

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

The regular meeting was held on Tuesday, December 7, 1999, at the hour of 3:10 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, Uribe
and President Loh - 6

Commissioners absent: Taylor - 1

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

Authorization to Prepare and Execute an Agreement with CCS Planning and Engineering to Provide Traffic Planning and Pre-Engineering Services for Roadways at the North Field of Oakland International Airport was the subject of a memo to the Board from the Director of Aviation recommending approval of an agreement with CCS Planning and Engineering to conduct traffic planning and pre-engineering services for North Field Roadway. The Airport Development Program approved by the Board in June 1999 would add additional cargo facilities, relocate some general aviation facilities, construct rental car service facilities, and temporary house the rental car customer pick-up and drop-off (rental car ready return lot) during construction of the garage. Several years ago, some roadway improvements were constructed including rebuilding and realigning Earhart Road and several adjacent roads. The work currently identified includes specific site planning for portions of the new road to be constructed to the infield area; analysis and planning of the rental car access and egress; coordination with Caltrans for any proposed improvements for Doolittle Drive; updating North Airport internal circulation; and analyzing the relationship between North Airport access and the East Bay Regional Park District parking lots

across Doolittle Drive from the Airport. The Agreement would provide an amount not to exceed \$65,000.00 for their services; and it was further recommended that the Executive Director be authorized to increase the amount by up to \$10,000.00 for changes in scope. The recommendation was approved on passage of Resolution No. 99460.

Authorization to Prepare and Execute an Agreement with Airport and Aviation Professionals, Inc. as Airline Liaison on the Airport Terminal Expansion Program was the subject of a memo to the Board from the Director of Aviation notifying the Board that in December, 1997, the Board authorized the execution of an agreement with Aviation and Airport Professionals, Inc. (AvAirPros) as the Airline Liaison on the Terminal Expansion Program. The Airline liaison office was requested by the airlines to facilitate the coordination of the expansion program with the airlines. The consultant, AvAirPros was selected by the airlines. In order for the Port to control the costs of the airline liaison consultant, the consultant's contract is with the Port. The agreement with AvAirPros authorized by the Board on December 2, 1997 limited the scope of services to the pre-design phase of the terminal expansion program only, in order to verify that the consultant's scope of work and cost estimates were appropriate. AvAirPros has demonstrated their ability to fulfill the liaison functions, and they have been involved in the consultant selection for both the Program Management consultant and the Master Architect. It was recommended that the Board authorize a new agreement with the firm to coordinate and facilitate criteria setting reviews of submittals and consensus among the airlines throughout the project. The consultant will be the port's first point of contact with the airlines on expansion issues. AvAirPros has submitted a scope of work and an estimated not-to-exceed cost for the design phase of the program. Both the scope and the estimated fee were found to be reasonable for the services required and in line with their previous work. In addition, it is possible that the airlines may ask the airline liaison office to perform additional functions such as detailed reviews of design documents or cost estimates. As services are needed, AvAirPros will hire LIA firms as available to perform said functions and mentor three firms to establish business relationships with the airlines. Port staff have met with AvAirPros and have developed an agreed upon scope of work for the design phase of the major

portions of the program and a cost estimate for these services. The airline liaison consultant's services will be required for the duration of the terminal expansion program. However, it is proposed that the scope of services of this proposed contract with AvAirPros be limited to the design phase of the program (estimated at two years) since the level of effort required to facilitate coordination with the airlines beyond the design phase is uncertain and difficult to estimate at this stage. It was recommended that the Board authorize the preparation and execution of an agreement with Airport and Aviation Professionals, Inc. to provide the services for the airline liaison office on the Airport Terminal Expansion Program up to an amount not to exceed \$970,000.00; and authorize the Executive Director to approve additional work in an amount not to exceed \$145,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 99461.

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 Aviation notifying the Board that Alaska Airlines, Inc. (Alaska) is currently under an Agreement to Extend Right-of-Entry and Indemnity Agreement (Extension Agreement) which provides for occupancy of approximately 456 square feet of bag make-up space in Terminal 1, South Airport. The Extension Agreement was effective March 2, 1999; rent is \$1,658.93 per month. The proposed second Agreement to Extend Right-of-Entry and Indemnity Agreement would extend Alaska's occupancy of the same premises, commencing October 1, 1999 and ending June 30, 2000, with a mutual 5-day termination provision. The monthly rent would remain the same until December 31, 1999 and would be adjusted effective January 1, 2000. It was recommended that the Board approve the Extension Right-of-Entry and Indemnity Agreement with Alaska Airlines, Inc. The recommendation was approved on passage of Resolution No. 99462.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with Safeway, Inc. was the subject of a memo to the Board from the Director of Aviation notifying the Board that Safeway, Inc. is currently under an Agreement to Extend Right-of-Entry and Indemnity Agreement (Extension Agreement) which provides for occupancy of approximately 35,868 square
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feet of office, hangar, shop/storage, apron and paved parking in and adjacent to Hangar 8 on the North Airport for corporate aircraft storage and maintenance. The Extension Agreement was effective August 16, 1999; rent is \$20,000.00 per month. The proposed second Agreement to Extend Right-of-Entry and Indemnity Agreement would extend Safeway's occupancy of the same premises commencing November 1, 1999 and ending February 28, 2000. Monthly rent would remain the same. The additional time is requested in order to give Safeway and the Port additional time in which to agree upon the language of an interim one-year License and Concession Agreement. It was recommended that the Board approve the Agreement to Extend Right-of-Entry and Indemnity Agreement with Safety, Inc. The recommendation was approved on passage of Resolution No. 99463.

Approval of License and Concession Agreement with Existing Tenant Evergreen Aviation Ground Logistics Enterprises, Inc. was the subject of a memo to the Board from the Director of Aviation recommending approval of a License and Concession Agreement with Evergreen Aviation Ground Logistics Enterprises, Inc. (EAGLE). EAGLE, an existing tenant, will provide cargo handling and other related services for TAESA Airlines and will lease airfield apron space on the South Airport. The proposed Agreement would have a one-year term effective October 25, 1999 with a mutual 30-day termination provision and authorize EAGLE to perform cargo handling services for TAESA Airlines on the South Airport. The License and Concession Agreement would terminate on September 30, 2000. The monthly ground rental would be \$840.00 plus 10% of gross revenues. The recommendation was approved on passage of Resolution No. 99464.

Approval of a Building Permit Application to Remodel Hangar 8, Bay A, for Bank of America was the subject of a memo to the Board from the Director of Engineering recommending that the Board approve the building permit application for the Bank of America. The building permit application is to remodel their leased space in Hangar 8, Bay A. The space will serve as the departure and return point for Bank of America executives using the company flight services. The proposed work in Hangar 8 will include modify electrical and telephone lines; modify HVAC

system; remodel office area, bathrooms and kitchen/break room, including construction of interior partition walls; replace exterior windows and entrance to make waterproof; repair and replace existing exterior finish materials; repair concrete hangar floor; and build a new telecommunications room for all tenants in Hangar. The estimated value of the work is \$250,000.00. The recommendation was approved on passage of Resolution No. 99465.

Authorization to Execute Contracts with the California Department of Boating and Waterways for the Vessel Pumpout Grant was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Clean Vessel Act (Act) provides grants to cities, counties, districts, and other public agencies for the construction and development of boar pumpout/dump station facilities. Under this Act, grants are available to local government through the California Department of Boating and Waterways (DBW) on a competitive basis. On September 28, 1999, the Port submitted an application to the DBW for a Vessel Pumpout Grant. On October 13, 1999, the DBW notified the Port that our application has been approved. It was recommended that the Board authorize the Executive Director to execute the contracts to accept the Vessel Pumpout Grant, and to provide a Drug Free Workplace Certification. The recommendation was approved on passage of Resolution No. 99466.

New Lease Agreement with International Maritime Center/Bay Area Seafarers Service was the subject of a memo to the Board from the Director of Maritime notifying the Board that the International Maritime Center (IMC) has operated a Seafarers Club in the Port's Portview Park at Berth 40, Seventh Street, under the a five year Lease Agreement since July, 1994. The IMC is managed and operated by the Bay Area Seafarers Service (BASS), the waterfront ministry of the Episcopal Church. The Lease Agreement expired on June 30, 1999; and the minimum rent was established at \$1.00 per year. The Agreement contained a one-time option to extend the term of the Lease for a five year period. However, this option automatically expired as notice to extend was not exercised by the IMC. The Lease is currently in a holdover status under a tenancy from year to year. The Port recently concluded negotiations for a new Lease Agreement with IMC to replace the recently expired Agreement. The term of the Lease will be for a three year period. Upon expiration

of the three year term, any holdover of the premises shall be a tenancy from year to year. The minimum rent will be maintained at \$1.00 per year. One additional modification to the Agreement has been agreed upon. Portview Park will be incorporated into the new Middle Harbor Shoreline Park as part of our Vision 2000 program. This will entail some realignment of the property line surrounding the IMC building. As part of the new park we are anticipating enlarging and enhancing some of the landscape features at the IMC. In consideration for the Port making these improvements, the IMC would become responsible for the routine maintenance of the landscaping within the IMC's leasehold boundaries. It was recommended that the Board enter into a Lease Agreement with the International Maritime Center/Bay Area Seafarers Service for the operations of the Seafarers Club at Portview Park, Berth 40. The recommendation was approved on passage of an ordinance to print.

Approval of Consultant Agreement for Facilitating an Early Transfer Program to Convey Army-owned Lands at the Oakland Army Base to the Port and City of Oakland was the subject of a memo to the Board from the Director of Engineering notifying the Board that based on the Port's recent success in implementing an "early transfer and privatized cleanup" at the Navy's Fleet and Industrial Supply Center, Oakland (FISCO), Port staff is proposing a similar early transfer approach for Army-owned lands located at the recently closed Oakland Army Based (OAB). The document implementing such an early transfer process is known as a Finding of Suitability for Early Transfer (FOSET). For Maritime Street and lands west of Maritime Street, the Port has a 1949 preferential contract right (loosely termed, reversionary right) to lease or acquire fee title of OAB-West. However, if the Port were to waive its contract right, it may acquire OAB-West under a no-cost Public Benefit Conveyance (PBC). The Port would consider waiving its contract rights upon receiving reasonable assurances from the Army, City, and Oakland Base Reuse Authority (OBRA), that the terms and conditions associated with the PBC process would be favorable to the Port. On October 6, 1999, the Port informed the City Manager that it plans to pursue a FOSET and a privatized cleanup for the reversionary lands west of Maritime Street while offering to assist the City with the separate FOSET for non-reversionary lands located east of

Maritime Street. The Port discussed, with the Oakland Redevelopment Agency (ORA), OBRA and the City of Oakland, the possibility of assisting the City by implementing such a FOSET with the privatized cleanup being performed by the City or its Master Developer. On November 5, 1999, the Port received a positive and very timely response from the City Manager with a proposal to "form a single transfer team," the resulting partnership would be formalized with a Memorandum of Agreement. The City Manager stated that he directed ORA and OBRA staff to "move forward quickly to finalize an arrangement" with the Port. As discussed, the land transfer at both OAB-east and west will be significantly more difficult to accomplish than that at FISCO. While the early transfer of lands at FISCO required a high degree of skill and commitment from all of the individuals on the transfer team, it is widely agreed that one Port employee, Mr. Mark O'Brien, was largely responsible for negotiating key components and for keeping the FOSET program on schedule. Unfortunately, Mr. O'Brien has left the Port to accept a Senior Vice President position with the National Economic Research Association (NERA), a Marsh McLennan Company. However, Mr. O'Brien has made a personal commitment to assist the Port and the City in implementing their respective FOSET programs while performing his normal duties under the employ of his new firm. This offer was made with the full support of NERA with the understanding that Mr. O'Brien's time would be recompensed through a normal, but significantly discounted, professional services agreement. It is expected that all costs associated with Mr. O'Brien's services, including all other program costs, will be fully funded by the Army, similar to the arrangement negotiated with the Navy at FISCO. To accommodate the City Manager's desire to expedite the early transfer process, it was deemed necessary to retain Mr. O'Brien services under a purchase order agreement, up to \$15,000.00 limit, for professional services. It is proposed that a professional services agreement be prepared and executed with NERA to cover Mr. O'Brien's services that would also include reimbursement for expenses when travelling and representing the Port. The professional services agreement would also capture costs expended under the purchase order to ensure that the budget is not exceeded. It is anticipated that the amount of agreement will not exceed \$300,000.00, and it is requested that the Executive Director be authorized to approve

increases of up to 20% of the contract maximum of \$60,000.00. It was recommended that the Board authorize negotiations and the preparation and execution of an agreement with Marsh McLennan/NERA on behalf of Mr. O'Brien. The recommendation was approved on passage of Resolution No. 99467.

Authorization to Execute an Agreement with The Friends of the San Francisco Estuary to Provide a Third Party Review of the Middle Harbor Enhancement Area Design to the Bay Conservation and Development Commission was the subject of a memo to the Board from the Director of Engineering notifying the Board that on October 15, 1998, the San Francisco Bay Conservation and Development Commission (BCDC) concurred with the Corps of Engineers' First Phase Consistency Determination for the Oakland Harbor Navigation Improvement (-50 Foot) Project, including re-use of dredged material in the Oakland Middle Harbor. The Board authorized the Executive Director to enter into a Memorandum of Understanding (MOU) with the BCDC regarding the Consistency Determination and the expenditure of up to \$30,000.00 to fund a peer review of the Middle Harbor Design. The MOU was signed by the Port and the BCDC Executive Director in August of this year. The \$30,000.00 figure represented the estimated cost to BCDC to hire a third party to review the Middle Harbor Enhancement Area (MHEA) design, monitoring plan and management plan once they were completed. However, since making the funding commitment, the Port has requested that the peer review occur coincident with the preparation of the MHEA design so that any concerns raised during the review can be immediately addressed by the design team. This effort will help ensure that a well designed and acceptable project will be brought to the Commission for concurrence with the Corps second state Consistency Determination. This modification will require that the peer reviewer review interim work products, participate in the Technical Advisory Committee meetings for the Middle Harbor, and work closely with the Middle Harbor design team. This extra effort will expand the scope of work for the reviewer and require an increase in funding of up to \$70,000.00 for a total amount not to exceed \$100,000.00. The Port has reviewed and concurred in the revised scope of work for the peer review. BCDC has requested that the funding be routed through the Friends of the San Francisco

Estuary to expedite the contracting procedure. The Friends of the San Francisco Estuary is a nonprofit corporation that provides consulting services for education, outreach, estuary workshops and small scale restoration projects. The corporation is funded by grants, contracts and fees-for-service and BCDC will retain authority to select the reviewer. It was recommended that the Board authorization the preparation and execution of an agreement with the Friends of the San Francisco Estuary for \$100,000.00, and authorize the Executive Director to approve up to \$30,000.00 in contingency funds. The recommendation was approved on passage of Resolution No. 99468.

Approval to Reimburse the East Bay Municipal Utility District for Construction Costs Associated with the Proposed Relocation of the Existing Force Main and Gravity Sanitary Sewer that Serves the Former Alameda Naval Air Station and First Reading of an Ordinance Granting an Easement to Said District was the subject of a memo to the Board from the Director

of Engineering notifying the Board that on June 15, 1999, the Navy conveyed approximately 531 acres of land located at the former Fleet and Industrial Supply Center, Oakland (FISCO, to the Port. The Port is now moving forward with its Vision 2000 program on the site, which is encumbered with an existing Navy-owed sanitary sewer that primarily serves the former Alameda Naval Air Station (ANAS). The sewer line ranges in condition from poor but serviceable, to very poor. On May 4, 1999, the Board authorized the execution of a 3-party design agreement among the Port, the East Bay Municipal Utility District (EBMUD), and the City of Alameda (Alameda) to plan and design an alternative alignment that would bypass FISCO by relocating the pipeline along Alameda's northern waterfront. This realignment (the easterly alignment) would cross the Oakland estuary and discharge into EBMUD's existing 96-inch diameter sanitary interceptor at the foot of Alice Street in Oakland. The Port has the option of relocating the sewer line on FISCO property, or relocating it offsite. However, after analyzing the alternatives, it has been determined that it would be preferable to relocate it outside the Vision 2000 area so that future operations and maintenance (O&M) of the sewer by Alameda would not interfere with planned marine terminal operations. EBMUD and its consultants have completed the design of the first three phases of the project (the discharge pipeline) and are currently completing the design for the remaining two phases (the

gravity siphon channel crossing and the pump-station rehabilitation). Under the subject Construction Agreement, EBMUD will remain responsible for the construction of the proposed realignment and it must be substantially completed and in operation by June 1 of 2000 in order to accommodate commencement of the construction of Berths 57/58 under the Port's Vision 2000 program. Under the Construction Agreement, EBMUD will take over all ownership, O&M responsibilities and associated costs of the easterly alignment after it is constructed. However, EBMUD has stated that they will not agree to be responsible for ownership or O&M of the existing westerly alignment due to conflict with maritime operations within the Vision 2000 area. In the event that a westerly alignment is constructed (Port's contingency plan), the Port believes that Alameda would have to bear most, if not all, of the O&M costs, future replacement costs and any associated responsibilities. EBMUD has agreed to pay for any increase in the size of the submerged gravity siphon for the easterly alignment where it crosses the channel (over and above the size needed to handle actual design flows). This increase in the proposed size of the crossing would not be to increase capacity, but to provide EBMUD with operational redundancy, allowing it to redirect flows between the new line and two other existing adjacent channel crossings for maintenance purposes. The Port will be responsible for funding at least that portion of the project cost that it would have expended if it were to construct a new westerly crossing minus the cost of designing the JIT sewer line. In addition, the Port has agreed to share the cost of any contaminated soil or groundwater that needs to be off-hauled or treated in accordance with the cost sharing formula specified in the Construction Agreement. The Port is seeking the Federal Government's agreement in funding its share of that portion of the channel crossing (stipulated by legislation and agreements) associated with the Port's 50-foot project. The City of Alameda will tentatively fund the balance of the project. It was recommended that the Board authorize the Executive Director to execute a Construction Agreement with EBMUD, and Alameda, and to reimburse EBMUD for construction costs associated with the construction, administration and right of way acquisition, associated with relocating the existing sewer to the proposed easterly alignment subject to approval of the project by the Alameda City Council, as such approval shall be in conformance with, and

shall not exceed the environmental impacts envisioned by and analyzed in the aforementioned Initial Study and Negative Declaration prepared for this project by the City of Alameda; and that, the Board give first reading to an ordinance "conveying" the aforementioned "substitute easement," crossing the Oakland-Alameda Estuary in the vicinity of Alice Street for the subject gravity siphon portion of the work to EBMUD at no cost, in accordance with the provisions of the Navy's Quitclaim Deed to the Port dated June 15, 1999. The recommendation was approved on passage of Resolution No. 99469.

Authorize Executive Director to Negotiate and Enter into an Agreement to Sublease up to 22.7 Acres from the Oakland Base Reuse Authority for an "Expanded" Knight Rail

Yard at the Oakland Army Base was the subject of a memo to the Board from the Director of Maritime notifying the Board that on July 27, 1998, the Oakland Base Reuse Authority (OBRA) finalized the Draft Final Reuse Plan for the redevelopment and reuse of the Oakland Army Base. OBRA subsequently forwarded the legally binding agreement (LBA) to the Department of Housing and Urban Development (HUD) for approval on May 19, 1999. On July 21, 1999, HUD accepted/approved the LBA and on June 15, 1999, OBRA executed a Master Lease with the Army for the leasing of all Government-owned lands at the Oakland Army Base lying east of Maritime Street (OAB-east). Since June 15, 1999, OBRA has been actively subleasing lands and facilities east of Maritime to various federal and non-federal tenants. The Port recently indicated an interest in subleasing the "expanded Knight Yard" located at OAB-east to support its planned operations at the Joint intermodal Terminal (JIT) currently under construction. Pursuant to ongoing discussions, OBRA has tentatively agreed to sublease up to 22.7 acres of existing railroad classification yard including existing siding tracks and various small strip-parcels for purposes of ingress and egress. For Maritime Street and lands west of Maritime Street (OAB-west), the Port possesses certain priority contract rights (loosely termed, reversionary rights) under its August 16, 1949 Supplemental Agreement with the United States of America to lease or acquire fee title to OAB-west. The Port is actively pursuing a transfer of said OAB-west areas under a no-cost Public Conveyance (PBC) or other means. The Port would consider waiving its contract rights assuming

it could secure "reasonable assurances" that would stipulate the terms and conditions associated with the PBC process and that would be favorable to the Port. It should be noted that under Army Lease, the Port currently leases approximately 63 acres of land directly from the Army for deepwater marine terminal use and general maritime operations. Pursuant to ongoing discussions, the Oakland Redevelopment Agency (ORA), the OBRA and the City of Oakland tentatively concur that OAB-west be leased directly to the Port by the Army at nominal or no cost and that the expanded Knight Yard be subleased to the Port by OBRA. To date, OBRA, ORA and the City are supporting such a no cost lease of OAB-west with the understanding that the savings realized in such an arrangement would be shared with OBRA via the expanded Knight Yard sublease. It was recommended that the Board authorize the Executive Director to negotiate and enter into an Agreement to sublease up to 22.7 acres from the Oakland Base Reuse Authority for an "Expanded" Knight Rail Yard at the Oakland Army Base. The recommendation was approved on passage of Resolution No. 99470.

Request Approval of Second Supplemental Agreement to Extend Term of Lease Between GTE Mobilnet of California (GTE) for Premises Located in the Outer Harbor Area

was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port and GTE entered into a Lease agreement dated December 19, 1989, covering premises of 2,500 square feet in the Outer Harbor. GTE operates an unmanned cellular switching and radio receiving and transmitting station on the premises. Pursuant to lease provisions, GTE exercised its option to extend the term of the lease for a five-year period prior to the Lease expiration date of September 30, 1994. The Board approved a first Supplemental Agreement on November 15, 1994, extending the lease term to September 30, 1999. In accordance with lease provisions, GTE has exercised its second five-year option to extend its term to September 30, 2004, and this requires Board approval. The Lease provides for one remaining option period of five-years. The proposed new monthly rental rate is \$668.00 based on the change in the percentage of the Consumer Price Index as provided for in the Lease Agreement. This equals to +4% increase. The new Security deposit is \$1,812.00. It was recommended that the Board authorize the Executive Director to

execute the Second Supplemental Agreement to extend the GTE lease term. The recommendation was approved on passage of Resolution No. 99471.

Approval of Agreement with PG&E for Relocation of 115kV Transmission Facilities

Serving the Vision 2000 Projects was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port is currently constructing the Vision 2000 projects, which consist of Marine Terminal Berths 55-58, a Joint Intermodal Terminal (JIT), New Road, and a park at the former Navy Fleet Industrial Supply Center, Oakland (FISCO) site. In order to construct the New Road some existing utility facilities must be relocated. The Pacific Gas and Electric Company (PG&E) owns and maintains a 115kV overhead transmission line along Middle Harbor Road. This is one of the facilities that must be realigned. This line will supply the majority of the power to the Vision 2000 projects. An agreement has been prepared under which PG&E will prepare a detailed design of the new alignment, perform construction and inspection work utilizing PG&E personnel, furnish all of the materials, and connect the new alignment to their existing system. The Port will reimburse PG&E for the actual costs for this work. The costs are estimated to be \$130,000.00. PG&E has requested a deposit of \$128,980.00. If the actual costs are higher, they will bill the Port for the difference. If the actual costs are lower, they will refund the overage to the Port. The realignment of this 115kV overhead transmission line was included in the project description for the "Joint Intermodal Terminal Final Environmental Impact Report" which was certified by the Board on June 15, 1999. It was recommended that the Board authorize the Executive Director to execute an agreement with PG&E. The recommendation was approved on passage of Resolution No. 99472.

Approval of Agreements with PG&E for the Relocation of PG&E Equipment on 7th

Street and a New Gas Line at the Vision 2000 Projects was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port is currently constructing the Vision 2000 projects, which consist of Marine Terminal Berths 55-58, a JIT, and The New Road, at the former FISCO site. In order to construct the 7th Street realignment portion of the New Road some existing utility facilities must be relocated. PG&E owns and maintains a 12.47kV overhead

and underground distribution lines, as well as natural gas lines along 7th Street. The electric lines supply power to existing tenants on 7th Street and must be realigned in order to continue this service. The natural gas line serves existing tenants and will also supply the Vision 2000 projects. Two agreements are being prepared, one for the relocation work and the other for the new gas line, under which PG&E will prepare detailed designs of the new alignments, perform part of the construction work and inspection utilizing PG&E personnel, furnish part of the materials, and connect the new facilities to their existing systems. The Port will reimburse PG&E for the actual costs for this work. The costs are estimated to be \$1,500,000.00. It was recommended that the Board authorize the Executive Director to execute the two agreements with PG&E. The recommendation was approved on passage of Resolution No. 99473.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the approval of the creation of classification of Port Systems Planning Analyst and creation of one additional position of Port Technical Support Analyst IV in MIS Department; implement the reclassification of the Airport Security/ID Officer position, an Intermediate Stenographer Clerk position, and an Intermediate Typist Clerk position at the ID/Security Office of the Airport; and Airport Security/ID Supervisor to be salary grade assigned to Salary Schedule/Salary Grade 513.9, Senior Airport Security/ID Specialist to salary grade assigned Salary Schedule/Salary Grade 85.2, and Airport Security/ID Specialist to salary grade assigned to Salary Schedule/Salary Grade 82.2. Further recommended the creation of salary schedules 82.2, 85.2, and 102.40X; and amend salary schedules for Maritime Marketing Manager to Salary Schedule 575.2, Manager, Capital Programs and Budget Services and Manager, Contracts, Pricing, and Insurance Services to 572.2. The recommendations were approved on passage of an ordinance to print.

Approval of a Tentative Map for Condominiums at Phoenix Lofts Horizons Property (Owner) was the subject of a memo to the Board from the Executive Director notifying the Board that New Horizons Properties has submitted an application for Tentative Map approval for subdivision of its property for the purpose of condominium sales. The existing building, on private property within the Port Area, is being converted from a vacant 4-story warehouse to approximately

28 live-work units. This work was previously approved by the Port. The number of units will depend on sales, as some of the units can be combined. Port Ordinance No. 2124 (the Ordinance) specifies that the board must act on any Tentative Map application in the Port Area, regardless of ownership. The Chief Engineer has filed a report with the Executive Director, who is in turn filing this report with the Board, as specified in the Ordinance. The Ordinance requires that the Board make all of the following determinations prior to approval of the Tentative Map: that the proposed map is consistent with applicable general and specific plans; that the design or improvement of the proposed subdivision is consistent with applicable general and specific plans; that the site is physically suitable for the type of development; that the site is physically suitable for the proposed density of development; that the design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidable injure fish or wildlife or their habitat; that the design of the subdivision or the type of improvements is not likely to cause serious public health problems; and that the design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access or use of, property within the proposed subdivision. The Chief Engineer's Report indicates that all these conditions have been met. Conditions were made on the approval of the building permit for the live-work project construction, which will be reasserted in this approval. No additional conditions or findings are necessary. This approval will allow the owner to prepare a Final Map for filing with the County, which will also be subject to Board approval. It was recommended that the Board approve this Tentative Map. The recommendation was approved on passage of Resolution No. 99474.

Hale & Estrada Executive Search Firm Consultant Contract was the subject of a memo to the Board from the Director of Administration recommending approval to enter into a consultant agreement with Hale & Estrada, an executive search firm to recruit for the Communications Director position. Hale & Estrada is a minority woman owned firm located in Scotts Valley, California. Hale & Estrada are being recommended to the Board for the following reasons: they have extensive experience working with the Port, as they have done the following search

assignments for Port Internal Auditor, Chief Financial Officer, Director of Communications, Director of Commercial Real Estate and the Deputy Executive Director; they have over 50 years experience among them. Hale & Estrada's proposed search process includes six phases: search planning, candidate identification, candidate evaluation; presentation of candidates, extension of offer, and follow-up. The normal fee structure for this search assignment is one-third (33.3%) of the first year's total estimated cash compensation. The Communications Director annual salary is \$110,000.00 which would be \$36,666.00. However, Hale & Estrada is offering the Port a discounted rate due to their experience with this assignment and in fairness to the Port, they will conduct the search for a flat fee of \$30,000.00 equal to approximately 27% of the first year's total estimated cash compensation. In addition to the professional fee, reimbursement for pre-approved out-of-pocket expenses directly related to the search are usually minimal except when it involves travel and lodging for the candidate to be interviewed. The recommendation was approved on passage of Resolution No. 99475.

Authorization for Additional Costs Associated with the Implementation of Harbor Facilities Maintenance Management Systems and Organizational Changes was the subject of a memo to the Board from the Director of Administration notifying the Board that as a result of a report evaluating the effectiveness of the Maritime, Commercial Real Estate and Central Facilities maintenance management systems, organizational structure and work processes, the Board approved, in principle, implementing recommendation to improve Port systems and practices consistent with best industry practices and to restructure the management of the maintenance functions. On March 18, 1999, the Board approved a resolution allowing the Harbor Facilities Maintenance Group to be re-organized and certain "Best Practices" to be implemented which included the following: consolidate the facilities maintenance workforce; replace the existing work order system (MSO); initiate an accounting system in conjunction with the new GEAC system that will allow for the capture and allocation of cost to internal and external 'customers'; establish a Service Call Center; and establish Service Level Agreements (SLAs) to help document services, goals, processes and performance. Jones Lag LaSalle (formerly known as LaSalle Partners) entered

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into a Professional Services Contract with the Port for the full scope of specialized and expert services, at a discounted rate of \$278,305.00, plus approximately \$30,000.00 for reimbursable expenses. Additional costs required to fully implement the recommendations including updating Harbor Facilities Maintenance systems technology to best-in-class system, was estimated and approved at \$169,000.00, plus \$20,000.00 for reimbursable expense. The total approved costs for consultant technology was \$497,350.00. Subsequent to the initiation of the HFMG project, it was determined that several additional services needed to be implemented for the Port to achieve the maximum benefit of these new 'Best Practices'. These additional services were temporary technical support staffing; integration of the new work order management system (MSO-MP2) into the Port's new GEAC accounting system Hi-Line Payroll System, and Engineering's WMS (Work Management) System; the development of new "time card" data input and retrieval system, and integration of that system and technology into MP2 and the Port's current accounting payroll systems; and modifications to the technology (MP2 Program) to facilitate more efficient and productive usage. In addition to the above services, there is a requirement for the Port to purchase certain computer hardware related to the efficient functionality of the new Work Management System. The cost summary includes Technical Support Staffing totaling \$117,360.00; CMMS System Integration and Automation with GEAC Financial Accounting System totaling \$43,145.00; Engagement Management totaling \$50,558.00; and total cost of these technology hardware purchase is estimated to be \$35,000.00 for a total of \$246,063.00. It was recommended that the Board authorize the Executive Director to pay for the additional professional and specialized services and hardware, to assist Port staff in the ongoing HFMG's reorganization and Best Practices Implementation Program, for a total cost not to exceed \$246,063.00. The recommendation was approved on passage of Resolution No. 99476.

Authorization of Additional Contracts for Completion of Financial System Project

was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Board has previously approved the capital budget project for the new financial system. The original CIP budgeted project was \$6.2 million dollars. To date the Board has approved a total of

\$2,325,000.00 for specific expenditures. These include GEAC for \$1 million, local W/MBE participation budgeted for \$550,000.00, \$350,000.00 for backfills, \$225,000.00 for contingency and \$200,000.00 for equipment. The Port began implementation of the new financial system, GEAC-SmartStream, in October 1998. The system replaces existing software which is not year 2000 compliant and is technically obsolete. The system provides operational benefits, increased productivity arising from flexible, user friendly software, and better tools for broader and more strategic use of financial information. However, implementing the new software is complex and to ensure timely implementation, the Port has required the assistance of GEAC and other outside experts to provide functional expertise. As of September 1, 1999, the general ledger, accounts payable and purchasing/requisition modules went live. The accounts receivable module went live in early November. The fixed asset, allocation and budget modules remain to be implemented in Phase 1. Implementing the remaining Phase 1 modules will require the assistance of GEAC and other outside experts for services relating to application testing, review and documentation of current Port practices, training Port staff and end users, and software customization. GEAC will provide software implementation expertise, training/education, software customization and consulting services. Contracts will be negotiated, subject to approval by the Port Attorney, with various companies that will provide training for Port staff and end users. It was recommended that the Board approve supplemental agreement with GEAC-SmartStream for software implementation, training/education, software customization and consulting services totaling \$475,000.00; authorize the Executive Director to enter into several contracts in an aggregate amount not to exceed \$525,000.00 for training Port staff and end users, such contracts to be approved by the Port Attorney; and authorize the Executive Director to expend contingency funds not to exceed \$275,000.00 for unanticipated requirements for the contracts to complete the Project. The recommendation was approved on passage of Resolution No. 99477.

Declaration of Port Revenue Fund Surplus for FY 98-99; Recommendation to Transfer Surplus to General Fund of 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 a 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 \$1,480,853.00 in the Port Revenue Fund. Such a surplus would be sufficient to reimburse the City for General Services payments of \$771,796.00 for Fiscal Year 98-99 and reimbursement for net City expenditures of local funds for Lake Merritt trust purposes up to \$709,057.00. 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 a surplus, the Board should consider whether the Port's anticipated cash position at the end of FY 98-99, together with the cash flow forecasts and projected net income for FY 98-99, together with the cash flow forecasts and projected net income for FY 98-99, will provide sufficient funds to support the Port's operating budget for FY 1999-2000, 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 \$771,796.00 for General Services and \$709,057 for Lake Merritt would be made in accordance with the Eleventh and Twelfth Supplemental Agreements to the MOU. It was recommended that if the Board determines that there is a surplus in the amount of \$1,480,853.00, 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, it would be recommended that the Board 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 in accordance with The Eleventh and Twelfth Supplemental Agreements to the MOU. The recommendation was approved on passage of Resolution No. 99478.

At the hour of 3:30 p.m. Commissioner Taylor joined the meeting and was excused at the hour of 3:55 p.m.

Authorization to Execute an Agreement for Communications Consultant Services was the subject of a memo to the Board from the Assistant Director of Communications notifying the Board that the mission of the Port is to invest its resources in quality facilities and services for its airport, real estate, and seaport tenants and customers. Through their activities, the Port seeks to create economic vitality, jobs, and waterfront enjoyment for Oakland and the region and any earnings generated are then reinvested in the Port's activities so that this ongoing mission can continue to be met. In support of this mission, the Port has embarked on a significant and unprecedented expansion of its operations in all three of its revenue divisions. Such a commitment highlights the importance of the Port having strong civic and community support for its mission and goals. While recognizing its fiscal accountability as a multifaceted business entity, it must also clearly demonstrate community sensitivity, environmental integrity, value to the City, customer service, and leadership. Numerous activities have been undertaken by the Port to demonstrate its commitment to this effort. However, public knowledge and awareness of the Port's mission has sometimes been misunderstood. Through an integrated communications plan, the Port can increase awareness of the Port's role in the community and the business enterprises it manages. Carole H. Williams Advertising (CHWA) is a minority-owned firm located in Oakland, California. CHWA is being recommended to the Board to provide communications activities and consultant services that will be designed and integrated to enhance the Port's existing communications program. The activities are intended to assist in building a broader, more strategic plan that reaches a wider audience. CHWA will lead the consultant activities, assisted by Hill & Company Communications, a minority-owned Oakland firm, and King, Brown & Partners, Inc., a minority-owned market research firm located in San Francisco. The activities of these consultants will be to recommend and assist in the development and design of an effective plan and strategy for communication and public awareness of Port programs and activities. The first phase of this integrated effort will be to initiate strategic discovery efforts. This will include analyzing existing Port research; identifying

gaps and proposed research recommendations; design and implementation of a phased research plan; as well as measurement activities and ongoing project management. King, Brown & Partners, Inc. will conduct the quantitative exploration and research activities in support of the lead consultant's overall plan development and strategy. The cost for the first phase of this effort is \$107,428.00. It was recommended that the Board approve the agreement with Carol H. Williams, Advertising, Hill & Company Communications, and King, Brown, & Partners, Inc. to provide the communications consultant services. After considerable discussion, the recommendation was approved on passage of Resolution No. 99479.

Amend 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 in March 1998, the Board retained Frank Lee and Associates to provide facilitation services at Commission workshops. Work areas included the development of a performance evaluation instrument for staff members reporting directly to the Board, guidance in succession planning and Port strategic planning initiatives. In July 1999, Frank Lee and Associates conducted a follow-up retreat with Board members to discuss the Port's contractor and consultant selection policies and procedures, the Port's Non-discrimination Policy, streamlining of Board and committee agendas, reduction in the number of Board committees, defining the role and responsibilities of Board committees and the performance appraisal process for Port Attorney, Secretary of the Board and the Executive Director. At the July 1999 workshop, the Commissioners requested that a follow-up workshop be conducted with the consultant in January/February 2000. It was recommended that \$7,000.00 be authorized for payment of July 1999 services and services in January/February 2000. The recommendation was approved on passage of Resolution No. 99480.

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

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

Noes: None

Absent: Commissioner Taylor - 1

"RESOLUTION NO. 99460

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

"RESOLUTION NO. 99461

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH AIRPORT AND AVIATION PROFESSIONALS, 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. 99462

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

"RESOLUTION NO. 99463

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

"RESOLUTION NO. 99464

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH EVERGREEN AVIATION GROUND LOGISTICS ENTERPRISES, INC."

"RESOLUTION NO. 99465

GRANTING BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 99466

REQUESTING A GRANT IN THE AMOUNT OF \$56,000 FROM THE DEPARTMENT OF BOATING AND WATERWAYS FOR THE DEVELOPMENT OF A BOAT PUMPOUT STATION FACILITY AT THE NORTH BASIN, UNION POINT BASIN MARINA AND THE JACK LONDON SQUARE MARINA."

"RESOLUTION NO. 99467

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH NATIONAL ECONOMIC RESEARCH ASSOCIATION (NERA) FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 99468

APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE FRIENDS OF THE SAN FRANCISCO ESTUARY TO PROVIDE A THIRD PARTY REVIEW OF THE MIDDLE HARBOR ENHANCEMENT AREA DESIGN TO THE BAY CONSERVATION AND DEVELOPMENT COMMISSION (BCDC) REGARDING THE OAKLAND HARBOR NAVIGATION IMPROVEMENT (-50 FOOT) PROJECT."

"RESOLUTION NO. 99469

CERTIFYING CONSIDERATION OF INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION FOR NAVAL AIR STATION ALAMEDA REPLACEMENT WASTEWATER RECEPTOR SYSTEM PROJECT, FINDING NO SUBSTANTIAL EVIDENCE OF SIGNIFICANT EFFECT ON THE ENVIRONMENT, AND APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE EAST BAY MUNICIPAL UTILITY DISTRICT AND THE CITY OF ALAMEDA FOR CONSTRUCTION AND SHARING THE COSTS OF THE PROJECT."

"RESOLUTION NO. 99470

APPROVING AND AUTHORIZING EXECUTION OF SUBLEASE WITH THE OAKLAND BASE REUSE AUTHORITY FOR AN EXPANDED KNIGHT RAIL YARD AT THE OAKLAND ARMY BASE."

"RESOLUTION NO. 99471

APPROVING AND AUTHORIZING EXECUTION OF SECOND SUPPLEMENTAL AGREEMENT TO LEASE WITH GTE MOBILNET OF CALIFORNIA ("GTE")."

"RESOLUTION NO. 99472

APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH PACIFIC GAS & ELECTRIC COMPANY FOR RELOCATION OF 115KV ELECTRICAL TRANSMISSION FACILITIES ALONG MIDDLE HARBOR ROAD."

"RESOLUTION NO. 99473

APPROVING AND AUTHORIZING EXECUTION OF AGREEMENTS WITH PACIFIC GAS & ELECTRIC COMPANY FOR RELOCATION OF ELECTRIC AND NATURAL GAS LINES AND CONSTRUCTION OF A NEW GAS LINE FOR THE VISION 2000 PROJECTS."

"RESOLUTION NO. 99474

APPROVING TENTATIVE MAP FOR CONDOMINIUMS AT PHOENIX LOFTS HORIZONS PROPERTY."

"RESOLUTION NO. 99475

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

"RESOLUTION NO. 99476

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH JONES LANG LASALLE 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. 99477

FINDING AND DETERMINING THAT PROPOSED AMENDMENTS FOR ONE OR MORE CONSULTANTS TO PROVIDE TRAINING CONSULTING SERVICES AND A SECOND SUPPLEMENTAL AGREEMENT WITH GEAC-SMARTSTREAM FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENTS."

"RESOLUTION NO. 99478

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. 99479

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CAROL H. WILLIAMS 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. 99480

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT FRANK LEE 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. 99481

GRANTING SOUTHWEST AIRLINES CO., PERMISSION TO PERFORM CERTAIN WORK."

“RESOLUTION NO. 99482

GRANTING TRANSBAY CONTAINER TERMINAL PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99483

GRANTING ENTERPRISE RENT A CAR, INC., PERMISSION TO PERFORM CERTAIN WORK.”

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

Ayes: Commissioners Kramer, Kiang, Neal
and President Loh - 4

Noes: None

Abstained: Commissioners Harris and Uribe - 2

Absent: Commissioner Taylor - 1

“RESOLUTION NO. 99484

AUTHORIZING AND APPROVING THE EXECUTIVE DIRECTOR TO EXECUTE A SETTLEMENT AGREEMENT, MUTUAL RELEASE, AND COVENANT NOT TO SUE (“SETTLEMENT AGREEMENT”) WITH PACIFIC GAS AND ELECTRIC COMPANY AND ITS PREDECESSORS, A CALIFORNIA CORPORATION (“PG&E”), CONCERNING CITY OF OAKLAND V. PACIFIC GAS AND ELECTRIC COMPANY, ET AL., UNITED STATES DISTRICT COURT, NORTHERN DISTRICT OF CALIFORNIA (OAKLAND DIVISION) CASE NO. C-97-00894-SBA.”

Port Ordinance No. 3552 being, “AN ORDINANCE AUTHORIZING, APPROVING AND EXECUTING LEASE AMENDMENTS WITH THE UNITED STATES POSTAL SERVICE,” and Port Ordinance No. 3554 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF GRANT OF EASEMENT TO EAST BAY MUNICIPAL UTILITY DISTRICT FOR A 16” WATER MAIN EXTENSION ON REALIGNED 7TH STREET AND NEW ROAD,” and Port Ordinance No. 3555 being, “AN ORDINANCE AMENDING SECTIONS 8.112 AND 9.127 OF PORT ORDINANCE NO. 867 AND CREATING NEW AND ADDITIONAL POSITIONS,” were read a second time and passed on final approval by the following vote:

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

Noes: None

Absent: Commissioner Taylor - 1

Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH INTERNATIONAL MARITIME CENTER/BAY AREA SEAFARERS SERVICE," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF GRANT OF EASEMENT TO EAST BAY MUNICIPAL UTILITY DISTRICT FOR NEW WASTEWATER DISCHARGE PIPELINE IN OAKLAND INNER HARBOR CHANNEL," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTIONS 2.02, 7.1395, 7.1398, 10.0294, 10.0195, 100.024, 11.0033, 11.0066 AND 9.09 OF PORT ORDINANCE NO. 867 AND CREATING NEW POSITIONS," were read a first time and passed to print by the following vote:

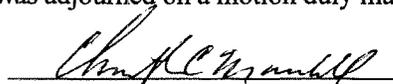
Ayes: Commissioners Harris, Kiang, Neal, Taylor, Uribe
and President Loh - 6

Noes: None

Absent: Commissioner Kramer - 1

At the hour of 5:35 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, name of case: City of Oakland v. Pacific Gas and Electric Company, et al., United States District Court, Northern District of California (Oakland Division) Case No. C-97-00894-SBA; conference with legal council - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 3 cases; and reconvened in open session at the hour of 6:24 p.m.

At the hour of 6:25 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, November 16, 1999, at the hour of 3:03 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, Neal, Taylor, Uribe
and President Loh - 6

Commissioners absent: Kramer - 1

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; Director of Commercial Real Estate; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Administration; and Assistant Secretary of the Board.

Approval of Consultant Agreement with John F. Brown Company, Inc., for Rental Car Concession Consulting Services, North and South Airport, MOIA was the subject of a memo to the Board from the Director of Aviation recommended that the Board approve and authorize the Executive Director to sign a consultant agreement with John F. Brown Company, Inc. to provide expertise related to the Airport's rental car concessions to be developed with the Airport Terminal Expansion (TEX) Program. The Board reviewed the consultant evaluation process that yielded two shortlisted consultants from five consultant teams submitting statements of qualifications for providing rental car concession business and planning services related to the Terminal Expansion Program. The Board authorized staff to negotiate a consultant agreement with one of the shortlisted consultant teams, John F. Brown Company with Hansen/Murakami/Eshima Architects. The Airport rental car concessions contribute \$6 million annually in percentage rent to the Port. The Airport terminal expansion offers opportunities to expand and enhance the rental car concessions; improving operations efficiency and customer convenience. The rental car operations will be temporarily relocated while the garage is constructed. New rental car facilities will be

constructed with the garage. The consultant will help the Port provide an efficient and affordable temporary rental car facility and to design effective, customer-convenient long-term facilities with the new garage. The consultant will provide business liaison services between the rental car industry and the Airport Terminal Expansion Program. The consultant will assist staff to negotiate the terms for the rental car companies' financial participation in the development of common, temporary, remote rental car facilities and the common bussing operation between the Terminal and the temporary rental car facilities. The consultant will also assist staff to negotiate the terms of the rental car companies' financial participation in the common rental car facilities in the new garage and in a common "quick-turn-around" service area adjacent to the garage. The amount of the agreement is \$988,000.00 during the expected five year life 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 total amount will not exceed \$1,088,000.00. The recommendation was approved on passage of Resolution No. 99450.

Authorization to Execute Agreement with Hellmuth, Obata + Kassabaum, Inc.; KPa Consulting Engineers, Inc.; Kwan Henmi architecture/planning, inc.; and Powell & Partners Architects (dba Master Architect Joint Venture, or MAJV) for Master Architect and Design Consultant Services for the Terminal Expansion Program, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that on March 2, 1999, the Board authorized the staff to begin negotiations of an agreement for the Master Architect and Design Consultant Services with the four firm joint venture consisting of Helmut, Obata + Kessabaum, Inc.; KPa Consulting Engineers, Inc.; Kwan Henmi architecture/planning, inc.; and Powell & Partners Architects. The joint venture team is now formally known as the Master Architect Joint Venture (MAJV). The agreement has now been reached on the Master Architect's scope of work and compensation provisions. The Master Architect's scope of work consists of Program Verification, functional concept design and theme development for the entire program; Conceptual Design Services for the entire program; Schematic Design Services for the entire program including development of standards and criteria for subsequent design projects within the Terminal

Expansion Program; Final Design of the Main Terminal Building (Stages 1 and 2) and Program Systems; Construction and Closeout Services for the Main Terminal Building (Stages 1 and 2) and Program Systems; and Design Coordination and Review Services for the subsequent design completion projects within the Terminal Expansion Program. The consultant has agreed to perform the scope of work for a maximum total of \$42,600,000.00. It was recommended that the Board authorize the Executive Director to enter into an agreement with the MAJV to provide master architect and engineering design services for the Terminal Expansion Program at Oakland International Airport for a total amount of \$42,600,000.00 plus adjustments for escalation for basic contract services; and authorize the Executive Director to approve up to an additional \$1 million for potential increases in scope. The recommendation was approved on passage of Resolution No. 99459.

Approval of Right-of-Entry and Indemnity Agreement with Equilon Pipeline

Company LLC was the subject of a memo to the Board from the Director of Aviation notifying the Board that Equilon Pipeline Company (Equilon) provides fuel to the Oakland Fuel Facilities Corporation. The Regional Water Quality Control Board (RWQCB) requires Equilon to perform certain testing, including drilling and subsurface investigation, at the South Field Tank Farm, Tank Farm S, adjacent pipelines and areas on Neil Armstrong Way and Edward White Way. The proposed agreement would have a nine month term commencing on November 16, 1999 and authorize Equilon to perform testing and subsurface investigation as required by the RWQCB. Equilon shall submit to the Port a workplan detailing its proposed activities for approval prior to commencing work; and no rent will be charged. It was recommended that the Board approve and authorize the Director of Aviation to execute the Right-of-Entry and Indemnity Agreement with Equilon Pipe Line Company LLC. The recommendation was approved on passage of Resolution No. 99451.

Approval of License and Concession Agreements with Avis Rent A Car System, Inc.;

Budget Rent A Car Systems, Inc., Dollar Rent A Car Systems, Inc.; Enterprise Rent-A-Car

Company of San Francisco; The Hertz Corporation; National Car Rental System, Inc.; and

San Ramon Carriage Company, Inc., DBA Thrifty Car Rental was the subject of a memo to the Board from the Director of Aviation notifying the Board that 100 Airport Drive, containing 77,107 square feet, is the former site of the National Car Rental Service facility. The facility contained underground storage tanks which were required by law to be removed prior to December 31, 1999. National declined to replace the underground tanks with above-ground fuel storage tanks and moved its service facility to another location in December 1998. It is expected that the area will be needed for the roadway improvement project as part of the ADP, so entering into a long term agreement for the property is not practical. It is proposed that the site be rented to the seven on-airport rental car companies on a proportionate share basis for interim overflow parking of rental cars. In June 1999, the seven on-airport rental car companies were permitted to utilize the property at no charge for overflow parking on a trial basis, until the tank removal project commenced. The rental car companies vacated the premises and the tanks were removed in October 1999. The trial was successful in easing traffic congestion, and the car companies found that utilizing this overflow lot improved both operations and customer service. The rental car companies would like to continue to utilize the property for overflow parking until the land is needed for ADP related projects. The car companies will be allocated square footage based on each individual company's percentage of market share at the Airport. The allocation will be periodically adjusted. The rental rate will be set at \$.1025 per square foot per month, which is the rate currently used for short-term leasing of paved land at other locations on Airport property. The License and Concession Agreements will be for a period of one year, with the ability to cancel upon thirty days notice. It was recommended that the Board approve the License and Concession Agreements. The recommendation was approved on passage of Resolution No. 99452.

Recommendation to Pass Resolutions Finding that There is a Need to Take Immediate Action to Prevent Serious Injury to the Public Interest that Came to Attention of Board After Agenda was Posted, Authorizing Execution of Amendment to Sea-Land's Lease and Assignment Agreement for Berths 20-22 and Consenting to Assignment of Sea-Land's Agreement to Maersk, Inc. was the subject of a memo to the Board from the Director of Maritime

notifying the Board that Sea-Land Service Inc. (Sea-Land) 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. The initial term of the Lease and Assignment Agreements expires March 31, 2000, at which time it continues year-to-year subject to termination upon 3 months' notice by either party. 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 which the Board in 1995 authorized under a Fifth Supplemental Agreement to the Lease and Assignment Agreement. However, Sea-Land did not execute the Fifth Supplemental Agreement due to a dispute pertaining to penalty provisions relating to early termination by the assignee. 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 arrangement whereby some Maersk cargo is carried on Sea-Land vessels and some Sea-Land cargo is carried on Maersk vessels. Recently, Maersk's parent, the A.P. Moller Group of Copenhagen, announced it was in the process of acquiring the international liner services and terminal operations of Sea-Land. All Maersk and Sea-Land international liner shipping will therefore operate under the name Maersk-SeaLand. The combined company will have about 250 ships with total capacity of more than 550,000 TEUs. In order to facilitate the Maersk acquisition of Sea-Land, on November 9, 1999, the Port was notified in writing that Sea-Land proposes to assign all of its rights under the Lease and Assignment Agreement for Berths 20-22 to Maersk. Under the Lease and Assignment Agreement, such an assignment requires consent from the Board. In a related matter, the Board had previously approved realignment and modification to the YTI Agreement for the premises at Berth 23 which border the Sea-Land facility. This involved an exchange of parcels amounting to slightly more than one acre each along the contiguous border and a similar modification is required to the Sea-Land Lease. It is also proposed that a condition to the Board's consent to the assignment be Sea-Land's execution of the previously Board-authorized Fifth Supplemental Agreement, as modified to include two additional sets of provisions: first, that Sea-Land agree to the exchange

with YTI of the approximately one-acre parcels along the common Sea-Land/YTI border; and second, that the assignment leaves the Port in at least a revenue neutral position in regard to future operations of Maersk-SeaLand at Berths 20-22 and 24. It was recommended that the Board pass a resolution in which it finds by a vote of two-thirds of the members present and not less than four affirmative votes that (a) the need to make immediate action of this item is necessary to prevent serious injury to the public interest if action were deferred to a subsequent special or regular meeting, and (b) that the need for such action came to the attention of the Board subsequent to the Agenda being posted for the November 16 Board meeting; and if the Board passes the foregoing resolution, that the Board then pass a resolution that (a) consents to the proposed assignment by Sea-Land to Maersk, Inc. of the Port/Sea-Land Lease and Assignment Agreement for Berths 20-22, subject to Sea-Land's execution and delivery of the above described modified Fifth Supplemental Agreement and (b) approves and authorizes execution of the modified Fifth Supplemental Agreement and documentation necessary to effectuate the proposed assignment such as consent and estoppel certificate documents. The recommendations were approved on passage of Resolution No. 99455 for immediate action and Resolution No. 99456 for Lease and Preferential Assignment Agreement with Sea-Land Service, Inc. and consenting to Assignment of Agreement to Maersk, Inc.

Plans and Specifications for Annual Dredging of Port of Oakland Berths for the Period Commencing March 1, 2000 and Ending December 31, 2000, 2001 or 2002 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 maintenance dredging. 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 tides, weather conditions, and ship berthing activities sometimes result in difficult to predict siltation buildup and migration of silt deposits, causing rapid shoaling and inadequate berth depths, either in localized areas or as a general condition. To allow quicker response to redredging needs, it is proposed that an on-call contract be

executed, similar to our current on-call dredging contract. The recommendation was approved on passage of Resolution No. 99453.

Plans and Specifications for 2000 Structural Inspection, Rigging and Repair of Cranes

X415 and X416, Berth 68, Howard 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 2000 structural inspection. The work consists of providing mobile cranes, rigging, and scaffolding required to gain access to test the welded and bolted joints on the container cranes. The work also includes removing paint from welds in preparing for non-destructive testing, replacing defective welds found, and touch-up painting of the tested or repaired areas. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 99454.

First Reading of an Ordinance Granting an Easement to East Bay Municipal Utility

District (EBMUD) for a 16" Water Main Extension on Realigned 7th Street and New Road

was the subject of a memo to the Board from the Director of Engineering notifying the Board that on October 5, 1999, the Board awarded the contract for construction of 7th Street Realignment and the New Road to Gallagher & Burk, Inc. Part of the work of the contract is to install a new 16-inch diameter water main on the realignment portion of 7th Street and the New Road. This main will connect to existing EBMUD mains on 7th Street and on Middle Harbor Road. The main is required to supply water to all of the Vision 2000 projects. On April 6, 1999, the Board authorized the Executive Director to execute an agreement with EBMUD to design, inspect, and provide construction materials for the water main. The agreement was executed and EBMUD is scheduled to complete the design by the end of November, 1999. Under the terms of the agreement, the Port will construct the water main and EBMUD will own and maintain it. Additionally, the agreement requires the Port to grant EBMUD an easement for the water main. The easement will remain in effect until EBMUD determines that it has no further need for the easement. The proposed water main is approximately 10,000 feet long. The easement is 20 feet wide, for the entire length of the main, as well as around all public hydrant laterals. The easement joins existing EBMUD easements

at the ends of the main where it is tapped into the existing pipelines. It was recommended that the Board grant the easement to EBMUD for the 16-inch water main, and that the Executive Director be authorized to execute the easement documents on behalf of the Port. The recommendation was approved on passage of an ordinance to print.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the approval of the creation of classifications of two Maintenance Management Systems Coordinators to Salary Schedule 237.7 and two Call Center Technicians to Salary Schedule 216; the creation of one additional position of Management Assistant; correction of unit transfer and amendment of salary schedule assign for the classification of Principal Electrical/Mechanical Technician; and amendment of salary schedule assignment for Senior Fire Prevention Systems Engineer from Salary Schedule 717.4 to 720.9. The recommendation was approved on passage of an ordinance to print.

Uncollectible Accounts was the subject of a letter to the Board from the Port Attorney recommending that an aged account receivable, arising from rent due pursuant to Oakland Portside Associate's (OPA) lease with the Port, be written-off the Port's books. The account represents all rents due and owing from OPA from July 1, 1994 through July 30, 1999, in the amount of \$1,034,480.80. As a matter of practice, the Board approves write-offs twice a year. Under the lease between the Port and OPA, the Port agreed to cancel rent during the term of the Bank's Trust Loan, if OPA's Monthly Net Cash for Distribution was less than the Monthly Rent. The Banker's Trust Loan was repaid in February 1997. Consequently the Port is required to cancel rent through February 1997. Since OPA's Monthly Net Cash for Distribution continues to be less than the Monthly Rent, all monthly rent accrued since February 1997 is uncollectible. It was the opinion of the Attorney that the account receivable is at present uncollectible due to OPA's financial inability to pay. The recommendation was approved on passage of Resolution No. 99457.

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

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

and President Loh - 6

Noes: None

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 99450

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH JOHN F. BROWN COMPANY, 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. 99451

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH EQUILON PIPELINE COMPANY LLC.”

“RESOLUTION NO. 99452

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENTS WITH AVIS RENT A CAR SYATEM, INC., BUDGET RENT A CAR SYSTEMS, INC., DOLLAR RENT A CAR SYSTEMS, INC., ENTERPRISE RENT-A-CAR COMPANY OF SAN FRANCISCO, THE HERTZ CORPORATION, NATIONAL CAR RENTAL SYSTEM, INC. AND SAN RAMON CARRIAGE COMPANY, INC., DOING BUSINESS AS THRIFTY CAR RENTAL.”

“RESOLUTION NO. 99453

APPROVING PLANS AND SPECIFICATIONS FOR ANNUAL DREDGING OF PORT OF OAKLAND BERTHS FOR THE PERIOD COMMENCING MARCH 1, 2000 AND ENDING DECEMBER 31, 2000, 2001 OR 2002, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99454

APPROVING PLANS AND SPECIFICATIONS FOR 2000 STRUCTURAL INSPECTION, RIGGING AND REPAIR OF CRANES X415 AND X416, BERTH 68, HOWARD TERMINAL, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99455

DETERMINING THAT NEED TO TAKE IMMEDIATE ACTION IS NECESSARY TO PREVENT SERIOUS INJURY TO THE PUBLIC INTEREST IF ACTION WERE DEFERRED AND THAT THE NEED FOR SUCH ACTION CAME TO THE ATTENTION OF THE BOARD SUBSEQUENT TO THE AGENDA BEING POSTED (AMENDMENT TO SEA-LAND SERVICE, INC.’S LEASE AND ASSIGNMENT AGREEMENT FOR BERTHS 20-22 AND CONSENT TO ASSIGNMENT OF AGREEMENT TO MAERSK, INC.).”

“RESOLUTION NO. 99456

APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT TO LEASE AND PREFERENTIAL ASSIGNMENT AGREEMENT WITH SEA-LAND SERVICE, INC. AND CONSENTING TO ASSIGNMENT OF AGREEMENT TO MAERSK, INC.”

“RESOLUTION NO. 99457

FINDING CERTAIN ACCOUNTS RECEIVABLE TO BE UNCOLLECTIBLE AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO WRITE OFF SAME FROM THE BOOKS OF THE PORT.”

“RESOLUTION NO. 99458

GRANTING ROLLS-ROYCE NORTH AMERICA, INC., PERMISSION TO PERFORM CERTAIN WORK.”

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

Ayes: Commissioners Harris, Neal, Taylor, Uribe

and President Loh - 5

Noes: None

Abstained: Commissioner Kiang - 1

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 99459

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH HELLMUTH, OBATA + KASSABAUM, INC., KPA CONSULTING ENGINEERS, INC., KWAN HENMI ARCHITECTURE/PLANNING, INC. AND POWELL & PARTNERS ARCHITECTS DOING BUSINESS AS MASTER ARCHITECT JOINT VENTURE FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

Port Ordinance No. 3549 being, “AN ORDINANCE ESTABLISHING RULES AND

AIRPORT, AND FOR THE PROTECTION OF PERSONS AND PROPERTY; PRESCRIBING PENALTIES; AND REPEALING PORT ORDINANCE NO. 1047 (REVISED),” and Port Ordinance No. 3550 being, “AN ORDINANCE ADDING SECTION 11.0031 OF PORT ORDINANCE NO. 867, AND CREATING POSITION OF INTERMODAL AND CARGO SERVICES SPECIALIST-MARINE COMMERCIAL REPRESENTATIVE V,” and Port Ordinance No. 3551 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A MULTI-YEAR LICENSE AND CONCESSION AGREEMENT WITH HILLTOP AVIATION SERVICES, INC. AND DIRECTING RECORDATION THEREOF,” and Port Ordinance No. 3553 being “AN ORDINANCE AMENDING SECTION 10.4 OF PORT ORDINANCE NO. 1149 RELATING TO THE AIRPORT VEHICLE PARKING RAMP ACCESS PERMIT FEES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,”

were read a second time and passed on final approval by the following vote:

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

Noes: None

Absent: Commissioner Kramer - 1

Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF GRANT OF EASEMENT TO EAST BAY MUNICIPAL UTILITY DISTRICT FOR A 16” WATER MAIN EXTENSION ON REALIGNED 7TH STREET AND NEW ROAD,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTIONS 8.112 AND 9.127 OF PORT ORDINANCE NO. 867 AND CREATING NEW AND ADDITIONAL POSITIONS,” were read a first time and passed to print by the following vote:

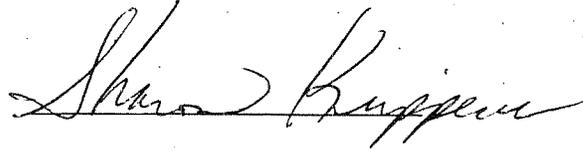
Ayes: Commissioners Harris, Kiang, Neal, Taylor, Uribe
and President Loh - 6

Noes: None

Absent: Commissioner Kramer - 1

At the hour of 4:40 p.m., the Board entered into closed session pertaining to conference with legal counsel – anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 2 cases; and reconvened in open session at the hour of 6:45 p.m.

At the hour of 6:46 p.m. the meeting was adjourned on a motion duly made and seconded.

A handwritten signature in cursive script, appearing to read "Sharon Kuppner".

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, November 2, 1999, at the hour of 3:03 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 Commercial Real Estate; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Administration; and Assistant Secretary of the Board.

Approval to Submit an Application to Impose Only and to Impose and Use Passenger Facility Charges (PFC) 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 Oakland International Airport began collection of a \$3 PFC on September 1, 1992 as authorized by the Federal Aviation Administration (FAA). Since that time, the FAA has approved eight applications and authorized the collection of approximately \$98 million in PFC revenues to fund capital projects at the Airport. As of June 30, 1999, the Port has collected approximately \$84 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. Applications substantiate project eligibility and summarize the Port's consultation with air carriers that serve the Airport. The Port is seeking to collect \$38,459,000.00 on behalf of the subject projects. The air carriers are required to certify their agreement or disagreement on each of the projects by November 13, 1999. The Port does not anticipate any carrier responses that would affect FAA approval of the application. Upon FAA approval of this application (anticipated in March 2000), adoption of an ordinance by the Board for

continuation of the imposition of a \$3 PFC, and upon satisfying the requirement for "Notice to Air Carriers," airlines serving Oakland International Airport will continue to collect a \$3 PFC for each enplaning passenger until the authorized PFC revenue is collected. The Port is seeking to collect \$38,459,000 for the itemized new projects. The charge effective date for PFC #9 is estimated to begin June 1, 2000 and to expire in January 2003. It was recommended that the Board authorize the Executive Director to submit an application to the FAA for the collection and use of funds for PFC application #9. The recommendation was approved on passage of Resolution No. 99433.

Approval of Consultant Agreement for Interim Airport Terminal Expansion Program

Director was the subject of a memo to the Board from the Director of Engineering recommending approval to retain the services of Mr. Gordon Watada to act in the capacity of Interim Airport Terminal Expansion Program Director. Mr. Watada is well known to many members of the Port's Engineering and Aviation staff and has 40 years of experience in planning, design, construction management, and program management of major transportation facilities. He retired recently from the private sector where he has worked as the principal in charge for terminal improvement programs at Honolulu International Airport, Guam International Airport, Pearson International Airport, Toronto International Airport and San Francisco International Airport. In order to add Mr. Watada's experience to the team negotiating on the Master Architect contract, Mr. Watada was hired under a purchase order agreement up to the \$15,000.00 limit for such agreement for professional services. It is proposed that a professional services agreement be prepared and executed with Mr. Watada to cover his services from the inception of the purchase order contract work through the arrival of the new program director, and some period of overlap between the two to facilitate the training of the new director. It is anticipated that the amount of the agreement will not exceed \$50,000.00. It was recommended that the Board approve the agreement with Mr. Gordon Watada. The recommendation was approved on passage of Resolution No. 99434.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with

Bank of America National Association was the subject of a memo to the Board from the Director of Aviation notifying the Board that Bank of America is currently under a 45-day Right-of-Entry

and Indemnity Agreement (ROE) which provides for occupancy of approximately 50,702 square feet of office, hangar, shop/storage, apron and paved parking in and adjacent to Hangar 8, on the North Airport for corporate aircraft storage and maintenance. The ROE was effective August 23, 1999; rent is \$17,000.00 per month. The proposed agreement to extend the ROE would extend Bank of America's occupancy of the same premises (commencing October 7, 1999 and ending February 3, 2000). Monthly rent would remain the same. This additional time is requested in order to give Bank of America time to review an interim, one-year License and Concession Agreement. This project conforms to established aviation uses and has been determined to be consistent with the transportation designation of the City of Oakland Comprehensive Plan. It was recommended that the Board approve the Agreement to Extend Right-of-Entry and Indemnity Agreement with Bank of American National Association. The recommendation was approved on passage of Resolution No. 99435.

First Reading of Ordinance Approving Multi-Year License and Concession Agreement with Hilltop Aviation Services the subject of a memo to the Board from the Director of Aviation notifying the Board that Hilltop Aviation Services, Inc. (Hilltop), an airline passenger and baggage handling company, operates under a Right-of-Entry and Indemnity Agreement (ROE) which provides for access to the South Airport. It occupies no premises. The ROE was effective April 1, 1999 and continues through December 31, 1999. The current monthly rental is a minimum of \$250.00 or 10% of gross revenues, whichever is greater. The proposed Agreement would have a five-year term commencing January 1, 2000 with a mutual 30-day termination provision and authorize continued passenger and baggage handling services to airline tenants on the South Airport. No premises would be occupied by Hilltop under this Agreement and the monthly rental would remain a minimum of \$250.00 or 10% of gross revenues, whichever is greater. It was recommended that the Board approve and authorize the execution of the subject Multi-Year License and Concession Agreement with Hilltop Aviation Services, Inc. The recommendation was approved on passage of an ordinance to print.

Approval of License and Concession Agreement with Jung J. Kim for the Operation

of a Baggage Check Service was the subject of a memo to the Board from the Director of Aviation notifying the Board that baggage storage services are a passenger amenity found in most international airports. Oakland International Airport has had numerous requests from passengers to provide this service. FAA security regulations are very strict regarding the handling and storage of baggage. In order to provide this service to Oakland passengers, it was essential to find an operator with previous experience in operating this type of business in other airports. Jung J. Kim currently operates baggage storage services at Los Angeles International Airport and at Denver International Airport. She has had over ten years experience in providing this service to the traveling public and is familiar with all relevant federal regulations concerning baggage handling and storage. Passengers have repeatedly made requests for the provision of some type of short-term storage for large pieces of luggage. The Airport offers lockers service for this purpose, however, FAA security regulations require that lockers be located beyond the security checkpoint. Recent moves by the airlines to restrict the size of carry-on luggage has resulted in templates being installed at the security checkpoint to limit the size of bags that can be transported to the secure side of the concourse or to the lockers. Generally, the airlines accept luggage for check-in not more than two hours before departure. Passengers with large pieces of luggage who arrive at the Airport prior to the time the airlines accept luggage for check-in have no place to store their bags. The service is used primarily by international travelers. The international traffic in Oakland is low compared to airports such as LAX and SFO, and the demand for service expected to be moderate. Providing this service, however, will help position the Airport as a more desirable destination for international airlines. In order to provide this service, staff identified an operator with specific experience who was also willing to operate at Oakland despite the moderate demand. Ms. Kim has analyzed the passenger traffic at the Airport and is confident that the business will be successful. In addition to offering baggage storage services, Ms. Kim will also provide packaging materials and re-packing services to those passengers whose luggage is overweight, and will also provide a luggage security wrap service. Ms. Kim will pay the port a minimum monthly rent of \$250.00 per month, plus a

graduated percentage of sales as follows: 5% of annual gross revenues equal to or greater than \$127,000.00 but less than \$145,000.00; plus 10% of annual gross revenues equal to or greater than \$145,000.00 but less than \$150,000.00; plus 15% of annual gross revenues equal to or greater than \$150,000.00. It was recommended that the Board approve the License and Concession Agreement with Jung J. Kim for the provision of baggage storage services at the Airport. The recommendation was approved on passage of Resolution No. 99436.

First Reading of Ordinance Approving Lease Amendments with Existing Tenant United States Postal Service was the subject of a memo to the Board from the Director of Aviation notifying the Board that the lease with the United States Postal Service covering portions of its Air Mail Facility at the North Airport (7201 Earhart Road), expires on December 31, 1999. Agreement has been reached with the Postal Service to extend its lease for three years from January 1, 2000 through December 31, 2002 at an increased rate for 8,000 square feet of warehouse, 12,800 square feet of apron and 4,800 square feet of paved parking in and adjacent to Building L-812, Space #2, at \$5,791.67 per month, effective January 1, 2000; and 10,000 square feet of warehouse and office, 16,000 square feet of apron and 2,700 square feet of paved parking in and adjacent to Building L-812, Space #3, at \$6,861.67 per month, effective January 1, 2000. It was recommended that the Board approve the Lease Amendments with the United Postal Service. The recommendation was approved on passage of an ordinance to print.

Approval of an Amendment to Port Ordinance 1149 to Increase the Airport Vehicle Parking Ramp Access Permit Fee to \$5.00 was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Airport through Port Ordinance 1149 established a fee for permitting vehicle access to the Aircraft Operations Area (AOA) (Ramp). Only those vehicles that are necessary for airline and airport ground support and those used by authorized tenants on the North and South Airport are authorized on the AOA. Those vehicles with current state license plates are required to have Vehicle Ramp Permits for security and insurance purposes. The current \$2.00 fee has not been increased in well over a decade. The increase in the fee to \$5.00 is necessary to help defray the increasing cost of the Ramp Permit decals, as the increase is a

minor amount. It was recommended that the Board approve the amendment to Port Ordinance 1149 establishing the fee schedule for yearly Airport Vehicle Parking Ramp Access Permits effective January 1, 2000. The recommendation was approved on passage of an ordinance to print.

Approval of Consultant Agreement with Keyser Marston Associates, Inc. for Asset Development and Disposition Services was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Commercial Real Estate Division has embarked upon an ambitious development program in an effort to implement the goals of the recently passed Estuary Policy Plan, and to enhance the existing development at Jack London Square. The RFQ targeted to a master developer to undertake the next phase of development at the Square has been released, and proposals are due in December. In addition, the Board has approved the sale of a number of parcels in the Oakland Airport Business Park to encourage development and jobs, and to obtain funds for waterfront projects. Finally, the Estuary Policy Plan identified the Oak Street to Ninth Avenue area as an ideal location for a wide variety of waterfront uses. Staff is moving forward to compile extensive information on this area, which will enable the Division to make strategic decisions about specific plans for this area. The CRE Restructure and Development Plan approved by the Board in February, 1999, recommended that the Port bring a consultant to assist in the implementation of the restructure and development plan for the Port's Commercial Real Estate Portfolio. CRE staff interviewed three firms for this assignment: Jones Lang La Salle, the Sedway Group, and Keyser Marston Associates, Inc. and it was recommended that Keyser Marston Associates, Inc. (KMA) be retained to assist Port staff in this undertaking. KMA has one of the largest real estate and redevelopment advisory practices on the West Coast, with experience in all types of commercial and residential real estate. The firm has specialized in feasibility assessments of urban projects and instructing implementation strategies, many of which have actively involved the role of the public sector in coordination with the private sector. The scope of work in connection with Jack London Square will include the development of pro formas to test economic feasibility, definition of development parameters to be used in the developer solicitation process, evaluation of developer proposals, briefings with Port senior staff, Board Commissioners,

the community and public officials, and developer negotiations. The budget allocation for this phase of the assignment is \$50,000.00. In addition, it is recommended that consulting services be authorized on a time and material basis for other assignments associated with development and disposition of property for an additional amount not to exceed \$50,000.00. It was recommended that the Board approve and authorize the Executive Director to sign a consultant agreement with Keyser Marston Associates, Inc. in an amount not to exceed \$100,000.00. The recommendation was approved on passage of Resolution No. 99437.

Plans and Specifications for Removal and Disposal of Hazardous Materials and Miscellaneous Utility Work at Building D-732, Harbor Transportation Center, Vision 2000 Program 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 disconnecting utilities and removal of asbestos containing materials, lead based paint, PCB containing lighting ballasts and mercury containing lamps at Building D-732. The building is a 120,000 square foot wood framed warehouse. This work is necessary to prepare the buildings for deconstruction by Youth Employment Partnership, Inc. and to clear the site for construction of the Berth 57/58 Container Yard (part of the Vision 2000 Maritime Development program). The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 99438.

Ratify Substitution of Asbestos Roofing Subcontractor for "Reroofing of Western Half of Building H-309, Ninth Avenue Terminal" 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 JG Roofing for the reroofing of the Western half of Building H-309. JG Roofing has requested approval to substitute its listed subcontractor performing the asbestos roofing removal on the subject project. JG Roofing notified the Port that its listed subcontractor, Trade Staff Contracting Services Inc. is withdrawing as the subcontractor for asbestos roofing removal on the subject project. JG roofing has requested that Asbestos Management Group be listed as the new asbestos roofing removal subcontractor. Due to the critical nature of the roofing work, and to protect our

tenant's assets, 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 the substitution of the listed subcontractor performing the asbestos roofing removal work; that Trade Staff Contracting Services Inc. be deleted as the listed subcontractor to perform the asbestos roofing removal work; and that Asbestos Management Group (Oakland-based company) be added as the subcontractor to perform the work. The recommendation was approved on passage of Resolution No. 99439.

Approval to Hire Consultant to Provide Final Design Engineering Services for the Inner Harbor Turning Basin, -50 Foot Deepening Project was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port in conjunction with the U.S. Army Corps of Engineers (Corps), intends to increase the diameter of the existing Inner Harbor Turning Basin (IHTB) from its present dimension of 1,200 feet to approximately 1,500 feet. This improvement is intended to accommodate the design class vessel identified for the -50 Foot Deepening Project (Project). The most recent improvements (dredging to -42 feet Mean Lower Low Water (MLLW) were authorized by Section 202 of the Water Resources Development Act (WRDA) of 1986 (P.L. 99-662), and completed in July 1998. The -50 Foot project has been authorized by WRDA of 1999. The proposed consultant will provide non-navigation-related final design engineering services for the Project. These include landside improvements associated with the increase in diameter of the IHTB. It is proposed that the selected team provide the following: detailed relocation plan; design construction documents for non-navigation related components; design construction documents for the BART anode relocation; review Corps construction documents for the Channel design; and other miscellaneous services to effectively enable the Port to meet its responsibilities as the non-Federal cost sharing sponsor for the Federally authorized project. A Request for Proposals were sent out to 100 qualified firms in the Local Business Area. Four proposals were received and were reviewed, evaluated, and rated by a team of five staff members representing the Engineering Division, OEO, and the Director of Public Works for the City of Alameda. The staff recommended Moffatt & Nichol. It is anticipated that the amount of

the agreement will not exceed \$1.43 million. It is necessary to begin work immediately after the final scope and terms are agreed upon in order to meet the project schedule. It was recommended that the Board authorize the Executive Director to handle the negotiations and the preparation and execution of an agreement with Moffatt & Nichol Engineers. The recommendation was approved on passage of Resolution No. 99440.

Ratify Addendum, Rejecting of Bids, and Authorization to Dispense with Formal Bids for Construction of Marine Operations Building and Marine Restrooms at Berth 55/56, Inner Harbor Channel

Harbor Channel was the subject of a memo to the Board from the Director of Engineering notifying the Board that two bids were received. The Engineer's estimate for the Total Bid Price is \$2,000,000.00. The Board approved the plans and specifications for this project to advertise for bids. Addendum 1 was issued by the Chief Engineer to include the Vision 2000 (1999 Facilities) Project Labor Agreement (PLA), changes to bonding requirements and other minor changes to the Plans and Project Manual. The addendum did not change the physical work of the contract. In accordance with the Port's Non-Discrimination and Small/Local Business Utilization Policy (Policy), for bid comparison purposes only, bids may be modified (lowered) by as much as 10% depending on the locations of the bidders and their subcontractors, the lengths of time at those locations. Based on the modified bid amounts BBI-CON, Inc. was found to be the lower bidder. A protest was filed by West Bay Builders alleging that BBI-CON, Inc. did not list a hazardous material subcontractor; did not list the street addresses and phone numbers of the subcontractors; and did not submit within the time requirements established in the Project Manual. Therefore, it was recommended that the bids be rejected and the bid securities returned to the respective bidders, and that the Executive Director be authorized to dispense with formal bidding procedures and negotiate a contract for the Marine Operations Building, with the two bidders. It was also recommended that the proposals be solicited from the local small contracting community for the construction of the Marine Restroom as a separate contract, in accordance with the Port's Non-Discrimination and Small/Local Business Utilization Policy. It was further recommended that the Executive Director be authorized to execute a contract for the restroom building with any qualified

contractor, based on informal competitive proposals, if the attempt to secure an acceptable proposal from small local contractor(s) is not successful. The recommendation was approved on passage of Resolution No. 99441.

Ratify Addenda and Award of Contract for Construction of Container Yard Phase 1B at Berths 55/56, Inner Harbor Channel was the subject of a memo to the Board from the Director of Engineering notifying the Board of the five bids received and recommended award of the contract to O.C. Jones & Sons, Inc., the low bidder, at \$20,782,063.00. Addenda 1 through 5 were issued by the Chief Engineer to extend the bid opening, to include the Owner Controlled Insurance Program and the Project Labor Agreement, to make change in the calculations of modified bid amount, and to make changes to the bid quantities. The addenda did not change the physical work of the contract. The recommendation was approved on passage of Resolution No. 99442.

Approval of Lease Agreement with Eastmont Town Center Co. LLC, for the New Port of Oakland "Resource Center" in East Oakland was the subject of a memo to the Board from the Director of Communications notifying the Board that the Port Communications Division is requesting approval of a Lease for the Port of Oakland Resource Center building (former Eastmont Mall) located at, 7200 Bancroft Avenue. The office will serve many functions and make real the Port's commitment to its Good Neighbor Program. The proposed Resource Center will provide the East Oakland community with a place where they can readily access Port resources, including documents and information on Port activities and projects. The following are additional functions of the Resource Center: provides meeting facilities for community organizations; expands current Port community organizations; expands current Port community relations programs, including the mentoring and tutoring programs; enables the Aviation Division to make information available on airport expansion projects; serves a key role in the implementation of the Project Labor Agreement (PLA) by providing a central location for information and referral services; provides planning space for contractors, as well as a center for informational sessions; and provides assistance to neighborhood associations in their community outreach and building efforts. A

representative of the Communications Division will staff the office approximately 3.5 days per week. The close proximity of the office to multiple East Oakland community based organizations greatly enhances the Port's visibility and reinforces the Port's efforts to be involved and aware of what the East Oakland neighbors are doing. A full time staff person from the Employment Resources Development Program (ERDP) will also be housed at this office and will provide local residents access to employment opportunities with Port tenants. The Office of Equal Opportunity will also have a staff member present at the resource center enabling them to further their community outreach. The proposed Lease Agreement with Eastmont Town Center Co., LLC would be under the following terms and conditions: premises, 1,169 square feet of office space; term, three years, with one 2-year option to extend; rent schedule, 1 to 2 months, no rent, 3 – 12 months, \$1,344.35 per month, 13 – 25 months, \$1,636.60 per month, 25- 36 months, \$1,695.05 per month, and option rent negotiable; cam rent, the Port would pay \$292.25 per month for common area maintenance; and improvements, the lessor is responsible for replacing the carpet, painting and verifying the work condition of the HVAC, the Port would be responsible for additional tenant improvement costs, currently estimated at \$35,000.00, and improvements include replacement of ceiling tiles, ADA of interior restroom, construction of conference room, and the purchase of office furniture and equipment. It was recommended that the Board approve the Lease Agreement with Eastmont Town Center Co., LLC and authorize the Director of Communications to execute the Agreement on behalf of the Port. The recommendation was approved on passage of Resolution No. 99443.

Request to Extend Contract with Mandalay Associates to Complete Desk Audits and Classification Studies was the subject of a memo to the Board from the Director of Administration notifying the Board that the Mandalay Associates, a certified local W/MBE, is a management consulting firm that was established in September 1993. Mandalay Associates was hired as a result of a mutual agreement between the Port and Service Employees International Union (SEIU), Local 790 to provide a desk audit in resolution of a grievance involving a classification dispute. Mandalay was recommended by SEIU as a consultant group because of their history and success in

working with management and labor assisting in the successful resolution of classification and compensation disputes. Mandalay represents private and public sector clients. In February 1998, the Board approved a contract with Mandalay in the amount of \$75,000.00. The purpose of this contact was to assist the Human Resources Department with a backlog of 45 desk audits, and to perform incoming desk audits on an as needed basis. Mandalay has been providing the following services: performing desk audits, updating classification specifications, conducting classification series reviews upon request, and providing assistance in matters regarding compensation for certain "represented" employees in Units A,B,C and F. The following desk audits have recently been requested: Gardener II, Legal Secretary II, Commercial Representative IV, Intermediate Stenographer Clerk, Deliveryperson (3) and a Salary Survey for the Port Grants Coordinator. It was recommended that the Board approve a second supplemental agreement with Mandalay Associates, to perform desk audits and classification studies for a total amount not to exceed \$50,000.00. The resolution was approved on passage of Resolution No. 99444.

Travel Authorization was the subject of a memo to the Board from the Secretary of the Board recommending approval for the travel of the Director of Maritime, Ray Boyle, and Maritime Commercial Representative V, Jack Knecht, to Australia and New Zealand, on or about the period November 9 – 19, 1999, to call on major Australian/New Zealand exporters and ocean carriers, and to make preparations for a larger Port Trade Mission to these countries for next year. Also recommended was the travel of Aviation Commercial Representative V, Christopher Minner, and Aviation Commercial Representative III, Karen Stevenson, to London, England, on or about the period November 12 – 19, 1999, to attend the World Travel Market show. The recommendation was approved on passage of Resolution No. 99445.

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

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

Noes: None

Absent: Commissioner Neal - 1

"RESOLUTION NO. 99433

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

"RESOLUTION NO. 99434

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

"RESOLUTION NO. 99435

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION."

"RESOLUTION NO. 99436

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH JUNG J. KIM."

"RESOLUTION NO. 99437

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH KEYSER MARSTON 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. 99438

APPROVING PLANS AND SPECIFICATIONS FOR REMOVAL AND DISPOSAL OF HAZARDOUS MATERIALS AND MISCELLANEOUS UTILITY WORK AT BUILDING D-732, HARBOR TRANSPORTATION CENTER, VISION 2000 PROGRAM, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 99439

APPROVING AND RATIFYING SUBSTITUTION OF ASBESTOS ROOFING SUBCONTRACTOR FOR REROOFING OF WESTERN HALF OF BUILDING H-309, NINTH AVENUE TERMINAL, OAKLAND, CALIFORNIA."

"RESOLUTION NO. 99440

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

"RESOLUTION NO. 99441

RATIFYING AND APPROVING ADDENDUM TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF MARINE OPERATIONS BUILDING AND MARINA RESTROOM AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA, REJECTING ALL BIDS, DIRECTING RETURN OF BID BONDS TO BIDDERS, AUTHORIZING INCLUSION OF CONSTRUCTION OF MARINE RESTROOM IN THE SMALL BUSINESS PROGRAM, AND AUTHORIZING SEPARATE CONTRACTS FOR CONSTRUCTION OF THE MARINE OPERATIONS BUILDING AND THE MARINE RESTROOM IN THE OPEN MARKET WITHOUT COMPETITIVE BID."

"RESOLUTION NO. 99442

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF CONTAINER YARD PHASE 1B AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA, EXTENDING DATE SET FOR RECEIVING BIDS THEREFOR; AND AWARDED CONTRACT TO O.C. JONES & SONS, INC., FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 99443

APPROVING AND AUTHORIZING THE EXECUTION OF LEASE AGREEMENT WITH EASTMONT TOWN CENTER CO., LLC."

"RESOLUTION NO. 99444

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH MANDALAY 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. 99445

CONCERNING CERTAIN TRAVEL."

"RESOLUTION NO. 99446

GRANTING BANK OF AMERICAL NATIONAL TRUST AND SAVINGS ASSOCIATION PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 99447

GRANTING ALASKA AIRLINES, INC. PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 99448

AUTHORIZING, APPROVING AND DIRECTING THE RETENTION OF THE LAW FIRM OF WENDEL ROSEN BLACK & DEAN, LLP ("WENDEL ROSEN") AS OUTSIDE SPECIAL COUNSEL TO UNDERTAKE AN ENVIRONMENTAL REVIEW PROJECT."

"RESOLUTION NO. 99449

APPROVING APPOINTMENT OF SPECIAL COUNSEL."

Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A MULTI-YEAR LICENSE AND CONCESSION AGREEMENT WITH HILLTOP AVIATION SERVICES, INC. AND DIRECTING RECORDATION THEREOF," Port Ordinance No. ____ being, "AN ORDINANCE AUTHORIZING, APPROVING AND EXECUTING LEASE AMENDMENTS WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION," Port Ordinance No. ____ being "AN ORDINANCE AMENDING SECTION 10.4 OF PORT ORDINANCE NO. 1149 RELATING TO THE AIRPORT VEHICLE PARKING RAMP ACCESS PERMIT FEES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT," were read a first time and passed to print by the following vote:

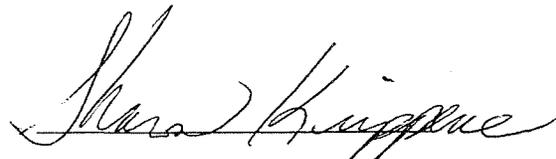
Ayes: Commissioners Harris, Kiang, Kramer, Taylor, Uribe
and President Loh - 6

Noes: None

Absent: Commissioner Neal - 1

At the hour of 4:30 p.m., the Board entered into closed session pertaining to conference with legal counsel – anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 2 cases; and reconvened in open session at the hour of 6:30 p.m.

At the hour of 6:31 p.m. the meeting was adjourned on a motion duly made and seconded.



Assistant Secretary of the Board

environmental and hazardous materials matters; religious, charitable, political and commercial first amendment issues; ground transportation fees and regulations; and enforcement mechanisms, including penalties. It has been a number of years since the Airport's Rules and Regulations were last amended. The last two substantive Port amendments dealt with smoking prohibitions and first amendment activities. Yet even these regulations have been supplanted, at least in part, by recent legislative enactment and judicial interpretations. The Port Attorney engaged the firm of Foley & Lardner to assist staff in developing new Rules and Regulations for the Airport that include generally accepted airport rules and practices. Following several drafts and staff reviews, the proposed rules and regulations were distributed for comment to the Airport Liaison Officer and principal Airport tenants, including representatives from each of the airlines. This aviation project conforms to established aviation uses and has been determined to be consistent with the transportation designation of the City of Oakland Comprehensive Plan. It was recommended that the Board approving new Rules and Regulations for the Airport, replacing the existing rules and regulations now established under Port Ordinance 1047 (revised). The recommendation was approved on passage of an ordinance to print.

At the hour of 10:30 a.m. Commissioner Neal joined the meeting.

