOYEES’
MEDICAL AND HOSPITAL CARE ACT FOR EMPLOYEES AND ANNUITANTS IN
REPRESENTATION UNIT H BELONGING TO THE PUBLIC EMPLOYEES
RETIREMENT SYSTEM.”

“RESOLUTION NO. 98185

AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE AMENDMENT
OF THE PORT’S INSURANCE CONTRACT WITH CANADA LIFE INSURANCE
COMPANY TO INCLUDE OPTIONAL DEPENDENT LIFE INSURANCE
COVERAGE FOR EMPLOYEES BELONGING TO EMPLOYEE
REPRESENTATION UNITS D AND E AND AUTHORIZING SAID EMPLOYEES
TO PURCHASE SUCH COVERAGE.”

“RESOLUTION NO. 98186

TERMINATING APPOINTMENT OF ALFONSO E. LOERA.”

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Loh
and President Ortiz - 4

Noes: None

Abstained: Commissioner Taylor - 1

Absent: Commissioners Cole and Lockhart - 2

“RESOLUTION NO. 98187

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH DUDELL & ASSOCIATES, INC. FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

Port Ordinance No. 3418 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A FIRST SUPPLEMENTAL AGREEMENT FOR RENEWAL OF LEASE WITH UNITED AIRLINES, INC. FOR UNITED’S MAINTENANCE BASE,” and Port Ordinance No. 3419 being, “AN ORDINANCE APPROVING EXECUTION OF LEASE WITH NEXTEL OF CALIFORNIA, INC,” and Port Ordinance No. 3420 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A NONEXCLUSIVE PREFERENTIAL ASSIGNMENT AGREEMENT WITH MAERSK PACIFIC, LTD,” and Port Ordinance No. 3421 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF LEASE WITH SPRINT SPECTRUM L.P,” and Port Ordinance No. 3422 being, “AN ORDINANCE AMENDING SECTION 5.028 OF PORT ORDINANCE NO. 867,” were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kramer, Loh,

Taylor and President Ortiz - 5

Noes: None

Absent: Commissioners Cole and Lockhart - 2

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3044, FIXING CERTAIN REVISED PARKING RATES AT THE PARKING FACILITIES IN JACK LONDON SQUARE,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION WITH LAKESIDE NON-FERROUS METALS, INC.” were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kramer, Loh

Taylor and President Ortiz - 5

Noes: None

Absent: Commissioners Cole and Lockhart - 2

Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 CREATING NEW SALARY SCHEDULES AND ASSIGNING CERTAIN EMPLOYEE CLASSIFICATIONS TO SAID NEW SALARY SCHEDULES," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 1.303 OF PORT ORDINANCE NO. 867 RELATING TO PAYMENT OF PUBLIC EMPLOYEES' RETIREMENT SYSTEM CONTRIBUTION FOR EMPLOYEES OF PORT OF OAKLAND," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 3 OF PORT ORDINANCE NO. 1166 RELATING TO THE ELIGIBILITY OF EMPLOYEES AND RETIREES TO PARTICIPATE IN GROUP HEALTH INSURANCE," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 1.306 OF PORT ORDINANCE NO. 867, EXTENDING FLEXIBLE BENEFITS PLAN TO REGULAR EMPLOYEES BELONGING TO REPRESENTATION UNIT A,B,C,D,E AND F WORKING AT LEAST 19 HOURS PER WEEK," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 1.03 AND REPEALING SECTION 2.04 OF PORT ORDINANCE NO. 867," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 8.02 OF PORT ORDINANCE NO. 2199 RELATING TO THE MAXIMUM NUMBER OF WORKING DAYS AN EMPLOYEE MAY TAKE FAMILY SICK LEAVE IN ANY CALENDAR YEAR," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 1.20 OF PORT ORDINANCE NO. 867 PROVIDING FOR MANAGEMENT LEAVE FOR CERTAIN FLSA EXEMPT EMPLOYEES," and Port Ordinance No. ____ being, "AN ORDINANCE ADDING SECTION 1.191 TO PORT ORDINANCE NO. 867 PROVIDING PROFESSIONAL DEVELOPMENT BENEFITS FOR CERTAIN OFFICERS AND EMPLOYEES," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 7(a) OF PORT

ORDINANCE NO. 1166 RELATING TO EMPLOYEE PARTICIPATION IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM, HEALTH BENEFITS PROGRAM," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 BY THE ADDITION OF SECTION 1.0301 PROVIDING FOR ADDITIONAL COMPENSATION FOR EMPLOYEES BELONGING TO EMPLOYEE REPRESENTATION UNITS D AND E UNDER THE TERMS OF THE PERFORMANCE MANAGEMENT PROGRAM," were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Loh, Taylor
and President Ortiz - 4

Noes: None

Abstained: Commissioner Kramer - 1

Absent: Commissioners Cole and Lockhart - 2

At the hour of 4:40 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Alameda, a Municipal Corporation; Citizens League for Airport Safety and Serenity v. Port of Oakland et al., Sonoma County Superior Court Case No. 793056-0 (Consolidated Cases), City of Oakland v. Keep on Trucking Company, Inc. et al., U.S. District Court Case No. C-95-03721-CW, In the Matter of the Application for Reclassification to Safety Membership Made on Behalf of Oakland Airport Servicemen by United Public Employees' Local 790, SEIU, AFL-CIO, Petitioners and The City of Oakland, Respondents, Before the Board Administration of the State of California Public Employees' Retirement System, OAH Case No. N-9704107, and Patrick J. Ryan v. Port of Oakland, et al., Alameda County Superior Court Case No. 788904-2; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 4 matters; conference with real property negotiator, property - Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), Negotiating Parties - Port and City, Under Negotiation - Price and terms of Payment, Property - Union Pacific Rail Road Leasehold and Relocation,

Negotiating Parties - Port and Union Pacific, Under Negotiation - Price and Terms of Payment; Public Employee Discipline/Dismissal/Release; and reconvened in open session at the hour of 5:45 p.m.

At the hour of 6:05 p.m. the meeting was adjourned on a motion duly made and seconded.



Secretary of the Board

is proposed to develop a design theme for the Airport Gateway Area and to develop specific design elements to carry out the theme. These elements would include such items as light fixtures, landscaping, signs, banners, and street furniture. This project would also provide guidance for how each jurisdiction could incorporate the design theme and elements into their respective projects. The Port would participate, along with the other parties, in a design competition in collaboration with the East Bay Chapter of the American Institute of Architects. This competition would result in an implementable design of a Gateway statement or monument located in the Airport entrance area and would generate notoriety and interest in the area and the developments planned for Oakland and San Leandro. The Port's participation in the Airport Gateway Project would include funding up to \$20,000.00, to pay for the Port's share of the design team fee and other project expenses and \$50,000.00, to pay for the design competition, for a total commitment of \$70,000.00. It was recommended that the Board authorize a total of \$70,000.00 for the Airport Gateway design efforts. The recommendation was approved on passage of Resolution No. 98138.

Approval of Revised Terms of Air Terminal Services, Incorporated Sublease to The Giant Burger Group was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Port subleased a portion of Air Terminal Services, Incorporated (CA One) food and beverage concession premises to The Giant Burger Group, an Oakland based DBE. The previous approval of the Board to the sublease of space to The Giant Burger Group was based on certain economic assumptions and the establishment of a minimum annual guaranteed rent of the greater of \$125,000.00 or 12% of food and nonalcoholic beverages annual gross receipts plus 15% of alcohol annual gross receipts. The current approved \$1,078,561.00 minimum annual guaranteed rent is allocated CA One \$850,861.00, The Giant Burger Group \$125,000.00, Ice Cream/Yogurt concept \$30,700.00, Concourse Snack Bar concept \$72,000.00. The Giant Burger Group had requested that the minimum annual guaranteed rent be reduced to \$96,000.00 plus 6% of food and nonalcoholic beverages monthly gross receipts exceeding \$66,667.00 but less than \$83,333.00 plus 12% of food and nonalcoholic beverages monthly gross receipts exceeding \$83,333.00 plus 15% of alcohol annual gross receipts. It was recommended that the Board approve the terms of Air Terminal Services, Inc.

sublease to The Giant Burger Group which would result in a lower \$1,049,561.00 minimum annual guaranteed rental to be allocated for CA One \$850,861.00, The Giant Burger Group \$96,000.00, Ice Cream Yogurt concept \$30,700.00 and Concourse snack bar \$72,000.00. The project is categorically exempt and does not require preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98165.

Ordinance Approving a First Supplemental Amendment with Tenant United Airlines, Inc. for the Renewal of United's Maintenance Base Lease, with Accompanying Rental Credit of \$1,120,000.00 was the subject of a memo to the Board from the Director of Aviation recommending approval of a First Supplemental Agreement ("lease modification") that would authorize the extension of the term of United Airlines Inc.'s existing Maintenance Base Lease with the Port for an additional ten years, the first option period of the lease. The proposed lease modification also includes provision for a rental credit of \$1,120,000.00, to be taken over the first three years of the option. The proposed lease modification will result in increased Port income of \$7.7 million over the revenues presently paid by United, a 31% increase. The proposed lease modification would only be extended ten years through December 31, 2007, commencing retroactively to January 1, 1998. All of the terms and conditions of the agreement would be subject to re-negotiation at the conclusion of the first option term. The proposed amended leasehold essentially is the same area, except that minor surveyor adjustments have been made in the area calculations resulting in a "new" leasehold area of 39.09 acres. In addition, there exists an option parcel of 5.44 acres for which United still holds a right of first refusal but under the lease modification, the Port will have a new unilateral right to extinguish United's first right of refusal if the parcel is needed for the Port's use. The Port reserves the right to take back up to 3.069 acres of leasehold area, presently used as employee parking, for realignment of the improved Airport Drive. United will pay an annual rental of \$3,036,000.00 (payable monthly in the amount of \$253,000.00). There would be no percentage rental. In addition, United's annual rental would be increased by 5.0% every thirty months commencing on July 1, 2000. The lease modifications includes a rental credit to United in an amount of \$1,120,000.00 (United has or will invest about \$15 million in new hangar and heal/safety improvements). The proposed rental credit includes roof and overhangs - budgeted at

\$150,000.00; fire detection systems - budgeted at \$400,000.00; asbestos and lead abatement - budgeted at \$120,000.00; Americans with disabilities act items - budgeted at \$295,000.00; fire protection system - budgeted at \$360,000.00; core elevator replacement - budgeted at \$110,000.00; fire suppression tanks - budgeted at \$313,000.00; diesel/propane fueling system - budgeted at \$150,000.00; concrete block wall seismic upgrades - budgeted at \$213,000.00; two hour fire wall installation - budgeted at \$30,000.00; and underground fuel storage tank removal - budgeted at \$120,000.00. The proposed lease modifications includes provisions for future additional asbestos remediation work to be partly reimbursable by the Port. Such asbestos remediation work would be reimbursable under one of two formulae, as follows: a Port 75%/United 25% split of the costs for required work resulting from normal maintenance and repair activities, or 100% Port assumption of the costs resulting from exceptional circumstances. Such 100% reimbursement for exceptional circumstances only would occur if such additional asbestos remediation occurred solely as a result of earthquakes or other acts of God, an enforceable regulatory agency order, or a Port order. The lease modification is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of an ordinance to print.

Approval to Assess Penalty to Cal, Inc. for Adding Subcontractor was the subject of a memo to the Board from the Director of Engineering notifying the Board that on December 2, 1997, the Board awarded the contract for replacement of fuel storage tank MF-11 at Building M-104, South Airport, to Cal, Inc. The contract is based on lump sum and unit prices totaling \$96,167.54. The work consists of removing the existing underground fuel storage tank and installing one new above-ground fuel tank for the three emergency back-up generators which serve the South Airport Runway lights, the South Airport terminal complex, and the Airport roadway lights. On March 17, 1998, Cal, Inc. informed the Port, in writing, that they inadvertently failed to list Christen Enterprises as their electrical subcontractor to install the electrical services associated with the installation of the replacement above-ground storage tank (ASTN) at Building M-104, the value of the subcontract is \$4,700.00. The contractor was informed of the penalties involved, as provided in the Public Contract Code; and after careful review of Cal, Inc.'s request, it was felt that there was no apparent intent by Cal, Inc. to subvert

the subcontract requirements and therefore it is recommended that a penalty of ten percent (\$470.00) be assessed. The recommendation was approved on passage of Resolution No. 98139.

Approval of New License and Concession Agreement with DZ II, Inc. and Ethan Penner

was the subject of a memo to the Board from the Director of Aviation recommending approval of a new agreement with DZ II, Inc. and Ethan Power, for 2,520 square feet of office space, 12,648 square feet of hangar space, 2,058 square feet of shop space, 18,578 square feet of apron space and 1,615 square feet of unpaved land in and adjacent to Building L-310 East, North Airport, at \$9,000.00 per month, effective November 15, 1997. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98140.

Approval of Agreement to Renew License and Concession Agreement for Term of One Year or Less with Mercury International Sales and Service Company

was the subject of a memo to the Board from the Director of Aviation recommending approval to renew their agreement for exclusive Travel Insurance Concession, plus 2 cabinets located in Buildings M-102 and M-130, at 10% of Gross Revenue against \$150.00 per month minimum guarantee, effective February 1, 1998. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98141.

Approval of New License and Concession Agreement with SkyWest Airlines, Inc.

was the subject of a memo to the Board from the Director of Aviation recommending approval of an agreement with SkyWest Airlines, Inc. authorizing access to the South Airport for the purpose of enplaning and deplaning passengers for one flight per day to Salt Lake City, Utah. Delta Airlines would provide all passenger and baggage handling. The Agreement would have a one-year term commencing on April 4, 1998, with a 30-day termination provision. No premises would be granted by this Agreement and all charges to SkyWest (landing/jetway/holdroom, parking, baggage claim, etc.) would be billed directly by Aviation Finance. The recommendation was approved on passage of Resolution No. 98142.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement for Federal

Express Corporation was the subject of a memo to the Board from the Director of Aviation notifying the Board that on May 20, 1997 a one-year Right-of-Entry and Indemnity Agreement (ROE) for Federal Express Corporation (FedEx) to install one FedEx Interior Drop Box in the new elevator lobby area of Terminal I, beyond the Terminal I security checkpoint. The drop box, occupying approximately 6 square feet, provides a convenient and secure location for customers to drop "overnight" letters to be picked up by FedEx. The fee for the drop box is \$325.00 per year. FedEx is requesting approval of an Agreement to Extend Right-of-Entry and Indemnity Agreement for an additional 365 days and the term commencing on May 1, 1998. It was recommended that the Board approve the ROE Agreement with Federal Express Corporation. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98143.

Approval of an Agreement to Extend Right-of-Entry and Indemnity Agreement with

The Hertz Corporation was the subject of a memo to the Board from the Director of Aviation recommending approval to extend a one-year Right-of-Entry and Indemnity Agreement (ROE) for one ground water monitoring well adjacent to The Hertz Corporation service facility at South Airport through March 31, 1999. The Agreement covers the existing monitoring wells plus three, new monitoring wells. Since Alameda County and State of California environmental regulations required that new and existing wells be monitored for several years, the Board previously extended the term through March 31, 1994, March 31, 1995, March 31, 1996, March 31, 1997 and again through March 31, 1998. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98144.

Approval of a New Lease with Nextel of California, Inc. for 144 square feet of Type II

Terminal Space was the subject of a memo to the Board from the Director of Aviation recommending approval of a new lease with Nextel of California, Inc., doing business as Nextel Communications (Nextel) which installs, operates and maintains wireless telecommunications sites comprising wireless telephone, radio and telecommunications services to the public. Nextel desires to lease approximately

144 square feet of Type II Terminal space between Column lines 35 and 36 and match lines x and y (including necessary cable, utility runs and utility access) in the lower level of Building M-103, Terminal I. The proposed lease will be for five years and may be terminated by the Port on 6 months notice or by Nextel on 3 months notice, subject to certain conditions. The proposed lease allows Nextel 2 options to extend the term of the lease each for an additional five year period. The monthly rent shall be \$1,440.00 per month, based upon \$10.00 per square foot for 144 square feet of space. In addition, Nextel shall pay to the Port a one-time non-refundable administrative fee of \$3,000.00 to partially reimburse the Port for administrative costs incurred in connection with this lease and shall pay a security deposit of \$3,000.00. The proposed lease is categorically exempt and does not require preparation of an environmental document. The recommendation was approved on passage of an ordinance to print.

Plans and Specifications for Construction of Parking Lot, Swan Way and Doolittle Drive, Oakland Airport Industrial Park was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the construction of the parking lot. The project consists of constructing a temporary employee parking lot at the corner of Swan Way and Doolittle Drive for approximately 830 vehicles. The work consists of constructing asphalt concrete pavement, drainage system, decorative fencing striping, lighting, access control system and security surveillance system. This Final Environmental Impact Report for the Airport improvements was certified on December 16, 1997. The recommendation was approved on passage of Resolution No. 98145.

Approval of a Building Permit Application for Fed Ex Pavement Repair was the subject of a memo to the Board from the Director of Engineering recommending approval of pavement maintenance and repair on the ramp surrounding their sort facility at FedEx's leased site at the Airport. The proposed work will include replacing asphalt concrete pavement sections at identified crack locations, applying a seal coat, restriping as necessary and phasing of the work to insure minimal disruption of FedEx operations. The estimated value of the work is \$500,000.00. The project is

categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98146.

Approval of a Building Permit Application for Delta Airlines Tenant Improvements was the subject of a memo to the Board from the Director of Engineering recommending approval for the construction of certain tenant improvements at Terminal 1. Delta is moving from the existing counter space to the space recently vacated by United Airlines. The work involves alterations to the office and baggage make-up space behind the ticket counter. The proposed work will include removing existing partition walls, constructing new partition walls, installing finishes, fixtures and equipment, and altering electrical and mechanical systems to serve the newly configured space. The estimated value of the work is \$150,000.00. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98147.

Plans and Specifications for Reconstruction of Apron Southeast of Building L-812, North Airport, MOIA was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for reconstruction of the apron southeast of Building L-812, North Airport. The work consists in general of reconstructing approximately 90,000 square feet of concrete apron, constructing asphalt concrete overlay, installing an 8 inch waterline, ground rods, storm drainage system, fencing and pavement striping and markings. The project is eligible for FAA funding and funds have been granted for this purpose. The recommendation was approved on passage of Resolution No. 98148.

Acceptance of Federal Aviation Administration (FAA) AIP-17 Amendment No. 1 was the subject of a memo to the Board from the Director of Engineering notifying the Board that on September 14, 1994, the Board accepted an Airport Improvement Program (AIP) Grant Offer (AIP-17) from the Federal Aviation Administration (FAA) of \$1,708,914.00 for a portion of the Earhart Road Improvements project. The total project cost for Earhart Road is expected to be less than what we originally estimated. The Port anticipates approximately \$1.4 million of available funds under AIP-17. On October 20, 1997, an amendment request was submitted to the FAA to use the remaining funds for the "replacement of cable and conduit for the airfield lighting system" project. The FAA is

now offering AIP-17 Grant Amendment No. 1 which does not change the dollar amount of the grant but changes the scope of work to include the replacement of cable and conduit for the Airfield Lighting System project. It was recommended that the Board accept the Federal Aviation Administration's AIP-17 Amendment No. 1 to the Grant Agreement. The recommendation was approved on passage of a Resolution No. 98149.

Award of Contract for Construction of Enhancements to Ferry Terminal, Jack London Square was the subject of a memo to the Board from the Director of Engineering notifying the Board of the three bids received and recommending award of the contract to EIA International, the low bidder, at \$502,000.00. The recommendation was approved on passage of Resolution No. 98150.

Approval of New Assignment Agreement with Maersk Pacific, Ltd. for Berth 24 was the subject of a memo to the Board from the Director of Maritime notifying the Board that Maersk Pacific, Ltd. (Maersk) conducts operations at Outer Harbor Berth 24. The present 10 year Agreement was to have expired December 31, 1997. Last December the Board granted a 90 day extension to the base term of the current Agreement in order to give Maersk sufficient time to finalize their evaluation concerning future terminal requirements. Negotiations have now been completed and it was recommending that the Board approve a new Agreement. The key elements of the proposed new Agreement with Maersk for an expanded Berth 24 comprising of approximately 50 acres are as follows: a term of five years, with an option for five additional years; Maersk will be subject to the Port's marine terminal tariff and has agreed to a Minimum Annual Guarantee (MAG) of 110,000 loaded Primary Use twenty foot equivalent units (TEUs) during each contract year. If 550,000 loaded Primary Use TEUs are not handled at the Assigned Premises during the initial five year term then Maersk shall pay the Port the difference between the total contract volume of 550,000 loaded TEUs and the TEUs actually handled. This shortfall shall be assessed at the rate for TEUs 1 through 120,000 in effect after applicable adjustments at the end of the contract term. A new and simplified pricing structure has been negotiated which will relate back to April 1, 1998. In lieu of port tariff charges for dockage, wharfage, wharf demurrage, wharf storage and crane rental, during each contract year Maersk will pay a flat "all-inclusive throughput rate" per loaded TEU, as follows: from 1 to 120,000

loaded TEUs (Breakpoint level) - \$53.00 per loaded TEU; and above 120,000 loaded TEUs - \$25 per loaded TEU. The rates shall be subject to increase and adjustment as any dockage, wharfage, wharf demurrage, wharf storage rates as well as crane rental rate increases are applied to the Port's Tariff 2-A. The proposed Agreement shall also contain provisions for increasing the MAG/Breakpoint levels with the five year option period commencing April 1, 2003 to reflect any increase in prevailing land value rates. If Maersk reaches or exceeds an annual container throughput of Interior Point Intermodal Throughput Service cargo of 40,000 loaded IPI TEUs annually, then all such IPI TEUs which exceed 10,000 loaded IPI TEUs annually through Berth 24 shall receive a discount at the end of each contract year of \$5.00 for each such loaded IPI TEU. The Port will fund up to \$3.5 million in facility and crane improvements. Any re-alignment which may result in additional acreage or any additional improvements to Berth 24 beyond the \$3.25 million cap shall be paid for by Maersk by adjusting the MAG/Breakpoint levels. Maersk shall have the responsibility for maintaining the container yard striping and shall perform nonstructural or operational maintenance as well as be responsible for maintaining and repairing reefer receptacles. Maersk shall pay monthly rental of \$3,507.50 for the 3,050 square foot office building at the Assigned Premises. The terminal expansion and rehabilitation project comprises an expansion from approximately 35 to 50 acres, but does not change the use of either the original 35 acres or the additional 15 acres and the expansion is component of a larger 92 acre project which was evaluated pursuant to CEQA in the Initial Study/Mitigated Negative Declaration (IS/MND) "Maersk Line Terminal and TransBay Container Terminal Yard Consolidations and Terminal Upgrade" dated July 25, 1995. No further environmental document is required. The recommendation was approved on passage of an ordinance to print.

Approval of First Supplemental Agreement with Parsons Engineering Services, Inc. for Environmental Work in Support of the Berths 55-58 and Joint Intermodal Terminal Projects

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the existing Agreement with Parsons Engineering Science, Inc. (parsons) to conduct technical environmental analyses and to prepare environmental review documentation in support of the Berths 55-58 and Joint Intermodal Terminal (JIT) projects. Analysis of specific types of impacts of the

proposed JIT Project, namely air quality and traffic, are being conducted under this agreement as well. Several events have occurred since the original Agreement was executed between the Port and Parsons that have resulted in additional consultant work, and which require Agreement modification: a legal agreement (the "Consent Decree") binds the Port to conduct additional air quality technical analyses for the entire Vision 2000 program, and to evaluate air quality and noise mitigation measures for that entire program; the needs to conduct an analysis to facilitate acquisition of a U.S. Army Corps of Engineers (CoE) 404 Permit has been identified; the number of alternatives for analysis in the EIR has been expanded over the number originally envisioned; and the Port conducted an Initial Study for the JIT that indicates an EIR is required, rather than a Negative Declaration, as was originally thought and as a result, more detailed air and traffic analyses are required. The Port of Oakland proposes to implement the Vision 2000 Maritime Development Program ("Vision 2000"). The United States Navy, as Federal Lead Agency under the National Environmental Policy Act (NEPA), and the Port, as State Lead Agency under the California Environmental Quality Act (CEQA), jointly prepared an Environmental Impact Statement/Program Environmental Impact Report (EIS/EIR) for the Navy's disposal of the FISCO site, and the Port's reuse of that site and use of other lands for development of the Vision 2000 Program. The EIS/EIR identified significant air quality impacts, and stated that feasible mitigation did not exist which could reduce these impacts to a level of insignificance. After approval of the EIS/EIR by the Navy and Port a local unincorporated community association, West Oakland Neighbors (WON), filed suite against the Navy, the U.S. Department of Transportation (DOT), the FHWA (collectively, the Federal Defendants") and the Port. The practical basis of the suite was that the environmental document did not adequately identify and analyze all feasible mitigation measures which could substantially reduce the magnitude of identified significant air quality impacts. Port entered into negotiations with WON, and subsequently entered into an agreement bound by a Consent Decree. Terms of the agreement require the Port to conduct a detailed analysis of mitigation measures for all identified potentially significant air quality impacts of the entire Vision 2000 Program. In exchange, WON will dismiss all actions against the port and the Federal Defendants. Terms of the agreement identify post-Vision 2000 environmental review documentation as the

appropriate forum for presentation of the findings of the air quality mitigation analysis. As State Lead Agency, the Port is currently preparing an EIR pursuant to CEQA for the Berths 55-58 and JIT Projects, component projects of Vision 2000. As part of the Consent Decree, the Port and WON agree to present the analysis of air quality mitigation for the entire Vision 2000 Program in the Berths 55-58 EIR. The Berths 55-58 EIR is currently being prepared by Parsons under the direction of the Port. Modification of Parsons' scope of work is required relative to air quality and noise in order to incorporate the analysis of a full suite of feasible mitigation measures for the entire Vision 2000 Program. Parsons is also preparing specific environmental studies under this Agreement to support development of the Port's proposed JIT Project, specifically air quality and traffic analyses. It was originally believed that a Negative Declaration under CEQA would be the appropriate environmental review document for the JIT. However, based on the results of an Initial Study, it has been determined that an EIR is required. Parsons has conducted the initial air and traffic analyses, and a contract modification is needed to authorize the detailed analyses required for the EIR. It was recommended that the Board authorize the preparation and execution of a First Supplemental Agreement with Parsons Engineering Science, Inc. to provide the additional services described at an additional compensation not to exceed \$271,600.00 for a total authorized compensation of \$798,600.00. The recommendation was approved on passage of Resolution No. 98151.

Authorization to Solicit Proposals for Sale of Container Crane X-423 at Seventh Street Terminal was the subject of a memo to the Board from the Director of Engineering notifying the board that the Port purchased the Paceco low-profile crane X-423 in 1968 which is currently being utilized by Marine Terminals Corporation at Berth 37, Seventh Street Terminal. This Paceco crane is a second generation crane with the limitations inherent to that generation, such as a 74-foot lift height over dock, 106-foot outreach, and 410-foot per minute trolley speed. Since design criteria for steel structures have changed since the 1960's, modifications required on the crane would be extensive. Crane X-423 has seldom been used by the tenant since the new ZPMC crane arrived in July of 1996, and it is inadequate for the Port's current needs. It is in the Port's interest to declare X-423 as surplus and to sell it as excess equipment. The recommended method for selling the crane is to advertise for

proposals for purchasing the crane. Upon receipt of a reasonable proposal that is within the Port's estimate, negotiations would be held with the interested party to effect the purchase. Additionally, the Port will offer the crane for sale through brokers using the Policy and Procedures for the payment of commissions established by Board Resolution No. 20231, dated February 17, 1971. The fee structure will be modified to be 10% of the selling price. It was recommended that the Paceco crane X-423 be declared to be surplus, be found to be inadequate for Port needs under the Port's Master Trust Indenture, and be offered for sale. It was further recommended that the Director of Engineering be authorized to receive proposals for the sale of the crane, to report back to the Board on the proposals received, and to make a recommendation for award of sale of the crane or other action by the Board. The recommendation was approved on passage of Resolution No. 98152.

Discussion and Possible Action to Rename the Seventh Street Container Terminal was the subject of a memo to the Board from the Secretary of the Board notifying the Board that Ben E. Nutter joined the Port of Oakland as Chief Engineer in January 1957 and upon the retirement of Dudley Frost became Executive Director of the Port in 1962. In 1965, after considerable debate, and under his leadership, the Port started construction of Seventh Street Terminals, the first dedicated container terminal on the West Coast. This major project was completed in 1969, with Matson and Johnson Line serving as the first tenants. Although Ben was modest in his claims of starting containerization, he is an identifiable father of the system and the modern port required to serve this new technology. The container terminal which Ben constructed has certainly provided the Port of Oakland with leadership position in the industry and his foresight established the Port of Oakland's position in the container trade. It was recommended that in recognition of Ben's achievement that the complex be renamed as "Ben E. Nutter Container Terminal." The recommendation was approved on passage of Resolution No. 98153.