Approval to Dispense with Formal Bids and Enter into a Design-Build Contract for Airport Development Program (ADP) Wetland Mitigation at Oro Loma Marsh was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port must restore wetlands to mitigate the loss of 7.76 acres of wetlands that will result from the Airport Development Program (ADP). On August 31, 1999, this Board approved an off-site wetland restoration project at the Oro Loma marsh in order to mitigate all the wetlands impacts of the ADP. Staff explained that the Oro Loma project is a change in wetlands mitigation from the on-airport mitigation that was originally proposed. A conceptual design for the Oro Loma project has been approved by the Regional Board and by other commenting agencies and environmental conservation groups. Staff requests authorization to contract for the preparation of final construction plans, permitting, construction, maintenance, and monitoring. The Oro Loma site,

which solves the Port's need for off-airport wetlands mitigation, was recommended and brought to the Port's attention by Huffman and Associates, a wetlands consulting firm with offices in Larkspur and Oakland. The preliminary work to procure the site and develop a conceptual plan for agency approval was developed by the Huffman team and contracted through the Environmental Planning Department's on-call services contract. The Huffman team understands the site and its role in the ADP mitigation, is familiar to permitting agency personnel and other stakeholders, and has been instrumental in helping the Port get its ADP permitting strategy back on schedule. The Oro Loma project involves first buying and then transferring the property to the East Bay Regional Parks District or other wildlife management agency. The Board will be asked to approve the transfer at a later date. Part of the services provided under the recommended action would be Huffman's assistance in negotiating the property transfer. The change from on-airport to off-site mitigation resulted from an abrupt shift in permitting agency opinion and caused the loss of a year of work negotiating with the permitting agencies. The schedule for ADP permitting is driven by the window of opportunity for the Alameda County Transportation Authority (ACTA) to receive \$7.5 million in funding from the State for the Airport Roadway Project (ARP). The ARP is a joint ACTA, Port, City of Oakland, and City of Alameda project. To qualify for these funds, the Port had to award the three ARP construction contracts by June 30th and still must begin construction on ARP contract B on Doolittle Drive by March, 2000. However, before construction can begin, it is necessary to obtain wetlands fill permits for the entire ADP. Selecting a contract under the normal protocols of competitive bidding at this time is incompatible with the ADP and ARP schedules. Therefore, an expedited contracting process for the wetlands mitigation is necessary. The strategy of the Port's Environmental Planning Department is to remain on schedule by requesting the Board's permission to waive competitive bidding and contract for design and construction together. The estimated cost will be approximately \$2 million. It was recommended, because of the need to obtain wetlands permit prior to beginning construction under Contract B of the Airport Roadway Project, that the Board find it to be in the Port's best interest to dispense with formal bidding procedures, and authorize the Executive Director to enter into a contract with Huffman and

Associates, Inc. to accomplish the wetlands mitigation at Oro Loma, based on receipt of informal quotations and sole source negotiations. The recommendation was approved on passage of Resolution No. 99422.

Authorizing the Director of Aviation to Execute Consent and Estoppel Certificate with Rolls-Royce North America, Inc. for Acquisition of National Airmotive Corporation, Main and Test Cell Buildings was the subject of a memo to the Board from the Director of Aviation notifying the Board that Rolls-Royce North America Inc. (RRNA) has entered into an agreement to purchase National Airmotive Corporation (NAC). NAC ground leases 435,048 square feet on which are situated a 206,304 square feet of main building complex, 133,488 square feet of parking and 95,256 square feet of engine test cell facility at the North Airport. NAC, a Port tenant since 1966, is in the business of gas turbine engine repair and overhaul for aerospace and industrial markets. A condition of RRNA's acquisition of NAC is the Port's execution of a Consent and Estoppel Certificate (Certificate) for each of NAC's two leases with the Port. The Certificate is an instrument wherein the Port makes certain representations to RRNA including the status of NAC's leases and accounts with the Port and consents to sale of controlling interest to RRNA, including any assignments that the leases may require. The leases require that certain documents including RRNA's financial statements be submitted to the Port along with a processing fee (submission requirements) prior to Port consent to the assignment. The closing of the purchase is scheduled for October 29, 1999. Since all of the submission requirements either 1) may not be met by today's Board meeting or 2) staff hasn't had sufficient time to review and analyze the submissions, it is proposed to not delay the closing should the submission requirements be satisfactorily met before the scheduled closing date. Therefore, it is requested that the Board authorize the Director of Aviation to execute the Certificate on the Board's behalf when the submission requirements have been satisfactorily met. This aviation project conforms to established aviation uses and has been determined to be consistent with the transportation designation of the City of Oakland Comprehensive Plan. It was recommended that the Board authorize the Director of Aviation to execute on the Port's behalf a Consent and Estoppel Certificate, on a form to be approved as to

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form and legality by the Port Attorney, for Rolls-Royce North America, Inc.'s use in its purchase of National Airmotive Corporation when the submission requirements have been satisfactorily met. The recommendation was approved on passage of Resolution No. 99417.

Approval of a Building Permit Application to Construct Paving Improvements for Fed Ex at 1 Sally Ride Way the subject of a memo to the Board from the Director of Engineering notifying the Board that Fed Ex has submitted a building permit application to construct pavement repairs and improvements at their facility, which includes three separate areas. Area 1 is south of the sort building (M-141), Area 2 is at the south corner of the site, and Area 3 is north of Sally Ride Way. The work will include: Area 1 – remove areas of existing pavement and replace with asphalt or concrete pavement to match existing pavement sections, 4” to 13” thick; Area 2 – remove existing pavement and replace with new asphalt pavement, 4” to 13” thick; Area 3 – remove portions of existing pavement and install new asphalt pavement 4” thick, and install two 8” thick concrete dolly runs, approximately 10’ by 180’ each; paint new striping on new pavement areas; and install utilities and conduits. The project has been determined to conform to the City of Oakland General Plan as a continuation of aviation-related use in the Oakland International Airport. The estimated value of the work is \$950,000.00. It was recommended that the Board approve the building permit application. The recommendation was approved on passage of Resolution No. 99418.

Ratification of Change Order for “Reconstruction of Jack London Square Marina” was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with Ranger Pipelines, Inc., for the reconstruction of Jack London Square Marina, which became effective on October 19, 1998, at a lump sum and unit prices totaling \$9,927,380.00. The work consists of dredging and demolition of the existing marinas; construction of new berthing facilities; driving new piles; installing new floats; construction of a masonry and wood-framed Harbormaster’s Building; fuel storage tanks; and miscellaneous site improvements. The work also includes providing firewater, domestic (potable) water, telephone, and electric services to the new berthing facilities. During the driving of concrete piles for the marina berths, October 22, 1999

the Contractor encountered numerous obstructions that prevented him from driving the piles to the designated tolerances. These obstructions included landside building foundations, old timber pile structures and footing supports for the Webster Street Pier. To drive the new marina piles in the specified locations, it was necessary to direct the Contractor to partially pre-drill the holes by means of a water-jet or to break up obstructions by driving a steel H-beam. The Contractor's additional expenses included the rental, transport, loading and setup of the jetting equipment, and the additional equipment and labor time needed to perform the additional operations. The Port negotiated a change order in the amount of \$75,781.18 for the work. No extension of contract time was granted. It was recommended that the Board ratify a change order to Ranger Pipelines, Inc., in the amount of \$75,781.18 for the work. The recommendation was approved on passage of Resolution No. 99423.

Approval of a Building Permit Application to Construct a Hotel Facility for Hawthorne Suites was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Hawthorne Suites (Hawthorne), at 1103-55 Embarcadero, has submitted a building permit application to construct an extended-stay hotel facility on their leased site. The facility will be two three-story wood structures, approximately 45 feet apart, connected by a bridge at the second level. There will be 118 suites, a lobby, and other support spaces. Site improvements will include landscaping, parking, swimming pool, and public access enhancements. The work will include demolition of three abandoned buildings (H313,P116, P107); construction of two new 3-story wood buildings; construction of site improvements, including a parking lot, landscaping, installation of pool and spa, and public access amenities; and installation of new utility connections. The project has been determined to conform to the City of Oakland General Plan and is in compliance with the Estuary Policy Plan. It has been reviewed by the Port's Design Review Committee, which recommends approval, and by BCDC. The environmental document associated with the project was previously considered by the Board in 1996. The estimated value of the work is \$4,000,000.00. The recommendation was approved on passage of Resolution No. 99424.

Approval of Consultant Agreement for Construction Management Services for the Construction of the Container Yard 1B at Berths 57/58 was the subject of a memo to the Board

from the Director of Engineering notifying the Board that the Port's Vision 2000 Program consists of Container Terminals (Berths 55, 56, 57, 58), the Realignment of 7th Street and Construction of "New Road", the Joint Intermodal Terminal (JIT), and the Middle Harbor Shoreline Park (MHSP).

Currently the Container Terminals at Berths 55/56, the Roadway, JIT, and MHSP are in design and will be going out to bid in the near future. The plans and specifications for the Construction of Berths 55/56 Container Yard, Phase II, are being finalized and are scheduled to be submitted to the Board for approval. Due to the magnitude of the upcoming construction program, the Port's Construction Department needs assistance in managing some of the construction contracts. The proposed consultant will provide construction management services for the Construction of the Container Yard 1B at Berths 57/58. It is proposed that the selected team provide the following: constructability review; value engineering; document, schedule and costs controls; monthly project reports; change order and payment processing; dispute resolution; assurance of contractor compliance with contract documents; and other miscellaneous services to effectively manage the contract. Statements of Qualifications were sent out and twenty-one proposals were received. The Port panel reviewed the proposals and determined that four teams were best qualified to be interviewed. The panel interviewed and evaluated the four teams, and is recommending the Harris/TRS team as the best qualified to perform the work. Harris/TRS requested that they be allowed to substitute Consolidated Engineering Laboratories (CEL) and Construction Clerical Unlimited (CCU) for Kleinfelder and CCS Planning and Engineer. The substituted firms had conflicts of interest because of their work on the design of the project. It was anticipated that the amount of the agreement will not exceed \$3,700,000.00. It was recommended that the Board authorize the Executive Director to negotiate, prepare and execute the agreement with Harris/TRS. The recommendation was approved on passage of Resolution No. 99430.

Approval of Consultant Agreement for Construction Management Services for the Construction of the Marginal Wharf at Berths 57/58 was the subject of a memo to the Board

from the Director of Engineering notifying the Board that the Port's Vision 2000 Program consists of Container Terminals (Berths 55, 56, 57, 58), the Realignment of 7th Street and Construction of "New Road", the Joint Intermodal Terminal (JIT), and the Middle Harbor Shoreline Park (MHSP). Currently the Container Terminals at Berths 55/56, the Roadway, JIT, and MHSP are in design and will be going out to bid in the near future. The plans and specifications for the Construction of Berths 55/56 Container Yard, Phase II, are being finalized and are scheduled to be submitted to the Board for approval. Due to the magnitude of the upcoming construction program, the Port's Construction Department needs assistance in managing some of the construction contracts. The proposed consultant will provide construction management services for the Construction of the Marginal Wharf at Berths 57/58. It is proposed that the selected team provide the following: constructability review; value engineering; document, schedule and costs controls; monthly project reports; change order and payment processing; dispute resolution; assurance of contractor compliance with contract documents; and other miscellaneous services to effectively manage the contract. Statements of Qualifications were sent out and 13 proposals were received. The Port panel reviewed the proposals, and is recommending Consolidated CM team as the best qualified to perform the work. It was anticipated that the amount of the agreement will not exceed \$4,300,000.00. It was recommended that the Board authorize the Executive Director to negotiate, prepare and execute the agreement with Consolidated CM. The recommendation was approved on passage of Resolution No. 99431.

Plans and Specifications for 2000 Structural Inspection, Rigging and Repair of Cranes X438 and X439, Berth 23, 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 annual structural inspection, rigging and repair of the cranes. The work consists of providing mobile cranes, rigging, and scaffolding required to gain access to test the welded and bolted joints on the container cranes. The work also includes removing paint from welds in preparing for non-destructive testing, replacing defective welds found, and touch-up painting of the tested or repaired

areas. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 99419.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the creation of classification of Intermodal and Cargo Services Specialist-marine Commercial Representative V, at Salary Schedule 543.1, in the Maritime Division. The recommendation was approved on an ordinance to print.

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

Ayes: Commissioners Kiang, Taylor, Uribe
and President Loh - 4

Noes: None

Absent: Commissioners Harris, Kramer and Neal - 3

“RESOLUTION NO. 99417

CONSENTING TO ASSIGNMENT OF LEASE FROM NATIONAL AIRMOTIVE CORPORATION TO ROLLS-ROYCE NORTH AMERICA, INC.”

“RESOLUTION NO. 99418

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

“RESOLUTION NO. 99419

APPROVING PLANS AND SPECIFICATIONS FOR 2000 STRUCTURAL INSPECTION, RIGGING AND REPAIR OF CRANES X438 AND X439, BERTH 23, OUTER HARBOR TERMINAL, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99420

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

“RESOLUTION NO. 99421

GRANTING WESTERN AEROSPACE MUSEUM, PERMISSION TO PERFORM CERTAIN WORK.”

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

Ayes: Commissioners Kiang, Neal, Taylor, Uribe

and President Loh - 5

Noes: None

Absent: Commissioners Harris and Kramer - 2

“RESOLUTION NO. 99422

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO ENTER INTO A DESIGN-BUILD CONTRACT FOR AIRPORT DEVELOPMENT PROGRAM (ADP) WETLAND MITIGATION AT ORO LOMA MARSH, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING NEGOTIATION AND EXECUTION OF A CONTRACT WITH HUFFMAN AND ASSOCIATES, INC. FOR SUCH WORK.”

“RESOLUTION NO. 99423

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH RANGER PIPELINES, INC., FOR RECONSTRUCTION OF JACK LONDON SQUARE MARINA, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 99424

GRANTING HAWTHORNE SUITES, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99425

ACCEPTING SETTLEMENT OFFER FROM AT&T CORPORATION FOR UNKNOWN CHARGES AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SETTLEMENT AGREEMENTS WITH SAID PARTY.”

“RESOLUTION NO. 99426

APPROVING AND AUTHORIZING THE PORT ATTORNEY TO EXECUTE A FORM OF STIPULATION REGARDING STATUTE OF LIMITATIONS ISSUES, SUCCESSOR LIABILITY AND DAMAGES (“STIPULATION”) BETWEEN THE PORT OF OAKLAND AND PACIFIC GAS & ELECTRIC COMPANY REGARDING THE LOT 12 MOVIE THEATER SITE, OAKLAND, (ALAMEDA COUNTY SUPERIOR COURT CASE NO. 8001317).”

“RESOLUTION NO. 99427

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO 1) EXECUTE SETTLEMENT AGREEMENTS BETWEEN THE CITY OF OAKLAND, A MUNICIPAL CORPORATION, ACTING BY AND THROUGH ITS BOARD OF PORT COMMISSIONERS (“PORT”) AND THE FOLLOWING PARTIES: A) CENTURY INDEMNITY COMPANY, AS SUCCESSOR TO CCI INSURANCE COMPANY, AS SUCCESSOR TO INSURANCE COMPANY OF NORTH AMERICA, ACE-USA ENTITIES, CONTINENTAL INSURANCE COMPANY, FOR ITSELF AND AS SUCCESSOR TO CERTAIN POLICIES ISSUED BY HARBOR INSURANCE COMPANY, CONTINENTAL CASUALTY COMPANY, CNA CASUALTY OF CALIFORNIA, AND TRANSCONTINENTAL INSURANCE COMPANY, THE HOME INSURANCE COMPANY, INDUSTRIAL INDEMNITY COMPANY, UNITED STATES FIRE INSURANCE COMPANY, AND ZURICH AMERICAN INSURANCE COMPANY, AS SUCCESSOR IN INTEREST TO ZURICH INSURANCE COMPANY, U.S. BRANCH, (COLLECTIVELY REFERRED TO AS “SETTLING PORT INSURERS”); B) STEAM VALVE MACHINE COMPANY (“STEAM VALVE”), STEPHEN J. COWLEY (“COWLEY”), WILLIAM J. CRYER & SONS, INC. (“CSI”), FRANK CHENG AND HIS SPOUSE (“COLLECTIVELY CHENG”), WILLIAM J. CRYER, JR. AND ROBERT R. CRYER (THE “CRYERS”), (COLLECTIVELY REFERRED TO AS “DEFENDANTS”); AND C) THE DEFENDANTS AND MOTOR VEHICLE CASUALTY COMPANY, THE HOME INSURANCE COMPANY, UNITED NATIONAL INSURANCE COMPANY, AND UNITED STATES FIRE INSURANCE AND INDUSTRIAL INDEMNITY (COLLECTIVELY REFERRED TO AS “SETTLING ADDITIONAL INSURERS”), 2) EXECUTE A TOLLING AGREEMENT WITH ARKWRIGHT INSURANCE COMPANY (“ARKWRIGHT”), AND 3) PURCHASE AND BIND A POLLUTION LEGAL LIABILITY (“PLL”) INSURANCE POLICY, ALL CONCERNING CITY OF OAKLAND V. STEAM VALVE MACHINE COMPANY, ET AL., ALAMEDA COUNTY SUPERIOR COURT CASE NO. 777068-7, AND/OR THE RELATED INSURANCE MATTERS COVERING THE CRYER BOATYARD SITE.”

“RESOLUTION NO. 99428

THIS NUMBER NOT USED.”

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

Ayes: Commissioners Kiang, Taylor, Uribe

and President Loh - 4

Noes: None

Abstained: Commissioner Neal - 1

Absent: Commissioners Harris and Kramer - 2

“RESOLUTION NO. 99429

COMPROMISING AND SETTLING CLAIMS AND AUTHORIZING EXECUTION OF STIPULATED SETTLEMENT.”

“RESOLUTION NO. 99430

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH HARRIS & ASSOCIATES, INC. AND TRS CONSULTANTS, INC. FOR CONSTRUCTION MANAGEMENT CONSULTING SERVICES FOR THE VISION 2000 PROGRAM CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

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

Ayes: Commissioners Kiang, Neal, Uribe
and President Loh - 4

Noes: None

Abstained: Commissioner Taylor - 1

Absent: Commissioners Harris and Kramer - 2

“RESOLUTION NO. 99431

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CONSOLIDATED CM FOR CONSTRUCTION MANAGEMENT CONSULTING SERVICES FOR THE VISION 2000 PROGRAM CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

“RESOLUTION NO. 99432

AUTHORIZING, APPROVING AND DIRECTING THE RETENTION OF THE LAW FIRM OF WENDEL, ROSEN, BLACK & DEAN, LLP (“WENDEL ROSEN”) AS OUTSIDE SPECIAL COUNSEL CONCERNING VARIOUS ENVIRONMENTAL AND RELATED INSURANCE MATTERS.”

Port Ordinance No. 3547 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A NONEXCLUSIVE PREFERENTIAL ASSIGNMENT AGREEMENT WITH HANJIN SHIPPING COMPANY, LTD,” and Port Ordinance No. 3548 being, “AN ORDINANCE AMENDING SECTIONS 2.01, 5.0222, 5.40 AND 5.16 OF PORT ORDINANCE NO. 867 AND CREATING A NEW POSITION,” were read a second time and passed by the following vote:

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

Noes: None

Absent: Commissioners Harris and Kramer - 2

Port Ordinance No. ____ being, "AN ORDINANCE ESTABLISHING RULES AND REGULATIONS FOR THE USE OF METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, AND FOR THE PROTECTION OF PERSONS AND PROPERTY; PRESCRIBING PENALTIES; AND REPEALING PORT ORDINANCE NO. 1047 (REVISED)," were read a first time and passed to print by the following vote:

Ayes: Commissioners Kiang, Taylor, Uribe
and President Loh - 4

Noes: None

Absent: Commissioners Harris, Kramer and Neal - 3

Port Ordinance No. ____ being, "AN ORDINANCE ADDING SECTION 11.0031 OF PORT ORDINANCE 867, AND CREATING POSITION OF INTERMODAL AND CARGO SERVICES SPECIALIST-MARINE COMMERCIAL REPRESENTATIVE V," were read a first time and passed to print by the following vote:

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

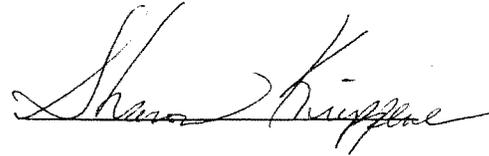
Noes: None

Absent: Commissioners Harris and Kramer - 2

At the hour of 12:40 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, (Subdivision (a) of Section 54956.9): Port of Oakland v. Pacific Gas and Electric Company, et al., Alameda County Superior Court Case No. 8001317, Port of Oakland v. Steam Valve Machine Company, et al., Alameda County Superior Court Case No. 777068-7, Douglas Harris v. Port of Oakland, Workers' Compensation Appeals Board Case No. 212027; conference with legal counsel - anticipated litigation, significant exposure to litigation

pursuant to subdivision (d) of Section 54956.9: 3 cases; and reconvened in open session at the hour of 1:45 p.m.

At the hour of 1:46 p.m. the meeting was adjourned on a motion duly made and seconded.

A handwritten signature in cursive script, appearing to read "Shan Kriggner".

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, October 5, 1999, at the hour of 3:35 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 Commercial Real Estate; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Administration; and Assistant Secretary of the Board.

Approval of Application for Grant to Purchase New Ferry Vessel for the Alameda/Oakland Ferry and Matching Contribution 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 applied for \$4,750,000.00 in special funds through the State Department of Transportation for the purchase of a new ferry boat to supplement the current City-Port owned ferry boat. Presently the Alameda/Oakland Ferry services operates 15 round trips on weekdays and up to 10 round trips on weekends. Under the ferry's current schedule, which accommodates both commuters and occasional riders, the ferry needs to have two vessels to maintain half-hour departures during the morning and evening commute times. To serve this schedule the vessel owned by the service (the MV Encinal) must be supplemented by an additional vessel currently owned by the service provider the Blue and Gold Fleet. Because we need to operate at a higher frequencies during commute times the service needs to have two vessels. An additional vessel owned by the City and the Port would allow the "Joint-Powers Authority" to have more flexibility when required to bid for a new service provider. At this time, only one service provider in the Bay

has enough additional vessels with the characteristics required to meet the current service requirements. There is no intent to use the vessel to expand the schedule. The new vessel, however would become the primary vessel of service rather than the Encinal. The Encinal would provide the supplemental service as well as providing back-up service during maintenance. It is estimated that the cost of a new vessel that would seat a minimum of 350 passengers (including engineering administration, cost to bid, etc.) is \$5,500,000.00, thus requiring a local match from each of the partners of \$375,000.00. The City of Alameda's Department of Public Works would administer the project, under the agreement between the Port and the City of Alameda. The ferry service operations costs are supported by fares and with a \$481,000.00 annual grant from MTC and an additional \$100,000.00 in subsidy match from both the City of Alameda and the Port. At this time there is no anticipation that the service would be expanded as a result of acquiring a new vessel, but the service reliability and image should be enhanced. The continued growth of Jack London Square and the development pressures resulting from Alameda's proposed development opportunities would be well serviced by the Ferry. The ferry would assist both the Port and the City of Alameda as a traffic mitigation measure for future projects, and that the continued viability of ferry service as an alternative to other modes of transportation depends on our ability to deliver a quality product. It was recommended that the Board approve the joint application with the City of Alameda for the \$4,750,000.00 from Caltrans and that the Port commit its local match of \$375,000.00. The recommendation was approved on passage of Resolution No. 99408.

Ratification of Change Order for "Reconstruction of Jack London Square Marina"

was the subject of a memo to the Board from the Director of Engineering notifying the Board that a contract with Ranger Pipelines, Inc. for the reconstruction of Jack London Square Marina became effective in October 1998, at a lump sum and unit prices totaling \$9,927,380.00. The contract plans call for the installation of PG&E's service transformer and the Port-owned switchboard above grade in the grass lawn area adjacent to the Waterfront Plaza Hotel to provide power to the West Basin Marina. The plans also call for electric service equipment (transformer/switchboard) to be installed on the water tidal steps next to Scott's Restaurant at the foot of Broadway, to serve the

Center Basin Marina. After fully studying the proposed locations for the equipment, the Port determined that placing the equipment at these locations would run counter to design criteria established for the development of Jack London Square (JLS). The Port recommended installing the PG&E transformers in subsurface vaults and the Port-owned switchboards within the confines of the Waterfront Plaza Hotel (West Basin) and Kincaid's Restaurant (Center Basin). The estimated total cost for installing the equipment at their new locations is \$150,000.00. In May 1999, the Contractor notified the Port that the City of Oakland Fire Marshall's office disapproved its permit application for installing the specified water system for the new berthing facilities. The City's Fire Prevention Engineer stated that the marina water system, as designed, does not comply with the current National Fire Protection Association (NFPA) Standards, which require a fire department "pumper connection" installed at the firewater service point. This pumper connection is normally used by firefighters for hooking up a hose to pump water into the water piping system to boost water pressure. The Port and Winzler & Kelly, a subconsultant to GKO and Associates (prime consultant) who designed the water system for the marinas, jointly appealed the Fire Marshall's denial of the permit application, but were unsuccessful. The contract plans specified a new combined domestic and firewater system (one water line) for each marina (West, Center and East Marinas) to match the existing marina water system. The existing system was built in the late 1970's and did not include a fire department "pumper connection," as it was not required by NFPA Standards at the time. The "pumper connection" required was later added to the 1987 edition of the NFPA Standards. In order to comply with this new requirement, staff redesigned the water system by providing a separate firewater service (with an EBMUD water meter and a backflow preventer) on which a "pumper connection" would be installed, and a firewater line to each marina. The original water line specified on the plans will be used for domestic water. The estimated total cost for adding a firewater service and a separate firewater line to each of the three marinas is \$200,000.00. The contract is 80% complete. In order to keep the work of this contract on schedule, it was necessary to proceed with the change order work on force account (time and material). It was noted that Port staff believes that a deficient design was prepared by the

consultant, and the Port's Legal Department is reviewing the agreement with the possibility of filing a professional liability claim to cover the costs. It was recommended that the Board ratify a change order for an amount not to exceed \$350,000.00 to Ranger Pipelines, Inc. for the work. The recommendation was approved on passage of Resolution No. 99409.

New Agreement for Assignment of Berths 55/56 to Hanjin Shipping was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port's Vision 2000 Program includes development of a new marine cargo terminal at Berths 55/56 with approximately 120 acres, two vessel berths and four super post-Panamax gantry cranes capable of an outreach of 22 containers wide which lift 115 feet over dock and have a capacity of 65 long tons. For almost two years the Port has been negotiating a Non-Exclusive Preferential Assignment Agreement with Hanjin Shipping (Hanjin) of Korea for Berths 55/56. Last year, Hanjin and its alliance partners generated approximately \$9.5 million dollars for the Port. Negotiations for the new facility have been detailed, complex and required substantial time and effort of a comprehensive nature from the Port's senior staff, legal, financial, engineering and environmental disciplines. The commitment of time and effort from Hanjin has also been significant. The result of these negotiations has been a proposed Agreement to develop the first new container terminal since Berth 30 was completed in 1991. The proposed Agreement with Hanjin for Berths 55/56 pledges the commitment of a major world-wide shipping company to the Port for a base term of 15 years and two separate and additional options of 5 years each. The first phase of the terminal comprising approximately 88 acres will be available for occupancy on or about December, 2000. Port staff has carefully evaluated the Port's financial return over the 15 year initial term. The project will provide sufficient revenue for debt service and contribution towards the Port's return for the value of the land in its prior unimproved state. Hanjin, DSR-Senator and Cho Yang Lines, collectively referred to as the United Alliance, will be considered the Primary Users of the new terminal. Based upon United Alliance activity for calendar year 1998, the Minimum Annual Guarantee (MAG) for the first year of the Agreement represents an increase of more than 10% in loaded TEU volume. There will also be significant increases in Port revenues. For example, the loaded TEU MAG and

revenues to the Port will both increase more than 30% when comparing compensation terms for the first and third years of the new Agreement. The Port will receive additional revenue sharing during each contract year if the United Alliance achieves growth levels which exceed the MAG/Breakpoint (BP) levels. Commencing each contract year either a Base Rate level or an Incentive Rate level will be assessed, depending on the annual amount of Interior Point Intermodal (IPI) level of discretionary cargo committed to the Port for each contract year. During the first 10 years of the Agreement, all-inclusive rates per loaded TEU for dockage, wharfage, wharf demurrage, wharf storage and crane rental for the four assigned cranes shall be assessed. Hanjin will be ultimately responsible for the stated guarantees and obligations of the new Agreement, Primary Use shall also include vessel and cargo operations directly related to vessels owned, operated or fully chartered by members of the United Alliance or any future alliance(s) utilizing Berth 55 in which Hanjin Shipping/DSR-Senator Lines are a principal member of such alliance(s) provided that any such succeeding alliance(s) will require Hanjin Shipping/DSR-Senator vessels and cargo account for at least 50% of any total alliance(s) activity upon the assigned premises. The Base Rates and Incentive Rates are subject to future increases as any dockage, wharfage, wharf demurrage, wharf storage and crane rental rate increases are applied to the Port's marine terminal tariff. These increases shall be based upon the percentage allocation for the Port's tariff charges which reflect Hanjin activity. However, there will be an increase of no more than 2.0% in any contract year and there will be an additional cap of no more than a 6.0% increase during each 4 year period of the Agreement. Commencing with the 11th contract year, as well as the beginning of each option period exercised, the MAG/BP levels shall be adjusted by the percentage increase in the Fair Market Value (FMV) of the land and water areas within the premises for the previous 5 year period. Adjustment to the FMV for years 11 – 15 shall not exceed \$5.00/sqft. For land and \$2.50/sqft. For berthing area. Adjustment to the FMV for years 16 – 20 shall not exceed \$2.50/sqft for land and \$1.25/sqft for berthing area. The Agreement shall provide for an assignment equally beneficial as that available to any other container line which will be assigned the adjacent facility at Berth 57/58. It was recommended that the Board approve the Agreement with Hanjin Shipping for assignment of

Berths 55/56. The environmental document associated with the project has previously been considered by the Board. The recommendation was approved on passage of an ordinance to print.

Ratify Addenda and Award of Contract for Construction of 7th Street Realignment and the New Road 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 Gallagher & Burk, Inc., at \$12,493,874.00. Addenda 1 through 4 were issued by the Chief Engineer to extend the bid opening to September 8, 1999, and to include both the Owner Controlled Insurance program (OCIP) and the Project Labor Agreement (PLA). The Addenda did not change the physical work of the contract. Two of the bidders, O.C. Jones, Inc. and Homer J. Olsen, Inc. timely wrote letters to the Port to relieve the bidders from their bids due to a substantial clerical error made on the electrical subcontract bid amount. After review, it is recommended that the Board allow the respective bids to be withdrawn. Gallagher & Burk, Inc. is the sole remaining bidder. It was recommended that Gallagher & Burk, Inc. be found to be the lowest responsible bidder, that the Board ratify and approve Addenda 1, 2, 3 and 4, that the Contract for the project be awarded to Gallagher & Burk, Inc. for the amount of its bid. The recommendation was approved on passage of Resolution No. 99410.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the appointment of Jordan Hill, as Contract Compliance Officer, at \$4,518.00 per month, effective October 18, 1999; amendment of salary schedule assignment for classification of Manager, Environmental Health and Safety Compliance, and Port Environmental Manager to Salary Schedule 576.3; amendment of salary grade assignment for classification of Director of Equal Opportunity to Salary Grade 15; salary adjustment for Cheryl Perry League, as Director of Equal Opportunity, from \$7,962.00 per month to \$8,842.00 per month retroactive to June 26, 1999; creation of salary Schedule 92.5; and creation of classification and position of Port Lead Reprographic Equipment Operator, at Salary Schedule 92.5. The recommendation was approved on passage of Resolution No. 99411 for appointment; Resolution No. 99412 for ratifying appointment; and an ordinance to print for amending salary schedule assignments, salary grade October 5, 1999

assignment, salary adjustment, creation of salary schedule, and creation of classification and position.

Authority to Execute Letters of Credit for Surety Bonding Program was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that on September 20, 1999, the Board authorized the Executive Director to execute a consulting agreement with the joint venture of Merriwether & Williams, Clark, Baquie & Clark/James E. Ingram to establish a surety bonding program for small local contractors for a three-year period not to exceed \$342,500.00. As approved, the Port will establish a bond guarantee fund, not to exceed \$2 million. One million of this guarantee will be in the form of a line of credit with a bank that will issue individual letter of credits. The fees for these letters of credit will not exceed \$30,000.00 per year for three years. The second million will be a written guarantee by the Port. Although the four commissioners present at the September 20th Board meeting approved the entire program; five affirmative votes are required to approve the letter of credit portion of the program. It was recommended that the Executive Director be authorized to execute separate letter of credit agreement with a bank with fees not to exceed \$30,000.00 per year for three years as required by the approved surety bonding program. The recommendation was approved on passage of Resolution No. 99413.

Travel Authorization was the subject of a memo to the Board from the Assistant Secretary of the Board recommending the travel of President John Loh, Commissioners Frank Kiang, David Kramer and Peter Uribe, the Executive Director, Charles W. Foster, Director of Maritime, Ray Boyle, and Strategic Marketing Manager, Dan Westerlin, to Singapore, Shanghai, Hong Kong, China and Seoul, Korea, to participate in the Asian Trade Mission, on or about the period October 11 – 20, 1999. The recommendation was approved on passage of Resolution No. 99414.

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. 99408

APPROVING THE JOINT APPLICATION WITH THE CITY OF ALAMEDA FOR GRANT FUNDS TO THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION TO PURCHASE NEW FERRY VESSEL FOR THE ALAMEDA/OAKLAND FERRY.”

“RESOLUTION NO. 99409

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH RANGER PIPELINES, INC., FOR RECONSTRUCTION OF JACK LONDON SQUARE MARINA, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 99410

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF 7TH STREET REALIGNMENT AND THE NEW ROAD, OAKLAND, CALIFORNIA, EXTENDING DATE SET FOR RECEIVING BIDS THEREFOR; AND AWARDED CONTRACT TO GALLAGHER & BURK, INC., FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99411

CONCERNING CERTAIN APPOINTMENT.”

“RESOLUTION NO. 99412

RATIFYING CERTAIN APPOINTMENT OF CHERYL PERRY LEAGUE, DIRECTOR OF EQUAL OPPORTUNITY.”

“RESOLUTION NO. 99413

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SEPARATE LETTER OF CREDIT AGREEMENT WITH A BANK IN RELATION TO SURETY BOND GUARANTEE PROGRAM.”

“RESOLUTION NO. 99414

CONCERNING CERTAIN TRAVEL.”

1
“RESOLUTION NO. 99415

GRANTING OAKLAND PORTSIDE ASSOCIATES, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99416

GRANTING SOUTHWEST AIRLINES CO., PERMISSION TO PERFORM CERTAIN WORK.”

Port Ordinance No. 3542 being, “AN ORDINANCE ESTABLISHING RULES AND REGULATIONS FOR THE CONDUCT OF TAXICAB OPERATIONS AT THE METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, AND FOR THE PROTECTION OF PERSONS AND PROPERTY; AND PRESCRIBING PENALTIES,” and Port Ordinance No. 3543 being, “AN ORDINANCE CERTIFYING CONSIDERATION OF INITIAL STUDY AND FINAL MITIGATED NEGATIVE DECLARATION FOR THE CONSTRUCTION OF A CORPORATE AIRCRAFT HANGAR, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, FINDING NO SUBSTANTIAL EVIDENCE OF SIGNIFICANT EFFECT ON THE ENVIRONMENT AND APPROVING THE MITIGATED NEGATIVE DECLARATION AND AUTHORIZING EXECUTION OF A GROUND LEASE WITH BAYAIRE, INC. AND JOHN ROTH FOR CONSTRUCTION OF A CORPORATE AIRCRAFT HANGAR (7801 EARHART ROAD),” Port Ordinance No. 3544 being, “AN ORDINANCE AUTHORIZING, APPROVING AND EXECUTING A LEASE SUPPLEMENT WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION,” and Port Ordinance No. 3545 being, “AN ORDINANCE AUTHORIZING AND APPROVING THE EXECUTION OF TERMINAL USE AGREEMENT WITH ITALIA LINE,” and Port Ordinance No. 3546 being, “AN ORDINANCE AMENDING SECTIONS 2.05 AND 10.014 OF PORT ORDINANCE NO. 867 AND CREATING A NEW POSITION,” were read a second time and passed by the following vote:

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

Noes: None

Absent: Neal

Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A NONEXCLUSIVE PREFERENTIAL ASSIGNMENT AGREEMENT WITH HANJIN SHIPPING COMPANY, LTD," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTIONS 2.01, 5.0222, 5.40 AND 5.16 OF PORT ORDINANCE NO. 867 AND CREATING A NEW POSITION," were read a first time and passed to print by the following vote:

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

Noes: None

Absent: None

At the hour of 5:15 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, (Subdivision (a) of Section 54956.9): Port of Oakland v. Steam Valve Machine Company, et al., Alameda County Superior Court Case No. 722704-0; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 3 cases; conference with real property negotiator, as provided under Government Section 54956.8, under negotiation, property –Oakland Portside Associates, 100 Embarcadero, Oakland, CA, negotiating parties – Port and Oakland Portside Associates, under negotiations – price and terms of payment; and reconvened in open session at the hour of 6:29 p.m.

At the hour of 6:30 p.m. the meeting was adjourned on a motion duly made and seconded.



Assistant Secretary of the Board

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

The regular meeting scheduled for Tuesday, September 7, 1999, was adjourned by the Secretary of the Board to Monday, September 20, 1999, 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 Monday, September 20, 1999, at the hour of 3:10 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, Neal and

President Loh - 4

Commissioners absent: Kramer, Taylor and Uribe - 3

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; Director of Commercial Real Estate; Director of Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Administration; and Assistant Secretary of the Board.

The minutes of the regular meeting of July 20, 1999 were approved as submitted and ordered filed.

Airport Taxicab Rules and Regulations Ordinance was the subject of a memo to the Board from the Director of Aviation notifying the Board that growth at the Airport over the last ten years, and the increased complexity of ground transportation services, staff is recommending the establishment of a set of Taxicab Rules and Regulations. The new rules and regulations will not only further enhance the taxicab service currently provided at the Airport, but will ensure that the current and the future needs of the Airport's passengers are fully met without compromising passenger and driver safety, conform and security. Currently, the average age of the taxicab fleet is

9 years. Some of the taxicab units are over 15 years old with more than 250,000 miles. Mechanical breakdowns and failures in air conditioning, window operations, etc. make the taxicab operation a poor but the most expensive Ground Transportation service at the Airport. The new rules and regulations address all these issues and some of the main points are as follows: starting January 1, 2001 all taxicabs assigned to the Airport must not be older than 5 years, with no more than 50,000 miles on the odometer at the start of the program; effective January 1, 2000 companies will be held directly responsible for driver misconduct, fines for violations can be assessed; drivers will comply with a dress code that requires every driver to dress in a professional manner; the trip fee currently \$1.25, will be increased January 1, 2000 to \$2.00, and January 1, 2001 to \$2.50; conversion of 50% of the fleet to alternate fuel vehicles; procedures established for penalties; Oakland taxi permits required; and all current Airport permit holders will be grandfathered and a lottery system established for any new permits. The current annual permit fee of \$120.00 per vehicle will increase to \$300.00 per vehicle effective January 1, 2000. It was recommended that the Board approve the new Airport Taxicab Rules and Regulations' Ordinance. The recommendation was approved on passage of an ordinance to print.

Increased Funding for Aviation Marketing Advertising and Promotions Programs

was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Airport has been tasked through its mission and goals to increase its market share for air passenger services by five percentage points between now and FY2004 or about one percentage point per year. Each percentage point change is equivalent to 600,000 more annual passengers. Demand for airport services at OAK is created through consumer and trade advertising and promotions that highlight the many reasons why airport users should choose OAK first for their travel and shipping needs. The Board approved a contract with the Carol H. Williams Agency (CHWA) for \$177,000.00, of which \$51,000.00 was budgeted and expended for the market research phase of the process. The remaining phases of the strategic advertising plan is ready and will now use the remaining \$126,000.00 approved for creative and other agency fees. The Board also authorized a contract with Oakland-based MCA for other marketing and advertising services, such as air cargo

and sports ad development, video production, web site design and maintenance, trade show booth redesign, and marketing publications design and production, as well as last year's advertising campaign. Originally, the Board had approved funding for \$276,000.00, of which \$273,000.00 was spent so a balance of \$3,000.00 remained at the end of last fiscal year. The Board approved contingency agreement was implemented in July for additional funding of \$23,600.00, so MCA has an available balance of \$26,600.00. CHWA has now completed its market research and has recommended increased advertising frequency and depth of market coverage. It has developed four advertising programs, each of which will penetrate the OAK air service marketplace by varying degrees. CHWA has defined OAK's target market as adults 25 years of age and older, have an annual household income of \$50,000.00 or greater, and fly six times or more each year. This year's Aviation Marketing budget has held to last year's expenditures of \$672,000.00. It was recommended that the Board authorize the Aviation division to work with its advertising agencies, CHWA and MCA, to expand its local advertising and promotional marketing programs; authorize the Executive Director to increase funding for the Port's existing contract with CHWA to provide advertising agency services included in the development and implementation phases of its current contract by an additional \$543,000.00 for local advertising placement and agency services; authorize the Executive Director to increase funding for the Port's existing contract with MCA to provide advertising agency services for passenger service, air cargo and spots ad development, video production, website design and maintenance, trade show booth redesign, and marketing publications design by an additional \$271,000.00; authorize the Executive Director to expand the current sports marketing program by \$50,000.00 and to allow for new airline cooperative advertising for the current fiscal year in an amount not to exceed \$50,000.00; and authorize the Executive Director to increase the advertising contract amounts by up to 10% without further Board approval in order to allow for unanticipated contingencies. The recommendations were approved on passage of Resolution No. 99378 for CHWA, Resolution No. 99379 for MCA and Resolution No. 99380 for funding for the new airline cooperative advertising program and expansion of the sports marketing program.

Certification, Approval and Finding Concerning Mitigated Negative Declaration and Initial Study; Adoption of Mitigation Measures; Finding of No Significant Effect on the Environment and First Reading of Ordinance Approving Ground Lease with BAYAIR Inc. and John Roth for Construction of a Corporate Aircraft Hangar was the subject of a memo to

the Board from the Director of Aviation notifying the Board that John Roth (Roth), Chief Executive Officer of Mediacopy Inc., has been a North Field corporate aircraft tenant in Bay C of Hangar 7 since 1997. Mediacopy is a San Leandro-based business specializing in the manufacturing and distribution of videocassette tapes, and currently has a Gulfstream based at the Airport. Mr. Roth has proposed to build, at a cost of greater than \$1,500,000.00, an approximately 30,820 square foot corporate aircraft hangar on a 79,554 square foot site on the North Field's infield. The site is adjacent to and just easterly of the Chevron corporate aircraft hangar between Runway 15/33 and Taxiway D. Mr. Roth has formed California corporation BAYAIR Inc. (BAYAIR) to undertake construction and operation of the hangar. As BAYAIR has relatively few assets, the lessees would be BAYAIR and Mr. Roth. It was recommended that the Board approve a ground lease to include the following provisions: a term of twenty-five years; a post-construction ground rental rate of \$0.07 psf per month or \$5,568.78 to commence no later than July 1, 2000, this rate would be adjusted every thirty months for the change in the area CPI since September 1, 1998 (but not greater than 8% per annum), rent would also be charged during construction at a rate of 50% of the above post-construction rate or \$2,784.39 per month, also, rent would be adjusted to fair market rental value at the end of ten years, and finally, the rent would be subject to adjustment based upon an appraisal of the value of any Port-sponsored future improvements. At its sole expense, BAYAIR/Roth would complete construction of an approximately 30,820 square foot hangar/office building and all necessary utilities and parking at a total cost of at least \$1,500,000.00, ownership of the building would revert to the Port upon expiration of the lease term; payment to the Port of an infrastructure connection charge; construction and operation of a corporate aircraft hangar; a no maintenance or repair responsibility on the part of the Port clause; payment to the Port of 50% of any bonus value in the event of sublet or assignment and no subletting of more than 50% of the

premises; a requirement that BAYAIR/Roth be responsible for all utility charges, taxes and assessments; and other standard Port provisions including Prevailing Wage, Equal Opportunity/Non-Discrimination/Local Area Business Participation, Environmental Liability and Risk Management and City of Oakland Sustainable Development policies. It was recommended that the Board certify that it has reviewed and considered the information contained in the Bay Air Corporate Hangar, Oakland International Airport, Mitigated Negative Declaration/Initial Study, dated May 19, 1999, 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 (Public Resources Code, Section 21080.6), and find 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 of Port Commissioners. The recommendation was approved on passage of an ordinance to print.

Approval of Consultant Agreement with Parsons Brinckerhoff Quade & Douglas, Inc. for Engineering Services for Overlay of Taxiway D (South of Taxiway M) and Taxiway J, North Airport, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that Taxiway D and Taxiway J, built in the 1940's, are showing signs of deterioration and are in need of pavement and taxiway light improvements. The taxiways will also require widening in order to meet the needs of larger air cargo aircraft and to conform to FAA design requirements. This project is part of a program to reconstruct existing aprons and taxiways at the North Airport to enhance safety and extend the life of the facilities. The consultant will provide engineering design and construction support services for the project. The approximate length of Taxiways D and J are 3,800 linear feet and 2,300 linear feet, respectively. This project also includes installation of the master drainage system along Taxiway D. The design and construction of the project will conform to all applicable city, state and FAA codes and standards. On June 15, 1999, the Board approved the selection of Harding Lawson Associates, Group Inc. to

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provide the engineering services for the project, Reconstruction of Apron Southeast of Building L-820 (AIP-21). Parsons Brinckerhoff Quade & Douglas, Inc. (PB) was recommended to provide the required engineering design and construction support services for the project, Overlay of Taxiway D (South of Taxiway M) and Taxiway J. The amount of the agreement will not exceed \$400,000.00 based on the agreed scope of work and terms of the contract. In addition, it was requested that the Executive Director be authorized to approve up to an additional \$100,000.00 for potential changes in scope. The estimated design fee for the master drainage system will not exceed \$20,000.00 of the \$400,000.00. The recommendation was approved on passage of Resolution No. 99381.

Authorization to Include the Remodeling of Portions of the Lower Level of Building M-103 for Telecommunication Rooms, South Airport, OIA, 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 existing Minimum Point of Entry (MPOE) communication system located in Building M-102, South Airport, OIA, is outdated and in need of replacement. The Port is planning to install a new MPOE communication system that will provide a more modern and reliable communication system for the South Airport. In order to accommodate the new equipment, a larger space is required that has improved heating, ventilation and lighting. It is proposed that the new telecommunication rooms be constructed in the lower level of Building M-103. Plans and specifications are being prepared for the project, Remodeling of Portions of the Lower Level of Building M-103, for Telecommunication Rooms, South Airport, OIA. The estimated proposal amount is \$135,000.00. It is believed to be in the best interest of the Port to include this project in the Port's Small Business Program. This project allows small local contractors to attain experience in public sector work. It is also believed that in order to insure small local business participation in this work it be necessary to remove the contract process from the formal competitive bidding process, and instead, engage in an outreach program by soliciting proposals only from small local contractors. It was recommended that the project, Remodeling of Portions of the Lower Level of Building M-103 for Telecommunication Rooms, 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, who submits an acceptable proposal. 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 proposals, if the attempt to secure an acceptable proposal from a small local contractor is not successful. The recommendation was approved on passage of Resolution No. 99382.

Rejection of Bids and Authorization to Negotiate a Contract for Construction of Pavement Improvements on Westerly Portion of Taxiway "T", South Airport, OIA was the subject of a memo to the Board from the Director of Engineering recommending to the Board that three bids were received, however, the two lowest bids did not meet certain Port requirements and the third bid did not include a bid security bond as required. It was recommended that all bids be rejected and the Executive Director be authorized to negotiate and execute a contract with the lowest bidder with whom an agreement can be reached. The westerly portion of Taxiway "T" pavement had deteriorated to the point that immediate repair is necessary, and it is critical that repairs be completed prior to the rainy season. The recommendation was approved on passage of Resolution No. 99383.

Award of Professional Services Agreement for Visitor Information Services at Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Visitor Information Service program at OIA has been in existence for over 20 years. The program is staffed by volunteers, primarily senior citizens from Oakland, San Leandro and Alameda. Volunteers provide passenger assistance and airport tours for students. Annually, over 240,000 passenger contacts are made from 12,000 hours of volunteer services. Volunteers are provided free airport parking, reimbursed for mileage to and from the airport and receive a \$3.00 refreshment stipend for every 4-hour shift work. For the past 15 years, the airport has worked with Alameda County's Retired Seniors Volunteer Program (RSVP) at Laney College. RSVP has provided the accounting and administrative services for the program and

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has assisted with scheduling, recruitment and training in the past. While volunteer scheduling and training is now done internally through our Volunteer Coordinator, the accounting function is still provided by RSVP, as well as assistance with volunteer recruitment efforts. The Volunteer Coordinator function is currently provided by contract with a private contractor (JBM Engineering Services) and the coordinator is shared with Jack London Square on a cost-sharing basis. The airport volunteer program currently is fully staffed with approximately 55 airport volunteers. Administrative costs of this program have been increasing steadily over the past several years, primarily due to increased volunteer needs, reflected in implementation of the "roving ambassador" program, scheduling increased shift hours and dual staffing. Administrative payments to RSVP are now regularly exceeding \$15,000.00 annually. The Port has utilized RSVP for these services for the past 15 years and is generally satisfied with their administration of this program. While the entire program could be brought in-house, this would require additional staff resources that are not currently budgeted. Also, it is highly unlikely that the Port could find another locally-based volunteer organization that could provide all of these services without delaying reimbursements to volunteers and causing morale problems. Therefore, it was recommended that the Board enter into a one year contract with RSVP to provide recruitment, accounting and administrative services for the Port's volunteer program, with four one-year renewal options, at an annual cost not to exceed \$30,000.00 and a total five-year cost not to exceed \$150,000.00, if all of the renewal options are exercised. It was also recommended that the Board authorize the Executive Director to increase this amount by up to 10% annually to allow for growth in the volunteer program. The recommendation was approved on passage of Resolution No. 99384.

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 (Pac Bell) under which Pac Bell pays the Port 25% of the 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 FY 98/99, Pac Bell paid the Port approximately \$85,000.00 in commissions from the 115 Pac Bell pay telephones at the Airport. The Port and Pac Bell initially entered into the Agreement in November 1992 and on October 20, 1998 the Board approved an extension of the Agreement through October 31, 1999. An extensive review of telecommunication services has been in progress for the past several months. In order to provide uninterrupted pay telephone service to passengers during the selection process for a new provider, 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 through January 31, 2000, extendable on a month-to-month basis if necessary, subject to Port Attorney review and approval of the document. The recommendation was approved on passage of Resolution No. 99385.

Extending Right-of-Entry and Indemnity Agreement and Approval of License and Concession Agreement with Space Air Supply, Inc. was the subject of a memo to the Board from the Director of Aviation notifying the Board that Space Air Supply, Inc. (Space Air), an aviation parts supplier, is currently under a Right-of-Entry and Indemnity Agreement (ROE) which provides for their occupancy of approximately 36,549 square feet of office, shop, paved land and unpaved land in and adjacent to Building 1-151 on the North Airport. The ROE was effective February 1, 1999 and continues through such date as the Board may approve the extension of its term. The current rent is \$6,384.00 per month. Space Air has occupied the premises since 1972 as a tenant of Eugene Campi, with reversion of the building to the Port on February 1, 1999 and execution of the ROE, Space Air became a direct tenant of the Port. Space Air has requested a multi-year lease on this property. It was recommended that the Board approve extending the Right-of-Entry and Indemnity Agreement through September 20, 1999, to allow time for the lease to be prepared and negotiated; and approve a one-year License and Concession Agreement with a commencement date of February 1, 1999, with Space Air Supply, Inc., at a monthly rental of \$6,384.00. The recommendation was approved on passage of Resolution No. 99386.

Approval of New License and Concession Agreement with Ontario Aircraft Service, Inc. (No Exclusive Premises, North Airport) was the subject of a memo to the Board from the Director of Aviation recommending that the Board approve a License and concession Agreement with Ontario Aircraft Service, Inc. (Ontario) for access to the North Airport. Ontario would provide cargo/ground handling and other related services for Kitty Hawk Aircargo. Kitty Hawk provides air carrier services to the U.S. Postal Service on the North Airport. The agreement would have a one-year term commencing on August 23, 1999 with a 30-day termination provision. The monthly rental would be a minimum of \$250.00 or 10% of gross revenues, whichever is greater. The recommendation was approved on passage of Resolution No. 99387.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with Safeway, Inc. was the subject of a memo to the Board from the Director of Aviation notifying the Board that Safeway, Inc. (Safeway) is currently under a 45-day Right-of-Entry and Indemnity Agreement (ROE) which provides for occupancy of approximately 35,868 square feet of office space, hangar, shop/storage, apron and paved parking in and adjacent to Hangar 8 on the North Airport for corporate aircraft storage and maintenance. The ROE was effective July 1, 1999; and rental is \$20,000.00 per month. It was recommended that the Board approve the Agreement to extend Right-of-Entry and Indemnity Agreement with Safeway for the occupancy of the same premises commencing August 16, 1999 and ending October 31, 1999 with the monthly rent remaining the same. This additional time is requested in order to give Safeway time to review an interim one-year License and Concession Agreement. The recommendation was approved on passage of Resolution No. 99389.

Approval of Lease Modification/Supplement with the United States of America, Department of Transportation, Federal Aviation Administration was the subject of a memo to the Board from the Director of Aviation notifying the Board that the United States of America, Department of Transportation, Federal Aviation Administration (FAA) entered into a Lease, commencing October 1, 1998, for approximately 2,000 square feet of space in Building L-904 on the North Airport, which is utilized by the FAA as the Auxiliary Air Traffic Control Tower. The September 20, 1999

current monthly rental is \$3,564.75. The FAA proposes to amend this Lease via Lease Modification/Supplement No. 1 which would extend the term of the Lease for four years, from October 1, 1999 through September 30, 2003. In deference to FAA's wishes concerning its automatic rent payment system, rent for the current and extended term was fixed. The \$3,564.75 rent level does factor in, however, annual rent escalations based upon the annual increase in the SF-OAK-San Jose Consumer Price Index. It was recommended that the Board approve and authorize execution of Lease Modification/Supplement No. 1 with the United States of America, Department of Transportation. The recommendation was approved on passage of an ordinance passed to print.

Approval of Building Permit Application for Southwest Airlines to Remodel the Line Maintenance Office at Terminal 2 was the subject of a memo to the Board from the Director of Engineering notifying the Board that Southwest Airlines has submitted a building permit application to remodel their Line Maintenance Office at Terminal 2. The area is on the ramp level under Gate 23, and is currently used for maintenance offices, break room, and parts storage. The remodeled area will include an expanded break room, new locker room, and smaller area for parts storage. The work will include demolition of some interior partition walls and the roll-up door to the ramp from the parts storage area; construction of new interior partition walls; construction of a new section of exterior wall and new door to replace the existing roll-up door, including new metal siding on the exterior to match the existing; and construction of interior improvements to add furnishings, plumbing, electrical, HVAC, and finish materials. It was recommended that the Board approve the building permit application. The recommendation was approved on passage of Resolution No. 99390.

Approval of a "Purchase Option Agreement" and Approval of Terms and Conditions of a "Lease Termination Agreement with Oakland Village Corporation (Jack London Village) was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Oakland Village Corporation (OVC) leases 102,263 square feet of land in Jack London Square for the operation of Jack London Village, a specialty retail shopping center.

The land is improved with ten, two-story, wood frame buildings containing 62,932 square feet of

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net-rentable area, interconnected by boardwalks, stairways and landings, wrapped around a central courtyard. The complex, with their “fisherman’s village theme”, was completed in 1974. The 35-year lease term, with two 10-year options, will terminate in September 2027. JL Village currently has a total of 28 sublease agreements. Eight of the total sublease agreements are short-term Lease Agreements, with the remaining subtenants on month-to-month agreements. The largest tenant is Shenanigan’s Restaurant. Shenanigan’s closed its entire operation last May for a planned renovation project and conversion into an all banquet facility. The project was started, but has not been completed. The Village occupancy rate, taking into account the closing of Shenanigan’s is currently 40%. JL Village suffers from both physical and functional obsolescence as a result of age, dated design and its lack of connectivity to the synergy of Jack London Square. The complex has a below market occupancy level and a consistent negative cash flow from operations. Also, the owners have not invested in any major capital improvements to the Village since its opening. Over the past year, the Port and OVC have had discussions regarding the acquisition of the JL Village leasehold by the Port. The Port has given consideration to several acquisition alternatives including the acquisition and the Port management of the Village operation, and a developer purchase option. After further analysis, the Port believes that a short term option to purchase, followed by the acquisition/demolition of the Village improvements is the preferred alternative. The JL Village site is a key element in the proposed Jack London Square Phase II development. The recently approved “Estuary Plan” calls for the site to be redeveloped into a lodging use. The CRE staff is near completion of a “Request for Qualifications” (RFQ), as part of the process of choosing a master developer for the Phase II project. The Purchase Option would give the Port control of the Village site at a critical time. It is the staff’s opinion that now is the best time for the Port to gain control of JL Village, at the most reasonable cost. The Port is also exploring the feasibility of using the site for interim parking, prior to the permanent development of the site. This interim use could help, on a short-term basis, with the Legacy development parking mitigation plan, and potentially save the Port \$300,000.00 in annual parking operational costs. The proposed “Purchase Option Agreement” would be under the following conditions: the purchase option term would be for a

maximum of six months; as consideration for the purchase option, the current Village rent (\$13,348.00 per month) would be abated; OVC would cease any further leasing activity; a copy of the "Lease Termination Agreement" would be attached as an exhibit to the "Purchase Option Agreement"; the "Lease Termination Agreement" would contain the terms and conditions for final acquisition by the Port, and would only be executed upon the Port's exercise of the purchase option, after approval by the Board; the Port's decision to exercise the purchase option (and lease termination agreement would be made after satisfying all applicable CEQA provisions; and a general plan conformity determination will be prepared early in the environmental review, prior to Board approval. The proposed "Lease Termination Agreement" would contain the following major terms and conditions: purchase price = \$1,850,000.00 (full appraised value), plus 50% of the actual cost expended for Shenanigans interior demolition, and related costs for design and construction plans, total purchase price not to exceed \$2,000,000.00; OVC would be responsible for the termination of all subtenant agreements, and would handle any related evictions, prior to the close of escrow, the Port would immediately reimburse OVC for 50% of the actual costs related to tenant lease terminations which total costs are estimated at \$90,000.00; OVC would demolish the Village improvements, piles would be cut two-feet below grade, Port will reimburse OVC for 50% of the demolition costs, the demolition contract would be subject to the Port prevailing wage requirement, the Port will pay the difference in cost generated by the prevailing wage requirement, based on mutually acceptable bid, and for any further pile cutting requirements below the two-feet; OVC agrees to waive all relocation rights to Shenanigan's Restaurant and banquet operation, and waive any goodwill claims against the Port, the Port would pay any tenant relocation costs, to the extent required by law; OVC would indemnify the Port against environmental contamination resulting from their occupancy, OVC is responsible for any asbestos removal; the monthly rent due the Port would be abated, during the escrow period; The Port and OVC would share all closing costs; and escrow would close only upon demolition of the improvements. It was recommended that the Board approve the "Purchase Option Agreement" and authorize the Executive Director to execute the agreement, and any other documents as may be necessary to carry out the terms of the

"Purchase Option Agreement", subject to the approval of the Port Attorney. The recommendation was approved on passage of Resolution No. 99391.

Recommend Approval of Leasehold Mortgage to TCC Swan Way LLC, A California Limited Liability Company to Property Located at 80 Sway Way was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that on June 15, 1999, the Board approved the assignment of property located at 80 Swan Way to Tiburon Capital Corporation, a general partnership or one of its affiliates, releasing John Hancock Mutual Insurance Company from the lease and approving a one-time refinancing of the lease. Tiburon Capital Corporation dba TCC Swan Way LLC, a California Limited Liability Company, is requesting approval from the Port as Landlord of lender protection provisions in order to facilitate its refinancing of its interest in the lease. It was recommended that the Board authorize the Executive Director to execute a subordination agreement relating to TCC Swan Way LLC's refinancing of its lease and such other documents as may be necessary to accomplish the tenant's refinancing of its leasehold interest, in such form as the Port Attorney shall approve. The recommendation was approved on passage of Resolution No. 99392.

Ratify Addenda and Award of Contract for Construction of Container Wharf, Dike, Fill and Container Yard Phase 1A at Berths 55/56, Inner Harbor Channel was the subject of a memo to the Board from the Director of Engineering notifying the Board that eight bids were received. The bidders were identified by letter designations because the bid alternate is involved. In such cases, any decision as to inclusion or exclusion of the alternate must be made before the identities of the bidders are known by the staff members making the recommendation or by the Board in its role as the ultimate decision maker. Addenda 1 through 5 were issued by the Chief Engineer to extend the bid opening date to August 24, 1999, and to include the Owner Controlled Insurance Program (OCIP), the Project Labor Agreement (PLA), changes to the calculations of modified bid amount and changes to the bid quantities. The Addenda did not change the physical work of the contract. In order to balance the cost of construction against different time allowances for the construction of the Berth 55/56 Wharf project, the Port solicited bids with an alternate to September 20, 1999

allow 60 extra days for construction. This alternate could have had either a deductive or an additive effect on cost. The selection of the work to be performed under either the Total Base Bid Price or the Total Base Bid Price Plus Additive (or less Deductive) Alternate "A" Bid Price was made by the Port Recommendation Group under a system of blind identification of the bidders. The identifications of the bidders were not made known to the Recommendation Group until after a formal signed recommendation on the selection was made by the Group. This procedure was required under the decision of the California Court of Appeals in FTR Internat, Inc. V. City of Pasadena, 53 Cal. App. 4th 634 (as modified March 17, 1997). On August 25, 1999, the Recommendation Group selected the work to be performed under the Total Base Bid Price. The Recommendation Group did not select work of the contract to be performed under Alternate "A" for an additional construction time of 60 days. The Port received protest letters from the second lower bidder, Contractor "G", and from one of the Contractor "G's" subcontractors. Both protests were similar. The primary complaint was that although Contractor "F" listed 11 subcontractors, the dollar amounts of five of the subcontractors were not included on its List of Subcontractors. As required by State law, Contractor "F" submitted the missing subcontractor amounts within 24 hours of the bid opening. A second complaint was that Contractor "F" failed to list street addressees for some listed subcontractors. Port staff has determined that since the subcontractor city location was included in the original bid package, the exclusion of street addresses was a minor irregularity and does not affect the dollar amount of the bid. Bid comparisons were based on the Total Base Bid Price as specified in the Instructions to the Bidders within the Project Manual. In accordance with the Port's Non-Discrimination and Small/Local Business Utilization Policy (Policy), for bid comparison purposes only, bids may be modified (lowered) by as much as 10% depending on the location of the bidders and their subcontractors, and the length of time at those locations. Addendum No. 4 changed the Policy to calculate the modified bid amount based on a maximum of the first ten million dollars of the Total Base Bid Price. Hence, the maximum allowable reduction of the modified bid amount could only be \$1,000,000.00. Since the bid of the low bidder, Contractor "F", a joint venture, is more than \$1,000,000.00 lower than the next lowest

bidder, this portion of the Policy does not apply. Therefore Contractor "F", a joint venture, remains the low bidder. It was recommended that the Board pass a resolution selecting the work of the contract be performed under the Total Base Bid Price; and that Contractor "F", a joint venture, be found to be the lowest responsible bidder, that the Board ratify and approve Addenda 1 through 5, that the contract for the project be awarded to Contractor "F", a joint venture, for the amount of its bid for a total of \$59,890,105.00, and that the other bids be rejected and the bid securities returned to the respective bidders. The recommendation was approved on passage of Resolution No. 99377. The low bid was submitted by Port of Oakland Contractors, a joint venture of General Construction and Seaworks.

Adoption of Final Mitigated Negative Declaration/Initial Study, Adoption of Mitigation Monitoring and Reporting Program, and Approval of a Building Permit Application for the KIQI/Radio Unica Tower Replacement Project, at 7 Radio Tower Road

was the subject of a memo to the Board from the Director of Engineering notifying the Board that KIQI/Radio Unica has submitted a permit application to replace its three radio transmitter towers on their leased site north of the Bay Bridge Toll Plaza. The towers have been determined to be structurally unsound, and two of the towers have been removed because of safety concerns. The new towers will be in the same locations as the originals with new foundations. The work would include removal of the remaining tower and the three existing foundations; installation of three new pile-supported concrete foundations in the same locations as the existing foundations; installation of three new steel towers, each approximately 204 feet tall; installation of new equipment and shelters at the base of each tower; and removal of some existing non-native plants in the wetland as part of the mitigation for the project. The estimated value of the work is \$200,000.00. It was recommended that the board approve a resolution to find that it has reviewed and considered the information contained in the KIQI/Radio Unica Tower Replacement Project Final Mitigated Negative Declaration/Initial Study and that the documentation has been prepared in compliance with applicable law; adopt the Mitigated Negative Declaration and find that the Final Mitigated Negative Declaration/Initial Study reflects the independent judgment of the Board; adopt the

mitigation measures, which shall constitute the Port's mitigation monitoring and reporting program (MMRP) and CEQA, and find that the Project will have no significant effect on the environment because the mitigation measures will reduce the potential impacts to a level of insignificance; and approve the building permit application. The recommendation was approved on passage of Resolution No. 99393.

Approval of Second Supplemental Agreement with USR Greiner-Woodward Clyde International Americas (URSWC-IA) Environmental Consulting Services for the Berths 55-58 Project Environmental Impact Report and Environmental Assessment 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+-acre park. This effort is known as the Berths 55-58 Project. On April 20, 1999, the Board certified the Berths 55-58 Project (Project) Final Environmental Impact Report, adopted findings concerning significant effects of the Project, adopted Mitigation Measures for the Project, adopted a Mitigation Monitoring and Reporting Program, including a comprehensive air quality mitigation program for the entire Vision 2000 Program, and adopted a statement of overriding considerations for the unavoidable adverse impacts of the Project. The Board also approved the development of the Project on this date. An Environmental Assessment (EA) has been prepared and is currently under review by the Army Corps of Engineers. The Port currently has an agreement with URS Greiner-Woodward Clyde International Americas (URSWC-IA) to prepare environmental documentation for the Berths 55-58 Project. The current maximum authorized compensation under the original agreement, plus supplemental authorizations and the proposed Executive Director-approved increase, is \$738,000.00. Additional tasks not identified in previous scopes of work, and increased levels of effort for tasks identified in the previous scopes of work, have occurred, resulting in the additional work as follows: prepare new graphics and text for the Draft Environmental Impact Report (DEIR), including revised cut and fill volumes and additional information on project impacts; refine mitigation measures and additional effort on air quality mitigation measures; prepare and reproduce the DEIR which was approximately 500 pages larger

than originally estimated; prepare a revised executive summary; prepare revised presentation materials for the Boards' meetings and City meetings; provide text files and graphics to GAIA Consulting, Inc., for the Joint Intermodal Terminal (JIT) project; review air quality impact analysis for the JIT EIR; incorporate new project information into the FEIR and prepare a separate FEIR chapter to address project refinements; prepare an additional AFEIR for internal review; prepare Mitigation Monitoring and Reporting Program; analyze additional emissions reductions achievable if more budget were to be allocated to air quality mitigation; print 70 more copies of the FEIR than was originally estimated; distribute 63 copies of FEIR overnight by Fed Ex; attend additional project meetings; and prepare three additional administrative drafts of 404(b) alternative analysis and draft EA. As a result of these and other changes, the level of effort required by URSWC-IA has increased since the inception of the contract. On September 1, 1999, the Executive Director authorized the use of the \$50,000.00 contingency to cover a portion of these changes. The remainder of the additional work will cost \$47,000.00 in addition to the contingency amount. No further work is anticipated under this contract. It was recommended that the Board authorize the preparation and execution of a second supplemental agreement with URS Greiner-Woodward Clyde International Americas for environmental consulting services for the Berths 55-58 Project in an amount not to exceed \$47,000.00, thereby increasing the total maximum compensation to \$785,000.00. The recommendation was approved on passage of Resolution No. 99394.

Authorization to Prepare and Submit a Grant Application to the Carl Moyer Program for the Purpose of Implementing the Tugboat Retrofit Project, Mitigation 3.3-3/M3

of the Vision 2000 Air Quality Mitigation Program was the subject of a memo to the Board from the Director of Engineering notifying the Board that on April 20, 1999, the Board certified the Berths 55-58 final EIR and adopted the Vision 2000 Air Quality Mitigation Program (V2K AQMP). As a result the Port has committed to spend \$8.98 million in emission reduction programs and demonstration projects to promote technological advances in improving air quality. One of the mitigation measures that the Board adopted is the "retrofit of one tugboat with a low-emission engine and exhaust treatment device as a demonstration project." Because of the cost of a

complete tugboat engine retrofit exceeds the Port's funding for this project, the Port has investigated ways to augment the Port's funding. The funding for the Tugboat Retrofit Project has a high potential to attract other funds, in particular from the Carl Moyer Program, a funding program established by the California Air Resource Board. In addition, Oscar Neimeth Towing, Inc., a local small business predominantly serving the Port of Oakland area, has indicated a willingness to participate in an application to the Carl Moyer Program and to contribute financially to the engine retrofit of one of its vessels. One of the goals of the Carl Moyer Program is to substantially reduce emissions of oxides of nitrogen (NOx), a smog-forming pollutant. Considering the emission reduction potential of marine vessels, the Bay Area Air Quality Management District has decided to focus on marine vessels, as well as locomotives and off-road agricultural equipment, in the first phase of the Carl Moyer Program. Based on this preference, and because the findings of the analysis of tugboat retrofit alternatives show a positive cost-effective emission reduction potential, the Tugboat Retrofit Project has a good chance of receiving Carl Moyer Program funding. The Carl Moyer Program requires applicants to provide at least a \$1 match per @2 spent by the Program. The Port's financial commitment of \$500,000.00 under the Tugboat Retrofit Project could be used as matching funds for the Carl Moyer Grant. The deadline for applications under the grant program's first phase is September 30, 1999. Port staff proposes to retrofit the "Silver Eagle" tugboat owned by Oscar Neimeth Towing, Inc. This vessel has been chosen because its engines are less fuel-efficient and emit more NOx emission reductions per year could range from 13 tons (at a retrofit cost of \$970,000.00) to 25 tons (at a retrofit cost of \$1.94 million). Under each retrofit alternative, the Port's share of costs would remain at approximately \$500,000.00. It was recommended that the Board authorize the Executive Director to prepare and submit an application to apply for a Carl Moyer Program Grant and to allocate \$500,000.00 from the Port in matching funds for the grant as the most cost-effective way to implement the Tugboat Retrofit Mitigation Measure. The recommendation was approved on passage of Resolution No. 99395.

Approval of Memorandum of Understanding (MOU) with AC Transit for the Purpose of Implementing the AC Transit Bus Retrofit Project, Mitigation 3.3-3/M4 of the Vision 2000

Air Quality Mitigation Program was the subject of a memo to the Board from the Director of Engineering notifying the Board that on April 20, 1999, the Board adopted the Vision 2000 Air Quality Mitigation Program (V2K AQMP) when it certified the Berths 55-58 Project Final EIR. The V2K AQMP was developed to mitigate air quality impacts from the entire Vision 2000 Maritime Development Program. The V2K AQMP provides funding for emission reduction programs and demonstration projects to promote technological advances in improving air quality. The Vision 2000 Air Quality Mitigation Program includes Mitigation Measure 3.3-3/M4, (Project which is the retrofit of approximately 27 AC Transit bus engines with lower emission diesel engines at a cost of approximately \$700,000.00. The proposed Project would subsidize the retrofit of 27 AC Transit bus engines with new, state-of-the-art four-stroke engines to meet California emission standards for new diesel engines. AC Transit has a bus retrofit program already in place that would be augmented with funding from Mitigation Measure 3.3-3/M4. AC Transit's goal is to retrofit approximately 200 transit buses currently equipped with 1990 and 1993 6V-92 DDEC III two-stroke diesel engines. These engines would be targets of a cyclical rebuild (without retrofitting) if funding for the retrofit program were not available. AC Transit has studied the diesel to diesel retrofit issue closely, as well as the use of alternative fuel, such as compressed natural gas (CNG) and liquefied natural gas (LNG) in transit operation, and has selected the 1998 Cummins West M11-280E diesel engine as the most effective emission-reducing per dollar spent. The Port would subsidize the retrofit project with a maximum of \$672,700.00. The subsidy provided by the Port would fund the retrofit of 27 AC Transit bus engines, at \$24,412.00 each. Other expenditures such as the removal and replacement of the diesel engines, upgrading of the transmission to interface with the new technology, and materials associated with each engine replacement would be covered by AC Transit. The subsidy would be made available under the following conditions: AC Transit will operate the Port-funded retrofitted buses, predominantly in the AC Transit's Divisions Two and Four, which serve the West Oakland area, thereby reducing emissions in the Port's

vicinity; AC Transit will pursue actions to stimulate local business development and jobs training related to the project; and AC Transit will publicly acknowledge the Port's active efforts at achieving air quality through a public relations effort. It was recommended that the Board approve the Memorandum of Understanding (MOU) with AC Transit for the purpose of implementing the AC Transit Bus Retrofit Project, Mitigation 3.3-3/M4 of the Vision 2000 Air Quality Mitigation Program. The recommendation was approved on passage of Resolution No. 99396.

Ratification of Addenda, Rejection of Bids, and Authorization to Dispense with Formal Bids for Construction of Administration Building and Maintenance & Repair Facility at Berths 55/56, Inner Harbor Channel was the subject of a memo to the Board from the Director of Engineering notifying the Board of the six bids received. The relatively narrow range of the bid prices indicates that these are reasonably accurate bids, reflecting realistic costs for the construction of these buildings in the current market for similar construction. However, all bids received substantially exceed the \$6,576,000.00 Engineers Estimate for the project. As a result of the questions and comments we received from contractors during the bidding process for this project, the Port believes that substantial savings can be realized through modifying several of the material and product types that the Port's design consultant had originally recommended. Therefore, we believe that it is in the best interest of the Port to reject all bids and negotiate a contract with one of the low bidders. This negotiation will include some redesign of the project, but that design effort can be accomplished within the terms and conditions of the existing contract with the building designer. Under the terms of the Project Labor Agreement (PLA), up to \$1,000,000.00 of work on the Vision 2000 construction program through the end of the year may be exempt from the PLA for work under the Port's Small Business Program. This construction project includes four different buildings (the Administration building, the Maintenance & Repair Facility, the Guardhouse and the Trouble Kiosk). The Guardhouse and Trouble Kiosk together are estimated to cost under \$400,000.00. Therefore, it was further recommended that, in addition to negotiating with the low bidders on this contract for a price to construct these two buildings, the Port solicit informal proposals from the local small business contracting community to construct

the Guardhouse and Trouble Kiosk. These buildings will be bid as separate contracts. The construction of these two buildings will be awarded to the contractor(s) who propose to do the work for the lowest cost in accordance with the Port's Non-Discrimination and Small/Local Business Utilization Policy. It was recommended that the Board reject all the bids and the bid securities be returned to the respective bidders, and that the Executive Director be authorized to dispense with the formal bidding procedures and negotiate a contract for the larger buildings with one of the low bidders beginning with the lowest bidder and, if unsuccessful with the negotiation, proceeding to the next lowest bidder and so on. It was also recommended that the proposals be solicited from the local small contracting community for the construction of the Guardhouse and Trouble Kiosk, as separate contracts, in accordance with the Port's Non-Discrimination and Small/Local Business Utilization Policy, and the construction of these two buildings be awarded to the contractor(s) with the lowest proposal(s). It was further recommended that the Executive Director be authorized to execute a contract for the two smaller buildings with any qualified contractor, based on informal competitive proposals, if the attempt to secure an acceptable proposal from small local contractor(s) is not successful. The recommendation was approved on passage of Resolution No. 99397.

Approval of Professional Services for Design of a New Golf Course (New Course) at the Former Lew F. Galbraith (Galbraith) Golf Course Site was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port and the City closed the Galbraith Golf Course in 1994, and the Port utilized the former golf course area as an upland disposal site for dredged material from the -42 foot channel deepening project. Galbraith is a landfill site, on top of which a new first-class golf course facility will be built. As a condition of approval, the Regional Water Quality Board (RWQCB) required the site to be capped before the new course could be built. The Port has made a commitment to rebuild the new course by early 2002. To accomplish this, the Port has a contractor presently preparing the material by drying and stockpiling the muds on site while the plans and specifications for the capping project are being prepared. The plans and specifications for the capping work will be presented to the RWQCB for review and approval in November 1999 and then presented to the Board for approval for September 20, 1999

advertisement in January 2000. This schedule is necessary in order to complete the capping operations in time to give the golf course developer sufficient time to construct the new course. The Port is currently looking for the most cost-effective solution to cap the site. The options range from utilizing a total Geosynthetic Clay Liner cap, which would yield approximately 900,000 cubic yards of available soil for the golf course development; to a cap constructed from existing on-site clay soil material, which would yield approximately 600,000 cubic yards of available soil; or a hybrid solution, which would yield quantities somewhere within the 600,000 to 900,000 cubic yard range. The golf course designer had indicated prior to their selection that the amount of material on site, approximately 900,000 cub yards, is enough to construct a first-class golf course. However, without first preparing a golf course design, the golf course designer cannot evaluate whether there is enough material available to construct a first-class golf course if one of the other capping alternatives is chosen. In addition, to complete the capping bid package, it is necessary to know the golf course designer's layout and grades so the Port can prepare the final grading plans to mirror the new golf course contours and to determine which is the most cost effective capping solution. The original concept was to include the golf course designer as part of the golf course developer/operator team. However, because an agreement with a golf course developer/operator is not anticipated in the near future, it is proposed that the Port prepare a separate professional services agreement with the golf course designer to begin design work immediately. This will enable the necessary grading information to be available in time to meet the RWQCB's review and approval schedule. The professional services agreement with the golf course designer will include a provision that if the subsequent agreement with a golf course developer/operator is approved, then this professional services agreement will be wrapped into that agreement. It was recommended that the Board determine that the engineering services to be performed by the golf course designer with a separate professional services agreement in order to begin work immediately; and authorize the preparation and execution of an agreement, for an amount not to exceed \$400,000.00 with the golf course designer. It was further recommended that the Executive Director be authorized to approve

up to an additional \$80,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 99398.

New Terminal Use Agreement with Italia Line at Charles P. Howard Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board that Italian Line and d'Amico Line maintain a regular cargo service in the trade between the U.S. West Coast and the Mediterranean. Oakland has benefited from this regular service for more than 30 years. Although vessel and cargo operations are presently conducted under separate but identical Terminal Use Agreements (TUAs), last year d'Amico Line acquired Italian Line and the new company now operates as Italia Line. Operations are conducted at the Charles P. Howard Terminal where terminal services are provided by Stevedoring Services of America. Both of the TUAs will expire September 30, 1999. Maritime has evaluated Italia's annual vessel calls, currently in the range of 25 to 35 annually; projected cargo volume as well as pricing levels with other shipping lines which have TUA. Italia Line also has a slot charter vessel sharing arrangement with ZIM-American Israeli Shipping Co. (ZIM) which also calls at Howard Terminal. Under terms of the Port/ZIM TUA, ZIM cargo on Italia Line vessels are subject to the economic benefits of the ZIM TUA. The Port has concluded negotiations for a new five year TUA. The major economic provisions which are Dockage & Wharfage – Italia Line shall be subject to the Port's marine terminal tariff and has agreed to a Minimum Annual Guarantee of 11,500 loaded TEUs at Howard Terminal; the first and second contract years – in lieu of the Port tariff rates and charges, Italia Line shall pay the Port a single rate of \$77.00 per loaded TEU for dockage and wharfage, this rate shall not be subject to any Port tariff increases for the first two contract years commencing October 1, 1999; third through the fifth contract years – Italia Line shall pay the Port single rate of \$82.00 per loaded TEU for dockage and wharfage, this rate shall also be subject to increases at the same time and at the same percentage as will be taken in the Port's marine terminal tariff, commencing with the third contract year, if Italia Line vessel calls increase to 48 or more annually, then the \$82.00 rate shall also be subject to an increase of +3.0% to reflect the additional vessel berthing activity at the facility; and additional year-end discount – during each contract year of the TUA, Italia Line will also be

eligible for an additional discount from the above rates for all Loaded TEUs handled, as such rates may be adjusted, based upon the following volume levels: contract year volume – 11,501 – 13,500 loaded TEUs, additional discount – 10%; 13,501 – 16,500 loaded TEUs, 15%; 16,501 – 19,500 loaded TEUs, 20%; and 19,501 or more loaded TEUs, 25%. Non-containerized cargo shall be initially assessed 80% of the then prevailing Port tariff rates for non-containerized cargo. Each 22 revenue tons of non-containerized cargo shall count as one loaded TEU for purposes of computing the additional year-end discount. It was recommended that the Board approve the Terminal Use Agreement with Italia Line. The recommendation was approved on passage of an ordinance to print.

Approval of a Building Permit Application to Demolish American President Lines' Freight Warehouse, Building E-223 was the subject of a memo to the Board from the Director of Engineering recommending that the Board approve the building permit application for American Presidents Line (APL). The building permit application is to demolish Building E-223 within APLs leased terminal space at 1395 Middle Harbor Road. The building was used as a freight warehouse but is no longer needed. The site will be used for chassis storage once the building is removed. The proposed work will include demolition of the warehouse structure, approximately 110' by 330'; demolition of loading dock surrounding the building and foundations; capping of existing utilities serving the building; and construction of site improvements for wheeled-chassis storage, including paving, striping, and lighting. The project has been determined to conform to the City of Oakland General Plan as a continuation of maritime-related use in Marine Terminals area. The project is categorically exempt and does not require the preparation of an environmental document. The estimated value of the work is \$500,000.00. The recommendation was approved on passage of Resolution No. 99399.

Plans and Specifications for Construction of Joint Intermodal Terminal, Middle Harbor 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 Joint Intermodal Terminal (JIT). This project is another element in the Port's Vision 2000 Maritime Development

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Program. The project consists of construction of approximately 60 acres of intermodal railroad yard and approximately 43 acres of open storage yard for the Harbor Transportation Center (HTC). The intermodal yard construction will include railroad track, grading and paving, storm drainage, water distribution, yard lighting, a site for a gate facility, fencing, and paint striping for the yard and gate areas. The HTC area will include grading and surfacing for chassis parking or container stacking, storm drainage, water distribution, and fencing. The HTC site will be raised with approximately 4 feet of embankment to facilitate construction of a uniform surface across the remainder of the area when buildings D-412 and D-512 are removed for expansion of the JIT or for other maritime uses. This project will be the first part of the Port's intermodal system development to enhance the Port's share of West Coast intermodal shipping. The JIT will provide the intermodal services necessary to ensure overall growth in the Port's shipping business. Subsequent expansion of the JIT and construction of a storage yard in the Knight Yard on the Oakland Army Base will be scheduled as Port intermodal demand increases. The Vision 2000 Program and this particular project conform to the policies of the Oakland General Plan. Environmental review for the JIT project was conducted in conformance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) at both a program- and project-specific level. The project was first evaluated in the Program EIS/EIR prepared for the Vision 2000 Maritime Development Program and Disposal and Reuse of the Navy's Fleet and Industrial Supply Center, certified in September 2, 1997 by the Board. On June 15, 1999, the Board certified the JIT Project Final EIR, prepared under CEQA. On this date the Board also adopted findings concerning significant effects of the Project, adopted Mitigation Measures for the Project, adopted a Mitigation Monitoring and Reporting Program, and approved the development of the project. Further NEPA review of the project was provided in an environmental reevaluation report signed by FHWA and Caltrans on June 30, 1999. The report states that the changes to the project, along with the results of the environmental analyses, and the lack of changes in the regulatory context of the project, did not result in any significant impacts not evaluated in the Vision 2000 EIS/EIR. This work is budgeted under the CIP. This project will be constructed using Port bonds, Federal funds and State

funds. The State and Federal funding approved for this project in the current State Transportation Improvement Program (STIP). The STIP portion of the funding is scheduled for a California Transportation Commission (CIC) allocation vote at the meeting to be held on September 29 and September 30, 1999, in Oakland. Projects listed in the STIP with no unusual requests, such as increased funding, are typically ratified with little discussion. The California Department of Transportation, Caltrans, is currently processing the documents necessary to obtain the Federal Authorization to Proceed with Construction for the Intermodal Surface Transportation Enhancement Act (ISTEA) and Transportation Equity Act for the 21st Century (TEA-21) portion of the funding. Caltrans officials have agreed to expedite final processing of the authorizations immediately after the approval at the CTC meeting in September. Construction coordination with the contractor that will construct the 7th Street Realignment will require that the JIT contract be advertised as soon as possible after CTC allocation of the STIP funds. Portions of the northwest area of the JIT will be constructed under both contracts to facilitate restoration of the Port railroad service to the Outer Harbor Terminals. In order to expedite this construction contract coordination, it was recommended that the Board approve the Plans and Specifications and allow that they be advertised in October after the Federal and State authorizations are completed by Caltrans, with the bids to be received 37 days after the advertisement for bid. The recommendation was approved on passage of Resolution No. 99400.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the creation of following classification/position of Supervising Equipment Mechanic, at Salary Schedule/Salary Grade 710, of the Harbor Facilities Maintenance Department; creation of salary schedule 458.3 (Unit E); and amendment of salary assignment for the classification of Airport Technical Communications Supervisor to Salary Schedule 458.3. The recommendation was approved on passage of an ordinance to print.

Approval of Consultant Agreement for Redesign of Port of Oakland Internet Website was the subject of a memo to the Board from the Director of Communications notifying the Board that the Port Website was first created in 1997 and has not had a major revision to date. In the September 20, 1999

ensuing years, the technology and use of the medium have expanded exponentially. A recent survey by the Georgia Tech Research Corporation indicates that the top reasons people use the Web are for information-gathering, entertainment, education, work, and shopping. The Port is ready to capitalize on the growing importance of the Internet as an information and marketing medium. The redesigned site will showcase the umbrella of the revenue divisions along with the Port's continuing and increasing public role in the community. The objective of the redesign is to give the site an updated, attractive look, while being entertaining, informative, interactive and easy to navigate. The site will be expanded to give more information about Port projects and community involvement. Additional emphasis will be given to Port-related economic opportunities, including job announcements, requests for qualifications and requests for proposals. Job specifications will be accommodated, audio-assisted news releases to meet the demands of the electronic media for instantaneous communication; an updated organization chart, Commission committee assignments, slips and berth information for recreational vessels; expanded human resources facts including an employee directory; an increase resource for bids and job specifications; more detailed environmental data and dialogue; vastly expanded details on the Port's commercial real estate holdings and offerings; crucial information from the revenue divisions to their clients; major information for the Maritime Division; will link Commission and Committee agenda to more detail explanations; and awarding a contract for a major project would be linked to the news release about the project, as well as further information about contract at the Port and a year-to-date accounting of Port contracts. It was recommended that the board approve and authorize the Executive Director to sign a consultant agreement with Isys Idea Systems for the redesign of the Port Internet website. The contract fee is not to exceed \$75,000.00. The recommendation was approved on passage of Resolution No. 99401.

Authority to Execute Letter of Credit was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that on February 2, 1999, the Board presented with a staff recommendation for the establishment of a Surety bonding Program for small local contractors. Many small contractors have difficulty bidding on public works projects, because of

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their inability to obtain labor and material bonds. The Port received a number of proposals, and after extensive review recommends a joint venture of Merriwether & Williams Insurance Services, Incorporated, a San Francisco minority owned firm and two Oakland minority owned firms, Clark, Baquie & Clark Insurance Agency and James E. Ingram & Company. The Board authorized staff to negotiate consultant agreement with the joint venture for fees not to exceed \$364,500.00 annually. Included in that amount are fees to provide individual counseling of local, small contractors to assess their eligibility bond and to determine the most effective tool to use to overcome their inability to bond. Sub-consultants will provide Funds Control services and Accounting Services estimated at \$110,000.00 per year. These sub-consultants will primarily be local small businesses. The Port will establish a bond guarantee of \$2,000,000.00 (\$500,000.00 of which will be a letter of credit), pay for funds control up to 1% of the project cost, and subsidize the preparation of one time financial statements up to \$3,000.00 with the contractor paying the first \$500.00. The total fees of \$364,500.00 included an estimate of fees for letters of credit to be \$22,000.00. The Port has surveyed a number of banks and believe the estimate should be increased to \$30,000.00 per year and separated from the consultant agreement to establish a direct relationship between the banks and the Port. It was recommended that the Executive Director be authorized to execute a consulting agreement with the joint venture of Merriwether & Williams, Clark, Baquie & Clark/James E. Ingram for a three-year period with annual fees not to exceed \$342,500.00; separate agreements are authorized for Letters of Credit Fees not to exceed \$30,000.00 per year for three years; authorize the Executive Director to approve an additional \$50,000.00 for unforeseen contingencies on either the consulting agreement or the letter of credit; and authorize the Executive Director to execute a letter of credit to support the bond guarantee fund and sign related forms and agreements on behalf of the Port. The recommendation was approved on passage of Resolution No. 99402.