First Reading of an Ordinance Granting a Lease to Sprint Spectrum L.P. for Wireless Telecommunication at the Southern Side of the Oakland Bay Bridge at the Port-owned Sign Board was the subject of a memo to the Board from the Director of Maritime recommending approval of a new lease for an antennae site near the Oakland Bay Bridge anchorage with Sprint (SSLP). The

lease provisions include a term of 5 years with two 5-year options to extend; the Port may terminate the lease by paying Sprint the unamortized cost of equipment installation and removal and SSLP may terminate by paying 6 months rent to Port; the rental is \$36,000.00 per year payable monthly in advance plus a one time up front administration fee of \$5,000.00; the rental adjustment is every twelve months by the change in the CPI but not less than 3%; the security deposit is \$10,000.00 and a bond to cover removal of all equipment; and the site is to be used for telecommunication equipment and antennas with some of the equipment will be "stealth" constructed within the perimeter of the Port-owned sign board. The actual occupied land area will be 640 square feet. The recommendation was approved on passage of an ordinance to print.

Modification of Crane Rental Rates for Marine Terminals Corporation Management Agreement at Seventh Street Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board that Marine Terminals Corporation (MTC) operates the Seventh Street Marine Container Terminal under a Management Agreement with the Port. MTC, as terminal operator, presently guarantees to the Port an annual minimum amount of hourly crane usage at the rental rates specified in the Port's marine terminal tariff. All the Port tariff crane rental rates are presently published so that they are assessed on an hourly basis. However, the Board recently authorized that commencing May 1, 1998, all Port tariff crane rental rates shall be assessed on the basis of each twenty foot equivalent unit (TEU) lifted. It is therefore necessary to modify the MTC Agreement so that it will conform to the new rental structure in the Port tariff. The modifications with MTC in the Management Agreement will include that MTC provides a Minimum Annual Guarantee of 275,000 TEU lifts to include loaded and empty containers, except restows and shifts; and crane rental shall be assessed at the rate of \$11.00 per loaded or empty TEU lifted, except restows and shifts, up to 180,000 TEU lifts (the Crane Breakpoint) and all TEUs, except restows and shifts, which exceed 180,000 will be assessed a rate of \$7.00 per TEU lift. It was recommended that the Board approve the modifications to the Management Agreement with MTC. The recommendation was approved on passage of Resolution No. 98154.

Plans and Specifications for Demolition of Building D-141, Harbor Transportation

Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition. The work consists of demolition and removal of Building D-141, a 171,360 square foot warehouse. This work is necessary in order to clear the site for demolition of the pier on which it sits, and construction of a containment dike and fill for the new container yard at Berths 55/56. The environmental documents associated with the project have been completed and certified. The recommendation was approved on passage of Resolution No. 98155.

Plans and Specifications for Removal and Disposal of Hazardous Materials and Miscellaneous Utility Work at Building D-734 and D-831, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for removal and disposal of hazardous materials. The work consists of disconnecting, cutting, and capping utilities; and of removing asbestos-containing materials, lead-based paint, PCB-containing lighting ballasts, and mercury-containing lamps at Buildings D-734 and D-831. These buildings are 121,000 square foot, wood-framed warehouse. This work is necessary in order to prepare the buildings for deconstruction by Youth Employment Partnership, Inc. The buildings must be removed in order to clear the site for construction of Middle Harbor Road realignment beginning in early 1999. The environmental documents associated with the project have been completed and certified. The recommendation was approved on passage of Resolution no. 98156.

Approval of a Building Permit Application for Schnitzer Steel Maintenance Dredging,

Foot of Adeline Street, Oakland Inner Harbor Channel was the subject of a memo to the Board from the Director of Engineering recommending approval of their five-year maintenance dredging program. Schnitzer leases the water area adjacent to their site from the Port. They seek approval for the plan to maintain the current depth over the next five years through periodic dredging. The work will involve routine maintenance dredging to remove up to 75,000 cubic yards over the next five-years. Periodic individual projects will be carried out as necessary to maintain a depth of -37 feet MLLW, with a 2 foot overdredge allowance to a maximum -39 feet MLLW. Dredging of the Schnitzer berth

will be by clamshell and barge method with disposal at the authorized Alcatraz disposal site. Each dredging project under this plan will be subject to individual permits from BCDC and the Corps of Engineers. Disposal at the Alcatraz site is subject to approval of the Corps and the Bay Area Water Quality Control Board. Written proof of sediment testing and copies of required permits obtained from other agencies shall be submitted to the Port for each project under this five-year term. The estimated value of the work is \$175,000.00. The project is categorically exempt and does not require the preparation of an environmental document. It was recommended that the Board approve the building permit application. The recommendation was approved on passage of Resolution No. 98157.

Personnel Items contained in a memo to the Board from the Chief Administrative Officer recommended the appointment of James Kangas, as Carpenter, effective May 4, 1998, at \$4,237.00 per month; Elizabeth Ybarra-Guido, as Intermediate Typist Clerk, effective May 11, 1998, at \$2,658.00 per month; Julie To, as Senior Account Clerk, effective May 11, 1998, at \$3,097.00 per month; Althea Roberts-Griffin, as Legal Assistant III, effective April 27, 1998, at \$4,039.00 per month; and amending the start date appointment of Danilo Victor, as Equipment Systems Engineer, from March 30, 1998 to April 6, 1998. Further recommended was the amending of Salary Schedule assignment for Payroll and Benefits Supervisor from Salary Schedule 243 to Salary Schedule 274.33; and approval of examination announcements for Assistant Civil Engineer and Assistant Port Electrical/Mechanical Engineer. The recommendation was approved on passage of Resolution No. 98158 for appointments; Resolution No. 98159 for examination announcements; Resolution No. 98160 for amending appointments; and on an ordinance to print for amending salary schedule assignment.

Approval to Revise An As-Needed Contract with Camp Dresser & McKee In. and F.E. Jordan Associates Inc. as Joint Prime Consultants was the subject of a memo to the Board from the Director of Engineering notifying the Board that on January 6, 1998, the Board approved Camp Dresser & McKee Inc. (CDM) as one of five firms to provide professional environmental services on an "as-needed" basis for the Port. The approved contract was for \$600,000.00 over an approximate three-year period. While it was understood that CDM was to be listed as the Prime Consultant and

F.E. Jordan Associates Inc. (FEJ) was to be listed as a significant subconsultant within the team, both firms have now stated that their original intention was to be considered as Joint Prime Consultants and ask to be considered as equally responsible for this contract. There would be no additional financial impact as the same Agreement will be revised to reflect both firms as prime consultants. CDM and FEJ will be considered "joint and severally liable" and staff will require both firms to sign the Agreement to ensure that both firms share equal liability for services performed under this contract. It was recommended that the Board approve the contract revision to reflect Camp Dresser & McKee Inc. and F.E. Jordan Associates, Inc. as Joint Prime Consultants to perform as-needed environmental services. The recommendation was approved on passage of Resolution No. 98161.

Approval of Contract for Community and Governmental Affairs Services was the subject of a memo to the Board from the Director of Communications recommending that the Board approve a contract with H. Lee Halterman to provide certain community and governmental affairs consulting services. The contract fee is not to exceed \$50,000.00 and in addition, it is requested that the Executive Director be authorized to approve up to an additional \$10,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 98162.

Travel Authorization was the subject of a memo to the Board from the Secretary of the Board recommending approval for the travel of Supervising Electrical/Mechanical Engineer Terry Smalley to Shanghai, China on or about the period April 9 to 27, 1998, to meet with ZPMC to work out conceptual preliminary design constraints for Berth 55-56 container cranes. Also recommended was the travel of the Director of Aviation Steve Grossman and Manager, Aviation Marketing & Communications, George Turner, to Paris, France and other European cities, on or about the period of May 1 - 15, 1998, to attend and display at TIACA Air Cargo Forum and meet with other European passenger and cargo carriers to discuss possibility of future OAK service. Further recommended was the travel of Cyndy Johnson, Air Cargo Development, Aviation Marketing, to Paris, France, on or about the period of May 1 - 8, 1998, to attend and display at TIACA Air Cargo Forum. The recommendation was approved on passage of Resolution No. 98164.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh

Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

“RESOLUTION NO. 98138

APPROVING AND AUTHORIZING EXECUTION OF A MEMORANDUM OF UNDERSTANDING FOR THE AIRPORT GATEWAY DESIGN PROJECT AND APPROVING AND AUTHORIZING EXPENDITURES OF PORT FUNDS FOR AIRPORT GATEWAY DESIGN EFFORTS.”

“RESOLUTION NO. 98139

ASSESSING CAL, INC., CONTRACTOR FOR REPLACEMENT OF FUEL STORAGE TANK MF-11 AT BUILDING M-104, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA; A PENALTY FOR SUBCONTRACTING WORK FOR WHICH ORIGINAL BID DID NOT DESIGNATE A SUBCONTRACTOR.”

“RESOLUTION NO. 98140

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH DZ II, INC. AND ETHAN PENNER.”

“RESOLUTION NO. 98141

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO RENEW LICENSE AND CONCESSION AGREEMENT FOR TERM OF ONE YEAR OR LESS WITH MERCURY INTERNATIONAL SALES AND SERVICE COMPANY.”

“RESOLUTION NO. 98142

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH SKYWEST AIRLINES, INC.”

“RESOLUTION NO. 98143

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH FEDERAL EXPRESS CORPORATION.”

“RESOLUTION NO. 98144

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH THE HERTZ CORPORATION.”

"RESOLUTION NO. 98145

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF PARKING LOT, SWAN WAY AND DOOLITTLE DRIVE, OAKLAND AIRPORT INDUSTRIAL PARK, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98146

GRANTING FEDERAL EXPRESS, PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 98147

GRANTING DELTA AIRLINES, PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 98148

APPROVING PLANS AND SPECIFICATIONS FOR RECONSTRUCTION OF APRON SOUTHEAST OF BUILDING L-812, NORTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98149

ACCEPTING AND AUTHORIZING EXECUTION OF AMENDMENT NO. 1 TO GRANT AGREEMENT AIP-17 OF THE UNITED STATES OF AMERICA, FEDERAL AVIATION ADMINISTRATION UNDER THE AIRPORT IMPROVEMENT PROGRAM, PROJECT NO. 3-06-0170-17."

"RESOLUTION NO. 98150

AWARDING CONTRACT TO EAI INTERNATIONAL FOR CONSTRUCTION OF ENHANCEMENTS TO FERRY TERMINAL, JACK LONDON SQUARE, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 98151

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH PARSONS ENGINEERING SCIENCE, INC. FOR ENVIRONMENTAL CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT."

"RESOLUTION NO. 98152

FINDING AND DETERMINING THAT PORT CONTAINER CRANE X423 AT THE SEVENTH STREET TERMINAL IS INADEQUATE FOR AND SURPLUS TO PORT NEEDS, AUTHORIZING THE SOLICITATION OF PROPOSALS TO PURCHASE SAID CRANES AND OFFERING A BROKER'S COMMISSION FOR SALE OF SAID CRANE."

"RESOLUTION NO. 98153

RENAMING SEVENTH STREET MARINE CONTAINER TERMINAL THE BEN E. NUTTER CONTAINER TERMINAL."

"RESOLUTION NO. 98154

APPROVING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT WITH MARINE TERMINALS CORPORATION."

"RESOLUTION NO. 98155

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-141, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98156

APPROVING PLANS AND SPECIFICATIONS FOR REMOVAL AND DISPOSAL OF HAZARDOUS MATERIALS AND MISCELLANEOUS UTILITY WORK AT BUILDINGS D-734 AND D-831, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98157

GRANTING SCHNITZER STEEL PRODUCTS COMPANY, PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 98158

CONCERNING CERTAIN APPOINTMENTS."

"RESOLUTION NO. 98159

APPROVING EXAMINATION ANNOUNCEMENT FOR THE POSITIONS OF ASSISTANT CIVIL ENGINEER AND ASSISTANT PORT ELECTRICAL MECHANICAL ENGINEER."

"RESOLUTION NO. 98160

AMENDING PORT RESOLUTION NO. 98102 CONCERNING CERTAIN APPOINTMENTS."

"RESOLUTION NO. 98161

AMENDING PORT RESOLUTION NO. 98024 FOR ENVIRONMENTAL CONSULTING SERVICES."

"RESOLUTION NO. 98162

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH H. LEE HALTERMAN FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98163

APPROVING APPOINTMENT OF SPECIAL COUNSEL."

"RESOLUTION NO. 98164

CONCERNING CERTAIN TRAVEL."

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart,

Taylor and President Ortiz - 5

Noes: None

Abstained: Commissioner Loh - 1

Absent: Commissioners Cole - 1

"RESOLUTION NO. 98165

APPROVING REVISED TERMS OF SUBLEASE BY AIR TERMINAL SERVICES, INCORPORATED TO ALEX K. HAHN, YOUNG S. HAHN AND SANG DUK HAHN, DOING BUSINESS AT THE GIANT BURGER GROUP."

No. Port Ordinance No. 3415 being, "AN ORDINANCE MAKING CERTAIN FINDINGS AND DETERMINATIONS IN SUPPORT OF, AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH CIVIC BANK OF COMMERCE, FOR THE PORT OF OAKLAND'S SALE OF AN APPROXIMATELY 5.64 ACRE PARCEL OF LAND LOCATED ON TIDEWATER AVENUE," and Port Ordinance No. 3416 being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 2833 RELATING TO DOCKAGE, WHARF DEMURRAGE AND STORAGE, NON-CONTAINERIZED CARGO WHARFAGE, SPACE ASSIGNMENTS, AND CRANE RENTAL RATES AND ASSESSMENT PROCEDURES," and Port Ordinance No. 3417 being, "AN ORDINANCE AMENDING SECTION 7.023 OF PORT ORDINANCE NO. 867 TO CREATE ADDITIONAL

POSITIONS OF PORT STAFF ACCOUNTANT I AND AMENDING CERTAIN PORT ORDINANCES TO CORRECT AND UPDATE PORT ORDINANCE NO. 867,"

were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6
Noes: None
Absent: Commissioner Cole - 1

Port Ordinance Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A FIRST SUPPLEMENTAL AGREEMENT FOR RENEWAL OF LEASE WITH UNITED AIRLINES, INC. FOR UNITED'S MAINTENANCE BASE," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING EXECUTION OF LEASE WITH NEXTEL OF CALIFORNIA, INC.," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A NONEXCLUSIVE PREFERENTIAL ASSIGNMENT AGREEMENT WITH MAERSK PACIFIC, LTD.," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF LEASE WITH SPRINT SPECTRUM L.P.," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 5.028 OF PORT ORDINANCE NO. 867," were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh
Taylor and President Ortiz - 6
Noes: None
Absent: Commissioner Cole - 1

At the hour of 4:40 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Alameda, a Municipal Corporation; Citizens League for Airport Safety and Serenity v. Port of Oakland et al., Sonoma County Superior Court Case No. 793056-0 (Consolidated Cases), Central parking v. Port of Oakland, et al., Alameda County Superior Court Case No. 749090-3, and In

the Matter of the Application for Reclassification to Safety Membership Made on Behalf of Oakland Airport Servicemen by United Public Employees' Local 790, SEIU, AFL-CIO, Petitioners and The City of Oakland, Respondents, Before the Board Administration of the State of California Public Employees' Retirement System, OAH Case No. N-9704107; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: 2 matters; conference with real property negotiator, property - Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), Negotiating Parties - Port and City, Under Negotiation - Price and terms of Payment; conference with Labor negotiator, Agency Negotiator - Robert C. Martinez, Employee Organization - Western Council of Engineers, Port Representative - Charles W. Foster, Underrepresented Employee(s) - Employees belonging to Representation Units D & E; and reconvened in open session at the hour of 6:10 p.m.

At the hour of 6:15 p.m. the meeting was adjourned on a motion duly made and seconded.



Secretary of the Board

ADJOURNED REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting scheduled for Tuesday, March 17, 1998, at the hour of 3:00 p.m., was adjourned by the Secretary of the Board to Wednesday, March 25, 1998, at the hour of 3:00 p.m. due to the absence of all the members of the Board.

The adjourned regular meeting was held on Wednesday, March 25, 1998, at the hour of 3:15 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Ortiz presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kramer, Lockhart, Loh,
and President Ortiz - 5

Commissioners absent: Cole and Taylor - 2

Also present were the Executive Director; Port Attorney; Director of Engineering; Director of Aviation; Director of Commercial Real Estate; Chief Administrative Officer; Director of Maritime, Ray Boyle; Director of Strategic and Policy Planning; Director of Equal Opportunity; Acting Chief Financial Officer, Fred Rickert; Director of Communications; and Secretary of the Board.

Appearance: Ms. Kristi McKenney, Mr. Steve Gregory, Mr. Jon Amdur, Mr. Stephen Blinn, Mr. Samuel Rasheed and Ms. Vanessa Brooks appeared before the Board to inform the Board that the Port employees in the D and E Units had not been fairly treated and the recommended compensation package still had not been approved or favorably received by the Board.

President Ortiz informed the group that the proposed "package" of benefits for the D and E Group was still under review and the Administrative Committee would discuss it in April.

Authorization to Sponsor and Fund an Airport-Community Forum was subject of a memo to the Board from the Director of Aviation notifying the Board that for the past several months Airport staff have held meetings with representatives from several surrounding cities and the County of Alameda to organize a new public forum to address noise issues related to the Airport. This new

Airport-community advisory organization is entitled "Oakland Airport-Community Noise Management Forum" (Forum). The purpose is to provide a public forum to discuss, analyze and make recommendations to the Port of Oakland's Executive Director about noise related issues at the Airport. The Forum will be a mechanism to facilitate cooperation between the Airport and local communities. Forum membership will include one elected representative and one citizen from each of the participating jurisdictions and a Port Commissioner as well as the Port's Director of Aviation. Each jurisdiction, including the Port, will get one vote in the Forum. All meetings will be open to the public and are expected to include participation from the public as well as Forum members. The Airport will ask for active participation from representative Airport operators and the FAA. In addition to the Port, the following jurisdictions have been invited to participate in the Forum: County of Alameda and the Cities of Oakland, Alameda, Piedmont, Emeryville, Berkeley, San Leandro, Hayward, and Union City. Jurisdictions will become members by signing a Letter of Understanding and contributing \$1,000.00 annually towards the costs of the Forum. Upon approval of the Port Board, the Port will contribute \$100,000.00 annually to the Forum, over the next five years, for administrative expenses (including a facilitator) and special studies. All special studies must be approved by the Director of Aviation. It was recommended that the Board authorize the Executive Director to sign the Letter of Understanding to sponsor and become a member of the Forum; to fund the Forum up to an annual, maximum amount of \$100,000.00 for five years; and as part of that total, to enter into a contract with Michael McClintock to serve as facilitator to the Forum at an annual sum not to exceed \$50,000.00. The recommendation was approved on passage of Resolution No. 98106-A for Letter of Understanding to sponsor and fund; and Resolution No. 98107 for contract services with Michael McClintock to serve as facilitator to the Forum.

Approval of new License Agreement for the Airport Advertising Concession and a Consulting Agreement with In-Ter-Space Services, Inc. dba Interspace Airport Advertising was the subject of a memo to the Board from the Director of Aviation recommending that the Board approve a new license agreement with In-Ter-Space Services, Inc. dba Interspace Airport Advertising (Interspace) for the airport advertising concession, the term of which would commence at the 2/29/00

expiration of its current agreement. As the new terminal construction will be effecting the Airport in the next few years, the Port negotiated a new agreement with the existing licensee. The basic terms of the new agreement include: an interim term to 3/1/2000 until the opening of the new terminal; interim rent of 50% of actual gross receipts against a minimum \$11,000.00 month rent (\$132,000.00/year). The five year term would commence when the new terminal opens, the five year term rent would be 50% of the monthly actual gross receipts against a minimum rent to be established at 40% of the average monthly gross receipts generated during the interim period. The Port would have an option to extend for one additional five year term. Later space will provide a minimum of \$175,000.00 in capital expenditures for non-permanent advertising fixtures not later than 6 months beyond the opening of the new terminal. Local Impact Area (LIA/Local Business Area (LBA): Interspace has assembled a team of LIA/LBA firms to provide project management, sales, design, architecture and drafting, graphics and photolab, carpentry, electrical contracting and maintenance services for the concession. During the planning and construction period the annual local expenditures are expected to be \$45,000.00. During the interim term, not less than 30% of local expenditures per Agreement year will be with LIA/LBA firms. Before the start of the Five Year Term, Interspace shall request the Board's approval to assign the new license agreement to a joint venture with one or more LBA and LIA partner(s). Such LBA/LIA joint venture partner(s) shall have an equity interest in the joint venture. After construction the annual local expenditures are expected to be \$34,000.00. Interspace would provide consulting services under an agreement with the Port to assist in integrating new technology and novel display advertising approaches into the Airport Terminal Expansion. The Port would reimburse Interspace for the cost of such services in excess of \$30,000.00, up to a maximum reimbursement amount not to exceed \$100,000.00. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution 98108 for agreement with In-Ter-Space Services, Inc. doing business as Interspace Airport Advertising; and Resolution No. 98109 for consulting work with In-Ter-Space Services, Inc.

Approval of Roof Maintenance-Related Modification to Occupancy Agreement with Emily Kim Kucer dba Kimair Company (Kimair) and associated Rental Credit and

Authorization for Port Attorney to Prepare and Director of Aviation to Execute Supplemental to Agreement was the subject of a memo to the Board from the Director of Aviation notifying the Board that Kimair, an aircraft parts company, has occupied Port Building L-721, a 56-year old, wood frame, former Navy barracks on the North Airport, since 1962. Kimair's current rent for the 12,379 square foot warehouse is \$3,078.06 per month. Under the agreement the Port is obligated to maintain the buildings roof. After numerous repair attempts by Port staff, it continues to leak due to a roof membrane in such poor condition that roofing contractors have refused to provide warranty protection for work on the roof. Since Kimair building is slated for demolition no later than July 31 of this year, it would not be cost effective to incur this expense only to demolish the improvement in the very near future. Kimair has agreed that their occupancy agreement be modified such that except for up to, but not to exceed \$2,000.00 of potential additional repairs aimed at stemming leaks until Kimair's move out, and the Port would no longer required to maintain the roof. Kimair has agreed upon a close out inspection after Kimair has vacated L-721, and will receive a rental credit of \$12,000.00 less the up to \$2,000.00 of additional repairs and less any outstanding balances and plus any other credits then associated with Kimair's accounts with the Port. The project is categorically exempt and does not require the preparation of an environmental document. It was recommended that the Board approve the modifications of the agreement with Kimair. The recommendation was approved on passage of Resolution No. 98110.

Consent to Substitution of Joint Venture Partner of Smarte Carte/OAK for Operation of Luggage Cart and Storage Locker Service at Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that Smart Carte/OAK requests the Port's consent to the substitution of a joint venture partner for the luggage cart and storage locker concession at the Airport. The Port and Smarte Carte, Inc. entered into an agreement dated January 1, 1996, for the Airport's self-service luggage cart and storage locker concession through January 31, 2000. The agreement provides Smarte Carte, Inc. with a goal of a minimum 10% "disadvantaged business enterprise" (DBE) gross revenue participation, pursuant to FAA regulations for DBE participation. To achieve that goal, Smarte Carte assigned the agreement to a joint venture

partnership, Smarte Carte/OAK. The original joint venture partners of Smarte Carte/OAK were Smarte Carte, Inc. (89%) and The Arango Group (11%). The Arango Group elected to cease participation in the joint venture agreement effective January 31, 1998. Smarte Carte/OAK proposes to substitute Travel Life LLC for the Arango Group effective February 1, 1998. Travel Life LLC will acquire an 11% ownership of Smarte Carte/OAK. Gross revenue from the concession amounted to \$280,000.00 in FY 96/97; the Port receives rental equal to 10% of gross revenue. All provisions of the License and Concession Agreement will remain in effect; and it is anticipated that there will be no negative effect of the proposed substitution of the joint venture partner on the concession's day-to-day operation or on the payment of rent to the Port. The project is categorically exempt and does not require the preparation of an environmental document. It was recommended that the Board approve the substitution of joint venture partner of Smarte Carte/OAK for operation of luggage cart and storage locker services at the Airport. The recommendation was approved on passage of Resolution No. 98111.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with JetAir Capital, Inc. was the subject of a memo to the Board from the Director of Aviation recommending approval to extend right-of-entry and indemnity agreement with JetAir Capital, Inc, for 3,547 square feet of shop space in Building L-723, at \$926.83 per month, effective March 18, 1998. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98112.

Approval and Authorization for Execution of a Reimbursable Agreement with the Federal Aviation Administration for Airport Roadway Project, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport Roadway Project is a County Measure B tax funded project to build an arterial roadway from I-880 at 98th Avenue to the Airport and through the Airport to Bay Farm Island, Alameda. As part of this project, Airport Drive will be widened from four lanes to as many as ten lanes. The Federal Aviation Administration (FAA) owns, operates, and maintains the Medium Intensity Approach Light System/Runway Approach Indicator Light (MALS/RAIL) for Runway 27R at the North Field. One of the existing light towers,

currently outside of the existing Airport Drive, would fall within the new, widened roadway. Therefore, this tower must be relocated onto the median of the proposed Airport Drive. In order to keep the spacing between the towers to 200 feet plus/minus 20 feet as required by the FAA, three additional towers also require relocating. The Reimbursable Agreement with the FAA will provide for the relocation of the MALS/RAIL towers. The FAA will review the design, provide a systems inspector during construction, and certify the construction work for acceptance by the FAA. The Port will reimburse the FAA for its costs incurred in relocating the towers. The estimated cost is \$52,000.00, but the final reimbursement amount will be the actual costs incurred by the FAA under the Agreement. Since the relocation is necessary to the project, all costs will be charged to the County Measure B funded Airport Roadway Project. It was recommended that the Board approve the reimbursable agreement with the FAA. The recommendation was approved on passage of Resolution No. 98113.

Plans and Specifications for Reconstruction of Apron Southeast of Building L-812 and Portion of Taxiway "D", North Airport, MOIA was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the work. The work consists of reconstruction of approximately 140,000 square feet of concrete apron and taxiway; installation of an 8-inch waterline, ground rods, storm drainage system; and pavement striping and markings. It was recommended that the Board approve the following findings and determinations: consideration of the Initial Study and Mitigated Negative Declaration and the comments received during the public review process; the project will not result in a safety hazard or noise problem for persons using the Airport or for persons residing or working in the project area; adopt the mitigation measures as further defined in the Initial Study, as conditions of the project approval in order to avoid significant effects on the environment; and find that there is no substantial evidence that the project will have a significant effect on the environment; adopt and approve the Mitigated Negative Declaration; and find that the Mitigated Negative Declaration reflects the independent judgment of the Board. The recommendation was approved on passage of Resolution No. 98114.

Plans and Specifications for the Replacement of Cable and Conduit for Airfield Lighting

Systems, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the work. The work consists of replacing the high voltage cables to the lights, portions of the infrastructure conduit system, and isolation transformers associated with individual runway and taxiway lighting fixtures. The project is categorically exempt and does not require preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98115.

Plans and Specifications for Recarpeting of M-103 Finger Building and Ramp,

Passenger Level, MOIA was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the work. The work consists of removal of existing carpeting throughout the passenger level of Building M-103, including the ramp and security checkpoint area, and replacement with new carpet tile. The project is categorically exempt and does not require preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98116,

Approval of a Building Permit Application for Southwest Airlines Provisioning Building

Addition, Port Building M-145 was the subject of a memo to the Board from the Director of Engineering notifying the Board that Southwest Airlines Company has submitted plans to construct an addition to the Provisioning Building (Building M-145). Southwest needs to relocate food preparation and some storage from the lower level of Terminal 2 to comply with codes and to improve security. The work involves construction of a 6,000 square foot addition on the southwest side of the existing building, away from the ramp. The existing provisioning building, approximately 3,000 square feet, will be remodeled to serve as office space. The estimated value of the work is \$400,000.00. The project is categorically exempt and does not require the preparation of an environmental document. It was recommended that the Board approve the building permit application. The recommendation was approved on passage of Resolution No. 98117.