Authority to Increase Crime Insurance Limits of Liability was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Hartford Insurance Company bound the renewal of the Port's Crime Insurance Policy for a one-year term, as of September 20, 1999

September 1, 1999, for an annual premium of \$13,758.00 with the following limits: Employee Dishonesty, \$5,000,000.00; Depositors Forgery, \$5,000,000.00; Theft, Disappearance & Destruction, \$5,000,000.00; Computer & Funds Fraud Transfer, \$5,000,000.00; and Deductible, \$25,000.00 which includes Public Employee Faithful Performance (Sub-limit of \$1,000,000.00) and Y2K Exclusion Except Employee Dishonesty. The \$5 million limit has been maintained for ten years. The Port believe a higher limit is warranted by the increasing activity generated by our expansion of facilities. The Port marketed higher limits of liability to a number of insurance carriers, the most competitive of which was Fidelity and Deposit of Maryland that offered limits of \$5,000,000.00 for \$7,500.00 a year for three years. The \$5 million excess option which will bring the total limit to \$10,000,000.00 for an annual premium of \$21,258.00 per year for three years. As part of the Port's Small Business Program, the Port have included a sub-broker on this placement, Richard Freeman Insurance Services, an Oakland Independent Agent, working as a sub-broker for Marsh, Inc. It was recommended that the Board approve the increase for the Port's Crime Insurance to a limit of \$10,000,000.00 by accepting Fidelity and Deposit's quotation for \$5,000,000.00 in excess of \$5,000,000.00 for a three year policy. The recommendation was approved on passage of Resolution No. 99403.

Travel Authorization was the subject of a memo to the Board from the Secretary of the Board recommending ratification of the travel of Terry Smalley, Supervising Electrical/Mechanical Engineer, and John Aidoo, Chief Engineer, to Shanghai, China, on or about the period September 16, 1999 to October 4, 1999, to approve and inspect steel purchase for the Berth 55 Cranes and to set up Quality Control inspection processes. Further recommended was the ratification of the travel of Christopher Minner, Air Service Development Coordinator, to Mexico City, Mexico, on or about September 12 - 16, 1999, to meet with Mexicana corporate staff and Mexico tourism officials. The recommendation was approved on passage of Resolution No. 99404.

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

Ayes: Commissioners Harris, Kiang, Neal

and President Loh - 4

Noes: None

Absent: Commissioners Kramer, Taylor and Uribe - 3

“RESOLUTION NO. 99377

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF CONTAINER WHARF, DIKE, FILL AND CONTAINER YARD PHASE 1A, AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA; REJECTING ALL BIDS, DIRECTING RETURN OF BID BONDS TO BIDDERS; AND AUTHORIZING A CONTRACT IN THE OPEN MARKET WITHOUT COMPETITIVE BID.”

“RESOLUTION NO. 99378

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH CAROL H. WILLIAMS ADVERTISING, 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. 99379

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH MCA ADVERTISING 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. 99380

AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE FUNDING FOR THE NEW AIRLINE COOPERATIVE ADVERTISING PROGRAM AND EXPANSION OF THE SPORTS MARKETING PROGRAM.”

“RESOLUTION NO. 99381

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH PARSONS BRINCKERHOFF QUADE & DOUGLAS, 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. 99382

GRANTING AUTHORIZATION TO INCLUDE REMODELING OF PORTIONS OF THE LOWER LEVEL OF BUILDING M-103 FOR TELECOMMUNICATION ROOMS, SOUTH FIELD, 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. 99383

REJECTING ALL BIDS FOR CONSTRUCTION OF PAVEMENT IMPROVEMENTS ON WESTERLY PORTION OF TAXIWAY T, SOUTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, DIRECTING RETURN OF BID BONDS TO BIDDERS; AND AUTHORIZING A CONTRACT IN THE OPEN MARKET WITHOUT COMPETITIVE BID.”

“RESOLUTION NO. 99384

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

“RESOLUTION NO. 99385

AUTHORIZING EXTENSION OF SPACE USE AGREEMENT FOR PACIFIC BELL.”

“RESOLUTION NO. 99386

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH SPACE AIR SUPPLY, INC.”

“RESOLUTION NO. 99387

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH SPACE AIR SUPPLY, INC.”

“RESOLUTION NO. 99388

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

“RESOLUTION NO. 99389

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

"RESOLUTION NO. 99390

GRANTING SOUTHWEST AIRLINES CO., PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 99391

APPROVING AND AUTHORIZING A PURCHASE OPTION AGREEMENT AND APPROVING THE TERMS OF LEASE TERMINATION AGREEMENT WITH OAKLAND VILLAGE CORPORATION."

"RESOLUTION NO. 99392

APPROVING AND AUTHORIZING AN AGREEMENT WITH TIBURON CAPITAL CORPORATION DOING BUSINESS AS TCC SWAN WAY LLC."

"RESOLUTION NO. 99393

CERTIFYING CONSIDERATION OF INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION FOR THE KIQI/RADIO UNICA TOWER REPLACEMENT PROJECT, FINDING NO SUBSTANTIAL EVIDENCE OF SIGNIFICANT EFFECT ON THE ENVIRONMENT, APPROVING THE MITIGATED NEGATIVE DECLARATION, AND GRANTING KIQI/RADIO UNICA, PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 99394

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH URS GREINER-WOODWARD CLYDE INTERNATIONAL AMERICAS 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. 99395

APPROVING APPLICATION TO THE CARL MOYER PROGRAM FOR GRANT FUNDS FOR THE PURPOSE OF IMPLEMENTING THE TUGBOAT RETROFIT PROJECT, MITIGATION 3.3-3/M3 OF THE VISION 2000 AIR QUALITY MITIGATION PROGRAM."

"RESOLUTION NO. 99396

APPROVING AND AUTHORIZING EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH AC TRANSIT FOR IMPLEMENTING THE AC TRANSIT BUS RETROFIT PROJECT, MITIGATION 3.3-3/M4 OF THE VISION 2000 AIR QUALITY MITIGATION PROGRAM."

“RESOLUTION NO. 99397

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF ADMINISTRATION BUILDING AND MAINTENANCE & REPAIR FACILITY AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA; REJECTING ALL BIDS, DIRECTING RETURN OF BID BONDS TO BIDDERS; AND AUTHORIZING A CONTRACT IN THE OPEN MARKET WITHOUT COMPETITIVE BID.”

“RESOLUTION NO. 99398

FINDING AND DETERMINING THAT A PROPOSED DESIGN CONSULTANT AGREEMENT WITH JOHNNY MILLER DESIGN LIMITED FOR GOLF COURSE DESIGN CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING.”

“RESOLUTION NO. 99399

GRANTING AMERICAN PRESIDENT LINES, LTD., PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99400

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF JOINT INTERMODAL TERMINAL, MIDDLE HARBOR, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99401

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

“RESOLUTION NO. 99402

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH MERIWETHER & WILLIAMS INSURANCE SERVICES CORPORATION, A JOINT VENTURE TOGETHER WITH CLARK BAQUIE & CLARK AND JAMES E. INGRAM & CO. (“MERRIWETHER & WILLIAMS”) FOR A SURETY BOND GUARANTEE PROGRAM CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING.”

“RESOLUTION NO. 99403

APPROVING ADDITIONAL INSURANCE AND COMPENSATION TO FIDELITY AND DEPOSIT OF MARYLAND FOR PORT’S CRIME INSURANCE POLICY.”

“RESOLUTION NO. 99404

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 99405

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH DAVILLIER-SLOAN, 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. 99406

GRANTING BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99407

GRANTING ASTRO-AIRE ENTERPRISES, PERMISSION TO PERFORM CERTAIN WORK.”

Port Ordinance No. 3537 being, “AN ORDINANCE MAKING CERTAIN FINDINGS AND DETERMINATIONS IN SUPPORT OF, AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH CITY OF AMERICAN CANYON, FOR THE PORT OF OAKLAND’S SALE OF AN APPROXIMATELY 453.34 ACRE PARCEL OF LAND LOCATED IN NAPA COUNTY,” and Port Ordinance No. 3538 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A LICENSE AND CONCESSION AGREEMENT WITH ELLER MEDIA COMPANY,” and Port Ordinance No. 3539 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 2833 INCREASING TARIFF NO. 2-A RATES FOR DOCKAGE, WHARFAGE, WHARF STORAGE AND WHARF DEMURRAGE AND ADDING NEW CRANE X-433 TO TARIFF NO. 2-A,” and Port Ordinance No. 3540 being, “AN ORDINANCE APPROVING ADDITIONAL COMPENSATION AND BENEFITS TO HARBOR FACILITIES MAINTENANCE MANAGER,” and Port Ordinance No. 3541 being, “AN ORDINANCE AMENDING SECTION 5.03, 9.10, AND 9.01 OF PORT ORDINANCE NO. 867 ADDING ADDITIONAL POSITIONS WITHIN EXISTING PORT CLASSIFICATIONS,” were read a second time and passed by the following vote:

Ayes: Commissioners Harris, Kiang, Neal
and President Loh - 4

Noes: None

Absent: Commissioners Kramer, Taylor and Uribe - 3

Port Ordinance No. ____ being, "AN ORDINANCE ESTABLISHING RULES AND REGULATIONS FOR THE CONDUCT OF TAXICAB OPERATIONS AT THE METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, AND FOR THE PROTECTION OF PERSONS AND PROPERTY; AND PRESCRIBING PENALTIES," and Port Ordinance No. ____ being, "AN ORDINANCE CERTIFYING CONSIDERATION OF INITIAL STUDY AND FINAL MITIGATED NEGATIVE DECLARATION FOR THE CONSTRUCTION OF A CORPORATE AIRCRAFT HANGAR, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, FINDING NO SUBSTANTIAL EVIDENCE OF SIGNIFICANT EFFECT ON THE ENVIRONMENT AND APPROVING THE MITIGATED NEGATIVE DECLARATION AND AUTHORIZING EXECUTION OF A GROUND LEASE WITH BAYAIRE, INC. AND JOHN ROTH FOR CONSTRUCTION OF A CORPORATE AIRCRAFT HANGAR (7801 EARHART ROAD)," and Port Ordinance No. ____ being, "AN ORDINANCE AUTHORIZING, APPROVING AND EXECUTING A LEASE SUPPLEMENT WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION," Port Ordinance No. ____ being, "AN ORDINANCE AUTHORIZING AND APPROVING THE EXECUTION OF TERMINAL USE AGREEMENT WITH ITALIA LINE," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTIONS 2.05 AND 10.014 OF PORT ORDINANCE NO. 867 AND CREATING A NEW POSITION," were read a first time and passed to print by the following vote:

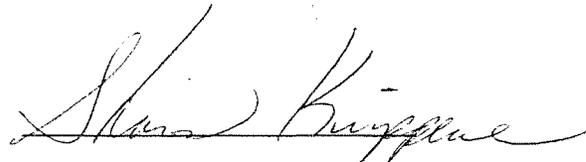
Ayes: Commissioners Harris, Kiang, Neal
and President Loh - 4

Noes: None

Absent: Commissioners Kramer, Taylor and Uribe - 3

At the hour of 5:15 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, (Subdivision (a) of Section 54956.9): City of Oakland v. Pacific Gas & Electric Company, et al., Alameda County Superior Court Case No. 800131-7, Port of Oakland v. Steam Valve Machine Company, et al., Alameda County Superior Court Case No. 722704-0; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 3 cases; conference with real property negotiator, as provided under Government Section 54956.8, under negotiation, property –Oakland Portside Associates, 100 Embarcadero, , Oakland, CA, negotiating parties – Port and Oakland Portside Associates, under negotiations – price and terms of payment, property – Restaurant Building, 2 Broadway, Oakland, CA, negotiating parties – Port and Scotts Seafood Grill, under negotiation – price and terms of payment, property – Oakland Army Base, negotiating parties – Port of Oakland and OBRA, under negotiation – price and terms of payment, property – Galbraith Golf Course, negotiating parties – City and Port of Oakland, under negotiation – price and terms of payment; and reconvened in open session at the hour of 6:49 p.m.

At the hour of 6:50 p.m. the meeting was adjourned on a motion duly made and seconded.



Assistant Secretary of the Board

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

The regular meeting scheduled for Tuesday, August 17, 1999, was adjourned by the Secretary of the Board to Tuesday, August 31, 1999, 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, August 31, 1999, at the hour of 3:06 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 Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

The minutes of the regular meeting of July 6, 1999 were approved as submitted and ordered filed.

Approval of Policy Statement for the Airport Development Program was the subject of a memo to the Board from the Director of Aviation notifying the Board of a proposed agreement to be reached with the selected master architect consultant in November 1999, and that conceptual design of the passenger terminal facilities will commence on or before December 1, 1999. In order to insure that the Port staff and the Board are in agreement on the basic values of the program, the values were reviewed with Board members at the Aviation Committee and at the Board meeting levels. An earlier version of the policy statement was developed by Port staff in cooperation with

the Airlines as an appropriate statement of values for the Terminal Expansion Program. The policy statement was made a part of both the Program Manager and the Master Architect solicitations. The policy statement is key to establishing and maintaining the essential values of the program. In response to comments received from Board members, the policy statement has been amended and is now being presented to the Board for formal adoption. The proposed policy statement for the Airport Development Program is as follows. The Port intends to reconstruct the passenger terminal facilities at Oakland International Airport to serve as a major gateway to Oakland and the East Bay and North Bay Regions, with a cost conscious approach, to provide convenient, cost effective facilities with the realization that the theme of the terminal complex should reflect the diversity of the communities served. The complex will be designed to be aesthetically attractive and should present the user with a series of interesting and unique experiences. The use of art in the construction of the complex will be priority. This terminal complex shall be functional, constructable and maintainable for all users and shall be appropriate to handle the increasing passenger traffic through the initial years of the 21st century. The Airport acknowledges itself as a "best value" airport and such, these facilities must be built in compliance with the established budget using an open process where information is shared by all. During construction, existing Airport operations must be maintained with only the most necessary service disruptions. To the greatest extent economically possible, commercial opportunities for local businesses will be maximized, consistent with Port Policies throughout all aspects of the Program. Adherence to the above will create a safe, cost effective and secure terminal complex that provides the maximum in customer services to the users of the Airport. It was recommended that the Board adopt the policy statement to serve as a guide to maintain the essential values of the Airport Development Program. The recommendation was approved on passage of Resolution No. 99343.

Approval of Consultant Agreement with Unison Consulting Group for Retail Concessions Consulting Services, South Airport, MOIA was the subject of a memo to the Board from the Director of Aviation recommending that the Board approve and authorize the Executive Director to sign a consultant agreement with Unison Consulting Group, Inc. to provide expertise

related to the Airport's retail concessions to be developed with the Airport Terminal Expansion (TEX) Program. The Airport terminal expansion offers opportunities to expand and enhance retail concessions. Some airports have retail concession programs that contribute significant revenue to the airport; these airports have used retail consultant expertise to help establish policies for the retail concessions as well as appropriately size the retail and support space. Use of the consultant expertise can enhance the chances for success of local entrepreneurs in developing business in an airport environment. Unison is a national firm with extensive airport retail concession experience. Unison has teamed with Avila & Tom Architects, an Oakland MBE firm with experience with nationally branded retailers. The proposed scope of work is narrowly focused on planning the airport retail concessions program in the initial stages of the Airport Terminal Expansion. Specifically, the proposed scope of work for the consultant includes: establishing general policies for the Airport retail concessions program; establishing base line information about the Airport's existing retail concessions program; determining the preliminary programming parameters, including space requirements, allocation among concessions categories (i.e. food & beverage and retail merchandise) and general blocking of the concessions area within the terminal expansion area; and establishing the preliminary development costs of the concessions program including an allocation of the costs between concessionaires and the Airport. The estimated cost of services is \$175,000.00; and the Executive Director would be authorized to approve up to an additional \$25,000.00 for potential changes in scope, for a total amount not to exceed \$200,000.00. The recommendation was approved on passage of Resolution No. 99344.

Ordinance Approving Land Sale for Approximately 453 Acres of Land to City of American Canyon, Napa County was the subject of a memo to the Board from the Director of Aviation recommending that the Board approve the sale of several parcels of land totaling approximately 453.34 acres to the City of American Canyon (City), Napa County for \$1.4 million. The Port acquired these subject parcels for \$980,336.00 in September 1986. The parcels are located along the eastern side of the Napa River, between American Canyon Road and Eucalyptus Drive, immediately adjacent to the City. Breaches in the State's levies along the Napa River in August 31, 1999

1992 and 1998 resulted in breaches to the dikes bordering the subject property; almost 70% of the subject property now is under tidal influence of the Napa River – in effect, a seasonal and tidal wetlands area. The original acquisition intent was to use the land for wetland mitigation purposes at the Airport. However, before any mitigation uses could be approved, the Army Corps of Engineers modified and enhanced its criteria for substitute mitigation properties, rendering the subject land almost useless as mitigation property. In 1997, Port staff proposed the sale of the property to the City. Subsequently, the Port and the City each independently contracted for appraisal valuations, resulting in a City valuation of \$800,000.00, and a Port valuation of \$1.8 million. In 1998, Port staff assisted City staff and consultants in preparing and securing a CalFed grant for purchase of the subject property by the City for \$1.4 million. The CalFed grant was approved in late 1998, contingent on preparation of two additional appraisals confirming the land's valuation. The City secured and received two appraisals of the subject property in Spring 1999. Valuations at this time now were estimated \$1.58 million (by Hamilton, Ricci & Associates) and \$2.07 million (by Arthur Gimmy International). Following acquisition of the property, the City through its consultants will restore the property to seasonal and tidal wetlands, as may be required by the Regional Board and other entities with jurisdictional wetlands authority. After the properties are restored to wetlands, the City then will transfer most of the subject property in fee simple to State Department of Fish and Gam with an appropriate endowment fund for perpetual maintenance. The City is pursuing additional CalFed grants for this effort. However, the City intends to retain as much as 30% of the subject property for indeterminate future uses. The property's valuation increased substantially between 1998 and 1999; accordingly, it was proposed that should the City lease, sell or otherwise transfer the subject property to any entity other than State Fish and Game, the City of American Canyon would share equally with the Port of Oakland any transfer proceeds. It was recommended that the Board authorize the sale for \$1,400,000.00 of four parcels of land (totaling approximately 453.34 acres) to the City of American Canyon; and authorizing the Executive Director to enter into a land sale agreement with the City for such amount and in a form

and manner as is provided by the Port Attorney consistent with this agreement. The recommendation was approved on passage of an ordinance to print.

Approval of Shortlisted Consultants and Authorization to Commence Negotiation of a Consultant Agreement for Rental Car Concession Consulting Services, MOIA, North and South Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that the staff has identified the need to retain consultants for providing rental car concession consulting services related to the Terminal Expansion Program. The majority of work would be business consulting services to help determine what rental car facilities will be built, how and who pays for the facilities, as well as how the rental car concessionaires will operate at the Airport. A minority of work is architectural and engineering services to support and implement the Port's business terms for rental car operations during and after the Terminal Expansion Program. The consultant would provide liaison services with the Rental Car concessionaires during the development of temporary facilities where the rental car companies will operate until the new parking garage is completed, and long-term facilities in the new parking garage; provide planning and funding expertise and project oversight while the rental car companies build the temporary rental car facilities they will occupy until the garage is operational; and provide planning and funding expertise and project oversight for long term rental car facilities, which the Port would develop with the new parking garage. Two consultant teams were shortlisted as follows: John F. Brown Company with Hansen/MuraKami/Eshima (JFB-HME); and Aergo Aviation Partners with Y.H. Lee Associates and SI Partners (AERO-YHL-SI). On June 18, 1999, the shortlisted consultants were interviewed. After the interviews, the consultants were ranked as follows: JFB-HME; and AERGO-YHL-SI. The JFB-HME team demonstrated a management strategy serving both the Port's goals for the rental car concessions and the rental car industry's need for structured communications among the companies and with the Port. Their proposals was the cost-effective in that the average hourly billing rate was significantly less than the AERGO-YHI-SI ranked team. Since two acceptable proposals were received and the interview process confirmed the suitability of the two teams, it is not recommended that the proposals be rejected. Staff proposes to commence

negotiations for a consultant agreement with JFB-HME ranked team. In the event the negotiations are not successful with the JFB-HME ranked team, those negotiations would be terminated and negotiations would be terminated and negotiations would commence with AERGO-YHL-S1 ranked team. It is anticipated that the work scope and terms of the consultant agreement be negotiated for an amount less than \$1,000,000.00. It is estimated that the contract amount would be approximately \$200,000.00 to \$250,000.00 per year over a 4 to 5-year period. It was recommended that the Board authorize negotiations and the preparation of an agreement with the selected consultant team; and present the negotiated agreement to Board for approval upon completion of the negotiation process. The recommendation was approved on passage of Resolution No. 99345.

Ordinance Approving License for Maintenance and Operation of Bay Bridge Billboard to Eller Media Company was the subject of a memo to the Board from the Director of Aviation recommending that the Board approve a five year License and Concession Agreement with Eller Media Company for maintenance and operation of the Port's Bay Bridge billboard, presently located on the southerly side of the roadway near the toll plaza. Eller has no existing written agreement. The Port owns the land and the billboard. This would approve the issuance of a building permit. Staff has proposed to Eller that it enhance the existing billboard with a pair of "tri-vision" type billboards, one facing each way. This would enable the simultaneous display of six messages, rather than the current two. Tri-vision billboards rotate every 3-7 seconds displaying different message in sequence. In addition, it is proposed that Eller acquire advertising rights on one of the three "tri-visions" on each side. In exchange, Eller would change our remaining four airport/airline and public service announcements (PSA) every two months, each at no cost to the Port. Presently, this costs the Port (or the City of Oakland agency now using the easterly facing side) from \$4-5,000.00 for each message change, which usually occurs every 60 days. Eller would invest approximately \$200,000.00 in making the conversion to "tri-vision." In exchange, Eller would retain all income generated from its commercial sales (two of six sides) for 30 months. Thereafter, Eller would pay the Port fifty percent of gross receipts generated from all commercial sales, less agency commissions. It was recommended that the Board authorize the Executive

Director to enter into a License with Eller Media Company for the maintenance and operation of the Bay Bridge billboard under a single five year term with a single five year mutual option to extend the term and approve the issuance of the appropriate building permit. The recommendation was approved on passage of an ordinance to print.

Budget Car and Truck Rental Invoice Payment was the subject of a memo to the Board from the Director of Aviation notifying the Board that the ten Compressed Natural Gas (CNG) mini-buses that the Aviation Division inherited at the conclusion of the Airport Shuttle bus contract on January 31, 1999, had exhausted their useful life. In order to continue providing shuttle bus service to the Airport's passengers from the parking lots to the terminal complex these buses were kept in service with on going maintenance. By November of 1998, the CNG buses started breaking down a pace higher than they could be repaired. As a result, the number of buses that were available in safe operating conditions were less than what was needed to meet operating needs. The delivery of the new transit type buses that were ordered to replace the CNG buses was not until the end of March 1999. In an effort to maintain the minimum number of buses in the fleet to meet service needs, a decision was made to rent three vans from Budget Car and Truck Rental (Budget). These vans were rented from November 1998 through December 1998. The vans, however, did not meet passenger comfort and safety needs. Budget was contacted and they suggested that the vans could be replaced with mini-buses on the same rental agreement. As of January 1, 1999, the vans were returned and replaced with three mini-buses from Budget. To repair the CNG buses and make them road worthy to meet all DOT regulations would be expensive. With the brand-new Transit type buses to be delivered by March 1999, it was not fiscally sound to spend a lot of money to fix the CNG buses. As a consequence, the mini-bus rental from Budget was extended through March 1999. The rental cost exceeded the \$50,000.00 purchase order by \$27,773.00. It was recommended that the Board suspend the requirement for competitive bidding and authorize the Executive Director to pay \$77,773.92 to Budget Car and Rental for the rental amount in excess of the bid limit. The recommendation was approved on passage of Resolution No. 99347.

Award of Building Permit Application to Construct a Prefabricated Building at Building L-553 was the subject of a memo to the Board from the Director of Engineering notifying the Board that Artisan Manufacturing Company has submitted a building permit application to construct a prefabricated building at 8430 Earhart Road. Artisan will move from their current location at 1070 Wright, North Airport, at the request of the Port. The proposed work will include construction of a concrete slab foundation; installation of new metal building, approximately 80 feet by 50 feet; construction of interior improvements to add partition walls, plumbing, electrical, HVAC, and finish materials; construction of site improvements, including paving and striping, driveway to Earhart Road, and landscaping; installation of electrical meter and other equipment to connect to the existing power substation; and installation of fencing along side and rear property boundaries. The estimated value of the work is \$300,000.00. It was recommended that the Board approve the building permit application. The recommendation was approved on passage of Resolution No. 99348.

Recommendation to Approve Modification of Airport Development Program Wetlands Mitigation Measure was the subject of a memo to the Board from the Director of Engineering notifying the Board that in December 1997, the Board approved the Airport Development Program (ADP) and certified the Environmental Impact Report (EIR). In June 1999, the Board again approved the ADP and certified a Supplement to the EIR. The EIR analyzed the impacts to filling 7.76 acres of wetlands as a result of the ADP construction. The EIR also analyzed a package to mitigate 7.76 acres of wetlands fill with the creation of 11.83 acres of new wetlands at the Central Basin, across San Leandro Bay adjacent to Damon Slough, and at the former EZBH FAA radio tower site. In November 1998, the Port filed an application with the U.S. Army Corps of Engineers (Corps) to obtain a permit to fill wetlands as part of the ADP construction. The permit application included a description of the proposed wetlands as part of the ADP construction. The permit application included a description of the proposed wetlands fill and mitigation that was analyzed in the EIR. As part of the public notice and comment on this application, the San Francisco Bay Regional Water Quality Control Board (RWQCB)

recommended modifying the mitigation proposed in the application and analyzed in the ADP EIR to avoid mitigation in the Oakland International Airport's Central Basin. The Port has proposed modifying the wetlands mitigation package to substitute an addition to the Oro Loma Marsh in San Lorenzo for the original mitigation proposal analyzed in the ADP EIR. The proposed Oro Loma mitigation would restore historic Baylands that have been filled and used for farming and other light industrial purposes, and would preserve in perpetuity 18.17 acres of created and enhanced wetlands and habitat. This substitution is analyzed in an addendum to the ADP EIR. The Oro Loma mitigation differs from the original wetland mitigation plan in the following ways: it would enhance wetland values at an off-airport mitigation site and adjacent to an existing preserve; it would increase net wetland acreage and quality above what was originally proposed; and it would preserve in perpetuity habitat for the endangered Salt Marsh Harvest Mouse, a species not impacted by the ADP. It was recommended that the Board approve substitution of mitigation at Oro Loma for impacts to wetlands documented in the ADP EIR. The 18.17-acre Oro Loma wetlands restoration site would be substituted for the original wetlands mitigation proposed at the Central Basin, across San Leandro Bay adjacent to Damon Slough, and at the former EZBH FAA radio tower site. The recommendation was approved on passage of Resolution No. 99349.

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 recommending that the Board authorize the renewal of the Potomac's Hull and Liability Policy and Pollution Policy for a premium of \$41,723.75. The recommendation was approved on passage of Resolution No. 99350.

Proposed 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 California Association of Port Authorities (CAPA) has proposed a general rate increase for all public port terminal tariffs. The adjustment to tariff rates was carefully evaluated in light of maritime capital spending projects, required return on investment and the inflation rate as tracked by the Consumer Price Index (CPI). The CAPA proposal is for the major non-operating landlord ports to implement a 10% average

increase to rates for vessel dockage, containerized wharfage, wharf storage and wharf demurrage, with certain exceptions. The majority of maritime revenues are generated from wharfage which is the charge assessed cargo conveyed over any wharf premises. Oakland's wharfage rates for non-containerized automobiles, commercial vehicles and building modules will also be subject to the increase. Tariff adjustments help provide needed additional revenue in order to preserve marine terminal asset values at market levels. However, historically, the Port has been unable to consistently increase its tariff on a regular schedule due to market conditions and competition from other West Coast ports. The general increase to tariff rates represents the first major adjustment to containerized wharfage rates since 1992 for the Port of Los Angeles. The ports of Long Beach and Oakland have not increased containerized wharfage rates since 1994 and 1995, respectively. The increase is also needed because rates have not kept pace with capital spending required to provide adequate maritime facilities and infrastructure to accommodate growth in cargo volumes as well as the terminal needs of the large shipping line alliances. During the next five years the Port's Vision 2000 Program will require \$700 million dollars for new marine terminals, a near dock rail facility, ten new container cranes, road realignments and other significant infrastructure improvements throughout the entire marine terminal complex. Port maritime staff analysis shows that since 1980 Oakland's tariff wharfage for the Cargo, NOS rate assessed general merchandise has averaged a modest annual growth rate of approximately 2.7% annually while the Bay Area's inflation rate as measured by the CPI has grown at an annual rate of slightly more than 4.1%. It was recommended that the Board approve the rate adjustments in the Port of Oakland Tariff 2-A, effective October 22, 1999. The recommendation was approved on passage of an ordinance to print.

Approval of Professional Services Agreement for Preparation of Business Management Alternative Study for Middle Harbor Shoreline Park was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port's Vision 2000 program includes public access component known as Middle Harbor Shoreline Park (MHSP). On March 16, 1999, the Board approved the projects goals and master plan for MHSP. A component of the master plan will be a study of management alternatives which will recommend a strategy for

operation and management of the park and will also recommend a funding strategy for the park. The on-going success of MHSP will be determined by the ability to fund and maintain operations. Because of the size of this park, nearly 33 acres, it is imperative that the Port study the various alternatives for management and funding. Requests for Proposals for the project were sent out to 40 identified firms and three proposals were received. Based upon the project teams oral presentations, qualifications, and relevant experience of the firm as well as key project personnel, project team's technical abilities, project management abilities and evidence of compliance with the Port's Non-Discrimination and Small Local Business Utilization Policy it was determined that Bay Area Economics (BAE) is the most qualified firm for this work. BAE presented a single team with an extensive history of working together. They had an impressive understanding of the community and extensive knowledge of community funding sources. They have conducted analysis of other relevant projects, including waterfront and park projects and therefore they have an excellent grasp of the issues and potential obstacles facing Middle Harbor Shoreline Park. An estimated cost of \$60,000.00 to \$70,000.00 was presented in the proposal with a nine-month schedule to complete the job. Assuming that BAE commences its work by the end of September 1999, completion of the study and recommendation to the Board should be ready by June 2000. It is estimated the amount of the agreement will not exceed \$70,000.00 and it is requested that the Executive Director be authorized to approve up to an additional \$17,500.00 for potential changes in scope. It was recommended that the Board authorize the Executive Director to prepare and execute an agreement with Bay Area Economics to perform a Business Management Alternative Study for the Middle Harbor Shoreline Park. The recommendation was approved on passage of Resolution No. 99351.

Approval to Enter into Agreements with Seven Consultants Selected to Provide Engineering Design Services for the Wharf and Embankment Strengthening Program

(WESP) was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Wharf and Embankment Strengthening Program (WESP) is a structural improvement plan for specified harbor terminals driven by two vital initiatives, the -50ft Federal Dredging Plan and to investigate and implement, as appropriate, seismic risk reduction

improvements. In conjunction with the proposed -50ft Federal Dredging Plan, which will deepen both the Inner and Outer Harbor federal channels to -50ft MLLW nominally, the Port will deepen certain existing berths. The berths identified to be deepened are Berths 23-26, 30, 35-37, 60-63 and 67-69. Prior to the berth deepening, professional services are necessary to conduct a series of analyses and perform the design for structural improvements to each of the wharf and embankment systems. These analyses include a determination of the structural capacity of each existing system before berth deepening; the structural capacity of each existing system after berth deepening; and the analysis and design of improvements necessary to, at a minimum, maintain similar structural capacity as currently exists prior to berth deepening. Additionally, seismic risk reduction planning will be utilized at selected terminals to determine the acceptable level of "seismic risk reduction" improvements appropriate for specific waterfront components. Upon selecting the appropriate series of structural improvements for each of the identified berths, final design and preparation of plans and specifications will be completed to construction the improvements. In order to complete the work prior to the anticipated commencement of the channel and berth deepening, the WESP is structured into four projects, each with a fast-track completion schedule. The analysis, design, and seismic risk reduction planning work will be distributed to four structural engineering consultants, two geotechnical engineering consultants, and one seismic risk reduction planner. It was anticipated that the amount of each agreement will not exceed \$1,500,000.00 for each structural consultant, \$500,000.00 for each geotechnical consultant, and \$250,000.00 for the seismic risk reduction consultant. It was recommended that the Board approve agreements with Seismic Systems and Engineering Consultants/Natural Hazards Management for seismic risk reduction planner; with Harding Lawson Associates/Olivia Chen Consultants for geotechnical consultants; with Parsons Brinckerhoff for structural consultants; with Transystems Corporation/Han-Padron Associates for structural consultants; with URS Greiner Woodward Clyde for geotechnical consultants; with F.E. Jordan Associates, Inc. for structural consultants; and with CH2Mhill for structural consultants. The recommendations were approved on passage of Resolution No. 99370 for Seismic Systems and Engineering Consultants and Natural Hazards Management; Resolution

No. 99371 for Harding Lawson Associates and Olivia Chen Consultants; Resolution No. 99372 for Parson Brinckerhoff; Resolution No. 99373 for Transystems Corporation and Han-Padron Associates; Resolution No. 99374 for Greiner Woodward Clyde; Resolution No. 99375 for F.E. Jordan Associates, Inc.; and Resolution No. 99376 for CH2Mhill.

Approval of Amendment to Existing Lease with the California State Lands Commission for Construction of Berth 59 was the subject of a memo to the Board from the Director of Engineering notifying the Board that various portions of the land and water area in the Port jurisdiction have been granted to the City of Oakland (and subsequently to the Port) by the California State Lands Commission (SLC). Granted lands include upland as well as submerged land. The grants specify land uses that may or may not occur on granted lands. In some locations, the SLC reserves mineral rights on granted lands. Any soil, whether upland or submerged, is considered a "mineral" by the SLC. A mineral right reservation requires that the grantee obtain a lease for any removal of material (i.e. removal of land) and that, if the grantee sells that material to another party (e.g. sand mining), the grantee pay royalty fees to the SLC. The land currently occupied by Berth 60 of the American President Lines (APL) terminal was granted, with mineral rights reservations, to the City of Oakland in 1931. The Port has a lease agreement with the SLC for dredging at Berth 60, which has been renewed regularly since its issuance to allow for ongoing maintenance dredging. To date, the Port has not paid royalties to the SLC for dredging and construction at this location because the Port has not sold the dredged material to another party. Rather, the dredged material has been disposed, at APL's cost, at appropriate dredged material disposal sites. In addition to Berth 60, the 1931 grant included an additional area immediately west of Berth 60. This area covers approximately 20 acres of land and water area along 600 feet of shoreline. As part of the Berths 55-58 Project, the Port proposes to construct a new tugboat facility (Berth 59) on this granted land. Because the construction of Berth 59 will require excavation and dredging, and the SLC reserves mineral rights at this location, the Port must obtain a lease for construction of Berth 59. Specifically, the lease will authorize the Port to dredge and excavate approximately 300,000 cubic yards of material (mud, sand, and soil) on granted land. For future

record-keeping purposes, the SLC has agreed to amend the existing Berth 60 lease to include Berth 59. The lease would be valid through January 31, 2003, at which time it can be renewed to allow for ongoing maintenance dredging at the site. The fee for obtaining a lease amendment from the SLC is a function of the amount of material removal. In this case, the fee is \$825.00, because the Port will not sell any of the excavated material, no royalty fees will be paid to SLC. Once approved, the SLC staff will prepare a lease for the Port's signature. The U.S. Army Corps of Engineers cannot issue a permit for construction of any part of the berths 55-58 project, and the Port cannot commence construction at Berth 59, until a lease is fully executed by the Port and the SLC. It was recommended that the Board approve entering into a lease agreement with the California State Lands Commission, for the construction of Berth 59, allowing the tugboat facility component of the Berths 55-58 Project to be constructed. The recommendation was approved on passage of Resolution No. 99352.

Ratify Addendum and Award of Contract for Demolition of Maritime Street Overpass 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 Evans Brothers, Inc, the low bidder, at \$996,000.00, and ratifying and approving Addendum 1 extending the bid opening date. The recommendation was approved on passage of Resolution No. 99353.

Ratify Addenda and Award of Contract for Construction of Substation SS-D-1 and Two 12.4KV Lines Along Middle Harbor Road, Vision 2000 Program 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 Contra Costa Electric, Inc., the low bidder, at \$1,069,559.00, and ratify and approve Addenda 1 and 2 extending the bid opening date; and incorporate changes in insurance requirements; incorporate a Construction Safety Standards Manual; and clarify electrical installation requirements. The recommendation was approved on passage of Resolution No. 99354.

Rejection of Bid for 1999 Structural Inspection and Repair of ZPMC Crane X-437, Berths 35 and 37, Ben E. Nutter Terminal was the subject of a memo to the Board from the

Director of Engineering notifying the Board of the one bid received at \$80,820.00 and recommending that the bid be rejected as being excessive and the bid bond be returned to Marine Maintenance, Inc. The scope of work of the structural inspection contact is to provide access for the Port's annual Nondestructive Testing (NDT) Agency inspector to inspect the crane. This new crane should require less rigging effort than the older cranes and therefore the price should have been lower. The contractor's bid is significantly above the Engineer's estimate of \$65,000.00. The work of the contract will be completed by the Port's annual NDT inspector using rental equipment to provide access. The recommendation was approved on passage of Resolution No. 99355.

Ratify Change Order for "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 notifying the Board that the Port has a contract with Peak Engineering, Inc., for the removal and disposal of hazardous materials and miscellaneous utility work at Building D-122, which became effective on May 3, 1999, at a lump sum and unit prices totaling \$70,800.00. The work consists of removal and disposal of asbestos-containing material, lead-based paint, lighting ballasts, and miscellaneous utility work. The work is to prepare the building for de-construction by the Youth Employment Partnership. The bids for this work were to be based on the plans, specifications, and "Summary Report: Bulk Asbestos and Lead Based Paint, Fleet Industrial Supply Center, Building 122, Oakland, California." During the removal, 32,685 square feet of asbestos-containing shingles were discovered concealed under the exterior transit skin. This material, which was not included in the bid documents or the Summary Report, was examined by the Port's Environmental Department which determined that it needed to be removed prior to building demolition. In order to keep the work of this contract on schedule, it was necessary to immediately proceed with this work. The additional cost for this work is \$44,614.50. It was recommended that the Board ratify a change order for \$44,614.50 to Peak Engineering, Inc., for removal and disposal of 32,685 square feet of asbestos-containing shingles. The recommendation was approved on passage of Resolution No. 99356.

Recommendation to Authorize a Lease Amendment and a Right of Entry for Property

Investigation with the Union Pacific Railroad Company was the subject of a memo to the Board from the Director of Maritime notifying the Board that in December 1998, the Port purchased a leasehold interest and approximately 8.7 acres of improved land with an office building owned by the Union Pacific Railroad Company (UPRR). The Port leased back all the property to the UPRR. The property is located adjacent to the recently acquired Navy Base. The UPRR is in the process of vacating portions of the office building and in order for the UPRR to continue to vacate their leasehold, additional land is required by UPRR for staging and parking. UPRR has requested that the Port rent approximately 10.4 +/- acres of the former Navy Base to accommodate their short term needs. The Port's construction engineers are in need of a field office to administer the construction of Vision 2000 Program, and the UPRR has agreed to vacate, over several months, portions of the office space on the 8.7 acres leased back from the Port. The amount of space and the timing of UPRR vacating the building are not yet known. The building was rented to the UPRR at \$12.00 per square foot per year. The adjacent 10.4 +/- acres of Port land (former Navy Base) would be rented to UPRR based on a land value of \$9.60 per square foot at a 10% return which would result in a monthly rental of \$36,300.00. The UPRR also owns property at 20th and Wood Streets (former Amtrak Station), which is available for sale. Port ownership of this property may provide maritime development flexibility. In order to further explore this possibility, the UPRR has requested the Port execute a Right of Entry and Confidentiality Agreement. It was recommended that the Board authorize the Executive Director or designee to execute all necessary documents to delete portions of the building area leased to UPRR, rent the adjacent 10.4 +/- acres to UPRR and execute the Right of Entry and Confidentiality Agreement. The recommendation was approved on passage of Resolution No. 99357.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the appointment of Douglas Waring, as Port Internal Auditor; the creation of one position each of Senior Secretary, Plumber, and Port Maintenance Foreman; and authorize additional compensation and benefits to the Harbor Facilities Maintenance Manager which includes

moving and travel expenses and temporary living expenses for three months, not to exceed a total of \$22,500.00, on the condition that the candidate would reimburse the Port if he leaves Port employment within 12 months. The recommendations were approved on passage of Resolution No. 99358 for the appointment; an ordinance to print for additional compensation and benefits to Harbor Facilities Maintenance Manager; and on an ordinance to print for amending and adding additional positions within the existing Port classifications.

Approval of the Additional Letter of Credit for the Port of Oakland Commercial Paper Notes of \$150 Million to Secure the Entire \$300 Million Maximum Amount Authorized and Certain Other Transactions

was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that on September 15, 1998, the Board authorized the issuance of the Port Commercial Paper Notes Series A and Series B for tax-exempt notes, and Series C for taxable notes (Notes) in an aggregate principal amount outstanding at any one time not to exceed \$300 million. The Commercial Paper Program is a means for providing interim financing for the Port's Capital Improvement Program during the construction period. Commercial Paper provides the Port with 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 provides 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 was established with a five-year horizon. Each series of notes will 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 can be refunded by long-term revenue bonds over time. The Notes are issued under the Port of Oakland, California, Commercial Paper Notes Trust Indenture. The Notes are 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 continue to be U.S. Bank Trust National Association, the present trustee for the Port's Revenue Bonds and Commercial

Paper. The Commercial Paper Program is currently backed both as to credit and liquidity by an irrevocable Letter of Credit issued severally by Commerzbank AG and The Bank of Nova Scotia for \$150 million. The Port now has commitments outstanding to almost the full extent of the existing letter of credit in terms of contract awards approved by the Board. As a result, there is now a need to increase the credit enhancement by a further \$150 million to the maximum allowed of \$300 million so that the Port can continue to award contracts for its Capital Improvement Program in compliance with the Port's purchasing ordinance. To accomplish this increase, the Port invited 21 banks to bid on a letter of credit. Three banks or consortiums of banks responded. Two of the three withdrew their bids during negotiations on the reimbursement agreement, leaving the Bank of America as the remaining sole bidder. The Port will enter into a Letter of Credit and Reimbursement Agreement with Bank of America (Bank). The bank is currently in the highest rating category for short-term paper for both Moody's and Standard & Poor's rating agencies. Holders of the Commercial Paper Notes purchase on the basis of the Bank's credit. The Bank's facility fees are .26% (26 basis points) of the stated amount for tax exempt notes and .27% (27 basis points) for taxable notes, payable quarterly. The new notes will be Series D and Series E for tax-exempt notes and Series F for taxable notes. The maturity of a series of notes cannot be greater than 270 days. Upon maturity, however, 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, will continue to serve as the Dealer for the Notes under the 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. Under the Commercial Paper Program, the Board authorized five Designated Representatives in the Port, the Executive Director, the Deputy Executive Director, the Chief

Financial Officer, the Finance Administrative Services II and the Port Senior Accountant, to complete Issuance Requests under the Commercial Paper Trust Indenture. Certain representations, warranties and federal tax certifications of the Board would also be renewed at that time. The authorizing resolution would approve execution of the Supplemental Commercial Paper Trust Indenture, an additional Issuing and Paying Agent Agreement, the Letter of Credit and Reimbursement Agreement and a form of Offering Memorandum which would be supplemented from time to time to reflect updated financial information on the Banks and the Port. In the September 15, 1998 resolution, authorizing the Commercial Paper Program, the Board approved the delegation of authority to the President and Vice Presidents and other Commissioners of the Board as well as staff to sign various closing documents necessary to accomplish the financing. Copies of the documents in substantially final form will be on file with the Secretary of the Board. All agreements at closing will be subject to the approval of the Port Attorney. It was recommended that the Board authorize an additional Letter of Credit of \$150 million to secure the issuance of Port of Oakland Commercial Paper Notes, Series D, Series E and Series F in an amount not to exceed \$300 million in aggregate with Series A, Series B and Series C and related actions in connection therewith. This will include but not limited to approval of and authorizing execution of the Supplemental Commercial Paper Trust Indenture, the Letter of Credit and Reimbursement Agreement, an additional Issuing and Paying Agent Agreement, The Offering Memorandum and other such documents as may be necessary for the issuance of said Notes. The recommendation was approved on passage of Resolution No. 99359.

Approval of the Capital Improvement Award Program and Financing Plan for Fiscal year Ending June 30, 2000 was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Capital Improvement Program is presented both on an award and expenditure basis. The proposed Capital Improvement Award Program for FY 1999/00 is \$470 million. The projected awards for FY 1999-2001 through FY 2002-2004 are \$805 million, for a total five-year Capital Improvement Award Program of \$1.3 billion. From an expenditure basis, the FY 1999-00 Capital Improvement Program is \$334 million, and the five-year expenditure

program is \$1.4 billion. For the five-year Capital Improvement Program, the expected funding sources include bonds backed by Passenger Facility Charges (PFC's) (15%); Port revenue bonds (55%); Port cash (18%); and grants such as PFC Stand-Alone, Airport Improvement Program, Measure B Intermodal Surface Transportation Efficiency Act (ISTEA) and Department of Boating and Waterways (12%). While the Board is approving the overall award amount for FY 1999/00 of \$470 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. Proposed capital improvements are usually reviewed by the appropriate Board Committee at the preliminary design state, and by the full Board prior to authorizing the execution of any contract. The advertising for bids and award of public work contracts both must be approved by Board Resolution. It was recommended that the Board adopt the Capital Improvement Award Program for an amount not to exceed \$470 million for FY 1999-00 and it is further recommended that the Board endorse the five-year Capital Improvement Program for an amount not to exceed \$1.3 billion in awards. The recommendation was approved on passage of Resolution No. 99360.

Approval to Award Contracts to Ricondo & Associates, Inc., and Booz-Allen & Hamilton, Inc. to Update 1996 Feasibility Financial Projects Related to the Port's Upcoming Revenue Bond Issues was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Board approved awarding feasibility study contacts 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. Continuing with these firms will take advantage of their prior knowledge and experience of the Port as well as being efficient and cost effective. Fees for future feasibility study amends or updates are to be negotiated and approved by the Board at the time of such updates. Integral to the success of the Port's next Revenue Bond issue in late 1999 or early 2000 will be assessing the financial feasibility of the Port's ability to finance the Capital Improvement Program. The feasibility studies will be part of the Port's official

statement and will allow use to market our bonds more effectively. Ricondo will again serve as the consultant and complete the Aviation projects and Booz-Allen will perform the study for Maritime. It was recommended that the Board authorize the Executive Director to enter into contracts with Ricondo to be compensated for such services, including costs of miscellaneous reimbursable expenses, at a maximum compensation not to exceed \$163,000.00 (including out-of-pocket expenses); and with Booz-Allen to be compensated for such services, including costs of miscellaneous reimbursable expenses, at a maximum compensation not to exceed \$167,000.00 (including out-of-pocket expenses). Further recommended that the Board authorize the Executive Director to authorize an additional sum of \$15,000.00 for each contract for any additional work that the Port deems necessary. The recommendation was approved on passage of Resolution No. 99361.

New Employee Relocation Expense Reimbursement was the subject of a memo to the Board from the Director of Administration notifying the Board that it has been the practice of the Port in it's effort to recruit new hires from outside of the local area to provide as part of the employment offer reimbursement of reasonable costs associated with relocating to the Bay Area. The specific terms have been structured based on mutual need. To the extent that an employment offer contemplates reimbursement of costs in excess of \$15,000.00, the Board has authorized such expenditures on a case by case basis. In order to expedite the process for filling positions it is requested that the Board authorize the Executive Director to approve reimbursement of costs associated with relocating new hires up to \$45,000.00. The specific amount to be reimbursed will be determined in accordance with the Executive Director's "New Employee Relocation Expenses Policy" as amended from time to time. A copy of the current policy dated August 31, 1999 is on file with the Board. The policy outlines guidelines on the amount and scope of reimbursements, eligibility criteria, approval authority and other requirements. Such a policy will enhance the Port's ability to recruit and hire the most qualified candidates for critical positions at the Port. It was recommended that the Board authorize the Executive Director to reimburse reasonable costs

associated with relocating new hires to the Bay Area up to a maximum of \$45,000.00. The recommendation was approved on passage of Resolution No. 99362.

Approval of FY 1999-2000 Purchase Orders and Status Report on Procurement Card

program was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that it is customary for Purchasing to report annually to the Board at the start of the fiscal year on the utilization of monthly purchase orders and on the status procurement card program. The information is intended to summarize selected procurement activities as they relate to local and W/MBE procurement and our efforts to improve procurement efficiency. Monthly purchase orders are used primarily to facilitate the purchase of routine, small-dollar value maintenance and repair operations supplies and services. They ensure timely availability of frequently used products at competitive prices. Accounts are established with selected vendors based on price, with service, geographic location, product selection and availability as additional factors. For Fiscal year 1998-1999 local vendors (Alameda and Contra Costa Counties) comprised approximately 80% of monthly purchase orders with Oakland-based vendors accounting for 60%. In addition, MBEs and WBEs represent approximately 35% and 8%. The products and services covered by monthly purchase orders are highly diverse, reflecting the broad range of maintenance and support activities undertaken by Port staff. These include: copiers, equipment rental, electrical supplies and services, janitorial supplies and services, landscaping supplies and services, maintenance supplies and services, office supplies, technical printing and utilities. The Port will spend approximately \$2,000,000.00 with the monthly vendors. A complete list of the vendors who supply the Port under the monthly purchase order is on file with the Secretary of the Board. An on-going objective of Purchasing is to streamline the procurement process by reducing paperwork related to order placement and related vendor payments. The procurement card is one such project. The procurement card program was started in 1998 and includes the participation of approximately 50 Port employees. By using the cards, several steps in the procurement and vendor payment process are eliminated or significantly reduced. The Port average 500 transactions per month, with annual expenditures of approximately \$2,000,000.00. Industry benchmarking studies have established that

procurement cards constitute best practice in terms of efficiency and transaction costs. It was recommended that the Board approve the monthly purchase orders for FY 1999-2000 and in each case waive competitive bidding requirements for monthly purchase orders and utilities as specified in the list on file with the Secretary of the Board. The recommendation was approved on passage of Resolution 99363.

Travel Authorization was the subject of a memo to the Board from the Secretary of the Board recommending ratification for the travel of Commissioner Becky Taylor and Maritime Marketing Manager, Dan Westerlin, to Fukuoka, Japan to participate in the 100th Anniversary Celebration of the Port of Hakata, on or about the period August 1 to August 6, 1999. Also recommended the travel of Commissioners John Loh, Robert Harris, Frank Kiang, David Kramer, Becky Taylor, Executive Director, Charles Foster and Director of Aviation, Steve Grossman, to ACI World Council in Geneva, Switzerland, on or about the period September 8 to September 18, 1999; and further recommended the travel of George Turner, Manager, Aviation Marketing and Communications, to cities in Europe to visit European carriers serving Oakland, to attend the ACI World Conference and the ASU Routes Conference in Room, on or about the period September 10 to September 24, 1999. The recommendation was approved on passage of Resolution No. 99364.

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. 99343

ADOPTING POLICY STATEMENT FOR THE AIRPORT DEVELOPMENT PROGRAM.”

“RESOLUTION NO. 99344

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

“RESOLUTION NO. 99345

AUTHORIZING EXECUTION OF CERTAIN AGREEMENT WITH THE UNITED STATES DEPARTMENT OF AGRICULTURE WILDLIFE SERVICES.”

“RESOLUTION NO. 99346

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH JOHN F. BROWN COMPANY OR AERGO AVIATION PARTNERS FOR RENTAL CAR CONCESSION CONSULTING SERVICE CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING.”

“RESOLUTION NO. 99347

AUTHORIZING PAYMENT TO BUDGET CAR AND TRUCK RENTAL, DISPENSING WITH COMPETITIVE BIDDING.”

“RESOLUTION NO. 99348

GRANTING ARTISAN MANUFACTURING COMPANY PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99349

CERTIFYING REVIEW AND CONSIDERATION OF ADDENDUM TO ENVIRONMENTAL IMPACT REPORT FOR AIRPORT DEVELOPMENT PROGRAM, MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING CHANGES TO THE WETLANDS MITIGATION PROVISIONS FOR THE AIRPORT DEVELOPMENT PROGRAM, ADOPTING OPTIONAL WETLAND MITIGATION MEASURE AND ADOPTING MODIFICATIONS TO MITIGATION MONITORING AND REPORTING REQUIREMENTS.”

“RESOLUTION NO. 99350

APPROVING AND AUTHORIZING RENEWAL OF HULL AND MACHINERY AND PROTECTION AND INDEMNITY INSURANCE FOR U.S.S. POTOMAC.”

“RESOLUTION NO. 99351

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

“RESOLUTION NO. 99352

APPROVING AND AUTHORIZING EXECUTION OF AN AMENDMENT TO LEASE WITH STATES LANDS COMMISSION.”

“RESOLUTION NO. 99353

RATIFYING AND APPROVING ADDENDUM 1 TO PLANS AND SPECIFICATIONS FOR DEMOLITION OF MARITIME STREET OVERPASS, OAKLAND, CALIFORNIA EXTENDING DATE SET FOR RECEIVING BIDS THEREFOR; AND AWARDING CONTRACT TO EVANS BROTHERS, INC., FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99354

RATIFYING AND APPROVING ADDENDA 1 AND 2 TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF SUBSTATION SS-D-1 AND TWO 12.47VK LINES ALONG MIDDLE HARBOR ROAD, VISION 2000 PROGRAM, OAKLAND, CALIFORNIA, REJECTING ALL BIDS, DIRECTING RETURN OF BID BONDS TO BIDDERS; AND AUTHORIZING A CONTRACT IN THE OPEN MARKET WITHOUT COMPETITIVE BID.”

“RESOLUTION NO. 99355

REJECTING BID OF MARINE MAINTENANCE, INC., FOR 1999 STRUCTURAL INSPECTION AND REPAIR OF ZPMC CRANE X437, BERTHS 35 AND 37, BEN E. NUTTER TERMINAL, OAKLAND, CALIFORNIA, AND DIRECTING RETURN OF BID BOND TO BIDDER.”

“RESOLUTION NO. 99356

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH PEAK ENGINEERING, INC., FOR REMOVAL AND DISPOSAL OF HAZARDOUS MATERIALS AND MISCELLANEOUS UTILITY WORK AT BUILDING D-122, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 99357

APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT TO LEASE WITH UNION PACIFIC RAILROAD COMPANY AND APPROVING AND AUTHORIZING A RIGHT OF ENTRY AND CONFIDENTIALITY AGREEMENT.”

“RESOLUTION NO. 99358

CONCERNING CERTAIN APPOINTMENT.”

“RESOLUTION NO. 99359

AUTHORIZING THE ISSUANCE OF PORT OF OAKLAND COMMERCIAL PAPER NOTES, SERIES D, SERIES E AND SERIES F AND BANK NOTES IN AN AMOUNT NOT TO EXCEED \$150,000,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A TRUST INDENTURE PURSUANT TO WHICH SUCH NOTES ARE TO BE ISSUED; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION WITH THE SECURITY OF SUCH NOTES; AND AUTHORIZING CERTAIN OTHER ACTIONS.”

“RESOLUTION NO. 99360

APPROVING THE CAPITAL IMPROVEMENT AWARD PROGRAM FOR FISCAL YEAR 1999-2000 AND ENDORSING A FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM.”

“RESOLUTION NO. 99361

FINDING AND DETERMINING THAT PROPOSED AGREEMENTS WITH RICONDO & ASSOCIATES AND 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 AGREEMENTS.”

“RESOLUTION NO. 99362

AUTHORIZING AND APPROVING NEW EMPLOYEE RELOCATION EXPENSES POLICY.”

“RESOLUTION NO. 99363

APPROVING PURCHASE ORDERS DISPENSING WITH COMPETITIVE BIDDING.”

“RESOLUTION NO. 99364

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 99365

GRANTING AIR TERMINAL SERVICES, INCORPORATED, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99366

GRANTING HILTON HOTELS CORPORATION, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99367

GRANTING NEXTLINK CALIFORNIA, INC. PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99368

GRANTING CIVIL AIR PATROL, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99369

GRANTING AMERICAN PRESIDENT LINES, 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. 99370

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH SEISMIC SYSTEMS AND ENGINEERING CONSULTANTS AND NATURAL HAZARDS MANAGEMENT, JOINTLY, FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 99371

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH HARDING LAWSON ASSOCIATES AND OLIVIA CHEN CONSULTANTS, JOINTLY, FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 99372

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

“RESOLUTION NO. 99373

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH TRANSYSTEMS CORPORATION AND HAN-PADRON ASSOCIATES, JOINTLY, FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 99374

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

“RESOLUTION NO. 99375

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH F.E. JORDAN 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. 99376

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CH2MHILL FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

Port Ordinance No. 3533 being, “AN ORDINANCE REPEALING SECTION 1 (IN PART) OF PORT ORDINANCE NO. 3495 AND AMENDING PORT ORDINANCE NO. 1149,” and Port Ordinance No. 3534 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF LEASES WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION,” and Port Ordinance No. 3535 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE AGREEMENT WITH HAWK PACIFIC CORPORATION,” and Port Ordinance No. 3536 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING ADDITIONAL POSITION OF MARITIME PROJECTS ASSISTANT-TRAFFIC REPRESENTATIVE I,” 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 MAKING CERTAIN FINDINGS AND DETERMINATIONS IN SUPPORT OF, AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH CITY OF AMERICAN CANYON, FOR THE PORT OF OAKLAND’S SALE OF AN APPROXIMATELY 453.34 ACRE PARCEL OF LAND LOCATED IN NAPA COUNTY,” and Port Ordinance No. ____ being, “AN

ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A LICENSE AND CONCESSION AGREEMENT WITH ELLER MEDIA COMPANY,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 2833 INCREASING TARIFF NO. 2-A RATES FOR DOCKAGE, WHARFAGE, WHARF STORAGE AND WHARF DEMURRAGE AND ADDING NEW CRANE X-433 TO TARIFF NO. 2-A.” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING ADDITIONAL COMPENSATION AND BENEFITS TO HARBOR FACILITIES MAINTENANCE MANAGER,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 5.03, 9.10, AND 9.01 OF PORT ORDINANCE NO. 867 ADDING ADDITIONAL POSITIONS WITHIN EXISTING PORT CLASSIFICATIONS,” 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 5:20 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, (Subdivision (a) of Section 54956.9): City of Oakland v. Pacific Gas & Electric Company, et al., Alameda County Superior Court Case No. 800131-7; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 4 cases; conference with real property negotiator, as provided under Government Section 54956.8, under negotiation, property – 7 acres of vacant land on Hegenberger, negotiating parties – West Coast Novelty Corporation, under negotiation – price and terms of payment, property – 2.5 acres of vacant land on Hegenberger, negotiating parties – Vijay Patel, under negotiation – price and terms of payment, property – Oakland Portside Associates, 100 Embarcadero, , Oakland, CA, negotiating parties – Port and Oakland Portside Associates, under negotiations – price and terms of payment; public employee appointment – Port Internal Auditor; and reconvened in open session at the hour of 7:15 p.m.

At the hour of 7:18 p.m. the meeting was adjourned on a motion duly made and seconded.

A handwritten signature in cursive script, appearing to read "Christa C. Reynolds", 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 20, 1999, at the hour of 3:05 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 Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

The minutes of June 1, 1999 were approved as submitted an ordered filed.

Approval of Agreement with AT & T Corporation to Provide Telecommunications Infrastructure and Service to the Oakland International Airport was the subject of a memo to the Board from the Director of Engineering notifying the Board relocation of the existing utilities is required as part of the construction of the Airport Roadway Project (ARP). One of the utilities requiring relocation is the telephone system infrastructure which is located in the median of Airport Drive. The infrastructure consists of conduits and copper wires which are over forty years old. The contract for replacement of the telephone infrastructure includes planning, designing, constructing, and executing a service and maintenance agreement. The existing telephone conduits and wires must be relocated by November 2000 to accommodate the ARP construction schedule. Staff has reviewed the future telecommunications needs of the Airport and has determined that the Port should take this opportunity to install a new fiber optic-based communication system that is expandable in capacity and technology, and is capable of providing reliable service to meet the requirements of the Airport. In April a recommendation was made to and approved by the Board to

utilize TEECOM Design Group as the telecommunications consultant to provide engineering services in the preparation and selection of a telecommunications service provider. Two Request for Proposals (RFPs) were received for telecommunication service providers with offices in the Bay Area, and based on the qualifications, proposals, and cost to the Port, it was recommended that AT&T be retained to provide the telecommunication infrastructure and services. Under the proposed agreement, the Port will pay for the installation of switching system equipment (PBX), switching system network costs and connectivity of existing telephone systems in Port and tenant areas. Airport Properties staff is in the process of drafting an easement between AT&T and the Port for the proprietary fiber optic infrastructure (Sonet ring) which will be owned, operated and maintained by AT&T. The Port reserves the right to purchase the network at an agreed upon salvage value at the end of the service period. The amount of the proposed agreement will not exceed \$1,18,559.00 for the basic proposed 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 \$250,000.00 for potential changes in scope and to cover some of the optional features and services for which a proposal was requested. Also the proposed agreement contains provisions for network maintenance at an average annual cost of \$94,648.00, which will begin upon completion and acceptance of the first phase of the network. The recommendation was approved on passage of Resolution No. 99299.

Approval of Consultant Agreement with LSA Associates for the Preparation of Plans and Environmental Documentation for the Airport Development Program Mitigation Sites at

Damon Slough and EZBH was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port must restore wetlands to mitigate the loss of 7.76 acres that will result from the Airport Development Program (ADP). The preliminary mitigation plan, as summarized in the U.S. Army Corps of Engineers' Public Notice number 31590S, has not meet with commenting agency approval, nor has it been approved by the Regional Water Quality Control Board for Water Quality Certification pursuant to Section 401 of the Clean Water Act. Part of the Port's strategy for an accelerated approval process for the ADP is to account for comments

submitted by agencies and the public in redesigning two of the proposed wetland projects, Damon Slough and the North Airport site, as known as EZBH. The requested authorization is to contract for the preparation of final conceptual plans, construction plans, and specifications for wetlands mitigation and monitoring at these two sites. The schedule for ADP permitting is driven by the window of opportunity for the Port to receive \$7.5 million in funding from the State for the Airport Roadway Project (ARP). To qualify for these funds, the Port had to award the three ARP contracts by June 30, 1999. That goal was met and is very desirable to obtain permits and begin construction on ARP Contract B at Doolittle Drive in the fall. To address the issues raised in the permit process and remain on track with the permitting schedule, a substantial amount of work needs to be done on a very fast track. Accordingly, the contracting process was accelerated by inviting six local firms to bid on finalizing restoration plans for the Damon Slough property and to complete the feasibility study for EZBH. Letters of interest were received from two teams, which included four of the six firms that were invited to bid. Both teams were in the Local Business Area and both were interviewed and it was recommended that LSA Associates of Richmond be selected to perform the work. LSA Associates has agreed to supply the required conceptual plans, construction plans, and consultation at an agreed-upon billing and wage rate for a total not to exceed \$158,200.00 and the Executive Director would also be authorized to approve up to \$32,000.00 of additional out of scope work, for a total maximum possible contract amount of \$90,200.00. The recommendation was approved on passage of Resolution No. 99300.

Authorization to Sign Agreement with San Jose International Airport to Share Joint Acquisition, Installation, Operation and Maintenance of ODR Equipment at FAA TRACON

was the subject of a memo to the Board from the Director of Aviation notifying the Board that in November 1997, the Board approved authorizing the Executive Director to enter into an Agreement with San Jose International Airport (City of San Jose) that allows them to share the computer equipment the Port has installed at FAA Bay TRACON in exchange for their sharing the cost of the purchase and maintenance of the equipment. In September 1998, the agreement was amended to allow Port and City of San Jose to obtain both flight rack and FDIO data at the FAA Bay TRACON

via an Optical Disk Reader (ODR) System. The ODR is a component of the Airport Noise and Operations Monitoring which allows the Airport to receive flight operations data directly from the FAA. The Port's equipment is connected to the FAA's Flight Data input/output (FDIO) equipment. The Port and the City of San Jose have separately entered into agreements with the provider of the ODR System, Harris Miller Miller & Hanson Inc. (HMMH) for the joint acquisition, installation, operation and maintenance of the ODR equipment at Bay TRACON. It was recommended that the Board authorize the Executive Director to enter into an Agreement with San Jose International Airport that allows them to share the acquisition, installation, operation and maintenance of the ODR equipment. The recommendation was approved on passage of Resolution No. 99301.

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 the preparation of a joint federal Environmental Impact Statement (ESA) and State Environmental Impact Report (EIR) for the Oakland International 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, seven supplemental agreements and one new contract were executed to add to the scope of work and increase compensation to respond to various changes in information, changes to the project, and FAA changes in direction. Currently, the total maximum compensation is \$3.212 million. The Port has recently completed a CEQA Supplemental Environment Impact Report. The City of Alameda and the Citizens League for Airport Safety and Serenity (CLASS) have appealed the Alameda County Superior Court ruling. The Port has cross-appealed. The FAA is performing final review of the NEPA Final Environmental Impact Statement before release to the public. In order to complete CEQA and NEPA documentation, a supplemental agreement is recommended. It was recommended that the

Board authorize the execution of a First Supplemental Agreement with Environmental Science Associates for providing professional services for additional compensation of \$220,000.00 which would bring maximum compensation to a total of \$3,432,000.00; and further recommended that the Executive Director be authorized to approve additional work of up to \$45,000.00. The recommendation was approved on passage of Resolution No. 99302.

Conditional Approval of Modification to Lease and Concession Agreement (Food and Beverage Facilities) with Air Terminal Services, Inc. was the subject of a memo to the Board from the Director of Aviation notifying the Board that in June 1996, the Board approved a modification to the Lease and Concession Agreement with Air Terminal Services, Inc. (CA One) to permit CA One to enter into an agreement with the National Youth Enterprise Institute (YEI) for the operation of a coffee cart at the Oakland International Airport. YEI, an affiliate of the Marcus A. Foster Foundation, provides business and entrepreneurial training to high school students in the City of Oakland through the operation of a variety of businesses at different high schools. One business enterprise is the operation of the coffee cart at the Airport, which is staffed and managed by students from Castlemont High School. The original concept for the coffee cart program contemplated that one Oakland high school would operate the cart for a three year period, then the business would be rotated to a different high school for the next three year period. The cart pays rent based on a percentage of gross sales which was adjusted during each year of operation. For the first year of operation the car is to pay 5% of gross sales, during the second year of operation the cart is to pay 10% of gross sales, and during the third year of operation, the cart is to pay 15% of gross sales. Castlemont High School has operated the coffee cart for three years and in accordance with the terms of the approved agreement, the business must be rotated to a different high school. CA One, with the concurrence of both YEI and Port staff, requested that the Board approve the continued operation of the cart by Castlemont High School, and the establishment of an appropriate rental rate for the extended operating period. After three full years of operating the program, YEI has refined its goals and expanded its work with the Oakland Unified School District (OUSD). Programs have been set up at other high schools to provide business and entrepreneurial training

through venues other than the coffee cart, such as an original artwork greeting card program at Oakland High School, a credit union business at McClymonds High School, a Smoothie stand at Oakland Tech and a wood products business and radio station at Fremont High School. In addition, YEI is negotiating with another public facility to allow Oakland Tech students to operate a similar coffee business. CA One and YEI found that setting up and training students to operate at the Airport was a time consuming and difficult process. The uniqueness of the Airport environment and the extensive operating hours required additional efforts from the Advisory Teacher assigned to the project, who also "learned" how to operate in this environment. The business has stabilized and now in its third year of operation is able to focus on maximizing its sales revenue and enhancing its operations. To change high schools and begin at "square one" with a new school and new Advisory Teacher is both detrimental to the YEI program and the Airport. YEI has developed other programs for other high schools, and relies to some degree on the proceeds from the Airport operation to provide seed money to help start the other businesses. By starting over with a new school, it is probable that the gross sales will be reduced while the new school learns the business resulting in lower customer service to Airport passengers and lower profits to YEI which will reduce its ability to fund other projects. In addition to extending Castlemont's term of operation, CA One requests conditional approval of the establishment of a percentage rent rate equal to 10% of gross sales. This rate is comparable to that charged at other airports for similar uses. It was recommended that the Board approve a modification to lease and concession agreement with Air Terminal Services, Inc., eliminating the requirement that the coffee cart business be rotated among Oakland high schools, approving its continued operation by Castlemont High School, and establishing a rental rate for the extended operational period. This approval is conditioned upon YEI investing approximately \$25,000.00 for the purchase of a new kiosk facility, having it in operation not later than November 30, 1999. Ms. Maya Halton, Shundolyn Parks and Benette Tyson, the students at Castlemont, appeared before the Board to support the recommendation. In addition, Ms. Ester Richards Dixon, the school advisor, appeared before the Board to thank the Port

Acceptance of Federal Aviation Administration (FAA) Grant Offer for AIP-23 and

AIP-22 Grant Amendment No. 1 was the subject of a memo to the Board from the Director of Engineering notifying the Board that in February 1999, the Port submitted an Airport Improvement Program (AIP) grant application to the FAA to fund the construction of overlay for a portion of Taxiway D southwest of Building L-610, a portion of Taxiway C southwest of Building L-660, Taxiway J, and the parking apron southwest of Building L-118 project. In March 1999, the Port accepted the FAA Grant Offer of \$1,832,551.00 under AIP-22 (FY99 A), which was the first portion of the entitlement funds for the federal fiscal year 1998-1999. In May 1999, the Board approved the acceptance of the grant Offer for the second portion of this year's entitlement in the amount of \$692,558.00 under AIP-23 (FY99 B). However, this grant funding was subsequently postponed, and the FAA did not release the grant offer. Now, due to limited FAA funding and in order to comply with FAA standards, it is necessary to amend AIP-22 and AIP-23 to delete the overlay of Taxiway C and the parking apron, and then apply the funds toward the widening of Taxiway D and Taxiway J. The FAA is now offering to the Port the remainder of federal fiscal year 1998-1999 grants under AIP-23 (FY B & C) in a total amount of \$1,143,764.00. This grant amount is available only through August 6, 1999. The proposed funding breakdown for work to be performed under these grants includes: overlay of Taxiway D (south of Taxiway M) and Taxiway J, North Airport; estimated project cost - \$3,708,200.00; FAA Share 1st Portion AIP-22 (FY99 A) - \$1,832,551.00; FAA Share 2nd Portion AIP-23 (FY99 B & C) - \$1,143,764.00; and Port Share Future PFC - \$731,885.00. A basic condition of the Grant Agreement requires that the Board have knowledge of its content. The FAA has provided a draft copy of the Grant Offer for AIP-23 and has stated that the terms and conditions are identical to AIP-22, accepted by the Board in March 1999. It is anticipated that the final offer will be released by the FAA prior to August 6, 1999. The Manager of the FAA's Airport District Office has indicated to the Port that it would be acceptable to the FAA if the Board were to accept the grant Offer based upon the draft provided. It was recommended that the Board authorize the Executive Director to accept the FAA's Grant Offer for AIP-23 when finally released, based upon the terms and conditions contained in the draft offer; and

further recommended that the Executive Director be authorized to accept the AIP-22 Amendment No. 1 to the Grant Agreement when the Port received the amendment from the FAA. The recommendation was approved on passage of Resolution No. 99306.

Plans and Specifications for Construction of Pavement Improvements on Westerly Portion of Taxiway T, South Airport, OIA was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise bids for the improvements. The westerly portion of Taxiway T was last overlaid with asphalt concrete approximately 25 years ago and the pavement has exceeded its useful life. The pavement is now experiencing surface raveling, alligator cracking and some surface deformation and distortion. Since raveling of loose aggregates can cause foreign object damage to jet engines and alligator cracks indicate structural failure that will further exacerbated by rain, it is necessary to make initial pavement improvements to utilize the area through the winter months until permanent improvements can be constructed. The permanent improvement (approximately 7 inch asphalt concrete overlay) is scheduled to be constructed in the fall of 2000 as part of the project to construct a remain overnight aircraft apron, which will be adjoining and immediately South of Taxiway T at the South Airport. The initial pavement improvement work will consist of grinding and removing approximately 2 to 3 inches of the existing damaged asphalt concrete and replacing it with new asphalt concrete. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 99307.

Authorization to Prepare and Execute a Memorandum of Understanding with the City of Oakland Redevelopment Agency for the Purpose of Funding and Implementing the Hegenberger Road Portion of the Airport Area Gateway Urban Design Concept 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 authorized preparation of a Hegenberger Road/98th Avenue Gateway Development Plan as a collaborative effort of the Port and the City of Oakland. In October 1998, the Board accepted and endorsed the Plan, which contains strategies to enhance economic

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development opportunities and create a positive image in the Gateway area. The Plan's recommendation included Roadway Design Guidelines for Hegenberger Road and 98th Avenue. In April 1998, the Board authorized the execution of a Memorandum of Understanding among the Port, the City of San Leandro, the City of Oakland, and the Alameda County Transportation Agency (ACTA), to undertake the Airport Gateway Design Project. An interim product of this inter-jurisdictional revitalization effort, the "Airport Gateway Area Urban Design Concept" for Hegenberger Road, Doolittle Drive, and 98th Avenue, was completed in October 1998. The Oakland/San Leandro Ad-Hoc Liaison Subcommittee, comprising the Mayors of Oakland and San Leandro, two council members of each City, and one Port Commissioner, approved the Design Concept and directed staff to pursue implementation. The final version of the Airport Gateway Area Urban Design Concept was completed in February 1999. The preferred concept for Hegenberger Road between I-880 and Doolittle includes sidewalks, palm trees, landscaping, ornamental streetlights, and banner poles along the frontages; bicycle lanes within on the roadway edges; and flowering trees, landscaping, ornamental streetlights, and banner poles within the median. The estimated cost of the Hegenberger Road improvements is \$3,930,000.00. It was recommended that the Board authorize staff to prepare and execute a Memorandum of Understanding with the City of Oakland Redevelopment Agency for the purposes of funding and implementing the Hegenberger Road portion of the Airport Area Gateway Urban Design Concept. The recommendation was approved on passage of Resolution No. 99308.

Authorization to Prepare and Execute a Memorandum of Understanding with the City of Oakland Redevelopment Agency for the Purpose of Funding a Portion of the Lower Broadway Streetscape Improvements was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the City of Oakland Redevelopment Agency has included funding in its 1999-2001 proposed budget for Lower Broadway Streetscape improvements from Highway 880 to Embarcadero, which is the gateway to Jack London Square. The present recommendation has come out of the Estuary Plan effort. The City has elected to emphasize Broadway as a critical link for downtown Oakland, and to continue historic lighting

down Broadway to the waterfront. Lower Broadway contains a number of architecturally significant resources that will benefit from the streetscape improvements. Improving the streetscape will also support the existing enterprises and improve the pedestrian environment. The City and Port are working collaboratively in the Jack London District to develop programs to benefit the area. The proposed project for Lower Broadway will include the installation of historic street lighting and traffic signal poles, and the upgrade of electrical circuits to a level that will accommodate holiday lighting for the blocks from Embarcadero to Freeway I-880 at a cost of \$360,000.00. The City's contribution of \$200,000.00 will pay for the lights and the cost of administering the project. The Port is proposing to reimburse the Agency for up to \$160,000.00 for upgrading the electrical circuits in the Lower Broadway light poles to allow for "festoon" or decorative seasonal lighting which has been used so successfully in Jack London Square. The funds from the Port will be used to reimburse the City for the costs for upgrading the circuits in the poles for decorative and holiday lighting. Future years' maintenance costs will be included in the Public Works' budget. The seasonal lighting circuit meter will be billed to the Port and will probably average \$500.00 annually during the holiday season. It was recommended that the Board authorize staff to prepare and execute a Memorandum of Understanding with the City of Oakland Redevelopment Agency for the purpose of funding and implementing the Lower Broadway lighting program. The recommendation was approved on passage of Resolution No. 99309.

Authorization to Enter into Agreement with Blue and Gold Fleet for Ferry Service

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 had an agreement to operate the ferries for the Alameda/Oakland Ferry Service since March 1990. The board approved a one-year extension to the agreement in May 1999. This agreement is amended from time to time to provide for minor changes in subsidies and extensions. In turn, the City of Alameda, with the Port's approval enters into a contract with the Ferry operator and funding agencies. Since 1991, the Ferry operator has been the Blue and Gold Fleet. Over the years the Ferry service has grown in popularity, with daily ridership growing from 550 per day to 1,800 per day during peak summer and fall periods. Even

during the winter, daily ridership is about 1,200 passengers. During emergency periods such as the BART strike, daily ridership can be as high as 6,000 to 7,000 per day. Over 50% of the passengers arrive and depart from Oakland. Following approval by the Board and the Alameda City Council in September 1998, a Request for Proposal was issued for new proposals to operate the Ferry. After an evaluation process, staff recommended the selection of the Hornblower Marine Service. The Alameda City Council failed to endorse that recommendation, and asked Alameda staff to issue a new Request for Proposal to qualified operators. Hornblower, the top ranked operator during the initial proposal period, did not resubmit. Blue and Gold resubmitted a proposal, as did a new start company, the Roger Murphy Group (RMG). Port and City staff evaluated both groups. The staff concurred in recommending the Blue and Gold Fleet. It was recommended that the Board concur with the City of Alameda in the selection of the Blue and Gold Fleet as the operator of the Alameda/Oakland Ferry for a period of five years subject to annual agreement on fares, schedules and subsidies. The recommendation was approved on passage of Resolution No. 99318.

First Reading on an Ordinance for Proposed Lease with Vortex Diving, Inc. for Livingston Street Pier on Embarcadero was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that Vortex Diving, Inc. is a business located in Alameda and is subtenant of John Berry on the Oakland estuary near Bay Ship and Yacht. Vortex is an underwater and marine construction company that has several contracts with the Port. Vortex is seeking a new location in which to operate its business and is looking at parcels located on the Embarcadero, east of the Embarcadero Cove development near Dennison Streets. Livingston Street Pier, formerly used by Producers Seafood, is the site that Vortex has proposed of its operation. The Pier is a heavy-duty concrete pier built in the early 1900's which has been condemned as structurally unsound. The Pier was slated to be demolished by the Port. The cost of demolition has been estimated by the Engineering Division at about \$1,000,000.00. Under the term of the lease, Vortex would rebuild the pier as a structurally sound and serviceable facility having long-term benefit to the Port. The lease area would include some submerged land area and the pier areas which contains approximately 43,523 square feet of surface area, including the land area

between the street and the actual pier; the rent for this portion is abated during the term of the lease and any exercised option based on tenant investment; the submerged land area contains approximately 46,671 square feet surrounding the pier including the basin area east of the Pier; and this rent is also abated during the term of the lease and any option periods based on tenant investment. The lease term would be a term of 10 years with 2 – 5 years options. The exercise of the options would be based on the investment made in improvements. Anything below the proposed \$600,000.00 investment in the initial term would limit the lease term to 10 years (the option could not be exercised). Anything at or above a \$600,000.00 investment would allow lessee to exercise the option extension to the lease. During each option period the Port would require lessee to invest an additional \$300,000.00. Any investment by lessee in excess of the \$600,000.00 during the initial term shall be credited, as an investment during the option periods. A total of \$1.2 million would be spent on an upgrade during a 20-year period. The cost of refurbishing the pier would equate to the rent the Port would collect from an improved facility. There would be a performance deposit of \$30,000.00 that would be due upon the effective date of the lease. The performance deposit may be in the form of cash, approved bond, or in the form of a non-revocable certificate of deposit made payable to the Port. The performance deposit would be adjusted every five years to 3 times the then minimum monthly rent. The Port would assist with the facilitation of necessary permits from BCDC, U.S. Army Corp. of Engineers, Sate Fish and Game, RWQCB and others as is typical of tenant prospects in the Port area. The Lessee would submit plans and specifications for approval. All development plans for the site would require Port's approval and would be subject to City of Oakland General Plan conformity. All work in the Pier would be the responsibility of the Lessee. The Port would not have maintenance responsibility or liability for maintaining the pier or its structural integrity. During the term of the lease, the premises would be used for the reconstruction and development of a first class concrete pier sufficient to support Vortex's activities. In addition, the Pier would be used for the berthing of barges and floating equipment used by Vortex in its marine construction activity. The Pier would house Vortex's offices and be used to store machinery and supplies utilized in conjunction with Vortex's activities.

In addition, the construction of any buildings on any of the Pier must be approved by the Port and meet all requirements. Lessee shall also construct, as required whatever fendering system necessary for their use of the pier. Lessee will be responsible for any required maintenance dredging, during the term of its lease, to accommodate its activities within the parcels encompassing the submerged land. In 1981, the Port repaired the shoreline and installed rip rap. In addition, some dredging was completed in the basin area. Depths should be at a minimum 10 feet at mean low water. The port is not obligated to maintain the channel but to the extent that the channel is a federal channel the Port will work with the respective regulatory and responsible authorities to assure that the channel remains navigable. All maintenance of the facilities within the lease premises would be the Lessee's obligation including all structural improvements erected by the Lessee. The Lessee will also be obligated to maintain the pier in accordance with structural requirements necessary to maintain its activity. If the pier, via Port inspections (which are done solely at the Port's option) or due to natural disasters fails to support the activity, the lease would be terminated upon mutual agreement of the parties. Lessee would carry fire insurance on all improvements installed by Lessee at Lessee expense. In the event of damage to the improvements, the insurance proceeds would be used to restore the damaged improvements. The Lessee would carry public liability and damage insurance, naming the Port as an additional insured with cross-liability endorsements, protection and indemnity with minimum types and limits of \$5,000,000.00. With respect to its business operations the Lessee would be responsible for obtaining all operating permits and operating licenses required. Lessee would pay for the cost of all utility connections and consumption. The Lessee would be responsible for paying all taxes and assessments including possessory interest taxes as assessed by the county, City or other taxing authority. No assignments or any subleasing would be permitted without prior written approval of the Port. The leasehold interest is to be kept free of liens. Encumbering the leasehold would be subject to Port approval. Lessee would be required to pay prevailing wages for all construction worked required of this lease. Lessee would be required to adopt the Port's non-discrimination and small local business utilization policy. It was recommended that the Board approve the agreement with Vortex Diving,

Inc. under the described terms and conditions. The recommendation was approved on passage of an ordinance to print.

Adjustment to Land Rental for Trans Pacific Container Service Corporation at Berth

30 was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port has a Nonexclusive Preferential Assignment Agreement with Mitsui O.S.K. Lines dated in June 1991. The Agreement is presently assigned to their terminal subsidiary, Trans Pacific Container Service (TraPac). Operations at the terminal commenced in January 1994, and the term of the Agreement is for 25 years. Since 1994, TraPac has been paying land rental to the Port based upon a fair market value of \$10.00 per square foot for land area and \$5.00 per square foot for water area with a prevailing 10% rate of return. The present land and water area monthly rental is therefore \$125,944.07 for approximately 1,442,454.20 square feet of container yard and wharf area as well as for approximately 148,104 square feet of water area for vessel berthing. The Agreement provides for adjustment to the rental for the five year period commencing February 1, 1999 with a fair market value cap for the initial adjustment covering Contract Years six through ten of \$12.75 per square foot for the land area and \$6.375 per square foot for the water area. Recognizing TraPac's competitive concerns and their historical difficulty with growing increased throughput at the facility, the Port now intends deferring the scheduled increase for one year. Beyond the current contract year the Port proposes the following phased-in adjustments: contract year beginning, 2/1/00, \$/ square foot land value/water value, \$11.25/\$5.625, proposed monthly rental, \$142,551.58; 2/1/01, \$11.50/\$5.750, \$145,584.60; 2/1/02, \$11.50/\$5.750, \$145,584.60; and 2/1/03, \$11.75/\$5.875, \$148,617.61. It was recommended approval to make the proposed modifications to the Nonexclusive Preferential Assignment Agreement with TraPac. The recommendation was approved on passage of Resolution No. 99310.

Approval of Consultant Agreement for Construction Management Services for the Construction of Container Yard, Phases 1B, 2 and 3, and Associated Buildings at Berths

55/56, Inner Harbor Channel was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port's Vision 2000 Program consists of Container

Terminals (Berths 55, 56, 57, 58), the Realignment of 7th Street, and Construction of "New Road", the Joint Intermodal Terminal (JIT), and the Middle Harbor Shoreline Park (MHSP). Currently, the Container Terminals at Berth 55 and 56, the Roadway, JIT, and MHSP are in design and will be going out to bid in the near future. The plans and specifications for the Construction of Berths 55/56 Container Yard, Phases 1B, 2 and 3, and associated buildings are being finalized and are scheduled to be submitted to the Board for approval. Due to the magnitude of the upcoming construction program, the Port's Construction Department needs assistance in managing some of the construction contracts. The proposed consultant will provide construction management services for the Construction of Berths 55/56 Container Yard, Phases 1B, 2 and 3 and associated buildings at Berths 55/56. The anticipated cost of the services is approximately \$2.9 million. It is proposed that the selected team provide constructability review; value engineering; document, schedule and cost controls; monthly project reports; change order and payment processing; dispute resolution; assurance of contractor compliance with contract documents; and other miscellaneous services to effectively manage the contract. After panel evaluations, the senior staff and Maritime Committee recommends Parsons Infrastructure and Technology Group team. It is anticipated that the amount of the agreement will not exceed \$2,900,000.00 and it was requested that the Executive Director be authorized to approve up to an additional \$750,000.00 for potential changes in scope. It was recommended that the Board authorize the Executive Director to prepare and execute a professional services agreement with Parsons Infrastructure and Technology Group team. The recommendation was approved on passage of Resolution No. 99311.

Authorization to Negotiate an Agreement with Evergreen Alliance Golf Unlimited (EAGL) to Design, Build, and Operate the Lew F. Galbraith Golf Course was the subject of a memo to the Board from the Director of Engineering notifying the Board that in November 1993, the City and the Port entered into a Memorandum of Understanding (MOU) which provided for the Port's use of the Golf Course as a dredged material disposal site. In July 1994, the Board authorized a new 66-year lease for the Lew F. Galbraith Golf Course (LFGGC) with the City of Oakland to commence when the Port delivers a completed Golf Course to the City. The 1994

Lease also established new lease terms and a segmented process in which the Port would be responsible for building the new LFGGC, and the City would then operate the new LFGGC either directly or by agreement with an Operator. On March 2, 1999, the Board approved an Amended and Restated Lease with the City for the LFGGC (Amended Lease). The new Amended Lease capped the Port's contribution toward the reconstruction of the new LFGGC at \$5 million, and revised the basic process into a single, seamless "Design-build-Operate" process similar to that currently being used by most cities nation-wide. After evaluation, the Advisory Committee recommended EAGL team. The basis for the recommendation includes greater experience operating in the municipal golf course environment while retaining high quality standards; greater revenue potential to the Port and the City; greater willingness to work with existing site conditions; and better alignment with the goals of the Port and the City in the golf development process. It was recommended that the Board authorize the Executive Director to negotiate an agreement with Evergreen Alliance Golf Unlimited to design, build, and operate the Lew F. Galbraith Golf Course; and present the negotiated agreement to the Board for approval upon completion of the negotiation process. The recommendation was approved on passage of Resolution No. 99312.

Plans and Specifications for Construction of Container Yard Phase 1B at Berths 55/56, Inner Harbor Channel 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 Container Yard Phase 1B at Berths 55/56. This project is a critical element of the Port's Vision 2000 Maritime Development Program. This project consists of construction of approximately 71 acres of marine shipping container yard, including all paving, lighting, fire protection system, potable water system, electrical distribution system, and telecommunications, as well as storm and sanitary sewer systems within the site of the former Navy Fleet Industrial Supply Center, Oakland. This project also includes the construction of the terminal gate and canopy, the Map area and the reefer wash facility. The remaining buildings associated with this terminal, the Administration Building, the Maintenance and Repair Facility, the Marine Operations Building and the Marine

restroom will be constructed under two other separate contracts. The recommendation was approved on passage of Resolution No. 99313.

Plans and Specifications for Construction of Administration Building and Maintenance and Repair Facility at Berths 55/56, Inner Harbor Channel 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 Administration Building and Maintenance and Repair Facility at Berths 55/56. This project is an element of the Port's Vision 2000 Maritime Development Program. The project consists of construction of the Administration Building and Maintenance & Repair Facility within the Phase 1B area of the Berths 55/56 marine shipping container yard. The berths 55/56 Phase 1B container yard is located entirely within the site of the former Navy Fleet Industrial Supply Center, Oakland. The buildings associated with the Phase 1A area of the Berths 55/56 container yard and other buildings within the Phase B area will be constructed under separate contracts. The recommendation was approved on passage of Resolution No. 99314.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the creation of Port Technical Support Analyst II, Administrative Analyst II, Administrative Analyst II, Contract Administrator Assistant, Associate Port Environmental Planner, Port Electrical-Mechanical Engineer, Engineering Project Manager, Associate Port Environmental Scientist, Assistant Civil Engineer, Junior Civil Engineer, Junior Port Electrical-Mechanical Engineer, Port Supervising Electrical-Mechanical Engineer, Contract Compliance Officer, Assistant Contract Compliance Officer, Administrative Services Manager II, Maritime Marketing Manager, Traffic Representative/Analyst – Traffic Representative III, Junior Environmental Planner, and Communications Assistant. Also recommended was the amendment of the salary schedule assignment for the Administrative Analyst II, Airport Noise Abatement/Environmental Affairs Officer, Executive Legal Secretary I, Executive Legal Secretary II, Legal Secretary II, Legal Officer Services Clerk, Legal Assistant II, and Legal Assistant III. Further recommended the cost of living adjustments of 3.5% to the salary schedules assigned to

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classifications in Units A and B (positions filled by employees represented by SEIU Local 790), effective June 26, 1999 through and including June 30, 2002; cost of living adjustment of 3.5% to the salary schedules assigned to classification of Units D and E, effective June 26, 1999; cost of living adjustment of 3.5% to the salary schedules assigned classifications in Unit C (positions filled by employees represented by Western Council of Engineers), effective June 26, 1999, through and including July 1, 2001; and adjustment to salary and schedules for Employee Representation Unit H of 3.5%, reflecting the increase in cost of living. The recommendations were approved on passage of ordinances to print.

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. 99299

APPROVING AGREEMENT WITH AT&T CORPORATION TO PROVIDE TELECOMMUNICATIONS INFRASTRUCTURE AND SERVICE TO THE OAKLAND INTERNATIONAL AIRPORT.”

“RESOLUTION NO. 99300

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH LSA 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. 99301

APPROVING AND AUTHORIZING EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH SAN JOSE INTERNATIONAL AIRPORT FOR JOINT ACQUISITION, INSTALLATION, OPERATION AND MAINTENANCE OF THE OPTICAL DISK READER SYSTEM.”

“RESOLUTION NO. 99302

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH ENVIRONMENTAL SCIENCE 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. 99303

CONSENTING TO MODIFICATION TO LEASE AND CONCESSION AGREEMENT (FOOD AND BEVERAGE) WITH AIR TERMINAL SERVICES, INCORPORATED’S SUBLEASE WITH NATIONAL YOUTH ENTERPRISE INSTITUTE.”

“RESOLUTION NO. 99304

APPROVING AND RATIFYING AMOUNT EXCEEDING THE PURCHASE ORDER CONTRACT LIMIT FOR TERMINAL PARKING LOT SHUTTLE BUS EXIT AND ENTRANCE MODIFICATIONS, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 99305

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO RENEW LEASE WITH UNITED STATES POSTAL SERVICE.”

“RESOLUTION NO. 99306

ACCEPTING FEDERAL AVIATION ADMINISTRATION GRANT OFFER UNDER THE AIRPORT IMPROVEMENT PROGRAM (“AIP”) FOR PROJECT NO. 23 AND AMENDMENT NO. 1 AIP NO. 22.”

“RESOLUTION NO. 99307

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF PAVEMENT IMPROVEMENTS ON WESTERLY PORTION OF TAXIWAY “T”, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99308

APPROVING AND AUTHORIZING EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE PORT OF OAKLAND AND THE OAKLAND REDEVELOPMENT AGENCY FOR THE AIRPORT AREA GATEWAY URBAN DESIGN CONCEPT AND APPROVING AND AUTHORIZING EXPENDITURES OF PORT FUNDS FOR AIRPORT GATEWAY DESIGN EFFORTS.”

“RESOLUTION NO. 99309

AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE PORT OF OAKLAND REDEVELOPMENT AGENCY TO FUND A PORTION OF THE LOWER BROADWAY STREETScape IMPROVEMENTS.”

“RESOLUTION NO. 99310

APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT TO TERMINAL ASSIGNMENT AGREEMENTS WITH TRANS PACIFIC CONTAINER SERVICE CORPORATION.”

“RESOLUTION NO. 99311

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH PARSONS INFRASTRUCTURE & TECHNOLOGY GROUP FOR CONSTRUCTION MANAGEMENT CONSULTING SERVICES FOR THE VISION 2000 PROGRAM CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

“RESOLUTION NO. 99312

AUTHORIZING NEGOTIATION OF AN AGREEMENT WITH EVERGREEN ALLIANCE GOLF LTD. TO DESIGN, BUILD AND OPERATE THE LEW F. GALBRAITH GOLF COURSE.”

“RESOLUTION NO. 99313

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF CONTAINER YARD PHASE 1B AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99314

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF ADMINISTRATION BUILDING AND MAINTENANCE AND REPAIR FACILITY AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99315

GRANTING AMERICAN PRESIDENT LINES, LTD. PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99316

GRANTING VORTEX DIVING, INC., PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99317

DECLARING ELECTION OF OFFICERS TO BE EFFECTIVE JULY 21, 1999.”

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

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

Noes: None

Abstained: President Loh - 1

Absent: None

“RESOLUTION NO. 99318

APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH CITY OF ALAMEDA FOR OPERATION OF FERRY SERVICE AND APPROVING THE CITY OF ALAMEDA’S SELECTION OF BLUE AND GOLD FLEET AS THE FERRY OPERATOR.”

Port Ordinance No. 3524 being, “AN ORDINANCE ESTABLISHING A PASSENGER FACILITY CHARGE AND AMENDING SECTION 28 TO PORT ORDINANCE NO. 1149 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH,” and Port Ordinance No. 3525 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH THE CITY OF OAKLAND TO RE-CREATE AND OPERATE THE OTIS SPUNKMEYER YOUTH SOCCER FIELD,” and Port Ordinance No. 3526 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH DAVID MARLAIS, JEFFREY D. MARLAIS AND MATER MARLAIS, A CALIFORNIA GENERAL PARTNERSHIP DOING BUSINESS AS ARTISAN MANUFACTURING COMPANY,” and Port Ordinance No. 3527 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A LEASE AMENDMENT WITH UNITED STATES POSTAL SERVICE,” and Port Ordinance No. 3528 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF FIRST AMENDMENT TO LEASE WITH UNICOLD CORPORATION,” and Port Ordinance No. 3529 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO NONEXCLUSIVE PREFERENTIAL ASSIGNMENT AGREEMENT WITH YUSEN
July 20, 1999

TERMINALS, INC.," were read a second time and passed on final approval 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 VORTEX DIVING, INC," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTIONS 2.01, 2.02, 2.03, 2.05 AND 2.06, AND ADDING SECTION 1.33994 TO PORT ORDINANCE NO. 867 RATIFYING AND FIXING THE COMPENSATION OF CERTAIN EMPLOYEES OF THE PORT DEPARTMENT," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 2.03 AND 2.05 OF PORT ORDINANCE NO. 867 AND CREATING NEW AND ADDITIONAL POSITIONS," were read a first time and passed to print by the following vote:

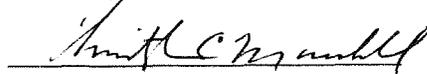
Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor, Uribe
and President Loh - 7

Noes: None

Absent: None

At the hour of 5:05 p.m., the Board entered into closed session pertaining to conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 4 cases; conference with real property negotiator, as provided under Government Section 54956.8, under negotiation, property - Jack London Square, Oakland, CA 94607, negotiating parties - Port and Oakland Portside Associates, under negotiations - price and terms of payment; and reconvened in open session at the hour of 7:25 p.m.

At the hour of 7:26 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, August 3, 1999, 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, Uribe
and President Loh - 6

Commissioners absent: Taylor - 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 Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

The minutes of the regular meeting of June 15, 1999 and the adjourned regular meeting of June 29, 1999 were approved as submitted and ordered filed.

Approval of First Supplemental Agreement with MWM Architects for Architectural and Engineering Services for Small Projects at the Oakland International Airport was the subject of a memo to the Board from the Director of Engineering notifying the Board that on August 6, 1996, the Board authorized the Executive Director to enter into agreements with three architectural consulting firms to provide architectural and engineering services for small projects at the Airport. The three architectural consultants are Kwan Henmi, Inc., Kpa Consulting Engineers, and MWM Architects. The terms of the agreements are for a period of three years, ending August 6, 1999, and for an amount not to exceed \$350,000.00 each. During the three-year term of these agreements, Kwan Henmi, Inc. and Kpa Consulting Engineers have been awarded work for most of the amount authorized under their agreements. MWM Architects, an Oakland based firm, has been authorized approximately \$185,000.00 to date and still has \$165,000.00 remaining in their contract. The Aviation Design Section has an ongoing need for the services of architectural consultants for

design studies, preparation of plans and specifications, and construction support for small projects at the Airport. To provide for these necessary services, it is proposed that the agreement with MWM Architects be amended to extend the agreement from August 6, 1999 to February 6, 2000, or until the maximum authorization amount of \$350,000.00 is expended. It was recommended that the Board authorize the preparation and execution of a first supplemental agreement with MWM Architects to extend the term of their agreement to February 6, 2000. The recommendation was approved on passage of Resolution No. 99319.

Approval of First Supplemental Agreement with Golder Associates for Pavement Structural Evaluation and Design Study, South Airport, OIA 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 Golder Associates (GA) to provide engineering services to investigate the asphalt and concrete pavements at the Airport. The agreement provided for a maximum allowable compensation of \$190,000.00 and the Executive Director was authorized to approve up to \$40,000.00 for additional changes in scope. Under the agreement, GA was to perform inspections of the existing South Airport asphalt and concrete pavements, including visual assessments, deflection testing, geotechnical borings and testing, and the preparation of a report recommending pavement improvements over the next 15 years. The work included extensive field investigation of the taxiways, aprons, runway and other paved areas of the South Airport. During the course of GA's field investigations, the Port requested several items of work, including taking additional borings and cores, making recommendations for the immediate repair of a taxiway, and providing their own escort on the airfield rather than a Port-supplied escort. Additionally, severe access limitations were placed on GA during their field investigations that resulted in very short work shifts, numerous mobilization and demobilization efforts, and idle time. All of the preceding items resulted in a significant increase in the project duration and hence, additional project management, meetings, and administration. The final fee for all of the scope changes is \$82,500.00. A change in scope was authorized by the Executive Director that increased the maximum allowable compensation by \$40,000.00. It is proposed that the maximum compensation be increased an

additional \$42,500.00 to \$272,500.00 to provide the necessary funds for GA to complete the project, and to include an additional \$10,000.00 to be made available for future changes in scope, subject to the Executive Director's approval. It was recommended that the Board authorize the preparation and execution of a First Supplemental Agreement with Golder Associates. The recommendation was approved on passage of Resolution No. 99320.

Action to Repeal Approval of the PFC 1 Amendment in Ordinance No. 3495 was the subject of a memo to the Board from the Director of Aviation notifying the Board that on April 6, 1999, the Board approve Port Ordinance No. 3495, which approved the collection and spending of Passenger Facility Charges (PFC's) and amended Section 28 of Port Ordinance 1149 as it related to PFC Applications 1, 2, 4 and 6 at Oakland Airport. The Ordinance authorized the imposition of an additional 15% for the referenced PFC's. Subsequent to this action, the FAA advised the Port that it denied further collection under PFC 1 as the FAA took the position that the Port had reached the 15% contingency allowed for this PFC. The FAA agreed that the Port had authority under 2, 4 and 6 to increase the statutory 15% without consultation with the air carriers. The FAA approved PFC collections for Applications 2, 4 and 6. With the elimination of further collection under PFC 1, the total allowable collection under Port Ordinance No. 3495 is \$3,260,031.00. It was recommended that the Board repeal the portion of Port Ordinance No. 3495 that relates to the further collection of funds under PFC 1, which brings the total allowable collection to \$3,260,031.00. The recommendation was approved on passage of an ordinance to print.

First Reading of Ordinances Approving Lease for Aviatinal Aids with United States of America, Department of Transportation, Federal Aviation Administration was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Federal Aviation Administration (FAA) requests approval of three new ground leases to replace three existing leases at the Airport that have expired but continue under their holdover provisions. The FAA installed and currently operates avigational aid equipment on the premises. Both the Port and FAA acknowledge that FAA was in possession and had use of the facilities without benefit of a lease during holdover periods. It further agreed that no monetary consideration in the form of rental will

be paid for the holdover periods. It was recommended that the Board approve the lease agreement with the FAA, for approximately .046 acres of land in the vicinity of Runway 9R, approximately 0.73 acres of land in the vicinity of Runway 9L, and approximately .046 acres of land in the vicinity of Runway 27L, at no charge, effective October 1, 1999. The recommendation was approved on passage of an ordinance to print.

Request for City Council to Amend Port Area Line to Delete Property for the Airport Roadway Project was the subject of a memo to the Board from the Director of Aviation notifying the Board that as part of the construction of the Airport Roadway Project, it has become apparent that the Port Area line will not be consistent with the new alignment of the 98th Avenue roadway. In addition, the City is acquiring property rights within the City's jurisdiction required for the realignment of 98th Avenue portion of the Airport Roadway Project. A portion of the parcel owned by a Mr. Ryan (commonly referred to as the "Oil Changers Property") will be acquired by the City as part of the Airport Roadway Project. City staff has asked the Port to request an adjustment in the Port Area line such that the rear access to the Oil Changers Property will be within the City's jurisdiction. This would permit the City to grant Mr. Ryan access to the Oil Changers property and thereby mitigate the condemnation damages associated with taking a portion of the Oil Changers Property. It is anticipated that by granting Mr. Ryan ingress and egress to the Oil Changers Property on 98th Avenue will significantly reduce the condemnation damages payable by the Airport Roadway Project in connection with the Oil Changers Property. Any savings realized by reducing the condemnation damages will benefit the entire project and the project participants, including the City and the Port. Since the 98th Avenue cul de sac is currently in the Port Area, the City does not have jurisdiction to grant Mr. Ryan ingress and egress onto the 98th Avenue cul du sac. Moving the Port Area line would enable the City to grant the necessary property rights to Mr. Ryan. Moving the Port Area line to coincide with the new 98th Avenue right of way will make the Port Area line consistent with the realigned roadway and will make the Port's ongoing maintenance responsibilities clearer because the new Port Area line would coincide with the alignment of the roadway, rather than bisecting the realigned roadway. Since the affected property is not currently

needed for any Port-related purposes, Port staff believes that the appropriate course of action is to amend the Port Area line to delete a portion of the 98th Avenue roadway. It was recommended that the Board request that the City Council amend the Port Area line to delete the portion of the new right of way for the 98th Avenue Roadway Project from the Port Area. The recommendation was approved on passage of Resolution No. 99321.

Approval of a Building Permit Application to Remodal Hangar 8, Bay C, for Safeway, Inc. was the subject of a memo to the Board from the Director of Engineering recommending approval to remodel leased space in Hangar 8 (Building L-810). Safeway, Inc. is leasing the space for aircraft storage, and proposed to remodel the interior. This space will serve as the departure and return point for Safeway executives using the company flight services. The proposed work in Hangar 8 will include installation of motorized operators for the hangar doors; installation of fire sprinklers; painting of hangar floor with protective coating; raising of existing lighting to accommodate plane height; installation of 220 volt service in 3 locations; installation of security system; construction of a demising wall between Bays C and D; installation of plywood sheathing over exposed stud walls to a height of 12 feet; removal of asbestos as required; constructing ADA upgrades as required; replacing and repairing finish materials; and modifying electrical and phone lines. The estimated value of the work is \$300,000.00. The recommendation was approved on passage of Resolution No. 99322.

Award of Contract for Removal of Underground Fuel Storage Tanks MF-19, MF-20, and MF-21 at Building M-105, South Airport, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the fourteen bids received and recommending the award of the contract to Tank Protect Engineering of Northern California, Inc., the low bidder, at \$93,350.00. The recommendation was approved on passage of Resolution No. 99323.

Authorization to Include the Demolition of Building L-802 and Remaining Foundation of Building L-818, North Airport, OIA, 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

proposes to demolish Building L-802 and the remaining foundation of Building L-818 at the North Airport. Building L-802 is approximately 50 years old, and significantly deteriorated. This building contains hazardous materials such as asbestos and lead paint, and attracts transients and 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 of rental car service facilities. It is important that this demolition work occur this fall, prior to the rainy season, so that construction of a rental services facility can commence in March of 2000. The project budget is estimated to be \$300,000.00. It was recommended that the project, Demolition of Building L-802 and remaining Foundation of Building L-818, 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 proposals and to be for an amount not to exceed \$300,000.00. 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 proposals, if the attempt to secure an acceptance proposal from a small local contractor is not successful. The recommendation was approved on passage of Resolution No. 99324.

Recommended Approval of Fiscal Year 99-00 Annual Target Rental Rates for License and Concession Agreements was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that in 1989, the Board approved procedures for the renewal of existing License and Concession Agreements. These procedures provide the Board at closed session, under instructions to negotiators, may consider the recommendations as to the annual renewal rental rate for each tenant. Under separate letter, the target rents for the Commercial Real Estate Division tenants on the renewal list will be presented for consideration by the Board in closed session for implementation of the procedure. The renewals of existing license and concession agreements have been determined to be categorically exempt and does not require preparation of 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. 99325.

Authorization to Allow Artship Foundation to Use a Portion of Ninth Avenue Terminal for a Period of Up to 30 Days was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Artship is the USS Golden Bear, a 491-foot former U.S. Maritime Academy Training Vessel that is currently berthed in the U.S. Navy's Suisun Bay Reserve Fleet. Public Law 105-85, enacted in 1997, allows the ship to be transferred from federal ownership to the Artship Foundation for use as a cultural center. The Port, the City of Oakland, and the Artship Foundation have been working together cooperatively to permit the Artship to be berthed at the Port. The Port, the City, and the Artship Foundation have determined that the most feasible location for the Artship is the Ninth Avenue Terminal. Long-term berthing of the Artship at the Ninth Avenue Terminal will require BCDC approval and analysis under CEQA, both of which will take a substantial period of time. In the Spring of 1999, Artship Foundation scheduled a fund-raising event for August 7, 1999 and widely advertised the ship's arrival at Ninth Avenue Terminal as part of this event. To accommodate this event, it was proposed that the Port enter into a short-term lease to allow the vessel to berth at the Ninth Avenue Terminal contingent on obtaining a BCDC administrative permit for this short-term use. It was recommended that the Board continue to show its support, in concept, of the Artship Foundation project by authorizing the Executive Director or his designee to execute temporary use of a portion of Ninth Avenue Terminal by the Artship Foundation for the purpose of mooring the USS Golden Bear in connection with the Artship Foundation's event, a festival scheduled to take place and a fund-raising dinner at Ninth Avenue Terminal. The approval provides that the Port shall receive adequate assurance of compliance with BCDC's and other applicable laws and regulations, and subject to such additional terms and conditions as the Executive Director shall determine are necessary or desirable. The recommendation was approved on passage of Resolution No. 99340.

Ordinance for Lease Agreement with Hawk Pacific Corporation for Property Located Between Burma Road and the I-80 Freeway and, Resolution for License and Concession

Agreement for Property Located Adjacent to 7th Street was the subject of a memo to the Board from the Director of Maritime notifying the Board that Hawk Pacific Corporation (Hawk), a California corporation, has been a Port tenant for several years under various agreements. Hawk provides support services to the maritime tenants. Hawk must relocate its operations from the Fleet Industrial Supply Center, Oakland due to the development planned for this area and in response to community requests to reduce truck traffic on West Oakland streets. In order to vacate premises within a proposed construction zone and to be a good neighbor to the West Oakland community, staff requested Hawk to relocate. Hawk agreed to the relocation in spite of use limitations and the potential increase in operating expenses, corresponding to operating from two locations, in order to remain within the maritime area. The only viable and available spaces are the two subject sites which Hawk is occupying under space assignment agreements. Hawk is paying monthly for the premises as follows: at Army Base East and the Bay Bridge toll plaza, 9.5 +/- acres, 3-years term, at \$30,684.00; and at D-505 bordered by 7th Street and maritime Road, 2.8 +/- acres, one year with holdover term, at \$7,318.00. Since Hawk agreed to the relocation, staff recommends that Hawk continue to pay rent based on a discounted tariff rate for the proposed lease area. In addition, height restrictions encumber a portion of the premises because the freeway ramp airspace is too low to accommodate containers or trucks. The area is generally less comparable to Hawk's previous premises. The licensed area is generally more comparable to Hawk's operations and therefore the rental rate remains at tariff. Given Hawk's inconvenience of moving, increased costs, changes to operations, and a 40% increase in rental, staff believes it is a good business decision to allow a 21% discount from the tariff rate in the first year and 15% in the second. The rental rate is equal to the tariff rate in the third year and carries throughout the remaining term of the lease. The Lease would commence on October 1, 1999 and the License and Concession Agreement would commence on September 1, 1999. The Lease would include an early termination provision due to pending discussions between the City of Oakland and the Port. License and Concession Agreement provides for 30 days notice of termination. It was recommended that the Board approve the terms and conditions and authorize the Director of maritime to execute a lease agreement and a license

and concession agreement with Hawk Pacific Corporation. The recommendation was approved on passage of Resolution No. 99326 and on an ordinance to print.

Additional Revisions to Compensation Terms for License and Concession Agreement with Marine Terminals Corporation for Operation of U.S. Army Pier 7 (Burma Road Terminal) was the subject of a memo to the Board from the Director of Maritime notifying the Board that in February 1998, the Board approve a Supplemental Agreement with the U.S. Army, through its designee, the Corps of Engineers, for the rental of Oakland Army Base Berth 7, which consists of approximately 25 acres. Berth 7 includes berthing area and a storage shed which is conducive to staging and storing of steel commodities. In addition to Berth 7, the Port also has a Lease Agreement with the U.S. Army for Oakland Army Base Berths 8 and 9, totaling about 38 acres. This parcel is presently used by an overflow area to support Maritime operations. Concurrent to the Board approval of the Supplemental Agreement with the U.S. Army, the Board also approved a License and Concession Agreement with Marine Terminals Corporation (MTC) to operate Berth 7 as a breakbulk terminal with emphasis on imported steel products. This facility was subsequently named the Burma Road Terminal (BRT). The License and Concession Agreement is subordinate to the Supplemental Agreement between the Port and the Army referenced above. The initial term was for 5-1/2 months from February 18, 1998 through July 31, 1998. The Agreement with MTC is currently in holdover status and provides the Port a monthly minimum guarantee of \$46,000.00 generated from the Port's tariff charges for dockage, wharfage, wharf demurrage and storage activity. Additionally, the Port receives revenue sharing for monthly cargo activity, which exceeds Port tariff monthly revenues of \$46,000.00 (First Breakpoint/Guarantee) and \$98,000.00 (Second Breakpoint). On April 6, 1999, the Board approved an adjustment to the compensation provisions to allow MTC to be able to compete for breakbulk cargo. MTC agreed to guarantee to pay the Port the monthly minimum of \$46,000.00 for a four-month period ending July 31, 1999. As MTC is experiencing difficulty in expanding the business, it was recommended that the Board extend the compensation terms for an additional 10 months

ending September 30, 1999. The recommendation was approved on passage of Resolution No. 99327.

Extension of Rental Reduction for Maersk Operations at Berth 24 was the subject of a memo to the Board from the Director of Maritime notifying the Board that on September 1998, the Board authorized a rental reduction for Maersk Pacific, Ltd. (Maersk) which conducts operations at Berth 24. This decrease was for \$35,000.00 per month commencing October 1, 1998 and would not go beyond March 31, 1999. Port payments would not exceed a total reimbursement of \$210,000.00. The reimbursement then negotiated reflected land value plus loss of operational efficiencies and terminal capacity due to Maersk not receiving a portion of the expansion area provided for in the Agreement. The tract which was not initially received by Maersk comprises approximately 5.5 acres of container yard and berthing area and was to have been reassigned from the contiguous facility at Berth 25. The Port has already reimbursed Maersk through March 31, 1999 and it was anticipated that the 5.5 acres of expansion area would be tendered to Maersk on April 1, 1999. However, improvement and rehabilitation work at the contiguous Berth 25 facility fell behind schedule. The delay in construction at Berth 25 created operational pressures which deferred releasing the 5.5 acre area to Maersk at Berth 24. Our investigation now indicates the expansion area was not available to Maersk for a two month period as Maersk did not have benefit of the expansion area until June of this year. It was recommended that the Board approve the additional and final reimbursement payment of \$70,000.00 to Maersk for a two month period. The recommendation was approved on passage of Resolution No. 99328.

Approval of Construction and Installation of Six Optional Cranes for Berths 55-58, Vision 2000 Program, and Authorization to Increase Amounts Payable Under Two Related Professional Services Agreements was the subject of a memo to the Board from the Director of Engineering notifying the Board that on April 20, 1999, the Board awarded the contract for the construction and installation of container cranes at Berths 55-56. ZPMC was also the low bidder for up to 9 additional cranes at \$5,965,000.00 each, if the option is exercised within two years of the original bid date of December 8, 1997. The four container cranes for Berths 55-56 will be

delivered and commissioned by November 2000 for the first ship's operation at those berths. The Maritime Division has determined that it needs six additional cranes for operations at Berths 57-58. In order to take advantage of the low option bid price and meet project time schedules, the recommended method of crane procurement is to execute the option to purchase the six additional cranes through the ZPMC contract. The container cranes for Berths 57-58 need to be delivered and commissioned by October 2001 for the first ship's operation at those berths. The option bid price did not include spare parts. However, ZPMC has agreed to supply the six optional cranes with spare parts for that same price. The order to ZPMC would be for \$36,260,000.00 including spare parts and the following additive alternates: six cranes with spare parts, \$36,790,000.00; two 100 ton cargo beams at \$25,000 each, totaling \$50,000.00; six chassis alignment systems at \$38,000.00 each, totaling \$228,000.00, six stack profiling systems at \$32,000.00 each, totaling \$192,000.00, for a total of \$36,260,000. Associated with the ZPMC crane construction are two professional engineering and inspection services contracts. These contracts need to be extended and the authorization amounts increased to include work required for the six additional cranes. Liftech Consultants, Inc. (Liftech) provides structural problem resolutions during construction, and testing cranes during acceptance. The proposed increase in the maximum compensation under the agreement is \$208,400.00. It is also proposed that the Executive Director's authorization limit for additional work be increased from \$50,000.00 to \$80,000.00. McKay International Engineers (McKay) provides mechanical system review, mechanical system fabrication and installation technique review, mechanical problem resolutions during construction, on-site inspection of fabrication and assembly of the cranes, material certification and traceability, welding fit-ups inspection, welding inspection records, verification of gear material heat treating and hardness testing, electrical code inspection and compliance, remedial and corrective action reports, and daily progress reporting. The proposed increase in the maximum compensation under the agreement is \$452,300.00. It was also proposed that the Executive Director's authorization limit for additional work be increased from \$94,000.00 to \$144,000.00. It was recommended that the Board approve the agreement in the amount of \$36,260,000.00 for construction and installation of six cranes at

Berths 57-58, and to modify the related consultant agreements. The recommendation was approved on passage of Resolution No. 99329 for Liftech Consultants; Resolution No. 99330 for McKay International Engineers; and Resolution No. 99331 for ZPMC.

Approval of Consultant Agreement for Construction Management Services for the Construction of the Joint Intermodal Terminal was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port's Vision 2000 Program consists of Container Terminals (Berths 55, 56, 57, 58), the Realignment of 7th Street, and Construction of "New Road", the Joint Intermodal Terminal (JIT), and the Middle Harbor Shoreline Park (MHSP). Most of these projects are scheduled to begin construction work within the next six months. Due to the magnitude of the upcoming construction program, the Port's Construction Department needs assistance in managing some of the construction contracts. The proposed consultant will provide construction management service for the Construction of the Joint Intermodal Terminal, Phase I. It is proposed that the selected team provide constructability review, value engineering, document, schedule and cost controls, monthly project reports, change order and payment processing, dispute resolution, assurance of contractor compliance with contract documents and other miscellaneous services to effectively manage the contract. It was recommended that the Board authorize negotiations and execution of an agreement with Parsons Brinckerhoff Construction Services, Inc., the recommended consultant. The recommendation was approved on passage of Resolution No. 99332.

Plans and Specifications for Construction of Marine Operations Building and Marine Restroom at Berths 55/56, Inner Harbor Channel 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 buildings at Berths 55/56. The project consists of construction of the Marine Operations building and the marine restroom within the Phase 1A container yard located immediately behind the Berths 55/56 wharf of property comprised of former Navy Fleet Industrial Supply Center, Oakland, (FISCO) and Union Pacific Railroad (UP) property. The award of this contract is dependent upon receipt of permits from the Regional Water Quality Control Board

(RWQCB), the San Francisco Bay Conservation and Development Commission (BCDC), the United States Army Corps of Engineers, and the City of Oakland. The recommendation was approved on passage of Resolution No. 99333.

Plans and Specifications for Construction of 7th Street Realignment and New Road, 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 construction of 7th Street realignment and “new road.” The project consists of furnishing all labor and materials, to construct the following: new roadway, asphalt concrete overlay of existing roadway, new railroad tracks and circuitry, relocating existing railroad tracks and circuitry, street lights, sanitary sewer system, storm drainage system, a joint utility trench for Port WAPA power, PG&E PacBell, other fiber optics communication lines, EBMUD water line and fire hydrant system, and traffic signal and interconnection system, new changeable message sign system, signage, pavement markings and striping, landscaping and irrigation. This work is a critical component in opening of the Berths 55/56 Wharf and Yard in 2000. The recommendation was approved on passage of Resolution No. 99334.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the creation of classification of Maritime Projects Assistant – Traffic Representative I; and the termination of Jerry Bell, Airport Operations Specialist, Airside/Landside and Rafael Arellano, Custodian. Ms. Vanessa Brooks, representing SEIU Local 790, appeared before the Board on behalf of Mr. Jerry Bell, recommended for termination. The Board entered into closed session on Personnel Matters “Public Employee Discipline/Dismissal/Release, California Government Code Section 54957, at the hour of 4:35 p.m.; and reconvened in open session at the hour of 5:25 p.m. The recommendations were approved on passage of Resolution No. 99338 for Rafael Arellano; Resolution No. 99340 for Jerry Bell; and on an ordinance to print.

Authorization to Bind Owner Controlled Insurance Program for Vision 2000, Airport Roadway and Airport Expansion was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that on June 15, 1999, the Board authorized the establishment

of an Owner Controlled Insurance Program (OCIP) for the Port's major expansion projects including Vision 2000/50' Dredging Project; Airport Roadway Project; and Airport Expansion. A summary of insurance coverage's, premiums and carriers was given to the Board, and the Board delegated the authority to staff to finalize the negotiations as an open market placement. The Port has been working closely on the insurance program over the past nine months with the Port's insurance Broker, AON and Farella Braun & Martel, insurance and risk management advisors. The Port completed the negotiation of terms, conditions and premiums, and are ready to bind coverage. The Port has been able to extend the OCIP out to seven years and to add an additional \$300 million of coverage for airport construction. It was recommended tht the Board approve the program and bind coverage immediately, effective retroactively to July 14, 1999, in order to insure coverage for all appropriate CIP contracts. The insurance carriers the Port wishes to use were selected after a careful review of alternative program designs, quoted premiums, review of experience and staffing, reference checks, as well as other due diligence reviews to confirm financial ability and commitment to covering the long-term CIP. For the Workers' Compensation/General Liability portion of the program, representing approximately three-quarters of the premium volume, the insurance company that met the requirements and gave the best final quote was TIG Insurance Company (TIG). TIG is a specialist in construction OCIPs. The staff has reviewed the TIG financials and finds them acceptable. Workers' Compensation/US Longshoreman & Harborworkers' Act also is represented by TIG Insurance Co. with General Liability, and Railroad Protection, is represented by TIG. Contractors Pollution Liability is represented by American International Group (AIG) Project Professional Liability is represented by Lexington Insurance Co. (AIG) Builders Risk including Earthquake is also represented by AIG. Excess Liability/Umbrella is represented by a combination of insurance carriers including AIG, Zurich, Royal, Westchester, Gulf, Lloyds of London. It was recommended that the Board authorize binding of this program, with coverage retroactive to July 14, 1999 and payment of the insurance premiums estimated to be \$9,034,341.00 in fiscal year 2000; \$4,789,341.00 in fiscal year 2001; \$4,789,341.00 in fiscal year 2002; \$4,789,341.00 in fiscal year 2003; \$4,789,341.00 in fiscal year 2004; \$4,789,341.00 in fiscal

year 2005; and \$3,671,529.00 in fiscal year 2006. The actual earned premium will be determined by an annual audit of work completed and the premium adjusted accordingly with the maximum seven-year premium no more than \$36,900,000.00, all of which is to be capitalized. The recommendation was approved on passage of Resolution No. 99335.

Resolution in Support of Bay Area Water Transit Initiative was the subject of a memo to the Board from the Director of Strategic and Policy Planning notifying the Board that over the past year the Port has been an active participant in the work of the Bay Area Water Transit Blue Ribbon Task Force, which has completed and forwarded to the State Senate its recommendation that a water transit authority be formed to pursue development of a comprehensive passenger and freight ferry system connecting all parts of the Bay Area. Senator Perata introduced Senate Bill 428 to establish such an authority, and this bill is under consideration at this time. It was recommended that the Board support the creation of a Bay Area Water Transit Authority as provided in Senate Bill 428. The recommendation was approved on passage of Resolution No. 99336.

Public Works Contracts Consultant was the subject 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), the Airport Roadway Project 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 (CIP), both due to 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 for contractors for the Port's CIP. A letter dated December 4, 1998, requested that the Board authorize the Port Attorney to retain the Oakland-based law firm of Wulfsberg, Reese, Ferr and Sykes (now renamed as Wulfsberg, Reese & Sykes) to provide a number of services to the Port including 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. It was recommended that the Board increase the agreement with Wulfsberg, Reese & Sykes by \$250,000.00. The recommendation was approved on passage of Resolution No. 99337.

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

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

Noes: None

Absent: Commissioner Taylor - 1

“RESOLUTION NO. 99319

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH MWM ARCHITECTS 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. 99320

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH GOLDER ASSOCITES 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. 99321

RECOMMENDING THAT CITY COUNCIL AMEND PORT AREA LINE TO DELETE PROPERTY FOR THE AIRPORT ROADWAY PROJECT.”

“RESOLUTION NO. 99322

GRANTING SAFEWAY, INC., PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99323

AWARDING CONTRACT TO TANK PROJECT ENGINEERING OF NORTHERN CALIFORNIA, INC. FOR REMOVAL OF UNDERGROUND FUEL STORAGE TANKS MF-19, MF-20 AND MF-21, BUILDING M-105, SOUTH FIELD METROPLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99324

GRANTING AUTHORIZATION TO INCLUDE DEMOLITION OF BUILDING L-802 AND REMAINING FOUNDATION OF BUILDING L-818, 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. 99325

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

“RESOLUTION NO. 99326

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH HAWK PACIFIC CORPORATION.”

“RESOLUTION NO. 99327

APPROVING AND AUTHORIZING EXECUTION OF A SECOND SUPPLEMENTAL AGREEMENT TO LICENSE AND CONCESSION AGREEMENT WITH MARINE TERMINALS CORPORATION FOR MODIFICATION TO COMPENSATION TERMS.”

“RESOLUTION NO. 99328

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

“RESOLUTION NO. 99329

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH LIFTECH 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. 99330

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH MCKAY INTERNATIONAL ENGINEERS 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. 99331

FINDING AND DETERMING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR CONSTRUCTION AND INSTALLATION OF SIX OPTIONAL CONTAINER CRANES FOR BERTHS 57-58, VISION 2000 PROGRAM, OAKLAND, WITHOUT COMPETITIVE BIDDING FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS AND AWARD OF CONTRACT TO SHANGHAI ZHENHUA PORT MACHINERY CO., LTD.”

“RESOLUTION NO. 99332

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH PARSONS BRINCKERHOFF CONSTRUCTION SERVICES, INC. FOR CONSTRUCTION MANAGEMENT CONSULTING SERVICES FOR THE JOINT INTERMODAL TERMINAL CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

“RESOLUTION NO. 99333

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF MARINE OPERATIONS BUILDING AND MARINE RESTROOM AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99334

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF 7TH STREET REALIGNMENT AND NEW ROAD, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99335

BINDING OWNER CONTROLLED INSURANCE PROGRAM FOR VISION 2000, AIRPORT ROADWAY PROJECT AND THE AIRPORT EXPANSION PROJECT.”

“RESOLUTION NO. 99336

APPROVING SUPPORT FOR THE BAY AREA WATER TRANSIT INITIATIVE AS PROVIDED IN SENATE BILL 428.”

“RESOLUTION NO. 99337

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

“RESOLUTION NO. 99338

TERMINATING APPOINTMENT OF RAFAEL ARELLANO.”

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

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

Noes: None

Abstained: Commissioner Kiang - 1

Absent: Commissioner Taylor - 1

“RESOLUTION NO. 99339

APPROVING AND AUTHORIZING THE TEMPORARY USE OF A PORTION OF
NINTH AVENUE TERMINAL BY ARTSHIP FOUNDATION, INC.”

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

Ayes: Commissioners Harris, Kiang, Neal, Uribe
and President Loh - 5

Noes: None

Abstained: Commissioner Kramer - 1

Absent: Commissioner Taylor - 1

“RESOLUTION NO. 99340

TERMINATING APPOINTMENT OF JERRY BELL.”

Port Ordinance No. 3530 being, “AN ORDINANCE APPROVING AND
AUTHORIZING THE EXECUTION OF LEASE WITH VORTEX DIVING, INC,” and Port
Ordinance No. 3531 being, “AN ORDINANCE AMENDING SECTIONS 2.01, 2.02, 2.03, 2.05
AND 2.06, AND ADDING SECTION 1.33994 TO PORT ORDINANCE NO. 867 RATIFYING
AND FIXING THE COMPENSATION OF CERTAIN EMPLOYEES OF THE PORT
DEPARTMENT,” and Port Ordinance No. 3532 being, “AN ORDINANCE AMENDING
SECTION 2.03 AND 2.05 OF PORT ORDINANCE NO. 867 AND CREATING NEW AND
ADDITIONAL POSITIONS,” were read a second time and passed on final approval by the
following vote:

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

Noes: None

Absent: Commissioner Taylor - 1

Port Ordinance No. ____ being, "AN ORDINANCE REPEALING SECTION 1 (IN PART) OF PORT ORDINANCE NO. 3495 AND AMENDING PORT ORDINANCE NO. 1149," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF LEASES WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE AGREEMENT WITH HAWK PACIFIC CORPORATION," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING ADDITIONAL POSITION OF MARITIME PROJECTS ASSISTANT-TRAFFIC REPRESENTATIVE I," were read a first time and passed to print by the following vote:

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

Noes: None

Absent: Commissioner Taylor - 1

At the hour of 5:38 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, (Subdivision (a) of Section 54956.9): 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. 973056-0 (Consolidated Cases); conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 3 cases; conference with real property negotiator, as provided under Government Section 54956.8, under negotiation, property – Oakland Portside Associates, 100 Embarcadero, , Oakland, CA, negotiating parties – Port and Oakland Portside Associates, under negotiations – price and terms of payment, property – Annual Review Various Properties, negotiating parties – August 3, 1999

Port and Various Tenants, under negotiation – price and terms of payment; and reconvened in open session at the hour of 8:05 p.m.

At the hour of 8:06 p.m. the meeting was adjourned to Tuesday, August 10, 1999, at the hour of 4:00 p.m.

On Wednesday, August 4, 1999, President Loh called for a Special Meeting of the Board to be held on Tuesday, August 10, 1999 at the hour of 1:00 p.m., Board Room, 530 Water Street, Oakland, California.

The purpose of the meeting was to allow for an earlier start to the previously scheduled adjourned regular meeting set for 3:00 p.m.

The special meeting was held on Tuesday, August 10, 1999, at the hour of 1:20 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 Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

At the hour of 1:30 p.m. the Board entered into closed session for conference with Legal Counsel – Anticipated Litigation, Significant exposure to litigation pursuant to Subdivision (b) of Section 549569, one case; and reconvened in open session at the hour of 2:20 p.m.

Discussion and possible action to approve a Proposed Interim Project Labor Agreement (PLA) was subject of an oral report from the Director of Engineering, Port Attorney and Port Consultant, Jake Sloan. The presentation recommended approval of the proposal which is contained in a separate document entitled “Port of Oakland, Vision 2000 (1999 Facilities) Project

Labor Agreement. After discussion and appearances in support of the PLA, the recommendation was approved on passage of Resolution No. 99341.

Approval of Amendments to Port's Non-Discrimination and Small Local Business Utilization was the subject of an oral report from the Director of Engineering and the Director of Equal Opportunity recommending certain changes to the program which would retain the current procedure for determining preference points with a maximum of 10 preference points; retain the conversion of those points to a bid discount percentage, however, it would cap the dollar amount of the bid to which the discount would be applied at the first \$10 million. The existing policy has shown that the Port has received fewer bids and consequently higher bid prices for new projects because of reduced competition. It was recommended that the Board approve the change so that plan holders on the Berths 55-56 Wharf Project can be notified in time to factor the change into their bids. After discussion, the recommendation was approved on passage of Resolution No. 99342.

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

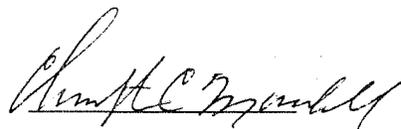
“RESOLUTION NO. 99341

MAKING FINDINGS AND DETERMINATIONS REGARDING A PROPOSED PORT OF OAKLAND VISION 2000 (1999 FACILITIES) PROJECT LABOR AGREEMENT, AND APPROVING AND AUTHORIZING EXECUTION OF THE PROJECT LABOR AGREEMENT ON BEHALF OF THE PORT.”

“RESOLUTION NO. 99342

APPROVING AMENDMENT TO POLICY ON NON-DISCRIMINATION AND SMALL LOCAL BUSINESS UTILIZATION IN PORT PROFESSIONAL SERVICE CONSULTANT CONTRACTS AND CONSTRUCTION CONTRACTS.

At the hour of 4:10 p.m. the Special Meeting of the Board was adjourned on a motion duly made and seconded.

A handwritten signature in cursive script, appearing to read "Kenneth C. Zumbly".

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 6, 1999, 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: Kiang, Kramer, Neal, Taylor

and President Loh - 5

Commissioners absent: Harris and Uribe - 2

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

Approval to Collect and Spend Passenger Facility Charges (PFC's) Related to the Eighth PFC Application of Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that on June 18, 1999, the Federal Aviation Administration (FAA) approved the Port's eighth application to impose and use passenger facility charges (PFC's) in the amount of \$12,251,844.00. Collection will continue at the current PFC level which is \$3.00 per enplaned passenger. The airlines will retain \$0.08 as their administrative fee on each PFC remitted. Frequent flyers are exempt from paying the \$3.00 PFC when enplaning at OAK. PFC's at the Port are considered a tariff which must be imposed by ordinance. On August 4, 1992, the Board adopted Port Ordinance No. 3106, which amended Port Ordinance No. 1149, and imposed PFC's at the Airport in accordance with Aviation Safety and Capacity Expansion Act of 1990. In the interim, the Board has subsequently amended Port Ordinance No. 1149 in order to extend the \$3.00 PFC and approve collection of the PFC's for the projects approved by the FAA. The proposed action to establish and collect the PFC's in accordance with the California Environmental Quality Act (CEQA), State and Port guidelines for

the for the implementation of CEQA has been evaluated. This evaluation includes the potential impact of extending the PFC collection program for eight new programs. Six of the eight projects in the PFC application are categorically exempt from the requirements of CEQA under the provisions of Section 15301 and 15306 of the CEQA guidelines. On March 25, 1998, a mitigated negative declaration was adopted by the Board for the Reconstruction of the Concrete Apron S.E. of Building L-812. On December 18, 1998, the Initial Study Public Comment Period ended on the project to Rehabilitate the Apron on Building L-820 and a portion of Taxiway D. The Board will consider a mitigated negative declaration when plans and specifications for the apron and portion of Taxiway D are submitted for Board review. It was recommended that the Board amend Port Ordinance No. 1149 to extend the \$3.00 PFC per enplaned passenger at the Airport for the projects approved by the FAA for PFC funding under PFC Application Eight. The recommendation was approved on passage of an ordinance to print.

Authorization to Hire Program Management Consultant Team for Airport Sound

Insulation Program was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Airport recently completed the Pilot Sound Insulation Program (PSIP), which included soundproofing four homes in the Bay Farm Island area of Alameda. This was a sample program to evaluate the effectiveness of the insulation and to determine the best program management practices for the large scale Sound Insulation Program. The purpose of both the pilot and full sound insulation programs is to bring all homes within the Airport's affected area into compliance with State law. The PSIP was effective in reducing the interior noise levels of the four homes by approximately 5.5 decibels (dB), which creates a noticeable difference for the homeowners and meets the federal guidelines for noise level reduction. The scope of work for the full Sound Insulation Program (SIP) will be identical to that of the pilot program. Consultant work will include program management, acoustical, architectural and related specialized services. Construction will consist of replacing all windows and sliding glass doors with special acoustical, double pane units; sealing exterior doors and replacing hollow core doors; modifying fireplace openings and dampers; and providing fresh air makeup to the existing heating system.

Approximately 586 townhomes and 32 single family homes are eligible for the SIP. All are located on Bay Farm Island near the bay and the Airport. The Airport worked closely with the FAA to define the eligibility area to ensure the program will be eligible for AIP and PFC funding. The SIP is a voluntary program and homeowners who wish to participate will be required to sign a limited noise easement and construction agreement, as did the PSIP. Homeowners who do not wish to participate will not jeopardize the Airport's requirement to bring the "noise impact area" residences into compliance with state law. The Airport fulfills its requirement by offering insulation to all homes within the impact area, and it is up to each homeowner to decide whether to participate in the program. After careful consideration and evaluation of the Pilot SIP, C. Kelly-Smith (CKS) was selected as Program Manager for the PSIP through an RFP process which followed Port and Federal guidelines. The amount of the proposed agreement for the Program Management Team, for the entire SIP of 618 homes, is \$1,591,198.00. Consultant fees will be adjusted annually pursuant to the consumer price index. In addition, it is requested that the Executive Director be authorized to approve up to an additional 5%, or \$79,560.00, for potential changes in scope, for a not to exceed total cost of \$1,670,758.00. It was recommended that the Board authorize the preparation and execution of an agreement with C. Kelly-Smith & Associates, Inc., as the primary Program Management consultant for the Sound Insulation Program, and the sub-consultants, Brown-Buntin Associates, Inc, for acoustical services and Keel Associates for PM mentor. The recommendation was approved on passage of Resolution No. 99268.

Authorization to Dispense with Formal Bids for Construction of Pavement Improvements in Economy and Long Term Parking Lots, South Airport, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Long Term Parking Lot was built as part of the original South Field Terminal Project in 1960 and the lot has since been expanded twice to its current size. The Economy Parking Lot was originally built in the mid 1980s as a temporary (two year) parking lot to help accommodate overflow vehicles from the Long Term Parking Lot. The Economy Parking Lot was later expanded to meet the demands for additional airport passenger parking needs. Preventive pavement maintenance and miscellaneous

improvements have been performed on both parking lots throughout the life of the facilities to help better serve the public. However, the pavements along the bus route lanes in both parking lots have shown signs of deterioration and it appears that the pavement has exceeded its useful life. In order to maintain the current level of service for the airport passengers, improvements to the existing pavement along the shuttle bus routes are urgently needed. The areas that are most urgently in need of improvements have already been corrected by the annual pavement contractor; the cost for these improvements was approximately \$130,000.00. The remainder of the improvements should be constructed before the rainy season starts. The proposed pavement improvements have been designed to provide a pavement life of approximately five years. The work in general will include removal of the existing pavement section and subgrade material and construction of the full depth asphalt concrete pavement section. It was recommended that the Board find it to be in the best interest of the Port to dispense with the formal bidding process and to advertise and solicit proposals from qualified pavement contractors. It was also recommended that the Executive Director be authorized to execute a contract for this work with the lowest responsible proposer, said contract to be based on informal competitive proposals and in compliance with the Port's Non-Discrimination and Small/Local Business Utilization Policy. The recommendation was approved on passage of Resolution No. 99269.

Approval of Ground Lease and Building Permit for the City of Oakland to Re-create and Operate the Otis Spunkhner Youth Soccer Field at Doolittle Drive and Harbor Bay

Parkway at the North Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that due to the scarcity of youth ball field sites in the City of Oakland, the City wants to re-create a youth soccer field on a 6.04 acre parcel at the intersection of Doolittle Drive and Harbor Bay Parkway at the North Airport. From April 1993 through October 1995, the City used the site for a youth ball field. The City later abandoned it as part of an offer of the site to the Oakland Raiders football team. The site has been vacant ever since the Raiders declined the site in favor of a practice field/office complex site nearby in the City of Alameda. The City of Oakland proposes and Port staff recommends a ground lease including a term of five years with three five-

year options to renew, this is consistent with City recreational facility bond requirements; a rental rate of \$1.00 per year; creation and operation of a youth soccer facility; the City being solely responsible for all utility charges and required to post and maintain six-month pre-payment of same; the City at its sole expense making improvements with installation of sod, cyclone fencing, nylon netting and support, irrigation system, parking lot pavement, pre-fabricated restroom, water fountain and youth soccer field equipment, the estimated value of the work is more than \$100,000.00; the Port being relieved of current security, grass trimming, weed removal, irrigation and all future maintenance or repair responsibilities; no subletting or assigning of the premises; the Port retaining the right to terminate the lease should a Federal agency (e.g. FAA or Office of Inspector General) disapprove the City's use of the property or the lease itself; the Port having the right, upon five years advance notice, to terminate the lease for the Port's own land use purposes; and other standard Port provisions and including, FAA rules and regulations, Alameda County Airport Land Use Commission Density Requirements for Existing Runway Safety Area, Accident Zone Definitions, City Prevailing Wage policies and Port self-insurance, Equal Opportunity/Non-Discrimination and Environmental Liability policies. It was recommended that the Board approve a ground lease with the City of Oakland and granting the City of Oakland a building permit to recreate a youth soccer field. The recommendation was approved on passage of Resolution No. 99270.

Approval of New Ground Lease with Artisan Manufacturing Company at North

Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that David Mariais, Jeffrey Mariais and Mate Mariais, a general partnership dba Artisan Manufacturing Company (Artisan) proposes to ground lease a site on Earhart Road at North Airport. Artisan, a three generation, family-owned company, has operated an aviation-related metal fabrication and repair shop at Building L-643 on the North Field for over thirty years. The Board has identified Building L-643 as a building that needs to be demolished. Desirous to remaining on the North Airport, Artisan proposes that it relocate to a new 4,000 square foot metal building that Artisan would build on a 16,625 square foot site in the vicinity of Earhart Road and Cooke Street.

The Port staff recommends a ground lease including a term of twenty years with one conditional right of first refusal to lease the premises with reversion of ownership of the building to the Port upon expiration of the lease term; at its sole expense and within six months of commencement of the lease, Artisan completing construction of a 4,000 square foot metal building appropriate as a FAA-certifiable repair station, all necessary utilities and parking, at a total estimated cost in excess of \$200,000.00; a ground rental of \$1,065.42 per month including easement rent discount, with CPI adjustments every 30 months (6% ceiling/2% floor per annum) and at the end of ten years, a fair market rental value adjustment; easement retained by the Port over 3,117 square feet of the premises for access to a Port transformer located off premises, in exchange, Artisan would receive a 50% rental discount on the easement land's rental value; construction and operation of an FAA-certifiable repair station; the Port having no maintenance or repair responsibilities; no subletting of more than 50% of the premises and payment to the Port of 50% of any bonus value in the event of sublet or assignment; Artisan will be responsible for all utility charges, taxes and assessments; and other standard Port provisions and including, Prevailing Wage, Equal Opportunity/Non-Discrimination, Local Area Business Participation, Environmental Liability and Risk Management policies. It was recommended that the Board approve a ground lease with Artisan Manufacturing. The recommendation was approved on passage of an ordinance to print.

Approval of Lease Modification/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 United States of America, Department of Transportation, Federal Aviation Administration (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 Radar Approach Control facility. The Lease term was extended through June 30, 1999 via Lease Modification/Supplement No. 1 effective July 1, 1998. It was recommended that the Board approve and authorize execution of Lease Modification/Supplement No. 2 with the United States of America, Department of Transportation, FAA which would extend the term of the Lease July 6, 1999

for three years, from July 1, 1999 through June 30, 2002; and no monetary consideration would be charged due to Federal Grant Assurances obligations. The recommendation was approved on passage of Resolution No. 99271.

Resolution and First Reading of Ordinance Approving Lease Amendment with Existing Tenant United States Postal Service was the subject of a memo to the Board from the Director of Aviation recommending approval to renew agreement with United States Postal Service, for 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 \$20,000.00 per month, effective July 1, 1999. The recommendation was approved on passage of Resolution No. 99272 and on an ordinance to print.

Authorization to Enter into Agreement with Amtrak for the Purpose of Conducting Rail Study was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that as part of the Jack London District Transportation Improvement Study, the Port and Amtrak are jointly conducting a study of the railroad traffic that operates on the Union Pacific corridor through Jack London Square. By way of background, Amtrak now serves the Jack London Square station with the Coast Starlight trains, the Capital Corridor trains (there are 8 of these trains) and the San Joaquin trains (there are 6 of these trains). Presently, the Amtrak station is unable to service the California Zepher, the equivalent of the transcontinental railroad passenger service and now stops in Emeryville. Presently, there are 32 Amtrak train movements along the Embarcadero corridor in and out of the Oakland station in a 24-hour period. These train movements coupled with the 30 or so freight train movements contribute to congestion and track capacity problems, and stopped or delayed trains along the street. The Zepher cannot use Oakland's station due to this track capacity issue, length of the Zepher trains, and platform and street configuration. The Jack London District Transportation Improvement Study are proposing to contract with Amtrak West to conduct this railroad operations study. The contract amount for the study, which will be conducted by Korve Engineering, is \$46,000.00. Amtrak will enter into the contract with Korve. The Port would reimburse Amtrak for half of the cost. It was recommended

that the Board approve the reimbursement to Amtrak in the amount of \$23,000.00 amount to 50% of the contract price for the Korve Engineering railroad corridor study. The recommendation was approved on passage of Resolution No. 99273.

Artship Short-Term Lease at 9th Avenue Terminal was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Artship is the USS Golden Bear, a 491-foot former U.S. Maritime Academy Training Vessel that is currently berthed in the Navy's reserve fleet in Suisun Bay, California. Donation of the vessel to the nonprofit Artship Foundation for use as a multicultural center for the arts was authorized by Congressional vote in November 1997. The donation of the vessel to Artship Foundation is conditioned upon the Foundation raising \$100,000.00. Artship Foundation proposes to renovate the ship in phases, so that within its first year the ship would serve as a venue for events and performances; a base for local artists and artisans to work; a location for arts-related business enterprises; and US headquarters for the International Peace University. Artship Foundation estimates that the renovation project will require five to seven years to complete, and cost on the order of \$5 million. At its May 22, 1998 meeting, the City-Port Liaison Committee requested City and Port staff to work with Artship Foundation to identify alternative berthing locations for the Golden Bear. That effort resulted in a September 18, 1998 Report to the City-Port Liaison Committee on Berthing Options for the Artship in Oakland, which concluded that the most viable berth location within Oakland would be the Port's 9th Avenue Terminal. On October 6, 1998, the Liaison Committee accepted the 9/18/98 berthing options report, and agreed that a new task force would be formed to negotiate a berthing agreement or memorandum of understanding (MOU). The new task force, including a City Council Member and a Pot Commissioner, began its work in December 1998. The MOU was structured as a three-party agreement between Artship Foundation, the City and the Port. It set forth several preconditions for relocating the ship to 9th Avenue Terminal and provided the framework for a two-party berth lease agreement between the Port and Artship Foundation. The MOU was taken through five drafts before being set aside in May 1999 pending completion of environmental review and a full BCDC permit for the proposed Artship project. In the Spring of July 6, 1999

1999 Artship Foundation scheduled, and widely advertised, an arrival celebration and fundraising event for August 7, 1999 on the Oakland waterfront. To accommodate this event and Artship Foundation's desire to have the ship relocated to Oakland for fundraising purposes, a short-term lease would be necessary through the BCDC and they would issue an administrative permit for temporary use. The short-term lease terms include a term of 6 months, Artship Foundation agrees to remove vessel from Port area at end of term or upon expiration or termination of BCDC administrative permit; rent would be \$0, Artship Foundation is responsible for cost of utilities and sewage removal, estimated at approximately \$1,000.00 per month; improvements are the tenant's responsibility, Port would be reimbursed for infrastructure improvements, estimated at approximately \$15,000.00; requirements prior to execution is evidence of title in Artship Foundation, evidence of appropriate vessel documentation, receipt of BCDC administrative permit for temporary use, evidence of insurance, evidence of 6 months operating expense (utilities costs) in reserve, estimated at approximately \$6,000.00, security deposit of \$15,000.00, evidence of ability to remove vessel from Port Area at the end of term, upon default, or upon termination or expiration of BCDC's permit, and evidence that the hull of the ship is in good condition (results of a recent marine survey); and the Port to have the right to dispose of vessel in event of default by Artship Foundation. It was recommended that the Board approve the short-term lease with Artship Foundation. The recommendation was approved on passage of Resolution No. 99274.

Approval of Consultant Agreement for Construction Management Services for the Construction of 7th Street Realignment and "New Road" was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port's Vision 2000 Program consists of Container Terminals (Berths 55, 56, 57, 58), the Realignment of 7th Street, and Construction of the "New Road", the Joint Intermodal Terminal (JIT), and the Middle Harbor Shoreline Park (MHSP). Currently, the Container Terminals at Berth 55 and 56, the Roadway, JIT, and MHSP are in design and will be going out to bid in the near future. The plans and specifications for the Construction of 7th Street Realignment and the "New Road" are being finalized and are scheduled to be submitted to the Board for approval. Due to the magnitude of the

upcoming construction program, the Port's Construction Department needs assistance in managing some of the construction contracts. The proposed consultant will provide construction management services for the Construction of 7th Street Realignment and "New Road." The anticipated cost of the services is approximately \$1.4 million. It was recommended that the Board approve the agreement with Vali Cooper and Associates, Inc. for the professional services. It is anticipated that the amount of the agreement will not exceed \$1,400,000.00, and it is requested that the Executive Director be authorized to approve up to an additional \$350,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 99275.

Approval of Tenancy Agreements with Unicold Corporation and Union Pacific Railroad Company was the subject of a memo to the Board from the Director of Maritime notifying the Board that as part of the Union Pacific Railroad (UPRR) acquisition, which closed on December 24, 1998, the Port acquired land owned in fee by the UPRR. Unicold Corporation occupied a portion of the property under a year to year lease. The UPRR ramp operator (Pacific Rail Services) also occupied a portion of the property. Subsequent to the close of escrow, the UPRR asked the Port to consider expanding their leased premises to include approximately 10 acres of land on the former Navy Fleet Industrial Supply Center and Unicold Corporation also requested certain modifications to their lease. UPRR - Parcel 1: term - property occupied by UPRR ramp operator commenced December 24, 1998 and continues month to month with a mutual 30-day cancellation provision; premises - 2,912 square feet "cross dock" rail served facility and 16,403 square feet of contiguous land; rental - total annual rental is \$52,332.00 paid monthly, the rental is based on \$12 psf/year for the building and 10% of \$10.60 psf for land; and maintenance - tenant pays all repairs, maintenance and utilities. UPRR - Parcel 2: term - commenced July 1, 1999 and continues month to month with a mutual 30-day cancellation agreement; premises - approximately 10.417 acres of land at FISC site; rental - total annual rental is \$435,600.00 payable monthly, the rental is based on 10% of \$9.60 per square foot per year; and maintenance - the tenant pays all repairs, maintenance and utilities. Unicold Corporation - Lease Amendment: term ends - one year notice ending September 30, 2001; premises - warehouse, 6,624 square feet, office, 1,600

square feet, lunch room, 224 square feet, and land 1.398 acres; rental - \$49,080.00/year plus \$32,220.00/year to cover additional land, total \$81,300 per year; rent increase – 5% on October 1, 1999 and October 1, 2000; moving payments – in the event Port issues a 60-day notice to vacate after October 10, 1999, tenant may receive \$2,045.00 for every month of unexpired lease term, UPRR would contribute 50% of moving fee; and maintenance – tenant pays and tenant also pays possessory interest tax. It was recommended that the Board amend the Union Pacific Railroad Company tenancy agreement and authorizing the lease amendment with Unicold Corporation. The recommendation was approved on passage of Resolution No. 99276.

Supplemental Agreements for Improvements at YTI Berth 23 and Realignment of Contiguous Boundary with Sea-Land Berth 22 was the subject of a memo to the Board from the Director of Maritime notifying the Board that Yusen Terminal, Inc. (YTI) provides terminal operation services at Berth 23, Outer Harbor Terminal, 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. YTI is adjacent to and shares a contiguous boundary with Sea-Land’s operations at Berth 22. The Board approved new compensation terms effective July 1, 1998 that provided for a simplified assessment procedure, as well as funds for additional improvements to Berth 23 to improve operations to accommodate an increase in volume levels. In lieu of Port tariff charges, YTI guarantees a flat monthly fee of \$604,166.67 to the Port and pays an additional amount per loaded TEU when primary use activity during each contract year exceeds Breakpoints of 125,000 and 140,000 loaded TEUs. YTI also pays, in addition to the flat monthly fee, rental for use of an Office Building and Maintenance and Repair Building. Under the terms of the Agreement the Port agreed to fund improvements to Berth 23 at a cost and expense not to exceed \$4.7 million. The improvements to be constructed by YTI generally comprised improvements to the gate, excluding camera and computer systems, as well as a reefer stacking system. As part of this improvement project, YTI and Sea-Land agreed to realign their boundaries to accommodate YTI’s new gate location and give Sea-Land additional yard storage. In addition to the \$4.7 million

for improvements, the Port also budgeted approximately \$3.5 million for asphalt concrete overlay of approximately 14-acres of container yard at Berth 23 in its CIP, as part of its regular upgrade program. The Port yard upgrade improvements will require coordination and phasing with YTI's work as the new Maintenance and Repair Building and portions of the gate construction are within the 14-acre overlay site. Because of the potential problems of phasing the Port's overlay work with the tenant's improvements and site availability during their peak traffic season, it would be beneficial for both the Port and YTI if the overlay work is included in YTI's construction contract. This will allow the work to be accomplished prior to the rainy season. In addition, YTI's improvements require a realignment of premises that border Sea-Land. It is their intent to exchange parcels in the amount of 1.5 acres along their contiguous border, which will allow both to improve the efficiency of their terminal operations. The exchange will result in neither an increase nor decrease in the assigned premises of either party. It was recommended that the Board approve the modifications of YTI and Sea-Land Agreements. The recommendation was approved on passage of an ordinance to print.

Modification to Compensation Terms 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 Maersk Pacific, Ltd. (Maersk) is in the second contract year of a five year Agreement for Berth 24. Primary use at the assigned premises includes vessel and cargo operations by Sea-Land which is part of the joint liner service by Maersk and Sea-Land currently operated under the name "TP3-Panama." The Berth 24 Agreement contains a Minimum Annual Guarantee (MAG) of 110,000 loaded TEUs for each contract year. If a total of 550,000 loaded Primary Use TEUs are not handled at the assigned premises during the five year term then Maersk shall pay the Port for the difference between the total contract volume and the loaded TEUs actually handled at the facility. Any shortfall shall be assessed at the rate for TEUs 1 through 120,000 (Breakpoint Level) in effect after any applicable adjustments at the end of the contract term. In lieu of Port tariff charges, during each contract year Maersk pays the Port an all-inclusive throughput rate per loaded TEU for dockage, wharfage, wharf demurrage, wharf storage and crane rental, as follows: from 1 to 120,000

(Breakpoint Level), \$53.00 per loaded TEU; and above 120,000 loaded TEUs, \$25.00 per loaded TEU. In April, 1998, Maersk and Sea-Land commenced a new joint service named "TP5 - South Central Express" by adding an additional weekly vessel deployment calling Long Beach, Oakland, Kaoshiung, Hong Kong and the Middle East. Vessel and cargo operations for this service were initially handled at the Sea-Land Terminal at Berths 20 – 22 with both Sea-Land and Maersk vessels. Both Maersk and Sea-Land vessels have shifted the "TP5 – South Central Express" service to the Maersk at Berth 34. Maersk has requested that the Port negotiate revised economic terms of the Agreement due to this joint liner service now calling at the Berth 24 facility. Indications are that the cargo volumes I the "TP5 – South Central Express" can significantly increase the loaded TEU throughput at Berth 24 and the Port would benefit from the increase in cargo volume. It was recommended that the Board approve of a Supplemental Agreement with Maersk and file with the Federal Maritime Commission. The recommendation was approved on passage of Resolution No. 99277.

Approval to Enter into Consultant Agreement to Provide Economic Analysis and a Pricing Model for the Joint Intermodal Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Maritime Division is proceeding with the construction of the Joint Intermodal Terminal (JIT) a major element of the Port's Vision 2000 Maritime Development Program. As construction begins, the Maritime Division is developing both a financial plan and an operating strategy for the JIT. The success of the JIT will be tied directly to the terminal's ability to meet the service requirements of our customers and to be cost competitive with other West Coast Intermodal options. At the same time, the competitive pricing of the facility must be balanced against the Port's criteria for a reasonable rate-of-return on the investment. A successful financial plan must take into consideration the overall cost structure of our ocean carrier customers. In particular, the Port must identify the specific cost factors associated with intermodal operations that will effect an ocean carriers port selection for intermodal cargo. In addition to this information, a financial model needs to be developed that will allow the Port to predict the performance of various JIT cost and pricing assumptions. Completing these tasks

requires specialized knowledge of both ocean carrier and railroad transportation economics and operating practices. Developing a pricing model will also required detailed knowledge of ocean carrier and intermodal pricing strategies. Currently, the Maritime Division does not have the resources available to pursue this study at the required level of detail. Based on written proposals and the interview process, it was determined that the Tioga Group was the most qualified consultant for this work. Therefore, it was recommended that the Executive Director be authorized to execute a professional service agreement with Tioga Group, at a maximum compensation of \$70,000.00. The recommendation was approved on passage of Resolution No. 99278.

Consent to Assignment of Agreements by Matson Terminals, Inc. and Stevedoring Services of America to SSA Terminals, LLC was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port has two separate Lease Agreements with Matson Navigation Company (Matson) which are assigned to a subsidiary, Matson Terminals Inc. (MTI). One Agreement is for the marine terminal and the other is for the freight station, all of which are located at Berths 32-34. The Agreements are scheduled to expire December 31, 2008. The Port also has a ten year Management Agreement with Stevedoring Services of America (SSA) which provides terminal services at the Charles P. Howard Terminal. The Agreement with SSA expires in 2007. MTI and SSA recently entered into a cooperative arrangement which was filed with the Federal Maritime Commission. Matson and SSA will establish and become the sole owners, either themselves or through subsidiary corporations, of SSA Terminals, LLC (SSAT), a limited liability company, to provide container stevedoring, terminal and related supporting services on the U.S. West Coast. MTI proposes very shortly to transfer to SSAT all of its assets with respect to its operations in the ports of Los Angeles, Oakland and Seattle in return for an equity stake in SSAT. Included with the assets to be assigned are MTI's agreements with the Port of Oakland. Additionally, SSA shall also transfer its assets, including its Management Agreement with the Port, to SSAT. As a result of these developments, both MTI and SSA have notified the Port of their desire to assign MTI's and SSA's Agreements to SSAT. It was recommended that the

Board approve of the assignments of the Matson and SSA Agreements to SSA Terminals, LLC.

The recommendation was approved on passage of Resolution No. 99279.

Authorization to Dispense with Formal Bids for Paving Lot D-711 and Modifying North Boundary Road, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Vision 2000 Maritime Development Program has required the periodic relocation of Harbor Transportation Center (HTC) tenants to allow the continuing demolition of buildings and to a lesser extent for new construction needed for the Vision 2000 Program. As a part of these tenant relocations, the Port has had to perform construction and maintenance work to provide facilities suitable for tenant uses. Several phased tenant relocations will be required as the Vision 2000 Program construction begins in earnest. The Maritime Division and Engineering Division have prepared a preliminary tenant relocation plan that calls for relocation of the Marine Terminals Corporation (MTC) Satellite Yard to provide space for construction of Berths 55/56 and the Joint Intermodal Terminal. This relocation will require paving the site of former building D-711 to provide a site suitable for container storage and handling. A new driveway and queuing lanes will also be needed along North Boundary Road to support the MTC Satellite Yard as well as other HTC tenants in the same area. Initially, it was intended to do the work with the Annual Paving and Grading Contractor. However, the value of the work is such that by doing so would impact our ability to use that Contractor for other work. As the project is time sensitive with respect to the other work in the Vision 2000 Program, it is proposed that execution of this contract be expedited by dispensing with formal bids and selecting a contractor on the basis of informal quotes. Requests for quotations will be sent to all paving and grading contractors in the Local Business Area database. The work is estimated to cost approximately \$170,000.00. It was recommended that it be found to be in the best interest of the Port to dispense with formal bidding procedures for paving Lot D-711 and modifying North Boundary Road, Harbor Transportation Center, 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. 99280.

July 6, 1999

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Approval of First Supplemental Agreement with McKay International Engineers for Inspection and Quality Assurance Review of Berths 55-56 Container Cranes was the subject of

a memo to the Board from the Director of Engineering notifying the Board that on April 20, 1999, the Board awarded the contract for construction and installation of container cranes at Berths 55-56, with options for additional cranes to Shanghai Zhenhua Port Machinery Co., Ltd. (ZPMC) of Shanghai, China. Associated with the ZPMC's crane construction contract are the needs for professional engineering and inspection service contracts. To provide assurance that the design is properly carried out during the construction phase, it is recommended that a program of inspection and quality assurance review (I/QA program) be performed at ZPMC's manufacturing site by an independent agency. This work requires special technical expertise and "on-site" inspection capabilities which the Port does not have. It is proposed that the existing contract with McKay International Engineers, an LBABE based in Richmond and the mechanical design consultant previously approved by the Board, be amended to include the management and oversight of the inspection and quality program. McKay International Engineers will subcontract with Leader Firm, Ltd., a quality assurance management firm from Hong Kong, for provision of technical language translations, advice about standards, procedures, and customs in China, and other inspection and quality assurance functions. Leader Firm was the third party quality assurance inspector at ZPMC's site during the construction of the Port's container cranes at Seventh Street Terminal and Berth 23. The scope of the work is review of vendor's quality control system and system implementation; receive and monitor fabrication and assembly procedures; verify material certificates and material traceability; verify welder qualifications; verify and spot check welding fit-ups, preheats, procedures, sequences, and the final welds; verify welding inspection records of weld groove and visual inspection records; verify gear material and witness heat treating and hardness testing; perform electrical installation inspection for code and specification compliance; verify coating material (paint) and thickness compliance and application procedures compliance; assist in Port in resolving technical problems during construction; and prepare and furnish weekly reports on the above items. The maximum payment that can be made under this proposed amendment to the

agreement is \$290,400.00 unless additional work is authorized by the Executive Director; and it is proposed that up to \$50,000.00 of additional work maybe authorized. It was recommended that the Board determine that the engineering services are professional services and approve the preparation and execution of a supplemental to the agreement with McKay International Engineers Inc. The recommendation was approved on passage of Resolution No. 99281.

Award of Contract for Removal and Disposal of Hazardous Materials and Miscellaneous Utility Work at Building D-731, 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 CST Environmental, Inc., the low bidder, at \$56,500.00. The recommendation was approved on passage of Resolution No. 99282.

Rejection of Bid and Authorization to Dispense with Formal Bids for Preparation of Material for the Closure of the Former Lew F. Galbraith Golf Course was the subject of a memo to the Board from the Director of Engineering recommending to the Board of the one bid received from Gallagher & Burk, Inc. and recommending the bid be rejected and the Executive Director be authorized to dispense with formal bidding procedures and that he be authorized to negotiate a contract for this work on the open market. This bid represents Phase I work and includes relocating the sand to stockpiles outside the existing diked-in area and spreading, drying, and stockpiling the bay mud within the dikes. The duration of the Phase I contract is 4 months. This work is necessary in order to maximize the drying effect of the summer weather conditions and to meet the schedule to construct a public golf course by the year 2002. The Phase II work, which is scheduled to be presented to the Board in 2000, will consist of construction of a cap over the existing landfill and placing, grading and compacting the stockpiled material in coordination with the golf course designer. Plan holders, when contracted, informed the Port that they were reluctant to bid because of the short contract duration, high liquidated damages, and uncertain weather conditions. In addition, because this is primarily an earth moving and drying project and requires minimum subcontract work, they felt that Gallagher & Burk Inc.'s (G&B) advantage of 10 preference points for being in the Local Impact Area (LIA) was too high to overcome. G&B,

when queried why their bid was so high, said that they included contingencies in their bid to cover the same risks that other plan holders had brought up, and also for misinterpretation of the flexibility allowed in drying and stockpiling of the material. They also indicated that the price could be lower if the bid documents were modified to reduce some of the risk to the contractor. The Engineer's estimate did not adequately account for the extent of these risks. It has been determined that at least a 4 month delay in turning over the site to the City will result if the preparation of the site material is not done at this time. In order to meet the current golf course construction schedule, it was recommended that the Board find it to be in the best interest of the Port to reject the bid of Gallagher & Burk Inc., modify the plans and specifications to bring the project within construction parameters mutually agreeable between the prospective proposers and the Port, dispense with formal bidding procedures in order to expedite the contract execution process, and negotiate a contract on the open market. Moreover, the Port through these negotiations will work with proposers to value engineer the project based on other work they may have in the area to effectively utilize existing equipment and realize more efficient operations. Once the Port finalizes negotiations with the selected proposer and reaches a mutually agreeable price based upon a negotiated scope of work, this agreed price will be presented to the Maritime Committee for their authorization to execute the contract. To begin necessary on-site soil during operations and to take advantage of present favorable weather, a portion of the work will immediately begin using the annual grading and paving contractor. The recommendation was approved on passage of Resolution No. 99283.

Award of Contract for Furnishing and Delivering High Mast Light Poles and Fixtures for Vision 2000 Program, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the two bids received and recommending award of the contract to Wesco Distribution, Inc., the low bidder, at \$1,050,382.00. The recommendation was approved on passage of Resolution No. 99284.

Plans and Specifications for Construction of Substation SS-D-1 and Two 12.4/kV Lines Along Middle Harbor Road, Vision 2000 Program 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 installing a switching substation within the existing substation SS-C-51 area, and constructing two combination overhead and underground lines along Middle Harbor Road with their appurtenances. In addition, temporary electrical feeds will be constructed for existing Harbor Transportation Center tenants, as well as the permanent feed to the proposed Joint Intermodal Terminal (JIT). The recommendation was approved on passage of Resolution No. 99285.

Approval to Reimburse BART for Their Plan Review and Site Inspection Expenses Related to the Demolition of Maritime Street Overpass, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board that the plans and specifications for the demolition of Maritime Street Overpass were approved on June 15, 1999. Some of this work will be done over the BART tracks and within the right of way which requires a BART permit. Conditions of the Permit require the applicant to pay for plan review and necessary field inspection. BART has reviewed the plans and specifications but they also need to review the contractor's work plan and design for a protective shield over the active BART tracks. Furthermore, during construction, BART will provide inspectors to monitor the contractor's operations. The Port is required to sign an agreement to reimburse BART for these services. The estimated cost of this work is \$55,000.00. It was recommended that the Board approve entering into the necessary agreement with BART and reimbursing them for the plan review and site inspection expenses related to the demolition of Maritime Street Overpass. The recommendation was approved on passage of Resolution No. 99286.

Modification of Terminal Use Agreement with Star Shipping 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. After a comprehensive logistical and competitive analysis which included the Ports of Richmond and San Francisco, STAR chose the Ninth Avenue Terminal in Oakland to discharge non-containerized rolled newsprint. In addition, operations for containerized cargo are conducted at the

APL Terminal where STAR is a secondary user of facility. The Board approved STAR's Terminal Use Agreement (TUA) on September 15, 1998. The terms of the TUA provided that STAR pays 80% of the Port tariff rates for dockage and wharfage on breakbulk commodities. In lieu of the prevailing Port tariff wharfage rate non-containerized newsprint is assessed \$4.25 per revenue ton, subject to the Minimum Annual Guarantee (MAG) of 35,000 metric tons. STAR will receive additional discounts at year-end if newsprint tonnage meets or exceeds incremental volume Breakpoints. The initial term is for two years, in view of the fact that the facility is being considered for other uses contained in the Estuary Redevelopment Plan. Subsequent annual renewals will be on a year to year basis for a total base term not to exceed five years. It was recommended that the Board approve the modification to STAR's TUA. The recommendation was approved on passage of Resolution No. 99287.

Termination of Operations and Agreement with South Pacific Container Line was the subject of a memo to the Board from the Director of Maritime notifying the Board that South Pacific Container Line (SPCL) provides service to American Samoa, Western Samoa, Tonga and Tahiti. During 1995, this shipping line moved from Richmond to the Charles P. Howard Terminal where operations are conducted by Stevedoring Services of America. The five year Terminal Use Agreement between SPCL and the Port is scheduled to expire in 2001. On June 24, 1999, the Port was notified that SPCL will cease operations because the commercial enterprise is being sold to Columbus Line which owns South Seas Line. Both Columbus Line and South Seas call in San Francisco. It was recommended that the Board approve the termination of the Terminal Use Agreement with South Pacific Container Line. The recommendation was approved on passage of Resolution No. 99288.

Selection of the Co-Financial Advisor and Renewal of the Financial Advisor Contract with Fullerton & Friar, Inc. was the subject of a memo to the Board from the Chief Financial Officer recommending the renewal of the Fullerton & Friar, Inc. contract as the primary financial advisor to be shared with a co-financial advisor. The Financial advisors will be providing the Port with services covering the development of a long-term strategic financial plan; financial and

business analysis of major capital projects; assessment of financial risks involved with the Implementation of the Capital Improvement Program; assistance and advice in evaluating, structuring, and marketing bond issues; and other financing transactions by the Capital Improvement Program. The need for continuity in financial advisory services is critical to the Port's successful implementation of the Capital Improvement Program. The two co-financial advisors that were selected are Kelling Northcorss & Nobriga of Oakland; and Montague Derosé and Associates of Walnut Creek. The Port plans to hire Fullerton and Friar, Inc. and one of the candidates for co-financial advisor for two years with two one-year options on an annual retainer not to exceed \$120,000.00 per year and out-of-pocket expenses limited to \$20,000.00 per firm for general financial advisory and transactional fees not to exceed \$1.10 per \$1,000.00 of bonds which will be funded out of issuance costs of the transaction. All fees and compensation are to be shared on the basis of sixty percent (60%) to Fullerton and Friar Inc. and forty percent (40%) to the co-financial advisor. The recommendation was approved on passage of Resolution No. 99289.

Authorization to Purchase and Install New Network and Telecommunication Wiring at Port of Oakland Administrative Offices was the subject of a memo to the Board from the Director of Administration notifying the Board that since moving to new Administrative Offices at 530 Water Street in 1989, the Port network has been based on an older Type III token ring wiring scheme. Over the past three years MIS has made major expansions and upgrades to the network infrastructure to handle the dramatic increase in network service demands. These requirements include new servers and routers to host mission critical application systems, as well as the migration of user workstations from token ring to new high-capacity Ethernet. To keep pace with the user service requirements and backbone network improvements, it is critical that the access wiring be similarly replaced and streamlined throughout the building. This change would give the capability to eventually triple our network capacity, as well as correct numerous temporary patches, which have resulted from workspace alternations. The project would consist of two phases. The first phase would provide a new fiber optic spine between the fourth floor network room and each of the main phone closets. Phase two would replace existing Type III workstation cabling with

newer high-capacity Category 5e wiring. It is expected that all wiring changes would take place as time permits with a minimum of disruption to employees. This infrastructure/network wiring upgrade will provide a long-term solution in meeting the Port network requirements, by providing for increased growth and capacity. All completed improvements will be Year 2000 compliant. The implications of delaying this project are increased network service interruptions and lost work productivity. It was recommended that the Board find it in the best interest of the Port to authorize the purchase of products and services required to maintain Port systems infrastructure; to proceed with informal quotations for the purchase through open market procurement; and that the Executive Director be authorized to make this purchase. The recommendation was approved on passage of Resolution No. 99290.

Approval of Consultant Agreement for On-Call Professional Land Surveying and Mapping Services was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port relies upon an On-Call Professional Services Agreement to augment a small contingent of full time staff to supply surveying and mapping services to internal Port clients, and outside Port tenants and customers. The cost of outside services in support of the Capital Improvement Program over the next 3 years is projected at \$3.8 million. The proposed On-Call contract has a three year term. The current contract is held by Transbay Surveys, a Joint Venture between Towill, Inc. and Geotopo Inc. Part of the selection criteria for the existing contract was competitive rates. The continuity of projects will be kept as transition to the new team. The same professionals will be working on time sensitive projects. Critical project management functions will be carried forward. There are also planned transitions to LIA firms, as Towill, Inc, the managing partner of Transbay Surveys, begins a Mentoring Program that is destined to enlarge the pool of qualified local talent which the Port can readily draw upon as needed in the near future. The services of Land Surveyors who are qualified and available to work in the program, in the required numbers, are becoming a scarce commodity. The Port needs to develop that human resource locally. To this end, the Mentor (Towill, Inc) will conduct seminars for the (LIA) proteges in business practices, including managing overhead, professional marketing

techniques, developing effective employee retention programs, and developing an effective Quality Assurance Program. These are the fundamentals of growing a long term, viable Land Surveying and Mapping Business. The Port Review Panel, augmented by the City of Oakland Land Surveyor, has reviewed the Transbay Proposal. The consensus of the Review Panel is that the Transbay Surveys Team exceeds the capability requirements of the RFP. It was recommended that the Executive Director be authorized to negotiate and execute an agreement with Transbay Surveys for the On-Call Professional Land Surveying and Mapping Services. The recommendation was approved on passage of Resolution No. 99291.

SM Consulting Contract Approval was the subject of a memo to the Board from the Director of Administration recommending approval to retain SM Consulting for professional consulting services to the Port to include: organizational development including problem identification, conflict resolution and skill development services to assist in resolving interpersonal problems. SM Consulting has previously worked at the Port providing services to the Human Resources Department, and the Aviation and Maritime and Commercial Real Estate Divisions. Most recently, SM Consulting has provided team building and conflict resolution services to Airport Operations, Airport Properties, Environmental and Engineering departments. It was recommended that the Board approve the contract with SM Consulting for an amount not to exceed \$35,000.00. The recommendation was approved on passage of Resolution No. 99292.

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

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

Noes: None

Absent: Commissioners Harris and Uribe - 2

RESOLUTION NO. 99268

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH C. KELL-SMITH & ASSOCIATES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 99269

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR CONSTRUCTION OF PAVEMENT IMPROVEMENTS IN ECONOMY AND LONG TERM PARKING LOTS, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS. (Airport – 3)

“RESOLUTION NO. 99270

GRANTING CITY OF OAKLAND, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99271

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

“RESOLUTION NO. 99272

APPROVING THE LEASE AMENDMENT WITH UNITED STATES POSTAL SERVICE.”

“RESOLUTION NO. 99273

APPROVING AND AUTHORIZING REIMBURSEMENT AGREEMENT WITH AMTRAK FOR CONDUCTING RAIL STUDY AS PART OF THE JACK LONDON DISTRICT TRANSPORTATION IMPROVEMENT STUDY.”

“RESOLUTION NO. 99274

APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH ARTSHIP FOUNDATION, INC.”

“RESOLUTION NO. 99275

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH VALI COOPER & ASSOCIATES, INC., FOR CONSTRUCTION MANAGEMENT CONSULTING SERVICES FOR THE VISION 2000 PROGRAM CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

“RESOLUTION NO. 99276

APPROVING AND AUTHORIZING EXECUTION OF FIRST AMENDMENT TO LEASE-BACK AGREEMENT WITH UNION PACIFIC RAILROAD COMPANY.”

“RESOLUTION NO. 99277

APPROVING AND AUTHORIZING AN AMENDMENT TO NON-EXCLUSIVE PREFERENTIAL ASSIGNMENT AGREEMENT WITH MAERSK PACIFIC, LTD.”

“RESOLUTION NO. 99278

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

“RESOLUTION NO. 99279

CONSENTING TO ASSIGNMENT OF AGREEMENTS BY MATSON TERMINALS, INC. AND STEVEDORING SERVICES OF AMERICA, TO SSA TERMINALS, LLC.”

“RESOLUTION NO. 99280

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PAVING LOT D-711 AND MODIFYING NORTH BOUNDARY ROAD, 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. 99281

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH MCKAY INTERNATIONAL ENGINEERS 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. 99282

AWARDING CONTRACT TO CST ENVIRONMENTAL, INC. FOR REMOVAL AND DISPOSAL OF HAZARDOUS MATERIALS AND MISCELLANEOUS UTILITY WORK AT BUILDING D-731, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99283

REJECTING BID FROM GALLAGHER & BURK, INC. FOR PREPARATION OF SITE MATERIAL FOR THE CLOSURE OF THE FORMER LEW F. GALBRAITH GOLF COURSE, OAKLAND, CALIFORNIA, DIRECTING RETURN OF BID BOND TO BIDDER AND AUTHORIZING A CONTRACT IN THE OPEN MARKET WITHOUT COMPETITIVE BIDDING.”

“RESOLUTION NO. 99284

AWARDING CONTRACT TO WESCO DISTRIBUTION, INC. FOR FURNISHING AND DELIVERING HIGH MAST LIGHT POLES AND FIXTURES FOR VISION 2000 PROGRAM, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99285

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF SUBSTATION SS-D-1 AND TWO 12.47kV LINES ALONG MIDDLE HARBOR ROAD, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99286

APPROVING AND AUTHORIZING REIMBURSEMENT AGREEMENT WITH BAY AREA RAPID TRANSIT DISTRICT FOR PLAN REVIEW AND SITE INSPECTION EXPENSES RELATED TO DEMOLITION OF MARITIME STREET OVERPASS, HARBOR TRANSPORTATION CENTER.”

“RESOLUTION NO. 99287

AUTHORIZING AND APPROVING MODIFICATION OF TERMS OF PROPOSED TERMINAL USE AGREEMENT WITH STAR SHIPPING.”

“RESOLUTION NO. 99288

APPROVING AND AUTHORIZING AGREEMENT TERMINATING TERMINAL USE AGREEMENT WITH SOUTH PACIFIC CONTAINER LINE, INC.”

“RESOLUTION NO. 99289

FINDING AND DETERMINING THAT A PROPOSED FOURTH SUPPLEMENTAL AGREEMENT WITH FULLERTON & FRIAR, INC. FOR FINANCING ADVISORY CONSULTING SERVICES AND AN AGREEMENT WITH MONTAGUE DEROSE AND ASSOCIATES FOR CO-FINANCIAL ADVISORY CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENTS.”