Approval of a Building Permit Application for Construction of Mogas Facility for

Construction of Mogas Facility for OFFC, Building M-135 was the subject of a memo to the

Board from the Director of Engineering notifying the Board that Oakland Fuel Facility Corp. (OFFC) has submitted a permit application to construct improvements at the South Airport, for a new above ground fuel tank at the existing hydrant fuel loading racks. The applicant will use the existing canopy and fuel island at the site. The estimated value of the work is \$275,000.00. The project is categorically exempt and does not require preparation of an environmental document. It was recommended that the Board approve the building permit application. The recommendation was approved on passage of Resolution No. 98118.

Approval for Amendment to Agreement with City of Alameda for the Alameda/Oakland Ferry was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the City of Alameda and the Port have a partnership to operate the ferries under an agreement originally dated March 1990. The daily ridership has grown from 550 per day to 1,800 per day currently during peak summer and fall periods. The Port has embarked on a ferry terminal enhancement project which will be awarded at a Board meeting in the near future. The ferry terminal project will include better signage and directions as well as a new kiosk at the entrance to the ferry terminal, new landscaping, lighting, pavement material and other amenities that will significantly enhance the terminal and make it more visible and inviting. Among the agreement terms with the City of Alameda for the ferry is the employment of a ferry coordinator, Ernest Sanchez. MTC's subsidy has been approximately \$425,000.00. This subsidy is obtained from the 4% increase in monies obtained from Bridge tolls when the tolls were increased from \$.75 to \$1.00. The Port and the City of Alameda each contribute 10% of the subsidy or about \$53,000.00 for a total subsidy of \$531,500.00. This subsidy includes \$40,000.00 paid to the Port of San Francisco for dockage rights at the Ferry Building. In addition, the Port and City each pay 50% of the salary for Ernest Sanchez, approximately \$30,000.00 per year for each agency. In 1992, the Port and City applied for funds to construct the Bay Breeze, which \$3.2 million was obtained for the construction of the vessel. Funding for the project was limited, and as a result, a vessel with a capacity of only 250 persons was built. The new catamaran contained many amenities that made it a fast and maneuverable vessel that provided an attractive ridership builder for the ferry. However, over the last couple of years ferry service has been very

successful and it has been obvious that the vessel could no longer service the daily ridership demands of the Alameda/Oakland service due to its limited capacity. Another fast catamaran, formerly the Cata-Marin, was recently rebuilt with new engines, hull improvements and new interiors. This vessel was formally owned by the Red and White fleet, but acquired by Blue and Gold Fleet. The Blue and Gold Fleet has offered to sell the vessel to the Alameda/Oakland Ferry Service for approximately \$2.4 million (perhaps several hundred thousand below its open market value). The funding for this vessel was obtained from the State and the majority of the fund will not be available until July, 1998. There will be a local match required of \$100,000.00 each from the Port and the City of Alameda which will be needed soon to secure a final agreement for the vessel given the delay in State funding. The vessel has been renamed the Encinal and Blue and Gold Fleet is providing this vessel on the Alameda/Oakland service in anticipation that it will be acquired by the Port and the City of Alameda. After acquiring the vessel the Port/Alameda will immediately charter it back to the operator so they become responsible for all the maintenance, liability, and operational expenses for the vessel. In 1994, the Blue and Gold Fleet entered into a five year contract with the City of Alameda to provide the service subject to annual subsidy reviews. Six months ago, the Blue and Gold Fleet finalized its purchase of the assets of the Red and White Fleet and was required to spin off some of the company to a new operator now running as the Red and White Fleet. The Blue and Gold Fleet, the City of Alameda and the Port have now reached a tentative agreement and there will be no schedule reductions. The operator has requested that a fare increase and the additional revenue will be in place of increased subsidy. It was recommended that the Board approve a new supplemental agreement with the City of Alameda continuing the partnership on similar terms; that the Port provide the one-time matching capital dollar amount of up to \$100,000.00 for the purchase of the Encinal; that the Port continue its subsidy commitment to the ferry service; and that the Port concur with the City Council of the City of Alameda that a fare increase is necessary for the support of the ferry service. The recommendation was approved on passage of Resolution No. 98119.

Exercise of Option by Civic Bank to Purchase Property Leased to Tidewater Investors

Located on Tidewater at Lesser Street in Oakland was the subject of a memo to the Board from

the Director of Commercial Real Estate notifying the Board that Tidewater Investors, a California Limited Partnership, Jim Ishimaru, an individual, and William B. Banner, an individual, as tenants-in-common, was the Lessee by assignment of the lease with Tidewater properties in 1990. Civic Bank of Commerce acquired the tenant's interest in the property pursuant to the foreclosure of its leasehold deed of trust. The site is located on Tidewater Avenue at Lesser Street and contains 5.64 acres. The Lessee constructed approximately 25,000 square feet of incubator warehouse space. The original 55-year lease, as amended, gave the Lessee an option to purchase the fee interest at the rate of \$500,000.00 plus the amount equal to any deferred rent during the four year option period. Civic Bank of Commerce exercised the option to purchase the land in January, 1998. The total purchase price including deferred rent is \$543,333.00. Civic Bank of Commerce has deposited \$54,333.00 into an escrow account with Fidelity National Title Insurance Company. Escrow is expected to close by Mid-April 1998. It was recommended that the Board approve the Purchase and Sale Agreement to allow the sale of the 5.64 acres of land to Civic Bank of Commerce with a purchase price of \$543,333.00. The recommendation was approved on passage of an ordinance to print.

Selection of Consultant to Perform a Strategic Analysis of the Commercial Real Estate

Division was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that a task force of senior managers and selected staff have reviewed proposals and interviewed four companies to perform a strategic analysis and recommended a plan of action for the Commercial Real Estate Division. The work would include estimated value for each parcel, based on current market conditions, constraints, City of Oakland Charter, CC&R's, State Tidelands restrictions and any other application or encumbrance as appropriate for leasehold interests (lease abstracts are to be provided for each lease and vacant land (completion time of 6 weeks); strategies and programs to address operation alternatives, market opportunities to increase cashflow and Asset Management strategies that would include selling, leasing, and holding the properties, administration alternatives to provide portfolio management, and future planning to enhance value, increase cashflow and maximize development (completion time 4 weeks); a program to manage debt associated with the Commercial Real Estate Division to analysis of existing structure deficit, review of existing and proposed financing,

provide restructuring options to reduce structural deficit, and provide impact analysis, net cost of actions and "what if" analysis of recommendations (completion time 2 weeks; provide examples of actual policies and prepare abstracts, from no less than five public and private agencies with similar real estate holdings for Ground Lease Policy, Sale/Disposition Policy, Environmental Policy, Acquisition Policy for both Fee and Leasehold Interests, and Development Policy (completion time 2 weeks); and quantify the impact of the Estuary Plan and the Hegenberger Gateway Plan on the value of the assets by comparing the estimate of value to date as compared to the value after the implementation of the Estuary Plan and the Hegenberger Gateway Plan (completion time 2 weeks), and the Port will provide the equivalent of 1/2 time employee within the Commercial Real Estate Division at a professional classification (approximately 20 hours per week). All of the work is to be completed within 16 weeks after the effective date of the contract. It was recommended that the Board authorize the preparation and execution of a contract with La Salle Partners, Incorporated not to exceed \$210,000.00 to perform the scope of work. Mr. Robin Bartoo, Ms. Sandy Threlfall, Pamela Clark appeared before the Board to note certain personal comments concerning the proposed study. The recommendation was approved on passage of Resolution No. 98120.

Various Assessment Modifications and Rate Increases in Port of Oakland Tariff 2-A was

the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port's maritime staff recently concluded a comprehensive analysis of various charges and rates in our marine terminal tariff as well as a review of container gantry crane rental procedures. This evaluation included a comparison of other West Coast rate levels, the Port's return on investment as well as our financial requirements and need to maintain existing maritime facilities. It was recommended that the Board approve a 2.5% increase for vessel and a 5% increase for dockage, wharf demurrage and storage, a 5% increase for non-containerized wharfage rates and wharfage on non-containerized vehicles will be modified from \$19.00 each to \$21.00 per vehicle, the only increase for containerized cargo will also cover vehicles and those rates will advance from \$50.00 to \$60.00 per container with no adjustment to any other containerized wharfage rate; space assignments will incur an average increase of 5%, with the basic raw land rate to increase 2.3% to reflect a new land value from \$10.50 to \$10.80 per square

foot; and crane rental rates and assessment procedures will be under a new rental structure to be implemented whereby rental will be assessed on the basis of a charge per loaded or empty Twenty Foot Equivalent Unit (TEU) lifted and incorporated within the new rate structure is a slight increase that equates to a \$25.00 hourly increase from current levels, last set in 1992. A base rental of \$11.00 per TEU applies to secondary use of each of cranes X-409 and X-410 to reflect installation of a manlift on each crane. The Port tariff modifications will become effective May 1, 1998. It was recommended that the Board approve the modification to assessment procedures and rate adjustments in Port of Oakland Tariff 2-A. The recommendation was approved on passage of an ordinance to print.

Primary Use Request of Sea-Land for Maersk to Use the Sea-Land Terminal at Berths 20 - 22 was the subject of a memo to the Board from the Director of Maritime notifying the Board that Sea-Land Service Inc. has a Lease and Preferential Assignment Agreement with the Port for use of Outer Harbor Berths 20 and 21 comprising approximately 53.37 acres of land and berth area. This Lease and Assignment Agreement expires March 31, 2000. Under a separate assignment Sea-Land's marine terminal contains another 8.79 acres of land and 2.52 acres of berth area from the contiguous Berth 22 area. In addition to monthly rental for the combined facility, Sea-Land pays the Port 10% of the Port tariff wharfage rates for all primary cargo activity which exceeds 1,750,000 revenue tons annually. Since 1991 Sea-Land and Maersk, which conducts terminal operations at Outer Harbor Berth 24, have operated under a vessel sharing agreement whereby some Maersk cargo is carried on Sea-Land vessels and some Sea-Land cargo is carried on Maersk vessels. Since then Sea-Land vessels have continued to call only at Berths 20 - 22 and Maersk vessels have called only at Berth 24, consequently, the vessel has controlled the compensation terms and the cargo has been considered primary use activity at the terminal at which it is conveyed over the wharf premises. Next month Sea-Land will commence a new joint service with Maersk by adding an additional weekly vessel deployment calling Long Beach, Oakland, Kaoshiung, Hong Kong and the Middle East. Indications are that this new service may significantly increase cargo volume for the Port and both Sea-Land and Maersk vessels in the new joint service plan to call at the Sea-Land facility. Primary Use in the Sea-Land Agreement only includes vessels owned, operated or chartered by Sea-Land and requires Port

approval for any other primary use. It was recommended that the Board approve a request from Sea-Land to approve Maersk vessels under the primary use definition of the Agreement for the Sea-Land facility since Maersk ships are in the new joint service with Sea-Land. The recommendation was approved on passage of Resolution No. 98121.

Secondary Use Revenue Sharing Request of Trans Pacific Container Terminal Corporation (Tra-Pac) for Hyundai Merchant Marine at Berth 30 was the subject of a memo to the Board from the Director of Maritime notifying the Board that Hyundai Merchant Marine (HMM) previously called at the Seventh Street Container Terminal under a five year Terminal Use Agreement (TUA) which is scheduled to expire August 31, 2001. The TUA provides that in lieu of the Port tariff rates HMM shall be assessed wharfage and receive incentives thereon at a rate of \$95.00 per loaded twenty foot equivalent unit (TEU). Recent developments in global shipping line alliances have resulted in HMM entering the New World Alliance comprised of American President Lines (APL) and Mitsui O.S.K. Lines (MOL). In Oakland, MOL calls at Berth 30 where terminal services are provided by its terminal operating subsidiary, Trans Pacific Container Service Corporation (TraPac). In the TraPac Agreement, last month HMM was approved as a secondary user at Berth 30. Under this arrangement Port tariff charges, excluding crane rental, are to be shared equally between TraPac and the Port. TraPac has also requested additional revenue sharing for HMM activity at Berth 30. HMM has now committed to use the Berth 30 TraPac facility as its regularly published Northern California port of call for a five year period. Under the terms of the agreement with TraPac, where there is a five year term commitment to use the TraPac facility as a regularly published Northern California Port of call, the Port will receive 40% of the dockage, wharfage, wharf demurrage and storage tariff rates. In lieu of the tariff, the Port is proposing the HMM secondary use revenue sharing for wharfage be based upon the rate of \$95.00 per loaded TEU. This rate shall be increased at the same time and by the same percentage as the Port tariff rates for wharfage are adjusted and will expire at the same time the HMM TUA is scheduled to expire on August 31, 2001. The Port proposed modifying the HMM TUA so that its operation and term be suspended for the duration of HMM's use of the TraPac's Berth 30. If Hyundai decides to leave Berth 30 for a terminal operated as a public facility then it would be obligated

to return to the terms and conditions of the Seventh Street TUA for the balance of its remaining TUA term. It was recommended that the Board approve the request of TraPac and suspension of HMM Terminal Use Agreement. The recommendation was approved on passage of Resolution No. 98122.

Amendment of Compensation Provisions for Wharfage Through Supplemental Agreements with China Ocean Shipping Company (COSCO) and Yang Ming Marine

Transport (YMM) was the subject of a memo to the Board from the Director of Maritime notifying the Board that COSCO conducts operations under a five year Terminal use Agreement (TUA) at the Port's Charles P. Howard Terminal. COSCO has now entered into a reciprocal vessel sharing arrangement with YMM which domiciles its vessel operations under a TUA at the Seventh Street Terminal. Kawasaki Kisen Kaisha (K Line) conducts operations at Berth 25/26. K Line already has a vessel sharing arrangement with YMM and wharfage is assessed on a "vessel controls" basis. This means that K Line cargo on a YMM vessel is subject to the economic terms of YMM's TUA at Seventh Street and YMM cargo on a K Line vessel is subject to the economic terms of the Berth 25/26 Agreement. On January 6, 1998, the Board authorized a new non-exclusive Preferential Assignment Agreement for Berth 25/26 with International Transportation Service (ITS), K Line's terminal services subsidiary. Since the cargo volume levels at the Seventh Street Terminal have experienced significant growth, the Port and YMM have been evaluating relocation options with the likelihood of transferring YMM to Berth 25/26. The new ITS agreement approved by the Board contains provisions which would allow YMM to transfer their existing TUA to Berth 25/26; or for YMM to elect to become an additional user of the ITS Berth 25/26 facility. Should YMM elects to become an additional user of the ITS Berth 25/26, in lieu of transferring to the Berth 25/26 facility and retaining their TUA, then the guarantees in the new Berth 25/26 Agreement will be adjusted upward to reflect YMM activity at the ITS facility. YMM and ITS are still negotiating YMM's transfer to the ITS Berth 25/26, in the meantime, COSCO and YMM have asked the Board to modify their terminal agreements with the guiding principle underlying these modifications that the Port remain financially whole despite the vessel slot exchanges among the shipping lines. COSCO cargo activity from YMM vessels at the Seventh Street Terminal will be subject to the same wharfage compensation terms and economic

benefits presently received at Howard Terminal. YMM cargo activity from COSCO vessels at the Howard Terminal will be subject to the same wharfage compensation terms and economic benefits presently received at the Seventh Street Terminal. Both the modifications to COSCO and YMM agreements will relate back to March 1, 1998. The new modifications to the TUAs will only apply while both shipping lines are operating at the Port under a TUA. It was recommended that the Board approve the proposed modifications to the COSCO and YMM Agreements which are Port revenue neutral, consistent with existing provisions of the Port's COSCO and YMM Agreements. The recommendation was approved on passage of Resolution No. 98123.

Authorize Memorandum of Agreement to Mitigate Impacts to the North Training Wall

Due to Development of Berth 55/58 was the subject of a memo to the Board from the Director of Maritime notifying the Board that as part of the Port's Vision 2000 Program, the Maritime Division is pursuing the development of four new container berths, designated Berths 55 through 58 and public access areas associated with the maritime development. This project will expand the width of the Inner Harbor Channel and construct a new shoreline and pile supported wharves. This will require the demolition and removal of the North Training Wall, which constitutes the northern shore of the existing channel. The North Training Wall was constructed by the U.S. Army Corps of Engineers and has been determined to be a property eligible for the National Register of Historic Places. The Port has negotiated with the Oakland Landmarks Preservation Advisory Board (OLPAB) to develop a program which will mitigate the unavoidable, adverse effects to the North Training Wall due to its demolition and removal for the Berth 55/58 project. On March 9, 1998, OLPAB adopted the proposed program and will recommend to the City that this program will constitute the City's historic mitigation requirement. The Port will agree to prior to its demolition, that the North Training Wall will be recorded to the standards of the Historic American Engineering Record; the Port will mitigate the removal and destruction of the North Training Wall by relocating and preserving a section of the wall to the shoreline of the public access area which will be developed as part of the project; the Port will prepare and submit an application to the State Historic Resources Commission to designate the sites of the Western Pacific Mole and the Oakland Inner Harbor Training walls/Jetties and Federal Channel

(North and South Training Walls and the channel between) as State Historical Points of Interest; the Port has submitted a grant application to secure funding in the amount of \$40,000.00 for an Information Management Grant from the National Center for Preservation Technology and Training (NCPTT); the Port, in consultation with the Oakland Tours Program, will augment its existing program of tours with information on the history, function, and historical significance of the training walls; and the Port will dedicate \$10,000.00 to an education program that will provide Oakland students the opportunity to observe and understand the reconstruction of the North Training Wall and the unique properties of dry stone masonry and its place in the development of the Oakland harbor. It was recommended that the Board approve any proposed agreements with the City of Oakland to adopt and implement the Oakland Landmarks Preservation Advisory Board program to mitigate the impacts to the North Training Wall by its demolition and removal as part of the Port's Berth 55/58 project; and further recommending approval to enter into any agreements with the U.S. Army Corps of Engineers, the State Historic Preservation Officer and the national Advisory Council on Historic Preservation to complete the NHPA. The recommendation was approved on passage of Resolution No. 98124.

Authorization to Dispense with Formal Bids for Dredging of Port of Oakland Berths for the Period Commencing May 1, 1998 and Ending February 28, 1999 or February 29, 2001 was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port performs periodic maintenance dredging (redredging) at most of its marine terminal berths in order to maintain required water depths for shipping operations. The one to two year redredging cycles at these berths usually accommodate our shipping lines' needs. However, the tides, weather conditions, and ship berthing activities sometime results in unpredictable siltation buildup rates and mitigation of silt deposits, causing more rapid shoaling and less than adequate berth depths, either in localized areas or as a general condition. This condition often requires unscheduled and urgent need for redredging. When this occurs, we reflect our resources and quickly prepare plans and specifications for bidding and award of the contract. This process typically takes up to three months. In the mean time, silt continues to collect at the subject berth, potentially hindering ship access to it. To allow quicker response to such unanticipated redredging needs, it is proposed that an on-call contract be executed, similar to our

current on-call pile, rail, and pavement maintenance contracts. For the dredging contract, bidders would be requested to provide unit price quotes for redredging and disposal of removed material. The duration of the contract would be ten months with an option to renew for an additional twelve months if mutually agreed to by the Port and the contractor. Each required redredging episode would be in accordance with a separate work order issued to the contractor. The contract would include both scheduled and unscheduled redredging. It was recommended that the Board dispense with formal bidding procedures for dredging of Port berths for the period commencing May 1, 1998 and ending February 28, 1999 or February 29, 2000 and approve the contract based on the receipt of informal quotations. The recommendation was approved on passage of Resolution No. 98125.

Approval of a Second Supplemental Agreement with Orion Environmental Associates for Continued Particulate Air Quality Monitoring and Dust Control and Abatement Measures

was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has contracted with Orion Environmental Associates (Orion), and Oakland-based environmental consulting firm, to implement a particulate air quality monitoring program within the West Oakland area. The purpose of the monitoring program is to characterize the existing particulate air quality conditions in the West Oakland area and to provide baseline data on particulate air pollution prior to construction of proposed Port maritime development projects. The Port continues to face challenges and questions from the community regarding the potential impacts of maritime and maritime-related activities on air quality conditions in West Oakland. In response, the Port has expanded its air quality planning program to include activities that can more directly and pro-actively address community concerns. One of these activities is to monitor concentrations of air particulates at two selected sites in West Oakland. The current monitoring period is for one-year. The results of this monitoring can establish an important baseline record of particulate conditions in West Oakland, prior to commencement of construction and operations of the Port's Maritime expansion program. In order to more reliably establish a record which is representative of existing conditions and less subject to seasonal variation in climate and meteorology, it was recommended that an additional year of monitoring be conducted from May 1998 to May 1999. The results of the Port's particulate air quality

monitoring program have been a useful demonstration of the Port's commitment to engage in a partnering dialogue with the community regarding air quality concerns and continued air quality monitoring will allow the Port and the community to continue to jointly study this issue based upon a common set of representative data. The Port would also like to amend the existing contract with Orion to develop Dust Control and Abatement Measures for the Navy's Fleet Industrial Supply Center Oakland (FISCO) demolition activities. This program would be implemented to assure the Navy that appropriate measures will be taken to minimize public health and nuisance concerns associated with dust generated during demolition and construction activities. The Port has promised the Navy that we would provide dust monitoring of demolition and construction activities on a as-needed basis by request from the Navy on FISCO through September 1998. To date, the demolition activities on FISCO have not presented enough of a dust nuisance to encourage Navy personnel to request dust monitoring. However, we would like to have Orion on board to respond to the Navy's request in a timely and efficient manner. The current total maximum compensation allowed for services provided pursuant to the existing amended agreement is \$86,453.00. The total budget for the additional scope of work is estimated to be \$95,400.00 and a contingency of \$10,000.00 to be included. The total maximum compensation for services would increase from the current \$86,453.00 to a new total of \$191,853.00. It was recommended that the Board approve the Second Supplemental Agreement with Orion Environmental Associates to provide the additional services. The recommendation was approved on passage of Resolution No. 98126.

Authorization to Dispense with Formal Bids for Design and Installation of Heating, Ventilation, and Air Conditioning (HVAC) in Building D-833, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port's Bush Street complex (Buildings E-412, E-413 and E-414) are moving to Building D-833 in the Harbor Transportation Center. The Bush Street facilities have been found to be in non-compliance with City of Oakland Ordinance No. 11613, which provides standards for the retrofitting of unreinforced masonry structures. They also do not meet the requirements of the Americans with Disabilities Act (ADA). Continued occupancy of these buildings would require structural upgrades

and extensive remodeling and building reconfiguration. Such modifications have been determined to not be economically feasible. Building D-833 at the Harbor Transportation Center has recently been conveyed to the Port by the Navy, and would accommodate the needs of the Port staff and operations currently located at the Brush Street complex. The HVAC system in Building D-833 requires renovation, and the renovation work should be completed before occupation by Port forces because of the disruptive effect of the extensive piping and sheet metal work involved. The work consists of removing the existing roof top heating system, installing a new rooftop cooling system, a boiler, hot water piping and heating coils, and reconfiguring the ductwork to accommodate the new system and floor plan. The estimated cost is \$100,000.00. Due to the code violations at the Brush Street complex, it was recommended that it be found to be in the best interest of the Port to minimize project time for the HVC work at D-833 by dispensing with formal bids and execute a design/build contract based on informal proposals solicited from contractors in the Local Impact Area. The recommendation was approved on passage of Resolution No. 98127.

Award of Contract for Demolition of Buildings D-711 and D-723, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the nine bids received and recommending award of the contract to Peak Engineering Inc., the low bidder, at \$545,600.00. The recommendation was approved on passage of Resolution No. 98128.

Personnel Items contained in a memo to the Board from the Chief Administrative Officer recommending the appointment of John Bishop and Darrell Halsell, as Custodian, effective April 13, 1998, at \$2,641.00 per month; Julie Braun, as Commercial Representative V, effective March 30, 1998, at \$5,594.00 per month; Rufina Mendoza, as Port Staff Account I, effective March 30, 1998, at \$3,720.00 per month; Joseph Ward, as Port Staff Account I, effective April 13, 1998, at \$3,543.00 per month; Richard H. Sinkoff, as Port Environmental Assessment Supervisor, effective March 30, 1998, at \$5,556.00 per month; Jill Bornor-Brown, as Port Supervising Electrical/Mechanical Engineer, effective March 30, 1998, at \$6,868.00 per month; and Mark Tehle, as Port Equipment Service Worker, effective March 30, 1998, at \$3,009.00 per month. Further recommended was an extension

of administrative leave for Alfonso E. Loera, as Airport Serviceman, effective April 6, 1998, and for a time not to exceed 21 working days; creation of the classification of Port Staff Account I, in the Finance Department; amending various Port ordinances; and approving job announcements for Public Relations Representative, Government Affairs Specialist, Junior Civil Engineer, and Port Senior Equipment Mechanic. Ms. Vanessa Brooks, Mr. Alfonso Loera and Mr. Prelmer Newman, all representing Local 790, appeared before the Board to question the extension of leave of absence for Mr. Loera. The recommendation was approved on passage of Resolution No. 98129 for appointments; and Resolution No. 98130 for job announcements; and on an ordinance to print for additional positions and amending various ordinances.

Approval for Submittal of Application to Office of Emergency Services and Designation of Authorized Agents for the Port in Connection with "El Nino 98" Storms was the subject of a memo to the Board from the Director of Engineering notifying the Board that on February 3, 1998, the Governor proclaimed the existence of a "State of Emergency" in Alameda County. On February 9, 1998, the Presidential Declaration was signed. This declaration allowed all appropriate federal, state and local agencies who may have damages in connection with the "El Nino 98" Storms to obtain federal financial assistance through the Public Assistance Program from the Federal Emergency management Agency (FEMA) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The Public Assistance Program, which is funded by FEMA, is administered by the State of California Governor's Office of Emergency Services (OES). Based on a preliminary survey, the Port is seeking federal financial assistance for approximately \$100,000.00 and the Federal Public Assistance funds are provided with a state and/or local match of no more than 25% of total approved funding. Eligible costs for reimbursement under the Public Assistance Program include permanent repairs to damaged facilities and certain emergency response and protective measure activities. In order to apply for the Federal financial assistance, a "Notice of Interest" was submitted to OES prior to March 11, 1998, an application has to be submitted to OES within 60 days after the presidential declaration for reimbursement of costs associated with damage to Port facilities caused by the "El Nino 98" Storms. It was recommended that the Board approve the submittal of an application for federal assistance to

OES and designate the Port employees occupying the Executive Director, Director of Engineering, and General Manager, Central Facilities, as authorized agents of the Port in connection with the "El Nino 98" Storms. The recommendation was approved on passage of Resolution No. 98131.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh
and President Ortiz - 5

Noes: None

Absent: Commissioner Cole and Taylor - 2

"RESOLUTION NO. 98106

APPROVING AND AUTHORIZING EXECUTION OF A LETTER OF UNDERSTANDING TO SPONSOR AND FUND THE OAKLAND AIRPORT COMMUNITY NOISE MANAGEMENT FORUM."

"RESOLUTION NO. 98107

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH MICHAEL MCCLINTOCK TO SERVE AS FACILITATOR OF AN AIRPORT CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98108

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH IN-TER-SPACE SERVICES, INC. DOING BUSINESS AS INTERSPACE AIRPORT ADVERTISING."

"RESOLUTION NO. 98109

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH INTER-SPACE SERVICES, INC. DOING BUSINESS AS INTERSPACE AIRPORT ADVERTISING FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98110

APPROVING AND AUTHORIZING EXECUTION OF FIRST SUPPLEMENTAL AGREEMENT TO LICENSE AND CONCESSION AGREEMENT WITH EMILY KIM KUCER, DBA KIMAIR COMPANY. "

"RESOLUTION NO. 98111

AUTHORIZING THE SUBSTITUTION OF TRAVEL LITE LLC AS A JOINT VENTURE PARTNER OF SMARTE CARTE/OAK FOR OPERATION OF LUGGAGE CART AND STORAGE LOCKER SERVICE AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT."

"RESOLUTION NO. 98112

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH JET AIR CAPITAL, INC."

"RESOLUTION NO. 98113

APPROVING AND AUTHORIZING EXECUTION OF A REIMBURSABLE AGREEMENT WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION."

"RESOLUTION NO. 98114

APPROVING PLANS AND SPECIFICATIONS FOR RECONSTRUCTION OF APRON SOUTHEAST OF BUILDING L-812 AND PORTION OF TAXIWAY "D", NORTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98115

APPROVING PLANS AND SPECIFICATIONS FOR REPLACEMENT OF CABLE AND CONDUIT FOR AIRFIELD LIGHTING SYSTEMS, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98116

APPROVING PLANS AND SPECIFICATIONS FOR RECARPETING OF M-103, FINGER BUILDING AND RAMP, PASSENGER LEVEL, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98117

GRANTING SOUTHWEST AIRLINES CO., PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 98118

GRANTING OAKLAND FUEL FACILITIES CORPORATION, PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 98119

APPROVING AND AUTHORIZING EXECUTION OF AMENDED AGREEMENT WITH THE CITY OF ALAMEDA FOR CONTINUED OPERATION OF FERRY SERVICE BETWEEN JACK LONDON SQUARE, THE CITY OF ALAMEDA AND SAN FRANCISCO, AND CONCURRING WITH NEW FARES FOR FERRY SERVICE."