“RESOLUTION NO. 99290

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE AND INSTALLATION OF NEW NETWORK AND TELECOMMUNICATIONS WIRING AT PORT OF OAKLAND ADMINISTRATIVE OFFICES, 530 WATER STREET, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 99291

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH TOWILL, INC. AND GEOTOPO, INC., JOINTLY DOING BUSINESS AS TRANSBAY SURVEYS FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 99292

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH SANTALYNDIA MARRERO, AN INDIVIDUAL DOING BUSINESS AS SM CONSULTING FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 99293

GRANTING UNITED AIRLINES, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99294

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

“RESOLUTION NO. 99295

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

“RESOLUTION NO. 99296

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

“RESOLUTION NO. 99297

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

“RESOLUTION NO. 99298

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

Port Ordinance No. 3519 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3380 ESTABLISHING THE RULES AND REGULATIONS FOR THE PORT OF OAKLAND’S MARINAS AND FOR FIXING THE RATES AND CHARGES IN CONNECTION THEREWITH,” and Port Ordinance No. 3520 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO AN AGREEMENT WITH THE EAST BAY REGIONAL PARK DISTRICT REGARDING

MITIGATION PROJECT AT THE PORT OF OAKLAND DISTRIBUTION CENTER, INCLUDING THE TRANSFER OF LAND AND MODIFICATION OF A LEASE, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH," and Port Ordinance No. 3521 being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 3439 AND PORT ORDINANCE NO. 2833, AND ESTABLISHING RATES AND CHARGES FOR ELECTRICAL POWER PROVIDED BY THE PORT IN THE PORT AREA," and Port Ordinance No. 3522 being, "AN ORDINANCE ADDING SECTION 7.1397 OF PORT ORDINANCE NO. 867, AND CREATING POSITION OF PORT SENIOR SYSTEMS PLANNING ANALYST," and Port Ordinance No. 3523 being, "AN ORDINANCE AMENDING SECTIONS 5.08, 8.07(B) AND 8.07(C) OF PORT ORDINANCE NO. 2199, RELATING TO LIMITED DURATION APPOINTMENTS," were read a second time and passed on final approval by the following vote:

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

Noes: None

Absent: Commissioners Harris and Uribe - 2

Port Ordinance No. ____ being, "AN ORDINANCE ESTABLISHING A PASSENGER FACILITY CHARGE AND AMENDING SECTION 28 TO PORT ORDINANCE NO. 1149 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXEUCION OF LEASE WITH THE CITY OF OAKLAND TO RE-CREATE AND OPERATE THE OTIS SPUNKMEYER YOUTH SOCCER FIELD," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXEUCIOTN OF LEASE WITH DAVID MARLAIS, JEFFREY D. MARLAIS AND MATER MARLAIS, A CALIFORNIA GENERAL PARTNERSHIP DOING BUSINESS AS ARTISAN MANUFACTURING

COMPANY,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A LEASE AMENDMENT WITH UNITED STATES POSTAL SERVICE,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF FIRST AMENDMENT TO LEASE WITH UNICOLD CORPORATION,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO NONEXCLUSIVE PREFERENTIAL ASSIGNMENT AGREEMENT WITH YUSEN TERMINALS, INC.,” were read a first time and passed to print by the following vote:

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

Noes: None

Absent: Commissioners Harris and Uribe - 2

At the hour of 4:55 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: (a) The City of Oakland, et al. V. Embarcadero Cove Enterprises, et al., Alameda County Superior Court Case No. 807656-4; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 5 cases; conference with real property negotiator, as provided under Government Section 54956.8, under negotiation, property – Jack London Square, Oakland, CA 94607, negotiating parties – Port and Oakland Portside Associates, under negotiations – price and terms of payment; labor negotiations, as provided for under Government Code Section 54957.6; and reconvened in open session at the hour of 6:15 p.m.

At the hour of 6:20 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 15, 1999, at the hour of 3:15 p.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, Second Vice President Taylor presiding, appropriate notice having been given and posted.

Commissioners present: Harris, Kiang, Neal and Second
Vice President Taylor - 4

Commissioners absent: Kramer, Uribe and President Loh - 3

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

The minutes of the regular meeting of May 4, 1999 and the regular meeting of May 18, 1999 were approved as submitted and ordered filed.

Recommendation to Certify Review, Consideration and Completeness of the Final Environmental Impact Report, Including the Final Supplement to the Environmental Impact Report, on the Airport Development Program; Make Certain Findings and Determinations Regarding Said Report and Project Under the California Environmental Quality Act; Adopt and Incorporate into the Project Certain Mitigation Measures and a Mitigation Monitoring and Reporting Program for Such Mitigation Measures; Adopt a Statement of Overriding Considerations for Unavoidable Significant Impacts on the Environment; and Approve the Airport Development Program. The Board held a public hearing on the Final Supplement to the

Environmental Impact Report on the Airport Development Program which EIR is scheduled for certification on June 29, 1999. Ms. Barbara Tuleja representing CLASS, Ms. Liane Randolph representing the City of San Leandro, Mr. Tony Santos representing Neighborhood Aviation

Advisory Committee of San Leandro and Ms. Nancy Van Huffel representing San Lorenzo Village Homes Association appeared before the Board to introduce comments on the report. Other written submittals were received and the period for public comment was duly closed. President Loh informed the guests that certification of the EIR would be before the Board on June 29, 1999, at the hour of 9:00 a.m.

Authorization to Allocate Funding for Capital Expenditures Related to Year 2000 Remediation Expenses for Oakland International Airport to be Administered by the Executive Director was the subject of a memo to the Board from the Director of Aviation notifying the Board that this program proposes that the Board approve the allocation of funds from Port cash reserves that would be administered by the Port Executive Director on a purchase by purchase basis for operational system components as necessary to accomplish Year 2000 compliance. This would involve remediation expenditures at the South Airport locations, North Airport locations, the Facilities complex and any other location(s) where the Aviation Division is responsible for the maintenance and/or operational integrity of such property, hereafter called the "Airport". The Aviation Division Y2K compliance program has two phases: Phase 1 required the retention of a consultant team experienced in Aviation and Communication technology, provision of Year 2000 remediation solutions to those technologies and preparation of contingency plans specific to Y2K issues and the prime consultant firm of Ross and Baruzzini has been retained. Phase 2 requires the purchase, as necessary, of entire systems upgrades and/or supplemental systems components to implement any remediation determined to be necessary for Y2K compliance. This second phase of the Airport Y2K program involves a recommendation to the Board for the allocation of funding for an estimated amount of capital expenditures to remediate the systems at the Airport. These systems, at the Airport, are defined as any operational piece of equipment that has computer components as a primary or secondary function of its operational process, frequently, those systems have embedded processors. Embedded processors are computer chips that are embedded into computer circuit cards that are used at the Airport to control everything from elevators, moving sidewalks, baggage carousels and security access controllers to

ventilation dampers and chilled water flow control valves in Heating Ventilation and Air Conditioning systems (HVAC). Due to this prevalence of embedded processors, in what we believe to be a variety of sub-systems, across all of the above mentioned classes, some of those systems will require replacement, while others will be sufficiently remediated by upgrading the faulty embedded programming. Additionally, a thorough regimen of testing and certification will be performed after the remediation solution has been applied and consequently documented to insure that the Airport has exercised "due diligence" in the remediation of all potential Y2K problems. The program consultants will ensure the completion of the inventory of systems, originally compiled by the ATA consultant, and provide any additional items that may have missed that initial site survey. They will then use the comprehensive inventory document as the tracking device for the testing and remediation of the listed systems. This will be the device used to track all tests and results, providing the documentation of those procedures as a part of their fulfillment of Phase 1 of the Airport Y2K program. The Y2K compliance office of the Airport has determined that the budget for the procurement of solutions for the Year 2000 remediation program is considerably less than what had been expected and has detailed the associated costs. This categorical delineation involves systems that are in existence at the Airport and does not introduce replacement solutions from any new vendors to the Port. Consequently, most of the remediation solutions will be purchased through vendors that have distributors that were used in the original purchase of the system and are in the LIA/LBA region of the Port. The utilization of vendor upgrades to their original systems and the Y2K program timeline does not allow the utilization of a competitive bidding structure in almost all of the prospective purchases, yet wherever possible, informal competitive bid processes will be utilized to ensure that the Port is not charged in excess. Although the Y2K compliance officer of the Airport believes that the systems in operation are 95% assessed, there is the probability that there are indeterminate costs that will arise once the actual remediation has begun. It was recommended that the Board for the benefit of operational stability in the Airport systems, approve the allocation of funding for the Y2K capital expenditures budget for the Airport in a sum up to \$768,035.00 to be approved on a line item basis by the Executive

Director; and the Executive Director be authorized to approve up to \$250,000.00 (32.6%) for additional remediation solutions as necessary. The recommendation was approved on passage of Resolution No. 99236.

Approval to Dispense with Formal Bids to Purchase and Install Movable Enclosed Canopy for International Arrivals Building, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that there are currently two aircraft parking positions at the International Arrivals Building (IAB) which are used for the enplaning and deplaning of international carrier airline passengers. The southern parking position is equipped with an enclosed jetway. At the northern parking position, passengers enplane and deplane by use of an open movable staircase at the aircraft and follow pavement markings to and from the IAB. In order to protect passengers during inclement weather, it is proposed that the Port purchase a movable enclosed canopy that would be installed between the IAB and the aircraft. The canopy will extend approximately 140 feet along the IAB and another 40 feet toward the movable staircase at the aircraft. Airport Operations has requested that this canopy be available by this fall for use during the next rainy season. The proposed canopy will require four months for fabrication and delivery and is only available from one company, Infra-Structures, Inc. in New York. The cost of the canopy is approximately \$150,000.00. It was recommended that the Board find it to be in the best interest of the Port to dispense with formal bidding procedures and that the Executive Director be authorized to execute a purchase order contract for the purchase and installation of the canopy from the Infra-Structures, Inc. The recommendation was approved on passage of Resolution No. 99237.

Authorization to Include the Replacement and Repair to Gate Podiums in Terminals 1 & 2, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the passenger gate podiums, backscreens and flight information display (FID) cabinets in Terminals 1 & 2 are approximately 15 to 20 years old and are in need of replacement or repairs. The 13 podiums and backscreens and seven FID cabinets in Terminal 1, which currently have stainless steel and plastic laminate finishes, will be cleaned and

polished and have protective corner guards installed. The eight podiums in Terminal 2, which currently have a plastic laminate finish, will be replaced with new podiums with plastic laminate finish and protective corner guards. The eight backscreens in Terminal 2 will be cleaned and protective corner guards installed. The estimated proposal amount is \$125,000.00. It was recommended that the Board find it to be in the best interest of the Port to dispense with formal bidding procedures and that the Executive Director be authorized to execute a contract for this work with a small local contractor, said contract be based on informal competitive proposals. 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 proposals, if the attempt to secure an acceptable proposal from a small local contractor is not successful. The recommendation was approved on passage of Resolution No. 99238.

Approval of Consultant Agreement with Harding Lawson Associates, Group Inc. for Engineering Design Services for Reconstruction of Apron Southeast of Building L-820, North Airport, MOIA

was the subject of a memo to the Board from the Director of Engineering recommending approval to retain Harding Lawson Associates Group Inc. (HLA) to perform the engineering design services for the apron improvements. The concrete apron southeast of Building L-820 was built in 1941 for lighter aircraft parking, is badly deteriorated due to age and overuse by modern-day heavier aircraft. This project is part of a program to reconstruct existing aprons and taxiways at the North Airport to enhance the safety and extend the life of the facilities. The scope of work includes: reconstruction of approximately 180,000 square feet of apron; installation of a new 8-inch fire water line and new storm drainage system; and pavement striping and markings. In addition, the consultant will also provide design services for the master utility corridor as part of the Utility Master Plan program. The scope of work consists of installation of a new gas line (PG&E will provide the design for the gas line); a new 12-inch sanitary sewer line; three new 4-inch control cable conduits; three new 4-inch telecommunication cable conduits; and three new 6-inch power conduits. The selection of HLA was based on their project team's oral presentation; qualifications and relevant experience of the team and key project personnel; project management ability; and

evidence of compliance with the FAA affirmative action requirements. The amount of the agreement will not exceed \$300,000.00 based on the agreed upon scope of work and terms of the contract; and it was requested that the Executive Director be authorized to approve up to an additional \$75,000.00 for potential changes in scope. The estimated design fee will not exceed \$50,000.00 of the \$300,000.00. The recommendation was approved on passage of Resolution No. 99239.

Approval of Consultant Agreement with Ross and Baruzzini Transportation Services, Inc. for Public Communication Concessions Consulting Services, South Airport, MOIA was the subject of a memo to the Board from the Director of Aviation recommending that the Board approve and authorize the Executive Director to sign a consultant agreement with Ross and Baruzzini Transportation Services, Inc. to provide expertise related to the Airport's public communications concessions to be developed with the Airport Terminal Expansion (TEX) Program. The Airport terminal expansion offers opportunities to expand and enhance public communications concessions. The concessions serve Airport passengers and Airport tenants and generate revenue for the Port. Some airports have public communications concessions for more than the traditional public pay telephones, prepaid phone cards, Internet access stations and cell phone rental. These less traditional concessions include cell site and antennae tower management and shared tenant services where data/voice/video services are offered to tenants. The amount of the proposed agreement is \$188,000.00; and it was recommended that the Executive Director be authorized to approve up to an additional \$22,000.00 for potential changes in scope. The total amount will not exceed \$200,000.00. The recommendation was approved on passage of Resolution No. 99240.

Approval of Third Amendment of Funding and Implementation Agreements with Alameda County Transportation Authority (ACTA) for the 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. On May 7, 1996, the Board approved and authorized execution of three related agreements for the Airport Roadway Project: A "Measure B Funding Agreement" with the Alameda County Transportation Authority (ACTA), Oakland and 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 and authorized 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 Measure 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. On May 19, 1998, the Board approved and authorized execution of a second amendment to the Measure B Funding Agreement and the Measure B Implementation Agreement with ACTA. As a result of events since the Second Amended Measure B Funding Agreement and Implementation Agreement were executed by the parties, the design of the project has been completed, and the estimated cost of the ARP has increased from \$97.5 million to \$104.485 million, and available funding from the State Local Transportation Partnership Program (SLTPP) has been reduced by \$4.4 million. In addition, the ARP, which is an element of the Port's Airport Development Program (ADP), has been delayed by State court litigation over the Port's EIR for the ADP. For example, during the pendency of this litigation, the FAA has elected to suspend procedures for giving its approval to the major segment of the ARP (the so-called "Cross-Airport" segment), located between Doolittle Drive and Bay Farm Island in Alameda and referred to as "Contract A". Also, the Army Corps of Engineers and the Regional Water Quality Control Board have not issued permits necessary to fill approximately 5 acres of wetlands in the ARP right-of-way. Therefore, in order to provide resolution to the funding shortfall and to address the issue of regulatory delays, the following additional

amendments have been proposed to the agreement. ACTA will fund the \$4.4 million reduction in SLTPP funding by providing \$4.4 million in additional Measure B tax revenues. Of the estimated \$6.985 million cost increase, the Port, Alameda and Oakland will split \$4.225 million according to their initial standard shares of local match funding, i.e. 63% Port (\$2.662 million), 35.5% Alameda (\$1.5 million) and 1.5% Oakland (\$63,000.00). The Port, Alameda and ACTA will split the next \$2.76 million: Port - \$2.06 million; ACTA - \$0.3 million; Alameda - \$0.4 million (Alameda gives up \$200,000.00 for its contributed property and Harbor Bay Isle Associates gives up \$200,000.00 for property to be sold to the project for right-of-way). This reduction will be taken off the \$104.485 million project budget, resulting in a revised project budget of \$104.085 million. The Port is being credited with \$11.598 million for its contributed property for the ARP right-of-way instead of the \$9.5 million as originally adopted in Resolution No. 96137 due to adjustments in the total area of the Contributed Property as a result of substantial design changes. The revised project funding amounts are as follows: ACTA with SLTPP, \$73,900.00, project share 71.0%, local share 0%; City of Alameda, \$8,835,000.00, project share 8.5%, local share 29.27%; City of Oakland, \$418,000.00, project share 0.4%, local share 1.38%; and Port, \$20,932,354.00, project share 20.1%, local share 69.35%, for a total of \$104,085,354.00, project share 100.0%, local share 100.0%. If the project costs ultimately come in under the \$104.085 million budget, the Port will receive 100% of savings up to \$5.827 million, consisting of the \$5.177 million excess of the Port's standard 63% share of the local match plus \$650,000.00. The Port is not required to award any contract if it determines the contract will result in a budget overrun, and that it may terminate all contracts if it determines after award that due to unexpected costs they may result in a budget overrun. If the cost to complete the Project exceeds the current estimate of \$104.085 million, such Additional Funding Requirement shall be contributed by the parties as follows: ACTA will contribute a share of residual tax revenues received after ACTA sunsets in 2002, but the amount such residuals has not yet been estimated and will be distributed to the Parties as unused Additional Funding Requirement; Alameda will contribute up to 35.5% of the Additional Funding Requirement less the amounts contributed by other parties, but such contribution will be limited to \$500,000.00, at no

more than \$100,000.00 per year for 5 years commencing 2011 (when Alameda estimates the Bay Farm Island Transportation Improvement Fund will have available unencumbered money); Oakland will contribute up to 1.5% of the Additional Funding Requirement less the amounts contributed by the other parties, but subject to the prorated limit as determined by contributions from Alameda; and Port will contribute up to 63% of the Additional Funding Requirement less the amounts contributed by the other parties, but subject to the prorated limit as determined by contributions from Alameda. The existing agreements would be extended to reflect the current project schedule. The recommendation was approved on passage of Resolution No. 99241.

Approval of a Building Permit Application for Installation of Museum Displays, Buildings M-101 and M-152, South Airport, MOIA was the subject of a memo to the Board from the Director of Aviation recommending approval to install displays at the Airport from the Oakland Museum. This work is to make minor building modifications to provide space for on-going displays in two Terminal areas: the walkway between Buildings M-101 and M-102, and the connector between Terminals 1 and 2. The Museum will utilize the existing display cabinets along the M-101 walkway, remove the existing glass fronts and install display cases and panels. The work in M-152 will be more extensive and is subject to a City of Oakland building permit. The proposed work in Building M-152 will include: construction of new 8 foot high wall along the existing wall opposite the windows in the connector building; installation of new display cases attached to the new wall; relocation of existing electrical and mechanical systems impacted by the work; installation of ultraviolet filtering material on the windows opposite the display wall; and installation of signs and small displays at various locations in the Terminals to announce the Museum displays, locations subject to approval by the Aviation Division. The estimated value of the work is \$175,000.00. The project is categorically exempt and does not require preparation of an environmental document. The recommendation was approved on passage of Resolution No. 99242.

John Hancock Mutual Life Insurance Company – Assignment of Lease for the Property Located at 80 Swan Way in the Oakland Airport Business Park was the subject of a

memo to the Board from the Director of Commercial Real Estate notifying the Board that the Port and A.L. Walburg, an individual, entered into a fifty year ground lease on June 15, 1982 for approximately 2.2 acres of land located at 80 Swan Way in the Oakland Airport Business Park. The site was improved by the tenant at tenant's expense with a 53,900 square feet of office building. The Port currently receives a minimum rent of \$71,400 per year against 8% of office gross receipts for the lease. On July 16, 1982 the Board approved the assignment of the ground lease from A.L. Walburg to Oakland Sway Way Limited, a California limited partnership, with Mr. Walburg as one of the partners. On September 30, 1994, the Board approved the assignment of the ground lease in lieu of foreclosure to John Hancock Mutual Insurance Company, a Massachusetts Corporation as lessee. We have received a request from the lessee to consent to the assignment of the lease to an affiliate of Tiburon Capital Corporation, "Tiburon" and release John Hancock Mutual Life Insurance Company of all further lease obligations. Tiburon was formed in 1992 and is a general partner in numerous entities which own and operate commercial and residential real estate projects. Tiburon consists of the following principals: William R. Dixon, Jr., John F. Dixon, John L. Wright, and Herbert J. Jaffee. Tiburon is paying \$2,500,000.00 cash for the purchase of the property and the company's net value meets the requirement set forth in the lease. Tiburon has experience in owning, leasing and managing similar properties including TCC Edgewater Park Plaza which is located at 7700 Edgewater Drive. Tiburon anticipates refinancing the project after acquisition and has asked the Port to agree to waive the provision in the Lease that only permits financing for acquisition or development, provided that the refinancing complies with standards applicable to approving acquisition. The assignee would require Port approval of any future refinancing. It was recommended that the Board approve the assignment of the Lease from John Hancock Mutual Insurance Company to an affiliate of Tiburon Capital Corporation, a general partnership, releasing John Hancock Mutual Insurance Company from the Lease and authorizing the Executive Director to execute the Ground Lease Estoppel Certificate subject to Port Attorney's approval. The recommendation was approved on passage of Resolution No. 99243.

Ratify Change Order for "Reconstruction of Jack London Square Marina" was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Ranger Pipelines, Inc. for the reconstruction of the marina which became effective on October 19, 1998, a lump sum and unit prices totaling \$9,927,380.00. The work consists of dredging and demolition of the existing marinas; driving new piles; installing new floats and utilities; installing new electrical and water systems; construction of a masonry and wood-framed Harbormaster's Building; fuel storage tanks; and miscellaneous site improvements. The plans and specifications called for the Contractor to install PVC pipes for the underground sanitary sewer and vent system in the Harbormaster's Building. After the system was installed, the City of Oakland Building Inspector informed the Contractor that PVC was not acceptable for the use and ordered the removal of the pipes. The Port's design subconsultant, Winzle & Kelly, appealed the rejection of the PVC pipes to the City of Oakland Inspectional Services without success. During this time the Contractor had to halt all work on the building pending a decision. Subsequently, the subconsultant changed the specified pipe material to cast iron. The Port then directed the Contractor to remove the entire PVC pipe sanitary sewer system, regrade and recompact the subgrade base material, and install a new sanitary system of cast iron. The Port negotiated a change order in the amount of \$44,014.00 and a time extension to the Contract of 28 calendar days. It was recommended that the Board ratify a change order to Ranger Pipelines, Inc. in the amount of \$44,014.00 for the sanitary system for the Harbormaster Building. The recommendation was approved on passage of Resolution No. 99244.

Revision of Port Ordinance No. 2161 Establishing the Rules and Regulations for the Port of Oakland's Marinas and for fixing the Rates and Charges in Connection Therewith

was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Port's Harbormaster office is responsible for the operational management of seven recreational boat marinas along the Oakland Estuary, with approximately 700 boat berths. The Port Ordinance No. 2161 contains rules and regulations for the Port Marinas, and also fixes marina rates and changes. As a result of the Jack London Square Marina redevelopment, it is proposed that

Ordinance No. 2161 be amended to reflect a change in the berth rates for the Jack London Square Marina and incorporate new rules and regulations for live-aboard occupancies. In addition, several other minor changes and additions to other berth charges are being recommended. The following recommended changes and additions to the Ordinance: increase the monthly berth rate for the Jack London Square Marinas from the current \$5.25 per linear foot to \$8.00 per linear foot, the new rate is considered a top market rate and reflects the many new amenities offered at the reconstructed marinas; establish a new monthly fee of \$3.50 for the reading of individual utility meters in the Jack London Square Marinas; increase key/card access deposits from the current \$10.00 to \$25.00 for new and replacement keys/cards; establish a new telephone hook-up fee of \$25.00; increase rates for overnight and day visitors (over four hours) as follows: vessels up to 49' – increase from \$10.00 to \$20.00, and vessels 50' and over – increase from \$20.00 to \$30.00; establish a transfer charge of \$100.00 for berthers requesting transfers to other vacant berths within Port Marinas, this charge would only be effective on the 2nd transfer request; and establish general rules and regulations for live-aboard berthers in the Jack London Square Marinas, the recently amended BCDC permit for Jack London Square allows up to 10% of the berths in the reconstructed marinas to be used for “live-aboard vessels”, and also, establish an additional monthly fee for live-aboard use as follows - \$100.00 per month – first person; and \$50.00 per month – each additional person. It was recommended that the Board amend the Port Ordinance No. 2161, revising the monthly berth rate for the Jack London Square Marina, adding new rules and regulations for the live-aboard berthers and modifying other rates and charges. The recommendation was approved on passage of an ordinance to print.

Transfer of 0.1 Acre Parcel to East Bay Regional Park District as a part of the Distribution Center Settlement was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that in 1994, the Board authorized the Port to settle litigation regarding claimed unauthorized fill of wetlands at the Port Distribution Center and the Airport. As part of that settlement, the Port agreed to construct a wetlands mitigation project at the Distribution Center and once the construction was completed, grant the mitigation project site to the

East Bay Regional Park District (EBRPD). The conveyance to EBRPD and associated amendments to EBRPD's lease of the Distribution Center properties from the Port were incorporated on August 7, 1995, in the Agreement between the Port and EBRPD. At the time the Board agreed to the property transfer, it was anticipated that construction of the wetland restoration program would require removal of a portion of an existing parking lot with the EBRPD's leasehold for the Martin Luther King Jr. Regional Shoreline. As part of the Agreement Regarding Wetland Habitat Mitigation Project at Port of Oakland Distribution Center and Amendment of Lease between the Port of Oakland Distribution Center and Amendment of Lease between the Port of Oakland the East Bay Regional Park District, the Port agreed to replace the parking facilities that would be lost at a specific 0.1 acre site at the Distribution Center. The new 0.1-acre parcel was to be added to the EBRPD's existing leasehold. Through careful design, the mitigation project was completed without alteration of the existing parking lot. Thus the construction of replacement parking was not required. The 0.1 acre site was therefore included as part of the mitigation project. Granting the deed to the 0.1-acre parcel within the Distribution Center to the EBRPD will complete the Port's obligation to grant 71.5 acres to the EBRPD per the litigation settlement. As a result of completion of the Mitigation Project and review of the existing legal descriptions for the Mitigation Property, and EBRPD's lease premises and roadway access easement, it is necessary to restate the legal descriptions. Accordingly, an amendment to the 1995 Agreement has been prepared that will accomplish these objectives. Except for conveyance of the additional 0.1-acre parcel to EBRPD, this amendment will not increase the acreage of lands authorized for lease or conveyance by deed or easement to EBRPD. It was recommended that the Board approve and authorize execution of an agreement between the Port and EBRPD for the grant of the remaining 0.1 acre parcel to EBRPD and replace the legal descriptions. The recommendation was approved on passage of an ordinance to print.

Certification of the Joint Intermodal Terminal Project Final EIR, Findings Concerning Significant Effects of the Project, Adoption of Mitigation Measures for the Project, Adoption of Mitigation Monitoring and Reporting Program, Statement of

Overriding Considerations for the Unavoidable Adverse Impacts, and Approval of the Joint

Intermodal Terminal Project was the subject of a memo to the Board from the Director of Engineering recommending certification of the Final Environmental Impact Report for the Joint Intermodal Terminal (JIT) Project (the Project) and then approval of that Project. The Project consists of an approximately 170-acre near-dock, high capacity intermodal railyard adjacent to the Port' marine terminals. The JIT would be a centrally located, independently operated common-user intermodal terminal that allows access directly to the Port by all West Coast railroads. The EIR for the Project identified a number of significant impacts. Mitigation measures have been identified to avoid or reduce to a less than significant level the significant impacts of the Project regarding noise, hazardous materials, and traffic. The EIR also recommends mitigation measures for less than significant impacts regarding geology, construction air emissions, hazardous materials, and freeway traffic. The EIR identifies the Vision 2000 Air Quality Mitigation package as the feasible air quality mitigation measures to apply to the JIT Project. This package was adopted by the Board on April 20, 1999. If the Port applied all of the mitigation measure in the Vision 2000 package to the JIT's contribution to air impacts, these impacts could be reduced to less than significant. However these measures will also be applied to the Berths 55-58 Marine Terminal Development Project and therefore, it has been assumed for the purposes of the JIT EIR that air impacts will remain significant even after mitigation. These air impacts are the only project impacts that will remain significant after mitigation. If the Board is to approve the Project and certify the EIR, it must first adopt all feasible mitigation measures that would reduce and/or avoid impacts, and then adopt a Statement of Overriding Considerations for those air impacts that cannot be reduced to less than significant. In addition to mitigation measures, the Project itself includes elements that would effectively avoid or reduce environmental impacts. These include design features and construction specifications such as including seismic controls in building design, identifying special control areas for storing and handling hazardous materials and designing the stormwater system to minimize adverse effects on future sensitive habitat. The detailed findings identify seven individual bases for finding that the benefits of the Project override the remaining significant impacts. They

are: responding to the tenants' and market needs for increased intermodal railway capacity, improving efficiency of intermodal cargo distribution, allowing certain railroads direct access to the Port thereby increasing railroad competition for intermodal services and reducing the truck drayage of cargo over Bay area roadways, increasing revenue for Port operations and growth, maintaining the Port of Oakland's competitiveness, and allowing the Port to accommodate the region's cargo demand. The JIT Project EIR, is tiered from the Vision 2000 EIS/EIR and incorporates by reference the discussion in the Vision 2000 EIS/EIR; addresses the impacts of Project construction activities and operations pursuant to design refinements developed subsequent to the Vision 2000 EIS/EIR; and provides new information that was not available when the Vision 2000 EIS/EIR was prepared. The JIT EIR also adopts by reference the Vision 2000 Air Quality Feasibility Study and Mitigation Program presented in the Berths 55-58 Project EIR, as modified by the Board of Port Commissioners' April 20, 1999 action. In addition to the eight alternatives already studied in the Vision 2000 EIS/EIS, the JIT Project EIR evaluates a no project alternative, a reduced project alternative, an on dock rail alternative and a rail mounted crane alternative. Construction of the first phase of the JIT Project (Project) is planned to begin in late 1999 and is projected to be completed in late 2002. The EIR covers construction that may occur on 150 acres of land on the former Fleet Industrial Supply Center, Oakland (FISCO) and the use of the existing 11 acre Knight railyard and adjacent 9 acres on the Oakland Army Base (OAB) as auxiliary railcar storage as needed as the Project is built out. On the 150 acre FISCO parcel, the main railyard project consists of raising the current ground elevation (grade) and repaving the site for the development of eight rail lines (approximately 45,000 feet of loading and storage track), construction of associated entrance gate, administrative and maintenance structures and installation of new utility systems. The railyard is configured to allow for main track entrance and exit connections to the existing Union Pacific/Southern Pacific main rail lines. The terminal is designed to provide trailer-on-flat-car, container-on-flat-car, and double-stack transfer services. The project will be constructed in several phases as needed to accommodate the growth of the intermodal cargo market and augment the throughput capacities of the neighboring UP/SP rail yard. The first phase consists of the

construction of approximately 9000 feet of track to facilitate the integration of the Burlington Northern/Santa Fe railway into the Port's intermodal cargo distribution system. On January 28, 1998, the Port issued the initial Notice of Preparation (NOP) of an Environmental Impact Report (EIR) for the Project. Subsequent to the issuance of the NOP, the Port held two scoping meetings for federal, state, and local agencies and the general public on February 18, 1998. On March 29, 1999, the Port issued a Draft EIR for public review. The 45-day public comment period ended on May 13, 1999. Two public hearings were held on April 13, 1999, at which time oral comments were received on the Draft EIR. A total of 11 entities provided comments on the Draft EIR. The Port prepared written responses to all written and oral comments received, as well as prepared modifications to the Draft EIR, all of which are contained in Volume 2: the Final EIR. The Port issued a Final EIR for review by interested persons and public agencies on June 3, 1999. The air quality mitigations have already been defined and adopted as a result of a lawsuit filed by West Oakland Neighbors (WON) in connection with the Port's approval of the Vision 2000 maritime Development Program in 1997. To resolve that litigation, the Port and WON entered into a consent decree in which they agreed that the air quality mitigation measures for the entire Vision 2000 Program, including both the Berths 55-58 Project and the JIT Project, would be analyzed in the EIR for, and acted upon in the approval of, the Berths 55-58. Accordingly, the Berths 55-58 Project EIR proposed an air quality mitigation package to be applied to both the Berths 55-58 Project and the JIT Project. The air quality mitigation measures were adopted as a single package with a commitment that the Port would spend approximately \$9.0 million to implement the program. The mitigation monitoring and reporting program provides that implementation of these measures would be reviewed every six months and any re-allocation of funding would be based upon the overall goal of maximizing the quantity of emissions reduced for the dollars spent, with a preference for reducing diesel particulates and for measures that will reduce local, Near-Port emissions. In addition, several traffic mitigation measures concerning local intersection improvements that apply to the Berths 55-58 Project also apply to the JIT Project. The JIT Project Final EIR consists of the two-volume JIT Project EIR and all appendices and documents

incorporated by reference in the JIT EIR, including the Vision 2000 Air Quality Mitigation Monitoring Program and Feasibility Study adopted by the Board on April 20, 1999. The volumes are as follows: Volume 1: Draft EIR Text and Appendices; and Volume 2: Final EIR-Responses to Comments. It was recommended that the Board adopt a resolution: certifying that it has reviewed and considered the information contained in the Final EIR for the Project, and that the Final EIR has been prepared in compliance with CEQA, the State CEQA Guidelines and the Port CEQA Guidelines, and finding that the Final EIR reflects the independent judgment of the Board as set forth in the EIR; adopting the mitigation measures set forth in Appendix 1 as conditions of approval of the Project, with the exception of the air quality mitigation program for the Vision 2000 Maritime Development Program, which has already been adopted; adopting the Mitigation Monitoring and Reporting Program set forth in Appendix 1; adopting the CEQA findings regarding mitigation measures, project impacts, and alternatives contained in the narrative; and adopting the Statement of Overriding Considerations finding that the benefits of the proposed Project outweigh the Project's significant adverse environmental impacts contained in section III. The recommendation was approved on passage of Resolution No. 99245.

Recommendation for Approval of an Environmental Settlement Agreement and Agreement to Cancel Lease with Ringsby Terminals, Inc. was the subject of a memo to the Board from the Director of Maritime notifying the Board that in October 1967, the Board granted a Lease covering approximately 9 acres of Port land at 2225 Seventh Street, adjacent to the Navy Supply Center to Ringsby Pacific Ltd. (Ringsby Pacific). Dongary Investments, Ltd. (Dongary) was assignee and delegated with the Port's consent of Ringsby Pacific's rights and obligations under the Lease. Thereafter, Dongary changed its name to Ringsby Terminals, Inc. (RTI). RTI's predecessor constructed a 21,000 square feet terminal building and an 18,000 square foot repair shop building on the premises. The Lease has a 25-year term and RTI exercised an option to extend the term for an additional 25 years. The Lease expires 12:00 O'clock midnight on September 30, 2018. There are presently two subtenants occupying the premises. The subtenant's leases expire on or before July 31, 2000. On September 12, 1997, the Board authorized Port staff to

make an offer in the amount of \$2.9 million to purchase the leasehold interest of RTI. In the short term, the property would be rented to firms supporting the marine port and in the long term the two buildings on the property would be demolished and the land will be incorporated into the JIT/V2000 development. While negotiations were in progress, soil and groundwater contamination was discovered under both the RTI leased premises and the adjoining Port-owned property which delayed the Port's acquisition of RTI's leasehold premises. Each property had several underground tanks, which were previously removed. There is a dispute between the Port and RTI as to which of the underground tanks caused the contamination on RTI's leasehold and on the adjacent Port-owned property. The Port has obtained cost estimates for future investigation and remediation of contamination of the RTI premises and the adjacent Port-owned site and costs associated with the additional cost of construction due to the contamination exceeding \$1,457,000.00. While discussions continued with RTI regarding the leasehold purchase and responsibility for remediating the contamination, on July 21, 1998, the terminal building caught fire and a portion of the building was extensively damaged which further delayed the transaction. The Port reached tentative agreement with RTI concerning the Port's purchase of RTI's leasehold interest, environmental contamination matters on the RTI and adjacent Port-owned property, and allocation of the fire insurance. Under the tentative agreement, the Port would buy out RTI's leasehold interest for \$2.9 million. In addition, the Port would receive \$1 million from Charter Oak Fire Insurance Company as insurance proceeds from the subject fire. Further, RTI would pay the Port \$850,000.00 to resolve the environmental contamination dispute on the RTI leasehold and the adjacent Port-owned property. Under the tentative settlement, vis-à-vis RTI and the Port, the Port would assume responsibility for further environmental investigation and remediation of the RTI leasehold and adjacent Port site and the parties would give each other mutual releases for same excluding claims for bodily injury. Lastly, the Port would retain its rights to seek defense and indemnification from insurance carriers for property damage arising out the existence of contamination. The Port would indemnify RTI for any entity who asserts a counterclaim arising out of the Port's claims against the insurance carriers. It was recommended that the Board approve

and authorize the Executive Director to execute an Environmental Settlement Agreement with RTI, an Agreement In Lieu of Condemnation to Cancel Lease of Real Property, and Escrow Instructions with RTI and a Policy Holder's Settlement and Release with RTI concerning the fire proceeds. The recommendation was approved on passage of Resolution No. 99246.

Adoption of Rate Schedule for Port's Provision of Electric Power in the Port Area was the subject of a memo to the Board from the Director of Engineering recommending amendment of the existing Port Ordinance which establishes rates and charges for electricity provided by the Port at the Airport so that the ordinance covers the entire Port area. As a practical matter the proposed amendment will immediately affect only the area formerly known as the Fleet Industrial Supply Center, Oakland (FISCO) and areas of the Oakland Army Base (OAB) leased by the Port. In 1993, Congress passed legislation known as the Dellums' Special Legislation and subsequent amendments thereto, which authorized the Secretary of the Navy to lease and ultimately convey Navy-owned lands at the former Fleet and Industrial Supply Center, Oakland to the Port "without compensation." Since that time, the Port has incrementally leased the entire 530 acres of FISCO for a term of 50 years. The Navy is expected to transfer fee title to FISCO to the Port in June. The Port is now moving forward with its Vision 2000 program, which includes redevelopment of FISCO. The Port now leases and soon will own the land, buildings and electric utility systems at FISCO. Since the start of the leasing program the Port has subleased buildings at FISCO to Port tenants. In order to supply electric power to the Port tenants, the Port purchased electricity from the Navy and resold this electricity to the Port tenants. During the years from 1994 until 1998, the electricity rates charged Port tenants were determined by the price the Port paid the Navy for electricity plus a 15% markup pursuant to the provisions of Item No. 11105 in Port of Oakland Tariff No. 2-A. The last change in Navy electricity rates at FISCO was in October 1996. Therefore, the rates established for Port tenants in October of 1996 have continued to be used although the circumstances at FISCO have changed. In August 1997, the Port assumed more utility maintenance duties at FISCO, and in September 1998, the Port received an allotment of low cost electricity from the Western Area Power Administration for use at FISCO and stopped purchasing

electricity from the Navy. The Port presently leases a portion of the area of Oakland Army Base which is west of Maritime Street, and is selling electricity to Port tenants in that area. The Port is purchasing the electricity from the Army. Under the existing provisions in Item No. 1105 of the Port of Oakland Tariff No. 2-A, the rate charged Port tenants by the Port is the price the Port pays to the Army for electricity plus a 15% markup. It was recommended that the Board amend Port Ordinance No. 3439 and Item No. 1105 of Port of Oakland Tariff No. 2-A, to provide that the rates presently applicable at the Airport under Port Ordinance No. 3439 will apply to electricity provided by the Port anywhere in the Port Area, including the harbor area. The recommendation was approved on passage of an ordinance to print.

Extension of Hanjin Shipping Terminal Use Agreement at Ben E. Nutter Terminal

was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Hanjin Shipping Company, Ltd. Has a five year Terminal Use Agreement (TUA) at the Ben E. Nutter Terminal which is scheduled to expire June 30, 1999. Terminal services at the facility are provided by Marine Terminals Corporation (MTC). The current Agreement contains various economic incentives from the rates contained in the Port's tariff. The economic incentives are competitive with other TUAs and have been utilized to where Hanjin Shipping cargo volume has undergone significant growth during the term of the Agreement. Consequently, the maritime staff has been negotiating with Hanjin Shipping for the new terminal development at Berth 55. Indications are that Hanjin Shipping will very shortly concur to the Port's final proposal for Berth 55 that was tendered last month. However, both Hanjin Shipping and the Port now desire that the term of the current TUA be extended until December 31, 2000. The proposed term extension will not alter any of the current provisions and economic incentives but should provide ample time for transfer of operations to the new terminal at Berth 55. It was recommended that the Board approve the proposed term extension to the Hangin Shipping Terminal Use Agreement and following the execution of the modified Agreement it will be filed with the Federal Maritime Commission. The recommendation was approved on passage of Resolution No. 99247.

Ratify Change Order for "Installation of Electrical System for Reefer Receptacles,

Ben E. Nutter was the subject of a memo to the Board from the Director of Engineering notifying the Board that Beci Electric, Inc. has the contract for the installation of electrical system for reefer receptacles. The work consists of excavating for and installing conduits, conductors, transformers, and Port-supplied refrigerated container (reefer) receptacle panels at the Ben E. Nutter Terminal. The plans for this project indicate that one reefer receptacle panel is to be installed adjacent to the maintenance building. The tenant requested that three additional reefer panels be installed in the adjacent area. The extra work included saw-cutting, trenching, and paving for the installation of a larger switchgear, bollards, conduits, and pull box. The additional cost for this work is \$61,339.00. It was recommended that the Board ratify a change order for \$61,339.00 to Beci Electric, Inc. for the extra work. The recommendation was approved on passage of Resolution No. 99248.

Plans and Specifications for Demolition of Maritime Street Overpass, 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 the maritime Street Overpass structure. The overpass includes five distinct sections – an approach ramp at each end, two sections of reinforced concrete spans supported on concrete bents, and a center section with four steel spans supported on concrete pier walls to span over rail tracks, BART, and Seventh Street. The approach ramp sections are constructed with retaining walls supported on pile foundations and compacted fill below the roadway between the walls. The overhead sections include a combination of structural steel and reinforced concrete supported on piles. Prior to starting demolition over the rail tracks, BART, or Seventh Street, the contractor will construct a protective cover below the overpass. Various utilities are supported along the entire overpass. These will be cut and capped at the boundary of the overpass by other projects prior to the start of the overpass demolition. This work is necessary because the structure's physical condition, location, and weight restrictions make it unusable for the Port's needs and it must be removed in order to clear the site for construction of the Realigned 7th

Street and the JIT projects. The recommendation was approved on passage of Resolution No. 99249.

Substitution of Surveying Subcontractor for "Construction of Cement Deep Soil Mixing (CDSM) 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 the Port presently has a contract with Raito, Inc., and Biller-McCoy Builders dba Raito/Biller-McCoy (Raito) for the construction of cement deep soil mixing shoreline stabilization at Berths 55/56. Raito has requested that the Board approve the substitution of its subcontractor performing the survey, layout and as-built drawings on the subject project, Geotopo, who has stopped performing all field survey work. The Port has received a copy of a letter sent to Raito/Biller-McCoy from Geotopo stating that this letter is to inform you that Geotopo management has decided to withdraw from performing field-surveying services. Raito has requested that PLS Surveys Inc. be listed as the new survey subcontractor. It was recommended that the Geotopo be deleted as the listed subcontractor to perform the field survey work, and that PLS Survey Inc. be added as the subcontractor to perform said work. The recommendation was approved on passage of Resolution No. 99250.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the appointment of Judith Jackson, as Personnel Technician, effective June 26, 1999, at \$3,911.00 per month; creation of classification and one position of Port Senior Systems Planning Analyst; and termination of Mr. Paul Capolungo, Semiskilled Laborer, in the Engineering Division, for cause, effective the close of the workday of June 16, 1999. The recommendations were approved on Resolution No. 99251 for appointment; Resolution No. 99252 for termination; and on an ordinance to print for the creation of position.

Approval of the Annual Operating Budget for Fiscal Year Ending June 30, 2000 was the subject of a memo to the Board from the Chief Financial Officer recommending approval of the proposed FY 1999-2000 Operating Budget and authorizing the related appropriations for Port operating and maintenance expenses. Net income is projected at \$14.9 million which represents about 9% of total revenue anticipated to be \$170.6 million with operating expenses estimated to be

\$96.6 million or 56.8% to operating revenue ratio. As in the past, the Port is consolidating Oakland Portside Associates (OPA) revenue and expenses under the Commercial Real Estate Division. The recommendation was approved on passage of Resolution No. 99253.

Authorization to Establish an Owner-Controlled Insurance Program, Purchase Insurance and Related Services was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that on March 2, 1999, the Board approved the execution of a consultant agreement with AON Risk Services and their sub-consultants James E. Ingram and Jonathan Leong for professional services in the design, marketing and administration of an Owner Controlled Insurance Program (OCIP) for the Port's major expansion including Vision 2000/50' Dredging, Airport Roadway Project and Airport Expansion. The marketing of the insurance program has been completed, but not the final negotiations. The Port OCIP Design team selected the best three proposals for the General Liability and Workers' Compensation and is in the process of negotiating further coverage enhancements and premium reductions. Insurers being considered for General Liability and Workers' Compensation are Reliance National, TIG and Zurich. Quotations for five-year policies with no deductibles vary from \$24,461,751.00 to \$27,270,422.00. Variances are found with payment options and service capabilities of the companies. The premium payable will be based on actual work done with no minimum premiums. Excess Liability with limits of \$300,000,000.00 is currently available for \$3,850,000.00, however, the Port believes this premium can be reduced to approximately \$3,000,000.00. Builder's Risk Insurance including Earthquake and Flood quotes vary from \$4,475,692.00 to \$4,592,244.00 with options being offered for different deductibles. The Port anticipates further premium reductions to approximately \$4,000,000.00. American International Group is the recommended for Contractor's Pollution Liability as their quote is the most competitive and the policy will link with the one they are writing for FISCO's environmental remediation. The policy will have a minimum and deposit premium of \$100,000.00 and the ultimate premium price will be based on non-remedial contracting activities and remedial abatement activities with a maximum estimated five-year premium of \$939,200.00. The Port believes this premium can be reduced to \$700,000.00. Professional Errors and Omissions

Liability Insurance quotations were received from four carriers varying from \$2,198,362.00 to \$2,540,975.00 for \$25,000,000.00 of coverage. The Insurance Broker believes that with further negotiations the overall premium can be reduced to \$2,100,000.00. It was recommended that the Executive Director be authorized to finalize negotiations on the OCIP's insurance program as open market placements and report to the Board on the actual terms at a later date subject to the Ports Attorney's review as to the form and legality. The recommendation was approved on passage of Resolution No. 99254.

New Medical Bill Review Provider was the subject of a memo to the Board from the Director of Administration notifying the Board that the Port is self-administered for workers' compensation. A component of this program is to provide cost containment services whenever possible. The Port began contracting with a medial management and bill review service provider in January 1994. The company, which has provided these services, Beech Street, was recently purchased by a managed care organization, CappCare, and will no longer provide medical bill review. The company will focus on their preferred provider network. Originally the Port was notified that CappCare would phase out this aspect of their business in December 1999. The Port has recently been informed that this date has been moved up to July 1999. The Port after reviewing medical care services selected CorVel Corporation to perform the services. CorVel had the most competitive rate at 16% of cost savings. It is a national, independent provider of managed care services for workers' compensation, accident & health and auto insurance markets. In addition to their network of preferred providers, CorVel offers case management, utilization management, medical bill review and disability management programs. It was recommended that the Board approve the contract agreement for CorVel to provide workers' compensation cost containment services for a fee not to exceed \$55,000.00. The recommendation was approved on passage of Resolution No. 99255.

Approval to Extend the Term of Limited Duration Appointments for Certain Employees was the subject of a memo to the Board from the Director of Administration notifying the Board that the Board has been budgeting annually approximately \$60 million for funding of the

Port's Capital Improvements Program. To support the Program, the Port has retained an existing staff of approximately seventy scientists, planners and engineers. While this staffing level is sufficient for the scope of work normally planned on an annual basis, it is not sufficient to undertake the Port's \$1.2 billion program to modernize and expand maritime and aviation facilities and provide for infrastructure support. To meet the needs of the expansion project, a minimum of 32 full-time equivalent positions must be filled by the Port in Engineering, Maritime, Aviation and other Divisions. Other positions may be added based upon revised staffing projections approved by the Board during the Port's fiscal year budgeting process. These positions need to remain filled during the implementation of the Port's capital program which is estimated to take approximately seven years to complete. However, as projects that comprise the Expansion program are completed and added to the Port's asset base, the need for the staff positions described above will decrease to maintenance levels. A program to add staff for limited duration terms not to exceed seven years would need the Port's temporary staff requirements for completion of the Port's Capital Expansion Program. However, the Civil Service Rules do not provide for employment of personnel for limited duration purposes for more than one year. The Rules state that employees retained beyond one year are deemed to be regular employees not limited duration employees. Notwithstanding Civil Service Rules, a program extending the term of limited duration appointments for up to seven years may be established by agreement with the unions representing civil service employees and may be extended to employees exempt from the Civil Service with Board approval. After almost 12 months of periodic meetings with representatives from SEIU Local 790, Western Counsel of Engineers (WCE) and International Brotherhood of Electrical Workers Local 1245, agreement was reached with IBEW Local 1245 and WCE on a proposal to extend the maximum term of limited duration appointments for to up to seven years. No agreement was reached with representatives of SEIU Local 790. As a result, Port management is recommending ratification by the Board of letters of understanding with IBEW Local 1245 and WCE setting forth the terms for extending the maximum period of limited duration appointments for up to seven years. In addition, Port management recommends that the Board approve establishment of a program extending the term of

limited duration appointments for up to seven years for certain positions exempt from Civil Service on an as needed basis to meet the staffing requirements of the Port's Expansion Program. It was recommended that the Board ratify the letters of understanding with WCE and IBEW Local 1245 extending the maximum term of limited duration appointments for up to seven years, and approve establishment of a program to extend the term of limited duration appointments for up to seven years for certain positions except from Civil Service on an as needed basis to meet the staffing requirements of the Port's Expansion Program. The recommendation was approved on passage of Resolution No. 99256 for WCE and Resolution No. 99257 for IBEW Local 1245.

Travel Authorization was the subject of a memo to the Board from the Secretary of the Board recommending ratification for the travel of Jane Keegan, Risk Manager, to London, England on or about the period May 21, 1999 to May 29, 1999, to meet with London brokers concerning Owner Controlled Insurance Program, cranes and maritime liability and review previous liability insurance regarding environmental claims. The recommendation was approved on passage of Resolution No. 99258.

Uncollectible Accounts was the subject of a letter to the Board from the Port Attorney notifying the Board that the Chief Financial Officer has requested that the Port Attorney's opinion on whether certain accounts receivable be written off the books of the Port as of June 15, 1999. The sums represent aged accounts receivable arising from, among other things, damage to Port property, rent utilities, land fees, concession fees and aircraft storage charges. These accounts represent total receivables as of November 1999, in a sum estimated at \$56,885.30. The last Board write-off approval was on February 16, 1999, in the amount of \$70,089.97. As a matter of practice, the Board approves write-offs twice a year. The resolution provides that, although the accounts would be written off, the Port Attorney is authorized to, and shall continue to, take such action as may be appropriate to effect the collection of the debts represented thereby, including, but not limited to, filing suite and/or referring accounts to appropriate collection agencies. The recommendation was approved on passage of Resolution No. 99259.

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

Ayes: Commissioners Harris, Kiang, Neal
and Second Vice President Taylor - 4

Noes: None

Absent: Commissioners Kramer, Uribe and President Loh - 3

“RESOLUTION NO. 99236

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO ALLOCATE FUNDS FOR CAPITAL EXPENDITURES RELATED TO THE YEAR 2000 REMEDIATION EXPENSES FOR THE OAKLAND INTERNATIONAL AIRPORT.”

“RESOLUTION NO. 99237

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE AND INSTALLATION OF MOVABLE ENCLOSED CANOPY FOR INTERNATIONAL ARRIVALS BUILDING, METROPOLITAN OAKLAND INTERANTIONAL AIRPORT, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS AND AWARD CONTRACT TO INFRA-STRUCTURES, INC. “

“RESOLUTION NO. 99238

GRANTING AUTHORIZATION TO INCLUDE REPLACEMENT AND REPAIR OF GATE PODIUMS IN TERMINALS 1 & 2, SOUTH 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 EXEUCION OF A CONTACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 99239

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH HARDING LAWSON ASSOCIATES, GROUP, 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. 99240

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH ROSS & BARUZZINI TRANSPORTATION SERVICES, INC. FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXEUCION OF AGREEMENT.”

“RESOLUTION NO. 99241

APPROVING AND AUTHORIZING EXECUTION OF AMENDMENTS TO FUNDING AGREEMENT AND IMPLEMENTATION AGREEMENT WITH THE ALAMEDA COUNTY TRANSPORTATION AUTHORITY FOR THE AIRPORT ROADWAY PROJECT.”

“RESOLUTION NO. 99242

GRANTING THE OAKLAND MUSEUM OF CALIFORNIA, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99243

CONSENTING TO ASSIGNMENT OF LEASE FROM JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY TO TIBURON CAPITAL CORPORATION.”

“RESOLUTION NO. 99244

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH RANGER PIPELINES, INC., FOR RECONSTRUCTION OF JACK LONDON SQUARE MARINA, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 99245

CERTIFICATION OF THE JOINT INTERMODAL TERMINAL PROJECT FINAL EIR, ADOPTION OF FINDINGS CONCERNING SIGNIFICANT EFFECTS OF THE PROJECT, ADOPTION OF MITIGATION MEASURES FOR THE PROJECT, ADOPTION OF MITIGATION MONITORING AND REPORTING PROGRAM AND ADOPTION OF STATEMENT OF OVERRIDING CONSIDERATIONS FOR THE UNAVOIDABLE ADVERSE IMPACTS AND APPROVAL OF THE JOINT INTERMODAL TERMINAL PROJECT.”

“RESOLUTION NO. 99246

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE 1) AN AGREEMENT IN LIEU OF CONDEMNATION TO CANCEL LEASE OF REAL PROPERTY (“LEASE CANCELLATION”) WITH RINGSBY TERMINALS, INC. (“RTI”), 2) AN ENVIRONMENTAL SETTLEMENT AGREEMENT WITH RTI, AND 3) A POLICY HOLDER’S SETTLEMENT AND RELEASE WITH RTI, CONCERNING THE PREMISES LOCATED AT 2225 SEVENTH STREET, AND 2277 SEVENTH STREET, OAKLAND.”

“RESOLUTION NO. 99247

AUTHORIZING EXECUTION OF FOURTH SUPPLEMENTAL AGREEMENT WITH HANJIN SHIPPING COMPANY LTD.”

“RESOLUTION NO. 99248

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH BECI ELECTRIC, INC., FOR INSTALLATION OF ELECTRICAL SYSTEM FOR REEFER RECEPTACLES, BEN E. NUTTER TERMINAL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 99249

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF SUBSTATION SS-D-1 AND TWO 12.47KV LINES ALONG MIDDLE HARBOR ROAD, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99250

AUTHORIZING SUBSTITUTION OF SURVEYING SUBCONTRACTOR FOR CONSTRUCTION OF CEMENT DEEP SOIL MIXING (CDSM) SHORELINE STABILIZATION, BERTHS 55/56, MIDDLE HARBOR, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 99251

CONCERNING CERTAIN APPOINTMENT.”

“RESOLUTION NO. 99252

TERMINATING APPOINTMENT OF PAUL CAPOLUNGO.”

“RESOLUTION NO. 99253

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 1999-2000.”

“RESOLUTION NO. 99254

AUTHORIZING THE EXECUTIVE DIRECTOR TO FINALIZE NEGOTIATIONS ON THE OWNER CONTROLLED INSURANCE PROGRAM (“OCIP”) AS AN OPEN MARKET PLACEMENT; FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT WITHOUT COMPETITIVE BIDDING; AND AUTHORIZING THE PURCHASE OF SAID INSURANCE SUBJECT TO REPORTING BACK TO THE BOARD ON THE ACTUAL TERMS OF SAID INSURANCE AT A LATER DATE.”

“RESOLUTION NO. 99255

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CORVEL CORPORATION FOR WORKERS’ COMPENSATION CONSULTING SERVICES CONSTITUTES PROFESSIONAL OR SPECIALIZED SERVICES AND WAIVING COMPETITIVE BIDDING; AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

“RESOLUTION NO. 99256

APPROVING AND AUTHORIZING LETTER OF UNDERSTANDING WITH WESTERN COUNCIL OF ENGINEERS.”

“RESOLUTION NO. 99257

APPROVING AND AUTHORIZING LETTER OF UNDERSTANDING WITH INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS.”

“RESOLUTION NO. 99258

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 99259

FINDING CERTAIN ACCOUNTS RECEIVABLE TO BE UNCOLLECTIBLE AND AUTHORIZING THE CHIEF FINANCIAL OFFICER TO WRITE OFF SAME FROM THE BOOKS OF THE PORT.”

“RESOLUTION NO. 99260

GRANTING 360 DEGREE GOURMET BURRITO, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99261

COMPROMISING AND SETTLING CLAIMS AND AUTHORIZING EXECUTION OF STIPULATED SETTLEMENT.”

“RESOLUTION NO. 99262

AUTHORIZING AND APPROVING THE RETENTION OF THE LAW FIRM OF FARELLA, BRAUN & MARTEL, LLP AS OUTSIDE SPECIAL COUNSEL TO THE PORT ATTORNEY TO PURSUE THE PORT’S INSURANCE CLAIMS AGAINST CERTAIN UNDERWRITERS AT LLOYD’S (“LLOYD’S”) CONCERNING THE EMBARCADERO COVE STATE SUPERFUND SITE.”

Port Ordinance No. 3514 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF AGREEMENTS WITH ORA LOMA SANITARY DISTRICT PROVIDING FOR THE PORT OF OAKLAND’S ACQUISITION OF CERTAIN REAL PROPERTY LOCATED IN AN UNINCORPORATED AREA OF ALAMEDA COUNTY, MAKING AN APPROPRIATION THEREFOR, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH,” and Port Ordinance No. 3515 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. 3516 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 2833 RELATING TO BALLAST WATER,” and Port Ordinance No. 3517 being, “AN ORDINANCE ADDING SECTION 9.043 OF PORT ORDINANCE NO. 867, AND CREATING POSITION OF PORT MAINTENANCE LEADER, PART-TIME,” and Port Ordinance No. 3518 being, “AN

ORDINANCE AMENDING PORT ORDINANCE NO. 1606 REGARDING EXECUTION OF CONTRACTS IN EXCESS OF BID LIMIT,” were read a second time and passed on final approval by the following vote:

Ayes: Commissioners Harris, Kiang, Neal
and Second Vice President Taylor - 4

Noes: None

Absent: Commissioners Kramer, Uribe and President Loh - 3

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3380 ESTABLISHING THE RULES AND REGULATIONS FOR THE PORT OF OAKLAND’S MARINAS AND FOR FIXING THE RATES AND CHARGES IN CONNECTION THEREWITH,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO AN AGREEMENT WITH THE EAST BAY REGIONAL PARK DISTRICT REGARDING MITIGATION PROJECT AT THE PORT OF OAKLAND DISTRIBUTION CENTER, INCLUDING THE TRANSFER OF LAND AND MODIFICATION OF A LEASE, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3439 AND PORT ORDINANCE NO. 2833, AND ESTABLISHING RATES AND CHARGES FOR ELECTRICAL POWER PROVIDED BY THE PORT IN THE PORT AREA,” and Port Ordinance No. ____ being, “AN ORDINANCE ADDING SECTION 7.1397 OF PORT ORDINANCE NO. 867, AND CREATING POSITION OF PORT SENIOR SYSTEMS PLANNING ANALYST,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTIONS 5.08, 8.07(B) AND 8.07(C) OF PORT ORDINANCE NO. 2199, RELATING TO LIMITED DURATION APPOINTMENTS,” and were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kiang, Neal
and Second Vice President Taylor - 4

Noes: None

Absent: Commissioners Kramer, Uribe and President Loh - 3

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: (a) City of Oakland v. Zurich Insurance Company, et al., San Mateo Superior Court Case No. 371894, (b) The City of Alameda, et al. V. Port of Oakland, et al., Alameda County Superior Court No. 793056-0 (Consolidated with Nos. 793028-7, 793033-9 and 793046-3), and (c) Rita Thomas v. Port of Oakland, WCAB Case Nos. OAK 214854, 237375 & 237381; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 2 cases; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: property – Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), negotiating parties – Port and City of Oakland, under negotiation – price and terms of payment, property – Jack London Square, Oakland, CA 94607, negotiating parties – Port and Oakland Portside Associates, under negotiation – price and terms of payment; and reconvened in open session at the hour of 6:55 p.m.

At the hour of 7:00 p.m. the meeting was adjourned to Tuesday, June 29, 1999, at the hour of 9:00 a.m.

The meeting was reconvened on Tuesday, June 29, 1999 at the hour of 9:08 a.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 Engineering; Director of Strategic and Policy Planning; Director of Equal Opportunity; Director of Administration; Chief Financial Officer; Director of Communications; and Secretary of the Board.

Recommendation to Certify Review, Consideration and Completeness of the Final Environmental Impact Report, Including the Final Supplement to the Environmental Impact Report, on the Airport Development Program; Make Certain Findings and Determinations Regarding Said Report and Project Under the California Environmental Quality Act; Adopt and Incorporate into the Project Certain Mitigation Measures and a Mitigation Monitoring and Reporting Program for Such Mitigation Measures; Adopt a Statement of Overriding Considerations for Unavoidable Significant Impacts on the Environment; and Approve the Airport Development Program was the subject of a memo to the Board from the Director of

Engineering notifying the Board that on December 16, 1997, the Board approved the Airport Development Program (ADP) and certified a Final Environmental Impact Report (EIR) for the ADP. The Board also made findings under the California Environmental Quality Act (CEQA), adopted mitigation measures to reduce the impacts of the ADP, and adopted a Statement of Overriding Considerations regarding impacts that could not be reduced to a less than significant level. Subsequently, several neighboring communications brought suit challenging the EIR and the Port's approvals: The City of San Leandro, the City of Alameda, the Citizen's League for Airport Safety and Serenity (CLASS), and Berkeley Keep Jets Over the Bay (KJOB). The Plumbers and

Steamfitters Union and the San Leandro and San Lorenzo United School Districts also filed suit; however, the Union has dismissed its lawsuit and the Port reached a settlement agreement with the school districts. On February 2, 1999, the Alameda County Superior Court entered Judgment and issued a Peremptory Writ of Mandate ordering the Port to prepare a Supplement to the Final EIR that discussed the "Air Passenger Dominant Alternative" and the "Air Cargo Dominant Alternative" described in the Port's 1994 Notice of Preparation of an EIR, or identifies those alternatives and explains the reasons underlying any determination that the alternatives are not feasible; and analyzes the cumulative impacts of past, present and probable future projects by including construction of a new runway, the extension of Runway 11/29 and the construction of high-speed exit taxiway in the EIR's cumulative impacts analysis. The Court found in favor of the Port regarding the remainder of the petitioners' challenges to the EIR. The Judgment and Peremptory Wit of Mandate also specify that the Port can proceed with the Airport Roadway Project (ARP), including installation of any utilities or cables within or underneath the roadway, construction of the Swan Way interim parking area, and demolition of the following buildings: L-647, L-721, L-723 and L-731. The City of Alameda, CLASS and KJOB appealed the portion of the Judgment finding in favor of the Port. The City of San Leandro did not appeal. The Court has awarded the petitioners a combined total of \$180,000.00 in attorneys' fees. The Port has taken two steps: it has prepared a Supplement to the EIR that addresses the issues ordered by the Court; and it has filed a cross-appeal challenging the portion of the Judgment requiring the Port to prepare the Supplement to the EIR. The Port staff recommends that the Board take a fresh look at all of the information in the EIR, including the Supplement to the EIR, and approve the ADP in light of all of the information in the EIR. Based upon the additional information in the Supplement to the EIR, staff has revised the December 1997 Board Letter recommending certification of the Final EIR and approval of the ADP. Revisions to the December 1997 Board Letter include the EIR which includes both the Final EIR published in December, 1997 and a Supplement to the EIR. The Port prepared and circulated for public review a Draft Supplement to the EIR in March of 1999. The Port published a response to Comments on the Supplement to the EIR on June 2, 1999. A copy of

the Final Environmental Impact Report (Final EIR), including appendices and both volumes of the Supplement to the EIR, has been provided to each member of the Board under separate cover. The Final EIR analyzes the potential environmental consequences from posed Airport development improvements at OIA. The Port's adopted aviation forecasts project 13.8 MAP and 1 million tons of cargo for the year 2000. Cargo activity has grown at the projected rate. Passenger activity declined in both 1996 and 1997. However, passenger activity is once again increasing. In 1998, actual passenger activity was 9.2 MAP, an increase compared to 1997 of 1%. Year to date activity in 1999 is growing at higher rates. For example, in February 1999, there was an increase in passenger activity of about 8% compared to February 1998, reflecting additional daily departures and an increase in load factors for all carriers. As recently as 1990, there was a 30% increase in passenger activity two years after a brief downturn in activity. Thus, by the end of 2000, passenger activity could approach the Port's forecast activity level. It is also possible, however, that passenger activity will not reach 13.8 MAP for a few more years. Under all available forecasts, passenger activity is projected to reach 13.9 MAP before 2010. The Final EIR, including the Supplement to the EIR, analyzes potential environmental impacts relating to noise, land use, air quality, cultural resources, biotic communities, endangered and threatened species, wetlands, flooding, coastal zone management, farmland, energy supply and natural resources, aesthetics, light, solid waste, hazardous materials and waste, transportation and circulation, parking, geology, public services, and cumulative impacts of the ADP combined with past, present and future projects including construction of a new runway, the extension of Runway 11/29, and construction of a high-speed exit taxiway. The Final EIR, including the Supplement to the EIR, evaluates the following on-Airport project alternatives: the proposed ADP; the Moderate Build Alternative, which provides for a reduced level of development for various ADP components; the Passenger Dominant Alternative, which would construct all of the passenger improvements and none of the cargo improvements; the Cargo Dominant Alternative, which would construct all of cargo improvements and none of the passenger improvements. Recommended general findings and overview include the Purpose; Description of Environmental Impact Report; Record of Proceedings

and Custodian of Record; Consideration and Certification of the Environmental Impact Report; and Severability. Recommended findings relating to Mitigation Measures, Environmental Impacts and Alternatives include: Findings Relating to Mitigation Measures; Adoption of Mitigation Measures; Adoption of Mitigation Monitoring and Reporting Program; two impacts identified as significant in the DEIS/EIR, have been found to be less than significant in the Final EIR; Solid Waste Disposal; and Construction Criteria Pollutant Emission 3. The following new mitigation measures were identified and incorporated in the Final EIR: Aircraft Noise and Vibration; Water Quality – Construction; Hazardous Materials Spills; and Social Impacts – Home and Business Relocation. Findings relating to Airport Development Program Impacts include Standards for Findings; Certain Impact Findings including cumulative noise impacts; Air Quality; Hazardous Materials; Traffic; and Parking. It is recommended that the Board find that the Passenger Dominant Alternative, which would construct all of the passenger components of the ADP but none of the cargo components, is infeasible, as that term is defined by CEQA, and reject this Alternative. It is also recommended that the Board find that the Cargo Dominant Alternative, which would construct all of the cargo components of the ADP but none of the passenger components, is infeasible, as that term is defined by CEQA and reject this Alternative. It is further recommended that the Board find that the No Project Alternative is infeasible and reject this Alternative. It was recommended that the Board adopt a resolution certifying that it has reviewed and considered the information contained in the Final EIR, including the Supplement to the EIR, for the Airport Development Program, that the EIR, including the Supplement to the EIR, has been prepared in compliance with CEQA, the State CEQA Guidelines and the Port CEQA Guidelines and finding that the Final EIR, including the Supplement to the EIR, reflects the independent judgment of the Board and that the Board has taken a fresh look at all of the information in the Final EIR, including the Supplement to the EIR, and has considered this information in good faith in considering the proposed ADP, as set forth in Section I-G: adopting the mitigation measures set forth in Appendix 1 as conditions of approval of the Airport Development Program; adopting the Mitigation Monitoring and Reporting Program set forth in Appendix 2; adopting the CEQA findings regarding mitigation measures,

project impacts, and alternatives contained in Sections I and II; adopting a statement of overriding considerations finding that the benefits of the proposed project outweigh the project's significant adverse environmental impacts contained in Section III; and approving the Airport Development Program. The recommendation was approved on passage of Resolution No. 99263.

Ratify Addenda and Award of Contract for Improvements to Harbor Bay Parkway, Air Cargo Road, Airport Drive, and Construction of Taxiway B Bridge, OIA, Contract A was the subject of a memo to the Board from the Director of Engineering notifying the Board that two bids were received and opened on June 2, 1999, for improvements to Harbor Bay Parkway. The Bid for this project included a Base Bid plus Alternate "A" for construction of an underground utility duct bank from Air Cargo Way west to Harbor Bay Parkway for tie-in to future utilities. Alternate "A" was not selected due to revisions in the Port's budget for this project. Therefore, the Total Bid Price is the total Base Bid Price. Bid comparison was based on the Total Bid Price plus Alternate "A" Bid Price as specified in the Instructions to Bidders within the Project Manual. In accordance with the Port's Non-Discrimination and Small/Local Business Utilization Policy (Policy), for bid comparison purposes only, bids may be modified (lowered) by as much as 10% depending on the location of the bidders and their subcontractors, and the length of time at those locations. Based on the comparison of the modified bid amounts, Gallagher & Burk – Brosamer, A Joint Venture remains the low bidder. It was recommended that Gallagher & Burk – Brosamer, A Joint Venture be found to be the lowest responsible bidder, that the Board ratify and approve Addenda 1 through 3, and that the contract for the project be awarded to Gallagher & Burk – Brosamer, A Joint Venture for the amount of its bid at \$40,508,176.58. The recommendation was approved on passage of Resolution No. 99264.

Ratify Addenda and Award of Contract for Construction of Doolittle Drive and Airport Drive Interchange, OIA, Contract B was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Board approve the plans and specifications for this project to advertise for bids to be received on May 13, 1999. Addenda 1 through 6 were issued by the Chief Engineer to extend the bid opening date to May 25, 1999, including changes in bonds June 29, 1999

and insurance requirements and changes in bid quantities. The Addenda did not change the physical work of the contract. Subsequently four bids were received and opened on May 25, 1999 for the construction of Doolittle Drive and Airport Drive interchange. Subsequent to the bid opening, Condon-Johnson/O.C. Jones and Homer J. Olsen reported to the Port of errors made in their bids. Both companies made errors in their unit price. The Port legal staff has reviewed the bid and had determined that the Project Manual does not allow such errors to be corrected. A protest was also filed by Condon-Johnson/O.C. Jones claiming the joint venture of Gallagher & Burk-Brosamer was not a 100% LIABE firm. Port staff has determined that both partners are located in Oakland and are certified as an LIABE joint venture company. In accordance with the Port's Non-Discrimination and Small/Local Business Utilization Policy (Policy), for bid comparison purposes only, bids may be modified (lowered) by as much as 10% depending on the location of the bidders and their subcontractors, and the length of time at those locations. Since the bid of the low bidder, Gallagher & Burk-Brosamer is more than 10% lower than the next closest bidder, this portion of the policy does not impact the work of this contract. It was recommended that Gallagher & Burk-Brosamer be found to be the lowest responsible bidder, that the Board ratify and approve Addenda 1 through 6, and that the contract for the project be award to Gallagher & Burk-Brosamer for the amount of its bid at \$13,464,262.50. The recommendation was approved on passage of Resolution No. 99265.

Ratify Addendum and Award of Contract for Widening of 98th Avenue West of I-880, OIA, Contract C was the subject of a memo to the Board from the Director of Engineering notifying the Board that on April 6, 1999 the plans and specification for the contract for widening of 98th Avenue West of I-880 were approved to advertise for bids to be received on May 12, 1999. Addendum 1 was issued by the Chief Engineer to extend the bid opening date to May 14, 1999 and included changes in bid quantities. The Addendum did not change the physical work of the contract. Six bids were received and opened on May 14, 1999. The Bid for this project included: a Base Bid plus alternates "A" and "B" for roadway lighting and landscape planting. Alternate "B" was selected because of City of Oakland preference. Therefore, the Total Bid Price is the total cost

for the total Base Bid price and Alternate "B". In accordance with the Port's Non-Discrimination and Small/Local Business Utilization Policy (Policy), for bid comparison purposes only, bids may be modified (lowered) by as much as 10% depending on the location of the bidders and their subcontractors, and the length of time at those locations. The ranking for the first three bidders has changed based on the modified bid amounts. The modified bid amount for Gallagher & Burk, Inc. is \$3,003,497.00; the modified bid amount for McGuire and Hester, Inc. is \$3,077,710.00; and the modified bid amount for John Jenkins Construction Co., Inc. is \$3,299,118.00. It was recommended that Gallagher & Burk, Inc. be found to be the lowest responsible bidder, that the Board ratify and approve Addendum 1. The recommendation was approved on passage of Resolution No. 99266.

Purchase of New Vehicles and Equipment and Sale of Surplus Vehicles was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Executive Office has reviewed the vehicular requirements for the Port. Operating priorities have been identified and the condition of the fleet has been assessed, with the objective of maintaining cost control. Twenty vehicles have been identified for purchase, of which sixteen are replacements and four are additions to the fleet. One additional vehicle will be refurbished. The replacement vehicles and equipment consist of one full size pickup truck; one 3/4 ton pickup truck with utility body; one 10-ton fork lift; one-ton flat bed truck; one 6,000 lb. Fork lift; one roller compactor; one air compressor, one 3/4 ton pickup truck with utility, one full size pickup truck and nine-4-door sedans. Four sedans scheduled for assignment to Aviation will be compressed natural gas and one sedan to be assigned to the Port will be electric. The additions to the fleet are: one full size pickup truck; one 3/4 ton pickup truck with lift gate; one 2-wheel drive SUV; one 10-wheel dump truck. It was recommended that the Board suspend formal bidding and authorize the acquisition of nineteen vehicles and equipment through the State of California contracts as available and by open market procurement for vehicles and equipment not available through the State at a cost estimate of \$524,000.00 plus taxes and fees. It was further recommended that the Board find and determine under section 5.13(a) of the Port's Master Indenture a total of fifteen vehicles and equipment

scheduled for replacement as inadequate, obsolete, and/or worn out and authorize their sale through open market by the Executive Director. The recommendation was approved on passage of Resolution No. 99267.

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

Absent: Commissioner Uribe – 1

“RESOLUTION NO. 99263

CERTIFYING REVIEW, CONSIDERATION AND COMPLETION OF FINAL ENVIRONMENTAL IMPACT REPORT, INCLUDING THE FINAL SUPPLEMENT TO THE ENVIRONMENTAL IMPACT REPORT ON THE AIRPORT DEVELOPMENT PROGRAM; MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING SAID REPORT AND PROJECT UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; ADOPTING AND INCORPORATING INTO THE PROJECT CERTAIN MITIGATION MEASURES AND A MITIGATION MONITORING AND REPORTING PROGRAM FOR SUCH MITIGATION MEASURES; ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS FOR UNAVOIDABLE SIGNIFICANT IMPACTS ON THE ENVIRONMENT; APPROVING THE AIRPORT DEVELOPMENT PROGRAM.”

“RESOLUTION NO. 99264

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR IMPROVEMENTS TO HARBOR BAY PARKWAY, AIR CARGO ROAD, AIRPORT DRIVE, AND CONSTRUCTION OF TAXIWAY B BRIDGE, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT (CONTRACT A), OAKLAND, CALIFORNIA, EXTENDING THE DATE SET FOR RECEIVING BIDS THEREFOR; AND AWARDED CONTRACT TO GALLAGHER & BURK-BROSAMER, A JOINT VENTURE, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99265

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF DOOLITTLE DRIVE AND AIRPORT DRIVE INTERCHANGE, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT (CONTRACT B), OAKLAND, CALIFORNIA, EXTENDING THE DATE SET FOR RECEIVING BIDS THEREFOR; AND AWARDED CONTRACT TO GALLAGHER & BURK-BROSAMER, A JOINT VENTURE, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99266

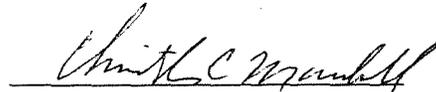
RATIFYING AND APPROVING ADDENDUM 1 TO PLANS AND SPECIFICATIONS FOR WIDENING OF 98TH AVENUE WEST OF I-880, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT (CONTRACT C), OAKLAND, CALIFORNIA, EXTENDING THE DATE SET FOR RECEIVING BIDS THEREFOR; AND AWARDING CONTRACT TO OLIVER DESILVA, INC., DBA GALLAGHER & BURK, INC. FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99267

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO PURCHASE NEW VEHICLES AND EQUIPMENT AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SELL SURPLUS VEHICLES AND EQUIPMENT.”

At the hour of 9:40 a.m., the Board entered into closed session pertaining to conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 2 cases; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: property – Jack London Square, Oakland, CA 94607, negotiating parties – Port and Oakland Portside Associates, under negotiation – price and terms of payment; and reconvened in open session at the hour of 10:40 a.m.

At the hour of 10:45 a.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, June 1, 1999, at the hour of 3:35 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 Engineering; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

The minutes of the regular meeting of April 20, 1999 were approved as submitted and ordered filed.

Mr. Willie Hamilton, Principal of McClymond's High School, appeared before the Board to thank the Board for all the support that the Port had provided his school.

Ordinance Approving Acquisition of Certain Parcels of Land from Ora Loma Sanitary District for Use as Mitigation Land for Wetland Fill Purposes was the subject of a memo to the Board from the Director of Aviation notifying the Board of the program acquisition of at least two parcel of upland land from the Ora Loma Sanitary District (District) for use as mitigation land for future wetland fill of Port lands. A large area adjacent to these parcels has been restored to wetlands by the East Bay Regional Park District. The parcels were originally considered for restoration as part of that effort, but were not restored at that time. However, both of these parcels are encumbered by conservation easements which limit the use of the property to wetland mitigation purposes. The District's land is located in San Lorenzo, about ten miles southeast of the Airport. A description of the two subject parcels are APN 438-10-5-12 which is

approximately 14.07 acres; and APN 438-10-5-13 which is approximately 2.0 acres, which includes a PG&E transmission line right-of-way. Another two adjacent parcels, which the District also owns in fee, may subsequently become available for purchase. These parcels, APN 438-10-5-14 and APN 438-10-7-10, contain a total of approximately 28 acres, of which as much as 23 acres might be usable as mitigation land. The parcels of land at the District represent a valuable resource that would minimize the cost of any future mitigation requirements that the Port may face. The estimated cost for land acquisition (16 acres) is \$225,000.00, plus an additional \$350,000.00 for added acreage, if available. Preliminary, conceptual work indicates that wetland restoration, including design, construction, and maintenance would be approximately \$1,000,000.00. The Port anticipate spending about \$40,000.00 under existing authorization to refine the concepts of restoration so those costs can be identified more accurately. It was recommended that the Board approve the acquisition, for up to \$200,000.00, of two parcels of upland land (totaling 16.07 acres) from the Ora Loma Sanitary District for use as mitigation land for wetlands fill purposes; authorize the inclusion of an easement in the Purchase and Sale Agreement (for \$24,000.00) from the District to the Port for access to the sites over District land during the construction period and subsequently for maintenance of the mitigated land; and authorize the Executive Director to acquire all or portions of two other parcel (totaling approximately 28 acres) from the District for an amount not to exceed \$350,000.00. The recommendation was approved on passage of an ordinance to print.

Approval of Consultant Agreement for Construction Management Services for the Construction of 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 (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 to the Oakland International Airport, and then to Bay Farm Island in the City of Alameda. The 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 Measure B's 19986 Expenditure Plan. The Project is primarily located within the Port Area; however, portions are also located within the City of Alameda and within areas of the City of Oakland that are outside the Port Area. The plans and specifications for the construction of the Airport Roadway Project have been completed and it was recommended that the Allen Group/Sverdrup/Cooper Pugeda Management, Inc. be selected to provide construction management services for the Airport Roadway Project. The selected team will provide constructability review, value engineering, document control, monthly project reports, change orders and payment processing, dispute resolution, compliance with contract documents, and other miscellaneous services to effectively manage the contract. It is anticipated the amount of the agreement will not exceed \$5,000,000.00, and it is requested that the Executive Director be authorized to approve up to an additional \$1,250,000.00 for potential changes in scope. Ms. Vali Cooper, Joyce Clark, Alice Ghiradelli, all representing the firm of Vali Cooper and Associates, Mr. Fritz King of Pacific 17, Mr. Christopher Clark of Parsons Transportation and Infrastructure Group, Mr. Ron Grant and Mr. George Shelton of East Bay Construction, all appeared before the Board to note that a technical review committee had ranked Vali Cooper and Associates as the best firm to perform the work and they requested that the project be reviewed again to select Vali Cooper. Commissioner Harris, Chair of the Aviation Committee, responded that the committee had reviewed the top three firms and their recommendation to the Board was more encompassing than the technical committee review. After further discussion the recommendation was approved on passage of Resolution No. 99235 with Commissioner Taylor and Uribe voting no.

Authorization to Include the Project Reroofing of Building L-107, North Field, 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 reroof Building L-107, North Airport. This building is being used by four departments, Airport Properties, North Airport Administration, Aviation Marketing and Communication, and the Airport Expansion Group. Building L-107 has not been reroofed since it was built in 1966. Instead, extensive maintenance repair was done to repair leaks when they occurred. The roof has failed to the extent that repairs are no longer cost

effective. It was recommended that the reroofing project 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 proposals and to be for an amount not to exceed \$100,000.00; and 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 proposals, if the attempt to secure an acceptable proposal from a small local contractor is not successful. The recommendation was approved on passage of Resolution No. 99220.

Approval of an Amendment to Port Ordinance 1149 to Increase North Field Fees by Current CPI was the 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 (CIP-W). The San Francisco – Oakland area calendar year April 1998 to April 1999 CIP-W increase was 5.0%. It was recommended that the Board increase the fees governing aircraft parking, assigned ramp spaces, T-Hangars, Port-A-Ports and tiedowns by 5.0% effective July 1, 1999. The recommendation was approved on passage of an ordinance to print.

Approval of Extension of Right-of-Entry and Indemnity Agreement for Kleven Communications-CA, Inc. dba Riley Communications, a division of International FiberCom Inc. was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Kleven Communications-CA, Inc. dba Riley Communications, a division of International FiberCom Inc. (Riley) currently is utilizing a portion of unimproved land located at the Airport pursuant to a Right-of-Entry and Indemnity Agreement. Riley is using the land as storage area for its trucks and equipment while it is engaged in a construction project laying fiber optic cable. This project is unrelated to the Port or its activities. Riley is paying the monthly rental of \$2,224.25 for the 21,700 square feet of land. Riley commenced operations May 1, 1999 pursuant to a 45-day June 1, 1999

Right-of-Entry and Indemnity Agreement. The project is expected to take approximately three months. It was recommended that the Board approve and authorize the extension of the Right-of-Entry and Indemnity Agreement from 45 days to 120 days, from May 1, 1999 to and including August 31, 1999; and to authorize continued occupancy on a month-to-month basis if necessary through April 30, 2000 on the same terms and conditions set forth. The recommendation was approved on passage of Resolution No. 99221.

Authorization to Prepare and Execute an Agreement with the City of Oakland Redevelopment Agency for the Purpose of Conducting a Jack London District Transportation Improvement Study was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that on February 10, 1999, at a special joint meeting of the City of Oakland Planning Commission, the Board endorsed the policies contained in the draft Estuary Policy Plan (Plan). Staff of the Port's Commercial Real Estate Division and Environmental Planning Department and the City's Planning Department and Redevelopment Division are working together to develop strategies for the Estuary Plan implementation. Within the Jack London District, the Plans calls for transportation improvements, including a coordinated parking strategy local street improvements, increased transit services, and enhancement of bicycle circulation and the pedestrian environment. Port and City staff have jointly developed a scope of work and budget for consultant services necessary to conduct a Jack London District Transportation Improvement Study (Study). The proposed Study Area is generally the area bounded by I-880, Market Street, Fallon Street, and the Estuary. The purpose of the Study is to provide information to Port and City policy-makers to assist in their efforts to translate and develop the Estuary Policy Plan's implementation strategies and recommendations for parking and circulation in the Jack London District. The Study is intended to provide information necessary for comparing parking demand (current and projected) with the amount of available parking supply to determined future parking needs and ways to respond to projected future parking needs; provide estimated parking demand, trip generation, and trip assignments for various land uses for use in future environmental review; and evaluate the impact of a range of future development scenarios on circulation and

parking in the Jack London District and devise alternative strategies to maximize economic development while minimizing investments in traffic and parking infrastructure. Port and City staff proposes to utilize the Port's as-needed environmental consulting services contract for the major work of this Study. At its regular meeting of May 19, 1998, the Board approved execution of contracts with three consultant teams for the purpose of preparing environmental documents and technical studies on an "as-needed" basis. The contracts were awarded after a competitive bidding process and the consultant team for the main part of the Study will be Lamphier and Associates, as prime consultant, and includes two transportation firms, Dowling Associates and Korve Engineering. Additional consultant services may be utilized for tasks such as fiscal analysis of the alternatives. These additional services would be obtained through purchase orders. The cost for each agency is estimated not to exceed \$100,000.00. The Port would manage the consultant contract and bill the Redevelopment Agency up to \$100,000.00 for the Agency's contribution. The Redevelopment Agency is scheduled to consider authorization of the Agency's contribution at its regular meeting of June 15, 1999. The Study is scheduled to be completed approximately 5 months from the start date. It was recommended that the Board authorizing the preparation and execution of an agreement between the Port and the City Redevelopment Agency for the purpose of conducting the Jack London District Transportation Improvement Study. The recommendation was approved on passage of Resolution No. 99222.

Approval of a Building Permit Application for East Bay Regional Park District at the Martin Luther King Jr. Regional Shoreline was the subject of a memo to the Board from the Director of Engineering recommending approval to construct upgrades to the Martin Luther King Jr. Shoreline. The objective of this work is to improve the entry road off of Swan Way leading to the parking area near the Arrowhead Marsh observation platform; provide a sewer system for conversion of the existing restrooms at the observation platform from a holding tank to a flush system; and provide emergency telephone and lighting for the restrooms at the observation platform. The proposed work will include construction of a building to contain two handicap accessible restrooms; grade the existing roadbed to improve drainage; install AC paving over the

existing dirt road, 24 feet wide and 4,260 feet long, with striping and signage; modify and adjust the six existing drain inlets; install a sanitary sewer system in two sections: gravity-1750 feet of pipe, seven manholes, and two cleanouts, pressurized-3,050 feet of pipe, on lift station, and a new connection to the sanitary sewer main in Swan Way; install emergency telephone system and electrical service; and install gates and one-way traffic control at Swan Way for security. The estimated value of the work is \$250,000.00. The recommendation was approved on passage of Resolution No. 99223.

Modification to the Management Agreement with Stevedoring Services of America Establishing a Minimum Annual Revenue Guarantee and Adjustment to the Performance

Standard at Charles P. Howard Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board that Stevedoring Services of America (SSA) has provided terminal services at the Charles P. Howard Terminal under various Agreements since 1984. SSA is compensated a management fee of 3.5% of the gross Port Tariff dockage and wharfage charges for operating the public user terminal and is entitled to a \$5.00 per loaded TEU incentive for new shipping line activity at the terminal. The current ten year Management Agreement will expire June 30, 2007. The Port may cancel the Agreement upon six months notice to SSA if revenue cargo during any contract year is less than the stipulated Performance Standard of 80,000 loaded TEUs. SSA would also have six months to either secure another shipping line account that would generate volumes that would exceed this annual Performance Standard or pay the equivalent wharfage shortfall on the difference between the actual loaded TEUs handled and the 80,000 loaded TEU Performance Standard. Recent cargo volume projects indicate some uncertainty with activity over the next several years at Howard Terminal. SSA is therefore carefully managing the overall throughput at the facility so that any sudden changes do not adversely impact operations. With these developments SSA has asked the Port for the following modifications to their Management Agreement: Performance Standard – first contract year, the Performance Standard will equate to 70,000 loaded TEUs, second succeeding contract year, the Performance Standard will equate to 75,000 loaded TEUs, and third and all succeeding contract years, the Performance Standard will

equate to 80,000 loaded TEUs. SSA shall not be entitled to the \$5.00 per loaded TEU incentive for new shipping line activity when the above stated adjustment to the Performance Standard results in an adjusted level less than 80,000 loaded TEUs during any contract year. Minimum Annual Revenue Guarantee – SSA guarantees the Port shall receive and collect minimum annual revenues from dockage and wharfage equivalent to \$4,105,184.00 during each contract year, including activity from current vessel operations having a Terminal Use Agreement with the Port and from any other users which may not have a Terminal Use Agreement. The modification to the Management Agreement shall also include provisions for adjusting the annual revenue guarantee should a shipping line having a Terminal Use Agreement leave the facility during the contract year. It was recommended that the Board approve the proposed modifications to the SSA Management Agreement and the modified Agreement will be filed with the Federal Maritime Commission. The recommendation was approved on passage of Resolution No. 99224.