"RESOLUTION NO. 98120

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH LA SALLE PARTNERS, INCORPORATED FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98121

APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT TO LEASE AND PREFERENTIAL ASSIGNMENT AGREEMENT WITH SEA-LAND SERVICE, INC."

"RESOLUTION NO. 98122

APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT TO TERMINAL ASSIGNMENT AGREEMENTS WITH TRANS PACIFIC CONTAINER SERVICE CORPORATION AND AMENDMENT TO TERMINAL USE AGREEMENT WITH HYUNDAI MERCHANT MARINE CO., LTD."

"RESOLUTION NO. 98123

APPROVING AND AUTHORIZING EXECUTION OF SUPPLEMENTAL AGREEMENT WITH CHINA OCEAN SHIPPING COMPANY AND YANG MING MARINE TRANSPORT."

"RESOLUTION NO. 98124

APPROVING AND AUTHORIZING EXECUTION OF NECESSARY AGREEMENTS WITH CITY OF OAKLAND AND THE U.S. ARMY CORPS OF ENGINEERS, THE STATE HISTORIC PRESERVATION OFFICER AND THE NATIONAL ADVISORY COUNCIL ON HISTORIC PRESERVATION, FOR MITIGATION OF IMPACTS TO THE NORTH TRAINING WALL DUE TO DEVELOPMENT OF BERTH 55/58."

"RESOLUTION NO. 98125

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR DREDGING OF PORT OF OAKLAND BERTHS FOR THE PERIOD COMMENCING MAY 1, 1998 AND ENDING FEBRUARY 28, 1999 OR FEBRUARY 29, 2000, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS."

"RESOLUTION NO. 98126...

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH ORION ENVIRONMENTAL ASSOCIATES FOR ENVIRONMENTAL CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT."

"RESOLUTION NO. 98127

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR DESIGN AND INSTALLATION OF HEATING, VENTILATION, AND AIR CONDITIONING (HVAC) IN BUILDING D-833, HARBOR TRANSPORTATION CENTER WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS."

"RESOLUTION NO. 98128

AWARDING CONTRACT TO PEAK ENGINEERING, INC. FOR DEMOLITION OF BUILDING D-711 AND D-723, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 98129

CONCERNING CERTAIN APPOINTMENTS."

"RESOLUTION NO. 98130

APPROVING JOB ANNOUNCEMENTS."

"RESOLUTION NO. 98131

AUTHORIZING THE EXECUTIVE DIRECTOR AND CERTAIN OTHER PORT EMPLOYEES TO ACT AS AUTHORIZED AGENTS OF THE PORT IN CONNECTION WITH APPLICATIONS ON BEHALF OF THE PORT FOR DISASTER RELIEF AND EMERGENCY ASSISTANCE WITH ALL APPROPRIATE FEDERAL, STATE AND LOCAL AGENCIES."

"RESOLUTION NO. 98132

ADOPTING CERTAIN AMENDMENTS TO THE RESTATED DEFERRED COMPENSATION PLAN OF THE PORT OF OAKLAND."

"RESOLUTION NO. 98133

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF SECURITY FENCING FOR PORT OF OAKLAND FACILITIES FOR THE PERIOD COMMENCING JUNE 1, 1998, AND ENDING MAY 31, 1999, 2000 OR 2001, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98134

GRANTING JETRO CASH AND CARRY, PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 98135

COMMENDING UNITED PARCEL SERVICE (UPS) FOR ITS OUTSTANDING COMMITMENT TO THE COMMUNITY."

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Lockhart, Loh
and President Ortiz - 4

Noes: Commissioner Kramer - 1

Absent: Commissioners Cole and Taylor - 2

"RESOLUTION NO. 98136

CONCERNING CERTAIN ADMINISTRATIVE LEAVES OF ABSENCE."

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Loh
and President Ortiz - 4

Noes: None

Absent: Commissioners Cole, Lockhart and Taylor - 3

"RESOLUTION NO. 98137

FINDING CERTAIN ACCOUNTS RECEIVABLE TO BE UNCOLLECTIBLE AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO WRITE OFF SAME FROM THE BOOKS OF THE PORT."

Port Ordinance No. Port Ordinance No. 3413 being, "AN ORDINANCE AMENDING SECTION 9 OF PORT ORDINANCE 1149 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT," and Port Ordinance No. 3414 being, "AN ORDINANCE AMENDING PORT ORDINANCE 2613 AS AMENDED, FIXING THE CERTAIN REVISED PARKING RATES IN THE PORT'S PUBLIC AUTOMOBILE PARKING FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT," were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,
and President Ortiz - 5

Noes: None

Absent: Commissioner Cole and Taylor - 2

Port Ordinance No. ____ being, "AN ORDINANCE MAKING CERTAIN FINDINGS AND DETERMINATIONS IN SUPPORT OF, AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH CIVIC BANK OF COMMERCE, FOR THE PORT OF OAKLAND'S SALE OF AN APPROXIMATELY 5.64 ACRE PARCEL OF LAND LOCATED ON TIDEWATER AVENUE," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 2833 RELATING TO DOCKAGE, WHARF DEMURRAGE AND STORAGE, NON-CONTAINERIZED CARGO WHARFAGE, SPACE ASSIGNMENTS, AND CRANE RENTAL RATES AND ASSESSMENT PROCEDURES," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 7.023 OF PORT ORDINANCE NO. 867 TO CREATE ADDITIONAL POSITIONS OF PORT STAFF ACCOUNTANT I AND AMENDING CERTAIN PORT ORDINANCES TO CORRECT were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh
and President Ortiz - 5

Noes: None

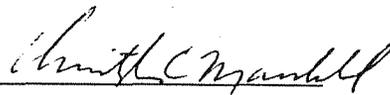
Absent: Commissioner Cole and Taylor - 2

At the hour of 4:40 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Oakland v. Keep On Trucking Company, Inc. et al., U.S. District Court Case No. C-95-03721-CW, City of Alameda, a Municipal Corporation; Citizens League for Airport Safety and Serenity v. Port of Oakland et al., Alameda County Superior Court Case No. 793056-0; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: one case, Potential environmental litigation involving a current Port tenant;

conference with real property negotiator, property - Oakland Army Base (Headquarters - 100 Alaska Street, Oakland, CA 94626-5000), negotiating parties - Port and City, under negotiation - price and terms of payment; Public Employee Discipline/Dismissal/Release, two matters regarding Airport employees; conference with labor negotiator, Agency Negotiator - Gil Apodaca, employee organization - WCE MOU; and reconvened in open session at the hour of 6:45 p.m.

Uncollectible Accounts was the subject of a letter to the Board from the Port Attorney recommending that 17 accounts receivable totaling \$157,199.51 be written off the books of the Port as of March 24, 1998. The Finance Division reports that it has pursued collection of these accounts, in addition to efforts made by affected operating department, without success, and after failing to obtain payment, referred the accounts to the Port Attorney. It was recommended that the Board approve these accounts to be written off the books; and the Port Attorney is authorized to and shall continue to take such action as may be appropriate to effect the collection of the debts. The recommendation was approved on passage of Resolution No. 98137.

At the hour of 6:50 p.m. the meeting was adjourned on a motion duly made and seconded in the memory of and in honor to the late James "Jimmy" Herman.



Secretary of the Board

**ADJOURNED REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND**

The regular meeting scheduled for Tuesday, March 3, 1998, at the hour of 3:00 p.m., was adjourned by the Secretary of the Board to March 10, 1998 at the hour of 2:00 p.m. due to the absence of all the members of the Board.

The adjourned regular meeting was held on Tuesday, March 10, 1998, at the hour of 2:15 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, Vice President Kramer presiding, appropriate notice having been given and posted.

Commissioners present: Cole, Harris, Loh, Taylor
and Vice President Kramer - 5

Commissioners absent: Lockhart and President Ortiz - 2

Also present were the Executive Director; Port Attorney; Director of Engineering; Director of Aviation; Acting Director of Commercial Real Estate, Joyce Washington; Chief Administrative Officer; Director of Maritime, Ray Boyle; Director of Strategic and Policy Planning; Director of Equal Opportunity; Acting Chief Financial Officer, Fred Rickert; Director of Communications; and Secretary of the Board.

The minutes of the regular meeting of December 16, 1998; regular meeting of January 6, 1998; and regular meeting of January 20, 1998 were approved as submitted and ordered filed.

Proposed 1998 Airline Landing Fees and Tenant Terminal Space Rentals was subject of a memo to the Board from the Director of Aviation notifying the Board that after meeting with the Airline Affairs Committee, the following rates and charges are recommended for Calendar Year 1998: Landing Fees - landing fees, current \$0.94, proposed \$0.94; training landing fee, current \$.47, proposed \$.47; non-based minimum charge per landing, current \$13.88, proposed \$13.88; non-based carrier landing fee, current \$1.11, proposed \$1.11; Terminal Space Rental - Type I, current \$76.55 per square foot/per annum, proposed \$76.89 psf/pa, Type II, current \$68.89 psf/pa, proposed \$69.20

psf/pa, Type III, current \$61.24 psf/pa, proposed \$61.52 psf/pa, Type IV, current \$53.58 psf/pa, proposed \$53.82 psf/pa; holdroom, loading bridge, current \$15,460.00 per month, proposed \$15,486.00 per month; secondary use, based airline with holdroom, current \$105.30 per enplaning operation, proposed \$111.80 peo; secondary use, based airline without holdroom, current \$0.81 per enplaning passenger, proposed \$0.86 pep; secondary use holdroom & loading bridge non-based airline, current \$0.96 per enplaning passenger, proposed \$1.02 pep; baggage claim area, non based airline, current \$0.41 per deplaning passenger, proposed \$0.51 pdp; holdroom security fee non-based airline, current \$40.00 per enplaning operating, proposed \$40.00 peo; and terminal use fee non-based airline \$0.91 per enplaning passenger, proposed \$0.97 per enplaning pax. The same approach in setting fees has been used as in past years. As initiated last year, the airlines have agreed to continue to fund the estimated expense of the AARF consolidation in advance of the availability of actual expenses. With these rate changes, recovery of 100% of the field and ramp cost center and terminal cost center is expected as well as the estimate expense of the AARF consolidation for calendar year 1997. The effective date for the proposed charges for airlines who belong to the Airline Affairs Committee is retroactive to January 1, 1998. Current billings, whether higher or lower than the rates proposed will be subject to an additional charge or credit offset following the effective date of the new ordinance rates. For non-based airlines, ground handlers and car rental companies, the effective date is scheduled to be April 1, 1998. Tenants having 30-day notice provisions in their agreements have been notified prior to March 1, 1998. The fee schedule is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of an ordinance to print.

Airport Parking Rate Modification was the subject of a memo to the Board from the Director of Aviation recommending approval of modifying the parking rates for the Airport's Public and Employee Parking lots as the last rate change for the parking lots occurred in June, 1996. Since then expenses have increased due to higher operational costs. The recommended new fees are as follows: for short term parking rate at 20 minutes increments include: 0-20 minutes, \$1.00; 20-40 minutes, \$2.00; and 40-60 minutes, \$3.00 up to the daily maximum of \$20.00. The long term

proposed parking rate with no rate structure in minutes is offered: 0-1 hour, \$5.00; 1-24 hours, \$10.00; after 24 hours, 0-1 hour, \$5.00; and 1-24 hours, \$10.00. The economy lot proposed parking with no structure in minutes is offered: 0-1 hour, \$4.00; 1-24 hours, \$8.00; after 24 hours 0-1 hour, \$4.00; and 1-24 hours, \$8.00. The recommendation was approved on passage of an ordinance to print.

Purchase of Four Additional Larson-Davis Aircraft Noise Monitoring Terminals was the subject of a memo to the Board from the Director of Aviation notifying the Board that in 1990, the Airport installed a computerized noise and aircraft flight operations monitoring system in order to collect reliable information to produce noise contours, monitor flight patterns, record noise events, and be better able to respond to community concerns. The system was upgraded in 1994, and currently consists of nine permanent noise monitoring terminals located in the nearby community. Six terminals are located in Alameda, two in San Leandro and one in San Lorenzo. The City of San Leandro has requested that four additional terminals be installed in San Leandro to enhance the Port's ability to monitor air traffic noise over its community. The Port has agreed to the monitoring installations and to the four sites selected by the City of San Leandro. Installing these additional terminals will allow more accurate identification of specific noise levels recorded at these locations, and enable the Port to better respond to community concerns. The noise monitoring equipment at the existing nine remote locations is manufactured by Larson-Davis, Incorporated. In order for the new equipment to be compatible with the existing installations, it is recommended that Larson-Davis, Inc., provide the four additional monitoring terminals. The cost of the new equipment is estimated to be \$100,000.00. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98088.

Award of Contract for Construction of Air Cargo Road Parking Facility, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the twelve bids received and recommending award of the contract to McGuire and Hester, the low bidder, at \$803,670.00. The recommendation was approved on passage of Resolution No. 98089.

Ratify Change Order for Modifications to Existing Electrical Systems, Buildings L-150 and L-210, North Airport, MOIA was the subject of a memo to the Board from the Director of

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Engineering notifying the Board that the Port has a contract with Steiny and Company, Inc. to perform the modifications at Buildings L-150 and L-210 which became effective on August 26, 1997. The work consists of upgrading transformers, switchgears, power distribution panels, and feeders providing the electrical service demand at Hangars 1 and 2. During the performance of the contract work, the City of Oakland Electrical Inspector noted that the existing circuits (some as much as 60 years old) were not in compliance with the current National Electrical Code. In such cases, corrective action may or may not be required, depending on the nature of the non-complying items. After thorough investigation, it was determined that all such items must be corrected immediately for safety reasons. The contractor was directed to perform the corrective work on a force account basis so as to bring the buildings' electrical system into code compliance. The total cost for this additional work is not available at this time, because as work progresses other hidden electrical system problems may be discovered. It was recommended that the Board ratify a change order in amount not to exceed \$120,000.00, and approve any additional time needed by Steiny and Company, Inc. to modify the existing circuits in order to comply with the current National Electrical code. The recommendation was approved on passage of Resolution No. 98090.

Approval of New License and Concession Agreement with Kitty Hawk Aircargo, Inc.

was the subject of a memo to the Board from the Director of Aviation recommending approval of a new agreement with Kitty Hawk Aircargo, Inc., for 546 square feet of trailer site space in the vicinity of Taxiway "B" on the West Ramp of the South Airport. The agreement would be a one-year term commencing November 1, 1997, with a 30-day termination provision. Kitty Hawk will be using the space for storage of supplies used to service aircraft owned by Kitty Hawk and provide support of the air cargo operations of Burlington Air Expires on the South Airport. The monthly rental is \$250.00 plus 10% of gross revenues for ground handling operations. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98091.

Approval of New License and Concession Agreement with Pedus Aviation Services, Inc.

was the subject of a memo to the Board from the Director of Aviation recommending approval of a

new agreement with Pedus Aviation Services, Inc., for performing aircraft washing, ground handling and other related services under contract to airlines on the South Airport and no premises would be granted by this agreement. The agreement would have a one-year term commencing on February 15, 1998, with a 30-day terminal provision. Pedus would perform its work on the apron between the flight times of its contract airlines. The monthly rental is a minimum of \$250.00 or 10% of gross revenues, whichever is greater. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98092.

Authorization to Include Demolition of Building D-521, Harbor Transportation Center, in the Small Business Program was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has demolished, or will demolish, more than one hundred structures at the Harbor Transportation Center. Many of these structures are too large to be suitable for inclusion in the Port's Small Business Program. Of the structures suitable for inclusion in the program, Building D-521 is scheduled for immediate demolition. The work consists of demolition and removal of Building D-521, a 22,000 square foot barracks building. The work is necessary in order to clear the site for construction of the Joint Intermodal Terminal beginning in early 1999. The demolition of the building is estimated to cost approximately \$150,000.00, which is within reasonable limits for a small business. It was recommended that the Board approve the demolition of Building D-521 to be included in the Port's Small Business Program and to dispense with formal bidding procedures for this work; and if the attempt to secure acceptable bids from the local small contractors is not successful that the Executive Director be authorized to execute a contract for this work with any qualified contractor, based on informal, competitive bidding. The recommendation was approved on passage of Resolution No. 98093.

Authorization to Enter into Annual Contract for Operations and Maintenance of Utilities and Associated Services at Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board that on December 3, 1993, the Port entered into a leasehold agreement with the Department of the Navy for acquiring the first parcel of land at the Fleet and Industrial Supply Center, Oakland (FISCO). As a condition of this lease and the

three subsequent amendments for acquiring an approximate total of 190 acres of upland area at FISCO, the Port was required to take over the operations and maintenance (O&M) work of most of the utility systems and other infrastructure located within the Port's lease area at no cost to the Government. The area at FISCO leased to the Port is referred to as the Harbor Transportation Center (HTC), portions of which are currently leased to sub-tenants as part of the Port's actions for economic development of West Oakland. Between December 1993 and February of 1997, O&M work of the HTC utilities was performed by a combination of Port forces and the Navy's Public Works Center (PWC) which was reimbursed by the Port. The Board authorized payments to PWC in amount not to exceed \$150,000.00 per year for specific work within the HTC area as directed by the Port. Since February of 1997, an increasing percentage of the O&M work within the HTC area has been performed by Port forces to supplement PWC, due to PWC phasing out its operation. As of April 25, 1997, PWC has deemed "mission complete" as FISCO and therefore, could not longer provide any services to the Port. J.A. Jones Management Services, the Navy's Base Operation Services/Job Order Contracts (BOS/JOC) contractor, replaced PWC for Bay Area base closure duties, including certain responsibilities at FISCO. The Navy's BOS/JOC contract with J.A. Jones Management Services hired former PWC personnel with significant experience and knowledge of Bay Area bases including FISCO utility systems, thereby providing the continuity and efficiency of services required by the Government. A condition of the final lease phase (fourth amendment to the Lease) requires the Port to perform O&M for utility systems located within all 430 acres of upland area at FISCO, including about 167 acres called the "Government Reserve Area" occupied by the Navy. The Navy will be gradually phasing out their occupancy which will end in October 1998. The Port is being compensated for performing this O&M work for the benefit of the Navy, with a lump sum of \$350,000.00 to be paid over the 14-month term, under U.S. Government Contract. It was recommended that the Board determine that it is in the best interest of the Port to dispense with formal bidding procedures to select a contractor to perform certain utility installation, inspection, operations, maintenance, emergency response and contingency work and associated services at the Harbor Transportation Center; and to approve an annual contract for up to three years with J.A. Jones Management Services for their

significant experience and knowledge of FISCO utility systems. The estimated annual cost for O&M work is \$130,000.00 and an estimated allowance for emergency work of \$100,000.00 per year, for a total of up to an amount not to exceed \$690,000.00 for the three year annual contract. The recommendation was approved on passage of Resolution No. 98094,

Modification of Annual Crane Guarantee in Marine Terminals Corporation's Seventh Street Terminal Management Agreement was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Marine Terminals Corporation (MTC) operates the Seventh Street Marine Container Terminal under a Management Agreement with the Port. The agreement provides for the assignment of container gantry cranes X-423, X-424, X-425, X-426 and the recently purchased ZPMC crane now designated as X-437 for use in vessel operations. MTC, as terminal operator, currently guarantees a total of 6,250 hours of use at the prevailing crane rental rates specified in Port of Oakland Tariff 2-A. MTC has requested that crane X-423 be deleted from the guarantee as it is no longer required to support vessel operations with the arrival of crane X-437. The Agreement provides that crane X-423 can be deleted and the Crane Guarantee reduced by 750 hours, that is, the Guarantee hours allocated to crane X-423. MTC has indicated crane X-423 is no longer required to day-to-day operations because of its age and limited capabilities to service today's vessels. It was recommended that MTC Management Agreement be amended by deleting the crane. MTC may continue to use the crane for vessel operations as needed but such use will not count toward the Guarantee. The recommendation was approved on passage of Resolution No. 98095.

Adopt Resolution Authorizing Filing of Application with State of California for Regional Improvement Program Funding for the Joint Intermodal Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board that on February 17, 1998 the Board passed a resolution authorizing the Executive Director to negotiate an agreement with the Alameda County Congestion Management Agency (CMA) to exchange funds for the Joint Intermodal Terminal project. These funds, in the amount up to \$32 million, will be provided to the Port through the State of California Regional Improvement Program (RIP). In addition to the exchanged funding, which the Port will pay back to the CMA, the Port has requested an additional \$6.75 million for the JIT through

the RIP that are not subject to reimbursement by the Port. In order to process the application for these funds the Metropolitan Transportation Commission (MTC) requires a resolution from all project sponsors which certifies that the agency is a sponsor of transportation projects eligible for RIP funding; that the funding for the JIT project is fully described in MTC "Attachment A"; that the sponsors agree to abide by all rules and regulations applying to State Transportation Improvement Programs as required by SB 45 and contained in MTC "Attachment B"; and that the sponsoring agency authorizes its Executive Director to execute and file an application with MTC to program RIP funds into the 1998 Regional Transportation Improvement Program for the JIT and in the amount of \$38.75 million. It was recommended that the Board pass an appropriate resolution for the funding procedures. The recommendation was approved on passage of Resolution No. 98096.

Award of Contract for Demolition of Building D-342, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the twelve bids received and recommending award of the contract to Covey Trucking Co., the low bidder, at \$312,790.00. The recommendation was approved on passage of Resolution No. 98097.

Award of Contract for Demolition of Building D-542, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the eleven bids received and recommending award of the contract to G.R. Kause, Inc., the low bidder, at \$231,340.00. The recommendation was approved on passage of Resolution No. 98098.

Approval of Consultant Agreement with McKay International Engineers for Engineering Design Services for Container Crane for Berths 55/56, Inner Harbor Channel

was the subject of a memo to the Board from the Director of Engineering notifying the Board that on January 6, 1998, the Board awarded a \$3,000,000.00 design contract to begin the design for construction and installation of four Container Cranes at Berths 55/56 with options for three additional cranes to Shanghai Zhenhua Port Machinery Co., Ltd. of Shanghai, China. Many of the mechanical features of the cranes are specific to Port needs and conditions and have not been designed and built by ZPMC before. To provide assurance that the mechanical design has been carried out properly, it was recommended that the Port independently review the contractor's mechanical system design for

conformance with Port specifications. A portion of this review requires special mechanical systems engineering, technical expertise and computer analysis programs which the Port does not have in-house. It was recommended that the Board approve the consultant agreement with McKay International Engineers to perform the mechanical systems review. McKay specializes in mechanical engineering for container crane design. The scope of the work includes review and recommended appropriate changes in the mechanical systems design; review and recommend appropriate changes in the mechanical systems fabrication and crane installation techniques; assist the Port in resolving technical problems during construction; and assist the Port with testing of the crane. The billing rates will cover direct salaries of the personnel performing work on the project, fringe benefits, overhead costs, profit, and other direct costs for services required during the work. The maximum payment that can be made under the agreement is \$145,600.00 unless additional work is authorized and additional work is not to exceed \$44,000.00. The recommendation was approved on passage of Resolution No. 98099.

Approval of Consultant Agreement with Liftech Consultants, Inc. for Engineering Design Services for Container Crane for Berths 55/56, Inner Harbor Channel was the subject of a memo to the Board from the Director of Engineering notifying the Board that on January 6, 1998, the Board awarded a \$3,000,000.00 design contract to begin the design for construction and installation of four container cranes at Berths 55/56 with options for three additional cranes to Shanghai Zhenhua Port Machinery Co. (ZPMC) of Shanghai, China. Many of the structural features of the cranes are specific to Port needs and conditions and have not been designed and built by ZPMC before. To provide assurance that the structural design has been carried out properly, it was recommended that the Port independently review the contractor's design for conformance with Port specifications. A portion of this review requires special structural engineering, technical expertise and computer analysis programs which the Port does not have in-house. It was recommended that the Board approve the consultant agreement with Liftech Consultants, Inc. (LCI) to perform this structural review. LCI is very experienced in the structural design and construction of container cranes and has performed such reviews on many of the Port's existing cranes. The scope of the work consists

of review and recommending appropriate changes in the structural design; review and recommending appropriate changes in the structural fabrication and crane erection techniques; assisting the Port in resolving structural problems during construction; and assisting the Port with testing of the crane. The agreed billing rates will cover direct salaries of the personnel performing work on the project, fringe benefits, overhead costs, profit, and other direct costs for services during the work. The maximum payment that can be made under the agreement is \$171,800.00 unless additional work is necessary and it is not to exceed \$50,000.00. The recommendation was approved on passage of Resolution No. 98100.

Repower, Refurbish and Upgrade Port Taylor Power Systems Reefer Generator Power Packs at Yusen Terminal, Berth 23 was the subject of a memo to the Board from the Director of Maritime notifying the Board of the four portable diesel powered reefer generator sets placed into operation on Berth 23 in October 1989 to handle reefer cargo. Current demand for temperature controlled cargo has significantly increased resulting in increased operational use for these units. The units have now reached the end of their useful life and need to be repowered, refurbished and upgraded from 240 volt to 480 volt capacity. The estimated cost for this repowering and refurbishing will be approximately \$57,000.00 per unit for a total of \$228,000.00 while replacement of these units is estimated at \$157,000.00 per unit or \$628,000.00. By performing this renovation, the useful life of the units will be extended for an additional 7 years and will satisfy the operational demands of the terminal. The project is categorically exempt and does not require an environmental document. It was recommended that the Board approve the agreement with AMPM Sales & Services Co., as they are the only factory authorized Taylor Power Systems Dealer/Representative in the State of California, to repower, refurbish, and upgrade the four power packs. The recommendation was approved on passage of Resolution No. 98101.

Personnel Items contained in a memo to the Board from the Chief Administrative Officer recommending the appointment of Evelyn Guice, as Senior Secretary, effective March 16, 1998, at \$3,221.00 per month; Kheven L. LaGrone, as Assistant Civil Engineer, effective March 11, 1998, at \$5,153.00 per month; John Prall, as Associate Port Environmental Scientist, effective March 30, 1998,

at \$4,697.00 per month; Patrick Garza, as Port Electrician, effective March 30, 1998, at \$4,534 per month; Danilo Victa, as Equipment Systems Engineer, effective March 30, 1998, at \$4,252.00 per month; Karl Haaf, as Port Electrician, effective March 30, 1998; and Diann Castleberry, as Port Field Representative, effective March 16, 1998, at \$3,704.00 per month. Further recommended was the rescission of the appointment of Cleveland McDougald who was appointed to the position of Custodian effective January 26, 1998. The recommendation was approved on passage of Resolution No. 98102 for appointments; and Resolution No. 98103 for rescission of appointment.

Approval of Consultant Agreement with Frank Lee Seminars for the Development of a CEO Evaluation Process and Succession Process was the subject of a memo to the Board from the Executive Director recommending approval to retain Frank Lee Seminars to design an CEO evaluation process and succession process for certain staff members. The recommendation was approved on passage of Resolution No. 98104.

Travel Authorization was the subject of a memo to the Board from the Secretary of the Board recommending the travel of Mayor Elihu M. Harris, President Celso D. Ortiz, Vice Presidents David Kramer and John Loh, Commissioners Ada C. Cole, Robert L. Harris, James B. Lockhart and Becky L. Taylor, Executive Director Charles Foster, Director of Maritime Raymond Boyle, Manager, Maritime Marketing Dan Westerlin, Manager, Trade Research Jack Knecht, Chief Wharfinger Dave Adams and Secretary of the Board Christopher C. Marshall to attend all or portions of the following itinerary: Hong Kong, Shanghai and Dalian, China Fukuoka, Tokyo and Yokohama, Japan, and Seoul, Korea, on or about the period March 26, 1998 to April 12, 1998, to call on shipping lines, shipping agencies and participate in sister city-port affiliations. The recommendation was approved on passage of Resolution No. 98105.

The following resolutions were introduced and passed separately by the following vote:

Ayes:	Commissioners Cole, Harris, Loh, Taylor and Vice President Kramer - 5
Noes:	None
Absent:	Commissioner Lockhart and President Ortiz - 2

“RESOLUTION NO. 98088

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO PURCHASE NOISE MONITORING TERMINALS WITHOUT COMPETITIVE BIDDING.”