Authorization to Include the Reroofing of Western Half of Building H-309, Ninth Avenue Terminal, 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 plans and specifications have been prepared for the reroofing of Building H-309. The work consists of reroofing the western half of Building H-309. The intended use of Building H-309 is cotton warehousing. The roof has numerous leaks that cannot be repaired costly effectively, rendering it unsuitable for its intended use during the cotton season. The project budget is estimated to be \$250,000.00. It was recommended that the reroofing project 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; and 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 proposals. The recommendation was approved on passage of Resolution No. 99225.

Award of Contract for Demolition of Buildings D-441, D-441A and D-441B, Harbor Transportation 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 V.E.M.

General Engineering, the low proper bidder, at \$255,160.00. The recommendation was approved on passage of Resolution No. 99226.

Modification to Port of Oakland Tariff 2-A Establishing Provisions Relating to Vessel Ballast Water Exchange was the subject of a memo to the Board from the Director of Maritime notifying the Board that on April 20, 1999, the Board certified the final EIR for the Berth 55-58 Project and adopted numerous environmental mitigation measures as conditions of approval of the project. One of the environmental commitments is to implement a provision in the Port's marine terminal tariff requiring ballast water exchange at sea by vessels calling at Port facilities. Ballast water is used by vessels to control the trim, stability or displacement of the ship. The new proposal establishes an item containing provisions which will require that ships calling at the Port shall not discharge water ballast into San Francisco Bay, including open waters within the Port Area of the City of Oakland, unless the vessel had carried out an ocean ballast water exchange to limit the possibility of transferring non-indigenous species. Exceptions to this new provision shall include vessels from ports located between the southern boundary of Baja California to the northern boundary of Alaska, if the ballast water to be discharged originated from those waters; vessels conforming to International Maritime Organization Resolution A774(18); and where ocean exchange was not made due to stress of weather or stability or vessel hull stress concerns. Additionally, the new tariff item shall contain provisions requiring that records of ballast water practices be provided to the Port at or before the time of each vessel call. The Port's reporting procedures shall utilize the identical reporting form that will be implemented by the U.S. Coast Guard. The recommendation was approved on passage of an ordinance to print.

Approval to File Applications with the California Public Utilities Commission for Construction of Railroad At-Grade Crossings as Part of the Vision 2000 Program was the subject of a memo to the Board from the Director of Maritime notifying the Board that as part of the Vision 2000 Maritime Development Program there will be modifications and new additions to both the roadways and railroad tracks in the Port Area. A portion of Seventh Street will be re-aligned to enhance circulation and provide access to the new Middle Harbor Shoreline Park. This

will require the relocation of two existing railroad at-grade crossings. Four new railroad tracks will be constructed for the Joint Intermodal Terminal (JIT) which will cross Middle Harbor Road to the north of the intersection of Middle Harbor Road and the new road which will be constructed to provide access to the new marine terminals at Berth 55 through 59. The modification of existing at-grade crossings and the construction of new at-grade crossings are subject to review and approval by the California Public Utilities Commission. An application, including the plans and specifications for the crossings and appropriate warning devices, must be filed with and approved by the California Public Utilities Commission prior to the commencement of construction. These projects are covered under the Berth 55 Environmental Impact Report certified and adopted by the Board on April 20, 1999. It was recommended that the Executive Director and Port Attorney be authorized to file applications with the California Public Utilities Commission for permission to relocate two railroad at-grade crossings at Seventh Street and to construct four new railroad at-grade crossings on Middle Harbor Road. The recommendation was approved on passage of Resolution No. 99227.

Award of Contract for 1999 Structural Inspection and Repair of PACECO Cranes X411 and X412, Berths 25 and 26, Outer Harbor Terminal 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 Marine Maintenance, Inc., the bidder, at \$117,420.00. The recommendation was approved on passage of Resolution No. 99228.

Plans and Specifications for Construction of Container Wharf, Dike, Fill and Container Yard Phase 1A at Berths 55/56, Inner Harbor Channel 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. This is the first of the large projects for the Port's Vision 2000 Program. This project will build a 2,400-foot reinforced concrete deck container wharf with a stabilized shoreline; a containment dike; relocation of approximately 2 million cubic yards of material to provide fill to create new land and raise grades in the new container yard; demolition of approximately 850,000 square feet of the existing Naval piers; and will construct approximately 12

acres of the container yard with utilities and pavements. The project is located in both the Union Pacific yard area leased from the Port and the FISCO property. Union Pacific has agreed to vacate the site so construction of the wharf can begin. Conveyance of the FISCO property is expected to occur before award of the contract. Pursuant to Section 727 of the Oakland City Charter, the Vision 2000 program and this particular project conforms to the policies of the Oakland General Plan. As the schedule for the completion of the wharf, dike, fill, and phase 1A of the container yard is tight, it is necessary to commence the bid period as soon as possible. However, award of the contract is dependent upon the receipt of permits from the Regional Water Quality Control Board (RWQCB), the San Francisco Bay Conservation and Bay Commission (BCDC), the United States Army Corps of Engineers (COE), and the City of Oakland's Office of Planning and Building. To cover any possible delay in the receipt of any of these permits, and take account of the timing of subsequent Board meetings in August, September, and October, it is proposed that the specifications for this project provide that the award of the construction contract may occur as late as 100 days after the opening of bids. On April 20, 1999, the Board certified the Berths 55-58 Project EIR, and approved the project together with the recommended mitigation measures and all feasible air quality mitigation measures. The recommendation was approved on passage of Resolution No. 99229.

Plans and Specifications for 1999 Structural Inspection and Repair of ZPMC Crane X437, Berths 35 and 37, Ben E. Nutter 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 inspection and repair work. The work consists of providing mobile cranes, rigging, and scaffolding required to gain access to test the welded and bolted joints on the container crane. The work also includes removing paint from welds in preparing them for non-destructive testing, replacing defective welds found, and touch-up painting of the tested or repaired areas. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 99230.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the appointment of Christopher D. Minner, as Aviation Commercial Representative V, effective June 21, 1999, at \$5,934.00 per month; Louie Nerona, as Equipment Systems Engineer, effective June 21, 1999, at \$4,401.00 per month; Eve Grossman-Bukowski, as Government Affairs Specialist, effective June 21, 1999, at \$5,554.00 per month; Eduardo Reynaga, Alexandra Kealy, David Bradford, Jamar Moore, Thuy-Chau Bui, Adjelegan Lassey, Kai Ng, Scott Berge, Erick Kriens and Nykita McFarland, as College Interns to Youth Aide, Class "C", effective June 6, 1999, at \$8.94 per hour; and Maria Araujo, Brittany Dunning, David Brown, Anthony Cecaci, Jesus Padilla, Annie Lu, Dun Kim Nguyen, Kao Saechao, Yvette Orona and Nai Saetern, as High School Interns to Youth Aide, Class "D", effective June 21, 1999, at \$5.75 per hour. Also recommended was the creation of one position of Port Maintenance Leader, Part-Time, at \$26.92 per hour; rescission of appointment of Chi Ku, who was appointed to the position of Equipment Systems Engineer, effective April 19, 1999; amendment of the name appointed to Senior Secretary effective May 15, 1999, from Patricia Del Favaro to Joanna P. Del Favero; and the examination announcement for the classification of Port Equipment Mechanic. The recommendations were approved on passage of Resolution No. 99231 for appointments; Resolution No. 99232 for rescission of appointment; Resolution No. 99233 for amendment of appointment; Resolution No. 99234 for examination announcement; and on an ordinance to print for the creation of position.

Appearances: The following individuals appeared before the Board concerning a proposed Project Labor Agreement: Mr. James Thomas, Rev. T. C. Wilson, Jr., Ms. Bernida Reagan, Mr. Jim DuPont, Mr. Clarence Thomas and Mr. Monsa Nitoto.

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. 99220

GRANTING AUTHORIZATION TO INCLUDE REROOFING OF BUILDING L-107, 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 WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 99221

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH KLEVEN COMMUNICATIONS - CA, INC. DOING BUSINESS AS RILEY COMMUNICATIONS.”

“RESOLUTION NO. 99222

AUTHORIZING AN AGREEMENT BETWEEN THE PORT OF OAKLAND AND THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND TO FINANCE AND CONDUCT THE JACK LONDON DISTRICT TRANSPORTATION IMPROVEMENT STUDY.”

“RESOLUTION NO. 99223

GRANTING EAST BAY REGIONAL PARK DISTRICT, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99224

APPROVING AND AUTHORIZING EXECUTION OF FIRST SUPPLEMENTAL AGREEMENT WITH STEVEDORING SERVICES OF AMERICA.”

“RESOLUTION NO. 99225

GRANTING AUTHORIZATION TO INCLUDE REROOFING OF WESTERN HALF BUILDING H-309, NINTH AVENUE TERMINAL, 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. 99226

AWARDING CONTRACT TO V.E.M. GENERAL ENGINEERING FOR DEMOLITION OF BUILDINGS D-441, D-441A AND D-441B, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99227

AUTHORIZING FILING OF APPLICATIONS WITH THE CALIFORNIA PUBLIC UTILITIES COMMISSION TO RELOCATE RAILROAD AT-GRADE CROSSINGS AT SEVENTH STREET AND TO CONSTRUCT NEW RAILROAD AT-GRADE CROSSINGS ON MIDDLE HARBOR ROAD.”

“RESOLUTION NO. 99228

AWARDING THE CONTRACT TO MARINE MAINTENANCE, INC. FOR 1999 STRUCTURAL INSPECTION AND REPAIR OF PACECO CRANES X411 AND X412, BERTHS 25 AND 26, OUTER HARBOR TERMINAL, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99229

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF CONTAINER WHARF DIKE, FILL AND CONTAINER YARD PHASE 1A AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99230

APPROVING PLANS AND SPECIFICATIONS FOR 1999 STRUCTURAL INSPECTION AND REPAIR OF ZPMC CRANE X437, BERTHS 35 AND 37, BEN E. NUTTER TERMINAL, OAKLAND, CALIFORNIA AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99231

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 99232

RESCINDING PORT RESOLUTION NO. 99134 CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 99233

AMENDING PORT RESOLUTION NO. 99166 CONCERNING CERTAIN APPOINTMENT.”

“RESOLUTION NO. 99234

APPROVING EXAMINATION FOR THE POSITION OF PORT EQUIPMENT MECHANIC.”

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

Ayes: Commissioners Harris, Kiang, Kramer, Neal
and President Loh - 5

Noes: Commissioners Taylor and Uribe - 2

Absent: None

“RESOLUTION NO. 99235

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH THE ALLEN GROUP, SVERDRUP CIVIL, INC., AND COOPER PUGEDA MANAGEMENT, INC., JOINTLY, FOR CONSTRUCTION MANAGEMENT CONSULTING SERVICES FOR THE AIRPORT ROADWAY PROJECT CONSTITUTES PROFESSIONAL TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

Port Ordinance No. 3506 being, “AN ORDINANCE AUTHORIZING AND APPROVING THE EXECUTION OF TERMINAL USE AGREEMENT WITH ZIM-AMERICAN ISRAELI SHIPPING CO., INC.,” and Port Ordinance No. 3507 being, “AN ORDINANCE ADDING SECTION 8.148 OF PORT ORDINANCE NO. 867, AND CREATING POSITION OF PERMIT TECHNICIAN,” and Port Ordinance No. 3508 being, “AN ORDINANCE AMENDING SECTIONS 1.01 AND 1.02 OF PORT ORDINANCE NO. 867 DELEGATING TO THE EXECUTIVE DIRECTOR AND PORT ATTORNEY THE AUTHORITY TO PAY IN FULL CERTAIN PERSONS HOLDING OFFICES OR POSITIONS OF EMPLOYMENT FOR THEIR RESPECTIVE SERVICES WHERE SUCH COMPENSATION HAS BEEN PREVIOUSLY AUTHORIZED BY ORDINANCE OR THE CHARTER OF THE CITY OF OAKLAND,” and Port Ordinance No. 3509 being, “AN ORDINANCE AMENDING SECTION 1.06 OF PORT ORDINANCE NO. 867 DELEGATING TO THE EXECUTIVE DIRECTOR AND PORT ATTORNEY THE AUTHORITY TO MAKE APPOINTMENTS TO CERTAIN OFFICES OR POSITIONS OF EMPLOYMENT IN THE PORT DEPARTMENT,” and Port Ordinance No. 3510 being, “AN ORDINANCE AMENDING SECTION 1.08 OF PORT ORDINANCE NO. 867 RELATING TO THE AUTHORITY OF THE BOARD, OR AS DELEGATED, TO THE EXECUTIVE DIRECTOR

AND PORT ATTORNEY, TO MAKE CERTAIN APPOINTMENTS TO OFFICES OR POSITIONS OF EMPLOYMENT WITHIN THE PORT DEPARTMENT,” and Port Ordinance No. 3511 being, “AN ORDINANCE AMENDING SECTION 5.07 OF PORT ORDINANCE NO. 2199 DELEGATING TO THE EXECUTIVE DIRECTOR AND PORT ATTORNEY THE AUTHORITY TO PROVIDE FOR PROVISIONAL APPOINTMENTS,” and Port Ordinance No. 3512 being, “AN ORDINANCE AMENDING SECTIONS 8.07 (B) (C) (D) AND (F) OF PORT ORDINANCE NO. 2199, AUTHORIZING THE EXECUTIVE DIRECTOR AND PORT ATTORNEY WITH RESPECT TO OFFICES AND POSITIONS IN PORT ATTORNEY’S OFFICE TO GRANT LEAVES OF ABSENCE NOT TO EXCEED ONE YEAR,” and Port Ordinance No. 3513 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A RIGHT OF WAY AGREEMENT AND RELATED GRANT AND EASEMENT DEEDS TO THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION, EAST BAY MUNICIPAL UTILITY DISTRICT AND PACIFIC GAS AND ELECTRIC COMPANY,” were read a second time and passed on final approval 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 AGREEMENTS WITH ORA LOMA SANITARY DISTRICT PROVIDING FOR THE PORT OF OAKLAND’S ACQUISITION OF CERTAIN REAL PROPERTY LOCATED IN AN UNINCORPORATED AREA OF ALAMEDA COUNTY, MAKING AN APPROPRIATION THEREFOR, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH,” and 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 NO. 2833 RELATING TO BALLAST WATER,” and Port Ordinance No. ____ being, “AN ORDINANCE ADDING SECTION 9.043 OF PORT ORDINANCE NO. 867, AND CREATING POSITION OF PORT MAINTENANCE LEADER, PART-TIME,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 1606 REGARDING EXECUTION OF CONTRACTS IN EXCESS OF BID LIMIT,” 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 4:55 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: (a) In the Matter of the Application for Reclassification 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, (b) The City of Oakland, et al. V. Nestle USA, Inc., et al. U.S. District Court Case No. C-98-3963 SC; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 4 cases; and reconvened in open session at the hour of 6:30 p.m.

At the hour of 6:35 p.m. the meeting was adjourned on a motion duly made and seconded.



Secretary of the Board

requested to authorize the Executive Director to purchase the system, should the system meet expectations during the Pilot program according to Port's specifications, for the sum of \$65,800.00. The recommendation was approved on passage of Resolution No. 99193.

Authorization to Prepare and Execute an Agreement with Golder Associates to Prepare an Airfield Master Plan for Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that in January of 1999, San Francisco International Airport released studies on constructing four runways in San Francisco Bay adjacent to their current site. In February, the Regional Airport Planning Committee approved a Work Plan to review the Regional Airport System Plan and address the issue of additional runway capacity needed in the Bay Area. The Work Plan assumes that the airports will provide a substantial amount of the technical information related to each individual airport and its alternatives for additional capacity in the future. If this information is not provided, the Committee will rely on other airport and consultants work and derive some assumptions regarding alternatives and feasibility at that airport. During March and April 1999, staff conducted an informal process to identify firms that could perform the necessary capacity and airfield analysis required by the Regional Airport Planning Committee as well as meet the Port contracting policies and goals. In addition to the Regional Airport Planning Committee process, neighboring communities have also requested that the Port study the feasibility of constructing runways that would potentially alleviate noise concerns of residents. The City of Alameda and the homeowners group Citizens League for Airport Safety and Serenity (CLASS) have requested a study of a particular runway proposal and the Oakland International Airport Community Noise Management Forum has formally requested that we study runway alternatives and their effects on noise exposure. It was recommended that the Board approve an agreement with Golder Associates to prepare an Airfield Master Plan for the Airport for an amount not to exceed \$500,000.00; and further recommended is that the Executive Director be authorized to increase the amount not to exceed by up to \$100,000.00. The recommendation was approved on passage of Resolution No. 99213.

Authorize Preparation and Execution of an Agreement with Ruth Ann Liu-Johnston

Design to Prepare Presentation Materials for the Oakland International Airport BART

Connector Project was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Port and BART have pursued a rail connection between the Coliseum BART Station and the Airport for almost 30 years. Most recently the project has been included in the reauthorization of Measure B which failed in the June 1998 election but will be reconsidered by the voters at a future election. Many projects compete for this source of funding and BART and the Port would both need to work to continue to demonstrate this project's value. In addition, the Port could seek other funding sources either to supplement Measure B funding or to replace it if the Measure should fail again. Graphic presentations are a critical part of educating people about the project and providing a sense of what a "people mover" type of connection would look like and some of the benefits it could have. Ruth Ann Lui-Johnson Design has recently provided similar services on related projects under a purchase order agreement. Under the proposed agreement Ruth Ann Lui-Johnson Design would provide graphic design and presentation materials along with subconsultant Brenda Bonhomme. It was recommended that the Board approve an agreement with Ruth Ann Lui-Johnston Design to prepare presentation materials for the Oakland International Airport BART connector project for an amount not to exceed \$23,000.00; and also recommended was authority for the Executive Director to increase the amount not to exceed by up to \$5,000.00. The recommendation was approved on passage of Resolution No. 99194.

Authorization to Increase Facilitator's Fee for the Airport Community Noise

Management Forum was the subject of a memo to the Board from the Director of Aviation notifying the Board that on March 25, 1998, the Board authorized a contractual agreement with P&D Consultants, Inc., to provide Facilitation services for the new Oakland Airport-Community Noise Management Forum (Forum). The maximum amount of the contract was not to exceed \$50,000.00 per year. On April 20, 1999, the Board authorized a one-time increase in the amount of \$10,000.00 for this year's Facilitator's contract to cover unforeseen start-up costs. The Facilitator is responsible for all administrative duties of the Forum, chairing each meeting, managing technical

work programs (including hiring and overseeing consultants), and coordinating all activities of the Forum. The Facilitator is the Forum's primary liaison representative and works closely with the Airport Noise Management Office, other Port staff and outside resources as needed. The Forum is a public forum organized a year ago to discuss, analyze and make recommendations to the Port's Executive Director about noise related issues at the Airport. Representatives from nine neighboring jurisdictions sit on the Forum, and each jurisdiction contributes \$1,000.00 annually towards the Forum's operating expenses. The Port agreed to pay the remaining portion of the \$100,000.00 annual budget, which includes \$50,000.00 for facilitation and administration, and \$50,000.00 for work programs. We are now seeking authorization to increase the Facilitator's contract by \$50,000.00 annually to include the cost of the technical work program. It was recommended that the Board authorize an increase in the Facilitator's contract to \$100,000.00 annually for the next 5 years so that he can perform all Facilitation in accordance with the provisions. The recommendation was approved on passage of Resolution No. 99195.

Approval of Lease with the United State of America, Department of Transportation, Federal Aviation Administration was the subject of a memo to the Board from the Director of Aviation recommending approval to renew the agreement with the FAA for the auxiliary air traffic control tower on the North Airport containing 2,000 square feet of office and storage space in Building L-904, at a monthly rate of \$3,564.75, effective October 1, 1998. The recommendation was approved on passage of Resolution No. 99196.

Acceptance of Federal Aviation Administration (FAA) Grant Officer for AIP-23 was the subject of a memo to the Board from the Director of Engineering notifying the Board that on February 16, 1999, the Board approved the submittal of an Airport Improvement Program (AIP) grant application to the FAA to fund the construction of overlay for a portion of Taxiway D southwest of Building L-610, a portion of Taxiway D southwest of Building L-550, Taxiway J, and the parking apron southwest of Building L-118 project. The total estimated cost of the project is \$3,520,000.00. On March 31, 1999, the Port accepted the FAA Grant offer of \$1,832,551 under AIP-22, which was the first portion of the entitlement funds for the federal fiscal year 1998-1999.

The FAA is now offering to the Port a Grant Offer for the second portion of this year entitlement in the amount of \$692,558.00. It is anticipated that additional AIP funds will be offered within the next few months. The FAA permits acceptance of the second portion of federal fiscal year 1998-1999 grants only through May 28, 1999. The estimated project cost is \$3,520,000.00, FAA Share First Portion AIP-22 was \$1,832,551.00, FAA Share Second Portion AIP-23 will be \$692,558.00, with Port Share and future FAA Share to be \$994,891.00. It was recommended that the Board authorize the Executive Director to accept the Grant Offer for AIP-23. The recommendation was approved on passage of Resolution No. 99197.

Approval of a Building Permit Application for Fed Ex Tenant Improvements, Building M-141, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering recommending approval for the remodeling of a portion of the office space in the sort facility on Fed Ex leased premises at the Airport. This work is to reorganize existing office space to meet current requirements. The proposed work will include removal of some existing interior partition walls; construction of new interior partition walls; and alteration of electrical and mechanical systems serving the area of remodel. The estimated value of the work is \$135,000.00. The recommendation was approved on passage of Resolution No. 99198.

Plans and Specifications to Remove Underground Fuel Storage Tanks MF-19, MF-20, and MF-21 at Building M-105, 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 three fuel storage tanks at the site are inactive and, in accordance with state regulations, must be removed. The work consists of removing the existing 4,000-gallon, 8,000-gallon, and 10,000-gallon underground fuel storage tanks and associated equipment. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 99199.

Proposed Agreement with the 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 Port and the City of Alameda have entered into an agreement for the purpose of May 18, 1999

funding and operating the Alameda/Oakland Ferry service. Under the agreement the City of Alameda is the lead agency. On March 28, 1994, the City of Alameda (under its authority in the "Agreement") entered into an agreement with the Blue and Gold Fleet for the operation of Ferry services from Jack London Square and Alameda Main Street. This was a one-year agreement and contained 4 – one-year extensions subject to agreement of subsidies, fares and schedules. This agreement expired 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. Among the agreement terms with the City of Alameda for the Ferry is the employment of a Ferry Coordinator, Ernest Sanchez. The Coordinator was hired to market the Ferry, but since then, his responsibilities have grown to manage the day to day operations of the Ferry, which basically means managing the contract between the Ferry service and the City of Alameda/Port. For the last several years MTC's subsidy has been in the neighborhood of \$400,000.00 to \$500,000.00. This subsidy is obtained from the 3% increase in moneys obtained from the bridge tolls when the tolls were increased from \$.75 to \$1.00. This subsidy has been stable. An additional 2% subsidy was obtained from the increase in tolls from \$1.00 to \$2.00. For the 1998-99 fiscal year the Alameda/Oakland Ferry obtained \$470,805.00 in subsidy from MTC. The Port and the City of Alameda each contributed \$58,850.00 (approximately a 20% match to the subsidy). This generates a total of \$588,506.00. The current agreement provides the operator \$521,000.00 in subsidy and, \$41,000.00 is paid to the Port of San Francisco for dockage at the Ferry Building. A small portion of the remaining amount of \$26,506.00 goes to some incidental marketing expenses to pay for printing the schedules. Port staff has requested the Port of San Francisco to waive docking fees at the Ferry Building and Pier 39. This amounts to approximately \$35,000.00 per year for each agency. The Ferry has a marketing budget, which the Port will contribute in the range of \$20,000.00 as its match. This total contribution for the Port under the current year budget is \$118,000.00. Last October the City of Alameda issued a Request for Proposal for the Ferry service. Three proposals were received and

one proposal, Hornblower's was presented for consideration. With employees and Management of the Blue and Gold Fleet protesting the selection process, the City of Alameda determined that all proposals should be rejected and that new proposals should be obtained, in the process granting Blue and Gold fleet a six month extension to their existing contract with no additional subsidy. This extension will expire on September 28, 1999. It was recommended that the Board approve of a supplemental agreement to extend the term for an additional year, under current terms and conditions, in addition, approve the budget subsidy for Ferry service activities up to the budgeted amount for the current fiscal year of \$118,000.00 for 1998-1999 and \$120,000,000 for 1999-2000, and this budget will provide the Port's share of the 20% subsidy to the Ferry, pay for a portion of marketing costs and reimbursement to the City of Alameda for 50% of the cost of retaining Ernest Sanchez as the Ferry Marketing and Operations Manager; the Port opposes any fare increases for the first year of the new Ferry Operator Contract and to any additional subsidy; the selection process now being undertaken at the direction of the Alameda City Council is an open process inviting any valid qualified proposal; and the Port Attorney's office investigate and recommend to Port staff other management methods, including the formalization of a JPA, for the operation of the Alameda/Oakland Ferry. The recommendation was approved on passage of Resolution No. 99200.

Award of Contract for Upgrading of Existing Security System at 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 McMillan Technology, Inc., the low proper bidder, at \$781,213.00. The recommendation was approved on passage of Resolution No. 99201.

First Reading of An Ordinance Approving and Authorizing the Execution of a Right of Way Contract and Related Grant and Easement Deeds, with the State of California Department of Transportation, East Bay Municipal Utility District and Pacific Gas and Electric Company, for the Sale of Certain Real Property Located Adjacent to Highway 880, Hegenberger Road and Oakport Street, and the Granting of Permanent Utility Easement Rights at the Same Location was the subject of a memo to the Board from the Director of

Commercial Real Estate notifying the Board that the State of California, Department of Transportation (CalTrans) recently completed the I-880/Hegenberger Interchange Project. This project was funded by the Alameda County Transportation Authority, using Measure B dollars. A portion of the project involved the relocation of utilities and the realignment of Oakport Street, requiring the conveyance of certain fee and easement rights from the Port to CalTrans. On April 16, 1996, the Board approved the Right of Entry Agreement between the Port and CalTrans, giving them immediate use of the Port parcels to commence construction. This action was taken prior to the actual legal transfer of the land rights, and a final agreement on just compensation to the Port. The Right of Entry Agreement provided for the payment of compensation by CalTrans to the Port for the permission granted under the Agreement and for the easements and fee interests to be acquired by CalTrans. CalTrans was required to revise a previous appraisal report to reflect the fair market value of the fee and easement rights, taking into consideration any and all severance damages to the remainder property caused by the State's purchase. The revised appraisal's conclusion of value was \$1,366,146.97. Subsequently, the Port hired an independent appraisal firm to review the CalTrans appraisal findings and to provide their own estimate of value. They concluded that the appraised value of the interests acquired, including the actual cost to construct a replacement parking lot, is \$1,643,175.00. Over the past three years, Port staff has made several attempts to negotiate a settlement with CalTrans on the issue of just compensation. On November 4, 1998, a letter was sent to the CalTrans District Division Chief Robert McPherson (Right of Way Department), offering to settle the matter. After repeated attempts by Port staff requesting a response to our letter, a settlement meeting was finally set for April 14, 1999. At that meeting, it was mutually agreed that the two appraisal reports would be averaged, equaling \$1,504,661.00 (land value of \$12.47 per square foot). In addition, CalTrans agreed to reimburse the Port for the actual cost of environmental (soil) testing, associated with the project in the amount of \$15,170.00. CalTrans also was responsible for paying the Port interest on the total compensation payable to the Port based on the rate of earnings of the Surplus Money Investment Fund at the average rate of 5.64% per annum, for the period commencing May 1, 1995 to May 15, 1999. This interest

payment calculation over that period totals \$282,943.69. The total compensation proposed, including interest, equals \$1,903,774.69. It was recommended that the Board authorize the execution of the CalTrans Right of Way Contract and related Grant and Easement deeds; and further recommending the Executive Director be authorized to execute all transfer documents on behalf of the Port, provided that they are in form acceptable to the Port Attorney. The recommendation was approved on passage of an ordinance to print.

New Terminal Use Agreement with Zim-American Israeli Shipping Co., Inc. at Charles P. Howard Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board that Zim-American Israeli Shipping Co., Inc. (ZIM) has traditionally called at ports in the Pacific rim, the U.S. West Coast, the Caribbean and the U.S. East Coast. Until 1986, ZIM called Oakland as a secondary user of the APL Terminal and then shifted operations to San Francisco where vessel calls were ultimately discontinued. Zim has now decided to inaugurate an additional new weekly service between the Far East and the Pacific coast of the U.S. and Canada. This new service will commence at the end of this month by deploying six vessels providing weekly fixed day calls. Vessel rotation will include Hong Kong, Shanghai, Busan, Vancouver, Long Beach and Oakland. In Oakland, ZIM vessels will call at the Howard Terminal where terminal services will be provided by Stevedoring Services of America (SSA). Dockage for the First Contract Year, ZIM shall guarantee the Port a minimum of 45 vessel calls at the Assigned Premises. ZIM shall pay 80% of the then prevailing Port tariff dockage rates on 45 vessel calls. There shall be no further payments beyond 45 calls. Dockage for the Second & Third Contract Years, ZIM shall be subject to a minimum annual guarantee of 48 vessel calls and will continue to pay dockage on the basis of 80% of the Port's prevailing Port tariff for all vessel calls. There shall no longer be a cap in payments for vessel calls exceeding 45 as in the first contract year. Any shortfall on the 45 vessel calls in the first contract year or on the 48 vessel call minimum in subsequent contract years shall be paid to the Port at the shortfall times 80% of the prevailing average tariff dockage rate. Wharfage, ZIM will be subject to the following Minimum Annual Guarantee (MAG) volume levels: First Contract Year – 10,000 loaded TEUs; Second Contract

Year – 11,000 loaded TEUs; and Third Contract Year – 12,000 loaded TEUs. ZIM full tariff wharfage equates to approximately \$90.00 per loaded TEU. ZIM shall be assessed wharfage for containerized cargo as First Contract Year, Zim will be assessed \$56.00 per loaded TEU. At the end of the contract year if ZIM meets or exceeds its MAG, then the Port shall refund \$9.00 for each loaded TEU handed at the Assigned Premises during the first contract year. The Second Contract Year for wharfage will be assessed on the basis of \$60.00 per loaded TEU. At the end of the contract year if ZIM meets or exceeds its MAG the Port shall refund \$9.00 for each loaded TEU handled during the Second Contract Year. The Third Contract Year, the wharfage rate assessed will be \$65.00 per loaded TEU. ZIM will also be eligible for an additional discount from the \$65.00 rate, as such rate is adjusted, based upon the following volume levels: 15,000 – 16,999 loaded TEUs, additional discount 10%; 17,000 – 19,999 loaded TEUs, additional discount 15%; 20,000 – 29,999 loaded TEUs, additional discount 20%; and 30,000 or more loaded TEUs, additional discount 25%. Upon receiving written concurrence from d'Amico and Italia Lines, the Port will assess ZIM cargo handled to or from d'Amico or Italia vessels in accordance with the compensation terms of the proposed ZIM/Port TUA. The above rates to be assessed ZIM shall be increased at the same time and by the same percentage the Port tariff wharfage rates are increased, except that the \$56.00 rate for the first contract year will not be subject to any Port tariff increases during the first contract year. Non-containerized cargo shall be initially assessed 80% of the then prevailing Port tariff rates for non-containerized cargo. Each 22 revenue tons of non-containerized cargo shall count as one loaded TEU for purposes of computing additional ear-end discount. If ZIM's Interior Point Intermodal Throughput Service (IPI) cargo at Howard Terminal equals or exceeds 4,000 loaded TEUs in a contract year then ZIM shall be refunded \$5.00 per loaded TEU of IPI cargo, including all such TEUs in that contract year. ZIM will be assessed \$10.00 per TEU for empty containers loaded or discharged. However, the Port will allow an empty TEU allowance of 15% of the total loaded and empty TEUs in any contract year. If ZIM has less than 15% empty TEUs annually, the Port will provide an additional wharfage discount from the wharfage amount assessed at \$56.00, \$60.00 or \$65.00 per loaded TEU equal to 1% of such wharfage for each 3%

that empty TEUs are less than annual 15% TEU allowance. It was recommended that the board approve the Terminal Use Agreement with ZIM. The recommendation was approved on passage of an ordinance to print.

Approval of Third Supplemental Agreement with Orion Environmental Associates for Continued Particulate Air Quality Monitoring in West Oakland was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port entered into a contract with Orion Environmental Associates on November 31, 1996. This contract was to particulate monitoring at two monitoring stations in West Oakland for a period of one year. The maximum compensation for services was set for \$72,453.00. On June 23, 1997, the contract was amended and the Board authorized additional \$14,000.00 to enable payment for more expensive sampling equipment and for PM-2.5 sampling and analysis. On March 25, 1998, the Board authorized an additional \$95,400.00 for continuance of monitoring through April 1999. Therefore, the current total maximum compensation for services provided pursuant to existing amended agreement is \$181,853.00, with a contingency of \$10,000.00 to be approved by the Executive Director. In order to address air quality concerns of the West Oakland neighborhood, and to continue to monitor whether or not Port activities contribute directly to particulate concentrations in West Oakland, the Port would like to amend the existing contract to continue the particulate air quality monitoring program for an additional year. The total budget for the additional scope of work is estimated to be \$45,000. This amount would increase the total maximum compensation for services from the current \$181,853.00 to a new total of \$226,853.00. It was recommended that the Board continue the contract with Orion Environmental Associates to perform the additional year of monitoring for a total compensation not to exceed \$226,853.00. The recommendation was approved on passage of Resolution No. 99202.

Award of Contract for Demolition of Building D-834, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineer notifying the Board of the nine bids received and recommending award of the contract to National Construction &

Development, Inc., the low bidder, at \$40,350.00. The recommendation was approved on passage of Resolution No. 99203.

Plans and Specifications for Furnishing and Delivering High Mast Light Poles and Fixtures for Vision 2000 Program, 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 work. The Port's Vision 2000 Program includes the construction of 4 new wharves and container yards (Berths 55-58); a Joint Intermodal Terminal (JIT) facility; a public park; and an access road. Plans and specifications for these projects are currently being prepared by Port consultants. Design of the lighting system for Berths 55/56 container yards calls for the contractor to furnish and install all equipment and materials, except for the high mast light poles and fixtures which are to be furnished by the Port for installation by the Contractor. There are a total of 43 poles and 440 fixtures required to light the proposed Berths 55/56 yards, and 42 poles and 446 fixtures for Berths 57/58. Such specialized poles usually have a 3-month lead time, but the specified light poles are equipped with rings and a special motorized lowering mechanism that requires about a 6-month lead-time. Because they are a special type of pole, and due to the large quantity needed for the yards, the pole manufacturers have expressed concerns about not having adequate fabrication time to meet our fast-track construction schedule. Plans and specifications for Berths 55/56 Yard Phase 1A are scheduled for completion in May 1999. Construction should start in August 1999, to meet a scheduled project completion date of November 2000. In order to complete the project on schedule and have the yard ready for operation by the above completion date, the poles and fixtures must be ordered now in order to assure delivery to the job site by February 2000 at the latest. This can be best accomplished by soliciting bids and awarding the contract for furnishing the subject poles/fixtures by July 1999. Although the construction of Berths 57/58 will not start until May 2000, it would be prudent to have the same supplier furnish the poles/fixtures for these berths for design and maintenance uniformity throughout the Vision 2000 area. The Port would also realize some savings on material mark-up costs if all the above lighting

equipment were to be furnished now. The recommendation was approved on passage of Resolution No. 99204.

Plans and Specifications for the Preparation of Site Material for the Closure of the Former Lew Galbraith Golf Course 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 site, a former landfill, was recently used to dispose of portions of dredged material from the US Army Corps of Engineers -42 foot deepening project. As required by the Regional Water Quality Control Board (RWQCB), the former landfill, which was used until the 1960's for disposal of municipal solid waste, must be capped with an engineered impermeable layer prior to construction of a new golf course. Due to the large volume of on-site materials and the time necessary to rework and dry these materials, it is recommended that this project be split into two phases with separate contracts to take advantage of two dry seasons. The Phase I work, which is herein presented to the Board for approval, consists of site preparation, constructing drainage trenches, excavating, stock piling, and moisture conditioning the dredged material. This work is necessary in order to utilize the dry weather conditions to meet the schedule to construct a public golf course by the year 2002. The Phase II work, which is scheduled to be presented to the Board in 2000, will consist of placing, grading and compacting the dredged material in accordance with the RWQCB requirements and in coordination with the new golf course designer's plans for the new course. The recommendation was approved on passage of Resolution No. 99205.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the creation of the classification and one position of Permit Technician, Part-Time, at the hourly rate of \$23.18 in the Engineering Division; leave of absence without pay for medical reasons of Alfonso Overall, Semiskilled Laborer, from March 29, 1999, through and including July 2, 1999; and the examination announcement for the classification of Port Senior Accountant. The recommendations were approved on passage of Resolution No. 99206 for leave of absence, Resolution No. 99207 for examination announcement; and an ordinance passed to print for the creation of Permit Technician.

Authorization to Obtain Professional Services on the Open Market to Assist in the Implementation of Harbor Facilities Maintenance Management Systems and Organizational Changes was the subject of a memo to the Board from the Director of Administration notifying the Board that as a result of a report evaluating the effectiveness of the Maritime, Commercial Real Estate and Central Facilities maintenance management systems, organizational structure and work processes, the Board approved, in principle, implementing recommendations to improve Port systems and practices consistent with best industry practices and to restructure the management of the maintenance functions. It was recommended that the Board authorize the Executive Director to obtain professional and specialized services, of a temporary nature, on the open market, to assist Port staff in the implementation of the consolidation of harbor facilities maintenance functions and to acquire a best-in-class computerized maintenance management system for a total cost not to exceed \$497,350.00. The recommendation was approved on passage of Resolution No. 99208.

Limited Delegation of Hiring Authority was the subject of a memo to the Board from the Director of Administration notifying the Board that as part of an on-going effort to streamline procedures and improve the efficiency of the management and delivery of Port services, Senior Management and the Port Attorney have reviewed the appropriateness of a limited delegation from the Board to the Executive Director and with respect to the legal staff, to the Port Attorney, of the administrative decision making function of approving certain employee appointments and extended leaves of absences. The matter has been a subject of concern because under current procedures, the process of examining, recommending and appointing candidates, takes a minimum of six months and as long as one year before positions are filled. Because of the extreme length of time that it takes to fill positions, the Port frequently is unable to hire the most desirable and marketable candidates who accept appointments to competitive positions with other employers. While certain aspects of the examination procedures are being reviewed for further administrative improvements that do not require Board involvement, it has been determined that approximately eight weeks delay in filling positions could be recovered by delegating the ministerial function of filling positions below the Senior Management level to the Executive Director, and with respect to the legal staff, to

the Port Attorney, and approving extended leaves of absence. The Port Attorney has reviewed this proposal and has determined that within specified guidelines and subject to clearly defined limitations, the power to select candidates to fill positions may be delegated to the Executive Director, and with respect to legal staff, to the Port Attorney. The proposal to delegate limited powers of appointment as described above would be subject to the following limitations: the power proposed to be delegated does not include the resolution of fundamental policy issues; the power proposed to be delegated is subject to the Board's establishment of appointment procedures; the power proposed to be delegated includes adequate safeguards to protect against the misuse of the power conferred on the Executive Director and the Port Attorney; and the power proposed to be delegated includes ascertainable standards to guide the Executive Director and the Port Attorney in the exercise of the appointment authority. It was recommended that the Board approve the delegation of appointment powers effective which would include the following limitations be effective for one year expiring thereafter, absent specific Board approval to extend the powers; that the decisions of the Executive Director and Port Attorney made pursuant to the authorization delegated to them be reviewed before the Administrative Committee of the Board on a quarterly basis. The recommendation was approved on passage of Resolution No. 99209.

Authorization to Purchase and Install New Telephone Service Equipment for the Port Administration Building and all other Port Facilities Excluding the Airport was the subject of a memo to the Board from the Director of Administration notifying the Board that the Port has been contracting with Pacific Bell's Centrex telephone services since 1989. The original master agreement was extended an additional five years on January 17, 1996, for a 550-line dial tone service. This service has been augmented with the Walker Marathon Key and Phone-set system and the Centigram voice mail system. Together, these three systems make up the Port's voice communication service at the 530 Water Street Administration Building and all other Port facilities excluding the Airport. After ten years of service, the Walker Marathon, the manufacturer of these systems has discontinued this obsolete product line. In addition, the local vendor of the Walker Marathon systems is no longer in business, and any replacement parts have become scarce. These

facts and the desire to provide the Port with a long term, viable and most cost effective telephone system have prompted the Port to accelerate its implementation to replace the Walker Marathon system with a Private Branch Exchange (PBX) system. This PBX approach would reduce the dial tone service from Pacific Bell by more than 90 percent. It would also improve the features and manageability of Port's voice communication systems. With a pilot project in July 1998, the Port purchased and installed the base unit of a Northern Telecom PBX system and phone sets to provide voice, fax and modem services for Port staff located at the new Harbor Transportation center (HTC). It was intended that this base unit be expanded to replace the Walker Marathon equipment to service the entire Port. With the increasing demands for phone services, and the problems associated with the Walker Marathon equipment, the Port must implement this planned strategy by completing the Port's telephone system replacement/upgrade project as soon as possible. It was recommended that the Board find it in the best interests of the Port to approve the estimated \$495,000.00 capital expenditure, to proceed with informal quotations for the purchase of the PBX equipment, phone sets and implementation services through open market procurement, local, GSA or other cooperative arrangement, and that the Executive Director be authorized to make these purchases. The recommendation was approved on passage of Resolution No. 99210.

Authorization to Renew the Port's Property Insurance Program Including the Fire Insurance, Loss of Access, Boiler & Machinery, and Crane Physical Damage was the subject of a memo to the Board from the Chief Financial Officer recommending that the Board authorize the renewal of the Fire Insurance, Loss of Access, Boiler & Machinery, and Crane Physical Damage policies. Fire Insurance will be placed with Travelers for Building, Berths, Contents, Business, Income and Fine Arts, with a premium of \$289,510, limited at \$813,607,070.00, effective 6/1/99 – 6/1/02. Loss of Access will be placed with Lloyds of London for Channel Blockage & Ship Removal, with a premium of \$27,905.00, limited at \$3,000,000.00, effective 6/1/99 – 6/1/00. Boiler & Machinery will be placed with Travelers for Explosion & Mechanical Breakdown, with a premium of \$29,155.00, limited at \$100,000,000.00, effective 6/1/99 – 6/1/00. Cranes will be placed with Lloyds of London & US Companies for Physical Damage & Loss of Income, with a

premium of \$686,739.00, limited at \$100,000,000.00, effective 5/20/99 – 5/20/00. The recommendation was approved on passage of Resolution No. 99216.

Authorization to Renew the Port's Liability Insurance Programs Including Airport Liability, Automobile Liability and Physical Damage, Public Officials Errors and Omissions, Port Liability, Excess Workers' Compensation and Employers Liability, and CAPA Umbrella Excess Liability was the subject of a memo to the Board from the Chief Financial Officer recommending that the Board authorize the renewal of the Ports Liability Insurance program including Airport Liability, Automobile Liability and Physical Damage, Public Officials Errors and Omissions, Port Liability, Excess Workers' Compensation and Employers Liability and CAPA Umbrella Excess Liability. Automobile Liability with Genesis which includes 20 Airport Shuttles, premium \$69,450.00, limited at \$1,000,000.00, effective 5/20/99 – 5/20/00. Automobile Physical Damage with Genesis, premium \$95,000.00, limited at \$1,000,000.00, effective 5/20/99 – 5/20/00. Port Liability with MOAC, premium \$95,000.00, limited at \$1,000,000.00, 5/20/99 – 5/20/00. Jones Act with AIG which includes Excess Workers' Compensation, premium \$14,750.00, limited at \$1,000,000.00, effective 5/20/99 – 5/20/00. Excess Workers' Compensation Employers Liability with Genesis/Reliance, premium \$29,600.00, unlimited, effective 5/20/99 – 5/20/01. Public Officials Errors & Omissions with Coregis, premium \$28,083.00 (\$100,000,000.00 Excess covered by CAPA Umbrella), limited at \$1,000,000.00, effective 5/20/99 – 5/20/00. CAPA Umbrella Excess Liability with U.S. & London, premium \$143,314.00, limited at \$150,000,000.00, effective 5/20/99 – 5/20/00. Airport Liability with AAU, premium \$180,000.00, limited at \$200,000,000.00, effective 5/20/99 – 5/20/00. The recommendation was approved on passage of Resolution No. 99217.

Approval to Hire Consultants to Provide As-Needed Asbestos and Lead-Based Paint 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 concerning the management of asbestos and lead-based paint in Port-owned structures. To comply with these laws and regulations and to decrease liability, the Port is required to perform hazardous

materials surveys prior to the demolition of any Port building; conduct asbestos abatement oversight and air monitoring during demolition and renovation activities; and conduct on-going monitoring of Port buildings for damaged asbestos that could be released to the environment. The Environmental Health and Safety Compliance 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. SCA Environmental is currently under contract with the Port of Oakland but the funds in the contract are nearly exhausted. It was recommended that the Board approve the agreements with two consultants, one is SCA which has performed exceptionally well over the last three years as a Port consultant and other is IHI Environmental, Inc. It is proposed to execute professional services contracts with both firms, and to compensate them at agreed billing rates on a time and materials basis for a total amount not to exceed \$350,000.00 per firm. The recommendation was approved on passage of Resolution No. 99214 with SCA Environmental, Inc. and Resolution No. 99215 with IHI Environmental, Inc. with Commissioner Uribe abstaining.

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

Ayes: Commissioners Harris, Kiang, Neal, Taylor, Uribe
and First Vice President Kramer - 6

Noes: None

Absent: President Loh - 1

"RESOLUTION NO. 99193

APPROVING AGREEMENT WITH SHUTTLE PORT FOR SATELLITE TRACKING
SYSTEM PILOT PROGRAM."

"RESOLUTION NO. 99194

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH RUTH
ANN LIU-JOHNSTON DESIGN CONSTITUTES PROFESSIONAL, TECHNICAL
AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING
COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

“RESOLUTION NO. 99195

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH P & D CONSULTANTS, INC. TO SERVE AS FACILITATOR OF AN AIRPORT COMMUNITY NOISE MANAGEMENT FORUM CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 99196

AUTHORIZING, APPROVING AND EXECUTING A LEASE WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION.”

“RESOLUTION NO. 99197

ACCEPTING FEDERAL AVIATION ADMINISTRATION GRANT OFFER UNDER THE AIRPORT IMPROVEMENT PROGRAM FOR PROJECT NO. 23.”

“RESOLUTION NO. 99198

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

“RESOLUTION NO. 99199

APPROVING PLANS AND SPECIFICATIONS TO REMOVE UNDERGROUND FUEL STORAGE TANKS MF-19, MF-20 AND MF-21 AT BUILDING M-105, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99200

CONCURRING WITH THE CITY OF ALAMEDA TO EXTEND AGREEMENT WITH BLUE AND GOLD FLEET FOR CONTINUED OPERATION OF FERRY SERVICE BETWEEN JACK LONDON SQUARE, THE CITY OF ALAMEDA AND SAN FRANCISCO, AND RETAINING THE CURRENT FARE RATES FOR FERRY SERVICE.”

“RESOLUTION NO. 99201

AWARDING CONTRACT TO MCMILLAN TECHNOLOGY, INC. FOR UPGRADING OF EXISTING SECURITY SYSTEM AT JACK LONDON SQUARE, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99202

FINDING AND DETERMINING THAT A PROPOSED THIRD SUPPLEMENTAL AGREEMENT WITH ORION ENVIRONMENTAL 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. 99203

AWARDING CONTRACT TO NATIONAL CONSTRUCTION & DEVELOPMENT, INC. FOR DEMOLITION OF BUILDING D-834, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99204

APPROVING PLANS AND SPECIFICATIONS FOR FURNISHING AND DELIVERING HIGH MAST LIGHT POLES AND FIXTURES FOR VISION 2000 PROGRAM, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99205

APPROVING PLANS AND SPECIFICATIONS FOR PREPARATION OF SITE MATERIAL FOR THE CLOSURE OF THE FORMER LEW GALBRAITH GOLF COURSE, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99206

RATIFYING LEAVE OF ABSENCE TO ALFONSO OVERALL, SEMI-SKILLED LABORER.”

“RESOLUTION NO. 99207

APPROVING EXAMINATION ANNOUNCEMENT FOR THE POSITION OF PORT SENIOR ACCOUNTANT.”

“RESOLUTION NO. 99208

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO OBTAIN PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE FOR THE IMPLEMENTATION OF HARBOR FACILITIES MAINTENANCE MANAGEMENT SYSTEMS AND ORGANIZATIONAL CHANGES AND WAIVING COMPETITIVE BIDDING.”

“RESOLUTION NO. 99209

AMENDING THE BY-LAWS AND ADMINISTRATIVE RULES OF THE BOARD OF PORT COMMISSIONERS RELATING TO DELEGATION OF AUTHORITY TO FILL POSITIONS BELOW THE LEVEL OF DIVISION DIRECTOR AND ASSISTANT PORT ATTORNEY.”

“RESOLUTION NO. 99210

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO PURCHASE AND INSTALL NEW TELEPHONE SERVICE EQUIPMENT FOR THE PORT ADMINISTRATION BUILDING AND ALL OTHER PORT FACILITIES EXCLUDING THE AIRPORT WITHOUT COMPETITIVE BIDDING.”

“RESOLUTION NO. 99211

GRANTING SOUTHWEST AIRLINES CO., PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99212

GRANTING SOUTHWEST AIRLINES CO., PERMISSION TO PERFORM CERTAIN WORK.”

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

Ayes: Commissioners Harris, Kiang, Neal, Taylor

and First Vice President Kramer - 5

Noes: None

Abstained: Commissioner Uribe - 1

Absent: President Loh - 1

“RESOLUTION NO. 99213

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH GOLDER 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. 99214

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH SCA ENVIRONMENTAL, 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. 99215

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH IHI ENVIRONMENTAL, INC. FOR CONSULTING SERVICES 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, Taylor, Uribe
and First Vice President Kramer - 5

Noes: Commissioner Neal - 1

Absent: President Loh - 1

“RESOLUTION NO. 99216

AUTHORIZING RENEWAL OF PORT’S PROPERTY INSURANCE PROGRAM,
INCLUDING THE FIRE INSURANCE, LOSS OF ACCESS, BOILER AND
MACHINERY, AND CRANE PHYSICAL DAMAGE.”

“RESOLUTION NO. 99217

AUTHORIZING RENEWAL OF PORT’S LIABILITY INSURANCE PROGRAMS,
INCLUDING AIRPORT LIABILITY, AUTOMOBILE LIABILITY AND PHYSICAL
DAMAGE, PUBLIC OFFICIALS ERRORS AND OMISSIONS, PORT LIABILITY,
EXCESS WORKERS’ COMPENSATION AND EMPLOYERS LIABILITY AND
CAPA UMBRELLA EXCESS LIABILITY.”

Port Ordinance No. 3505 being, “AN ORDINANCE AUTHORIZING AND
APPROVING LEASES WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF
TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION,” and Port Ordinance No.
___ being, “AN ORDINANCE AUTHORIZING AND APPROVING THE EXECUTION OF
TERMINAL USE AGREEMENT WITH ZIM-AMERICAN ISRAELI SHIPPING CO., INC.,”

were read a second time and passed on final approval by the following vote:

Ayes: Commissioners Harris, Kiang, Neal, Taylor, Uribe
and First Vice President Kramer - 6

Noes: None

Absent: President Loh - 1

Port Ordinance No. ___ being, “AN ORDINANCE ADDING SECTION 8.148 OF
PORT ORDINANCE NO. 867, AND CREATING POSITION OF PERMIT TECHNICIAN,”
and Port Ordinance No. ___ being, “AN ORDINANCE AMENDING SECTIONS 1.01 AND
1.02 OF PORT ORDINANCE NO. 867 DELEGATING TO THE EXECUTIVE DIRECTOR
AND PORT ATTORNEY THE AUTHORITY TO PAY IN FULL CERTAIN PERSONS

HOLDING OFFICES OR POSITIONS OF EMPLOYMENT FOR THEIR RESPECTIVE SERVICES WHERE SUCH COMPENSATION HAS BEEN PREVIOUSLY AUTHORIZED BY ORDINANCE OR THE CHARTER OF THE CITY OF OAKLAND,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 1.06 OF PORT ORDINANCE NO. 867 DELEGATING TO THE EXECUTIVE DIRECTOR AND PORT ATTORNEY THE AUTHORITY TO MAKE APPOINTMENTS TO CERTAIN OFFICES OR POSITIONS OF EMPLOYMENT IN THE PORT DEPARTMENT,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 1.08 OF PORT ORDINANCE NO. 867 RELATING TO THE AUTHORITY OF THE BOARD, OR AS DELEGATED, TO THE EXECUTIVE DIRECTOR AND PORT ATTORNEY, TO MAKE CERTAIN APPOINTMENTS TO OFFICES OR POSITIONS OF EMPLOYMENT WITHIN THE PORT DEPARTMENT,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 5.07 OF PORT ORDINANCE NO. 2199 DELEGATING TO THE EXECUTIVE DIRECTOR AND PORT ATTORNEY THE AUTHORITY TO PROVIDE FOR PROVISIONAL APPOINTMENTS,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTIONS 8.07 (B) (C) (D) AND (F) OF PORT ORDINANCE NO. 2199, AUTHORIZING THE EXECUTIVE DIRECTOR AND PORT ATTORNEY WITH RESPECT TO OFFICES AND POSITIONS IN PORT ATTORNEY’S OFFICE TO GRANT LEAVES OF ABSENCE NOT TO EXCEED ONE YEAR,” were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kiang, Neal, Taylor, Uribe
and First Vice President Kramer - 6

Noes: None

Absent: President Loh - 1

Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A RIGHT OF WAY AGREEMENT AND RELATED GRANT AND EASEMENT DEEDS TO THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION, EAST BAY MUNICIPAL

UTILITY DISTRICT AND PACIFIC GAS AND ELECTRIC COMPANY,” was read a first time and passed to print by the following vote:

Ayes: Commissioners Kiang, Neal, Taylor
and First Vice President Kramer - 4

Noes: None

Abstained: Commissioners Harris and Uribe - 2

Absent: President Loh - 1

At the hour of 5:25 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: City of Oakland, et al. V. Port of Oakland, et al., Alameda County Superior Court No. 793056-0 (Consolidated with Nos. 793028-7, 793033-9 and 793046-3); conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 4 matters; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: property – Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), negotiating parties – Port and City of Oakland, under negotiation - price and terms of payment, property – Site B, Jack London Square, Oakland, California, negotiating parties – Port and Legacy Partners, under negotiation – price and terms of payment, property - FISC Annex, Alameda, California, negotiating parties – Port and City of Alameda, under negotiation – price and terms of payment, property – various Property Rights adjacent to Highway 880, Hegenberger Road and Oakport Street (2.45 Acres Fee Interest, 2 easements - 2-,004 s.f. and 2 temporary easements – 9,986 s.f., negotiating parties – Port of Oakland, Alameda County Transportation Authority and CalTrans (Lead Agency), under negotiation – price and terms of payment; and reconvened in open session at the hour of 6:20 p.m.

The following resolutions were introduced as a result of discussions during closed session and passed separately by the following vote:

Ayes: Commissioners Harris, Kiang, Neal, Taylor, Uribe
and First Vice President Kramer - 6

Noes: None

Absent: President Loh - 1

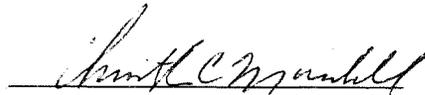
“RESOLUTION NO. 99218

AUTHORIZING PORT ATTORNEY TO NEGOTIATE SETTLEMENT WITH CALIFORNIA STATE BOARD OF EQUALIZATION AND TO HIRE SPECIAL COUNSEL.”

“RESOLUTION NO. 99219

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH SHANGHAI ZHENHUA PORT MACHINERY CO., LTD., FOR CONSTRUCTION AND INSTALLATION OF CONTAINER CRANES AT BERTHS 55-56, OAKLAND, CALIFORNIA, WITH OPTIONS FOR ADDITIONAL CRANES.”

At the hour of 6:25 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 4, 1999, 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 Deputy Executive Director; Deputy Port Attorney, Tom Clark; Chief Wharfinger, Dave Adams; Director of Aviation; Director of Commercial Real Estate; Chief Engineer; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

The minutes of the regular meeting of April 6, 1999 were approved as submitted and ordered filed.

APPEARANCES: Mr. Domenic Cannizzaro and Mr. Joseph P. DeLuca, both representing Sara Cannizzaro, appeared before the Board concerning the Port's acquisition of her property for the new roadway to the Airport. They noted that the negotiations have been productive and that it appeared that a workable compromise would be obtained. The Board thanked the family for their efforts concerning the compromise and passed on final reading the appropriate ordinance.

Approval of Fourth Supplemental Agreement to Lease and Concession Agreement (Newsstand and Gift Shop) with Air Terminal Services Incorporated was the subject of a memo to the Board from the Director of Aviation recommending approval of the Fourth Supplemental Agreement, which will modify its Lease and Concession Agreement (Newsstand and Gift Shop) to incorporate changes in the rent structure for certain portions of premises subleased or sublicensed to disadvantaged business enterprises (DBE) and further provides for payment of percentage rent on gross revenues received from the sale of personal services. ATS generates

approximately \$4,500,000.00 in newsstand and gift shop annual gross receipts and pays the Port \$60,414.00 minimum monthly guaranteed rent (MMG) (\$725,952.00 minimum annual guaranteed rent "MAG") plus 20% of gross receipts exceeding \$333,333.00 per month (\$4,000,000.00 per year). ATS is required to provide through subtenants DBE participation equal to 30% of ATS gross receipts. The food and beverage subtenants are in place and expected to contribute substantially to the participation goals, while experienced DBE retail subtenants have proven more difficult to locate. The DBE Gift Shop opportunity includes one 600 square foot retail shop presently to be sublet or sublicensed under the same financial terms as the ATS Agreement. The proposed change would provide for Minimum Base Rent of \$60,000.00 per year; Incentive Rent of 15% of sales in excess of \$400,000.00; Projected Annual Sales of \$1,040,000.00; and Total Projected Annual Rent of \$156,000.00. Upon the opening of the DBE retail shop and its commencement of rent, the minimum base rent paid by ATS would decrease by an amount equal to the rent paid by the DBE subtenant. The proposed supplemental agreement also provide for establishment of financial terms and modification of the See's Candies agreement to incorporate an additional location. The second location and alternative rent structure were proposed to be effective July 1, 1997, with a percentage increase after 12 months of operation. The new agreement provides for the 2 locations at the greater of \$500.00/location or 5% of gross monthly receipts over \$20,000.00. The total annual rent is estimated to be \$23,825.00. The existing Agreement does not made a provision for the payment of rent for any space occupied by personal services (i.e., shoeshine or barber services) and no specific premises are designated for this use. It is a common practice in the airport industry for service providers who occupy a small area (less than 50 square feet) in the concourse to pay a percentage of gross revenue in lieu of a square footage rental. The Fourth Supplemental provides for a payment of 10% of gross revenues generated from the sale of personal services. The recommendation was approved on passage of Resolution No. 99173.

Approval of Third Supplemental Agreement with PriceWaterhouse Coopers Dated June 9, 1997 for Audit of Airport Revenue was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Federal Aviation Reauthorization Act of 1996

established a new requirement for airports to include as part of their audits under the Single Audit Act (which audits federal awards), a review and opinion on the use of airport revenues. The audit is required to follow the guidelines established by the Office of Management and Budget (OMB). On February 15, 1999, the Department of Transportation (DOT), Federal Aviation Administration, published its final Policy and Procedures Concerning the Use of Airport Revenues. This final document contains DOT's regulatory requirement for the audit. Now that DOT has finalized the regulations implementing the statutory policy, DOT requires that the Airport have the audit conducted with respect to fiscal year beginning 1998. PriceWaterhouse Coopers 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. It was recommended that the Board authorize the Executive Director to enter into a contract with PriceWaterhouse Coopers to perform an audit of airport revenue for fees not to exceed \$30,000.00 and \$12,000.00 for the audit for fiscal years 1997-1998 and 1998-1999, respectively. The recommendation was approved on passage of Resolution No. 99174.

Approval of Consultant Agreement with CH2Mhill for Engineering Design Services for Improvement of Airfield Lighting, Marking and Control System, South Field, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Federal Aviation Administration (FAA) requires airports to submit a plan for improvement of airfield lighting, marking and control to allow runway take off and landing operations when visibility conditions are below 1200 feet. In 1996, the Port submitted a Surface Movement Guidance and Control System (SMGCS) plan for the Oakland Airport, South Field. The Plan was approved by the FAA in March 1996. On September 30, 1996, the Board accepted from the FAA a grant offer of \$2,455,880.00 under AIP-19 entitlement funds for Federal Fiscal Year 1996. The approved plan proposed the hiring of a consultant to assist the Port to design and construct a reliable SMGCS at the Airport. However, the consultant hiring process could not be completed until FAA finalized the Advisory Circular for the SMGCS standards. The Advisory Circular was adopted by FAA in December 1998. Now that standards have been established design can begin

and the SMGCS program will be implemented. The projects involves installation of taxiway centerline lights, stop bars, runway guard lights, new regulators, new lighting circuits, new marking, and a new computerized control system that is Y2K compliant for the South Field; upgrading existing regulators and existing lighting circuits; provisions for the SMGCS extension to future taxiways and to the North Field; and provisions for the future tower relocation. The scope of consultant work consists of providing engineering design services for the above project, preparing construction documents, and assisting the Port during the bid and construction period. It was recommended that CH2MHill be retained to perform the required engineering and design services for the project. The amount of the agreement will not exceed \$400,000.00; and it was also recommended that the Executive Director be authorized to approve up to an additional \$100,000.00 for potential changes in scope. The estimated cost for the proposed SMGCS project is \$4.03 million. It was recommended that the Board determine that the engineering services are professional services; and authorize the preparation and execution of an agreement with CH2Mhill. The recommendation was approved on passage of Resolution No. 99190.

Resolution Authorizing Certain Airport Right-of Entry and Indemnity Agreements

was the subject of a memo to the Board from the Director of Aviation notifying the Board that the current By Laws of the Board delegate to the Directors of the revenue divisions the authority to executive Right-of-Entry and Indemnity Agreements (ROEs) for up to 45 days without Board approval. The Port's standard form of License and Concession Agreement is attached to the ROE, and the ROE is subject to approval as to legality by the Port Attorney. The current permitted flexibility in the By Laws accommodates a range of temporary uses that result in minimal financial or operational impact. The general nature of modern airports is such that there are frequent tenant relocations, as well as the quick initiation or withdrawal of service by third-party operators, and most Airport tenants located within the terminal complex are airlines and airline support companies (skycap, security services and ground handlers). Many of these will be relocated several times during the ADP due to construction of temporary and new terminal premises, current airport space restrictions, addition or deletion of services, etc. Further, the amount of rent or significance of such

transactions usually is minimal. It was recommended that the board authorize amendment of Section 7.a of the By Laws of the Board to extend the term of the Airport's Right-of-Entry and Indemnity Agreement from forty-five days to nine months for airline and airline support tenants within the terminal building complex, for projects related to the Airport Roadway Project, and for other ADP impacted projects not located within the terminal building complex. The recommendation was approved on passage of Resolution No. 99175.

First Reading of Ordinance Approving Leases for Avigational Aids with United States of America, Department of Transportation, Federal Aviation Administration was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Federal Aviation Administration (FAA) requests approval of two new ground leases to replace two existing leases at the Airport that have expired but continue under their holdover provisions. The FAA installed and currently operates avigational aid equipment on the premises. Both the Port and FAA acknowledge that FAA was in possession and had use of the facilities without benefit of a Lease during holdover periods. It is further agreed that no monetary consideration in the form of rental will be paid for the holdover periods. It was recommended that the Board approve and authorize the execution of Leases with United States of America, Department of Transportation, Federal Aviation Administration. The recommendation was approved on passage of an ordinance to print.

Approval of a Building Permit Application for KaiserAir, Inc. at Hangars 3 & 4, North Field was the subject of a memo to the Board from the Director of Engineering recommending approval to construct upgrades to KaiserAir's leased buildings at North Airport, Hangars 3 & 4. The proposed work will include repair and reseal the western half of the roof at Hangar 3; repair and replace the roof gutters at Hangar 3; repair and reseal the roof at Hangar 4; repair and replace the roof gutters at Hangar 4; replace concrete floor in Hangar 4; reconfigure office partition walls in Hangar 4; and replace electrical wiring in areas to be remodeled. The cost of the work is estimated to be \$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. 99176.

Authorization to Dispense with Formal Bids for the Construction of Parking Lot at Intersection of Embarcadero and Oak Street, Jack London was the subject of a memo to the Board from the Director of Engineering notifying the Board that as a condition of approval of the Site B Development Project, the Port adopted a Mitigation Reporting and Monitoring Program (MRMP) pursuant to the requirements of the California Environmental Quality Act. The MRMP includes parking mitigation measures that commit the Port to provide 445 new parking spaces to replace those being eliminated by the development project. The 445 spaces being eliminated include 427 from Lot 13 and an additional 18 on-street spaces along Alice Street. As outlined in the MRMP, the parking mitigation program has two phases: Phase I requires that 335 replacement spaces be in place when Lot 13 is taken out of service; and Phase II requires that the remaining 110 replacement parking spaces be provided by January 1, 2000. The construction of the parking lot at intersection of Embarcadero and Oak Street will provide 94 of the required 335 replacement parking spaces. The work consists of constructing asphalt concrete pavement, drainage improvements, perimeter fencing, revenue control, lighting, emergency telephones and a security camera. The project is categorically exempt and does not require the preparation of an environmental document. In order to comply with the MRMP, the parking lot must be under construction and substantially completed by July 22, 1999. It is believed to be in the best interest of the Port to remove the contract process from the formal competitive bidding process to ensure that this schedule can be accomplished. It was recommended that the Port dispense with formal bidding procedures and that the Executive Director be authorized to execute a contract for this work with the lowest qualified proposer, said contract to be based on informal, competitive bidding. The recommendation was approved on passage of Resolution No. 99177.

Approval of Consultant Agreements for Engineering Design Services for the Container Yard and Gate at Berths 57 and 58, Inner Harbor Channel, Vision 2000 Program

was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port's Vision 2000 Program consists of Container Terminals (Berths 55, 56, 57, 58 and 59), the Realignment of 7th Street and Construction of New Road, the Joint Intermodal Terminal (JIT), and

the Middle Harbor Shoreline Park (MHSP), all along the north side of the Inner Harbor Channel. Currently the Container Terminal at Berths 55 and 56, the Roadways, the JIT, and the MHSP are in design. The Port is now ready to commence the design efforts for the Container Terminals 57 and 58. The Container Terminal is comprised of wharves, container yard and gate facilities and terminal buildings. The Port proposes to have a number of design consultants assist in this effort. It was recommended that the Board authorize negotiations and the preparation and execution of an agreement with Moffatt & Nichol Engineers for the engineering services. It is anticipated that the amount of the agreement will not exceed \$2,000,000.00, and it is also requested that the Executive Director be authorized to approve up to an additional \$450,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 99178.

Approval for Executive Director to Enter into a Memorandum of Understanding with the San Francisco Bay Conservation and Development Commission (BCDC) to Commit the Port to Meeting the Terms of the Consistency Determination and Addenda Submitted by the United States Army Corps of Engineers to BCDC Regarding the Oakland Harbor Navigation

Improvement (-50 Foot) Project was the subject of a memo to the Board from the Director of Engineering notifying the Board that on August 14, 1998, the United States Army Corps of Engineers (Corps) submitted a Federal Consistency Determination for the Oakland Harbor Navigation Improvement (-50 Foot) Project to the San Francisco Bay Conservation and Development Commission (BCDC). The Corps determined that the proposed dredging project was consistent with BCDC's Management Program for San Francisco Bay, which incorporates the McAteer-Petris Act and the Bay and Seaport Plans, in accordance with the Federal Coastal Zone Management Act. Subsequent to BCDC's September 17, 1998 public hearing, at which the Corps asked BCDC to concur in that determination, the Corps and BCDC prepared an Addenda that addresses issues raised at the hearing and includes commitments to which the Corps has agreed. At its October 15, 1998 hearing, BCDC voted to agree with the Corps' Federal Consistency Determination and Addenda, as amended at the hearing. Since the Port is not a party to the Consistency Determination and Addenda, a Memorandum of Understanding (MOU) will be

executed between BCDC and the Port that commits the Port to meeting the terms of the Consistency Determination Addenda. Major points of the Addenda include the submitted Consistency Determination is to serve as the first stage of a staged Consistency Determination, a detailed restoration plan for the Middle Harbor Enhancement Area (MHEA) will be submitted to BCDC with a second stage Consistency Determination; cost estimates for the project will continue to be refined, and if revised cost estimates show that upland/wetland reuse becomes significantly less costly than disposal in Middle Harbor, a revised Consistency Determination with feasible upland sites will be submitted; no dredging or disposal will take place until water quality certification is secured from the San Francisco Bay Regional Water Quality Control Board; at least 2.5 million cubic yards of dredged material will go to each of Hamilton and Montezuma sites, if permits are issued for those projects and if a demonstration project reusing 7 million cubic yards of dredged material at Middle Harbor is approved, if either site is not approved, the material will go to another upland location for beneficial reuse, if no appropriate sites are available, the material will be disposed of at another upland site or in the ocean; the Port will apply for all necessary BCDC permits; the subsequent staged consistency review for a habitat enhancement project at Middle Harbor will provide for a project that either mitigates for loss of eelgrass and shallow water habitat due to the berth reconfiguration and dredging projects, or creates a larger demonstration project that uses approximately 7 million cubic yards of dredged material and the permit will be at a permit-like level of detail and will include a restoration plan, along with a plan to implement the project so as to achieve a high likelihood of success in meeting the restoration goals and objectives; BCDC cannot approve a permit for the Middle Harbor Park or concur in a Consistency Determination for the habitat enhancement project unless it concludes that the goals of both the recreation and habitat projects can be achieved without compromising the goals of either component, using a port priority use area for habitat and recreation will not result in the need for additional Bay fill for port purposes in the future, any fill or habitat or recreation purposes is the minimum necessary to achieve the project's purposes and the Port agrees to provide up to \$30,000.00 for independent peer review of the habitat enhancement design, monitoring and adaptive management program; BCDC cannot

concur in a Consistency Determination for the 7 million cubic yard demonstration project unless either BCDC amends its Bay Plan dredging policies as part of implementing the LTMS to allow in-Bay beneficial reuse projects, or BCDC amends its regulations to designate Middle Harbor as an in-Bay disposal area, and an agency or organization with fish and wildlife management expertise agrees to operate the Middle Harbor habitat enhancement area for wildlife habitat purposes; and the priority order for disposing of any dredged material from the Oakland Harbor Navigation Improvement (-50 foot) Project that cannot be accommodated at some combination of the above-described projects will be beneficial reuse upland, another upland location, and the ocean. It was recommended that the Board authorize the Executive Director to enter into a MOU with BCDC that commits the Port to meeting the terms of the Consistency Determination and Addenda submitted by the Corps to BCDC regarding the Oakland Harbor Navigational Improvement (-50 Foot) Project, as amended. The MOU authorizes the Executive Director to expend up to \$30,000.00 to fund a contract, managed by BCDC, that provides for independent peer review of the Middle Harbor habitat enhancement design, monitoring and adaptive management program; and further recommended is authority for the Executive Director to increase the compensation under the MOU by an amount not to exceed \$10,000.00 if he determines that the additional compensation is necessary to complete the review. The recommendation was approved on passage of Resolution No. 99179.

Approval to Reimburse the East Bay Municipal Utility District for Design Costs Associated with the Proposed Relocation of the Existing Force Main and Gravity Sanitary

Sewer that Serves the Former Alameda Naval Air Station was the subject of a memo to the Board from the Director of Engineering notifying the Board that in 1993, Congress passed legislation known as the Dellums' Special Legislation and subsequent amendments thereto, which authorized the Secretary of the Navy to lease and ultimately convey Navy-owned lands at the former Fleet and Industrial Supply Center, Oakland, (FISCO) to the Port "without compensation." Since that time, the Port has incrementally leased the entire 530 acres of FISCO for a term of 50 years. The Port, as the Navy's tenant, is now moving forward with it's Vision 2000 program, but is

impeded by the location of an existing Navy-owned sanitary sewer that primarily serves the former Alameda Naval Air Station ("the westerly crossing"). This sanitary sewer includes both forced sewer mains (pressurized lines) and non-forced sewer mains (gravity lines) and ranges in size from 16 inches to 27 inches in diameter. As a condition of the lease with the Navy and the ongoing transfer of Navy-owned lands to the Port, the Port must protect the existing sanitary sewer with the option to relocate the sewer line. It has been determined to relocate the line outside of the Vision 2000 acres and completely within the City of Alameda to tie with an existing EBMUD interceptor. The preliminary estimate of the prorated design and total project costs are as follows: EBMUD, \$678,000.00; Alameda (discharge line), \$1,230,000.00; Alameda (pump station), \$1,860,000.00 (Alameda to pay 100% of Pump Station design and rehabilitation); Federal, \$1,065,000.00; and Port, \$3,797,000.00 (does not include \$500k differential for work across JIT). This estimate is subject to change and negotiation. It was recommended that the Board authorize the Executive Director to execute an agreement to reimburse the East Bay Municipal Utility District for design costs associated with the relocation of the existing force main and gravity sanitary sewer at the proposed easterly crossing location. The recommendation was approved on passage of Resolution No. 99191.

Authorization to Purchase Environmental Insurance Covering the Fleet and Industrial Supply Center, Oakland, and Adjacent Sites was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that in 1993, Congress passed legislation and subsequent amendments thereto, authorizing the Secretary of the Navy to lease and ultimately convey Navy-owned lands at the Fleet and Industrial Supply Center, Oakland (FISCO) to the Port "without compensation." Pursuant to this legislation, the Port secured a 50 year leasehold interest covering the entire 530 acres of the FISCO facility (but the Port does not yet hold fee title to said lands). To enhance the Port's ability to meet its construction schedule for the ongoing Vision 2000 Program and to resolve certain difficulties associated with the securing permits and placement of fill on Navy-owned land, it was deemed desirable to expedite the transfer of Navy-owned lands to the Port. In cooperation with the Navy, a mechanism to expedite transfer was identified and is

commonly referred to as the Early Transfer Authority (ETA). A number of legal instruments are required to effect such an ETA. These instruments include, but are not limited to the following: an Environmental Services Cooperative Agreement, A Quitclaim Deed and Property Transfer Agreement (Navy agreements); a Land Use Covenant and Consent Agreement (Department of Toxic Substance Control agreement); and an Agreement with the Regional Water Quality Control Board. The Board has already authorized the Executive Director to execute some of the above agreements. The Board is further being requested to approve the remaining agreements under separate Board action. The agreements will provide mechanisms for the Navy to fund and the Port to complete the required environmental remedial and correction actions on certain portions of FISCO. Much of the liability associated with known and unknown hazardous substances can be transferred to environmental insurance companies. It was recommended that the Board authorize the negotiations and purchase of Pollution Legal Liability Insurance and Cost Cap Insurance for both the FISCO and Union Pacific sites on open market placements. The recommendation was approved on passage of Resolution No. 99157.

Approval of First Supplemental Agreement with BRW, Inc., a Division of Dames & Moore, for Financial Analysis Related to Base Reuse and Other Environmental Support Services was the subject of a memo to the Board from the Director of Engineering recommending approval for the preparation and execution of a Supplemental Agreement with BRW, Inc. to cover the "early transfer" work. The services that BRW provides are critical to the successful early transfer process for FISCO. The Port now has opportunities to apply the early transfer process to other relevant military base closures that affect the Port and BRW's specialized expertise will be invaluable to these efforts. The estimated cost for the services is \$250,000.00. Their original agreement was for \$100,000.00. It was recommended that a supplemental agreement be prepared to increase the maximum compensation to \$350,000.00. The recommendation was approved on passage of Resolution No. 99192.

Authorization to Accept and Execute a Quitclaim Deed and Property Transfer Agreement between the United States of America and the Port of Oakland for Transfer of

Property at the Fleet and Industrial Supply Center, Oakland to the Port was the subject of a memo to the Board from the Director of Maritime notifying the Board that to implement the transfer of lands from the United States of America to the Port, certain actions must be accomplished as part of the Early Transfer Authority. It was recommended that the Board authorize the Executive Director to accept and execute the appropriate Quitclaim Deed, Property Transfer Agreement and any other appurtenant agreements and/or documentation as received as part of the ETA. The recommendation was approved on passage of Resolution No. 99181.

Ratify Change Order for "Installation of Electrical System for Reefer Receptacles, Ben E. Nutter Terminal" was the subject of a memo to the Board from the Director of Engineer notifying the Board that the Port has a contract with Beci Electric, Inc., for the installation of the electrical system for reefer receptacles. The lump sum and unit prices totaled \$205,010.00. The work consisted of excavating for and installing conduits, conductors, transformers, and Port-supplied refrigerated container (reefer) receptacle panels. The plans for the project indicated where two 32-reefer receptacle panels are to be installed. The tenant has requested that one of these panels be installed approximately 300 feet to the west of the specified location. The extra work included approximately 300 feet of additional saw cutting, trenching, conduit and conductor installation, and repaving. The additional cost for this work is \$40,784.00. It was recommended that the Board ratify the change order for \$40,784.00 to Beci Electric, Inc. for the extra work. The recommendation was approved on passage of Resolution No. 99182.

Plans and Specifications for Removal and Disposal of Hazardous Materials and Miscellaneous Utility Work at Building D-731, 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 work. The work consists of disconnecting utilities and removing asbestos containing materials, lead-based paint, PCB-containing lighting ballasts and mercury-containing lamps at Building D-731. The building is a 121,000 square-foot wood framed warehouse. The recommendation was approved on passage of Resolution No. 99183.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the appointment of Alma Brown, as Computer Operations Analyst II, effective May 15, 1999, at \$4,460.00 per month; and Karen Lowe, as Senior Budget and Projects Analyst – Traffic Representative IV, effective May 15, 1999, at \$5,816.00 per month. Also recommended was approval of the examination announcement for the classification of Port Maintenance Leader. The recommendation was approved on passage of Resolution No. 99184 for certain appointments; and Resolution No. 99185 for examination announcement.

Approval of Lease for Rental Property – New Port of Oakland West Oakland Resource Center was the subject of a memo to the Board from the Director of Communications notifying the Board that the Communications Division is requesting approval of a lease for the Port of Oakland Resource Center in West Oakland. The building is located at 1448 32nd Street in Oakland. The lease extends over one year commencing June 1, 1999 at the rate of \$1,400.00 per month. The office will serve many functions and make real the Port's commitment to its Good Neighbor Program. The center will provide a place in the community most impacted by Port activity with access to Port resources including documents and information on Port activities, meeting facilities for community organizations and expansion of community relations programs already in place including mentoring and tutoring programs. The center will also provide assistance to existing neighborhood associations in their community building efforts. A representative of the Communications Division will staff the office approximately 3 days per week. The close proximity of the office to several West Oakland neighborhood associations greatly enhances the Port's visibility and reinforces commitments made to the local community. A full time staff person from the Employment Resources Development Center (ERDP) will also be housed at this office and will provide local residents access to employment opportunities with Port tenants. The center was designated as one of several mitigation measures to offset impacts of the Berth 55-58 Projects and for the Port's Maritime activity for the expansion project. The recommendation was approved on passage of Resolution No. 99186.

Authorization to Negotiate Project Labor Agreements, to Negotiate the Retention of a Project Contract, and to Retain the Services of a Legal Consultant to Negotiate the Terms of a Project Labor Agreement was the subject of a letter to the Board from the Port Attorney

notifying the Board that staff has been analyzing the legal and policy issues associated with the potential utilization of a "Project Labor Agreement" (PLA) for major Port capital construction projects. Staff has solicited input from various community stakeholders, included one-on-one meetings with community leaders, elected officials, trade unionists and business organizations. It also included a well attended community meeting in Oakland, a report of which and representative video excerpts of which have been made available. Community opinion is divided about a PLA. Some argue that it would reduce the Port's ability to achieve its goals of cost-effective, timely construction. Some argue that it would preclude the productive utilization of Port development resources, where possible and when appropriate, to assist in efforts to both mitigate the effect of the Port's operations on impacted communities and generate employment and business opportunities for local individuals and firms. Some argue that PLAs can play important, perhaps essential, roles in achieving Port goals. Some argue that the highly touted union pension benefits (which some argue will flow from a PLA) will not vest during the term of the Port projects, requiring non-union workers to contribute to a pension plan while securing nothing in return. Of those who have supported a PLA an overwhelming majority also favor the view that it should set out to achieve an equitable participation of local disadvantaged businesses and local residents in the business and job opportunities represented by the construction projects. Some who oppose the PLA do so because they believe these "social justice" goals are not achievable within the framework of a PLA. Upon careful reflection of these various viewpoints, the staff recommends that the Board adopt a policy that authorizes the negotiation of project labor agreements for major Port capital construction. It is specifically recommended that, in addition, it authorize the negotiation of a PLA or PLAs) to cover the airport terminal expansion construction program and a PLA (or PLAs) to cover the Vision 2000 maritime improvements (as determined by the Executive Director). It is the view of the staff that the negotiation of a PLA should be undertaken on behalf of the Port by "a Project Contractor,"

within the guidance established by Port policy. Port staff should consult with the Contractor throughout in order to ascertain that the Board's policy objectives are fully reflected in the substantive and procedural provisions of any negotiated PLA. The Port's terminal expansion and Vision 2000 construction projects are vital components of the Port's modernization and growth strategies, and would be well served by the classic purposes of a PLA. First, because each project will be construed over a period of several years, the likelihood exists that collective bargaining agreements involving the various building trades affiliated unions will be under negotiation during this construction period. It is possible that such negotiations could break down, resulting in an industry-wide strike or lock out, with powerfully adverse consequences to the Port's project schedules. One advantage flowing to the Port from a PLA would be the preclusion of such a strike or lock out affecting the subject Port project. The PLA would supersede the status of the industry-wide negotiation and the unions would be committed to staying, and the employers to keeping the workers, on the job. Staff believes this is a vitally important aspect of a PLA. Second, the PLA would provide a mechanism for ensuring that the Port projects have access to an adequate pool of appropriately qualified workers. It would ensure that all workers on the project operate under uniform safety and work rules, uniform holidays, and uniform grievance procedure. Staff believes that such uniformity can improve the management of the project in ways that will enhance the ability of the project contractor to manage the project most economically. Third, a PLA would provide for the maximum utilization of local trade and crafts workers, a significant number of which live in Port impacted communities. Staff believes that the Port's policies to enhance local employment opportunities in impacted communities is well served by ensuring that community residents who are journeyman or apprentice members of affiliated unions benefit from the economic activities of the Port. Fourth, the establishment of such procedures would enhance the prospects for the timely and economical completion of the construction projects. Fifth, a PLA would allow for the establishment of a follow-on administrative structure to ensure enforcement and compliance with the economic and social justice elements of the agreement. It would provide for the mechanisms, procedures and time frame for investigation of complaints and resolutions of

disputes. This would be especially important to ensure that the Port impacted area hiring and contracting provisions are fully implemented and could provide for a community seat at the table. In addition, the staff believes that a PLA provides the best vehicle through which to achieve the Port's established policies to providing the enhanced employment and business opportunities to local firms and individuals historically beyond the economic mainstream. PLAs can be negotiated which will commit the contractors, labor and the Port to an aggressive effort to recruit local workers into the job opportunities and local businesses into the substantial business opportunities. It was recommended that the Board adopt a policy that allows for the negotiation of Project Labor Agreements on appropriate major construction projects, authorize the commencement of negotiations with regard to separate Project Labor Agreements on the Vision 2000 and aviation terminal expansion construction projects, and adopt a set of guidelines or principles to guide those negotiations. The guidelines and principles were available as separate documents.

The following speakers appeared before the Board to note comments both pro and con on the proposed Project Labor Agreement: Rev. T.C. Wilson, Jr., African American Economic Justice; Donna Levitt, America Works Partnership; Judy Goff, Central Labor Council; Vanessa Brooks; Bill Chorneau, CWER; Audie Bock, State Assembly; Rev. Harvey Smith, PLA; Rev. Ray W. Williams, Moderator, St. John Baptist; Barry Luboviski, Building Trades Council; Bruce Fisher, Coalition for Fair Employment in Construction; Kevin Dayton, Associated Builders and Contractors; Tom Steiner, Pacific Construction Corps; Joe Pickett, Pickett Electric; Obray Van Buren, Pipe Trades & UA Local 342; Beth Aaron, BABCA; Bill Nelson, ILWU, Local 91; Yolanda Johnson; Christine E. Hicks, HERE Local 2850; Shirley Burrell, ACORN; Larry Hendel, SEIU 790; Carroll Richardson, CFJ; Bob Arnold, ILWU; Clarence Brewer, Women's Economic Agenda Project; Malik Abdul Hassan, BOSS/COT; and Paul Cobb, BDAC.

After considerable discussion, the recommendation was approved on passage of Resolution No. 99187.

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. 99173

AUTHORIZING THE EXECUTION OF A FOURTH SUPPLEMENTAL AGREEMENT TO LEASE AND CONCESSION AGREEMENT (NEWSSTAND AND GIFT SHOP) WITH AIR TERMINAL SERVICES.”

“RESOLUTION NO. 99174

FINDING AND DETERMINING THAT A PROPOSED THIRD SUPPLEMENTAL AGREEMENT WITH PRICEWATERHOUSECOOPERS 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. 99175

AUTHORIZING THE AMENDMENT TO ARTICLE XII, SECTION 7(A) OF THE BY-LAWS OF THE BOARD OF PORT COMMISSIONERS EXTENDING THE TERMS OF CERTAIN AIRPORT RIGHT-OF-ENTRY AND INDEMNITY AGREEMENTS.”

“RESOLUTION NO. 99176

GRANTING KAISERAIR, INC., PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99177

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR CONSTRUCTION OF PARKING LOT AT INTERSECTION OF EMBARCADERO AND OAK STREET, JACK LONDON SQUARE, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 99178

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT FOR ENGINEERING DESIGN CONSULTING SERVICES FOR MARITIME CAPITAL PROJECTS CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

"RESOLUTION NO. 99179

APPROVING AND AUTHORIZING EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH THE SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION TO COMMIT THE PORT TO MEETING THE TERMS OF THE CONSISTENCY DETERMINATION AND ADDENDA SUBMITTED BY THE UNITED STATES ARMY CORPS OF ENGINEERS REGARDING THE OAKLAND HARBOR NAVIGATION IMPROVEMENT (-50 FOOT) PROJECT."

"RESOLUTION NO. 99180

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO FINALIZE NEGOTIATIONS AND PURCHASE POLLUTION LEGAL LIABILITY AND COST CAP INSURANCE FOR BOTH THE FLEET AND INDUSTRIAL SUPPLY CENTER, OAKLAND ("FISCO") AND FORMER UNION PACIFIC RAILROAD ("UP") LEASHOLD SITES ON OPEN MARKET PLACEMENTS AND REPORT TO THE BOARD ON THE ACTUAL TERMS AND SELECTION AT A LATER DATE."

"RESOLUTION NO. 99181

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ACCEPT AND EXECUTE A QUIT CLAIM DEED AND AN AGREEMENT FOR TRANSFER OF PROPERTY WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF THE NAVY ("NAVY"), TO IMPLEMENT THE NAVY'S TRANSFER OF FEE TITLE OF PROPERTY AT THE FLEET AND INDUSTRIAL SUPPLY CENTER, OAKLAND, ("FISCO") TO THE PORT OF OAKLAND ("PORT")."

"RESOLUTION NO. 99182

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH BECI ELECTRIC, INC., FOR INSTALLATION OF ELECTRICAL SYSTEM FOR REEFER RECEPTACLES, BEN E. NUTTER TERMINAL, OAKLAND, CALIFORNIA."

"RESOLUTION NO. 99183

APPROVING PLANS AND SPECIFICATIONS FOR REMOVAL AND DISPOSAL OF HAZARDOUS MATERIALS AND MISCELLANEOUS UTILITY WORK AT BUILDING D-731, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR."

"RESOLUTION NO. 99184

CONCERNING CERTAIN APPOINTMENTS."

"RESOLUTION NO. 99185

APPROVING EXAMINATION ANNOUNCEMENT FOR THE POSITION OF PORT MAINTENANCE LEADER."

"RESOLUTION NO. 99186

APPROVING AND AUTHORIZING EXECUTION OF LEASE FROM KATHRYN PORTER OF PROPERTY LOCATED AT 1448 - 32ND STREET."

"RESOLUTION NO. 99187

AUTHORIZATION TO NEGOTIATE PROJECT LABOR AGREEMENTS, TO NEGOTIATE THE RETENTION OF A PROJECT CONTRACTOR, AND TO RETAIN THE SERVICES OF A LEGAL CONSULTANT TO NEGOTIATE THE TERMS OF A PROJECT LABOR AGREEMENT."

"RESOLUTION NO. 99188

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

"RESOLUTION NO. 99189

GRANTING AIRBORNE FREIGHT CORPORATION 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. 99190

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CH2MHILL, 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. 99191

APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE EAST BAY MUNICIPAL UTILITY DISTRICT FOR THE PORT'S REIMBURSEMENT OF A PORTION OF THE COSTS OF DESIGN FOR THE PROPOSED RELOCATION OF AN EXISTING NAVY FORCE MAIN AND GRAVITY SANITARY SEWER."

"RESOLUTION NO. 99192

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH BRW, INC., A DAMES & MOORE GROUP COMPANY, 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. 3501 being, "AN ORDINANCE FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF THE PROPERTY INTERESTS OF SARAH CANNIZZARO FOR PUBLIC USE AS A ROADWAY IN CONNECTION WITH THE AIRPORT ROADWAY PROJECT, MAKING OTHER FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH, AND AUTHORIZING THE FILING OF PROCEEDINGS IN CONDEMNATION FOR THE ACQUISITION THEREOF," and Port Ordinance No. 3502 being, "AN ORDINANCE AUTHORIZING AND APPROVING THE EXECUTION OF TERMINAL USE AGREEMENT WITH CHINA OCEAN SHIPPING (GROUP) COMPANY," and Port Ordinance No. 3503 being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH NEXTLINK CALIFORNIA, INC," and Port Ordinance No. 3504 being, "AN ORDINANCE AMENDING SECTION 11.0262 OF PORT ORDINANCE NO. 867," were read a second time and passed on final approval 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 AUTHORIZING AND APPROVING LEASES WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION," was read a first time and passed to print by the following vote:

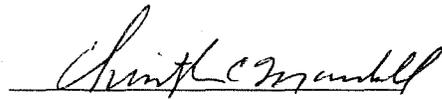
Ayes: Commissioners Harris, Kiang, Kramer, Neal, Taylor, Uribe
and President Loh - 7

Noes: None

Absent: None

At the hour of 6:00 p.m., the Board entered into closed session pertaining to conference with legal counsel – anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 3 matters; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: property – Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), negotiating parties – Port and City of Oakland, under negotiation - price and terms of payment; and reconvened in open session at the hour of 7:25 p.m.

At the hour of 7:26 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, April 20, 1999, 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, Neal, Taylor,
Uribe and President Loh - 6

Commissioners absent: Kramer - 1

Also present were the Deputy Executive Director; Deputy Port Attorney, Tom Clark; Chief Wharfinger, Dave Adams; Director of Aviation; Director of Commercial Real Estate; Chief Engineer; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

The Board entered into closed session at the hour of 3:30 p.m. pertaining to conference with legal counsel – existing litigation, subdivision (a) of Government Code Section 54956.9 (a) West Oakland Neighbors, et al. Vs. United States Department of Transportation, et al. USD Count N.D. Cal. No. C97-3627 SI, and reconvened in open session at the hour of 3:45 p.m.

Recommendation to Adopt Resolution of Necessity (Ordinance) to Condemn Certain Property Interests of Sarah Cannizzaro for Airport Roadway Project was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Port is the Project sponsor for construction of the Airport Roadway Project (ARP). The four partners in the ARP are the Port, the Alameda County Transportation Authority (ACTA), the City of Alameda and the City of Oakland. The ARP will widen 98th Avenue and portions of Doolittle Drive. The City of Oakland has agreed to acquire by purchase and/or condemnation parcels within the City of Oakland's jurisdiction which are necessary to widen 98th Avenue. The Port has agreed to acquire those parcels within the Port Area which are necessary to widen 98th Avenue and Doolittle. There are two such parcels, both are owned by Sara Cannizzaro (the Parcels). The Parcels were appraised

at \$1,290,500.00 by Diaz, Diaz & Boyd in an appraisal report dated October 23, 1998. Construction of the ARP was delayed because of its inclusion in litigation regarding broader Airport development issues. At the end of January 1999, the ARP was released from the litigation. In late February 1999, the Board of Port Commissioners authorized staff to make the first written offer to purchase the Parcels from Sarah Cannizzaro. On March 2, 1999 a written offer to acquire the two Parcels for the appraised value of \$1,290,500.00 was hand-delivered to the owner's representative. On March 31, 1999, the Port gave Sarah Cannizzaro written notice that the Board intends to consider adoption of a Resolution of Necessity (Ordinance) to acquire by eminent domain her interests in the Parcels. The Notice stated that first reading of the ordinance will be considered on April 20, 1999 at 3:00 p.m. and that the Board will conduct a public hearing at that time to consider adopting the ordinance. The Notice stated that the owner of the Parcels has the right to appear at the April 20, 1999 public hearing and be heard on the following matters: whether public interest and necessity require the project; whether the project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury; whether the property sought to be acquired is necessary for the project; and whether the offer required by Government Code Section 7267.2 has been made to the owner of the property and/or other interests to be acquired. Finally, the notice stated that if the owner of the Parcels wishes to appear and be heard at the April 20, 1999 hearing, she must file a written request with the Port of Oakland within fifteen days after the date the notice has mailed, and that if she failed to file a written request to appear and be heard within fifteen days of the date the notice was mailed, she will waive her rights to appear and be heard on the matter. The property interests to be acquired are the entire parcel comprised of APN 42-4520-2-17 located at the southwest corner of 98th Avenue and Doolittle and a portion of APN 42-4520-1-7 located at the northwest corner of 98th Avenue and Doolittle as well as a permanent easement, a temporary construction easement, and improvements. The parcels are vacant land. The public use for which the interests in the Parcels are being acquired as street purposes, including the widening of 98th Avenue and Doolittle, in connection with the Airport Roadway Project. The ARP is necessary to create better traffic flow, relieve the current congestion

on the main roadways serving the Airport, such as Doolittle Drive and materials surround the Airport, and to enhance safety by creating better access to the Airport and Alameda. It was recommended that the Board find that the proposed project with respect to the proposed acquisition of the interests in the Parcels, is located in the manner which will be most compatible with the greatest public good and the least private injury. The ARP cannot proceed unless the interests in the Parcels are acquired. It was recommended that the Board conduct a public hearing, and give first reading to and pass to print an ordinance (Resolution of Necessity), containing a general statement of the public use for which property is to be taken and a reference to the statutes and legal authority that authorize the Port to acquired the property by eminent domain; a description of the general location and extent of the property to be taken, with sufficient detail for reasonable identification; a declaration that the Board has found and determined each of the following: public interest and necessity require the proposed project, the proposed project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury, the property described in the ordinance is necessary for the proposed project, and the offer required by law has been made to the owners of records; and authorization to the Port Attorney to file and prosecute to final judgment a proceeding in eminent domain to acquire the interests of Sarah Cannizzaro in the Parcels, to deposit in court the amount of compensation established by the Board as just compensation and to apply to the court for an order permitting the Port to take immediate possession and use of the interests in the Parcels for the above described public uses and public uses and purposes.

Mr. Ralph Cannizzaro and Mr. Dominic Cannizzaro representing Sara Cannizzaro appeared before the Board to request further negotiation as it appeared that the requested condemnation site took too much property and did not leave enough for future development or sale. After considerable discussion, the Board approved the recommendation on an ordinance passed to print with the understanding that the Cannizzaro's issues would be further reviewed for a possible new site plan.

Amendment of Board Resolution 99073 to Increase the Dollar Amounts Authorized for MCA Advertising and Promotion of Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that on March 2, 1999 the Board approved a request from the Aviation Division to enter into a contract with Oakland-based Carol H. Williams Advertising (CHWA) to provide advertising and promotional agency services for Oakland International Airport (OAK). The authorized dollar amount for that contract was not to exceed \$177,000.00, including approximately \$80,000.00 for the Aviation Division's Spring newspaper and radio advertising program for CHWA. Also, on March 2, the Board approved a request for the Aviation Division to enter into a contract with Oakland-based MCA Advertising (MCA) to provide advertising, promotional and media relations agency services for OAK. The authorized dollar amount for that contract was not to exceed \$156,000.00 for advertising placement, agency services and video production, plus an additional \$40,000.00 for media relations services. This amount did not include any dollars for the Aviation Division's Spring newspaper and radio advertising program. CHWA has advised us that they are not in a position to launch the Spring advertising program in a timely manner. It was recommended that the Board authorize the Executive Director to amend the contract with MCA Advertising to provide advertising agency and media relations services by increasing the amount by \$80,000.00, the not to exceed dollar amount for advertising services from \$156,000.00 to \$236,000.00; and to continue the provision in each resolution authorizing the Executive Director, in writing, to increase each of these adjusted maximum amounts by up to 10% to allow for unanticipated additional work requested of the agency. The recommendation was approved on passage of Resolution No. 99148.

Approval of License and Concession Agreement with Ascot Services, Inc. for the Operation of an Employment Agency was the subject of a memo to the Board from the Director of Aviation notifying the Board that Ascot Services, Inc. is a full-service employment agency headquartered in Oakland, California. In March 1999, Ascot began providing the above services to Airport passengers in Terminal II for a 45-day trial period to determine if the Airport was a viable location for its business. Ascot believes the trial was successful and desires to continue operating at

April 20, 1999

the Airport. Ascot proposes to occupy an area consisting of approximately 50 square feet in Terminal II. Ascot will pay rent of \$259.90 per month, which is the Ticket Counter rental rate set forth at the Airport. The term of the agreement will be for one year, with either party having the right to terminate upon 30 days notice. Ascot will staff the booth Monday through Friday from 6:00 a.m. until 2:00 p.m. Providing business travelers with the opportunity to fill staffing needs while at the Airport is an innovative concept that is unique to Oakland, and it was recommended that the Board approve the License and Concession Agreement with Ascot Services, Inc. The recommendation was approved on passage of Resolution No. 99149.

Approval of First Supplemental Agreement with Southwest Airlines Co. was the subject of a memo to the Board from the Director of Aviation notifying the Board that this proposed First Supplemental Agreement would amend the Multi-Year License and Concession Agreement dated January 1, 1997 with Southwest Airlines Co. by widening its bag service office space by 108 square feet. This change in premises is a result of the Airport's completion of a third baggage carousel in Terminal II. The Supplemental would be effective January 1, 1999, as well as the new monthly rent. Southwest' premises would be modified as of the effective date by the increase in baggage service office space to 824 square feet for a new total of 17,411 square feet of ticket counter, office, bag make-up, bag service office and operations office space in Terminal II on the South Airport, at a proposed rate of \$77,471.70 per month. The recommendation was approved on passage of Resolution No. 99150.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with Federal Express Corporation for an Interior Drop Box, South Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that Federal Express maintains an Interior Drop Box in the concourse area of Terminal I. The drop box, occupying approximately six square feet, provides a convenient and secure location for customers to drop "overnight" letters and packages to be picked up by Federal Express. Federal Express pays a fee of \$325.00 per year pursuant to a Right-of-Entry and Indemnity Agreement (ROE Agreement) which was approved by the Board on May 20, 1997. A one-year extension continuing the ROE April 20, 1999

Agreement through April 30, 1999 was approved by the Board on April 21, 1998. It was recommended that the Board approve the Agreement to Extend Right-of-Entry and Indemnity Agreement with Federal Express Corporation. The recommendation was approved on passage of Resolution No. 99151.

Authorization to Increase Facilitator's Fee for Airport Community Noise Management Forum was the subject of a memo to the Board from the Director of Aviation notifying the Board that on March 25, 1998, the Board authorized a contractual agreement with P & D Consultants, Inc., to provide Facilitation services for the new Oakland Airport-Community Noise Management Forum (Forum). The maximum amount of the contract was not to exceed \$50,000.00 per year. This amount was based on the Forum's initial schedule of four public meetings per year and the Facilitator's responsibilities associated with each meeting. However, since August 1998 the Forum has held four public meetings, plus an orientation meeting in July 1998 for Forum members only, and will hold at least one more meeting before the Forum's second year begins on August 1, 1999. To date, Forum operating expenses averaged approximately \$8,000.00 per meeting. Because of the extra meetings, authorization to add an additional \$10,000.00 to this year's contract is recommended. If additional money is needed in future years for the Facilitator's contract (which is now \$50,000.00 per year), the Board will be asked to amend the contract at that time. The Forum was organized a year ago to address noise issues related to Oakland International Airport operations and to facilitate cooperation between the Airport and local communities. Representatives from nine neighboring jurisdictions sit on the Forum, and each jurisdiction contributes \$1,000.00 annually towards the Forum's operating expenses. The Port agreed to pay the remaining portion of the \$100,000.00 annual budget, which includes \$50,000.00 for facilitation and administration, and \$50,000.00 for work programs. Forum members include the County of Alameda, the Port, and the Cities of Oakland, Alameda, San Leandro, Berkeley, Emeryville, Piedmont, Hayward and Union City. The recommendation was approved on passage of Resolution No. 99152.

Recommendation for Determination that Need to Take Immediate Action is Necessary to Prevent Serious Injury to the Public Interest if Action Were Deferred and that Need for Such Action Came to Attention of Board Subsequent to Agenda Being Posted, and Recommendation to Adopt Additional Air Quality Mitigation Measure for Berths 55-58

Project was the subject of a memo to the Board from the Director of Engineering notifying the Board that on February 5, 1998, a Consent Decree was entered in West Oakland Neighbors et al. V. U.S. Department of Transportation, U. S. District Court, Northern District of California. In that litigation, the plaintiffs, an unincorporated association of West Oakland Residents, and two individual West Oakland residents, filed suit in Federal District Court against several Federal agencies and the Port to challenge a joint Federal EIS/Port EIR on the Port's proposed Vision 2000 Program. Pursuant to the Consent Decree, the suit against the Federal defendants was dismissed and the Port agreed, among other things, to consider in the Berths 55-58 Project EIR additional air quality mitigation measures for the entire Vision 2000 Program of which the Berths 55-58 Project a component. Discussions between Port staff and plaintiffs have resulted in the following proposal: additional air quality mitigation requested by plaintiffs, Port staff agreed to fund mitigation measure 3.3-3/M1 (local truck engine replacement) as it was contained in the draft EIR for the project on pages 3.3-33 and 3.3-34. The approximately \$1.5 million in funding for this measure would be in addition to the \$7.5 million in funding identified in the FEIR and in the staff recommendation to the Board in Agenda Sheet Item No. 21. Port staff also agreed that to commit to making good faith efforts to increase the \$1.5 million funding for local truck engine replacement if any of the measure currently recommended for implementation are shown to be infeasible or less expensive than assumed and that Port staff would continue to consult with West Oakland Neighbors to keep them informed of Port progress in implementing the mitigation measures. The plaintiffs will publicly state before the Board on April 20, 1999, that if the staff's recommendation in Agenda Sheet Item No. 21, as revised in accordance with the above-stated request by plaintiffs, is adopted by the Board, plaintiffs will then support the Port's approval of the Berths 55-58 Project; and if the Board adopts the staff's recommendation in Agenda Sheet Item No. 21, as supplemented by the above-

stated request by plaintiffs, plaintiffs will stipulate that the Port has fulfilled all of the Port's obligations under the Consent Decree entered February 5, 1998, and promptly dismiss the complaint in that proceeding with prejudice; covenant not to commence any legal or administrative proceeding to challenge, or otherwise object to or oppose, the Berths 55-58 FEIR or the Port's prior approval of the Port's Vision 2000 Program or the Berths 55-58 Project; and covenant not to commence any civil rights complaint before any governmental agency based upon the Port's prior approval of the Vision 2000 Program, or based upon the Port's approval of the berths 55-58 Project. In order for the Board to consider plaintiffs' request and proposal it is necessary that the board comply with the City's Sunshine Ordinance which requires that the Board shall not act on any matter unless either (1) an agenda and related materials identifying that item have been posted and circulated at least 10 days before action is taken, or (2) the Board, by a two-thirds vote, makes a good-faith reasonable determination that (i) the need to take immediate action on the item is necessary to prevent serious injury to the public interest if action were deferred to a subsequent special or regular meeting and (ii) the need for such action came to the attention of the Board subsequent to the Agenda being posted for the April 20 meeting. It is critical if the Port's Berth 55-58 Project is to proceed on schedule, and in order for the Port to meet demands for additional maritime facilities in Oakland, that the Port act upon the Berths 55-58 Project FEIR and the Project, without delay by certifying the EIR and approving the Project. Support for the Project by West Oakland Neighbors is important for the ultimate success of the Project. It was recommended that the Board, by a two-thirds vote, pass a resolution in which the Board determines that the need to take immediate action is necessary to prevent serious injury to the public interest if action were deferred and that the need for such action came to the attention of the Board subsequent to the agenda being posted; and the resolution recommended in this Agenda Sheet Item No. 21A also include the additional air quality mitigation requested by plaintiffs as described in the "Factual Background" section of this Agenda Sheet Item. The recommendation was approved on passage of Resolution No. 99153.

Certification of the Berths 55-58 Project Final EIR, Findings Concerning Significant Effects of the Project, Adoption of Mitigation Measures for the Project, Adoption of Mitigation Monitoring and Reporting Program, Adoption of the Air Quality Mitigation Program for the Vision 2000 Maritime Development Program, Statement of Overriding Considerations for the Unavoidable Adverse Impacts and Approval of the Berths 55-58

Project was the subject of a memo to the Board from the Director of Engineering recommending approval for the certification of the Final Environmental Impact Report (EIR) for the Berths 55-58 Project, and to then approve that Project. The Berths 55-58 Project (the Project) consists of four new container berths, associated terminal wharves and container yards, a new access road to the new terminals, and Middle Harbor Shoreline Park. The EIR for the Project identified a number of significant impacts. Mitigation measure have been identified to avoid or reduce to a less than significant level the significant impacts of the Project regarding noise, hazardous materials, biological resources, and cultural resources. The EIR also recommends mitigation measures for less than significant impacts regarding construction air emissions, hazardous waste, and water quality. After mitigation, two impacts remain significant: freeway traffic and air quality. The EIR identifies a program of mitigation measures which reduce air quality impacts and explains why the Port cannot feasibly reduce freeway impacts. In addition to mitigation measure, the Project itself includes elements that would effectively avoid or reduce environmental impacts. These include design features and construction specifications such as using electric-powered dredges to avoid air impacts, using silt curtains during dredging and designing the stormwater system to minimize adverse effects on future sensitive habitat. The Project also includes long-term commitments that would enhance the quality of life for the surrounding community. These long-term commitments include maintenance of the new Middle Harbor Shoreline Park and provision of subsidized independent owner-operator truck parking facilities. In total, a Summary of Port Environmental Commitments, and mitigation measures and Project design features, construction specifications and quality life measures represent \$55,020,000.00 of the Port's maritime budget. The commitments include issues of air quality, biology, water quality, land use and other issues of noise, hazards,

cultural and traffic. The Port identifies seven individual bases for finding that the benefits of the Project override the remaining significant impacts. They are: responding to the tenants' and market needs for increased shipping capacity, improved efficiency of Port marine terminals, increased revenue for Port operations and growth, open space and public access to the Bay, increased redundancy in West Coast ports in the event of emergencies, maintaining the Port of Oakland's competitiveness, and allowing the Port to accommodate the region's cargo demand. Previously the Board certified the Final EIS/EIR on the Disposal and Reuse of Fleet and Industrial Supply Center, Oakland or Vision 2000 EIS/EIR. The primary purpose of the Vision 2000 EIS/EIR was to evaluate the overall effects of the Port's proposed course of action in developing the FISCO site and adjacent properties. The Vision 2000 EIS/EIR provides an analysis of alternative approaches to Port modernization and expansion, and identifies an environmentally superior alternative. The Berths 55-58 Project Final Environmental Impact Report is tiered from the Vision 2000 EIS/EIR and incorporates by reference the discussion in the Vision 2000 EIS/EIR, addresses the impacts of Project construction activities and operations pursuant to design refinements developed subsequent to the Vision 2000 EIS/EIR was prepared. The noise, hazardous materials and waste, biological resources, cultural resources, geology, soils and seismically, water resources, visual resources, and socioeconomics, public services and utilities. In addition to the eight alternatives already studied in the Vision 2000 EIR/EIS, the Berths 55-58 Project EIR evaluates a one terminal alternative, no Middle Harbor fill alternative, rock contaminant dike alternative, shallow shelf containment dike alternative, no project alternative, on-dock rail alternative and fully electrified yard alternative. Development of the Berths 55-58 Project is planned to begin in mid-1999 and is projected to be completed in late 2002. Construction of the project chiefly comprises the following activities: 1) widening of the north bank of the Inner Harbor to create the new berth areas; 2) building a containment dike and filling a portion of the Middle Harbor to create new land for the marine terminals and the promenade/beach section of Middle Harbor Shoreline Park; and 3) construction of the Project's principal components which are four new container berths, associated terminal wharves and container yards, a new access road to the terminals, and Middle Harbor Shoreline

Park. Terminal operations are planned to begin in early 2003. The Board also is being asked to approve an air quality mitigation program for the entire Vision 2000 Maritime Development Program. Normally when a lead agency has prepared a Program EIR, such as the Vision 2000 EIS/EIR, the agency need only consider project-specific mitigation measures when it approves a project that is part of the overall program. In this case, however, a citizens group, West Oakland Neighbors, filed suit challenging the Vision 2000 EIS/EIR shortly after it was approved by the Board in September 1997. That suit resulted in a Consent Decree in which the Port agreed to consider mitigation of air quality impacts of the entire Vision 2000 Maritime Development Program when it prepared its EIR studying the environmental impacts of the Berths 55-58 Project. The staff is recommending that the Board allocate \$7.5 million to mitigation measures designed to reduce the air quality impacts of the Vision 2000 Maritime Development Program. The Port does not own or operate any of the trains, transport trucks, container yard equipment, or ships that use Port facilities. The Port owns the marine terminals and leases the terminals to shipping companies. Because the operation air quality impacts described in the EIR would result from activities by Port tenants and the transport companies with whom they contract, they would typically be characterized under CEQA as "secondary" or "indirect" rather than "direct" impacts of the Project. This treatment of such impacts reflects not only the distinction between direct impacts and indirect impacts, but also the distinction between mitigation measures that are subject to the jurisdiction of other public agencies. Regulation of emissions from trains, trucks, cargo handling equipment and cargo vessels is the subject of jurisdiction and authority of the California Air Resources Board (CARB), and the Federal Environmental Protection Agency (EPA). The regulatory agencies which have jurisdiction and authority over emissions from mobile sources have responsibility for adoption of regulatory standards that will control emissions from those sources. Adoption and implementation of such standards has led to vary significant reductions in the air quality impacts of mobile sources, and as such standards are further developed, further significant reductions can be anticipated over the next decade. For this reason, CEQA allows a lead agency to conclude that another agency can and should adopt the mitigation measures needed to reduce the project's

adverse air quality impacts. The Port staff recommends, that the Port not rely solely on the efforts by these regulatory agencies to mitigate pollution impacts, or on voluntary steps by Port tenants to reduce emissions from their operations at the Port. For this reason the Berths 55-58 Project EIR recommends a financial commitment of \$7.5 million to bring about substantial reductions in air pollution by funding effective, proven emission reduction programs as well as demonstration projects to promote technological advances in enhancing air quality. Because the Berths 55-58 Project EIR recommends this groundbreaking step, the proposed air quality mitigation program has received support from the Bay Area Air Quality Management District in the form of a comment letter on the Berths 55-58 Project EIR. Included in the specific package are a 75% subsidy of the cost of replacing diesel engines in all 363 pieces of maritime related cargo equipment; encouragement of early re-powering of diesel engines on switch engines at the JIT; a suite of 10 measures to be incorporated into project design and future operations such as cold-ironing for tugs at Berth 59, participating in Spare the Air Days and mass transit subsidies for Port and tenant employees; study and implementation of emission controls (if cost-effective) at two facilities at West Oakland; and evaluation of an emission testing station for heavy duty diesel trucks. The package includes several demonstration projects that exceed the cost threshold, but could accelerate more wide-spread use of emission-reducing technologies, which could lead to long-term advances in air quality mitigation for beyond the Port of Oakland: installation of add-on exhaust treatment devices on 40 local trucks doing business in the near-Port area; installation of add-on exhaust treatment devices on 50 pieces of cargo handling equipment; retrofit of one tug with a low NOx engine and exhaust treatment devices; and includes engine replacement in 27 AC Transit buses operating in the Port vicinity. It was recommended that the Board adopt a resolution certifying that it has reviewed and considered the information contained in the Final EIR for the Project, and that the Final EIR has been prepared in compliance with CEQA, the State CEQA Guidelines and the Port CEQA Guidelines, finding that the Final EIR reflects the independent judgment of the Board, as set forth in Section 1; adopting the mitigation measures set forth in Appendix 1 as conditions of approval of the Project, including the air quality mitigation program for the Vision 2000 Maritime

Development Program; adopting the Mitigation and Reporting Program set forth in Appendix 1; adopting the CEQA findings regarding mitigation measures, project impacts, and alternatives in Section I and II; and adopting the Statement of Overriding Considerations findings that the benefits of the proposed Project outweigh the Project's significant adverse environmental impacts contained in Section III.

Mr. Alan Ramo, representing the Golden Gate Environmental Law Clinic, appeared before the Board to note that the recommendations for air quality mitigation were the most advanced in the industry and his group supported approval of the EIR. Other speakers supporting the passage of the EIR included Mr. Rick Fernandez of AC Transit, Mr. Carlos Plazola of Congresswomen Lee's office, "Anna Marie" of ILWU Local 10, and Willie Keys of West Oakland Neighbors.

The recommendation was approved on passage of Resolution No. 99154.

Award of Contract for Construction and Installation of Container Cranes at Berths 55-56, with Options for Additional Cranes was the subject of a memo to the Board from the Director of Engineering notifying the Board that on October 31, 1997 the Board authorized the Executive Director to solicit proposals for the construction and installation of four container cranes at Berths 55-56, with options for additional cranes from the following prequalified manufacturers: Paceco, Inc, San Mateo, California; IMPSA International, Argentina; Sansum Heavy Industries, Korea; Shanghai Zhenhua Port Machinery Co., Ltd. (ZPMC), Shanghai, China; Hanjin Heavy Industries Co., Ltd., Korea; and Noell GMBH, Germany. ZPMC of Shanghai, China, submitted the low bid price of \$24,035,000.00 for the total base bid to construct and install four container cranes. ZPMC was also the low bidder if the option for up to 9 additional cranes is included in the base bid. In order to provide crane design input to the EIR effort and ensure timely delivery of the cranes, the Board awarded a \$3,000,000.00 design contract to ZPMC on January 6, 1998. As the EIR for the project has now been certified, it was recommended that the Board award the contract to construct and install four cranes with off-site erection, to ZPMC, in their bid amount of \$21,385,000.00. The recommendation was approved on passage of Resolution No. 99155.

Authorization to Dispense with Formal Bids for Demolition of Building D-442 and Capping of Water and Gas Utilities at Various Locations, Harbor Transportation Center was

the subject of a memo to the Board from the Director of Engineering notifying the Board that plans and specifications are currently being prepared for the demolition of Building D-442 and capping of water and gas utilities at various locations, Harbor Transportation Center. It is critical that the work be completed as soon as possible to allow the Berths 55/56 Container yard contract to begin in August 1999. Unfortunately, plans could not be finalized earlier because the Navy still occupied the building and allowed only restricted access until April 1999. Full access and inspection is necessary, especially in this case, because the building has been modified substantially from the original construction depicted on the plans available to the Port. Therefore, to prevent or minimize delay to the Berths 55/56 Container Yard contract, it would be advisable to dispense with formal bidding procedures. The work consists of demolition and removal of Building D-442 and capping of water and gas utilities at various locations throughout the Harbor Transportation Center. Building D-442 is a 110,000 square foot, one story warehouse and office structure with concrete perimeter walls, large concrete columns, wood trusses, built up and shingled roofing, and sheetrock interior partitions. The Harbor Transportation Center has a network of gas and water lines that are no longer needed as the buildings they serviced have been demolished. Capping these lines on the perimeter of the site is necessary to control leaks and prevent accidents during construction of future projects on the site. It was recommended that the Board find it to be in the best interest of the Port to dispense with formal bidding procedures, and that the Executive Director be authorized to execute a contract for this work based on informal, competitive proposals; and the request for proposals will be sent to all contractors who have previously bid on demolition projects in the Harbor Transportation Center. The recommendation was approved on passage of Resolution No. 99156.

New Terminal Use Agreement with China Ocean Shipping Company at Charles P. Howard Terminal was the subject of a memo to the Board from the Director of Maritime

notifying the Board that China Ocean Shipping Company (COSCO) is a major Chinese container

shipping line that has conducted operations at Charles P. Howard Terminal, where terminal services are provided by Stevedoring Services of America (SSA), since April, 1994. In addition, under a reciprocal vessel sharing arrangement, COSCO's cargo is discharged from and loaded to Yang Ming Marine Transport (YMM) vessels which call at Seventh Street's Ben Nutter Terminal and YMM's cargo is handled to and from COSCO vessels at Howard Terminal. COSCO's Terminal Use Agreement (TUA) is scheduled to expire April 30, 1999. We have recently concluded negotiations with COSCO for a new five year term TUA at Howard Terminal. The major economic provisions which are proposed to commence May 1, 1999. The dockage provisions include: COSCO will guarantee a minimum of 50 vessel calls each contract year at the assigned premises; COSCO shall initially pay the Port 75% of the then prevailing tariff dockage rates; if annual vessel calls exceed 54 in a contract year, COSCO shall pay 40% of the tariff rate on vessel calls which exceed 54; and any shortfall of the 50 vessel calls will be paid at 75% of the then prevailing average tariff dockage rate for COSCO's vessels. The wharfage provisions include: in lieu of paying and reporting the Port's tariff wharfage rates, COSCO will be assessed wharfage on the basis of \$91.50 per loaded TEU (i.e. "the full wharfage amount"); the loaded TEU rate will be increased at the same time and by the same percentage the Port tariff wharfage rates are increased; COSCO will receive an initial discount of 20% from the \$91.50 per loaded TEU rate at the time of cargo activity; COSCO will be eligible for an additional wharfage discount at the conclusion of each contract year; COSCO will guarantee annual wharfage equal to the full wharfage of \$91.50 per loaded TEU, or this rate plus applicable future adjustments on the Port tariff, for 10,500 loaded TEUs for each contract year; non-containerized cargo will be assessed 80% of the then prevailing Port tariff rates for non-containerized cargo; and each 22 revenue tons of non-containerized cargo shall be counted as one loaded TEU for the purpose of computing the additional year-end discount. The IPI Incentive provisions include: if COSCO's Interior Point Intermodal Throughput Service (IPI) cargo at the terminal equals or exceeds 3,000 loaded TEUs in a contract year, COSCO shall be refunded \$5.00 per loaded TEU of IPI cargo, including all such TEUs in that contract year, following conclusion of the contract year; if COSCO's IPI cargo at the terminal equals or exceeds

8,000 loaded TEUs in the contract year, COSCO shall be refunded \$10.00 per loaded IPI TEU in lieu of the \$5.00 per TEU refund at the conclusion of the contract year; IPI cargo will be defined as cargo with origins or destinations in the states of North Dakota, South Dakota, Nebraska, Colorado, New Mexico, and states east thereof; and, ports and points in the Canadian provinces of Manitoba and Northwest Territories and provinces each thereof, as well as ports and points east of Mexican states of Sonora and Sinaloa. Empty Container Provisions include: COSCO will be assessed \$10.00 per TEU for empty containers loaded or discharged, however, the Port will allow an annual empty TEU allowance of 20% of the total loaded and empty TEUs in any contract year; in the event COSCO has less than 20% empty TEUs annually, the Port will provide an additional wharfage discount from the "full wharfage amount" equal to 1% of full wharfage for each 3% that empty TEUs are less than the annual 20% empty TEU allowance; should COSCO desire, the above proposed empty TEU provisions can be superseded by the methodology contained in the Port/SSA Agreement upon the Port receiving a signed copy of such an agreement between SSA and COSCO; this method limits empties on the terminal to 2.5 times the weekly average export loadings for the previous 3 month period; and all TEUs exceeding the allowance would be subject to a charge of \$5.00 per TEU per day. The COSCO and YMM Joint Operations provisions include: the provisions of the current COSCO TUA regarding the reciprocal vessel sharing arrangements between COSCO and YMM will continue and will only apply while both shipping lines are operating at the Port under a TUA which are COSCO cargo activity from YMM vessels at Seventh Street's Ben Nutter Terminal will be subject to the same wharfage compensation terms and economic benefits presently received at Howard Terminal; and YMM cargo activity from COSCO vessels at the Howard Terminal will be subject to the same wharfage compensation terms and economic benefits presently received under their TUA at Seventh Street's Ben Nutter Terminal. It was recommended that the Board approve the Terminal Use Agreement with COSCO and documents will be filed with the Federal Maritime Commission. The recommendation was approved on passage of an ordinance to print.

Approval to Increase Executive Director's Authorization for Changes in Scope to Agreement with CH2MHILL/John T. Warren and Associates, Inc., a Joint Venture, for Engineering Design Services for the Container Wharf at Berths 55/56, Inner Harbor Channel

was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a current professional services agreement with CH2MHILL/John T. Warren to provide engineering design services to prepare plans and specifications for the construction of the Container Wharf at Berths 55/56. The current agreement was approved by the Board in September, 1997. The agreement provided for a maximum payment of \$2,984,070.00 with up to \$600,000.00 of additional work with approval from the Executive Director. Two change-in-scope letters have been issued that increased the maximum allowable compensation to \$3,584,070.00. The scope of work for the design services agreement for the construction of the Wharf at Berths 55/56, Inner Harbor Channel has been revised several times. The original scope was to prepare plans and specifications for construction of 2,400 feet of wharf, excavate approximately 3 million cubic yards of material, construction of a containment dike from the excavated material, and create fastland for the container yard with the excavated material. Fastland is new dry land created by placing fill in a water area. The first change-in-scope letter expanded the original scope of work to include the following: possible reuse of dredge material from the -50 foot channel deepening project; prepare two alternatives for the bank stabilization of the wharf; and perform geotechnical field investigation of the shoaling material along the north edge of the channel along the present Union Pacific Railroad Yard. The second change-in-scope letter further expanded the original scope of work to include the following: soft edge study; storm sewer outfall design; provide conceptual remediation cost estimate for FISCO; revising volume/area calculations for the BCDC permit; and crane bus redesign. These scope changes and costs were agreed to and paid for with the amount remaining in the Executive Director's approval authority. There are other changes in scope that needed to be addressed. These are: alternative dike design evaluation; design of a firewater manifold; incorporating the plans and specifications for Phase 1A of the adjoining yard; additional geotechnical field investigation; completing the Cement Deep Soil Mixing plans and specifications

for bidding; and revising the channel bank cut west of Berth 55. The Port is currently in the final stages of negotiating the fee for this additional work, which is estimated to be approximately \$570,000.00. As the final amount and scope have not been determined and staff has exercised all of the Executive Director's approval authority, it was recommended that the Executive Director's approval authority be increased by \$850,000.00. This would allow the Executive Director to approve the changes currently being negotiated and retain an allowance for future potential changes. The recommendation was approved on passage of Resolution No. 99157.

Approval of First Supplemental Agreement with Korve Engineers, Inc. for Engineering Design Services for the Relocation of Middle Harbor Road and 7th Street, Middle Harbor Terminal was the subject of a memo to the Board from the Director of Engineering notifying the Board that as part of the Vision 2000 program, the Port currently has a professional services agreement with Korve Engineers, Inc. (Korve) to provide design services and prepare plans and specifications for the relocation of Middle Harbor Road and 7th Street, which has been renamed to Realignment of 7th Street and the construction of "New Road". The current agreement was approved by the Board on January 6, 1998. The agreement provided for a maximum compensation of \$1,200,000.00, with up to \$250,000.00 of additional work with the approval of the Executive Director. The scope of work and the design for realignment of 7th Street and the construction of New Road has been revised. The original scope and design for the project provided for the following: geotechnical engineering, an asphalt concrete overlay on 7th Street from Maritime Street to Middle Harbor Road, grading, paving, and utilities from the Union Pacific undercrossing to Building 833, the New Road to end at a "T" intersection at the existing Middle Harbor Road near Building 833, two traffic signals, relocation of three existing rail signals, and landscaping along 7th Street only. After the Korve team commenced work, they were asked to revise the scope and design to provide the reconstructed 7th Street east of Maritime Street in lieu of an overlay; extend the design 400 feet north on existing Middle Harbor Road; extend the design south past the existing Middle Harbor Road intersection with K Street; add a Key Sheet Drawing; extend traffic signal design to include three intersections; reconstruct the Oakland Terminal Railroad (OTR) crossing at

7th Street; design all new, rather than relocated, rail signals because of PUC requirements; add landscaping of "New Road"; and revise the road design to incorporate a bicycle/pedestrian trail. These revisions to the original scope of work total \$317,000.00; \$250,000.00 of this amount has been authorized by the Executive Director. The remaining \$67,000.00 worth of work related to the revised scope needs to be authorized so the contract documents can be completed. Additionally, there is a new scope of work to relocate existing Middle Harbor Road between K Street and the Adeline Street overpass structure in conjunction with the Joint Intermodal Terminal (JIT) tail track construction and the relocation by Union Pacific of the Union Pacific gate. This new scope of work includes relocating Middle Harbor Road to the South to accommodate the two JIT tail tracks; approximately 3,800 feet of Middle Harbor Road realignment and widening; relocating the Heavy Lift Track; adding one new at-grade rail crossing; reconstructing approximately 1,800 feet of the existing Heavy Lift Road; modifications of traffic and rail signals; extension of street lights; one PUC application for the new rail crossing; extending the bike/pedestrian path right-of-way along the South side of Middle Harbor Road; fencing and landscaping along the roadway; demolition of existing improvements; and completing portions of the queue lanes serving the new Union Pacific gate. Since this work is essentially an extension of the road design work currently being performed by the Korve team, and would provide continuity, minimize redundant effort and time, and provide efficiency, it is proposed that the current consultant continue with the detailed design of this additional area. The new scope of work is estimated at \$381,000.00. The final fee for all the scope changes is \$698,000.00 of which \$250,000.00 was previously approved by the Executive Director. It is proposed that the maximum compensation be increased by \$448,000.00 to \$1,898,000.00 to provide the necessary funds for Korve to complete the project, and to include an additional \$250,000.00 to be made available for future changes in scope, subject to the Executive Director's approval. It was recommended that the Board approve the First Supplemental Agreement with Korve Engineers, Inc. The recommendation was approved on passage of Resolution No. 99172.

Approval of Consultant Agreement for Program Control Support Services for the Vision 2000 Program was the subject of a memo to the Board from the Director of Engineering

recommending the Board authorize negotiations and the preparation and execution of an agreement with Montgomery Watson for Program Control Support Services for the Vision 2000 Program. The firm will maintain the master program schedule of design and construction projects; assisting in spotting schedule conflicts; coordinate program-level budget issues and cost reporting; develop uniform electronic versions of construction control forms; monthly project reports; coordination services; and miscellaneous other services to bolster staff effectiveness. It is anticipated that the amount of the agreement will not exceed \$3,500,000.00, and it is requested that the Executive Director to authorized to approve up to an additional \$875,000.00 for potential changes in scope. Mr. Mark Moser, of Montgomery Watson, appeared before the Board to note the team they had assembled and he thanked the Board for the opportunity to do business with the Port. The recommendation was approved on passage of Resolution No. 99158.

Approval of Consultant Agreement for Construction Management Services for the Construction of Container Wharf at Berths 55 and 56 was the subject of a memo to the Board from the Director of Engineer recommending the Board authorize negotiations and the preparation and execution of an agreement with Concept Marine Associates, Inc., for Construction Management Services which consists of constructability review; value engineering; document control; monthly project reports; change order and payment processing; dispute resolution; assurance of contractor compliance with contract documents; and other miscellaneous services to effectively manage the contract. It is anticipated that the amount of the agreement will not exceed \$5,000,000.00 and it is requested that the Executive Director to authorized to approve up to an additional \$1,250,000.00 for potential changes in scope. Mr. Gordon Fulton, representing Concept Marine, appeared before the Board to thank the Board for the opportunity to participate in the project. The recommendation was approved on passage of Resolution No. 99159.

Ratify Change Order for "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 Port has a contract with O.C. Jones and Sons, Inc. for the reconstruction of Berth 25 Yard which became effective on February 16, 1999, at a lump sum and unit prices totaling \$5,637,541.00. In April 20, 1999

1987 the Board granted approval to the tenant to construction new transtainer runways to accommodate expansion of the transtainer operation from five to six rows. The new runways were constructed using concrete pavers, because the more typical poured-in-place concrete takes two long to reach adequate strength for use and would have caused unacceptable disruption of operations. These runways have since experienced subsidence problems. Their replacement with reinforced concrete was included in the original design of the current project; however, because of budgetary restraints, the final design called for replacing only 200 lineal feet of runways. The tenant and the Maritime Division agreed to replace all of the runways that were constructed with pavers at the same time adjacent pavements are reconstructed. Even though this extra work will extend the closure of some of the phases, it was determined that it was beneficial to perform the work now. The additional cost of replacing approximately 3,300 lineal feet of runway with 5-foot wide reinforced concrete will total approximately \$450,000.00. The contract also calls for relocating four existing truck scales which are of two different brands, Mettler Toledo and Howe Richardson. The tenant has requested that the Howe Richardson scales be replaced as they are at the end of their useful lives and they have a history of maintenance problems. The Maritime Division has concurred with this request. For maintenance purposes, it was desirable to have four scales of the same brand, either Mettler Toledo or Fairbanks truck scales. Based on quotes received from O.C. Jones & Sons, Inc., it was decided to install four new Fairbanks scales. The two existing Toledo scales will be relocated to the Berth 24 Gate by Yusan's contractor, and the existing Howe Richardson scales will be demolished. The net cost for installing the four new scales, including credit for not relocating the existing scales, is approximately \$150,000.00. It was recommended that the Board ratify a change order for an amount not to exceed \$600,000.00 to O.C. Jones & Sons, Inc. The recommendation was approved on passage of Resolution No. 99160.

First Reading of an Ordinance Authorizing a Lease to Nextlink California, Inc. to Install a Fiber Optic Cable in Port Controlled Water Area Northerly of the Bay Bridge was

the subject of a memo to the Board from the Director of Engineering notifying the Board that Nextlink California, Inc., a Washington corporation, is in the process of installing a

telecommunications fiber optic cable around the circumference of the bay. A portion of the bay ring will require that cable be installed between Treasure Island and Emeryville in the water area within the Port jurisdiction. The installation of the cable will not affect Port operations or the reconstruction of the Bay Bridge. The proposed lease would provide revenue to the Port, enhanced telecommunication operations in the Bay Area, and possibly provide operating savings to the Port. The direct revenue and other issues would be covered in a proposed lease summarized as follows: lease term – 15 years with two 15-year options at market rent; purpose – to install fiber optic cable; area – leased area would be approximately 109,711 square feet; rental – Nextlink would pay the Port \$5,000.00 per month in advance; Nextlink would also pay an up-front non refundable document presentation fee of \$5,000.00; rental adjustment – the rent will be adjusted every 36 months based on the change in the CPI; relocation – in the event the facility needs to be relocated because it is in conflict with another public project, Nextlink would pay all relocation costs; security deposit - \$30,000.00; insurance – Nextlink would provide insurance satisfactory to the Port; contamination – Nextlink would be responsible for all contamination issues and mitigation measures; permits – Nextlink is responsible for all permits and other environmental documents; and environmental – the City and County of San Francisco, as lead agency, has determined that the project is categorically exempt and the Port agrees with the determination. It was recommended that the Board approve the lease with Nextlink California, Inc., and authorize a temporary right-of-entry to Nextlink to allow them to secure the necessary BCDC approvals. The recommendation was approved on passage of Resolution No. 99161 for the right-of-entry and on an ordinance to print for the lease with Nextlink.

Modification to 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 on January 6, 1998, the Board authorized a new Agreement with International Transportation Service (ITS), a wholly owned subsidiary of “K” Line, for Outer Harbor Berth 25. The basis for the new Agreement was for realignment of boundaries and expansion of the terminal area from approximately 29 acres to nearly 40 acres, excluding the berth

area. The Agreement which was authorized provides for the Port to undertake improvements estimated at \$10.6 million dollars. The major portion of these improvements were postponed due to delays in planning by the Port and subsequent modifications submitted by ITS. As part of the compensation to the Port, "K" Line is subject to a Minimum Annual Guarantee (MAG)/Breakpoint (BP) of 65,000 loaded TEUs annually for wharfage, wharf demurrage and wharf storage. The rate assessed to and including the MAG/BP is \$65.00 per loaded TEU. Above the MAG/BP, the rate assessed is \$23.50 per loaded TEU. As was negotiated, the Port has been compensated under the economic provisions of the new Agreement since October 1, 1998. However, ITS has been concerned that some of the long-term development issues and the uncertainty regarding realignment of Seventh Street for the Vision 2000 Program could impact the Berth 25 terminal capacity. The Port has been proceeding with two major objectives: completion of Berth 25 improvements in an expedited manner in order to accommodate ITS operations; and realignment of the Berth 25-ITS/Berth 24-Maersk boundary in order to adequately accommodate growing Maersk operations at the adjacent Maersk facility. ITS advised that they still want the expanded 40 acre area but they are proposing the planned \$10.6 million dollar improvements be scaled back for the time being. Since the scope of construction is being reduced the Port is proposing the MAG/BP of 65,000 loaded TEUs be reduced to 53,462 loaded TEUs. This reduction shall be for the current contract year ending June 30, 1999 and shall relate back to October 1, 1998. In the interim, between now and June 30, 1999, the Port and ITS shall jointly review the MAG/BP level to reflect actual construction costs for the reduced scope of work. Based upon this review, the MAG/BP for subsequent contract years shall be adjusted on the basis of 200 loaded TEUs every \$100,000.00 of expense to reflect actual Ports costs and prevailing financing. It was recommended that the Board modify the new Non-exclusive Preferential Assignment Agreement with International Transportation Service. The recommendation was approved on passage of Resolution No. 99162.

Award of Contract for Furnishing and Operating a Concrete Rubble Crushing Plant, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board the ten bids received and recommending award of the contract to April 20, 1999

Evans Brothers Inc., the low bidder, at \$1,482,885.00. Mr. Tom Chasm, of Specialty Crushing, appeared before the Board to ask that the contract be awarded to his firm as he is Oakland based. It was noted that Specialty Crushing was the fourth lowest bid and one other Oakland firm was third lowest. The recommendation was approved on passage of Resolution No. 99163.

Approval of a Building Permit for Maersk Pacific, Ltd. For Improvements at Berth 24

was the subject of a memo to the Board from the Director of Engineering recommending approval for the construction of improvements for the second work phase consisting of gate expansion and re-striping, and additional reefer pedestal/receptacle installation to Berth 24 for Maersk. Maersk has now submitted a permit application for the second work phase. The work represents a portion of the improvements to be covered by the Agreement and will include installing two new truck scales; installing one inbound booth, one outbound booth and one security booth; installing electrical conduits for inbound and outbound land communication system; relocating outbound roadability(truck inspection) facility; relocating boundary fencing; providing new gate striping and re-striping employee parking lot; installing reefer pedestals/receptacles and electrical conduits; and providing a new reefer substation. The estimated value of the work is \$1,000,000.00. The recommendation was approved on passage of Resolution No. 99164.

Assignment of Contract for "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 Port has a contract with O.C. Jones and Sons, Inc. for the reconstruction of Berth 25 Yard which became effective on February 16, 1999, at lump sum and unit price totaling \$5,637,541.00. O.C. Jones and Sons, Inc. has reorganized from a partnership to a corporation. A formal assignment of the contract from O.C. Jones and Sons, Inc. to O.C. Jones Corporation is required for purposes of bond and insurance application to the berth 25 project. It was recommended that the Board authorize the Executive Director to sign the consent to assignment. The recommendation was approved on passage of Resolution No. 99165.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the appointment of Patricia Del Favaro, as Senior Secretary, effective May 15, 1999,

at \$3,503.00 per month; Catherine Y. Uemura, as Executive Secretary, effective April 26, 1999, at \$3,924.00 per month; Lawrence Sumpter, as Port Environmental Resources Development Program Technician, effective May 10, 1999, at \$3,352.00; Dannie Halsell, as Relief Airport Custodian, effective May 10, 1999, at \$12.07 per hour; and Eddie McCray, as Relief Airport Custodian, effective May 10, 1999, at \$12.07 per hour. Further recommended is the rescission of appointment of Rolando Cardenas, who was appointed to the position of Relief Airport Custodian, effective March 22, 1999; and amending classification of Senior Budget and Projects Analyst – Traffic Representative IV is transferred from Unit D to Unit E because it has been categorized as exempt from FLSA. The recommendation was approved on passage of Resolution No. 99166 for certain appointments; Resolution No. 99167 for rescinding appointment; and on an ordinance to print for amending salary schedule assignment.

Recommended Position on SB 375 was the subject of a memo to the Board from the Manager of Governmental Affairs notifying the Board that the Senate Bill 375, introduced by State Senator Don Perata, seeks to augment the membership of the Port Commission by adding three new members. Two of the three members would be appointed by the Governor and the third would be the Mayor of Oakland. No more specifics are contained in the bill. SB 375 does make a finding that the legislation is necessary due to the “unique circumstances concerning the Board of Port Commissioners of Oakland,” despite this finding, such circumstances are not specified in the bill. It was recommended that the Executive Director be authorized to forward to the appropriate legislative members, the Board’s recommended position to oppose this measure and that the Board formally adopt an Oppose position on SB 375. The recommendation was approved on passage of Resolution No. 99168.

Travel Authorization contained in a memo to the Board from the Secretary of the Board recommending the travel of President John Loh, to Johannesburg and Capetown, South Africa, on or about the period April 6 – 13, 1999, to participate in the “Bay Area Africa Initiative” sponsored by Congressman Barbara Lee; and the travel of Electrical/Mechanical Engineer, Terry Smalley, to Shanghai, China on or about the period April 8 – 28, 1999, to meet with ZPMC regarding the April 20, 1999

construction of the new cranes. The recommendation was approved on passage of Resolution No. 99169.

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

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

Noes: None

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 99148

AMENDING PORT RESOLUTION NO. 99072 CONCERNING THE CONSULTANT AGREEMENT WITH MCA ADVERTISING.”

“RESOLUTION NO. 99149

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH ASCOT SERVICES, INC.”

“RESOLUTION NO. 99150

APPROVING FIRST SUPPLEMENTAL AGREEMENT WITH SOUTHWEST AIRLINES CO.”

“RESOLUTION NO. 99151

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH FEDERAL EXPRESS CORPORATION.”

“RESOLUTION NO. 99152

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH P&D 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. 99153

DETERMINING THAT NEED TO TAKE IMMEDIATE ACTION IS NECESSARY TO PREVENT SERIOUS INJURY TO THE PUBLIC INTEREST IF ACTION WERE DEFERRED AND THAT THE NEED FOR SUCH ACTION CAME TO THE ATTENTION OF THE BOARD SUBSEQUENT TO THE AGENDA BEING POSTED (ADDITIONAL AIR QUALITY MITIGATION MEASURE FOR BERTHS 55-58 PROJECT).”

“RESOLUTION NO. 99154

CERTIFICATION OF THE BERTHS 55-58 PROJECT FINAL EIR, ADOPTION OF FINDINGS CONCERNING SIGNIFICANT EFFECTS OF THE PROJECT, ADOPTION OF MITIGATION MEASURES FOR THE PROJECT, ADOPTION OF MITIGATION MONITORING AND REPORTING PROGRAM, ADOPTION OF THE AIR QUALITY MITIGATION PROGRAM FOR THE VISION 2000 MARITIME DEVELOPMENT PROGRAM, ADOPTION OF STATEMENT OF OVERRIDING CONSIDERATIONS FOR THE UNAVOIDABLE ADVERSE IMPACTS AND APPROVAL OF THE BERTHS 55-58 PROJECT.”

“RESOLUTION NO. 99155

AWARDING CONTRACT TO SHANGHAI ZHENHUA PORT MACHINERY CO., LTD. FOR CONSTRUCTION AND INSTALLATION OF CONTAINER CRANES AT BERTHS 55-56, OAKLAND, CALIFORNIA, AND FIXING THE AMOUNT OF BONDS.”

“RESOLUTION NO. 99156

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR DEMOLITION OF BUILDING D-442 AND CAPPING OF WATER AND GAS UTILITIES AT VARIOUS LOCATIONS, 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. 99157

AUTHORIZING THE EXECUTIVE DIRECTOR TO APPROVE ADDITIONAL WORK AND COMPENSATION FOR CH2MHILL AND JOHN T. WARREN & ASSOCIATES.”

“RESOLUTION NO. 99158

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

“RESOLUTION NO. 99159

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CONCEPT MARINE 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. 99160

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH O.C. JONES AND SONS, INC., FOR RECONSTRUCTION OF BERTH 25 YARD, OUTER HARBOR TERMINAL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 99161

APPROVING AND AUTHORIZING EXECUTION OF A RIGHT-OF-ENTRY AGREEMENT WITH NEXTLINK CALIFORNIA, INC.”

“RESOLUTION NO. 99162

APPROVING AMENDMENTS TO PROPOSED NONEXCLUSIVE PREFERENTIAL ASSIGNMENT AGREEMENT WITH INTERNATIONAL TRANSPORTATION SERVICE, INC.”

“RESOLUTION NO. 99163

AWARDING CONTRACT TO EVANS BROTHERS, INC. FOR FURNISHING AND OPERATING A CONCRETE RUBBLE CRUSHING PLANT, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99164

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

“RESOLUTION NO. 99165

APPROVING AND AUTHORIZING ASSIGNMENT OF RIGHTS BY O.C. JONES AND SONS, INC. OF THE CONTRACT FOR RECONSTRUCTION OF BERTH 25 YARD, OUTER HARBOR TERMINAL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 99166

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 99167

RESCINDING PORT RESOLUTION NO. 99081 CONCERNING CERTAIN APPOINTMENT.”

“RESOLUTION NO. 99168

AUTHORIZING THE EXECUTIVE DIRECTOR TO RECOMMEND THE PORT OF OAKLAND’S POSITION OF SENATE BILL NO. 375.”

“RESOLUTION NO. 99169

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 99170

GRANTING MARINE TERMINALS CORPORATION, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99171

GRANTING KAISERAIR, INC., PERMISSION TO PERFORM CERTAIN WORK.”

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

Ayes: Commissioners Harris, Kiang, Neal, Taylor
and President Loh - 5

Noes: None

Abstained: Commissioner Uribe - 1

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 99172

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH KORVE ENGINEERS, 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. 3494 being, “AN ORDINANCE AUTHORIZING THE EXECUTION OF AN OCCUPANCY AGREEMENT BETWEEN THE PORT AND CITY OF OAKLAND, FOR THE OAKLAND FIRE SERVICES ADMINISTRATION,” and Port Ordinance No. 3495 being, “AN ORDINANCE APPROVING THE COLLECTING AND SPENDING OF PASSENGER FACILITY CHARGES AND AMENDING SECTION 28 TO PORT ORDINANCE NO. 1149 RELATED TO APPLICATIONS 1, 2, 4 AND 6 AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. 3496 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH THE PORT OF OAKLAND AND CITY OF OAKLAND (ESTUARY PARK) AND APPROVING FUNDING FOR JACK LONDON AQUATIC CENTER,” and Port Ordinance No. 3497 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. 3498 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A LEASE AGREEMENT WITH NEXTEL OF CALIFORNIA, INC,” and Port Ordinance No. 3499 being, “AN ORDINANCE APPROVING April 20, 1999

THE EXECUTION AND DELIVERY OF A PROPERTY EXCHANGE AGREEMENT AND A GRANT OF EASEMENT AGREEMENT WITH THE SAN FRANCISCO BAY AREA RAPID TRANSIT," and Port Ordinance No. 3500 being, "AN ORDINANCE AMENDING SECTION 2.01, OF PORT ORDINANCE NO. 867 AND CREATING NEW AND ADDITIONAL POSITIONS," were read a second time and passed on final approval by the following vote:

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

Noes: None

Absent: Commissioner Kramer - 1

Port Ordinance No. ____ being, "AN ORDINANCE FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION OF THE PROPERTY INTERESTS OF SARAH CANNIZZARO FOR PUBLIC USE AS A ROADWAY IN CONNECTION WITH THE AIRPORT ROADWAY PROJECT, MAKING OTHER FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH, AND AUTHORIZING THE FILING OF PROCEEDINGS IN CONDEMNATION FOR THE ACQUISITION THEREOF," and Port Ordinance No. ____ being, "AN ORDINANCE AUTHORIZING AND APPROVING THE EXECUTION OF TERMINAL USE AGREEMENT WITH CHINA OCEAN SHIPPING (GROUP) COMPANY," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH NEXTLINK CALIFORNIA, INC.," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 11.0262 OF PORT ORDINANCE NO. 867," were read a first time and passed to print by the following vote:

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

Noes: None

Absent: Commissioner Kramer - 1

At the hour of 5:30 p.m., the Board entered into closed session pertaining to conference with legal counsel – anticipated litigation, significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: 3 cases; conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, (a) West Oakland Neighbors, et al. vs. United States Department of Transportation, et al. U.S.D. Court N.D. Cal. No. C 97-3627 SI, (b) City of Alameda, et al. V. Port of Oakland, et al., Alameda County Superior Court No. 793056-0 (Consolidated with Nos. 793028-7, 793033-9 and 793046-3); conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: property – Oakland Army Base (Headquarters: 100 Alaska Street, Oakland, CA 94626-5000), negotiating parties – Port and City of Oakland, under negotiation - price and terms of payment, property – Site B, Jack London Square, Oakland, California, negotiating parties – Port and Legacy Partners, under negotiation – price and terms of payment, property – FISC Annex, Alameda, California, negotiating parties – Port and City of Alameda, under negotiation - price and reconvened in open session at the hour of 7:20 p.m.

At the hour of 7:21 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, April 6, 1999, at the hour of 3:15 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: Kiang, Neal, Taylor, Uribe
and Vice President Kramer - 5

Commissioners absent: Harris and President Loh - 2

Also present were the Deputy Executive Director; Deputy Port Attorney, Tom Clark; Director of Maritime; Director of Aviation; Director of Commercial Real Estate; Chief Engineer; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

The minutes of the regular meeting of March 2, 1999; and regular meeting of March 16, 1999 were approved as submitted and ordered filed.

Approval by Resolution and Ordinance of a New Occupancy Agreement with Oakland Fire Services Administration for the Aircraft Rescue & Fire Facility was the subject of a memo to the Board from the Director of Aviation notifying the Board of the proposed occupancy Agreement with the City of Oakland Fire Services Authority (OFD) for a potential term of 19 years. The leasehold would include the newly constructed Aircraft Rescue & Fire Facility (ARFF) at 7501 Air Cargo Road located at the intersection of Taxiways B and B-5. The leasehold is expressly contingent on the previous approved Memorandum of Understanding and Operating Agreement (regarding the provision of fire and rescue services at the Airport) remaining in force between the Port and the City. Most of the terms and conditions of the Agreement are mandated under the MOU and Operating Agreement, most importantly providing that the Port reimburse OFD for virtually all Port related expenses in providing fire fighting services for the Airport. Pertinent terms and conditions of the proposed Agreement include: a term matched to run

concurrently with the Operating Agreement with the initial term commencing on January 1, 1998 through June 30, 2001, the Agreement automatically renews for two successive five year terms thereafter, with one final six year term ending on June 20, 2017, the Agreement automatically terminates in the event the overriding MOU terminates, expires or otherwise ceases to exist; the premises are in two locations, Property A - the former, temporary fire services location until the ARFF building construction was completed, which included part of Building M-104, part of Building M-128, and a temporary trailer located nearby, and Property B located at 7501 Air Cargo Road, includes almost all of the present, permanent ARFF building, some of which is common use space in conjunction with the Port, Property B is comprised of approximately 8,950 square feet of exclusive use space, common use space includes certain utility rooms, a meeting room/command post, two vehicle bays, wash rack and parking and landscaped areas; payments or rental - the Agreement expressly provides for no rental in consideration for the ARFF services performed by OFC; maintenance of premises - the Port is responsible for almost all non-routine repair and maintenance of the premises, including scheduled maintenance of improvements and OFD is responsible for all routine or day-to-day maintenance of the premises, including vehicles and janitorial efforts; and utilities - the Port is responsible for payment of all normal building utility costs and OFD is responsible for exceptional utility costs, including internet access, non-life safety telephone costs and long distance fees. It was recommended that the Board approve an occupancy Agreement between the Port and the Oakland Fire Services Authority of the City under the terms and conditions, and further recommended the approval for the retroactive period from January 1, 1998 to the date of this approval. The recommendation was approved on passage of Resolution No. 99113 and on an ordinance to print.

Approval to Collect and Spend Passenger Facility Charges (PFC's) Related to Applications One, Two, Four and Six at the Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that Air Carriers service the Airport began collection of a \$3.00 PFC on September 1, 1992 as authorized by the Federal Aviation Administration (FAA). Since that time, the FAA has approved seven applications and April 6, 1999

authorized collection of approximately \$86 million in PFC revenues to fund capital projects at the Airport. Under Section 158.37(a) of Federal Aviation Regulation Part 158, Passenger Facility Charges, Airports are permitted to institute an increase in the total PFC revenue authorized in an application of 15% or less. The Airport may do such by notifying the collecting carriers and the FAA of this intent. Collection of the new charge will be effective on the first day of a month which is at least 60 days from the time the collecting carriers are notified. The collection of an additional 15% would fund additional project expenditures for four already approved applications. The authorized amounts would be amended as follows: application number One - approved amount \$18,503,000.00, 15% increase \$2,775,000.00, and total authorization \$21,278,000.00; application number Two - approved amount \$8,999,000.00, 15% increase \$1,349,850.00, and total authorization \$10,348,850.00; application number Four - approved amount \$8,671,000.00, 15% increase \$1,300,650.00, and total authorization \$9,971,650.00; and application number Six - approved amount \$4,063,541.00, 15% increase 609,631.00, and total authorization \$4,673,072.00. Collection will continue at the current PFC level which is \$3.00 per enplaned passenger. The Airlines will retain \$0.08 as their administrative fee on each PFC remitted. The charge effective date would be June 1, 1999 and would extend until October 1999 or until collections equal the authorization amount. It is anticipated that the FAA will authorize additional collection for PCF Application Eight in the interim. Collections would then continue under that authorization. It was recommended that the Board extend the \$3.00 PFC per enplaned passenger at the Airport for the projects approved by the FAA for PFC Applications One, Two, Four and Six. The recommendation was approved on passage of an ordinance to print.

Authorization to Dispense with Formal Bids for Construction of Partial Overlay of Runway 11-29, South Airport, MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that Runway 11/29 is 10,000 feet long and was built in 1960 as part of the construction of the South Airport. Various runway overlays have been performed over the years, with the last major overlay occurring in 1989. In September 1998, a study was performed to evaluate the condition of the Portland Cement Concrete (PCC) and Asphalt Concrete

(AC) pavement at the 29 end of Runway 11/29. This study indicated that the first 750 feet of pavement at this end was in poor condition. The first 400-foot section of the runway is a PCC threshold that was originally constructed in 1960. Over the years, the PCC pavement has deteriorated to a point where the constant emergency repairs are affecting the use of the runway and the operation of the Airport. The next 350-foot section of the runway is constructed of asphalt concrete and is developing structural failure (alligator cracking) due to the cumulative effects of aircraft landings in this touch-down zone over the past 10 years. In early October of 1998, an emergency repair was made to the AC pavement in the touch-down zone. At the same time, preparation of plans and specifications to construct the permanent repair of the 750-foot section of the runway and the approach taxiway were developed. The work will include an asphalt concrete overlay, and the installation of new and the replacement and raising of all existing navigational lighting system in the repair area. It was recommended that the Board find it to be in the best interest of the Port to dispense with the formal bidding process and to advertise and solicit proposals from only qualified contractors for this type of work. It was also recommended that the Executive Director be authorized to execute a contract for work with the lowest responsible proposer, said contract to be based on informal, competitive bidding and in compliance with the Port's Non-Discrimination and Small Local Business Utilization Policy. The recommendation was approved on passage of Resolution No. 99114.

Ratification of Expenditures for and Authorization to Negotiate and Enter into Contract with TEECOM Design Group for Engineering Services In Connection with the "Proposal to Provide Telecommunications Infrastructure and Service to the Port International Airport" was the subject of a memo to the Board from the Director of Engineering notifying the Board that in 1996 the Port began negotiations with Pacific Bell (the Airport's current telephone service provider) to relocate telephone cables in Airport Drive in anticipation of the impacts of the Airport Roadway Project (ARP). The Port and Pacific Bell could not reach an agreement for the following reasons: (1) the capital investment required to be made by the Port was unfavorable as compared to the investment by other agencies who competitively bid their telephone

services; and (2) the technology being proposed by Pacific Bell did not include a fiber ring as called for in the Port's Utility Master Plan for telecommunications. Other telecommunications service providers expressed interest and demonstrated capability in meeting the Port's requirements. Consequently, the scope of work of the project includes installation of new infrastructure and cabling to allow both Competitive Local Exchange Companies (CLEC's) and regulated telecommunications (Pacific Bell) companies to compete. With the final ruling on the appeal for the Telecommunications Act of 1996, in late January 1999, CLEC's were finally given the legal standing for a real opportunity to compete with local incumbent telephone companies. For these reasons, the Project Team (Team) then determined that it was in the best interest of the Port to solicit proposals for the project. In order to acquire the technical expertise necessary to assist in the preparation and issuance of a Request for Proposal (RFP) for the project, staff enlisted the services of TEECOM Design Group (TEECOM), through a purchase order, to assist in developing the selection criteria, technical requirements, performance criteria, and contractual terms and conditions for the RFP. During the RFP preparation stage, the Team further determined that a new fiber ring and other technical requirements were needed rather than just replacing the telephone cable. In order to accomplish such, the RFP itself required much more detailed information. The scope of work increased for both staff and TEECOM to engage in additional drafting, data gathering, and analysis of existing Airport-wide telecommunications usage in order to produce a document that met the new established goals. It was soon realized that the \$15,000.00 purchase order for TEECOM's work would be insufficient to cover the Engineering costs associated with writing such a comprehensive document. It is estimated that an additional \$27,100.00 in Engineering services was expended by TEECOM for the efforts toward producing the RFP. The RFP became very detailed and highly technical in scope. The document services as a basis for the Contract to provide a turnkey telecommunications system. The RFP was made available to the public on March 15, 1999. Staff anticipated further need for telecommunications consulting services to aid in activities during review of the proposals through implementation of the system. The scope of work anticipated includes answering questions during the proposal period; assisting the Port with the

analysis of the proposals; reviewing all submittals during the planning and procurement process; assisting the Port with negotiating the terms and conditions of the Contract; and supporting the Port's construction Department with responding to Requests for Information and Change Order resolution. TEECOM has proposed performing this scope of work for \$55,000.00. This project amount is based on the receipt of 6 proposals and could change according to the number of proposals received. It was recommended that the Port utilize TEECOM's services for the remainder of the project, and that the Board ratify the expenditure of \$27,100.00 for completion of the RFP, and that the Executive Director be authorized to negotiate and execute an Agreement to provide the required professional services with TEECOM Design Group for an amount not to exceed \$82,100.00 which equates to the cost of the recommended ratification expenditure (\$27,000.00) and the additional scope of services (\$55,000.00); and it was recommended that the Executive Director be authorized to approve up to an additional \$25,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 99115.

Plans and Specifications for Improvements to Harbor Bay Parkway, Air Cargo Road, Airport Drive, and Construction of Taxiway B Bridge, Airport Roadway Project, MOIA (Contract A) 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 to Harbor Bay Parkway and construction of Taxiway B Bridge. The Airport Roadway Project (Project) is one of the capital improvement projects approved by Alameda County voters with the passage of Measure B in 1986. The total Project will build an arterial roadway from the I-880/98th Avenue interchange in Oakland to the Airport, and then to Bay Farm Island in Alameda. In May 1996 the Port, City of Alameda, City of Oakland and the Alameda County Transportation Authority (ACTA) entered into a funding agreement specifying the funding conditions and terms for the project. In December 1997, the Board certified the Airport Development Program (ADP) EIR and approved the project. All the parties to the funding agreement have expressed their support for the ACTA Measure B Project. The Port is the project sponsor listed in Measure B's 1986 Expenditure Plan which originally included a project budget of \$81.71 million. The Project is primarily located

within the Port Area; however, it is also located within Alameda and within portions of Oakland that are outside the Port area. The Funding Agreement was amended in December 1997, to provide for an increase in the project budget to \$97.5 million. The most current budget estimate for the Project substantially exceeds the \$97.5 million budget in the December 1997 amendment to the Funding Agreement. The parties are seeking to reduce this new budget estimate to approximately \$102 million. Approximately \$7.4 million of the Project funding will come from the State Local Transportation Partnership Program (SLTPP), but in order to qualify for all \$7.4 million of SLTPP funding under current law, contract for all segments of the Project must be awarded by June 30, 1999. Legislation is now pending to extend the contract award deadline for SLTPP funding by one year, to June 30, 2000. Since the parties do not now know if this legislation will pass, it is necessary in order to assure that the Project will qualify for all \$7.4 million of SLTPP funding that the Port be prepared to award contracts for all segments of the Project by June 30, 1999. If all contracts are awarded by June 20, it will be necessary to provide in the construction contract for a delayed Notice to Proceed (in the case of Contract A, which may not proceed without FAA approval), or for "work arounds", i.e., delays in work where certain wetland fill permits or right of way acquisitions have been delayed (in case of Contract B and possibly Contract C). Before the Port awards any of the contracts, it will be necessary for the parties to reach a final agreement on how to handle the increase of the Project budget over \$97.5 million, how to handle possible excess costs over the Project budget, and how to proceed with construction of the Project in segments given the possibility that all development approvals for all segments might not ultimately be secured or that the parties may not be able, in the future, to come to agreement on responsibility for costs of the Project that exceed the Project budget. The proposed contract would provide for the following special provisions: an extension of the period allotted to award the contract after bids are received; an extended period of up to 18 months after contract award before notice to proceed need be given; ability of the Port to terminate the contract for convenience; and a work around provision where the Contractor must work around areas requiring permitting. Extension of the time required to award the contract from 45 days to 60 days is needed to ensure that the partners to the Project

agree to the contract award, that there is adequate time before award to resolve unexpected issues that arise after bid opening. The provision to allow the Port to give the notice to proceed up to 18 months from contract award is necessary to allow the Port to procure all necessary FAA and wetland fill approvals before the notice is given. Termination for convenience is required, because the Project may be terminated in the event of cost overruns. If the Contractor is allowed to proceed with the contract work without all the permits in hand, and without completion of all outside utility agencies' work, the Contractor will be required to work around the affected areas without penalty to the Port. It was recommended that the plans and specifications be approved and authorization be given to advertise for bids to be received on May 14, 1999, and that the time to let the contractor be extended to 60 days after bid opening. It was also recommended that the Executive Director be authorized to extend the last date to receive bids, as may be appropriate. The recommendation was approved on passage of Resolution No. 99143.

Plans and Specifications for Widening of 98th Avenue West of I-880, Airport Roadway Project, MOIA (Contract C) 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 widening of 98th Avenue west of I-880. The recommendation includes all of the provisions as detailed for Contract A (Harbor Bay Parkway). The recommendation was approved on passage of Resolution No. 99144.

Plans and Specifications for Construction of Doolittle Drive and Airport Drive Interchange, Airport Roadway Project, MOIA, (Contract B) 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 Doolittle Drive and Airport Drive interchange. The recommendation includes all of the provisions as detailed for Contract A (Harbor Bay Parkway). The recommendation was approved on passage of Resolution No. 99145.

Approval of Change Order for "Construction of Aircraft Rescue and Fire Fighting 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 C. Overaa & Co. (Overaa) for the

construction of Aircraft Rescue and Fire Fighting Facility at the Airport. The effective date was April 2, 1997, at a lump sum and unit prices totaling \$8,381,000.00. The work consists of building a one-story structure of approximately 35,000 square feet to serve as a fully operational Aircraft Rescue and Fire Fighting (ARFF) facility. The contract documents call for installing nine wall-mounted air hose reels located at columns between door openings. The original design was based on input received from the Port's firefighters based on their operating criteria. The operation of the facility has now been turned over to the Oakland Fire Department, and its operational needs are slightly different. The fire vehicles have the quick-release air couplings connected at all times to an air supply to keep the air-brakes charged. Since these vehicles are of different makes and models, the receptacles for these couplings are at different locations on the various vehicles. Use of the wall-mounted air hose reels requires that the air hoses be laid across the floor, resulting in potential tripping hazards, and possible damage during the dispatch of the fire vehicles from the facility. It was recommended that the Chief Engineer be authorized to issue a change order in the amount of \$52,000.00 to Overaa for furnishing and installing twenty supports; furnishing and installing eleven new air hose reels; re-installing nine air hose reels furnished under the original contract; and all associated piping. The recommendation was approved on passage of Resolution No. 99116.

Approval of Change Order 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 that the Port has a contract with Rosendin Electric, Inc. (Rosendin) for the replacement of cable and conduit for Airfield Lighting System at the Airport. The effective date was July 20, 1998, at a lump sum and unit prices totaling \$1,326,486.37. The work consists of furnishing and installing new conduits and cables; furnishing and installing new cables in existing spare conduits; and replacing existing cables with new cables in existing conduits for the Airport taxiway and runway lighting systems. One of the tenants, Artisan Manufacturing Company (Artisan), will be relocated to a site near the future Port Aviation Facility Complex in accordance with their lease agreement with the Port. In November 1998, the Port agreed to provide power to Artisan's new facility on or before July 1, 1999. It is necessary to construct the power

infrastructure that will serve Artisan and the future Aviation Facility Complex as quickly as is feasible. It was recommended that the Chief Engineer be authorized to issue a change order in the amount of \$166,283.00 to Rosendin for the construction of the new power infrastructure that will serve Artisan Manufacturing Company and the future Port Aviation Facility Complex. The recommendation was approved on passage of Resolution No. 99117.

Acceptance of Federal Aviation Administration (FAA) Grant Offer for AIP-22 was the subject of a memo to the Board from the Director of Engineering notifying the Board that on February 16, 1999, the Board approved the submittal of an Airport Improvement Program (AIP) grant application to the FAA to fund the construction of overlay for a portion of Taxiway D Southwest of Building L-610, a portion of Taxiway C Southwest of Building L-550, Taxiway J and the Parking Apron Southwest of Building L-118 project. The total estimated cost of the project is \$3,520,000. The FAA share under this grant for the first half of the federal fiscal year 1999 is \$1,832,551 and the second half is \$1,004,217 with the remaining Port share of \$683,232. It was recommended that the Board ratify the acceptance of the FAA Grant Offer of \$1,832,551 under AIP-22 entitlement funds for the first half of the federal fiscal year 1998-1999. The recommendation was approved on passage of Resolution No. 99118.

Approval of Lease with the City of Oakland for Estuary Park and Approval of Funding for the Jack London Aquatic Center was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Port enter into two leases with the City of Oakland for the development and operation of the Estuary Park in 1969. The two leases included one for the Boat launching area, parking and water area in the amount of 8.3 acres (this lease had a 20-year term), Parcel A. The other lease was for the park area for 4.5 acres and covered most of the landside of the Park south of the waterhouse (Parcel B), that lease had a lease term that was 30 years. The proposed new lease would combine the parcels into one parcel, and provide a new lease to the City of Oakland at \$1.00 per year for an initial term of 30 years with one 30-year option to extend. A non-profit organization, called the Jack London Aquatic Center, Inc. (JLAC, Inc.) has spent several years planning, working with other non-profits, the City and the Port for the

purpose of designing and building an aquatic center at Estuary Park. Through the efforts of the non-profit a preliminary design and construction drawing has been developed, and a BCDC permit has been obtained. The Jack London Aquatic Center (JLAQ) will be construed and operated by the Jack London Aquatic Center, Inc. Board, under agreement with the City. The City of Oakland will have some operational responsibility of the facility and use the facility to operate some of their programs presently operating from Lake Merritt. Other groups that would be tenants of the JLAQ would include groups such as the Oakland Strokes, the Lake Merritt Rowing Club and various other non-profits as well as private rowers. The building will also contain some meeting and public space on the second floor. The building will be 15,600 square feet and will be a 37-foot tall two-story structure. It will occupy approximately 7,000 square feet of land area on the Estuary Park site. In addition, there will be a 1,500 square foot sailboat dock and a 4,050 square foot rowing dock to be installed on the site. While the JLAC, Inc. has provided much of the effort thus far to get the boathouse funded and opened, \$1.5 million of the development costs will come from the City of Oakland utilizing funds obtained from Parks and Open Space Bond Measure approved by Voters, (Measure K Series 1997 Series C). The Port has committed in the draft lease with the City \$500,000.00 in cash for the development of the JLAC. The new lease agreement which has been negotiated with the City over the last couple of years, provides for the original two Parcels to be combined into one parcel; the lease term is for 30 years with one 30-year option to extend the term; the rent paid to the Port by the City is \$1.00 per year; the Port has agreed to contribute \$500,000.00 to the construction of the Boathouse facility; if there is contamination found on the site excavation that the Port would agree to pay, on a matching dollar-for-dollar-basis with the City, up to \$150,000.00 of the Port's funds for the cleanup of the site; part of the \$500,000.00 agreed to be paid by the Port has been expended for the preparation of CEQA documents and other assistance relative to permitting the development, this expenditure as of March 16, 1999 is \$31,361.00, the lease allows the Port to deduct these expenditures from the amount payable to the City; and the \$500,000.00 is budgeted in the Commercial Real Estate's Division CIP. It was recommended that the Board approve a new lease with the City of Oakland for Estuary Park and for the contribution to

the City of \$500,000.00 for the construction of the boathouse. The recommendation was approved on passage of an ordinance to print.

Jack London Square Parking Rates and Charges, Amendment to the Parking Rates

Ordinance was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that in May 1998, the Board approved modifications to the Jack London Square parking rate ordinance for the establishing of new parking rates and charges as they apply to the monthly parking for the Jack London Square with the present market conditions for parking in downtown Oakland as they currently exist, Port staff has determined that the monthly parking rate program, despite adjustments for the last two year are still below market. To qualify for parking on a monthly basis, the parking tenant must be a Port employee or an employee of one of the tenants at Jack London Square. It was recommended that the Board authorize an increase in the monthly parking rates by 10 percent rounded to the nearest whole dollar. The new fees will increase the total parking revenue from this source by \$3,300.00 per month, which will increase the parking revenue for Jack London Square by about 1.6%. The recommendation was approved on passage of an ordinance to print.

Approval of a Building Permit Application for Jack London Aquatic Center at

Estuary Park, Embarcadero at Lake Merritt Channel was the subject of a memo to the Board from the Director of Engineering recommending approval for the construction of a building and dock improvements at Estuary Park, under agreement with the City of Oakland, which leases the land from the Port. The new facilities will be occupied and operated in conjunction with the Oakland Parks and Recreation Department. The proposed building will be a 16,000 square foot multi-purpose aquatic center on a portion of the existing parking lot and unimproved land adjacent to the Lake Merritt Channel shoreline. The facility will include an administrative office, classroom/conference room, lockers and restroom facilities, and five boat storage bays. The building will be two-stories with an octagonal roof and cupola at the end facing the street and wood siding. The design has been reviewed by BCDC and the Port's Design Review Committee. This proposed work will include construction of a 2-story 16,000 square foot building; installation of a

new ramp and dock in the channel within the pier head line; installation of landscaping and site improvements, including parking alterations; installation of lighting and utilities to serve the new activities; and construction of a boat storage area, approximately 25 feet by 120 feet between the new building and the existing warehouse on the adjacent site and the storage area will be a simple rectangular building which may be left uncovered. The estimated value of the work is \$1,900,000.00. The recommendation was approved on passage of Resolution No. 99119.

Approval of a Building Permit Application for Remodel of Shenanigan's Restaurant at Jack London Village was the subject of a memo to the Board from the Director of Engineering recommending approval for the remodeling of Shenanigan's Restaurant. The proposed project will convert the business to a banquet-only facility, changing the functioning of the upper level of the facility from the current walk-in restaurant to a banquet service. The ground floor is currently used only for banquets. The existing core area-restrooms, kitchen, offices, in the northeast corner of the building, will not be altered. The remodeled facility will have five separate banquet rooms. The project will upgrade the structure with steel beams to eliminate the wood columns in the middle of the spaces, bringing the structure up to current seismic standards and allowing more flexibility of use. The project will also expand the building approximately 200 square feet to square off irregular exterior walls on the north and west sides. The work will include construction of a new steel structure on the upper and lower levels; construction of a new exterior walls on the north and west sides to match the existing walls; construction of a new roof over the south-facing second-floor banquet room; removal of existing wood posts, shed roof, and other existing elements being replaced; and installation of new fixtures, furnishings, and equipment in the remodeled spaces. The estimated value of the work is \$500,000.00. The recommendation was approved on passage of Resolution No. 99120.

Approval of Consultant Agreements for Geotechnical Design Services for Berths 57/58 Yard and Gate, Inner Harbor Channel, Vision 2000 Program was the subject of a memo to the Board from the Director of Engineer notifying the Board that the Port's Vision 2000 Program consists of Container Terminals (Berths 55, 56, 57, 57, 58 and 59), the Realignment of 7th Street

and Construction of "New Road", the Joint Intermodal Terminal (JIT) and the Middle Harbor Shoreline Park (MHSP), all along the north side of the Inner Harbor Channel. Currently, the Container Terminals at 55 and 56, the roadways, the JIT and MHSP are in design. We are now ready to commence the design efforts for the Container Terminals at Berth 57 and 58. The Container Terminal is comprised of wharves, container yard and gate facilities and terminal buildings. It is proposed to have a number of design consultants assist the Port in this effort. This proposed consultant is to provide geotechnical design services for the construction of the Berths 57 and 58 yard and gate. It was recommended that the Board authorize the preparation and execution of an agreement with Golder Associates, Inc./Kleinfelder Associates, Inc. (Joint Venture). It is anticipated that the amount of the agreement will not exceed \$400,000.00 and it was requested that the Executive Director be authorized to approve up to an additional \$100,000.00 for potential changes in scope. It is necessary to begin design work immediately after the final scope and terms are agreed upon in order to meet the project schedules. Therefore it was also proposed that the Executive Director be authorized to prepare and execute professional service agreements based on these negotiations. The recommendation was approved on passage of Resolution No. 99147 with Commissioner Uribe abstaining.

Approval of Consultant Agreement for Geotechnical Design Services for Berths 57, 58 and 59 Wharf Inner Harbor Channel, Vision 2000 Program was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port's Vision 2000 consists of Container Terminals (Berth 55, 56, 57, 58 and 59), the Realignment of 7th Street and Construction of "New Road", the Joint Intermodal Terminal (JIT) and the Middle Harbor Shoreline Park (MHSP), all along the north side of the Inner Harbor Channel. Currently, the Container Terminals 55 and 56, the roadways, the JIT and MHSP are in design. We are now ready to commence the design efforts for the Container Terminals at Berths 57 and 58. The Container Terminal is comprised of wharves, container yard and gate facilities and terminal buildings. The proposed consultant is to provide geotechnical design services for construction of the Berths 57, 58 and 59 wharf. It was recommended that the Board approve the agreement with Geomatrix Consultants,

Inc. for the Geotechnical Design Services. The amount of the agreement will not exceed \$750,000.00 and it was recommended that 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. 99121.

Approval of Consultant Agreements for Engineering Design Services for the Wharf at Berths 57 and 58, Inner Harbor Channel, Vision 2000 Program was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port's Vision 2000 consists of Container Terminals (Berth 55, 56, 57, 58 and 59), the Realignment of 7th Street and Construction of "New Road", the Joint Intermodal Terminal (JIT) and the Middle Harbor Shoreline Park (MHSP), all along the north side of the Inner Harbor Channel. Currently, the Container Terminals 55 and 56, the roadways, the JIT and MHSP are in design. The Container Terminal is comprised of wharves, container yard and gate facilities and terminal buildings. This proposed consultant is to provide engineering design services for construction of the wharf at Berths 57 and 58. It was recommended that the Board approve the agreement Liftech Consultants for the engineering design services. The amount of the agreement will not exceed \$2,300,000.00 and it was recommended that the Executive Director be authorized to approve up to an additional \$450,000.00 for potential changes in scope. It is necessary to begin design work immediately after the final scope and terms are agreed upon in order to make the project schedules. The recommendation was approved on passage of Resolution No. 99122.

Approval of First Supplemental Agreement with GAIA Consulting, Inc. to Prepare Environmental Documentation for the Joint Intermodal Terminal 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 150 acres of the former Navy Fleet Industrial Supply Center, Oakland (FISCO) into a container freight rail yard. This project is known as the Joint intermodal Terminal (JIT), and consists of the development of eight sets of railroad tracks, an access gate, and auxiliary administrative and maintenance facilities. The Port has prepared an Initial Study for this project and is in the process of preparing an Environmental Impact Report (EIR) under the California

Quality Act (CEQA). Certification of the EIR is anticipated on June 15, 1999. The original scope of work for the preparation of the JIT EIR assumed significant elements of the analysis would be available from the ongoing Berths 55-58 environmental documentation. The original scope further assumed that the EIR would be a very brief document, tiered off of FISCO base closure EIR/S, focusing only on a very limited set of potential impacts. However, community and regulatory sensitivity to the project requires a more comprehensive document, addressing a broader range of issues and putting significant effort into the technical analyses and methods of communicating the complex project issues. In addition, the project description and local surroundings (i.e., UP relocation) have been refined since the original scope and additional documentation and analysis have been required due to oversight from the Federal Highway Administration. In some cases, this additional work not called for in the original scope of work, and in others there was a greater level of effort required than originally anticipated. The Port currently has an agreement with GAIA Consulting, Inc. to prepare environmental documentation for the JIT project. The current maximum authorized compensation under the existing contract is \$318,100.00. An additional \$67,900.00 is available to be authorized by the Executive Director, none of these additional funds have been so authorized to date. It was recommended that the contract with GAIA Consulting, Inc. be supplemented to include the additional work for a cost not to exceed \$300,000.00; this will increase the total maximum allowable compensation to \$618,100.00. If the Executive Director should later exercise his authorization to approve additional work, the maximum compensation would be increased accordingly. The recommendation was approved on passage of Resolution No. 99123.

Approval to Dispense with Formal Bids to Purchase Electrical Equipment and Material to Power Dredge Equipment and New Harbor Substations was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port is currently designing new Marine Terminal berths at the former Navy Fleet Industrial Supply center Oakland (FISCO) site. These designs include all necessary utilities. The construction of these Berths will require dredging of the bank area currently occupied by the Union Pacific (UP) tracks. To meet the

schedule for the dredging work, a portion of the electrical distribution system must be constructed on a faster track than the rest of the utilities at the Vision 2000 site. Former dredging projects have relied on dredge barges that are powered by combinations of diesel and electric equipment. In order to reduce potential air emission impacts associated with the development of the Marine Terminals, the Port intends to use an all-electric dredge barge, with power to be supplied from shore. To meet these goals the Port must purchase and install medium voltage substation equipment, overhead and underground electric lines, and associated equipment prior to the commencement of dredging work. As purchase of electric substation equipment requires long lead times, it is proposed to dispense with formal bids for the purchase of this equipment and solicit proposals to purchase it on the open market. The required electric equipment is estimated to cost approximately \$550,000.00. The proposed electric distribution system will be installed as part of the proposed Berths 55-58 project for which the Port is preparing a final EIR presently scheduled for Board review on April 20, 1999. The Port would not commit to purchasing the electrical equipment until after the Board certifies the EIR and approves the Berths 55-58 project. Because of the need to supply power to the dredge barge for construction of Berths 55/56 at the Fleet Industrial Supply Center Oakland in compliance with the construction schedule, it was recommended that it be found to be in the best interest of the Port to dispense with formal bidding procedures to purchase the equipment and that the Executive Director, subject to the Board's prior certification of the Final EIR for the Berths 55-58 project and the Board approval of the Berths 55-58 project, be authorized to execute a purchase order contract based on the receipt of informal quotations. The recommendation was approved on passage of Resolution No. 99124.