“RESOLUTION NO. 98089

AWARDING CONTRACT TO MCGUIRE AND HESTER FOR CONSTRUCTION OF AIR CARGO ROAD PARKING FACILITY, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98090

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR MODIFICATION OF EXISTING ELECTRICAL SYSTEMS AT BUILDINGS L-150 AND L-210, NORTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT.”

“RESOLUTION NO. 98091

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH KITTY HAWK AIRCARGO, INC.”

“RESOLUTION NO. 98092

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH PEDUS AVIATION SERVICES INC.”

“RESOLUTION NO. 98093

GRANTING AUTHORIZING TO INCLUDE DEMOLITION OF BUILDING D-521, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, IN THE SMALL BUSINESS PROGRAM, FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR SUCH WORK WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98094

GRANTING AUTHORIZATION TO ENTER INTO ANNUAL CONTRACT FOR OPERATIONS AND MAINTENANCE OF UTILITIES AND ASSOCIATES SERVICES AT, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR SUCH WORK WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT WITH J. A. JONES MANAGEMENT SERVICES FOR SUCH WORK.”

“RESOLUTION NO. 98095

APPROVING AND AUTHORIZING EXECUTION OF FIRST SUPPLEMENTAL AGREEMENT WITH MARINE TERMINALS CORPORATION.”

“RESOLUTION NO. 98096

AUTHORIZING THE FILING OF APPLICATION WITH THE STATE OF CALIFORNIA FOR REGIONAL IMPROVEMENT PROGRAM FUNDING FOR THE JOINT INTERMODAL TERMINAL.”

“RESOLUTION NO. 98097

AWARDING CONTRACT TO COVEY TRUCKING COMPANY FOR DEMOLITION OF BUILDING D-342, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98098

AWARDING CONTRACT TO G. R. KRAUSE, INC. FOR DEMOLITION OF BUILDING D-542, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98099

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH MCKAY INTERNATIONAL ENGINEERS FOR ENGINEERING DESIGN CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98100

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH LIFTECH CONSULTANTS, INC. FOR ENGINEERING DESIGN CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98101

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR REPOWERING, REFURBISHING AND UPGRADING OF FOUR (4) PORT TAYLOR POWER SYSTEMS REEFER GENERATOR POWER PACKS WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT WITH AM-PM SALES & SERVICE CO. FOR SUCH WORK.”

“RESOLUTION NO. 98102

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98103

AMENDING PORT RESOLUTION NO. 98047 CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98104

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH FRANK LEE SEMINARS FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98105

CONCERNING CERTAIN TRAVEL.”

Port Ordinance No. 3411 being, “AN ORDINANCE MAKING CERTAIN FINDINGS AND DETERMINATIONS IN SUPPORT OF, AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH BAXTER HEALTHCARE CORPORATION, FOR THE PORT OF OAKLAND’S SALE OF AN APPROXIMATELY 2.09 ACRE PARCEL OF LAND LOCATED IN OAKLAND AIRPORT BUSINESS PARK,” and Port Ordinance No. 3412 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH THE UNITED STATES OF AMERICA AND DIRECTING RECORDATION THEREOF,” were read a second time and passed by the following vote:

Ayes: Commissioners Cole, Harris, Loh, Taylor
and President Kramer - 5

Noes: None

Absent: Commissioner Lockhart and President Ortiz - 7

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 9 OF PORT ORDINANCE 1149 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE 2613 AS AMENDED, FIXING THE CERTAIN REVISED PARKING RATES IN THE PORT’S PUBLIC AUTOMOBILE

PARKING FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,”

were read a first time and passed to print by the following vote:

Ayes: Commissioners Cole, Harris, Loh, Taylor
and Vice President Kramer - 5

Noes: None

Absent: Commissioner Lockhart and President Ortiz - 2

At the approximate hour of 4:00 p.m. Commissioner Lockhart and President Ortiz joined the meeting.

At the hour of 4:05 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Alameda, a Municipal Corporation; Citizens League for Airport Safety and Serenity v. Port of Oakland et al., Alameda County Superior Court Case No. 793056-0, Dew-Dew Financial, Inc. v. Port of Oakland, Alameda County Superior Court Action No. 732404-8, and in the Matter of the Application for Reclassification to Safety Membership, Made on Behalf of Oakland Airport Servicemen by United Public Employees Local 790, SEIU, AFL-CIO and the City of Oakland; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: two cases, Potential environmental litigation involving Vision 2000, Potential litigation regarding a current Port Commercial Real Estate tenant, California Prolife Council Political Action Committee v. Jan Scully, et al., U.S. District Court Case No. S-96-1965 LKK/DAD, and Potential litigation regarding an airport service contract; conference with real property negotiator, property - Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), negotiating parties - Port and City, under negotiation - price and terms of payment; Public Employee Discipline/Dismissal/Release, matters regarding two Airport employees; and reconvened in open session at the hour of 5:45 p.m.

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Cole, Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 7

Noes: None

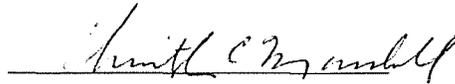
Absent: None

“RESOLUTION NO. 98106

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

At the hour of 6:25 p.m. the Board entered into closed session and reconvened in open session
at the hour of 7:00 p.m.

At the hour of 7:05 p.m. the meeting was adjourned on a motion duly made and
seconded.



Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting, was held on Tuesday, February 17, 1998, at the hour of 3:14 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Ortiz presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Lockhart, Loh,
Taylor and President Ortiz - 5

Commissioners absent: Cole and Kramer - 2

Also present were the Executive Director; Port Attorney; Director of Engineering; Director of Aviation; Acting Director of Commercial Real Estate, Joyce Washington; Chief Administrative Officer; Director of Maritime, Ray Boyle; Director of Strategic and Policy Planning; Director of Equal Opportunity; Acting Chief Financial Officer, Fred Rickert; Acting Media Relations Manager, Lynn Joiner; and Secretary of the Board.

Interim Shuttle Bus Operator for AirBART and Airport Parking Shuttle Service was subject of a memo to the Board from the Director of Aviation notifying the Board that on January 6, 1998, the Board authorized the Executive Director to enter into an interim agreement with Empex Ventures, Inc., to be effective February 1, 1998 to provide shuttle bus services at the Airport. However, staff was unable to successfully complete negotiations with the contractor. The contractor on numerous occasions continued to change the originally negotiated contract amount. Ultimately, on Friday, January 30, 1998, at approximately 4:45 p.m., on the eve of the start of the interim agreement, staff was unsuccessful in convincing Empex Ventures, Inc.'s senior management to sign the agreement with the Port. As a result, staff was challenged with the almost impossible task of finding another contractor, after 5:00 p.m. to take over the interim agreement on less than 48 hours notice. Staff did have a tentative alternative plan and was successful in negotiating an agreement with Champagne Coaches, Inc., located in San Leandro, late Friday night. Champagne Coaches, Inc. started the interim agreement at midnight on Saturday, February 1, 1998, and will be paid \$9,583.50 per month in

management fees, while all other actual expenses will be reimbursed as approved by Port. This amount is approximately \$3,000.00 less per month than was anticipated to be paid to Empex. It was recommended that the Board ratify the agreement with Champagne Coaches, Inc. to provide interim shuttle bus service. The recommendation was approved on passage of Resolution No. 98069.

A Resolution to Participate with the Bay Area Rapid Transit District (BART) and the City of Oakland in Seeking Funding for Intermediate Stations for BART Coliseum Station/Oakland Airport Connector was the subject of a memo to the Board from the

Governmental Affairs Specialist, Harold Jones, notifying the Board that the Port, Bay Area Rapid Transit District (BART), and the City of Oakland have joined together to develop a proposal for a fixed-guideway rail system known as the BART/Airport Connector. The Connector is proposed, in its initial phase, to serve BART's main line from its Coliseum Station with a direct connection to the Oakland International Airport. The cost of the point to point connection is estimated to be \$130 million, of which the Port has pledged \$25 million of its funds and BART has made a commitment to secure \$22 million in Congestion Management Agency funds and \$10 million in bridge toll revenue funding. The remaining \$73 million is programmed as part of the Expenditure Plan for the Measure B 1/2 cent Sales Tax Reauthorization that will go before the voters of Alameda County for approval on the June ballot. Oakland, along with the other cities in Alameda County, are required to approve the Measure B Expenditure Plan, upon which the measure is forwarded to the Alameda County Board of Supervisors for approval. This officially places the Measure B Reauthorization on the June ballot for the voters to decide Yes or No. Some members of the Oakland City Council have voiced concern that the project as proposed in Measure B does not include any intermediate stops between the Coliseum and the Airport. It is the position of a majority of the Councilmembers we've met with that intermediate stops along the Connector route would enhance the City's ability to spawn economic development and growth for both the City and the Port along the Hegenberger Corridor and surrounding areas. As a result, the Connector project has been pulled for a Special Report to be heard prior to the Council's consideration of the full Measure B item on February 17, 1998. The concerns on this project will need to be addressed if Oakland City Council support is expected. Staff

representatives of the Port, City and BART have met and discussed how the issues of intermediate stops can best be addressed. BART, as the lead agency on the application for Measure B funds, has indicated that its application identifies the project as "initial phase" with the potential for adding, in the future, additional intermediate stops as determined to be economically feasible. To that end, BART has made a commitment to include the potential for intermediate stops in its EIR/EIS for the project. It has also agreed to participate with the City and the Port in any further study and funding efforts that may be undertaken to establish such intermediate stops. The City has indicated that it will continue to seek additional funding sources for enhancement of the project. The City will include the feasibility of additional stops into its scope of study for the current Hegenberger Gateway Study. It was recommended that the Board adopt the Resolution to Participate with BART and the City in seeking Funding for Intermediate Stations for the BART Coliseum Station/Oakland Airport Connector. The recommendation was approved on passage of an Resolution No. 98070.

Approval of New License and Concession Agreement with MediaCopy was the subject of a memo to the Board from the Director of Aviation recommending approval of the agreement with MediaCopy, for 1,476 square feet of office space, 10,992 square feet of hangar space, 743 square feet of shop space, 17,882 square feet of apron space and 2,000 square feet of paved parking in and adjacent to Building L-710, Bay C, North Airport, for a monthly rental of \$6,800.00, effective March 19, 1998. The recommendation was approved on passage of Resolution No. 98071.

Approval of First Supplemental Agreement with I.S.B.A., Inc. dba Oakland Flyers was the subject of a memo to the Board from the Director of Aviation recommending approval of a First Supplemental Agreement with I.S.B.A., Inc., dba Oakland Flyers, for an additional 237 square feet of office space in Building L-142, for a total monthly rental of \$1,305.54, effective February 1, 1998. The recommendation was approved on passage of Resolution No. 98072.

Approval for Submittal of Preapplication to Federal Aviation Administration (FAA) was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has been notified by the FAA that approximately \$2.97 million in entitlement funds are available to the Port under the Airport Improvement Program (AIP) for Federal Fiscal Year 1998 (10/1/97-9/30/98),

and a preapplication must be submitted as soon as possible in order to apply for these funds. Entitlement funds are allocated annually based on the number of enplaning passengers and air cargo traffic units per airport. These entitlement funds are to be used for FAA-approved projects. It was recommended that the Board approve the submittal of the AIP preapplication towards the Reconstruction of the Apron at Building L-820 on the North Airport. The estimated cost is \$3,685,670.00, the Port share is \$715,389.00, with the FAA share to be \$2,970,281.00. The Port's share will be funded through the Passenger Facility Charges (PFC) Program. The recommendation was approved on passage of Resolution No. 98073.

Request Ordinance Approving Execution of a Purchase and Sale Agreement for Vacant Land Located at Pardee Lane and Edgewater Drive, in the Business Park, with Baxter Healthcare Corporation ("Baxter") for Expansion of its Facility was the subject of a memo to the Board from the Acting Director of Commercial Real Estate notifying the Board that Baxter has requested an option to purchase approximately 2.09 acres located in the Oakland Airport Business Park (OABP) at Pardee Lane and Edgewater Drive adjacent to its existing facility at 7799 Pardee Lane. The expansion of Baxter's existing facility is expected to create approximately 90 new jobs. Baxter has been in Oakland for fifteen years. It is a multi-million dollar Fortune 100 Company traded on the New York Stock Exchange. Baxter is a cardiovascular research and development company. Annual financial reports confirm that Baxter's position and growth potential are solid with sales of \$5 billion. Buildouts for administrative and open areas are estimated at \$50.00 per square foot. Technical areas housing the laboratories will run \$100.00 per square foot. Laboratories cover approximately 75% of the facility. The proposed building area is estimated at 30,000 square feet. The terms and conditions are proposed: option term - one year; extension period - one 90 day extension, at the end of the extension period agreement terminates; area - 2.09 acres; sales price - \$9.00 per square foot, \$820,000.00 cash; deposits into escrow - initial deposit in the amount of \$20,000.00 will be placed in escrow on commencement date of the agreement and applied to the sales price, deposit refundable within and up to 90 days of the date deposit was made, Baxter will on day 91 of the term begin monthly additional deposits into escrow at a rate of 44% of the initial deposit, all deposits will be

applied to sales price, if Baxter does not purchase after 91 days, deposits plus interest are non-refundable as payment to the Port for the option; schedule of deposits - day of term from day 1 to day 320, total of cumulative deposits will be \$80,000.00; extension period - one time 90 day extension, agreement terminates at the end of the extension period if property is not purchased; extension deposit - \$20,000.00 to be placed in escrow at the beginning of the extension period and applied to the sales price, non refundable, except by default of seller, at the earliest of the close of escrow or Baxter's withdrawal of its offer; title - Baxter to pay for the title insurance; escrow - First American Title; environmental - "As is" sale, Port will not be responsible for environmental remediation; transfer tax - cost to be shared equally by Port and Baxter, approximately cost to Port \$6,150.00; and broker commission - five percent fee to be shared equally by Port and Baxter, approximately cost to Port \$20,000.00. The sale of the property to Baxter is conditioned by Baxter's expansion of its existing facility. A reversionary clause would be included in the agreement to assure the Port that the property will revert to the Port should Baxter not adhere to agreement provisions specific to use and construction timing. Baxter would have the right to assign, upon written notice to and approval by the port of the purchase contract as long as Baxter enters into a long term lease with the assignee for the intended use of the property. This parcel is one of the few undeveloped parcels in the OABP. The proposed project, which consists of the sale of the parcel and the construction of a building, is consistent with adjacent existing industrial/office uses. This project presents no conditions or unusual circumstances that do not conform with the character of the OABP or Standards and Restrictions, no further environmental analysis is necessary. It was recommended that the Board authorize the sale of the property to Baxter Healthcare Corporation. The recommendation was approved on passage of an ordinance to print..

Plans and Specifications for Construction of Enhancements to Ferry Terminal, Jack London Square was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the improvements. The work consists of construction of new street lighting and banner poles on Clay Street southerly of Embarcadero, a ship mast at the foot of Clay Street, a promenade from Water Street to the Ferry pier,

a sheltered waiting pavilion at the entrance to the pier, a security gate at the end of the pier and ferry information signage. The Board has previously approved this work. Originally the work was approved together with the construction of permanent berthing facilities for the former USS Potomac and then subsequently approved as a separate project. Bids were received; however, the bids received were allowed to expire intentionally after a protest from the second low bidder regarding the Port's Affirmative Action Policy. The Port since has replaced that policy with the Non-Discrimination and Small/Local Business Utilization Policy. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 98074.

Award of Contract for Demolition of Building D-421, Harbor Transportation Center

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the nine bids received and that LVI Environmental Services was the apparent low bidder at \$1,005,885.00. A review of the bids received has confirmed that there is a great deal of confusion over the Port's new policy regarding Local Impact Area Business Enterprises (LIABE) and Local Business Area Business Enterprises. The Director of Engineering informed the Board that he would recommend that all bids be rejected and that informal proposals be received with the Executive Director retaining the authority to execute a contract based on the proposals. The recommendation was approved on passage of Resolution No. 98075.

Primary Use Request of Yusen Terminals for Orient Overseas Container Line to Use

Berth 23 was the subject of a memo to the Board from the Director of Maritime notifying the Board that Nippon Yusen Kaisha (NYK Line), Neptune Orient Line (NOL), Hapag-Lloyd and P&O Containers, Ltd. conducted a joint service at Berth 23 which is known in the industry as the "Grand Alliance". Terminal operations at Berth 23 are provided by Yusen Terminals Inc. (YTI). With its purchase of American President Lines, NOL will withdraw from the Grand Alliance and NOL's vessels will likely be replaced with the APL name and eventually call at APL's Middle Harbor Terminal. Additional changes in shipping line alliances have resulted in Hong Kong's Orient Overseas Container Line (OOCL) leaving its "Global Alliance" with APL and joining the "Grand Alliance". OOCL's shift

to the "Grand Alliance" will strengthen "Grand Alliance" service levels for China and Southeast Asia starting with five direct services to U.S. West Coast ports each week with another direct service to be added later. In view of these developments, OOCL plans to commence ship operations at Berth 23 later this month with the vessel call of the "OOCL Fair". The definition for "primary use" in the Preferential Assignment Agreement for Berth 23 includes future joint service agreements in which NYK and/or NOL are principal members. The Board had previously approved P&O Containers as a primary user of Berth 23 in June of 1996. Recently the Port received a request from YTI to approve OOCL under the primary use definition of the Preferential Assignment Agreement for Berth 23. This approval will help facilitate economies of scale for the "Grand Alliance" partners as they share vessels and integrates landside terminal services and capacity. It was recommended that the Board approve the primary use joint service requested by Yusen Terminals, Inc. for OOCL to use Berth 23. The recommendation was approved on passage of Resolution No. 98076.

Approval of Supplemental Agreement No. 28 to the Lease with the U.S. Army for Pier 7 at the Oakland Army Base was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Outer Harbor Berths 8 and 9 comprise approximately 38 acres of land which are rented to the Port under a Lease Agreement with the U.S. Army. These 38 acres provide needed overflow area to support maritime operations. The Port is currently in holdover status under the provisions of Supplemental Agreement No. 26. The Port had previously negotiated a 50% reduction to the annual rent of \$545,125.00 under Supplemental Agreement No. 25 due to the fact that the area was not completely useable by the Port because of poor condition and physical limitations. The U.S. Army anticipates designating the Corps of Engineers as the facility caretaker prior to its closure and disposal and in preparation of this event requested a compliance inspection which was held last December. Based upon this inspection the Army determined there was an increase in the utilization of the area and increased the annual rental back to \$545,125.00 which was approved by the Board on January 6, 1998. This rental is prorated monthly for the remaining months of the term ending July 31, 1998. Berth 7 consists of approximately 25 acres which is presently reserved for use by the Army and is contiguous to Berths 8 and 9. The Berth 7 premises contain a storage shed and a

100 ton crane, all of which present an immediate commercial opportunity to handle breakbulk commodities. The Port has negotiated leasing Berth 7 from the U.S. Army under Supplemental Agreement No. 28 to the Berth 8 and 9 Lease Agreement which include: the annual rental for the combined area consisting of Berths 7, 8 and 9 shall be for \$1,090,250.00 annually, payable monthly in the amount of \$90,854.00, in view of the immediate availability of Berth 7 to the Port, the rental for the month of February shall be assessed on a prorated basis; the U.S. Government is in the process of performing an appraisal for the entire leased premises and the value established by this appraisal shall be determined at a later date, if the new appraised value is less than the value reflected in the new rental then the Port shall receive a credit for the difference against future rental payments, however, if the appraised value is more than the rental established by the new rental, the Port shall provide additional payments for the difference; the Port shall install approximately 12 meters for the measuring of utility serviced and be responsible for maintenance and repair of the U.S. government owned utility infrastructure; every effort shall be made to accommodate the U.S. Army in the event of a surge condition and intent is for the Army to recapture use of all or a portion of the facility in the event of an emergency or urgent military operation; and access to the premises from U.S. Government property not encompassed by the Leased Area shall be restricted from Burma Road only. It was recommended that the Board approve the Supplemental Agreement No. 28 to the U.S. Army. The recommendation was approved on passage of Resolution No. 98077,

License and Concession Agreement with Marine Terminals Corporation for Operation of U.S. Army Pier was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port has a Lease Agreement with the U.S. Army for Oakland Army Base Berths 7, 8 and 9. The total area comprises of 63 acres. However, the approximate 25 acres consisting of berth 7 is presently reserved for use by the Army and no rental payments are made for this parcel. In addition to berthing area, Berth 7 also contains a storage shed which is conducive to staging and storing steel commodities and a 100 ton crane which is owned by the Army. The remaining 38 acres of Berths 8 and 9 presently provides needed overflow area to support maritime operations. The Oakland Army Base is scheduled to close and this provides an opportunity to the Port. Until the closure is

completed, the Lease Area remains under the authority of the U.S. Army through its designee, the Corps of Engineers. In view of the immediate availability of Berth 7 for commercial operations, we have negotiated a License and Concession Agreement with Marine Terminals Corporation (MTC) for their use of Berth 7. MTC plans to conduct breakbulk cargo operations at the facility with an emphasis on the steel shipping market. The License and Concession Agreement shall be subordinate to the new Supplemental Agreement between the Port and the Army. The initial term shall be 5-1/2 months from February 18, 1998 through July 31, 1998. Upon expiration of this original term the License and Concession Agreement shall continue in full force and in effect of one year increments from August 1 through July 31. The MTC/Port License and Concession Agreement includes: during each month, MTC shall guarantee the Port the minimum sum of \$46,000.00 generated from 100% of the Port's prevailing Tariff charges for dockage, wharfage, wharf demurrage and storage activity at the premises, and in the event monthly activity does not generate full Port Tariff charges equal to \$46,000.00 MTC shall nonetheless pay to the Port the Port Tariff charges incurred during such month and the difference for any shortfall; in addition to the monthly minimum, MTC shall pay a monthly charge equal to 75% of the Port's prevailing Tariff charges for dockage, wharfage, wharf demurrage and storage activity at the premises for full Tariff monthly revenues above \$46,000.00 (First Breakpoint/Guarantee) up to \$98,000.00 (Second Breakpoint); MTC shall pay to the Port monthly, 25% of the Port's prevailing Tariff charges for dockage, wharfage, wharf demurrage and storage activity at the premises for all full Port Tariff charges for dockage, wharfage, wharf demurrage and storage in excess of \$98,000.00 (Second Breakpoint); the First Breakpoint/Guarantee and the Second Breakpoint shall be increased at such time and by the same amount as the rental to the Port for the facility is established by the U.S. government's appraisal for the premises; the Port shall reserve the right to rent any excess area at Berth 7 to other parties provided this shall not unreasonably interfere with MTC operations and the Port would share 30% of revenues collected from such other parties with MTC; and all crane revenues from the Army's 100 ton crane shall be retained by MTC, however, MTC shall be solely responsible for all maintenance to the Army's crane. The Port shall remain responsible for all structural maintenance. MTC shall be responsible for all other maintenance, pay for all utilities and be responsible for security

to the facility. Additionally, MTC shall accept personal property accountability for U.S. Army items left within Building 161 upon the premises as well as accountability for modular furniture, public address system, the gantry crane and cargo shed. The Agreement with MTC shall be subject to pre-emption rights by the U.S. Army to meet any military surge condition requirements as well as to any Port Planning order which may be issued by MARAD that would require vacation of the premises in case of a national emergency. It was recommended that the Board approve the License and Concession Agreement with Marine Terminals Corporation. The recommendation was approved on passage of Resolution No. 98078.

Lease Agreement with U.S. Customs at FISCO Building 504 was the subject of a memo to the Board from the Director of Maritime notifying the Board that the U.S. Customs Service has asked for a Lease Agreement of Building 504 at the intersection of Seventh and Maritime Streets, at Fleet Industrial Supply Industrial Center, Oakland (FISCO) comprising of approximately 5,000 square feet of office space, 2,000 square feet of storage area, 500 square feet for automatic data processing and 500 square feet for lunch/break room plus 100 exterior parking stalls. The Port has negotiated a Lease Agreement which will enable the U.S. Customs Service to have their administrative needs met for their on-going operations, including support for the "Selectivity System" which is a Port-wide on-going operation. Occupancy of the leased premises shall commence on or about March 15, 1998. The initial term shall be for one year. The term shall then be extended four more years under a Port ordinance procedure authorizing such extension. There is also a holdover provision on a month-to-month basis at the conclusion of the initial term for a period not to exceed one year. The proposed Lease Agreement shall provide that the U.S. Customs service shall be responsible for and pay all charges for water, electricity, telephone and other utilities as well as all charges for sewer, garbage and trash disposal. The new Lease Agreement between the Port and the U.S. Customs Service will be subordinate to the FISCO Lease between the Port and the Department of the Navy. While the Port will not assess any rental, the U.S. Customs Service shall also be responsible for all additional improvements, maintenance and repairs to the facility. It was recommended that the Board authorize the Lease Agreement with U.S. Customs Service. The recommendation was approved on passage of Resolution No. 98079.

Personnel Items contained in a memo to the Board from the Chief Administrative Officer recommending the appointment of Douglas Johnson, as Properties Assistant, at \$3,311.00 per month, effective March 9, 1998; Omar Benjamin, as Director of Commercial Real Estate, at \$9,583.00 per month, effective February 23, 1998; Yuen Ping Liu, as Senior Account Clerk, at \$3,248.00 per month, effective February 23, 1998; Eunice Ugonabo, as Senior Typist Clerk, at \$3,018.00 per month, effective February 23, 1998; and Laurice Henry-Ross, as Legal Secretary II, at \$3,155.00 per month, effective March 9, 1998. Further recommended was the rescission of the appointment of Jim McDonnell who was appointed to the position of Port Electrician effective February 2, 1998; and approval of the open examination announcement for the Civil Service classification of Junior Port Electrical Mechanical Engineer. The recommendation was approved on passage of Resolution No. 98080 for appointments; Resolution No. 98081 for rescinding appointment; and Resolution No. 98082 for the examination announcement.

Authorization to Enter into Agreement with the State of California to Fund the Joint Intermodal Terminal (JIT) and An Agreement with the Alameda County Congestion Management Agency (CMA) to Exchange Funds was the subject of a memo to the Board from the Acting Chief Financial Officer notifying the Board that the Port has entered into discussion with the Alameda County Congestion Management Agency (CMA) regarding including the Port on the State of California Transportation Improvement Program (STIP) list for Alameda County for the Port's Joint Intermodal Terminal (JIT) project. The STIP grant would be conditioned upon the Port entering into agreement with CMA to pay to CMA an amount equal to the funds drawn under the grant, with interest. The transaction would provide the Port with up to \$32 million in short-term funding at a very reduced interest rate of approximately 1.75%-2%. This may result in a savings of up to \$2,500,000.00 over four years. The funds will be available for the JIT project after July 1, 1998 and will be drawn down as needed over a four-year period. In July 2002, the Port would comply with the STIP condition and pay to CMA an amount equal to the STIP grant drawn. The Port is not at risk for any funds not used and it currently is expected that the funds used would be refunded with commercial paper or a Port revenue bond issue. It was recommended that the Board apply through CMA for the STIP grant,

enter into the necessary agreement(s) with the State for such grant, and to negotiate the agreement with CMA. The recommendation was approved on passage of Resolution No. 98083.

Continued Funding Support of the Greater Oakland International Trade Center was the subject of a memo to the Board from the Executive Director notifying the Board that in 1994, the Port participated in the creation of BAYTRADE, an export promotion program which builds upon the Bay Area's strengths as a world class trade center. The main objective of the BAYTRADE program, six trade service centers were created in the region to provide export-related services to the companies in the Bay Area. In 1995, the Greater Oakland International Trade Center (GOITC) was created to service the companies in the East Bay. GOITC is a comprehensive international resource facility and conference center, located on the 7th floor of the Port building. GOITC serves the needs of local businesses from Oakland and the six counties comprising the East and North Bay regions. GOITC, during its three years of existence, has gained Bay Area and international prominence by strategically positioning the Center and the Port to become the "Hub for International Trade Resources Center" for the region. The facility contains the on-site services and representation of BAYTRADE'S headquarters and office of Regional Trade Development Alliance, East Bay Export Assistance Center of the U.S. Department of Commerce, East Bay International Business Council, and Small Business Administration's Export Legal Assistant Network. BAYTRADE and GOITC have increased the utilization of the Airport and Port facilities by increasing the shipments of existing customers and developing new customers that engage in international shipping. BAYTRADE has generated over 1,180 international sales valued at over \$126 million. GOITC and its North Bay operations have generated 446 international sales valued at over \$45 million. The 1,180 sales have lead to 1,500 ocean shipments, 650 air cargo shipments and 1,200 per year priority air shipments. GOITC has developed strong business alliances with overseas counterparts and close working relations with foreign and U.S. governments around the world. GOITC organized five major trade missions, eleven international trade shows, and entered into nineteen international partnership agreements and hosted numerous international delegations. In all of these activities, GOITC has stressed the strategic importance of using the Port as an export and import transportation hub for the distribution of maritime and air cargo.

GOITC has promoted the Port's position as a major global player. GOITC has added value and exposure to the Port by holding over 80 internationally related events such as workshops, seminars, receptions and conferences. These events attract over 30,000 participants to the Jack London Square area. It was recommended that the Board maintain its current funding level of \$100,000.00 for (Federal fiscal year) 1998 to GOITC which will allow the organization to further expand its export/import promotion activity, maintain and expand its international business relations and continue to raise public awareness of the critical role the Port plays in the regional economy. The recommendation was approved on passage of Resolution No. 98084.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Lockhart, Loh,

Taylor and President Ortiz - 5

Noes: None

Absent: Commissioner Cole and Kramer - 2

"RESOLUTION NO. 98069

AUTHORIZING AND APPROVING EXECUTION OF AN AGREEMENT WITH CHAMPAGNE COACHES, INC. TO PROVIDE AIRBART AND AIRPORT PARKING SHUTTLE SERVICES."

"RESOLUTION NO. 98070

TO PARTICIPATE WITH THE BAY AREA RAPID TRANSIT DISTRICT (BART) AND THE CITY OF OAKLAND IN SEEKING FUNDING FOR INTERMEDIATE STATIONS FOR THE BART COLISEUM STATION/METROPOLITAN OAKLAND INTERNATIONAL AIRPORT CONNECTOR."

"RESOLUTION NO. 98071

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH MEDIACOPY."

"RESOLUTION NO. 98072

APPROVING AND AUTHORIZING EXECUTION OF A FIRST SUPPLEMENTAL AGREEMENT WITH I.S.B.A., INC., DOING BUSINESS AS OAKLAND FLYERS."

"RESOLUTION NO. 98073

APPROVING SUBMITTAL OF A PREAPPLICATION TO THE FEDERAL AVIATION ADMINISTRATION UNDER THE AIRPORT IMPROVEMENT PROGRAM."

“RESOLUTION NO. 98074

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF ENHANCEMENTS TO FERRY TERMINAL, JACK LONDON SQUARE, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98075

REJECTING ALL BIDS FOR DEMOLITION OF BUILDING D-421, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, DIRECTING RETURN OF BID BOND TO BIDDERS AND AUTHORIZING A CONTRACT IN THE OPEN MARKET WITHOUT COMPETITIVE BIDDING.”

“RESOLUTION NO. 98076

APPROVING JOINT USE BY ORIENT OVERSEAS CONTAINER LINE OF BERTH 23, OUTER HARBOR TERMINAL WITH NIPPON YUSEN KAISHA.”

“RESOLUTION NO. 98077

APPROVING AND AUTHORIZING EXECUTION OF SUPPLEMENTAL AGREEMENT NO. 28 TO ARMY LEASE NO. DACA05-1-78-575.”

“RESOLUTION NO. 98078

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH MARINE TERMINALS CORPORATION.”

“RESOLUTION NO. 98079

APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH THE UNITED STATES OF AMERICA AND DIRECTING RECORDATION THEREOF.”

“RESOLUTION NO. 98080

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98081

AMENDING PORT RESOLUTIONS NOS. 97351 AND 98023 CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98082

APPROVING EXAMINATION ANNOUNCEMENT FOR THE POSITION OF JUNIOR PORT ELECTRICAL MECHANICAL ENGINEER.”

“RESOLUTION NO. 98083

APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH THE STATE OF CALIFORNIA AND WITH ALAMEDA COUNTY CONGESTION MANAGEMENT AGENCY.”

“RESOLUTION NO. 98084

APPROVING AND AUTHORIZING CONTRIBUTION OF PORT FUNDS FOR CONTINUED SUPPORT OF THE GREATER OAKLAND INTERNATIONAL TRADE CENTER.”

“RESOLUTION NO. 98085

GRANTING SOUTHWEST AIRLINES CO. PERMISSION TO PERFORM CERTAIN WORK.”

Port Ordinance No. 3410 being, “AN ORDINANCE AMENDING SECTION 9 OF PORT ORDINANCE NO. 1149 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT” was read a second time and passed by the following vote:

Ayes: Commissioners Harris, Lockhart, Loh, Taylor
and President Ortiz - 5

Noes: None

Absent: Commissioner Cole and Kramer - 2

Port Ordinance No. ____ being, “AN ORDINANCE MAKING CERTAIN FINDINGS AND DETERMINATIONS IN SUPPORT OF, AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH BAXTER HEALTHCARE CORPORATION, FOR THE PORT OF OAKLAND’S SALE OF AN APPROXIMATELY 2.09 ACRE PARCEL OF LAND LOCATED IN OAKLAND AIRPORT BUSINESS PARK,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH THE UNITED STATES OF AMERICA AND DIRECTING RECORDATION THEREOF,” were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Lockhart, Loh,
Taylor and President Ortriz - 5

Noes: None

Absent: Commissioners Cole and Kramer - 2

At the hour of 5:10 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Oakland v. Keep on Trucking Company, Inc. et al., U.S. District Court Case No. C-95-0372-CW, City of Alameda, a Municipal Corporation; Citizens League for Airport Safety and Serenity v. Port of Oakland et al., Alameda County Superior Court Case No. 793056-0; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: one case, Potential environmental litigation involving a current Port tenant; conference with real property negotiator, Property - Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), negotiating parties - Port and City, under negotiation - price and terms of payment; Public Employee Discipline/Dismissal/Release, Two matters regarding Airport employees, in the matter of the Application for reclassification to Safety Membership, made on behalf of Oakland Airport Servicemen by United Public Employees Local 790, SEIU, AFL-CIO and the City of Oakland; and reconvened in open session at the hour of 6:04 p.m.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Lockhart, Loh,

Taylor and President Ortiz - 5

Noes: None

Absent: Commissioner Cole and Kramer - 2

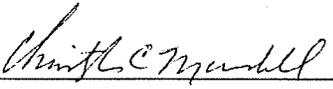
“RESOLUTION NO. 98086

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST EXTENSION TO THE DEFENSE FUNDING AGREEMENT BETWEEN THE PORT OF OAKLAND AND THE INSURER GROUP AND PARTIAL SETTLEMENT AGREEMENT REGARDING INDEMNITY (“DFA EXTENSION AGREEMENT”) CONCERNING CITY OF OAKLAND V. KEEP ON TRUCKING COMPANY, INC. ET AL., UNITED STATES DISTRICT COURT CASE NO. C-95-03721-CW (“NINTH AVENUE TERMINAL ENVIRONMENTAL LITIGATION) AND THE INSURANCE MATTER RELATED THERETO.”

“RESOLUTION NO. 98087

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

At the hour of 6:07 p.m. the meeting was adjourned on a motion duly made and seconded.

A handwritten signature in cursive script, appearing to read "Christa C. Murrell", is written above a horizontal line.

Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS
OF THE
CITY OF OAKLAND

The regular meeting, was held on Tuesday, February 3, 1998, at the hour of 3:10 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Ortiz presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Commissioners absent: Cole - 1

Also present were the Executive Director; Port Attorney; Director of Engineering; Director of Aviation; Acting Director of Commercial Real Estate, Joyce Washington; Chief Administrative Officer; Director of Maritime, Ray Boyle; Director of Strategic and Policy Planning; Director of Equal Opportunity; Acting Chief Financial Officer, Fred Rickert; Acting Media Relations Manager, Lynn Joiner; and Secretary of the Board.

The minutes of the regular meeting of October 7, 1997; regular meeting of October 21, 1997; adjourned regular meeting of October 31, 1997; regular meeting of November 18, 1997; and regular meeting of December 2, 1997 were approved as submitted and ordered filed.

Approval of an Amendment to Port Ordinance 1149 to Establish an Additional Category of North Airport T-Hangar Monthly Rental Rates was subject of a memo to the Board from the Director of Aviation notifying the Board that the Port is acquiring a previously, privately owned Port-A-Port through a legal settlement. This action will amend Port Ordinance 1149 to establish a rental rate for this and any other Port owned Port-A-Port T-Hangar located in the same area. The T-Hangar is located in an area west of the Alaska Airlines Hangar 6 (Building L-610), south of Building L-606 and east of Hangar 7 (Building L-710). This amendment to the ordinance will establish a rental rate for any Port owned Port-A-Port T-Hangar in this area at monthly rates as follows: T-Hangar - 780 square feet, at \$218.00; T-Hangar - 1,040 square feet, at \$291.00; T-Hangar - 1,060 square feet, at \$296.00; T-Hangar - 1,340, at \$375.00; and T-Hangar - 2,050 square feet, at \$674.00. It was recommended that the Board approve the amending of the ordinance establishing the

fee schedule for monthly rentals effective March 1, 1998. The recommendation was approved on passage of an ordinance to print.

Approval of Consultant Agreement with Golder Associates for Engineering Services for Providing Pavement Structural Evaluation and Design Study, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the South Airport's runways, taxiways and aprons were originally constructed in the late 1950's and portions have been added to, replaced and upgraded over the years. The pavement systems were designed for the air traffic and aircraft in use at the time and are inadequate for today's aircraft traffic volume and future heavier aircraft. The intent of this study is to provide the Port with the in-place conditions of the various pavement systems and make recommendations for future repairs, replacements and upgrades. This study will provide a basis for future projects that will enhance the safety and extend the life of the pavement systems. The consultant's scope of work for this study includes: review of Port files for original pavement designs and subsequent repairs, replacements and upgrades; visual inspections of and preparation of physical layout of existing pavement systems; testing of existing pavement systems including core drilling to confirm pavement cross sections, and load deflection tests to determine capacity of pavements; and prepare a report of existing conditions and provide recommendations for repairs, replacements and needed upgrades that will be required over the next 15 years. It was recommended that the Board approve the consultant agreement with Golder Associates. The amount of the agreement will not exceed \$200,000.00 based on the scope of work and other terms of the proposed agreement and it was additionally requested that the Executive Director be authorized to approve up to an additional \$40,000.00 for potential changes in scope. The recommendation was approved on passage of an Resolution No. 98054.

Approval of a Building Permit Application for CA1 Tenant Improvements for "1/4 lb. Giant Burger", Terminal 1, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that CA1 leases space and operates the concessions within the Oakland International Airport terminals. They have an agreement with Hahn Enterprises, as sub-tenant, to upgrade the main restaurant space in Terminal 1 and operate the concession. The renovated

restaurant will do business as "1/4 lb. Giant Burger." CA1 and Hahn Enterprises have submitted a permit application to remodel the space. The work will include: removal of all interior partition walls, portions of the storefront wall, equipment, and fixtures in dining/service area; construction of a new storefront wall to include windows along the International Arrivals corridor and new roll-up doors; install new partitions, counters, and furnishing in a new configuration; install new signs on the exterior of the space to identify the new business; install new finishes as required; and alter and replace mechanical, electrical, and plumbing systems as necessary. The estimated value of the work is \$500,000.00. It was recommended that the Board approve the building permit application. The recommendation was approved on passage of Resolution No. 98067 with Commissioner Loh abstaining.

Approval of New License and Concession Agreement with Glorious Communications

was the subject of a memo to the Board from the Acting Director of Commercial Real Estate recommending approval of a new license and concession agreement with Glorious Communications, for 3,000 square feet of office space, at \$250.00 per month, effective February 15, 1998. The recommendation was approved on passage of Resolution No. 98055.

Approval of Correction to Legal Descriptions in the Leases and Confirming Approval of Assignment of Theodore A. Eden and Dorothy Bergamaschi, as Tenants in Common, for the

Property on Embarcadero was the subject of a memo to the Board from the Acting Director of Commercial Real Estate notifying the Board that on October 7, 1997 the Board approved the transfer of the leases for 1900 and 2000 Embarcadero Cove to Theodore Eden and Dorothy Bergamaschi, as tenants in common. The legal descriptions attached to the two leases contained minor errors, and the assignees and their lender have requested that the legal descriptions be corrected. The Port's surveyor has confirmed that the legal descriptions are incorrect and confirms the corrected descriptions. The tenants' lender has required them to form a limited liability company to serve as lessee. Mr. Eden and Ms. Bergamaschi will be the sole owners of the beneficial interests in the limited liability company, in the same ratio. The lease does not require Board approval of a transfer to a company owned by Mr. Eden and Ms. Bergamaschi; however, the tenants' lender has asked that the Port confirm this and

execute an estoppel agreement. The estoppel agreement has been negotiated by the Port Attorney's office. It was recommended that the Board approve the supplement to the leases. The recommendation was approved on passage of Resolution No. 98056.

Approval of Consultant Agreement for Engineering Design Services for Construction of a Joint Intermodal Terminal, Inner Harbor was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port Vision 2000 Program consists of a Joint Intermodal Terminal (JIT) and up to five container terminals; the realignment of Seventh Street and Middle Harbor Road; and Public Access Improvements along the north side of the Oakland Inner Harbor Channel at the former Fleet Industrial Supply Center, Oakland (FISCO). The proposed consultant will provide professional engineering design services for the JIT. On October 31, 1997, Requests for Proposals were sent to professional design firms currently doing business as Civil Engineers in the Local Business Area. The Port Review Panel, joined by a Burlington Northern and Santa Fe Railroad Engineer, recommended Holmes and Narver to perform the professional design services for this project. It is anticipated that maximum compensation for these services will not exceed \$3,000,000.00. It was recommended that the Executive Director be authorized to approve up to an additional \$750,000.00 for potential changes in scope. The design consultant must begin work immediately to permit completion of the construction of the initial phase construction project by the Spring of 1999. It was recommended that the Board approve the consultant agreement with Holmes and Narver, Inc. The recommendation was approved on passage of Resolution No. 98057.

Approval of Consultant Agreement for Engineering Design Services for Construction of Public Access Improvements, Berths 55/59, Inner Harbor was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port Vision 2000 Program consists of Public Access Improvements, up to 5 container terminals; the relocation of Seventh Street and Middle Harbor Road; and a Joint Intermodal Terminal (JIT) along the north side of the Oakland Inner Harbor Channel at the former Fleet Industrial Supply Center, Oakland (FISCO). A condition of the Bay Conservation and Development Commission (BCDC) permit for this program will be development of water front public access improvements. The proposed consultant will provide professional

engineering and design services for the Public Access Project. On October 10, 1997, Requests for Proposals were sent to professional design firms currently doing business as Architects or Landscape Designers in the Local Impact Area. The Proposal Review Panel, composed of staff members from the Engineering and Maritime Divisions, the Port's Office of Equal Opportunity, and a member of the community, recommended David L. Gates & Associates and the Thruston Design Group. David L. Gates & Associates will do the lead public outreach, landscape and design documents; and Thruston Design Group will do the project management, outreach assistance, and architectural design. The agreement should not exceed \$1,500,000.00; and the Executive Director is authorized to approve up to \$375,000.00 for potential changes in scope. It was recommended that the Board approve the agreement. The recommendation was approved on passage of Resolution No. 98058.

Personnel Items contained in a memo to the Board from the Chief Administrative Officer recommending the leave of absence for Kimberley Linderme, Personnel Technician, for maternity leave beginning February 23, 1998, through and including August 21, 1998; extension of administrative leave for Alfonso E. Loera, Airport Serviceman (retitled Airport Operations Specialist, Airside/Landside), effective February 5, 1998, for a period of time not to exceed 44 working days pending completion of investigation and disciplinary proceedings; and extension of administrative leave for Edward L. Schmucker, Equipment Systems Engineer, effective 5, 1998, for a period of time not to exceed 44 working days pending completion of investigation and disciplinary proceedings. Further recommending examination announcement for the Civil Service classification of Port Programmer Analyst. Mr. Alfonso Loera appeared before the Board to question the status of his administrative leave. The recommendations were approved on passage of Resolution No. 98059 for leave of absence; Resolution No. 98068 for administrative leaves of absence with Commissioner Kramer abstaining; and on an ordinance to print.

Contract with U.C. Berkeley Extension to Deliver a Port-wide Training Package was the subject of a memo to the Board from the Chief Administrative Officer notifying the Board that in December of 1997, U.C. Berkeley Extension delivered a two-day "Professional Writing Skills" course at the Port. It was evaluated to be 90% overall rating of "satisfactory" to "extremely valuable." It was

recommended that the Board approve the hiring of U.C. Berkeley Extension to deliver the Training Package involving skills in business writing, conducting meetings, customer service and conflict resolution. The courses will be scheduled through 1998, and if necessary, into 1999, based on instructor and facility availability, with a maximum of 25 participants per workshop, for a total fee not to exceed \$95,000.00; and it was further recommended that the Executive Director be authorized to increase the total compensation by \$35,000.00 for additional related services, additional participants and/or special executive sessions. The employees who complete the course will receive 1.5 Continuing Education Credits. The recommendation was approved on passage of Resolution No. 98060.

Approval of Consultant Agreement with Mandalay Associates to Perform Desk Audits for Certain Represented Groups was the subject of a memo to the Board from the Chief Administrative Officer recommending approval to enter into an agreement with Mandalay Associates to perform desk audits, update classification specifications, and to provide assistance in matters regarding compensation for certain "represented" employees in Units A, B, C and F. Mandalay Associates has been in business since 1993 and is a woman owned minority consulting firm. Mandalay represents private and public sector clients and offers human resources services in the following areas: executive recruitment, organizational assessment and development, training, performance management, and strategic and project planning. The cost of the contract is not to exceed \$75,000.00. The recommendation was approved on passage of Resolution No. 98061.

Approval of Annual Report for Continuing Disclosure was the subject of a memo to the Board from the Acting Chief Financial Officer notifying the Board that as part of the Port's 1997 Revenue Bond financing, the Port executed a Continuing Disclosure Certificate for the benefit of the holders of the 1997 Bonds and to assist the Port's underwriters for that issue in complying with Securities and Exchange Rule 15c2-12(b)(5). These new SEC requirements impose duties on the underwriters, and thus indirectly issuers of tax-exempt debt, to provide to the investment community continuing disclosure on an annual basis regarding current financial and operating information. The Annual Report submitted to the Board contains the Port's audited financial statements, certain updated tables from the last Port Official Statement, and a narrative description of certain events taking place at

the Port during the past year. The Annual Report is then filed with a nationally recognized municipal securities information repository meeting the requirements of the SEC Rule. It was recommended that the Board approve in substantially final form the Annual Report to be filed pursuant to the Continuing Disclosure Certificate, with such other changes as may be included as deemed necessary by the Executive Director, Acting Chief Financial Officer and Port Attorney; direct that the Annual Report, as so modified, be filed with a national repository in accordance with the Continuing Disclosure Certificate; and authorize any other actions necessary to comply with the requirements of said Certificate. The recommendation was approved on passage of Resolution No. 98062.

Travel Authorization contained in a memo to the Board from the Secretary of the Board recommending the travel of President Celso D. Ortiz, Director of Aviation Steve Grossman, Aviation Marketing Manager George Turner and the participation of Vice Mayor Ignacio De La Fuente to Mexico City, Mexico on or about the period February 11-16, 1998, for meetings with Taesa Airlines. The recommendation was approved on passage of Resolution No. 98063.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,

Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

“RESOLUTION NO. 98054

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH GOLDER ASSOCIATES FOR ENGINEERING CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98055

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH GLORIOUS COMMUNICATIONS.”

“RESOLUTION NO. 98056

CONSENTING TO ASSIGNMENT OF LEASE FROM THEODORE A. EDEN AND DOROTHY BERGAMASCHI TO EMBARCADERO BUSINESS PARK, LLC AND APPROVING A THIRD SUPPLEMENTAL AGREEMENT TO LEASE WITH EMBARCADERO BUSINESS PARK, LLC AS ASSIGNEE.”

“RESOLUTION NO. 98057

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH HOLMES AND NARVER, INC. FOR ENGINEERING DESIGN CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98058

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH DAVID GATES & ASSOCIATES AND THRUSTON DESIGN GROUP, JOINTLY AND SEVERALLY, FOR ENGINEERING DESIGN CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98059

APPROVING LEAVE OF ABSENCE TO KIMBERLEY KINDERME, PERSONNEL TECHNICIAN.”

“RESOLUTION NO. 98060

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98061

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH MANDALAY AND ASSOCIATES FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98062

APPROVING ANNUAL REPORT.”

“RESOLUTION NO. 98063

CONCERNING CERTAIN TRAVEL.”

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart,
Taylor and President Ortiz - 5

Noes: None

Abstained: Commissioner Loh - 1

Absent: Commissioner Cole - 1

“RESOLUTION NO. 98067

GRANTING AIR TERMINAL SERVICES, INCORPORATED PERMISSION TO
PERFORM CERTAIN WORK.”

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Lockhart, Loh,
Taylor and President Ortiz - 5

Noes: None

Abstained: Commissioner Kramer - 1

Absent: Commissioner Cole - 1

“RESOLUTION NO. 98068

CONCERNING CERTAIN ADMINISTRATIVE LEAVES OF ABSENCE.”

Port Ordinance No. 3409 being, “AN ORDINANCE APPROVING AND AUTHORIZING
THE EXECUTION OF LEASE WITH KEEP ON TRUCKING COMPANY, INC.” was read a
second time and passed by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh, Taylor
and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 9 OF
PORT ORDINANCE NO. 1149 RELATING TO CHARGES FOR USE OF FACILITIES AT

METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” was read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Noes: None

Absent: Commissioners Cole - 1

At the hour of 6:15 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Oakland v. Keep on Trucking Company, Inc. et al., U.S. District Court Case No. C-95-0372-CW, City of Oakland v. Seabreeze Yacht Center, Inc., et al. and City of Oakland v. Zurich Insurance Company, West Oakland Neighbors, an Unincorporated Association, Willie Keyes, Karin MacDonald v. United States Department of Transportation et al., U.S. District Court Case No. C-97-3627-SI, City of Alameda, a Municipal Corporation; Citizens League for Airport Safety and Serenity v. Port of Oakland et al., Alameda County Superior Court Case No. 793056-0; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: one case, Potential environmental litigation involving a current Port tenant; conference with real property negotiator, Property - Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), negotiating parties - Port and City, under negotiation - price and terms of payment; Public Employee Discipline/Dismissal/Release; and reconvened in open session at the hour of 6:30 p.m.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

"RESOLUTION NO. 98064

ACCEPTING A SETTLEMENT OFFER FROM ARKWRIGHT MUTUAL INSURANCE COMPANY ("ARKWRIGHT") AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A SETTLEMENT AGREEMENT WITH ARKWRIGHT CONCERNING THE INSURANCE MATTER RELATED TO THE FORMER SEABREEZE YACHT CENTER, INC. SITE AT 280 6TH AVENUE, OAKLAND."

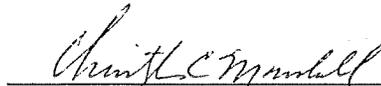
"RESOLUTION NO. 98065

APPROVING AND AUTHORIZING EXECUTION OF CONSENT DECREE."

"RESOLUTION NO. 98066

ON THE PASSING OF LIONEL J. WILSON."

At the hour of 6:35 p.m. the meeting was adjourned on a motion duly made and seconded.



Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS

OF THE CITY OF OAKLAND

The regular meeting, was held on Tuesday, January 20, 1998, at the hour of 3:25 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Ortiz presiding, appropriate notice having been given and posted.

Commissioners present: Cole, Harris, Lockhart, Loh,
Taylor and President Ortiz - 6

Commissioners absent: Kramer - 1

Also present were the Executive Director; Port Attorney; Director of Engineering; Director of Aviation; Acting Director of Commercial Real Estate, Joyce Washington; Chief Administrative Officer; Director of Maritime; Director of Strategic and Policy Planning; Director of Equal Opportunity; Acting Chief Financial Officer, Fred Rickert; Acting Media Relations Manager, Lynn Joiner; and Secretary of the Board.

Aquisition of Twenty Transit Buses from Gillig Corporation of Hayward, CA was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Airport, through contract services, operates shuttle bus services at the Airport to provide transportation for the users of the airport parking facilities as well as the Bay Area Rapid Transit (BART) system. The current agreement between the Port and the contractor, provides for the contractor to provide the buses. However, the contractor bills the Port for the costs of purchasing the buses, by amortizing the purchase price plus all other costs associated with the purchase, over the term of the agreement. These amortized costs are included in the Hourly Bus Rate charged the Port to provide the shuttle bus services. Hourly Bus Rate typically includes employee payroll costs, benefits, insurance, maintenance, management fees, profits, etc. The current agreement with the contractor has ended and staff is in the process of finalizing a new RFP in order to solicit new proposals. The current buses are nearing the end of their useful life and the buses are too small (12 passenger capacity) to meet current and future needs. It is imperative that new, larger, transit type buses be purchased and put into service. A fleet of twenty, fifteen of which will be 35' long and five will be 40' long, is needed to provide adequate and

convenient services to the users of the airport parking facilities and the BART system. Fifteen buses will be utilized to provide services for the airport parking facilities, while five buses will be designated to provide the AirBART service. Staff has investigated the alternative of the Port leasing the buses directly and contracting with a company to supply the drivers and manager the system. The direct lease of the buses is superior in areas of cost and quality control. After extensive investigations with other agencies who operate similar bus operations, it was concluded that the best option for the Port is to lease the buses directly and have a management company provide the services needed. The buses will be serviced and maintained by the leasing company through a separate lump-sum maintenance sub-contract with a local service provider equipped to provide such service. This approach gives the Port the assurance that maintenance of these buses is carried out per the manufacturer's recommendations. It was recommended that the Board authorize the preparation and execution of an agreement with Gillig Corporation, a Local Business Area firm based in Hayward, to lease 20 transit, "low floor" model buses. The fleet of Gillig buses would cost approximately \$4.5 million. The recommendation was approved on passage of Resolution No. 98039.

Approval of Waiver of Condition to Consent to Air Terminal Services, Inc. Sublease to The Giant Burger Group was the subject of a memo to the Board from the Director of Aviation notifying the Board that on May 6, 1997, the Board approved the sublease with CA One and The Giant Burger Group, which approval was conditioned upon four factors: The Giant Burger Group demonstrate by June 6, 1997 that it satisfied the Port's EEO/DBE certification requirements; the Port Attorney review and approve the final sublease and related documents; CA One's Lease be amended to provide for certain economic changes due to the sublease; and The Giant Burger Group submit to the Port acceptable conceptual plans for build-out of the subleased space before July 6, 1997 and submit acceptable construction plans before November 6, 1997. However, Giant Burger did not submit acceptable plans within the time frames required and in addition the proposed sublease is now between CA One and three individuals, Alex K. Hahn, Young S. Hahn and Sang Duk Hahn doing business as The Giant Burger Group, rather than to The Giant Burger Group a partnership. These individuals were to be the general partners of the proposed partnership; however, they elected not to form a legal

partnership and instead propose to sign the sublease as individuals. It was recommended that the Board consent to the two changes to the Board's former approval of a sublease from the Air Terminal Services, Inc. (CA One) to The Giant Burger Group which are substituting of the three individuals, doing business as The Giant Burger Group for the partnership, "The Giant Burger Group" as the sublessee; and extending the time for submittal of acceptable conceptual and construction drawings by waiving prior submittal periods. The recommendation was approved on passage of an Resolution No. 98051.

Authorization to Dispense with Formal Bids for Construction of Signs on Airport Drive, South Airport, MOIA was the subject of a memo to the Board from the Director of Aviation notifying the Board that the traffic and informational signs along Airport Drive were originally constructed during the early sixties and have been modified and added to over the years to reflect the growth and changing uses of the Oakland Airport. The signs along Airport Drive, from Doolittle Drive to Terminals 1 and 2, have physically deteriorated and, for some signs, the information being provided to the public and Airport tenants is no longer accurate. Some signs are redundant and should be removed, and others are placed in groups which are hard to read. This signage program will be interim in nature until permanent signage is constructed as part of the Airport Roadway Project and the Terminal expansion Program. The work consists of replacing existing panels, refacing existing signs, modifying sign messages, repainting sign structures, removing some signs, and construction of one new "Oakland International Airport" sign at the entrance to South Airport. It was recommended that the Port dispense with formal bidding procedures, and engage in an outreach program by soliciting proposals only from small local contractors. It was also recommended that the Board execute a contract or contracts for this work with small local contractors, said contracts to be based on informal, competitive bidding and to be for an aggregate amount not to exceed \$300,000.00. The recommendation was approved on passage of Resolution No. 98040.

Award of Contract for Demolition of Buildings G-301, G-302, G-303, and G-305, Inner Harbor was the subject of a memo to the Board from the Director of Engineering notifying the Board of nine bids received and recommending award of the contract to Clauss Construction, the low bidder,

at \$207,945.00. Mr. Spencer Covey, President, Covey Trucking Co., appeared before the Board to question the spirit of Clauss participation with the Port's new Non-Discrimination Policy. The recommendation was approved on passage of Resolution No. 98041.

Approval of a Building Permit Application for Snoodles' Tenant Improvements was the subject of a memo to the Board from the Director of Engineering notifying the Board that Oakland Portside Associates has submitted a permit application on behalf of Snoodles Four LLC Restaurant to make tenant improvements to their new leased space at the corner of Washington and Water Streets. The work involves exterior facade remodeling including construction of an outdoor seating area and signage, installation of new fixtures and furnishings, and other interior improvements in the currently vacant space. The work will include installation of low metal railings near the entrance to define the outdoor dining area; installation of a low metal railing across two abandoned doorways on Water Street; painting of portions of the existing stucco exterior and the awning; construction of partition walls to create public restrooms, an employee restroom, an office, food preparation and storage areas; installation of kitchen and bathroom equipment, counters, and washing facilities for a full service restaurant; installation of furnishings and finish materials; installation of three signs, one mounted flag-style oriented to Water and Washington Streets, one mounted on the wall facing Washington, and one hanging perpendicular to the building over the canopy on Water Street; and modification of electrical/mechanical systems related to the work. The estimated value of the work is \$750,000.00. It was recommended that the Board approve the building permit. The recommendation was approved on passage of Resolution No. 98042.

Recommendation to Give First Reading to An Ordinance Approving and Authorizing a Five-Year Lease Agreement with Keep On Trucking Company, Inc. was the subject of a memo to the Board from the Director of Maritime notifying the Board that Keep On Trucking Company, Inc. ("KOT") is a motor carrier which operates a steel storage facility at the Ninth Avenue Terminal under a 5-year lease agreement which expired November 30, 1996. KOT is currently occupying the premises pursuant to the holdover provisions of said lease. The current monthly rental under the lease is \$14,437.23 for the site. KOT currently receives monthly rental credits totaling \$808.41 to cover

certain improvements made by KOT on behalf of the Port. In addition to the leased premises. KOT occupies additional space at the Ninth Avenue Terminal pursuant to Tariff Assignments for \$15,706.64 for 138,249.90 square feet. However, the most recent survey indicates that the actual square footages under Tariff Assignment for certain areas is 163,164.29 (not 138,249.90 square feet) and the total rate should be \$17,928.28 (not \$15,706.64). It was recommended that the new lease with KOT incorporate both the area currently occupied by KOT under the lease as well as the area currently occupied by KOT under the Tariff Assignments which new lease would cover a total of 284,534 square feet at \$32,365.51 per month. In addition, KOT would pay an additional \$5,000.00 per month "premium" over the 5-year term of the new lease in partial settlement of the City of Oakland v. Keep On Trucking Company, Inc. litigation, totaling a monthly rental of \$37,365.51 with the rental rates increasing in April 1998 and 30 months thereafter. The recommendation was approved on passage of an ordinance to print.

Plans and Specifications for Demolition of Buildings D-711 and D-723, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition. The work consists of demolition and removal of Building D-711, a 121,100 square foot warehouse with a 1,300 square foot loading dock, and Building D-723, a 121,100 square foot warehouse. This work is necessary in order to clear the site for construction of the Joint Intermodal Terminal (JIT) beginning in mid-1998. The environmental documents associated with the project have been completed. The recommendation was approved on passage of Resolution No. 98043.

Authorization to Dispense with Formal Bids for Demolition of Building D-543, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has demolished, or will be demolishing, more than one hundred structures at the Harbor Transportation Center. Most of these structures are large and beyond the capabilities of local small contractors. Of the few structures potentially suitable for small contracts, Building D-543 is scheduled for immediate demolition. The work consists of demolition and removal of a wood framed building, formerly a 120,000 square feet warehouse. The work is necessary in order

to clear the site for construction of a container yard facility. It was recommended that the Board find it to be in the best interest of the Board to dispense with formal bidding and approve a contract for this work with small local contractors. The said contract is to be based on informal, competitive bidding and to be for an aggregate amount not to exceed \$250,000.00. Further recommended was approval to execute a contract with any qualified contractor in the event acceptable bids are not received from small local contractors. The recommendation was approved on passage of Resolution No. 98044.

Recommendation to Approve Deposit for Utilities at FISCO was the subject of a memo to the Board from the Director of Engineering notifying the Board that on August 4, 1997, the Board authorized the Fourth Amendment to the leasehold agreement with the Department of the Navy for lease of the Fleet Industrial Supply Center, Oakland (FISCO). Under the terms of the Fourth Amendment, the Port will continue to purchase utilities at FISCO from the Navy Public Works Center. The utilities which are purchased are used either by the Port in running FISCO, or are resold to Port tenants at FISCO. In the past, the utilities were supplied by the Navy Public Works Center, San Francisco Bay. However, the Navy Public Works Centers, San Francisco Bay, was recently disestablished by the Navy, and its remaining obligations and duties were transferred to the Navy Public Works Center, San Diego (PWCSO). The Navy Comptroller regulations require that a deposit be provided equal to the estimated cost of thirty days utility purchase by the Port at FISCO. This money will be used to establish a utility account at PWCSO. Once the account is established, the Port will be billed for actual consumption on a monthly basis so the balance of the account is maintained, as a minimum, at the value of the thirty-day estimate. When the Port ceases purchasing utilities from the PWCSO, the deposit will be refunded. The Navy has estimated the deposit at \$51,670.22. It was recommended that the Board authorize a deposit to the Navy Public Works Center, San Diego. The recommendation was approved on passage of Resolution No. 98045.

Approval of Consultant Agreement with G. Borchard & Associates (GBA) for Professional Services to Provide Environmental Review and Project Management Services for the Berths 55-58 Project Environmental Impact Report (EIR) and Environmental Assessment (EA) was the subject of a memo to the Board from the Director of Engineering notifying the Board

that the Port has adopted an aggressive schedule for completion of the planning, engineering design, environmental review, permitting and construction phases of all Vision 2000 "tiered" projects, including the construction of new marine terminals - the Berths 55-58 Project. According to the current schedule, the draft environmental review document for the Berths 55-58 Project, the Draft Environmental Impact Report and Environmental Assessment ("Berths 55-58 Project Draft EIR/EA") is to be completed by May 1998. The Berths 55-58 Final EIR/EA is scheduled for certification by the Board in late August 1998. Construction of the first new marine terminals is scheduled to commence in October 1998. To meet this schedule, the Board authorized Port staff to negotiate and execute a contract with Parsons Engineering Science, Inc. (Parsons) to prepare the Berths EIR/EA in the amount of \$650,000.00. The Berths 55-58 EIR/EA is managed by one full-time Associate-level staff person in the Environmental Planning Department. In October 1997, the resignation of the Port Environmental Assessment Supervisor created an immediate need to provide continuous and uninterrupted staffing of the Vision 2000 environmental program. The assignment of an existing staff member to the acting Supervisor position necessitated finding a temporary, replacement project manager for the remaining duration of the Berths EIR/EA process to avoid lengthy and costly delays to the project. The most expeditious course of action was through the services of a consultant firm. The consultant is to provide environmental review and project management services to the Port of Oakland. The consultant's primary tasks will be project management of environmental review, environmental assessment and planning, and permitting for the Berths 55-58 Project. The consultant will perform this work under the direction of the Port staff. To meet deadlines and provide uninterrupted environmental review and project management services on the Berths 55-58 Project, the Environmental Planning Department solicited proposals from several Oakland-based consultants and consulting firms. It was recommended that the Board approve an agreement with G. Borchard & Associates (GBA), a small woman-owned, Oakland-based firm and maintains W/DBE certification with the City of Oakland. GBA is located in the Local Impact Area (LIA). The amount of the agreement with G. Borchard & Associates will not exceed \$77,000.00, based upon the agreed upon scope of work and terms of the contract. The recommendation was approved on passage of Resolution No. 98046.

Personnel Items contained in a memo to the Board from the Chief Administrative Officer recommending the appointment of Deborah Johnson, as Senior Secretary, rate "c", at \$3,385.00 per month, effective January 26, 1998; Norma McKinnon, as Intermediate Stenographer Clerk, rate "a", at \$2,602.00 per month, effective February 9, 1998; Cleveland McDougald, Samuel Payne, Patricia Seals and Samuel Tapia, as Custodian, rate "c", at \$2,854.00 per month, effective January 26, 1998; Debra Ambers and Levester Pierson, as Custodian, rate "a", at \$2,641 per month, effective January 26, 1998; Gunnar Niemi, as Port Senior Programmer/Analyst, at \$4,659.00 per month, effective January 26, 1998; Dennis E. Jackson, as Senior Fire Prevention Systems Engineer, rate "c", at \$5,506.00, effective January 26, 1998; and John Lew, as Fire Prevention Systems Engineer, rate "d", at \$4,951.00 per month, effective January 26, 1998.. Further recommended amendment to the appointment of Robert Martinez, Deputy Port Attorney III, from December 8, 1997 to January 21, 1998. The recommendations were approved on passage of Resolution No. 98047 for appointments, Resolution No. 98048.

Ratification for Submittal of PTTGrants Application to the National Center for Preservation Technology and Training (NCPTT) was the subject of a memo to the Board from the Director of Engineering notifying the Board that the National Center for Preservation Technology and Training (NCPTT) is a group of experts within the National Park Service whose work focuses on technical issues in preservation and conservation. The NCPTT undertakes its work in partnership with the national preservation and conservation community. As part of the National Historic Preservation Act Amendments of 1992, the US Congress created the National Center for Preservation Technology and Training Grants Program (PTTGrants). The PTTGrants Program is NCPTT's chief means of advancing the practice of historic preservation and supporting the work of the nation's preservation and conservation community. Through the PTTGrants program, NCPTT supports work in archeology, historic architecture, historic landscapes, objects and material conservation, and interpretation. The PTTGrants are awarded on a competitive basis. The maximum possible award is \$40,000.00. On December 19, 1997, a PTTGrants application was submitted to NCPTT to fund the Port of Oakland Archive Catalogue project. The proposed project is to crate a catalogue for a

collection of over 4,000 images and text that chronicle the history of the Port. A data sheet will be created for each image or text so that data can then be compiled or queried according to several categories and representative images will be digitized and made available on the Port's intranet and intranet sites. The collection represents individual and corporate efforts to record significant Port projects and events. If made more accessible, the collection could provide valuable information to researchers and the general public. It was recommended that the Board ratify the submittal of the PTTGrants application to the NCPTT and authorize the grant award agreement. The recommendation was approved on passage of Resolution No. 98049.

Amendment to Definition of 1997 Reserve Fund Requirement-Ninth Supplemental Trust Indenture was the subject of a memo to the Board from the Acting Chief Financial Officer, Fred Rickert, notifying the Board that the definition of the "1997 Reserve Fund Requirement" in the Port's Ninth Supplemental Trust Indenture, which authorized the Port's last four series of Revenue Bonds, must be revised due to a typographical error in the amount of the reserve fund requirement, which should be stated as \$18,192,630.69. This is merely a conforming change, as all other proceedings and deposits in connection with the bond issue reflect the correct amount. The Port Attorney has received an opinion for the Revenue Bonds of bond counsel that the proposed amendment, a copy of which is on file with the Secretary of the Board, is permitted under the Port's Master Trust Indenture and the Trustee for the Revenue Bonds has already executed the Ninth Supplemental Indenture. It was recommended that the Board approve the amendment to the Ninth Supplemental Trust Indenture amending the definition of the "1997 Reserve Fund Requirement". The recommendation was approved on passage of Resolution No. 98050.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Cole, Harris, Lockhart, Loh,

Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 98039

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO LEASE TRANSIT BUSES THROUGH GILLIG CORPORATION WITHOUT COMPETITIVE BIDDING.”

“RESOLUTION NO. 98040

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR CONSTRUCTION OF SIGNS ON AIRPORT DRIVE, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING SOLICITATION OF PROPOSALS FROM SMALL LOCAL CONTRACTORS.”

“RESOLUTION NO. 98041

AWARDING CONTRACT TO CLAUSS CONSTRUCTION, FOR DEMOLITION OF BUILDINGS G-301, G-302, G-303 AND G-305, INNER HARBOR, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 98042

GRANTING OAKLAND PORTSIDE ASSOCIATES, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 98043

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-711 AND D-723, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 98044

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR DEMOLITION OF BUILDING D-543 AT THE HARBOR TRANSPORTATION CENTER WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 98045

AUTHORIZING DEPOSIT FOR UTILITIES AT FLEET INDUSTRIAL SUPPLY CENTER, OAKLAND (FISCO).”

“RESOLUTION NO. 98046

FINDING AND DETERMINING THAT A PROPOSAL AGREEMENT WITH G. BORCHARD & ASSOCIATES FOR MARITIME CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98047

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98048

AMENDING PORT RESOLUTION NO. 97367 CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 98049

RATIFYING SUBMITTAL OF PTTGRANTS APPLICATION; AUTHORIZING EXECUTION OF GRANT AGREEMENT WITH THE NATIONAL CENTER FOR PRESERVATION TECHNOLOGY AND TRAINING AND APPROVING PROJECT.”

“RESOLUTION NO. 98050

APPROVING THE AMENDMENT TO THE NINTH SUPPLEMENTAL TRUST INDENTURE.”

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Cole, Harris, Lockhart,

Taylor and President Ortiz - 5

Noes: None

Abstained: Commissioner Loh - 1

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 98051

APPROVING WAIVER OF CONDITIONS AND CONSENTING TO SUBLEASE BY AIR TERMINAL SERVICES, INCORPORATED TO ALEX K. HAHN, YOUNG S. HAHN AND SANG DUK HAHN, DOING BUSINESS AS THE GIANT BURGER GROUP.”

Port Ordinance No. 3407 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A NONEXCLUSIVE PREFERENTIAL ASSIGNMENT AGREEMENT WITH INTERNATIONAL TRANSPORTATION,” and Port Ordinance No. 3408 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO ESTABLISH A CERTAIN NEW SALARY SCHEDULE, TO CREATE CERTAIN NEW POSITIONS AND TO ADD AN ADDITIONAL POSITION WITHIN AN EXISTING PORT CLASSIFICATION,” were read a second time and passed by the following vote:

Ayes: Commissioners Cole, Harris, Lockhart, Loh, Taylor
and President Ortiz - 6

Noes: None

Absent: Commissioner Kramer - 1

Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND
AUTHORIZING THE EXECUTION OF LEASE WITH KEEP ON TRUCKING COMPANY,
INC.," was read a first time and passed to print by the following vote:

Ayes: Commissioners Cole, Harris, Lockhart, Loh,
and President Ortiz - 5

Noes: None

Abstained: Commissioner Taylor - 1

Absent: Commissioners Kramer - 1

At the hour of 4:35 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Oakland v. Keep on Trucking Company, Inc. et al., U.S. District Court Case No. C-95-0372-CW and East Bay News and Sanjiv Handa v. Port of Oakland, Alameda County Superior Court Case No. 773964-2; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: two cases; and reconvened in open session at the hour of 5:30 p.m.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Cole, Harris, Lockhart, Loh
and President Ortiz - 5

Noes: None

Abstained: Commissioner Taylor - 1

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 98052

1) ACCEPTING A SETTLEMENT OFFER FROM KEEP ON TRUCKING COMPANY, INC. (“KOT”) (AND INSURANCE CARRIERS, AS APPROPRIATE) AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A SETTLEMENT AGREEMENT WITH KOT (AND INSURANCE CARRIERS, AS APPROPRIATE) PROVIDED, HOWEVER THAT THE PORT ORDINANCE APPROVING AND AUTHORIZING A NEW 5-YEAR LEASE WITH KOT BECOMES EFFECTIVE; 2) AMENDING PORT RESOLUTION NO. 97151 CONCERNING A PROPOSED SETTLEMENT WITH SAFEWAY, INC.; AND 3) APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN EXTENSION TO THE DEFENSE FUNDING AGREEMENT WITH THE INSURER GROUP ALL CONCERNING CITY OF OAKLAND V. KEEP ON TRUCKING COMPANY, INC. ET AL., UNITED STATES DISTRICT COURT CASE NO. C-95-03721-CW (“NINTH AVENUE TERMINAL ENVIRONMENTAL LITIGATION”) AND THE INSURANCE MATTER RELATED THERETO.”

“RESOLUTION NO. 98053

FINDING AND DETERMINING THAT THE PROPOSED AGREEMENT WITH ARCADIS GERAGHTY AND MILLER, INC. CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

At the hour of 5:35 p.m. the meeting was adjourned on a motion duly made and

seconded.



Secretary of the Board

REGULAR MEETING OF THE BOARD OF PORT COMMISSIONERS

OF THE
CITY OF OAKLAND

The regular meeting, was held on Tuesday, January 6, 1998, at the hour of 3:05 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Ortiz presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Commissioners absent: Cole - 1

Also present were the Executive Director, Port Attorney; Director of Engineering; Director of Aviation; Acting Director of Commercial Real Estate, Joyce Washington; Chief Administrative Officer; Director of Maritime; Director of Strategic and Policy Planning; Director of Equal Opportunity; Acting Chief Financial Officer, Fred Rickert; Acting Media Relations Manager, Lynn Joiner; and Secretary of the Board.

APPEARANCE: Mr. Lloyd Lawrence, Scot Lewis and Henry Williams, all representing the proposed restaurant to be operated as Snoodles, appeared before the Board to note the status of the previous Board's requirements and that they were on their new schedule.

Consulting Agreement with Keiser & Associates, Inc. for Air Cargo Marketing Assistance was the subject of a memo to the Board from the Director of Aviation notifying the Board of the consulting services of Keiser & Associates, Inc. to perform air cargo marketing services and recommending the continuation of the agreement for a three-year term beginning July 1, 1997 through June 30, 2000. Keiser & Associates will be engaged to: continue ongoing Airport marketing efforts with domestic and international air cargo carriers, forwarders, express package carriers, shippers, U.S. Postal Service and other governmental agencies to increase air cargo activity at Oakland International Airport; provide recommendations with regard to short-term and long-term air cargo facility requirements; and provide evaluations of emerging trends in the air cargo industry, as they affect the Port's air cargo marketing strategy, facility development plans and revenue generations opportunities. To broaden the scope of services performed, staff facilitated a subcontractor relationship with Goodman

and Associates, led by Harold Goodman, the former Fed Ex manager in Oakland. The proposed agreement with Keiser & Associates, Inc., for air cargo marketing consulting services would not exceed \$65,000.00 per year for a total contract value of \$195,000.00. The recommendation was approved on passage of Resolution No. 98001.

Extension for the ABC Security Contract for the Period of 2 Years was the subject of a memo to the Board from the Director of Aviation notifying the Board that ABC Security is a Local Impact Area company that was originally awarded a two year agreement starting July 1, 1993, to provide security guard services at the Airport. ABC Security's has performed well above standard and the Port exercised its option to extend the Agreement with ABC Security for another term of two years, ending June 30, 1997. The company continues to perform well above standard and continues to meet all of its contractual obligations. In order to provide the opportunity for ABC Security to mature as an airport security firm, additional time under the same conditions to perform their services at the Airport is appropriate. It was recommended that the Board approve the extension of the security guard services contract agreement with ABC Security Company to June 30, 1999. Mr. Willie L. Preston, Director for A.M.P.B. Security, asked that the contract be put out to bid so others may have a chance for the contract. The recommendation was approved on passage of an Resolution No. 98002.

Interim Shuttle Bus Operator for AirBART and Airport Parking Shuttle Service was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Port had an Agreement with Airport Parking Management of Oakland (APMO) to provide shuttle bus services in the Airport Parking facilities and the AirBART connection. The AirBART Agreement ended on March 30, 1997 and the Airport parking Agreement ended September 30, 1997. The Port has opted to end the contract with APMO and APMO will vacate the Airport premises effective January 31, 1998. Request For Proposals from prospective operators to provide shuttle services at the Airport parking lots and the AirBART Connection were received and Empex Ventures, Inc. Oakland was selected to provide the interim management for the AirBART and the Airport Parking Shuttle bus contract services. It was recommended that the Board approve the agreement with Empex Ventures Inc. which will start February 1, 1998 and is scheduled to end July 31, 1998, with an option to extend

for an additional six months, with approximate cost to the Port for six months for \$405,000.00 for AirBART Services, half of which will be charged to BART; and \$800,000.00 for the Airport Parking Shuttle services. The recommendation was approved on passage of Resolution No. 98003.

Approval of New License and Concession Agreement with Tri-Star Airline Services, Inc.

was the subject of a memo to the Board from the Director of Aviation recommending approval to renew their agreement for washing aircraft and other related services perform on the South Airport, at a monthly rental minimum of \$250.00 or 10% of gross revenues, whichever is greater, commencing January 1, 1998 with a 30-day termination provision. The recommendation was approved on passage of Resolution No. 98004.

Plans and Specifications for Construction of Air Cargo Road Parking Facility, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the work. The project consists of expanding the temporary parking facility located at the intersection of Air Cargo Road and Airport Drive. The existing temporary parking facility was built in 1995 and has 500 parking stalls. The temporary facility services as an overflow lot for airline passengers. The additional parking is needed during peak travel periods. The parking facility expansion includes the placement of asphaltic concrete, fencing and lighting for approximately 1000 additional parking stalls. The expanded parking lot is included in the current Airport Layout Plan approved by the FAA. The project was reviewed in the Final Environmental Impact Report of the Airport Development Program. The recommendation was approved on passage of Resolution No. 98005.

Enhancement of Port Land Use Regulation and Development Procedures was the subject of a memo to the Board from the Director of Strategic & Policy Planning notifying the Board that during the course of preparation of the Estuary Plan, the Port has received comments from members of the Estuary Plan Advisory Committee, and other members of the community, that the Port's process for reviewing and approving development proposals is not clearly understood by the public and does not offer substantial opportunities for public input during the formative stages of proposed development projects. Port staff takes these comments seriously, and have prepared a series of

recommendations to enhance our development procedures to ensure that they are both clear and accessible to the public. With the passage of the Sunshine Ordinance at the beginning of 1997, the Port's Commercial Real Estate Committee meetings are now open to the public, affording opportunities for earlier public comment on proposed projects. The enhancement measures recommended would build upon existing Port procedures and improve accountability to the public. They are intended to better enable the Port to fulfill its Charter responsibilities in a manner consistent with the expectations of the community. It was recommended that: staff clarify the Port's development process, and provide informational material describing this process to the public and the development community, provide a development process map highlighting points of access for public review and comment and increase the public availability of Commercial Real Estate Committee agendas prior to Committee meetings; the frequency of Commercial Real Estate Committee meetings be increased as required to accommodate public input and substantive discussions; staff provide more detailed staff reports to the Commercial Real Estate Committee as critical project milestones to include analysis of land use conformity with adopted plans (General Plan, other Port plans and development guidelines), alternative project approaches, potential public outreach needs and strategies, fiscal impacts -- summary of Capital Improvement Program project statement, Design Review Committee findings, if applicable, and environmental issues and requirements; additional opportunities to be provided for public review at appropriate points in the design review process; the Port's permit approval process be amended to include public notification requirements similar to those applicable under the City's zoning conformity review; and staff be trained in public meeting facilitation and documentation skills. It was recommended that the Board approve the recommendation to enhance public understanding of and participation in the Port's land use regulation and development procedures. Mr. Sanjiu Handa, East Bay News Services, Mr. Vince Reyes, Chair, Oakland City Planning Commission, Ms. Pamela Clark, Ms. Sandra Threlfall, Bonnie Hamlin, President, League of Women Voters, and Mr. Andy Altman, Chief of Planning, City of Oakland, made appearances before the Board concerning the proposed Outreach Program recommended. The recommendation was approved on passage of Resolution No. 98006.

Ratify Change Order for Martin Luther King, Jr. Regional Wetlands Project, Including

Additive Alternates B3 and B6 was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with Fanfa, Inc. to create an approximately 71.5 acre wetland complex at the Distribution Center. The project is part of a litigation settlement regarding the Distribution Center and the Airport. On August 9, 1994, the Board approved two Consent Decrees agreeing to the settlement and describing in general the work of this contract. During the excavation for the marsh plain adjacent to the San Leandro Creek, the Contractor encountered piles of concrete rubble ranging in size from one foot to six feet in diameter at several locations. The size and amount of the debris at the site significantly exceeded what is appropriately the responsibility of the Contractor. The resident engineer directed the Contractor to remove the debris under the contract's force account provisions, because it was not possible to determine the true extent of the scope of such work. The total cost for the work is not available, but it is anticipated that the total cost will not exceed \$75,000.00. It was recommended that the Board ratify a change order for an amount not to exceed \$75,000 to Fanfa, Inc. for the extra work. The recommendation was approved on passage of Resolution No. 98007.

Approval of a Building Permit Application for Tony Roma's Tenant Improvements,

Port Building F-113 was the subject of a memo to the Board from the Director of Engineering recommending approval for the construction of restaurant improvements to their new leased space at the corner of Washington and Water Streets. The work involves exterior facade remodeling including construction of an outdoor seating area and signage, installation of new fixtures and furnishings, and other interior improvements in the currently vacant space. The estimated value of the work is \$900,000.00. The recommendation was approved on passage of Resolution No. 98008.

Non-exclusive Preferential Assignment Agreement with International Transportation

Service for Berth 25/26 was the subject of a memo to the Board from the Director of Maritime notifying the Board that International Transportation Service (ITS) operates at Outer Harbor Berth 25/26 which is comprised of approximately 29 acres, excluding berthing area. This terminal was initially assigned to "K" Line under a Nonexclusive Preferential Assignment Agreement. With Port

consent and in accordance with the provisions of the Agreement, the facility was subsequently assigned to ITS, a wholly owned subsidiary of "K" Line. The current term of the Agreement was to have expired on June 30, 1997. However, earlier this year the Board authorized extension of the term through December 31, 1997 in order to then facilitate discussions on various marine terminal realignments which could have involved relocation of ITS. With recent changes in the maritime industry involving major realignments of ocean carriers into global consortiums, the nature of discussions with ITS have also changed to where negotiations have been conducted for a new Agreement on the basis of ITS continuing operations at the expanded Berth 25/26 facility with approximately 40.9 acres. The basic terms of the new Agreement are: term of five and one half years, with three 5 year options, the initial nine months will continue under the compensation provisions of the existing Agreement and commencing October 1, 1998 compensation will be subject to the Port's marine terminal tariff, except as follows: Dockage, "K" Line will pay 50% of the prevailing Port tariff rates up to a Minimum Annual Guarantee (MAG) of 95 calls; Wharfage, Demurrage and Storage, "K" Line will be subject to a MAG/Breakpoint (BP) of 65,000 loaded TEUs annually, the rate assessed to and including the MAG/BP shall be \$65.00 per loaded TEU, above the Breakpoint the rate assessed shall be \$23.50 per loaded TEU, and these rates shall increase at the same time and by the same percentage as any general wharfage rate increase the Port's marine terminal tariff; IPI Incentive; "K" Line shall be subject to a MAG of 10,000 loaded TEUs of IPI cargo, and IPI cargo is defined as cargo with origins or destinations in the states of Idaho, New Mexico, Utah and states east, and, ports and points in Canadian provinces of Saskatchewan and Northwest Territories and provinces east, and as well as ports and points east of Mexican states of Sonora and Sinaloa; at the conclusion of each year, if "K" Line's IPI cargo at the terminal exceeds 10,000 loaded TEUs then all IPI loaded TEUs during the contract year shall receive a refund of \$2.00, if "K" Line's IPI cargo at the terminal exceeds 15,000 loaded TEUs then all IPI loaded TEUs during the contract year shall receive a refund of \$5.00, and in the event the MAG is not achieved then "K" Line shall pay the Port \$10.00 on the shortfall between the IPI MAGA and the amount of loaded IPI TEUs handed at the terminal during the contract year; Crane Rental at the terminal will be subject to a MAG/BP of 60,000 loaded and empty containers

(except restows and shifts), and the terminal will pay \$16.00 per loaded and empty container (except restows and shifts) up to the BP/MAG and \$8.00 per loaded and empty container lift beyond the BP/MAG level. Pertaining to the expansion in container throughput at the Seventh Street Terminal, the Port and Yang Ming Line (YML) have been evaluating relocation options and those alternatives include the transfer of YML to Berth 25/26. The proposed new Agreement with ITS contains provisions which would allow YML, subject to Port approval, to transfer their existing TUA to Berth 25/26; or, for YML to elect to become an additional user of the ITS facility. If YML elects to become an additional user at Berth 25/26 in lieu of transferring to the Berth 25/26 facility and retaining their TUA, then the proposed dockage, wharfage/demurrage and storage, and IPI incentives will be adjusted upward to reflect UML's activity at the ITS facility. ITS shall be responsible for all nonstructural or operational maintenance and repair upon the premises, including lighting, poles, fencing, surface drains, crane power trenches and reefer pits, plugs and connections. The Port will fund the terminal improvements and expansion to 40.9 acres which will amount to an estimated cost of \$10.6 million. In lieu of being assessed monthly rental, ITS shall be solely responsible for maintaining the terminal office/gate complex as well as Maintenance and Repair facility to be constructed as part of the terminal improvements. The new Agreement will also reflect updated language regarding prevailing wage requirements. It was recommended that the Board approve the new Nonexclusive Preferential Assignment Agreement. The recommendation was approved on passage of an ordinance to print.

Approval of Supplemental Agreement No. 27 to the Lease with the U.S. Army for Land at the Oakland Army Base was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port has a Lease with the U.S. Army for approximately 38 acres of land at Outer Harbor Berths 8 and 9. This acreage, together with Port-owned Berth 10, comprises the Bay Bridge Terminal. The Oakland Army Base is scheduled to close and this provides a significant opportunity to the Port. However, until closure and disposal, the Lease area will remain under the authority of the U.S. Army through its designee, the Corps of Engineers. The Port is currently in holdover status under the provisions of Supplemental Agreement No. 26. The initial term of the Lease was for eleven years ending September 30, 1989 and included an option to extend the term for an

additional five year period to September 30, 1994. The option included an increase of the annual rental based on reappraisal of the land values after a planned rehabilitation of the facility. Design and construction of the improvements were delayed by the 1989 Loma Prieta earthquake and following the "BRAC" process for the Oakland Army Base, the funds available for the improvements were returned to the U.S. General Treasury. After initial repairs to the wharf structure by the Army, the Port negotiated a 50% reduction to the annual rent of \$545,125.00 under Supplemental Agreement No. 25 due to the fact that the area was not completely usable by the Port because of poor condition and physical limitations. This situation is not expected to improve. However, the site provides needed overflow area to support container operations. The Army anticipates designating the Corps of Engineers as the facility caretaker prior to its disposal and in preparation of this event requested a compliance inspection, which was held on December 2, 1997. Based upon this inspection, the Army determined there was an increase in the utilization of the area. The Port received notice that the annual rental would be adjusted to \$545,125.00 retroactive to December 2, 1997 and prorated in monthly rental payments for the remaining months of the term ending July 31, 1998. It was recommended that the Board authorize the Supplemental Agreement No. 27 between the Port and the U.S. Army. The recommendation was approved on passage of Resolution No. 98009.

Modification of Revenue Sharing Provisions with Marine Terminals Corporation at the Ninth Avenue Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board that Marine Terminals Corporation (MTC) operates the Ninth Avenue Terminal under a Management Agreement which is presently in year to year holdover status. Under the existing revenue sharing provisions of the Agreement, MTC retains 30% of all Port tariff dockage and wharfage revenues up to \$700,000.00 and 50% of all Port tariff dockage and wharfage revenues in excess of \$700,000.00. MTC operations are conducted on approximately 21 acres plus berthing area. The primary cargo activity is steel products. Lumber, limited container operations and general break-bulk cargo requiring a transit shed are also handled. Although the Port and MTC have made various efforts to attract additional activity to the facility, these types of cargo, particularly steel products, have been declining in recent years and it is difficult to obtain other cargo. More recently and on a local

level, the competitive dynamics in the steel products market has made the Port of Stockton react by proposing reduced wharfage rates on steel coils which would be based upon a sliding scale of annual tonnage throughput. The difficulty MTC has in marketing the Ninth Avenue facility is further increased due to the possibility that it might eventually be used for other types of operations. MTC would like to make existing steel business in Oakland is requesting additional incentives for steel products. It was recommended that MTC retain 38% of all Port tariff wharfage revenue for steel products handled at Ninth Avenue Terminal. There would be very little economic impact to the Port under this proposal and MTC would continue to retain 50% of all Port tariff dockage and wharfage in excess of \$700,000.00. The recommendation was approved on passage of Resolution No. 98010.

Award of Contract for Design of Cranes for Future Wharf Construction was the subject of a memo to the Board from the Director of Engineering notifying the Board of the bids received for 4 new container cranes at Berth 55/56. ZPMC of Shanghai, China was the low bidder at \$24,130,000.00 for the total bid and the low bidder if the option for three additional cranes are included. As the EIR for the Vision 2000 projects has not been completed, it is recommended that ZPMC be awarded a \$3,000,000.00 design contract to begin the design of the cranes. The recommendation was approved on passage of Resolution No. 98011.

Authorization to Dispense with Formal Bids for Demolition of D-612 Series Buildings, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has demolished, or will be demolishing, more than one hundred structures at the Harbor Transportation Center. Most of these structures are large and beyond the capabilities of local small contractors. Of the few structures suitable for small contractors, a group of five is scheduled for immediate demolition. The work consists of demolition and removal of five wood frame storage buildings with a total area of 24,000 square feet, removal of four portable storage lockers, and minor site work. This work is necessary in order to clear the site for construction of the Joint Intermodal Terminal (JIT) beginning in mid-1998. It is believed to be in the best interest of the Port to assist small local contractors in attaining experience in the public works sector. In order to ensure small local contractor participation in the upcoming demolition work, it will be necessary to

remove the contract process from the formal competitive bidding process and then to solicit proposals only from small local contractors. It was recommended the Board dispense with formal bidding procedures and authorize a contract or contracts for this work with small local contractors which do not normally participate in public works projects, the said contracts be based on informal, competitive bidding and to be an aggregate amount not to exceed \$200,000.00; and authorize a contract for this work with any qualified contractor, based on informal, competitive bidding, if the attempt to secure acceptable bids from small local contractors is not successful. The recommendation was approved on passage of Resolution No. 98012.

Ratify Change Order for Stabilization of Slope at Berths 60 and 61, Middle Harbor Terminal, Alternate B was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with Seaworks, Inc. for stabilizing the slope at Berths 60 and 61. The work consists of installing sheet piles and chemical grout to stabilize the dike slope at Berths 60 and 61 between bents 48 and 80. The construction documents stated that the Contractor could expect one scheduled vessel at the berth per week, and four additional non-scheduled vessels during each month. The Contractor is required to stop his operations during vessel operations, and could count on three and one-half to four days production in each week. Before the Contractor began his site work, three changes in shipping occurred which affected the Contractor's ability to perform the work stated in the construction documents. The total effect of the changes was to increase the number of vessels calling at Berths 60-61 to four and five per week. The Contractor was required to stop his operations to allow these additional tenant cargo operations. His production was reduced to one and one-half to two days per week. The Contractor's costs have increased because his access to the work has been restricted and the time to perform the work has been extended. The Contract document also stated that the Contractor would encounter some areas of subsurface grouted soils. It was agreed that the Contractor could expect that his sheet pile driving operation would take twice as long in those areas. The driving has been much more difficult, and the Port has directed the Contractor to use different equipment and methods to perform the work. The Contractor has been directed to perform this additional work on a force account basis. Before the force account work and the disruption due to

increased vessel traffic are continuing and the total amount is not known at this time, but it was anticipated that the total cost will not exceed \$300,000.00. It was recommended that the Board ratify a change order for Seaworks, Inc., for the delays and costs incurred due to unforeseen tenant operations and to unexpectedly difficult site conditions. The recommendation was approved on passage of Resolution No. 98013.

Renewal of Korean Agency Contact with Global Enterprises, Ltd. was the subject of a memo to the Board from the Director of Maritime recommending approval to renew the agreement with Global Enterprises, Ltd. as represented by Mr. P.S. Chung who has served as the Port of Oakland's agent in Korea since 1984, with compensation of USD \$18,000.00 per year, plus allowable expenses up to USD \$6,000.00 annually. Global Enterprises has consistently provided value to our marketing efforts through their personal knowledge of the key decision makers at the three Korean based ocean carriers and through their ability to interact with and represent the Port to these companies and their long-term relationship with the Port has enabled them to develop an in-depth understanding of the trade and transportation issues facing Oakland. They have also provided valuable support to the Board members and staff during Port trade missions to Korea by arranging meetings, press conferences and transportation. It was recommended that the Board approve the agreement. The recommendation was approved on passage of Resolution No. 98014.

Plans and Specifications for Demolition of Building D-542, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the demolition. The work consists of demolition and removal of Building D-542, a 66,000 square foot warehouse plus an attached 40,000 square foot open shed. All of the appropriate environmental documents have been completed for the base conversion. The recommendation was approved on passage of Resolution No. 98015.

Plans and Specifications for Demolition of Building D-342, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering recommending approval and authority to advertise for bids for the demolition. The work consists of demolition and removal of Building D-342, a 122,000 square foot of warehouse plus an attached 12,000 square foot

open shed. This work is to clear the site for construction of the Berth 55 Container Yard beginning in mid-1998. All of the environmental documents have been completed for the base conversion. The recommendation was approved on passage of Resolution No. 98016.

Award of Contact for Demolition of Building D-513, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the thirteen bids received and recommending award of the contract to Covey Trucking Co., the low bidder, at \$234,930.00. The recommendation was approved on passage of Resolution No. 98017.

Approval of Consultant Agreement for Engineering Design Services for the Relocation of Middle Harbor Road and Seventh Street, Middle Harbor Transportation was the subject of a memo to the Board from the Director of Engineering notifying the Board of the relocation of Middle Harbor Road and 7th Street is required to provide access to the new Berths 55 through 58, the Joint Intermodal Terminal (JIT) rail facility and the public water recreational facilities as well as to provide additional area for the yard expansions of Berths 25 and 30. The proposed consultant is to provide professional engineering design services for this project. The Port Review Panel has unanimously recommended Korve Engineering, Inc. for selection to perform the required professional design services. The selection of Korve Engineering was based on their proposal, the team's presentation, the team members, and their design experience on similar projects. Korve Engineering is an Oakland based firm that has been a subconsultant on a number of Port projects, but this will be the first time they will be the prime consultant on a major Port design project. It is expected that the amount of the agreement will not exceed \$1,200,000.00 with additional funds of \$250,000.00 available at the discretion of the Executive Director. It was recommended that the Board approve the agreement with Korve Engineering, Inc. The recommendation was approved on passage of Resolution No. 98018.

Approval of Consultant Agreement for Engineering Design Services for the Reconstruction of Berth 25 Yard, Outer Harbor Terminal was the subject of a memo to the Board from the Director of Engineering notifying the Board that the reconstruction of the Berth 25 yard is required to accommodate the relocation of two shipping lines that are currently calling at the overcrowded Seventh Street Terminal. The proposed consultant is to provide professional engineering

design services for this project. The Port Review Panel selected VZM/Auckland to perform the required professional design services. The selection was based on their project team's presentation, team members, their design experience on container terminals, and the Port's desire to diversify work among Local Impact Area firms. It was recommended that the Board approve the agreement with VZM/Auckland in the amount not to exceed \$800,000.00 and the Executive Director be authorized to approve up to an additional \$150,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 98019.

Approval of License and Concession Agreement with Work/Able Development Systems,

Inc. was the subject of a memo to the Board from the Director of Maritime notifying the Board that Work/Able Development Systems, Inc., on December 2, 1996, received a license agreement for portions of Building 833 at the Fleet Industrial Supply Center, Naval Supply Center, Oakland ("FISCO"), comprising of 1,400 square feet for training of unemployed young adults. Work/Able Youth Development is a non-profit vocational training organization. Work/Able Youth Development recently requested an expanded area for portions of Building 833 which would comprise approximately 10,000 square feet under a new License and Concession Agreement. This new Agreement will supersede the Agreement of December 2, 1996. The expanded Area would be used for training of unemployed Oakland residents to qualify for subsequent high-tech jobs in various disciplines. The proposed Agreement will provide that if the Port's Executive Director in his sole discretion determines that the training program is not effective, he may then terminate the Agreement upon 30 days prior written notice. The new License and Concession Agreement between the Port and Work/Able Youth Development will be subordinate to the FISCO Lease between the Port and the Department of the Navy. While the Port will not assess any rental, the Licensee shall be responsible for all maintenance, payment of utilities and the prevailing Port insurance requirements. It was recommended that the Board approve the Agreement with Work/Able Youth Development Systems, Inc. The recommendation was approved on passage of Resolution No. 98020.

Approval of Galbraith Driving Range License and Concession Agreement - Philip Hahn

was the subject of a memo to the Board from the Director of Maritime notifying the Board that the

Port acquired the Galbraith leasehold from the City subject to a driving range subconcession agreement, in favor of the driving range operator, Mr. Hahn. The Port entered into an agreement with Mr. Hahn to continue the operation of the driving range for no rent providing Mr. Hahn paid electrical, garbage, and maintenance costs. The Port had previously paid maintenance costs which were approximately \$60,000.00 per year. The agreement was to expire on December 31, 1997. In June 1997, we entered into discussions with Mr. Hahn to provide for a one year extension of the agreement. We have worked closely with the staff at the Parks and Recreation Department while working with Mr. Hahn. It was recommended that the Board approve the new agreement, at \$1,000.00 (\$500.00 refundable) per month, commencing June 1, 1997 through and expiring May 31, 1998, with a deposit of \$5,000.00 plus \$500.00 per month from rental, maintaining the driving range course, machinery and building. In the event of any further holdover, the rental would increase 10%. The recommendation was approved on passage of Resolution No. 98021.

Personnel Items contained in a memo to the Board from the Chief Administrative Officer recommending the appointment of Roberta Bradley, as Director of Port Communications, at \$9,584.00 per month, effective January 7, 1998; Eva Ye Hinson and Geraldine Miller, as Commercial Representative III, at \$4,022.00 per month, effective January 12, 1998; Claven Payne, as Port Equipment Driver, at \$4,052.00, effective January 12, 1998; Pamela Bell, as Port Job Researcher, at \$3,704.00 per month, effective January 12, 1998; and Cheryl L. Weathersby, as Senior Secretary, at \$3,063 per month, effective January 12, 1998. Further recommended amendment to the appointment date of Jim McDonnell, Port Electrician, from January 5, 1998, to February 2, 1998; and rescission of appointment of Charles Drane who was appointed to the position of Port Electrician effective December 8, 1997. Also recommended the creation of Salary Schedule 106.20 to accommodate the assignment to the creation of the classification of Senior Fire Prevention Engineer; creation of the classification of Deputy Executive Director, Fire Prevention Systems Engineer; Senior Fire Prevention Systems Engineer; and Deputy Port Attorney III. The recommendations were approved on passage of Resolution No. 98022 for appointments, Resolution No. 98023 for amending certain appointments; and on an ordinance to print for creation of additional positions and salary ordinance schedule.

Approval to Hire Consultants to Provide As-Needed Environmental Consulting Services

was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port is subject to a variety of environmental laws and regulations. In order to comply with these laws and regulations and to decrease Port liability, the Port, if for example, is required to remove underground storage tanks, the Port would have to conduct environmental investigations, compliance audits, preliminary site assessments, health and environmental risk assessments, remediation design, and wastewater contamination studies. Also the Environmental Health and Safety Department (EH&SC) often requires professional consultants to perform or assist with these activities. Such professional services have been facilitated by having "as-needed" contracts in place so that assistance would be immediately available when required. It is proposed to execute professional service contracts for approximately three years each with five firms interviewed from within EH&SC, one from OEO, one from Port Engineering, one from the City of Oakland, and one from the U.S. Army Corps of Engineers; and to compensate them at agreed billing rates on time and materials basis for a total amount not to exceed \$600,000.00 per firm. For all five contracts, the \$3 million aggregate maximum amount recommended is based on expenditure of approximately \$1 million on similar services over the past two years. The recommendation to increase the maximum aggregate level is because the contracts are for approximately three years as compared to two years; to support the upcoming capital expansion; and because the Port is required to comply with tougher environmental regulations, such as those for stormwater compliance. The contracts will be used only as required and the contract maximums will not be exceeded without future Board approval. It was recommended that the Board authorize the preparation and execution of agreements with Harding Lawson Associates, Geraghty & Miller, Kleinfelder, Camp, Dresser & McKee, and Baseline Environmental. The recommendation was approved on passage of Resolution No. 98024 for Camp, Dresser & McKee; Resolution No. 98025 for Baseline Environmental; Resolution No. 98026 for Kleinfelder; Resolution No. 98027 for Harding Lawson Associates; and Resolution No. 98028 for Geraghty & Miller, Inc.

Request for Approval of Resolution Requesting that City Planning Commission Incorporate Appropriate Portions of Estuary Plan into Oakland General Plan, and Affirming

Port Determination of General Plan Conformity for Projects within the Port Area was the subject of a memo to the Board from the Director of Strategic and Policy Planning notifying the Board that the Oakland General Plan and the Estuary Plan are nearing completion and that certain jurisdiction issues appear to be encroaching upon the power and duties of the Board of Port Commissioners.

Mr. Sanjiu Handa of East Bay News Service, Mr. Vince Reyes, Chair, Oakland City Planning Commission, Ms. Pamela Clark, Ms. Bonnie Hamlin of the League of Women Voters, Ms. Sandra Threlfall and Mr. Andy Altman, Chief of Planning, City of Oakland, appeared before the Board to express certain personal optimism concerning the proposed jurisdiction authority. A majority of the speakers ask that no action be taken until the issues could be before a joint forum with the possible outcome of a compromise.

After considerable discussion, Commissioner Harris moved that the item be held over until further meetings with the various entities. The motion was seconded and passed unanimously.

Authorize Professional Services Agreement with Woodward-Clyde Associates to Develop Air Quality Conformity Strategy for Airport, Seaport Areas was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Clean Air Act Amendments of 1990 include requirements for review of Federally-funded projects to make sure that those projects do not undermine State plans to achieve Federal air quality standards. The regulations implementing those policies establish a process that subject projects, such as the Airport Development Program (ADP) and the 50-foot dredging project, to "conformity determinations" that are reviewed by the Bay Area Air Quality Management District (Air District), and the Federal Environmental Protection Agency. The ADAP was one of the first major development projects in the nation to be subject to the conformity requirement. The overall control strategy used by the Air District is referred to as the State Implementation Plan (SIP). Recently, the EPA informed the Air District that the SIP needed to be revised to include new controls that will correct the violations that have occurred during the past two years. The first element of that revision, a revised inventory of emissions, is due to be completed in March 1998. The nature of that revision is critical to the Port, as it is the baseline under which Port projects are considered. The current SIP was developed beginning in the mid-1980's, and the emission

projections that are contained within the SIP do not reflect a complete understanding of the role of cargo movement through the seaport and airport. It is vital to the Port's interest that the update of the SIP reflect an updated baseline that includes accurate estimates of the Port's activities. As the revised air quality emissions must be submitted by March, the Port sought consultant help and expertise to augment Port staffing capability to address this issue. It was recommended that the Board authorize the preparation and execution of an agreement with Woodward-Clyde and Associates for \$60,000.00 and approval of an additional \$30,000.00 contingency in the event that it is necessary to complete additional air quality planning tasks. The recommendation was approved on passage of Resolution No. 98029.

Approval of Professional Services for Providing On-Call Engineering Services for Pavement Design and Analysis for the Aviation, Maritime, and Commercial Real Estate was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port's Aviation, Maritime and Commercial Real Estate Divisions have ongoing capital improvements and maintenance programs involving the design, construction, and repairs of facilities throughout the Port. Several of the technical aspects of these projects require specialized skills and expertise not available from the Port's in-house staff. The Port typically uses consultants to provide these specialized services for complex structural, architectural, geotechnical and pavement design and analysis. The Port's most recent three year contract for pavement design analysis has expired. In order to maintain access to the required technical expertise, it is necessary to establish a new contract for these services. It was recommended, after extensive Port staff review for engineering services, that the Board authorize an agreement with Nichols/Vallerga and Associates. The term of the contract would be for three years with a maximum amount not to exceed \$300,000.00. Each assignment would be individually authorized and be subject to a not-to-exceed limit. Payment for services would be at an agreed-to rate for actual hours worked. The recommendation was approved on passage of Resolution No. 98030.

Approval to Hire Laboratories to Provide Analytical Testing Services was the subject of a memo to the Board from the Director of Engineering notifying the Board that environmental samples must be collected and analyzed by qualified laboratories for numerous Port activities. Materials that

are routinely sampled and analyzed include soil, groundwater, and dredged sediment samples. Accurate and credible sampling and testing is essential to regulatory compliance and sound decisions. Port staff believes that contracting directly with analytical laboratories for laboratory services should improve quality control and reduce costs. It was recommended that the Board authorize agreements with Curtis & Tompkins, and Sequoia Analytical as the laboratories suited for the Port services. Each laboratory will be tasked on an as-needed basis, but in no case will the cumulative contract amount exceed \$500,000.00 per firm. The \$1,000,000.00 total for both contracts will cover approximately two years or until funds are exhausted. The recommendation was approved on passage of Resolution No. 98031 for Sequoia Analytical and Resolution No. 98032 for Curtis & Tompkins.

Award of Contract for Performing Emergency Spill Response or Emergency Repairs in a Hazardous Environmental for Port of Oakland was the subject of a memo to the Board from the Director of Engineering notifying the Board of the one bid received and recommending award of the contract to CET Environmental Services, Inc., the bidder, at 198.0% of labor costs to be added to the direct labor costs to compensate the contractor for his overhead, insurance and profit. The recommendation was approved on passage of Resolution No. 98033.

At the hour of 4:50 p.m. Commissioner Lockhart was excused from the meeting.

The following resolutions were introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Lockhart, Loh,
Taylor and President Ortiz - 6

Noes: None

Absent: Commissioner Cole - 1

“RESOLUTION NO. 98001

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH KEISER & ASSOCIATES, INC. FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 98002

RESOLUTION AUTHORIZING AND APPROVING AN EXTENSION OF AN AGREEMENT WITH ABC SECURITY SERVICES, INC.”

"RESOLUTION NO. 98003

AUTHORIZING AND APPROVING EXECUTION OF AN AGREEMENT WITH EMPEX VENTURES, INC. TO PROVIDE AIRBART AND AIRPORT PARKING SHUTTLE SERVICES."

"RESOLUTION NO. 98004

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH TRI-STAR AIRLINES, INC."

RESOLUTION NO. 98005

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF AIR CARGO ROAD PARKING FACILITY, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98006

ENHANCEMENT OF PORT LAND USE REGULATION AND DEVELOPMENT PROCEDURES."

"RESOLUTION NO. 98007

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR MARTIN LUTHER KING, JR. REGIONAL SHORELINE WETLANDS PROJECT, OAKLAND, CALIFORNIA, INCLUDING ADDITIVE ALTERNATES B3 AND B6."

"RESOLUTION NO. 98008

GRANTING OAKLAND PORTSIDE ASSOCIATES PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 98009

APPROVING AND AUTHORIZING EXECUTION OF SUPPLEMENTAL AGREEMENT NO. 27 TO ARMY LEASE NO. DACA05-1-78-575."

"RESOLUTION NO. 98010

APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH MARINE TERMINALS CORPORATION TO MODIFY REVENUE SHARING PROVISIONS IN MANAGEMENT AGREEMENT FOR NINTH AVENUE TERMINAL."

"RESOLUTION NO. 98011

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH SHANGHAI ZHENGUA PORT MACHINERY CO., LTD FOR DESIGN CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98012

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR DEMOLITION OF D-612 SERIES BUILDINGS, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS."

"RESOLUTION NO. 98013

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR STABILIZATION OF SLOPE AT BERTHS 60 AND 61, MIDDLE HARBOR TERMINAL, OAKLAND, CALIFORNIA, ALTERNATE B."

"RESOLUTION NO. 98014

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH GLOBAL ENTERPRISES, LTD., FOR MARITIME CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98015

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-542, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98016

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-342, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 98017

AWARDING CONTRACT TO PACIFIC WESTERN AIRMOTIVE, INC., DBA COVEY TRUCKING COMPANY, FOR DEMOLITION OF BUILDING D-513, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 98018

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH KORVE ENGINEERING, INC. FOR ENGINEERING DESIGN CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98019

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH VICKERMAN-ZACHARY-MILLER AND ACKLAND INTERNATIONAL, INC., JOINTLY AND SEVERALLY, FOR ENGINEERING DESIGN CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98020

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENT WITH WORK/ABLE YOUTH DEVELOPMENT SYSTEMS, INC."

"RESOLUTION NO. 98021

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH PHILIP B. HAHN."

"RESOLUTION NO. 98022

CONCERNING CERTAIN APPOINTMENTS."

"RESOLUTION NO. 98023

AMENDING PORT RESOLUTION NO. 97351 CONCERNING CERTAIN APPOINTMENTS."

"RESOLUTION NO. 98024

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CAMP, DRESSER & MCKEE FOR ENVIRONMENTAL CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98025

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH NORDHAV, INC. DOING BUSINESS AS BASELINE ENVIRONMENTAL CONSULTING FOR ENVIRONMENTAL CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98026

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH KLEINFELDER, INC. FOR ENVIRONMENTAL CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98027

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH HARDING LAWSON ASSOCIATES FOR ENVIRONMENTAL CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98028

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH GERAGHTY & MILLER, INC. FOR ENVIRONMENTAL CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98029

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH WOODWARD-CLYDE ASSOCIATES FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98030

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH NICHOLS/VALLERGA AND ASSOCIATES FOR ENGINEERING CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98031

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH SEQUOIA ANALYTICAL FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 98032

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CURTIS & TOMPKINS FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

“RESOLUTION NO. 98033

AWARDING CONTRACT TO CET ENVIRONMENTAL SERVICES, INC., FOR PERFORMING EMERGENCY SPILL RESPONSE OR EMERGENCY REPAIRS IN A HAZARDOUS ENVIRONMENT FOR PORT OF OAKLAND FACILITIES FOR THE PERIOD COMMENCING JANUARY 1, 1998 AND ENDING DECEMBER 31, 1998, 1999 OR 2000, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS TO BE PROVIDED IN CONNECTION THEREWITH.”

“RESOLUTION NO. 98034

GRANTING OAKLAND READY MIX, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 98035

GRANTING MARINE TERMINALS CORPORATION, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 98036

GRANTING AIR TERMINAL SERVICES, INCORPORATED, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 98037

GRANTING AIR TERMINAL SERVICES, INCORPORATED, PERMISSION TO PERFORM CERTAIN WORK.”

Port Ordinance No. 3405 being, “AN ORDINANCE APPROVING AND AUTHORIZING TRANSFER OF TERMINAL USE AGREEMENT WITH DSR-SENATOR LINES GMBH AND CHO YANG SHIPPING COMPANY, LTD. FROM CHARLES P. HOWARD TERMINAL TO SEVENTH STREET MARINE CONTAINER TERMINAL,” and Port Ordinance No. 3406 being, “AN ORDINANCE AMENDING SECTION 9.05 OF PORT ORDINANCE NO. 867 ADDING AN ADDITIONAL POSITION OF SEMISKILLED LABORER,” were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kramer, Loh, Taylor

and President Ortiz - 5

Noes: - None

Absent: Commissioners Cole and Lockhart - 2

Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A NONEXCLUSIVE PREFERENTIAL ASSIGNMENT AGREEMENT WITH INTERNATIONAL TRANSPORTATION SERVICE, INC," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO ESTABLISH A CERTAIN NEW SALARY SCHEDULE, TO CREATE CERTAIN NEW POSITIONS AND TO ADD AN ADDITIONAL POSITION WITHIN AN EXISTING PORT CLASSIFICATION," were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kramer, Loh,
Taylor and President Ortriz - 5

Noes: None

Absent: Commissioners Cole and Lockhart - 2

At the hour of 5:00 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, names of cases: City of Oakland v. Keep on Trucking Company, Inc. et al., U.S. District Court Case No. C-95-03721-CW; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (c) of Section 54956.9: two cases; conference with labor negotiator, as provided under Government Code Section 54957.6; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: price and term of payment, property - 5,000 square feet at the corner of Washington and Waterfront Streets, parties negotiating - Port of Oakland and Snoodles LLC ; and reconvened in open session at the hour of 6:30 p.m.

The following resolution was introduced and passed separately by the following vote:

Ayes: Commissioners Harris, Kramer, Loh
and President Ortiz - 4

Noes: None

Abstained: Commissioner Taylor - 1

Absent: Commissioner Cole and Lockhart - 2

"RESOLUTION NO. 98038

APPROVING AND AUTHORIZING EXECUTION OF SETTLEMENT
AGREEMENTS WITH 1) VICTOR ADELSON DOING BUSINESS AS VIC
ADELSON DRAYAGE, AND 2) TEXACO REFINING AND MARKETING INC.

At the hour of 6:32 p.m. the meeting was adjourned on a motion duly made and
seconded.

A handwritten signature in cursive script, reading "Christl C. Marshall", is written over a horizontal line.

Secretary of the Board