Modification to Compensation Terms for License and Concession Agreement with Marine Terminals Corporation for Operation of U.S. Army Pier 7 was the subject of a memo to the Board from the Director of Maritime notifying the Board that a Supplemental Agreement with the U.S. Army was approved through its designee, the Corps of Engineers, for the rental of Oakland Army Base Berth 7, which consists of approximately 25 acres. Berth 7 includes berthing area and a storage shed which is conducive to staging and storing of steel commodities. In addition

to Berth 7, the Port also has a Lease Agreement with the U.S. Army for Oakland Army Base Berths 8 and 9, totaling about 38 acres. This parcel is presently used as an overflow area to support Maritime operations. Concurrent with the Board approval of the Supplemental Agreement with the U.S. Army, the Board also approved a License and Concession Agreement with Marine Terminals Corporation (MTC) to operate Berth 7 as a breakbulk terminal with emphasis on imported steel products. This facility was subsequently named the Burma Road Terminal (BRT). The License and Concession Agreement is subordinate to the Supplemental Agreement between the Port and the Army. The initial term was for 5-1/2 months from February 18, 1998 through July 1, 1998. The Agreement with MTC is currently in holdover status and provides the Port a monthly minimum guarantee of \$46,000.00, generated from the Port's tariff charges for dockage, wharfage, wharf demurrage and storage activity. Additionally, the Port receives revenue sharing for monthly cargo activity which exceeds Port tariff monthly revenues of \$46,000.00 (First Breakpoint/Guarantee) and \$98,000 (second Breakpoint). Both the Port and MTC felt the BRT would offer breakbulk customers with more competitive facility with which to compete for imported steel products. For most of 1998, the Port did realize revenue sharing which exceeded the monthly compensation guarantees. However, in recent months MTC has experienced increasing difficulty to meet their monthly minimum guarantee of \$46,000.00 due to a variety of operational and trade factors. The Port is therefore proposing an adjustment to the compensation provisions to allow MTC to be able to compete for breakbulk cargo. MTC will continue to pay the Port the monthly minimum of \$46,000.00 for a four month period commencing April 1, 1999. There shall not be any additional revenue sharing to the Port during the four month period ending July 31, 1999 as MTC would keep all excess revenues which may exceed the monthly minimum and at the conclusion of the four month period, the Port will re-evaluate the BRT situation and decide whether it renegotiates a new agreement with MTC or another terminal operator. It was recommended that the Board approve the modification to the License and Concession Agreement between the Port and MTC. The recommendation was approved on passage of Resolution No. 99125.

Lease Agreement with Nextel of California, Inc. dba Nextel Communications (Nextel)
for Vacant Land in the Area Adjacent to the Ben E. Nutter Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board that Nextel, a leading telecommunications corporation, previously entered into a service contract with the Port to provide telephone and radio service. Coverage problems are now occurring in various locations throughout Port property. Nextel proposes to correct this by installing antennas on the south side of 7th Street just before the main entrance to the Ben E. Nutter Terminal. The installation site is a narrow strip of vacant land not suitable for other development and does not appear to interfere with maritime development projects. The proposed term of the Lease Agreement is for 5 years commencing July 1, 1999, with two 5-year options for extension. The intended rental is \$3,000.00 per month or \$36,000.00 annually. Annual rental adjustments would be based upon the percentage change in the Consumer Price Index, but not less than 3.5%. Nextel's proposed work includes installation of an 80-foot monopole and construction of equipment shelter measuring approximately 200 square feet. Estimated construction cost will amount to \$50,000.00. Nextel has submitted plans for a building permit and will post a bond of 15% of the estimated construction cost, but not less than \$7,500.00. Nextel, at its own costs, shall perform all maintenance, repairs and shall maintain the site in first class order and condition. If the Port ever requires the cell-site to be relocated, Nextel will be responsible and will bear all corresponding costs. Both Nextel and the Port shall have the right of early termination of the Lease Agreement. The Port may terminate early by paying Nextel the unamortized cost of equipment installation and removal. Nextel may terminate early by paying the Port an amount equivalent to 6 months rent. No relocation benefits would be granted on account of such early termination and cancellation of the Lease Agreement. It was recommended that the Board approve and execute a Lease Agreement with Nextel and approve a building permit. The recommendation was approved on passage of an ordinance to print.

Approve and Give First Reading to an Ordinance Authorizing an Exchange of Real Property Interests with BART and Authorize the Executive Director to Execute the Documents Necessary to Effect the Exchange was the subject of a memo to the Board from the

Director of Maritime notifying the Board that various real property interests, are part of an exchange between the Bay Area Rapid Transit District (BART) and the Port, which were necessary to facilitate the re-routing of Seventh Street and the construction of Berth 30 in the Outer Harbor. These property interests were covered by a permit previously approved by the Board and BART. This transaction "cleans-up" the detail and provides for recordation of the property interests. The Port will acquire a small (780 square foot) portion of BART owned land located adjacent to the BART vent and two access easements. In order to allow BART access to the ventilating system, the Port will convey to BART replacement access rights. The Port will pay BART \$7,500.00 to cover their administration fees and to compensate BART for the acquisition of the 780 square foot (\$9.62 psf) fee owned property. The prevailing market value of the land is estimated at \$10.80 plus/minus psf. This transaction has no effect on our present revenue stream. It was recommended that the Board approving the acquisition and conveyance of the property exchange with BART. The recommendation was approved on passage of an ordinance to print.

Approval of a Building Permit Application for Construction of Transmitter Building for ABC/KGO Radio at 3 Radio Tower Road was the subject of a memo to the Board from the Director of Engineering notifying the Board that ABC/KGO (KGO) has submitted a permit application to replace the existing transmitter building on their leased site north of the Bay Bridge Toll Plaza. The existing building is in disrepair, no longer weather-proof, and subject to tidal flooding. The building was previously occupied by KDIA, and includes studio and office space. KGO does not have on-site employees, and only requires a shelter for transmitter equipment. They propose to construct a smaller building and remove the existing building. The work will include installation of a prefabricated building, approximately 30 feet by 12 feet, on new concrete piers; demolition of the existing building, Port Building # A-101; and installation of transmitter equipment in the new building. It was recommended that the Board approve the building permit. The recommendation was approved on passage of Resolution No. 99126.

Plans and Specifications for 1999 Structural Inspection and Repair of Paceco Cranes X411 and X412, Berths 25 and 26, 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 structural inspection and repair of Paceco Cranes. The work consists of providing mobile cranes, rigging, and scaffolding required to gain access to test the welded and bolted joints on the container cranes. The work also includes removing paint from welds in preparing for non-destructive testing, replacing defective welds found, and touch-up painting of the tested or repaired areas. The project is categorically exempt and does not require the preparation of an environmental document. The recommendation was approved on passage of Resolution No. 99127.

Approval of Agreement with EBMUD for a Water Line at the Vision 2000 Projects

was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port is currently designing the Vision 2000 projects, which consist of Marine Terminals Berths 55-58, a Joint Intermodal Terminal (JIT), a road, and a park at the former Navy Fleet Industrial Supply Center, Oakland (FISCO)'s site. These designs include all necessary utilities. The East Bay Municipal Utility District's (EBMUD) water requirements for the construction of these facilities include new and relocated water main pipelines, water service connections, and public fire hydrants. EBMUD has determined that it will be necessary to install approximately 10,400 feet of 16-inch pipe and associated equipment, and 22 public fire hydrants to provide the needed water flow to comply with City of Oakland regulations. The new pipeline will connect to EBMUD's 16-inch pipeline on 7th Street in two locations, and to their 8-inch pipeline in Middle Harbor Road. An agreement has been prepared under which EBMUD will furnish a detailed design of the new water system, perform construction inspection utilizing EBMUD personnel, furnish most of the materials, and connect the new system into their existing pipelines. They also will deactivate 8 hydrants and the connections to those portions of the existing pipeline, which are to be abandoned. The cost for this work is \$578,965.00. The agreement also provides that the new water system will be owned by EBMUD, and that the Port will grant EBMUD an easement to maintain the system. Contractors hired by the Port will install the pipeline. It was recommended that the Executive Director be authorized to execute an agreement with EBMUD, subject to the provision that the Port shall not be obligated or responsible under the Agreement for other than design work unless and until the Board

certifies the Berths 55-58 EIR and approves the project. The recommendation was approved on passage of Resolution No. 99128.

Award of Contract for Demolition of Buildings D-333 and D-433, 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 LVI Environmental Services, Inc., the low bidder, at \$402,022.00. The recommendation was approved on passage of Resolution No. 99129.

Award of Contract for Demolition of Building D-341, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the fourteen bids received and recommending award of the contract to LVI Environmental Services, Inc., the low bidder, at \$233,800.00. The recommendation was approved on passage of Resolution No. 99130.

Personnel Items contained in a memo to the Board from the Director of Administration recommended appointment of Alfonso Loera, as Airport Operations Specialist, Airside/Landside, effective May 7, 1999, at \$5,105.00 per month; John Aidoo, as Chief Engineer, effective April 10, 1999, at \$9,029.00 per month; Jeffrey Rubin, as Associate Port Environmental Scientist, effective April 26, 1999, at \$4,861.00 per month; Dale Klettke, as Associate Port Environmental Scientist, effective May 26, 1999, at \$4,861.00 per month; Marsha Peterson, as Deputy Port Attorney III, effective April 19, 1999, at \$8,158.00 per month; Jacqueline Chow, as Risk Management Analyst, effective April 17, 1999, at \$4,905.00 per month; and Monica Tell, as Port Field Representative I, effective April 26, 1999, at \$3,834.00 per month. Further recommended the creation of Salary Schedule 91.9 in order to implement its assignment in the creation of new classification; creation of classification/positions needed to complete the implementation of the FY 98-99 Staffing Plan; amendment of salary schedule assignments to implement the recommendations of a classification and salary study; title change for the classification of Manager of Management Information Systems to Chief Technology Officer; termination of Ms. Shirlee Milton, Senior Typist Clerk, effective April 6, 1999; and amendment of appointments for Shirley Osby, as Custodian, effective April 6, 1999

March 22, 1999, from salary rate "a" to salary rate "c", James E. Allen, Jr., as Deputy Port Attorney III, effective January 23, 1999, from salary rate "a" to salary rate "c", and Relief Airport Custodians effective March 22, 1999, from Erik Darra and Mobeen Sheikh to Erik Parra Estrada and Sheikh A. Mobeen. The recommendations were approved on passage of Resolution No. 99131 for appointments; Resolution No. 99132 for ratifying certain appointment; Resolution No. 99133 for termination; Resolution No. 99134 for amending certain appointments; and an ordinance to print for amending salary schedules and creating new and additional positions.

Authorization to Purchase Necessary Replacement System Components and Remediation Services for the Port of Oakland Year 2000 Compliance Project (Besides

Oakland International Airport) was the subject of a memo to the Board from the Deputy Executive Director notifying the Board that since 1996, the Port has been working on the Year 2000 (Y2K) systems compliance and remediation project. The earlier efforts were centered on converting Port's common business application systems and information infrastructure to become Y2K compliant. These projects, including the implementation of the new financial software package, were carried out by the Port with Board approved CIP or operating budget. However, some of the more difficult Y2K compliance testing and remediation involve the sub-systems with embedded processors. These sub-systems control everything from elevator, parking gate controller, security access controllers, crane motor and controller, to building heating ventilation and air conditioning systems. A thorough testing and certification of these sub-systems needs to be performed and documented to insure the Port has exercised "due diligence" in the remediation of all potential Y2K problems. Similar to the Airport's Y2K remediation project, this request is submitted for the Board's authorization for expenditures required for the same purpose within the Maritime, Commercial Real Estate (CRE), Oakland Portside Associates (OPA), and Engineering divisions, and for miscellaneous expenses incurred by the Port Y2K Compliance Project Office.

Responsible Port staff has completed a system inventory compilation and consolidation. It is estimated that costs associated with acquiring external expertise and services will amount to \$250,000.00. This estimate does not include the required Port staff resources and cost allocation of

an estimated additional \$150,000.00. A break down of these Y2K Compliance Project replacement system components and remediation services costs is CRE, OPA and Engineering building infrastructure, \$65,000.00; Maritime Division – Cranes and terminal infrastructure, \$120,000.00; and Port Y2K Compliance Project Office (Contingency planning, Web-site maintenance and miscellaneous expenses), \$65,000.00. The cost for this program was not included in FY 98-99 division/department operating budget, nor scheduled as a Port CIP project. The funding source will be from Port cash with the Board approval. Efforts will be made whenever possible to obtain the most competitive prices through the California State General Services Administration (GSA) agreements with the state and local suppliers. To keep pace with the overall Port Y2K Compliance Project schedule, and to assure timely completion of all critical tasks within the Port, it was recommended that the Board find it in the best interest of the Port to proceed with informal quotations for the purchase of the necessary equipment and services through open market procurement, GSA or other cooperative arrangement, and that the Executive Director be authorized to make these purchases. The recommendation was approved on passage of Resolution No. 99135.

Authorization to Perform Search Services for the Position of Internal Auditor was the subject of a memo to the Board from the Director of Administration notifying the Board that twenty executive search firms were identified by a team of three members from the Port: the Chief Financial Officer, the Equal Employment Opportunity (EEO) Director and the Human Resources Management Assistant. It was recommended that the Board approve a contract with Hart & Estrada, an executive search and consulting firm, to provide executive recruitment services for Port Internal Auditor, at a flat fee of \$22,500.00. The recommendation was approved on passage of Resolution No. 99136.

Approval of Supplemental Agreement with Frank Lee Associates for Consulting Services was the subject of a memo to the Board from the Director of Administration notifying the Board that in March of 1998, the Board retained the consulting services of Frank Lee Associates to assist the Board and the Executive Director in development of a performance evaluation instrument and succession plan for the Executive Director position. On June 9, 1998, the Board approved an April 6, 1999

amendment of the consultant services agreement to complete certain work elements related to the contract. In furtherance of the contract objectives, it is beneficial to extend the agreement for consulting services to provide meeting facilitation and related planning services on a quarterly basis for Port management. It was recommended that the Board approve the \$12,000.00 plus incidental costs for additional meeting facilitation services for Frank Lee Associates. The recommendation was approved on passage of Resolution No. 99137.

Authorization to Dispose of Surplus Equipment was the subject of a memo to the Board from the Chief Financial Officer recommending that the following equipment and materials are obsolete or no longer required for Port operations. A Port-wide program has been instituted to ensure employees have ergonomically suitable chairs. This has resulted in approximately 75 surplus chairs. The personal computers are 486 models, technically obsolete and unable to perform functions required by Port personnel. It is customary for the Port to donate surplus furniture and personal computers to non-profit organizations. The piles comprise 293 feet and are damaged or too short for use by the Port. The scrape metal includes sprinkler heads, scrape equipment and iron. The special purpose vehicles are 1960s models and are no longer operational. The crane and the fire trucks are in need of repair and the scrap metal and the special purpose vehicles will be sold to the highest bidder. It was recommended that the Board declare the chairs, personal computers, piles and special purpose vehicles as surplus and authorize the Executive Director to dispose of this equipment through donation or sale. The recommendation was approved on passage of Resolution No. 99138.

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

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

Noes: None

Absent: Commissioner Harris and President Loh - 2

“RESOLUTION NO. 99113

APPROVING THE OCCUPANCY AGREEMENT WITH CITY OF OAKLAND, FOR
THE OAKLAND FIRE SERVICES ADMINISTRATION.”

"RESOLUTION NO. 99114

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR CONSTRUCTION OF PARTIAL OVERLAY OF RUNWAY 11-29, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS."

"RESOLUTION NO. 99115

RATIFYING EXPENDITURES AND FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH TEECOM DESIGN GROUP FOR CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

"RESOLUTION NO. 99116

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. 3-06-0170-12."

"RESOLUTION NO. 99117

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH ROSENDIN ELECTRIC, INC. FOR REPLACEMENT OF CABLE AND CONDUIT FOR AIRFIELD LIGHTING SYSTEM, SOUTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA."

"RESOLUTION NO. 99118

RATIFYING AND APPROVING ACCEPTANCE OF FEDERAL AVIATION ADMINISTRATION GRANT OFFER FOR AIP-22."

"RESOLUTION NO. 99119

GRANTING JACK LONDON AQUATIC CENTER, INC., PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 99120

GRANTING OAKLAND VILLAGE CORPORATION, PERMISSION TO PERFORM CERTAIN WORK."

"RESOLUTION NO. 99121

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

“RESOLUTION NO. 99122

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH LIFTECH CONSULTANTS, 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. 99123

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH GAIA CONSULTING, 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. 99124

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE OF ELECTRICAL EQUIPMENT AND MATERIAL TO POWER DREDGE EQUIPMENT AND NEW HARBOR SUBSTATIONS, FLEET INDUSTRIAL CENTER, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 99125

APPROVING AND AUTHORIZING EXECUTION OF A FIRST SUPPLEMENTAL AGREEMENT FOR LICENSE AND CONCESSION AGREEMENT WITH MARINE TERMINALS CORPORATION FOR MODIFICATION TO COMPENSATION TERMS.”

“RESOLUTION NO. 99126

GRANTING ABC/KGO RADIO, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99127

APPROVING PLANS AND SPECIFICATIONS FOR 1999 STRUCTURAL INSPECTION AND REPAIR OF PACECO CRANES X411 AND X412, BERTHS 25 AND 26, OUTER HARBOR TERMINAL, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99128

APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE EAST BAY MUNICIPAL UTILITY DISTRICT FOR THE INSTALLATION OF A WATER LINE AT THE VISION 2000 PROJECT.”

"RESOLUTION NO. 99129

AWARDING CONTRACT TO LVI ENVIRONMENTAL SERVICES, INC., FOR DEMOLITION OF BUILDINGS D-333 AND D-433, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 99130

AWARDING CONTRACT TO LVI ENVIRONMENTAL SERVICES, INC. FOR DEMOLITION OF BUILDING D-341, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 99131

CONCERNING CERTAIN APPOINTMENTS."

"RESOLUTION NO. 99132

RATIFYING CERTAIN APPOINTMENT OF ALFONSO LOERA, AIRPORT OPERATIONS SPECIALIST, AIRSIDE/LANDSIDE."

"RESOLUTION NO. 99133

TERMINATING APPOINTMENT OF SHIRLEE MILTON."

"RESOLUTION NO. 99134

AMENDING PORT RESOLUTION NOS. 99081, 99030, AND 99108 CONCERNING CERTAIN APPOINTMENTS."

"RESOLUTION NO. 99135

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO PURCHASE NECESSARY REPLACEMENT SYSTEM COMPONENTS AND REMEDIATION SERVICES FOR THE PORT OF OAKLAND YEAR 2000 COMPLIANCE PROJECT (BESIDES OAKLAND INTERNATIONAL AIRPORT) WITHOUT COMPETITIVE BIDDING."

"RESOLUTION NO. 99136

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

“RESOLUTION NO. 99137

FINDING AND DETERMINING THAT A PROPOSED SECOND 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. 99138

FINDING AND DETERMINING THAT CERTAIN MOTOR VEHICLES AND EQUIPMENT OWNED BY THE PORT ARE NO LONGER REQUIRED FOR PORT USE AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SELL, DONATE OR SCRAP SURPLUS VEHICLES AND EQUIPMENT.”

“RESOLUTION NO. 99139

GRANTING OAKLAND PORTSIDE ASSOCIATES, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99140

GRANTING THE HERTZ CORPORATION, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99141

GRANTING PACIFIC RIM TRANSPORTATION, INC. PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99142

GRANTING THE ENTERPRISE RENT A CAR, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99143

APPROVING PLANS AND SPECIFICATIONS FOR IMPROVEMENTS TO HARBOR BAY PARKWAY, AIR CARGO ROAD, AIRPORT DRIVE, AND CONSTRUCTION OF TAXIWAY B BRIDGE, AIRPORT ROADWAY PROJECT, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA (CONTRACT A), AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99144

APPROVING PLANS AND SPECIFICATIONS FOR WIDENING OF 98TH AVENUE WEST OF I-880, AIRPORT ROADWAY PROJECT, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA (CONTRACT C), AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99145

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF DOOLITTLE DRIVE AND AIRPORT DRIVE INTERCHANGE, AIRPORT ROADWAY PROJECT, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA (CONTRACT B), AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99146

DETERMINING THAT THE NEED TO TAKE IMMEDIATE ACTION REGARDING ALAMEDA OAKLAND FERRY SERVICE AND THAT THE NEED TO TAKE ACTION CAME TO THE ATTENTION OF THE BOARD SUBSEQUENT TO THE AGENDA BEING POSTED.”

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

Ayes: Commissioners Kiang, Neal, Taylor,
and First Vice President Kramer - 4

Noes: None

Abstained: Commissioner Uribe - 1

Absent: Commissioner Harris and President Loh - 2

“RESOLUTION NO. 99147

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH GOLDER ASSOCIATES, INC. AND KLEINFELDER ASSOCIATES, INC., 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.”

Port Ordinance No. 3492 being, “AN ORDINANCE AMENDING SECTION 10.10 OF PORT ORDINANCE 1149 RELATING TO CHARGES FOR THE EMPLOYEE PARKING FACILITY AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. 3493 being, “AN ORDINANCE AMENDING SECTION 10.017 OF PORT ORDINANCE NO. 867, ADDING ADDITIONAL POSITION WITHIN EXISTING PORT CLASSIFICATION,” were read a first time and passed to print by the following vote:

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

Noes: None

Absent: Commissioner Harris and President Loh - 2

Port Ordinance No. ____ being, "AN ORDINANCE AUTHORIZING THE EXECUTION OF AN OCCUPANCY AGREEMENT BETWEEN THE PORT AND CITY OF OAKLAND, FOR THE OAKLAND FIRE SERVICES ADMINISTRATION," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING THE COLLECTING AND SPENDING OF PASSENGER FACILITY CHARGES AND AMENDING SECTION 28 TO PORT ORDINANCE NO. 1149 RELATED TO APPLICATIONS 1, 2, 4 AND 6 AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH THE PORT OF OAKLAND AND CITY OF OAKLAND (ESTUARY PARK) AND APPROVING FUNDING FOR JACK LONDON AQUATIC CENTER," and 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 EXECUTION OF A LEASE AGREEMENT WITH NEXTEL OF CALIFORNIA, INC," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING THE EXECUTION AND DELIVERY OF A PROPERTY EXCHANGE AGREEMENT AND A GRANT OF EASEMENT AGREEMENT WITH THE SAN FRANCISCO BAY AREA RAPID TRANSIT," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTION 2.01, OF PORT ORDINANCE NO. 867 AND CREATING NEW AND ADDITIONAL POSITIONS," were read a first time and passed to print by the following vote:

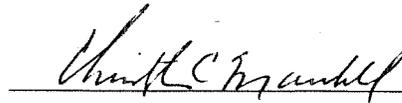
Ayes: Commissioners Kiang, Neal, Taylor, Uribe
and First Vice President Kramer - 5

Noes: None

Absent: Commissioner Harris and President Loh - 2

At the hour of 5:58 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: Port 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 (d) of Section 54956.9: 2 matters; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: property – Approximately 46 acres of real property at Oakland Airport required for proposed Airport Roadway Project right-of-way, negotiating parties – Port, Alameda County Transportation Authority and City of Oakland, under negotiation - price and terms of payment; and reconvened in open session at the hour of 7:40 p.m.

At the hour of 7:45 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, March 16, 1999, 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, Taylor,
Uribe and President Loh - 6

Commissioners absent: Neal - 1

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; General Manager, South Airport; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Chief Engineer; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

The minutes of the regular meeting of February 2, 1999; adjourned regular meeting of February 10, 1999; and special meeting of February 16, 1999 were approved as submitted and ordered filed.

Approval of Second Supplemental Agreement with Pierre Murphy, Esquire, for Air Service Development was the subject of a memo to the Board from the Director of Aviation notifying the Board that a component of the Aviation Division's air service development program is the use of a Washington, D.C.-based representative to identify new route and service opportunities, facilitate contact with target airlines, ensure Port representation in Department of Transportation negotiations, and represent the Port in appropriate route proceedings. For the past three years, the Port has used the services of Pierre Murphy, an aviation consultant, for these efforts. During this time Mr. Murphy has been responsible for the establishment of service by Corsair, CityBird and World Airways at the Airport. He played a major role in Taesa beginning service in 1993 and the favorable treatment of the Port in the recent U.S.-Japan bilateral agreement.

These efforts have contributed to the financial success of the airport and have provided the Port with a high profile presence with regard to aviation issues in Washington. The services performed by Mr. Murphy are unique to aviation and include representation of the Port in aviation-related matters before the U.S. Department of Transportation and U.S. Department of State, as well as subcontracting assistance in economic analysis. In June 1997, the Port entered into a two-year Supplemental Agreement with Pierre Murphy to perform the services. Due to an administrative error in the contract, the completion date was erroneously recorded as December 31, 1999 rather than December 31, 1998 (thus rendering contract for three years). Mr. Murphy has continued to provide consulting services since January 1, 1999 on behalf of the Port. Mr. Murphy does not perform legal services for the Port, and any information concerning the Port which Mr. Murphy has or becomes aware of will be kept strictly confidential. It was recommended that Mr. Murphy's contract be extended for an additional two years at a cost of \$50,000.00 per year. The services provided by Mr. Murphy will be evaluated on an annual basis and the contract will permit either party to terminate the agreement on 30 days notice. Under the proposed amended Supplemental Agreement, Mr. Murphy will continue to perform the following services, including but not limited to on-going airport marketing efforts with airlines and tour operators for the purpose of increasing aviation-related commerce at the Airport. Mr. Murphy will advise Aviation Division management on regulatory issues with respect to bilateral air service agreements and related matters that involve the interests of the Airport, as well as important trends and matters involving the commercial aviation industry for the purpose of fulfilling the Airport's marketing goals and objectives. The recommendation was approved on passage of Resolution No. 99091.

Approval of Consultant Agreement for Customer Service Program Joint Venture at Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that the "Airport Ambassador" program, developed by the Service Institute, has helped the Port to make major strides to increase customer service by all staff at the Airport including Port employees and tenants who must work together to create positive impressions and deliver high quality service to our travelers annually. One thousand employees

were targeted for training during the first phase of the contract which began in 1994, and that goal was exceeded by more than 40 percent with nearly 1,600 front-line staff 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. It was recommended that the Board enter into a three-year joint venture between the Service Institute and Amistad Associates/InPartnership for a total amount of \$250,000.00 beginning fiscal year 1998. Amistad/InPartnership is a training consultant organization with over 18 years of experience in customer service training and has assisted private and public employers with assessing needs, developing and implementing customer service programs. The recommendation was approved on passage of Resolution No. 99092.

Approval of Application to the Congestion Management Agency for Funding Under Federal 75% Program was the subject of a memo to the Board from the Director of Aviation notifying the Board that in November, 1998, the Port prepared a project submittal to the Congestion Management Agency (CMA) for grant funding for the North Field Infield Roadway. The project was included in the countywide program approved by the CMA Board in December, 1998. The program has now been forwarded to Metropolitan Transportation Commission (MTC) for concurrence. The North Field Infield Roadway is intended to connect the infield area adjacent to Runway 15/33 with Earhart and Doolittle to create improved access for existing and planned corporate and air cargo aviation developments. The grant funds being requested are from the Federal 75% Program which awards approximately 75% of Federal Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) program funds to transportation infrastructure rehabilitation projects (\$14 million to Alameda County). Commingled with this amount is a one-time add-in of State Transportation Improvement Program (STIP) funds (\$40 million to Alameda County). According to the procedures and criteria established by the MTC, the Port is required to submit a resolution certifying approval of the grant request and stating the Port will commit the necessary local match for the project and also stating the assurance of the Port to complete the project if we receive a grant and announce that if project costs escalates, we

will foot additional cost out our matching share, and that we will obligate funds by September 30, 2000. The following shows the funding proposed under the Federal 75% Program: Project - North Field Infield Roadway, Total Project Cost - \$9,696,000.00, Federal 75% - \$500,000.00, and Port Share - \$9,196,000.00. It was recommended that the Board pass a resolution authorizing the Executive Director to file appropriate applications for funding the amount of \$500,000.00 for the design and construction of the North Field Infield Roadway. The recommendation was approved on passage of Resolution No. 99093.

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 Engineering notifying the Board that The Hertz Corporation operates a service facility at the Airport. Due to the nature of the business performed at this facility, there is potential for environmental contamination, and Hertz has installed ground water monitoring wells to alert it to any environmental hazards. In 1992, the board approved a one-year Right-of-Entry and Indemnity Agreement (ROE Agreement) for one ground water monitoring well adjacent to Hertz service facility at the Airport (Building M-108). The Port entered into a new ROE Agreement dated April 15, 1993 with Hertz which superseded the previous ROE Agreement and 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 extended the term through March 31, 1994, March 31, 1996, March 31, 1997, March 31, 1998 and again through March 31, 1999. Hertz indicates that the environmental regulatory agencies require further monitoring of wells. For that reason, it was recommended that the ROE Agreement dated April 15, 1993, be further extended through March 31, 2000. The recommendation was approved on passage of Resolution No. 99094.

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 Aviation notifying the Board that Alaska Airlines, Inc. is currently under a 45-day Right-of-Entry and Indemnity Agreement (ROE) which provides for occupancy of approximately 456 square

feet of bag make-up space in Terminal 1. The ROE was effective February 3, 1999 and rent is \$1,658.93 per month. To extend the ROE would extend Alaska's occupancy of the same premises commencing March 20, 1999 and ending September 30, 1999. The monthly rent would remain the same and additional time is required as construction of the new premises is expected to commence in 2-3 months due to Alaska's project manager's prior commitments and expected to last for approximately 2-3 months. It was recommended that the Board approve to extend the Right-of-Entry and Indemnity Agreement with Alaska Airlines, Inc. The recommendation was approved on passage of Resolution No. 99095.

Airport Employee 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 of the Airport Employee Parking Facility, staff recommends that the current parking rates of \$15.00 a month be modified. The rate modification will separate the eight-hour shift employees from the Airline Flight Crew. The new rates will increase in a tiered form, with one rate increase per year, as follows: April 1, 1999 - Airport Tenant Transient Employees, \$20.00 per month, Airline Flight Crew, \$28.00 per month; January 1, 2000 - Airport Tenant Transient Employees, \$25.00 per month, Airline Flight Crew, \$35.00 per month; and January 1, 2001 - Airport Tenant Transient Employees, \$30.00 per month, Airline Flight Crew, \$42.00 per month. It was recommending that the Board amend to modify the current Airport Employee Parking fee structure. The recommendation was approved on passage of an ordinance to print.

Approval of a Building Permit Application for Alaska Airlines Tenant Improvements in Terminal 1 Office Space was the subject of a memo to the Board from the Director of Engineering recommending approval for tenant improvements at the Airport. The work is related to the tenant's plans to locate line maintenance crews at the MOIA.. The tenant will take over the existing janitorial storage space under Gate 6, and build a new space into the lower level corridor, between Gates 3 and 5, for the relocation of the janitorial storage space. The work will include construction of new partition walls in existing janitorial storage room; construction of new partition walls in the corridor to create new replacement storage space; installation new finishes in both

spaces; and alteration of electrical and mechanical systems related to the above work. 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; and the project has been determined to conform to the Transportation designation for this area in the Oakland General Plan. The recommendation was approved on passage of Resolution No. 99096.

Approval of a Building Permit Application for Harrison Marine Center, Tenant Improvements and Dock Modifications was the subject of a memo to the Board from the Director Engineering recommending approval for improvements at their leased site on Embarcadero. The work involves improvements to the existing buildings and site, and replacement of the docks. The work will include construction of entry canopies on the three sales buildings; interior improvements to add partition walls and furnishings to modify office, service and sales spaces; installation of a new modular building for yacht sales, approximately 900 square feet, including construction of foundation and entrance and attachment to utilities; installation of two new boat storage racks outside the buildings; installation of a new wash rack outside the service building; construction of new floating docks to replace the existing which are in disrepair; and construction of miscellaneous site improvements such as paving, signs, and lighting to improve site utilization and customer orientation. 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; and the project has been determined to conform to the Oakland General Plan. The recommendation was approved on passage of Resolution No. 99097.

Authorization to Request Modifications to Bay Trail Alignment, Vision 2000 Program was the subject of a memo to the Board from the Director of Engineering notifying the Board that during the early 1990's, both the location of the Bay Trail and the vacation of certain streets within the Port were being considered by the City Office of Planning and Building (CEDA). Ultimately, a Bay Trail route and implementation policies for construction of the trail were established through the adoption of the Open Space, Conservation and Recreation (OSCAR) element of the Oakland General Plan in 1996. Those policies provide direction for both the route for the Bay Trail, and the

mechanisms for implementation. The current Bay Trail designation through the vicinity of the Port's Maritime operations is along Mandela Way and Seventh Street with several spur trails. One of the spur trails identified on the location map and discussed in this recommendation is along Middle Harbor Road and Ferro Street to Middle Harbor Park. As a result of the transportation and park improvements proposed for the Berths 55-58 project, it is proposed to relocate the spur trail from Middle Harbor Park (MHP) to Middle Harbor Shoreline Park (MHSP), the park proposed under the Berths 55-58 project. Middle Harbor Park is to be eliminated due to the Berths 55-58 project, but MHSP is to mitigate for that loss. Formal requests for changes to the adopted Bay Trail alignment must be submitted to the Association of Bay Area Governments which is assigned the task of coordinating the Bay Trail's development for the San Francisco Bay Trails Board. Proposed changes, or modifications, to the Bay Trail alignment must first be approved by the local decision-making body, in this case, the Port Board. The proposed modifications to the Bay Trail alignment are: remove the existing Bay Trail along Ferro Street to Middle Harbor Park because Middle Harbor Park will be eliminated as part of the Berths 55-58 project (deletion of the segment from Bay Trail); construct the new Bay Trail within MHSP, from Point Arnold to the UP Mole as mitigation for the loss at Middle Harbor Park (new alignment along Bay Trail); and reserve ROW along New Road and Middle Harbor Road (to the Adeline Street overpass), which will connect the MHSP segment to the existing alignment along 3rd Street and construct the bicycle/pedestrian path once issues regarding connections to 3rd Street and Jack London Square are addressed (new alignment along Bay Trail). It was recommended that the Board authorize the Executive Director to request that the San Francisco Bay Trail Board approve the modifications to the Adopted Bay Trail alignment. The recommendation was approved on passage of Resolution No. 99098.

Approval of Project Goals and the Master Plan for the Middle Harbor Shoreline Park

was the subject of a memo to the Board from the Director of Engineering notifying the Board that to receive a permit from the Bay Conservation Development Commission (BCDC), the Berths 55-58 project must provide the "maximum feasible public access consistent with the project." In February 1998, the Board authorized staff to prepare and execute a contract with David Gates and March 16, 1999

Associates and Thruston Design Group for the design of the public access component of the Berths 55-58 project. To guide in the development of the public access design, otherwise known as Middle Harbor Shoreline Park (MHSP), the consultants and Port staff reached out to the community and to Port senior management to establish design goals. From these goals a master plan designed evolved. The main community goals are to have direct access to the shoreline and the water for a range of activities; to create a place for learning about the natural environment, local history, maritime activities, and stewardship of the environment; to create a place which invites a range of people with varying abilities, providing for both active and passive uses; and to emphasize the unique aspects of the site, the shoreline, views, habitat, and maritime activity. The main Port goals are to provide a long-term positive connection between the Port and the local community; to have a place for public science education programs, especially for students in elementary and middle school; to generate awareness and support from the public in promoting the Vision 2000 Program and -50' dredging/habitat projects; to have the park actively used by the local community, marine terminal employees, and regional public; and to provide a park that supports and utilizes the adjacent Middle Harbor (Habitat) Enhancement Area. Before BCDC can issue the permit for the Berths 55-58 project, the BCDC Design Review Board must approve the conceptual design for MHSP. Port staff would like to present the MHSP master plan design to the Design Review Board in April 1999. Before the submittal is made, it is recommended that the Board ratify the goals and approve the master plan design. If the goals are ratified and the master plan design is approved, the consultants will enter into the next phase of their contract: preparation of construction plans and specifications. Staff will then return to the Board with the construction plans and specifications for approval. It was recommended that the Board ratify the goals and approve the master plan design for the public access component of the Berths 55-58 project, Middle Harbor Shoreline Park. The recommendation was approved on passage of Resolution No. 99099.

Recommendation that Executive Director be Authorized to Sign Letter of Commitment to Army on Oakland Army Base was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port leases approximately 63 acres in the westerly

portion of the Oakland Army Base (OAB) from the Army at an annual rental of approximately \$1.1 million. OAB is in the process of being closed, with a target closure date of September 30, 1999. Under a 1949 Supplemental Agreement between the Army and the Port, the Port has a reversionary right to purchase approximately 185.5 acres of OAB, including Maritime Street and areas westerly of Maritime Street. At a February 23, 1999, meeting the Army proposed to the Port that the Army was willing to lease all of the 185.5 acres to the Port for less than \$40,000.00 annual rent (to cover the Army's administrative costs) if the Port would agree to terminate its reversionary purchase right. The Army proposed that the Port could file an application for title to the 185.5 acres under a so-called port Public Benefit Conveyance. The Federal Government has statutory authority to convey title to closing military base property to a public agency, such as the Port, for port purposes, for no monetary consideration. The Army notes that the Reuse Plan for OAB provides for most of the 185.5-acre westerly portion of OAB to be transferred to the Port under a Public Benefit Conveyance. The Army has asked for a "Letter of Commitment," signed by the Port's Executive Director and the City Manager, indicating the Port's and the City's approval of the Army's proposed course of action. It was recommended that the Board pass a resolution in which the Board approves and authorizes the Executive Director to sign a Letter of Commitment to the Army that the Port is willing to lease the 185.5 acres in the west side of OAB for not more than \$40,000.00 annual rent and to terminate the Port's contract reversionary purchase right, provided that (1) the current Reuse Plan for the 185.5 acres is not modified except as provided below, (2) the provisions in the Reuse Plan that provide for conveyance of portions of the 185.5 acres to the East Bay Regional Park District are removed or commitments satisfactory to the Port are received that said portions will be made available to the Port when needed for commercial maritime use on terms acceptable to the Port and (3) the Port receives assurances satisfactory to the Port regarding the processing of an application by the Port for a port public benefit conveyance and the costs and expenses to the Port arising out of such conveyance. The recommendation was approved on passage of Resolution No. 99100.

Authorization to Enter into a Use Agreement with Dutra Dredging to Rehandle
Approximately 10,000 Cubic Yards of Dredged Material from a Maintenance Dredging
Project at the Port of San Francisco, through the Port of Oakland's Berth 10 Rehandling
Facility

was the subject of a memo to the Board from the Director of Maritime notifying the Board that Dutra Dredging has requested the use of the Port of Oakland's Berth 10 dredged material rehandling facility to rehandle approximately 10,000 cubic yards of dredged material from a maintenance dredging project at the Port of San Francisco. The Berth 10 Rehandling facility has been used by the Port to rehandle unsuitable material from Port projects since 1995. The purpose of the facility is to allow dredged material to be dewatered prior to transportation and disposal or reuse at an upland site. The continued use of the facility is encouraged by the California Regional Water Quality Control Board, San Francisco Bay Region (RWQCB), and other State, Regional, and Federal agencies, as an implementation measure of the Long Term Management Strategy (LTMS) for dredging and the disposal of dredged material in the San Francisco Bay Area. This use is documented and permitted within the Transmittal of Final Waste Discharge Requirements for the Berth 10 Dredged Sediment Rehandling Facility, Port of Oakland, dated March 24, 1998. The Port drafted a use agreement between the Port and Dutra Dredging for the temporary use of the site. The use agreement contains specific provisions for site use and states that Dutra Dredging or the Port of San Francisco shall agree to comply, at its sole cost, with all federal, state and local laws, statutes, ordinances, codes, regulations and orders (herein "Laws") relating to Dutra's use of Berth 10, including securing and maintaining any permits and approvals required pursuant to the Laws. In addition, Dutra or the Port of San Francisco shall be solely responsible for and shall indemnify, protect, defend (with counsel acceptable to the Port) and hold harmless the Port and the Port's Commissioners, agents, employees, representatives, directors and officers (collectively "Indemnitied") from and against any and all damages or injuries to any person or property, including natural resources, claims, costs, penalties, fines, liabilities and losses arising out of Dutra's use of Berth 10 (including without limitation (i) diminution in value of Port property, (ii) damages for the loss or restriction on use of rentable or usable space or of any amenity of Port property (including,

without limitation deed restrictions), (iii) damages arising from any adverse impact on marketing of space on Port property, (iv) increased costs of maintenance, construction, repairs or improvements to the Port property, (v) stigma damages and (vi) sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees). Dutra provided evidence of liability insurance acceptable to the Port's Risk Manager and Port Attorney. Dutra also provided a performance bond satisfactory to the Port. It was recommended that the Board authorize the Director of Maritime to enter into a use agreement with Dutra Dredging to rehandle approximately 10,000 cubic yards of dredged material from a maintenance dredging project at the Port of San Francisco, through the Port of Oakland's Berth 10 rehandling facility. The recommendation was approved on passage of Resolution No. 99101.

Authorization to Enter into an Agreement with the Corps of Engineers for the Design of the Federal Project to Deepen the Inner and Outer Harbor Channels to -50 Feet was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Federal cost-shared project to deepen the Port's Entrance, Inner, and Outer Harbor channels to -50 feet Mean Lower Low Water (MLLW) is an integral component of the Port's Vision 2000 Program. The other two key projects include the New Marine Terminals at the mouth of the estuary, and the Joint Intermodal Terminal. The -50 foot project is required to accommodate the latest generation of container vessels. The design vessel for the project is the "extended K-Class," also known as the S Class; a container ship designed to carry in excess of 6500 TEU's. It has a design draft of 48 feet, is 1,139 feet long, and 140 feet wide. The -50 foot project components include deepening and slight widening of the Bar, Inner, and Outer Harbor channels as well as the two turning basins. The project also includes the relocation of the Navy sewer line. The Corps of Engineers, and the Port as the local cost sharing partner, anticipated dredging nearly 13 million cubic yards of material, of which less than 600 thousand cubic yards is unsuitable for unrestricted aquatic disposal, but is suitable for upland construction grade material or wetlands non-cover. None of the material is considered toxic or hazardous. The proposed plan places approximately 7 million cubic yards of suitable (clean) dredged material at Middle Harbor, part of the closing Navy

facility, decreasing depths from -38 feet to approximately 6 feet. This will provide a shallow water habitat, vastly more productive than the current situation. A related but independent project is a planned park on the periphery of Middle Harbor, a concept that has support from the local community. The proposed plan also includes reusing approximately 2.5 million cubic yards of suitable dredged material at the closing Hamilton Army Airfield (HAAF) to restore grades appropriate for various wetlands habitats. Finally, the proposed plan includes the placement of approximately 3 million cubic yards at the Montezuma Wetlands restoration project in the west delta. The Board approved a resolution on March 19, 1996, that authorized the Executive Director to negotiate, prepare, and execute an agreement with the U.S. Army Corps of Engineers to provide technical expertise in support of a feasibility study for deepening the Oakland Harbor channels to -49 feet, MLLW. The study and environmental documentation subsequently justified and supported a project that deepens the channels to -50 feet, MLLW. Although Congress has not yet acted on a Water Resources Development Act (WRDA) that will authorize the project, the Corps of Engineers does have the authority to enter into a design agreement for the project. Expenditures to date include \$10,525,540.00 for the completed feasibility study and environmental documentation. This includes technical studies for sediment characterization, geotechnical investigation, and habitat analysis. The combined feasibility study and environmental documentation was prepared pursuant to the authority provided by the Congress of the United States through the WRDA 86. Section 203 of WRDA 86 provides for a non-Federal interest (The Port of Oakland), on its own, to undertake a feasibility study of a proposed harbor project and submit it to the Secretary of the Army. If a project for which a study has been submitted (-50 foot deepening) is authorized by any provision of Federal law enacted after the date of submission, the Secretary shall credit toward the non-Federal share of the cost of construction an amount equal to the portion of the cost of developing the study that would be the responsibility of the United States (generally 50%) if such study were developed by the Secretary. The current schedule for the project includes initiation of design after the signing of the design agreement with the Federal Government; project authorization by Congress in the Spring 1999; and completion of design, permitting, and real estate actions by early 2000. The Port

would then enter into a Project Cooperation Agreement (PCA) with the Federal Government in early 2000. The final cost-sharing ratios for the project would be "secured" with the signing of the PCA. Federal funding for design has been secured. Federal funding for construction is based on anticipated authorization and appropriations bills. The total cost of the design is anticipated to be \$3,250,000.00. The Federal (75%) share of the cost is \$2,437,500.00. The non-Federal (Port of Oakland's 25%) share of this cost is \$812,000.00. It was recommended that the Board authorize the Executive Director to enter into an agreement with the Corps of Engineers for the design of the Federal project to deepening the Inner and Outer Harbor channels to -50 feet. The recommendation was approved on passage of Resolution No. 99102.

Approval to Dispense with Formal Bids for Construction of Gantry Crane Runways at Berth 23 Yard, Outer Harbor Terminal was the subject of a memo to the Board from the Director of Engineering notifying the Board that Yusen Terminals (Yusen) at Berth 23 utilizes rubber-tired gantry cranes to transfer containers to and from container storage rows. Because of the very high loads such cranes impose on the pavement, maintenance of the asphalt concrete pavement in the crane runway areas has been a continuing problem. In February 1998, an attempt was made to solve the problem with a specially designed high stability asphalt concrete mix. Ruts and depression, which characterized earlier pavement failures, are now showing in the high stability pavement area, and it is believed that the pavement will severely hamper operations in the near future. Continued use of pavement with surface ruts and depressions creates a maintenance problem for the gantry cranes. Yusen attributes having to replace two transmissions to operating the cranes under such conditions. Additionally, Yusen is currently developing plans to expand use of the gantry cranes to a second area where the pavement is also unsuited to the heavy loading which will result. Plans and specifications are currently being prepared for the construction of concrete runways for use by the gantry cranes. In order to minimize impact on terminal operations, which are subject to seasonal increases beginning in spring and peaking for Christmas, it is necessary to complete the new concrete runways as quickly as possible. Dispensing with formal bidding procedures has the potential of saving six weeks in the project schedule. The project

budget is estimated to be \$770,000.00. It was recommended that the Board find it to be in the best interest of the Port to dispense with formal bidding procedures and authorize the Executive Director to execute a contract for this work based on informal, competitive proposals. The recommendation was approved on passage of Resolution No. 99103.

Approval of Submittal of Application for Federal 25% Program Funding for Construction of "New Road" and Realignment of 7th Street Project: To Provide Interagency

Signal Coordination and Communication Inter-ties, Vision 2000 Program was the subject of a memo to the Board from the Director of Engineer notifying the Board that as part of the Vision 2000 Program, the Port is proceeding with the design of the Construction of "New Road" and Realignment of 7th Street. Currently, there is a severe problem of significant congestion on the local roads (7th Street, 7th Street Extension, Maritime Street and Middle Harbor Road) which serve the Port's container yard terminals and Joint Intermodal Terminal in West Oakland.

Interconnecting signals and communication inter-ties with the road project provide the important service of improving safety and relieving and/or preventing congestion by prioritizing and synchronizing signal and communication systems to improve schedule adherence (preemption, phasing). The Construction of "New Road" and Realignment of 7th Street project addresses the congestion problem because the proposed interconnection improvements will help manage traffic on local streets as one system to minimize overall system delays. These improvements at key locations will also ensure better transit and freight connections by maintaining efficient traffic flow and minimizing delays. Additionally, this project assists in ensuring well coordinated signal systems (vehicular traffic, railroad, bicycle and pedestrian) throughout the area. Providing Interagency Signal Coordination and Communication Inter-ties as part of the road project consists of installing and implementing a traffic management system which includes new traffic signals, new changeable message signs, and new conduits and cables. In December of 1998, the Port made project submittals to the Alameda County Congestion Management Agency (CMA) in response to their request for projects for Federal Transportation Equity Act for the 21st Century (TEA-21) funds, 25% Regional Discretionary Program. The project that was submitted is Interagency Signal

Interconnections and Communication Inter-ties for the Construction of "New Road" and Realignment of 7th Street project. The Metropolitan Transportation Commission and the CMA have determined that this project is eligible to apply for the 25% Program Federal funds. Under the terms of the grant, the Port would be obligated to complete the project and to provide any funding above and beyond the grant amounts necessary for project completion. The estimated Port funding contribution is the difference between the total estimated project cost and the proposed grant amount. According to the procedures and criteria established for the grant, the Port is required to submit a Board resolution certifying approval for applying for the grant; commitment of the Port contribution funds; and commitment to use the Port's best effort toward completion of the project. It was recommended that the Board pass a resolution authorizing the Executive Director to file an application for Federal 25% Program funding in the amount of \$420,000.00 to provide Interagency Signal Coordination and Communication Inter-ties for the Construction of New Road and 7th Street Realignment project. It was further recommended that the resolution commit Port funds in the amount of \$65,000.00 for this project should the grant be approved, and that the Port use its best efforts toward the completion of this project; and that the Executive Director be authorized to apply for the STIP grant if that opportunity arises. The recommendation was approved on passage of Resolution No. 99104.

Plans and Specifications for Demolition of Buildings D-441, D-441A, and D-441B, 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-441, D-441A and D-441B. Building D-441 is a three-story, approximately 85,600 square-foot, maintenance facility. Building D-441A is a one-story, 1,600 square-foot, general maintenance office. Building D-441B is a one-story, 10,000 square-foot, wood-framed office. This work is necessary in order to clear the site for construction of the Berths 55/56 Container yard beginning in mid-1999. The project has been determined to conform to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 99105.

Plans and Specifications for Demolition of Building D-834, 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-834, a one-story, approximately 4,700 square-foot, storage and office building. This work is necessary in order to clear the site for construction of the New Road beginning in mid-1999. The project has been determined to conform to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 99106.

Authorization for the Execution of a Payment Agreement with the United States of America, Department of the Navy (Navy) and a Land Use Covenant and Environmental Restriction Agreement (Land Use Covenant) and Consent Agreement with the California Environmental Protection Agency, Department of Toxic Substances Control (DTSC) in Connection with the Early Transfer of Fee Title of the Fleet Industrial Supply Center, Oakland (FISCO) to the Port

was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port currently leases FISCO, which is comprised of 530 acres, from the Navy and the Navy intends to transfer fee title to the Port. The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) requires a covenant indicating that all remedial action necessary to protect human health and the environment with respect to any hazardous substances remaining on FISCO has been taken prior to fee transfer to the Port. In order to allow the early transfer of the fee title, in appropriate circumstances, a deferral of this covenant is authorized under the CERCLA. It is proposed that approximately 201 acres of FISCO (the FOSET Parcels) would be subject to the covenant deferral. It is currently anticipated that the balance of FISCO, consisting of approximately 329 acres, would be eligible to receive all required CERCLA covenants without such deferral. The Governor of California, in consultation with DTSC, the San Francisco Bay Regional Water Quality Control Board (RWQCB), and the U.S. Environmental Protection Agency, may defer the covenant described above if he determines that the FOSET Parcels are suitable for transfer, based on a finding that the FOSET Parcels are suitable for transfer for the use intended by the Port and the intended use is consistent with the protection of

human health and the environment; the deed or other agreement governing the transfer contains assurances concerning environmental cleanup, and land use restrictions required on the FOSET parcels; the public has had at least thirty days to comment on the suitability of the FOSET Parcels for early transfer; and the deferral and the transfer will not substantially delay any necessary response action on the FOSET Parcels. As part of the process, it will be necessary for the Navy and the Port to execute a form of payment agreement (Agreement). The Agreement will provide a mechanism wherein the Navy will fund, and the Port will complete, the required environmental remedial and corrective actions. Port and Navy staff are currently negotiating the specific elements of the Agreement and estimated costs for anticipated future required environmental actions. The Agreement will also describe the scope and extend of the Port and Navy liabilities with respect to the hazardous substances remaining on FISCO. To manage the liability risk, the Port is currently exploring obtaining insurance policies to cover costs overruns and other matters. The Port and the Navy have tentatively agreed to a Navy payment of \$4.4 million to the Port to complete the environmental investigations and remediations. The sum is intended to cover the investigative, analytical and field work cost for securing environmental closures from the regulatory agencies; long-term operations and maintenance of the remedial actions for closure; insurance premiums; Port labor; consultant cots; property transfer fees; and regulatory oversight and fees. An initial lump sum payment will be made to cover the Port's start up costs for the program. It is also anticipated that the lump sum payment will be followed by incremental payments upon completion of specified CERCLA closure activities. As part of the early transfer program, the Port will need to enter into a Land Use Covenant and Consent Agreement with DTSC. The Land Use Covenant will describe the land use restrictions that will apply to certain portions of FISCO. For example, the Land Use Covenant will likely provide that the groundwater at certain portions of FISCO cannot be used, consumed or permitted to be used or consumed for human consumption, agricultural use or for discharge into the San Francisco Bay. In addition, the Land Use Covenant will likely provide that certain portions of FISCO cannot be used for residential purposes. Lastly, the Land use Covenant will likely provide that a Soil Management Plan must be implemented while performing

any excavation on certain portions of FISCO. The Consent Agreement will establish the process and timetable for the completion by the Port of the response and corrective actions under CERCLA required at FISCO and for the Port's reimbursement to DTSC for its regulatory oversight fees. Both the Land Use Covenant and Consent Agreement are currently being negotiated between the Port and DTSC. The RWQCB has separate, independent, authority to regulate petroleum releases and closure of sites associated with UST's, some of which maybe located within FISCO. It is likely that the RWQCB will request the Port to reimburse it for regulatory oversight fees concerning the closure of the UST sites. It was recommended that the Board pass a resolution approving and authorizing the Executive Director to execute an Agreement with the Navy; execute a Land Use Covenant an a Consent Decree with DTSC; and execute an Agreement with the RWQCB to reimburse it for regulatory oversight fees for the closure of the UST sites. The recommendation was approved on passage of Resolution No. 99107.

Personnel Items contained in a memo to the Board from the Director of Administration recommended appointment of David Fisher and Chi Ku, as Equipment Systems Engineers, effective April 5, 1999, at \$4,401.00 per month; Bo Estella, as Port Technical Support Analyst III, effective March 20, 1999, at \$4,257.00 per month; Michael McMillan, as Associate Port Environmental Scientist (CUPA), effective March 5, 1999, at \$4,861.00 per month; reclassification of existing position and redesignation of incumbent, Geoffrey Galtere, as Port Technical Support Analyst IV, effective March 20, 1999, at \$4,988.00 per month; appointment to part-time position, Tiana Taylor, as Relief Telephone Operator, effective March 8, 1999, at \$15.62 per hour; appointment to limited duration, Marucia C. Britto, as Assistant Port Environmental Planner, effective March 22, 1999, expires March 21, 2000, at \$4,218 per month. Further recommended was the creation of additional position of Airport Operations Superintendent, Landside (for Custodian Services) in the Aviation Division; and rescission of appointments of Kelley LeBlanc, as Assistant Port Environmental Planner (limited duration) and Raymond Maxwell, as Associate Port Environmental Planner (CUPA). The recommendations were approved on Resolution No. 99108

for appointments; Resolution No. 99109 for rescinding certain appointments; and on an ordinance to print for creation of additional position.

Approval to Contract on Open Market for Professional Services to Conduct Personnel

Examinations was the subject of a memo to the Board from Director of Administration notifying the Board that the fiscal year 1998-99 budget covered funding of 564.4 full-time equivalent positions, including 17 additional regular full-time positions and 32 additional full-time positions to be funded through the Capital Improvements Program. Notwithstanding approval to employ the full complement of staff, examinations personnel working at capacity have not been able to reduce the backlog of vacancies below 50 positions. A review of examination procedures and priority assignments of examination staff indicates that the backlog cannot be eliminated by the end of the fiscal year without assistance from professional consultants qualified to complete personnel examinations. Elimination of the 50+ vacancies requires the following actions to be taken and completed by Port examinations staff: select eleven candidates from nine existing classification eligibility lists; and complete ten pending and backlogged examinations, and select thirteen candidates from the classification eligibility lists to be established at the conclusion of the examinations. Actions to be completed with professional examination consultants are to complete ten backlogged examinations, and select nineteen candidates from the classification eligibility lists to be established at the conclusion of the examinations; and action to be completed by City examinations staff are to complete five examinations, and select nine candidates from the classification eligibility lists to be established at the conclusion of examinations. To meet the need to expedite completion of all backlogged examinations and other anticipated examinations, it was recommended that the Board find and determine that it is in the best interest of the Port to dispense with competitive bids and contract on the open market for professional personnel examination services at a cost not to exceed \$75,000.00 plus \$7,500.00 for costs. It was also recommended that the Board authorize the Executive Director to contract on the open market for eleven additional examinations to be completed with professional personnel examination consultants at an additional

cost not to exceed \$82,500.00 plus \$8,250.00 for costs. The recommendation was approved on passage of Resolution No. 99110.

Funding Support of the Greater Oakland International Trade Center was the subject of a memo to the Board by the Executive Director notifying the Board that in 1994, the Port participated in the creation of Baytrade, and export promotion program which builds upon the Bay Area's strengths as a world class trade center. As part 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, during its four years of existence, has gained state and international prominence by strategically positioning the Center and the Port to become the "Hub for International Trade Related Service Activity." 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. GOITC has developed strong business alliances with overseas counterparts and close working relations with foreign and U.S. governments around the world. The \$100,000.00 in funding provided by the Port represents 12.5% of GOITC's total budget. The other major funders of GOITC are the City of Oakland, the U.S. Department of Commerce and the County of Alameda. It was recommended that the Board provide funding in the amount of \$100,000.00 for FY '98-99 to GOITC. The funding support 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. 99111.

Travel Authorization was the subject of a memo to the Secretary of the Board recommending approval for the travel of President John Loh, Commissioners David Kramer, Becky Taylor and Peter Uribe, Deputy Executive Director, Tay Yoshitani, and Manager, Maritime Marketing, Dan Westerlin, to Seoul, Korea, Tokyo and Fukuoka, Japan on or about the period March 16, 1999

March 19 - 30, 1999, for the purpose of calling on shipping lines and to promote international trade; and the travel of Commissioner Kathy Neal, Executive Director, Charles Foster, Port Attorney, David Alexander and General Manager, Central Facilities Design and Services, John Aidoo, to participate in the "Bay Area Africa Initiative" sponsored by Congresswoman Barbara Lee, traveling to Ghana and South Africa on or about the period of April 2 - 14, 1999. The recommendation was approved on passage of Resolution No. 99112.

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

Ayes: Commissioners Harris, Kiang, Kramer, Taylor,

Uribe and President Loh - 6

Noes: None

Absent: Commissioner Neal - 1

RESOLUTION NO. 99091

APPROVING SECOND SUPPLEMENTAL AGREEMENT TO CONSULTANT AGREEMENT WITH PIERRE MURPHY FOR AVIATION SERVICES."

"RESOLUTION NO. 99092

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH THE SERVICE INSTITUTE AND AMISTAD ASSOCIATES/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. 99093

AUTHORIZING THE FILING OF AN APPLICATION FOR GRANT FUNDS FOR THE DESIGN AND CONSTRUCTION OF THE NORTH FIELD INFIELD ROADWAY."

"RESOLUTION NO. 99094

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH THE HERTZ CORPORATION."

"RESOLUTION NO. 99095

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

“RESOLUTION NO. 99096

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

“RESOLUTION NO. 99097

GRANTING HARRISON BOAT CENTER, INCORPORATED PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99098

APPROVING AND AUTHORIZING REQUEST TO THE SAN FRANCISCO BAY TRAIL BOARD FOR MODIFICATIONS TO BAY TRAIL ALIGNMENT, VISION 2000 PROGRAM.”

“RESOLUTION NO. 99099

APPROVING AND RATIFYING THE PROJECT GOALS AND THE MASTER PLAN FOR THE BERTHS 55-58 PROJECT, MIDDLE HARBOR SHORELINE PARK.”

“RESOLUTION NO. 99100

APPROVING AND AUTHORIZING LETTER OF COMMITMENT TO ARMY REGARDING OAKLAND ARMY BASE.”

“RESOLUTION NO. 99101

APPROVING AND AUTHORIZING THE DIRECTOR OF MARITIME TO EXECUTE A USE AGREEMENT WITH DUTRA DREDGING COMPANY FOR REHANDLING OF UNSUITABLE DREDGED MATERIAL FROM THE PORT OF SAN FRANCISCO THROUGH THE PORT OF OAKLAND BERTH 10 REHANDLING FACILITY.”

“RESOLUTION NO. 99102

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH UNITED STATES ARMY CORPS OF ENGINEERS TO ASSIST THE PORT WITH DESIGN OF THE FEDERAL PROJECT FOR DEEPENING OF THE INNER AND OUTER HARBOR CHANNELS CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 99103

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR CONSTRUCTION OF GANTRY CRANE RUNWAYS AT BERTH 23 YARD, OUTER HARBOR TERMINAL, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 99104

APPROVING AND AUTHORIZING (1) THE APPLICATION FOR FEDERAL SURFACE TRANSPORTATION PROGRAM AND CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM FUND (“FEDERAL FUNDS”) FOR \$420,000 (“FEDERAL APPLICATION”) TO PROVIDE INTERAGENCY SIGNAL COORDINATION AND COMMUNICATION INTER-TIES FOR THE CONSTRUCTION OF “NEW ROAD” AND REALIGNMENT OF 7TH STREET PROJECT (“THE PROJECT”); AND (2) THE APPLICATION FOR STATE TRANSPORTATION IMPROVEMENT PROGRAM FUNDS (“STIP”) FOR THE PROJECT.”

“RESOLUTION NO. 99105

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-441, D-441A AND D-441B, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99106

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-834, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99107

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO (1) EXECUTE A FORM OF PAYMENT AGREEMENT WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF THE NAVY (“NAVY”), (2) EXECUTE A LAND USE COVENANT AND ENVIRONMENTAL RESTRICTION AGREEMENT (“LAND USE COVENANT”) AND A CONSENT AGREEMENT WITH THE CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY, DEPARTMENT OF TOXIC SUBSTANCE CONTROL (“DTSC”), AND (3) EXECUTE A FORM OF AGREEMENT WITH THE REGIONAL WATER QUALITY CONTROL BOARD, SAN FRANCISCO BAY REGION (“RWQCB”) FOR REIMBURSEMENT OF REGULATORY OVERSIGHT FEES FOR THE CLOSURE OF CERTAIN UNDERGROUND STORAGE TANK SITES, ALL CONCERNING THE FLEET INDUSTRIAL SUPPLY CENTER, OAKLAND (“FISCO”).”

“RESOLUTION NO. 99108

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 99109

RESCINDING PORT RESOLUTION NOS. 99030 AND 99064 CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 99110

APPROVING AND AUTHORIZING EXECUTION OF AGREEMENTS FOR CONSULTANT SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING.”

“RESOLUTION NO. 99111

APPROVING AND AUTHORIZING CONTRIBUTION OF PORT FUNDS FOR FUNDING SUPPORT OF THE GREATER OAKLAND INTERNATIONAL TRADE CENTER.”

“RESOLUTION NO. 99112

CONCERNING CERTAIN TRAVEL.”

Port Ordinance No. 3489 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 1149 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. 3490 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AMENDED AND RESTATED LEASE WITH THE PORT OF OAKLAND AND CITY OF OAKLAND (GALBRAITH GOLF COURSE),” and Port Ordinance No. 3491 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 CORRECTING PORT ORDINANCE NO. 3470 AND AMENDING AND CREATING NEW AND ADDITIONAL POSITIONS,” were read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kiang, Kramer, Taylor,

Uribe and President Loh - 6

Noes: None

Absent: Commissioner Neal - 1

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 10.10 OF PORT ORDINANCE 1149 RELATING TO CHARGES FOR THE EMPLOYEE PARKING FACILITY AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 10.017 OF PORT ORDINANCE NO. 867, ADDING ADDITIONAL POSITION WITHIN EXISTING PORT CLASSIFICATION,” were read a first time and passed to print by the following vote:

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

Noes: None

Absent: Commissioner Neal - 1

At the hour of 4:20 p.m., the Board entered into closed session pertaining to conference /with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 4 matters; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: property - 100 Water Street, Oakland, California 94607, negotiating parties - Port and Oakland Portside Associates, under negotiation - price and terms of payment; and reconvened in open session at the hour of 6:15 p.m.

At the hour of 6:16 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, March 2, 1999, at the hour of 3:11 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; General Manager, South Airport; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Chief Engineer; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

The minutes of the regular meeting of January 19, 1999 were approved as submitted and ordered filed.

Selection of Master Architect and Design Consultant Services for the Terminal Expansion Program at MOIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the process for selection of the Master Architect began by sending out Requests for Qualifications on February 9, 1998. On March 31, 1998, the Port received 11 responses to the request. Of the 11 teams that submitted responses, six were shortlisted and asked to submit proposals and after review of the proposals, the two highest-ranked of the six teams were invited to participate in a design charette/interview process, lasting a full-day for each team. The two teams selected to proceed to the interviews were a four-firm joint venture consisting of Hellmuth, Obata & Kassabaum (HOK), KPa, Kwan Henmi, and Powell & Partners (henceforth referred to as the HOK-led team), and another four-firm joint venture consist of Fentress-Bradburn Associates, Muller Claufield, Y.H. Lee, and KPa (henceforth referred to as the Fentress-led team).

The two short-listed Master Architect teams were interviewed on November 18 and 19, each interview lasting one full day. The Selection Committee had established four criteria to be applied at the interview stage: firm experience must be relevant to the Port's program and meet the Port's four basic requirements - functional, constructible, maintainable, and within budget; experience of the individuals must be relevant to their proposed roles for the project; Master Architect team members must be able to demonstrate the ability to work together within their own team, as well as with the Port, airlines, terminal tenants, etc.; and Master Architect must demonstrate sensitivity to the unique aspects of Oakland and comply with the Port's Local Business Utilization (LBU) Policy. The Selection Committee unanimously recommended the ranking of HOK as number 1 and Fentress as number 2. The HOK-led team was determined to be more suitable for the Port program, because of the superior experience by the lead firm in multiple air terminal projects which were reconstructed or expanded with ongoing passenger operations within or passing through the construction area. The Port's Office of Equal Opportunity (OEO) participated in all phases of evaluating the consultants. OEO has determined that the recommended team is responsive to the Port's Non-Discrimination and Local Business Policy. LIA firms will perform 59% of the team's work, including 38.8% as prime consultants. LBA firms will perform an additional 1% of the team's work. It is proposed that the staff be authorized to begin negotiations of an agreement with the recommended top-ranked candidate team for the Master Architect services. Upon completion of negotiations, Port staff will report to the Board the terms of the proposed contract and will request Board authorization to proceed with the execution of the contract. Should staff be unable to reach agreement with the top-ranked candidate, the Port will so inform the Board and proceed to negotiate with the second-ranked candidate. It was recommended that the Board concur with the Committee's recommendation and determine that the services are professional services in nature, and authorize the Executive Director to conduct negotiations as outlined, and to prepare a professional services agreement for Master Architect Consultant Services for the Airport Terminal Expansion Program.

President Loh informed the Board of certain law suits concerning the proposed agreement and called for a closed session to allow the Board to be briefed on the legal issues.

The Board entered into closed session at the hour of 4:02 p.m. and reconvened in open session at the hour of 4:25 p.m.

The recommendation was approved on passage of Resolution No. 99090 with Commissioner Kiang abstaining.

Authorization for the Aviation Division to Enter into Professional Services Contract for Airport Advertising and Media Relations Services with the Carol H. Williams and the MCA Advertising and Public Relations Agencies was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Aviation Division's Marketing Department responsibility is to increase airline passenger and air cargo services at Oakland International Airport (OAK). As a part of its efforts to grow air service at OAK, the Aviation Division is charged with marketing the airport to both airlines and airline passengers. The demand for air service at each of the three Bay Area airports is also influenced by customer choice in addition to the Bay Area's economics. In order to create demand for air service at OAK, the Aviation Division relies on both consumer and trade advertising which highlights the many reasons why airline passengers should choose OAK airport for their air travel needs which includes both local residents as well as inbound visitors. The fundamental element for increasing OAK air service is the creation of demand for OAK air service, followed by convincing the airlines to fill that demand. Additionally, the Marketing Department is also responsible for media relations for airport-related items and issues of public interest. The current local marketing effort, which consists of limited mass-media radio and newspaper advertising promoting the airport in general, has been effective in increasing the usage of OAK by Bay Area residents. However, the current passenger frustration with using SFO suggests that the time is right to increase both the message focus, frequency and target audience of that program. Historically, the Aviation Marketing Department has used Oakland-based MCA advertising for its local advertising and promotional work. Through December, Aviation has paid MCA approximately \$103,000.00 for advertising placement and services, and for website update

services, plus an additional \$37,000.00 for media relations services for a total of about \$140,000.00. With the increased media attention related to the problems at SFO, the Aviation Division has determined that the timing is right to launch an advertising campaign targeted at Bay Area residents that are getting tired of and are frustrated by the construction- and weather-related delays they are experiencing, educating them as to why utilizing OAK for their next air journey may be a smart alternative. In order to accomplish this goal in the most cost-effective manner, a three-phase approach is recommended. The first phase would be assessment of the marketplace's perception of OAK. This assessment would include a thorough analysis of several strategic targets, specifically consumer and business travelers and travel agents, and would determine both our perceived strengths and weaknesses. It would also develop positioning platforms and messages based on that market analysis and test them on OAK's key market segments. The second phase would be to develop creative concepts and to test them, pursuing and executing those concepts which best communicate our key messages. The third phase would be to develop the advertising program and identify the media channels that would most effectively communicate these messages. Oakland-based Carole H. Williams Advertising (CHWA) has both the expertise and interest in researching, designing and launching such a program. CHWA is a nationally known firm specializing in researching the marketplace and developing the strategy to best communicate the message. Aviation has utilized CHWA in the past and is aware of its capabilities. The estimated advertising placement and services are \$251,700.00, of which CHWA's portion is estimated at \$126,000.00. It was recommended that the Board authorize the Executive Director to enter into a contract with MCA to provide advertising agency services included in the current marketing plan for the current fiscal year for an amount not to exceed \$156,000.00 for local advertising placement, agency services and video production; authorize the Executive Director to enter into a contract with MCA to provide media relations services for the current fiscal year for an amount not to exceed \$40,000.00; authorize the Executive Director to enter into a contract with CHWA to assist in the planning and placement of Aviation's spring marketing program, as well as begin the market assessment phase of a three phase long-range advertising program, for an amount not to exceed

\$177,000.00; and authorize the Executive Director to increase the contract amounts by up to 10% without further Board approval in order to allow for unanticipated contingencies. The recommendation was approved on passage of Resolution No. 99072 for CHWA and Resolution No. 99073 for MCA.

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 Environmental Impact Statement (EIS) and State Environmental Impact Report (EIR) for the Oakland International Airport Master Plan Update. During the past ten years, seven supplemental agreements were executed to add to the scope of work and increase compensation to respond to various changes in information, changes to the project, and FAA changes. The total maximum compensation is currently \$3.115 million. In February, 1999, the Alameda County Superior Court rendered a judgment on the ADP CEQA complaint filed by the City of Alameda (with Citizens League for Airport Safety and Serenity (CLASS), Berkeley Keep Jets Over the Bay Committee (KJOB), and City of San Leandro. The judgment requires preparation of a Supplement to the Environmental Impact Report (SEIR) in order to cure the defects found by the court. Preparation of an SEIR does not preclude any appeal or cross-appeal the Port may undertake. The additional compensation proposed for preparation of the SEIR is \$77,000.00. Previous resolution for preparation of FAA National Environmental Policy Act documentation equaled \$465,000.00, with additional cost not to exceed \$50,000.00 as authorized by the Executive Director. It was recommended that the Board authorize the execution of an Eighth Supplemental Agreement with Environmental Science Associates for providing professional services for \$77,000.00 and authorize approval for additional work up to \$20,000.00. The recommendation was approved on passage of Resolution No. 99074.

Authorization for the Director of Aviation or his Designee to Approve Routine marketing Service Contracts and Agreements Related to Budgeted Marketing Programs was

the subject of a memo to the Board from the Director of Aviation notifying the Board that as part of its marketing plan to increase the use of OAK by both Bay Area residents and visitors, the Aviation Division has launched two separate marketing initiatives. These initiatives are first, the Fly OAK program, which targets increased OAK usage by Bay Area residents, and second, the Gateway OAK program, which targets increased usage by Bay Area visitors. Also, due to the importance of cargo to Oakland-based jobs, the airport also does a significant amount of cargo trade advertising to make cargo airlines and shippers world-wide aware of its "cargo-friendly" appeal. The Board-approved budget for each of these programs includes about \$100,000.00 for trade and specialized advertising for the Fly Oak program, \$100,000.00 for the Gateway OAK cooperative marketing program and about \$40,000.00 for cargo trade advertising, divided among a variety of service providers and specialized venues, each, generally in the \$5,000.00 range. Each of these contracts are pro forma in nature and are each reviewed by legal and risk management as to legal and risk management requirements. None of these small contracts or agreements would exceed \$15,000.00 cumulative for any marketing service provider during a fiscal year. It was recommended that the Board authorize the Director of Aviation or his designee, the Manager, Aviation Marketing and Communications, to approve marketing service contract such as those for local media and trade passenger and cargo advertising placement, trade show exhibition, hotel and exhibit space reservations, banquet facilities, air and ground transportation and certain cooperative marketing agreements, including solicitation of cooperative marketing funds from local and regional travel and tourism entities, subject in each case to review and approval by the legal department. The recommendation was approved on passage of Resolution No. 99075.

Approval of Rent Credit to Air Terminal Services, Incorporated (CA One) as Reimbursement for the Cost of Extending Utility Service to Newly Constructed Food and Beverage Space at the Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that Air Terminal Services, Incorporated (CA One) is the master concessionaire for food and beverage concessions at the Airport. CA One requests approval of a rent credit in an amount not to exceed \$90,000.00 as reimbursement for the cost of extending utility

services for a newly constructed food and beverage location at the Airport. Under the terms of the Second Supplemental Agreement to Lease and Concession Agreement in October of 1995, CA One is obligated to sublease some of its space within the Airport to Disadvantaged Business Enterprises (DBE). Certain areas of the terminal buildings were designated as appropriate locations for DBE subleasing opportunities. One location, identified as "area m" in Terminal 1, was designated for use as a snack bar and in order to utilize the space as a food service facility natural gas, electrical and plumbing systems must be extended to the location. It has been the Airport's practice to provide utility extension to the boundary of the leasehold premises with the tenant responsible for any extensions within the leasehold. CA One proposes to contract for the work and requests a rent credit to reimburse it for its actual costs in an amount not to exceed \$90,000.00. CA One will provide plans and specifications to the Port for approval prior to commencing work, and will submit copies of the invoices and evidence of payment prior to receiving the rent credit. All utility lines, wiring and connections within the premises will be paid for by CA One or its subtenant. It was recommended that the Board approve the rent credit to CA One in an amount not to exceed \$90,000.00 as reimbursement for the cost of extending utility service to a newly constructed food and beverage space at the Airport, waiving the competitive bidding process in order to expedite construction and authorizing the Executive Director to execute any such documentation deemed necessary as determined by the Port Attorney's office. The recommendation was approved on passage of Resolution No. 99076.

Award of Contract to Oakland Museum of California for Limited Exhibition Program at Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that during 97-98 the Airport and the Oakland Museum of California entered into a temporary partnership to create a limited exhibition program. The Airport and the Museum now propose to offer a permanent changing arts and historical exhibition program similar to those on display in various airports throughout the country. The exhibits will continue to promote OAK as a gateway by focusing on historical or current items or facts that relate to Bay Area destinations or history. Long-term plans include a fine arts section to showcase regional

artists. The source of the exhibit material will include, but is not limited to, the extensive collection of the Museum. The exhibits would showcase museum quality works to passengers, tenants and employees and emphasize the Airport's goals to present OAK as a modern facility and a viable alternative Bay Area gateway to both domestic and international passengers. It was recommended that the Board authorize the Executive Director to execute an agreement with the Oakland Museum of California for the contract services and the total cost not to exceed \$1,680,140.00 for the duration of the five year contract. Mr. Dennis Power, Director of the Museum, appeared before the Board to explain the program and other outreach activities by the Museum. After discussion, the recommendation was approved on passage of Resolution No. 99077.

Proposed 1999 Airline Landing Fees and Tenant Terminal Space Rentals was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Airline Affairs Committee, has recommended the appropriate rates and charges for calendar year 1999. The rates cover landing fees and terminal space rental. The same approach in setting fees has been used as in the past years. The airlines have been given credit for prepayments to fund the AARF consolidation over the past two years and these amounts are reflected in the current rates. With these rate changes, recovery of 100% of the field and ramp and terminal expenses, net of airline prepayments, is expected for calendar year 1999. The recommendation was approved on passage of an ordinance to print.

Approval of Second Supplemental Agreement with Hilltop Aviation Services, Inc. was the subject of a memo to the Board from the Director of Aviation recommending approval of a Second Supplemental Agreement with Hilltop Aviation Services, Inc. which provides for the deletion of apron space adjacent to Building L-142. Hilltop will continue to occupy 1,201 square feet of office space in Building L-142, at \$1,278.00 per month, effective January 1, 1999. The recommendation was approved on passage of Resolution No. 99078.

First Supplemental Agreement for Engineering Services to 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 Port currently has a professional services
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agreement with Vickerman-Zachary-Miller/Ackland International, Inc. (VZM/Ackland), a joint venture, to provide design services and prepare plans and specifications for the Reconstruction of Berth 25 Yard. The agreement provided for a maximum payment of \$790,000.00, with up to \$150,000.00 of additional work with the approval from the Executive Director. The scope of work and the design for the Reconstruction of Berth 25 Yard has been revised several times. The original design was based on tenant needs and was covered by an Initial Study submitted to the Board for approval in December 1996. Yard improvements included furnishing and installing a new modular office building; relocating the existing M&R building; furnishing and installing a reefer substation and 288 reefer outlets; and pavement reconstruction throughout the yard. It also included improvements to the approximately 5-acre portion to be leased to Maersk as part of the Berth 24 Terminal. The estimated construction cost was \$12.9 million. Shortly after the Consultant commenced work, they were asked to design an interim grate to allow for modifications in operations during construction. In addition, as the planning and design of the adjacent Vision 2000 project components progressed, it became evident that provisions would have to be made for realignment and grade separation of the roadway (with its bike path and pedestrian elements), as well as the proposed JIT lead tracks in the newly designed area of the Berth 25 yard and gate. An intensive planning effort was undertaken to evaluate the various scenarios addressing the design problems associated with threading the new road and lead tracks through the existing confluence of BART, intersections, electrical substations, queuing lanes, etc. After evaluating the above scenarios with the tenant, it was decided to re-analyze the internal and external yard circulation and then subsequently, to continue utilizing the existing Office and M&R buildings (in place). To implement the new recommendations, the Consultant was directed to make the necessary revisions to the plans and specifications. At that point in time, the project was at the 75% completion stage. The new scope included revising the yard layout, the gate configuration, and the methods of upgrading the existing pavements. After a new preliminary yard layout and gate configuration were developed, the tenant requested another new change in the scope of work. This new scope also included revising the yard layout and the gate configuration. The final fee for all the scope

changes is \$400,000.00, of which \$150,000.00 was previously approved by the Executive Director in November 1998. It was recommended that the maximum compensation be increased by the remaining \$250,000.00 to \$1,190,000.00 to provide the necessary funds for VZM/Ackland to complete the project, and to include an additional \$50,000.00 to be made available for future changes in scope, subject to the Executive Director's approval. The recommendation was approved on passage of Resolution No. 99079.

Approval of Amended and Restated Lease between the Port of Oakland and City of Oakland for Lew F. Galbraith Golf Course was the subject of a memo to the Board from the Deputy Executive Director notifying the Board that the current Galbraith lease was executed in mid-1994, along with a lease termination agreement which governed the transfer of the golf course from the City to the Port for use as an upland dredge materials disposal site required for the 42' estuary channel deepening project. The term of the existing lease does not commence until the new Galbraith is constructed and officially turned over the City for operation. The Port and the City agree to share equally, 50%, all revenue derived under the Golf Course agreement(s). The Port and the City agree to jointly approve one or more agreements for the design construction and operation of Galbraith. The base rent remains at \$5,000.00 per month with annual adjustments for the change in CPI. The percentage rent is established at 50% which is 10% higher than the existing lease. The amended Lease provides for potential delays in the date by which Galbraith is to become operational. The "Interruption Period" would be extended by six months in order for the Port and the City to select an entity to design, construct and operate Galbraith. In the event that an operator is not selected by June 1999, the City and Port agree to extend the Interruption Period by the number of days between June 1999 and the date that the operator is finally selected. Other delays are each granted a three-month extension. The Port's cash contribution to the golf course would be capped at \$5,000,000.00. While this has always been the investment promised by the Port, the original lease is not specific to the dollar amount or any cap of the Port's intended investment. In addition, the City would have the ability to direct up to \$2,500,000.00 of the Port's cash contribution to the renovation of the Chabot Golf Course, provided that sufficient funds are available

to develop Galbraith. The Board of Directors of the Galbraith Golf Club have agreed to this. The function, scope and composition of the Committee remains unchanged. The Port benefits from a joint partnership with the City, a streamlined RFP process, a larger share of future rental revenue, the specification of Port's investment dollars, and the restatement of the language handling delays to the project. It was recommended that the Board approve the amended and restated lease and authorize the Executive Director to execute the agreement. The recommendation was approved on passage of an ordinance to print.

Award of Contract for Site Preparation for Miscellaneous Portions of the Vision 2000 Program, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the 11 bids received and recommending award of the contract to OGISO Environmental, the low bidder, at \$1,055,676.61. The recommendation was approved on passage of Resolution No. 99080.

Personnel Items contained in a memo to the Board from the Director of Administration recommended appointment of Shirley Osby, as Custodian, effective March 22, 1999, at \$2,733.00 per month; Paulette Joseph, as Legal Office Services Clerk, effective March 22, 1999, at \$2,831.00 per month; Erik Darra, Josephine Handy, Rolando Cardenas and Mobeian Sheikh, as Relief Airport Custodians, effective March 22, 1999, at \$12.07 per hour; and the creation of Port Technical Support Analyst III, Port Technical Analyst IV, and Risk Management Analyst. The recommendation was approved on Resolution No. 99081 for appointments; and on an ordinance to print for the creation of positions.

Approval of Consultant Agreement for Insurance Brokerage Services of Owner Controlled Insurance Program was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Port is planning a major Capital Improvement Program (CIP) over the next five years. The Board approved this \$1.3 billion expansion on October 14, 1998. As part of the Chief Financial Officer's Risk Analysis of this planned expansion, he ordered a feasibility analysis of Owner Controlled Insurance Programs (OCIP) to cover the construction risk's associated with this expansion. A professional services purchase order was awarded to Ron

Rakich, a Risk Management Consultant, specializing in construction. Mr. Rakich's experience included the San Francisco International Airport, OCIP, the Port of Los Angeles Terminal Expansion OCIP, and the Ports of Los Angeles and Long Beach's Alameda Corridor OCIP. Mr. Rakich's analysis has found that the best method to finance the risks associated with this construction is through an OCIP, rather than requiring each contractor to insure each project. The insurance industry favors this option and offers the owner the benefit of economics of scale. Potential cost savings are conservatively estimated at 1% of hard construction cost (\$850,000,000) or \$8,500,000.00. Additionally important is the owner's ability to structure a superior insurance program with high limits of liability, to protect against catastrophic risk of loss and injury associated with maritime and aviation construction. An OCIP would support the Port's Non-Discrimination, Small and Local Business Utilization Policy by virtually eliminating insurance as a requirement to bid public works and related consulting contracts, as small businesses generally have significantly higher costs of insurance. An OCIP would improve the Port's Corporate citizenship by creating a safer work environment. A strong consolidated construction safety program is a required element of an OCIP. Claims disputes and litigation are reduced by the use of a consolidated insurance program as the number of insurers involved in any claim is reduced. The major broker will design the insurance program, market the program to the insurance companies, assist the Port will revisions to our Public Works contracts and specifications, create a safety program, write insurance and safety manuals specific to the projects and supervise the MBE insurance broker. The MBE insurance broker will provide the insurance administrative staff and safety personnel to run the program under the supervision of the Port Risk Manager. It was recommended that the Board authorize a consulting agreement with AON, for the purpose of design, marketing and administration of an OCIP. The agreement shall be five years in length with a maximum of \$450,000.00 in fees the first two years and \$400,000.00 the last three years; and the Executive Director be authorized additional fees not to exceed \$50,000.00 a year. The recommendation was approved on passage of Resolution N0. 99082.

Contract with Franklin Covey Company to Deliver Time Management Workshops

was the subject of a memo to the Board by the Director of Administration recommending that the Board approve the hiring of Franklin Covey to deliver 4 workshops of "What Matters Most" (maximum 30 participants per workshop), plus "Train the Trainer" and refresher courses, to be scheduled for a fee not to exceed \$35,000.00; it was further recommended that the Executive Director be authorized to increase the total compensation by \$12,500.00 for the additional related services, additional participants and/or special executive sessions; and also recommended was that a renewal option be included in the contract with the same terms, conditions and costs, with renewal subject to Board approval upon evaluation of the effectiveness of the Franklin Covey programs. The recommendation was approved on passage of Resolution No. 99083.

A Report of Activities and Proposed Agenda for the State and Federal 1999

Legislative Sessions was the subject of a memo to the Board from the Manager, Government Affairs, notifying the Board that the Governmental Affairs Department has been working very closely with both the Port's State and Federal legislative advocacy firms relative to legislation for the 1999 legislative sessions. The primary focus of the legislative efforts at the federal level has been on securing passage of a water Resources Development Action in 1999 which contains authorization for the Port's -50' harbor deepening project. Advocacy efforts have include letter writing, personal visits to appropriate senate and congressional offices, development of coalitions with local organizations such as the Bay Planning Coalition, the Chamber of Commerce, an issue awareness campaign geared toward manufacturers and agribusiness. In addition, the department has initiated coordination activities with other Ports in the country who may be impacted by this situation. Governmental Affairs have made visits and sent letters to editorial boards, participated in the American Association of Port Authorities (AAPA) legislative workshop and subsequent press conference on the issue as well as participated in numerous other related activities all in support of getting WRDA passed this year. The Department has taken a lead role within the AAPA for spearheading this initiative, conducting conference calls and providing information and collateral materials for use by other Ports in their efforts to move this legislation. Governmental Affairs will

continue to pursue the current strategy until actual passage of a WRDP 99 has been obtained. Other federal issues being pursued include the identification of funding for the proposed airport connector project. Authorization has already been obtained through the Transportation Efficiency Act for the 21st Century (TEA-21) to provide some preliminary funding authorization for this project and we are in discussion with the Federal Transit Administration and others on ways to secure actual appropriations. At the State level, the Port has engaged the services of the legislative advocacy firm of Harris & Aprea. The SLPP Fund Protection which is to protect existing SLPP (State and Local Partnership Program) monies which may have been designated for use by the Port to fund the cross airport roadway project; and is an extension of the June 30, 1999 deadline for commencement of SLPP funded projects must be sought to protect funds for the Port's cross airport roadway project. It is specified in the funding authorization that any project not let for contract by that date is ineligible to receive the designated funding. It is anticipated that because of litigation, the final portions of the project may not be ready by June 30, 1999 for the Port to award a contract. The Port's effort will be to protect this already authorized SLPP funding. It is necessary to obtain an extension of the June 30, 1999 deadline or by some other means protect these committed funds., which total \$7.2 million. The bill will be introduced as an "urgency measure" so that it may be heard, voted upon, and passed into law prior to June 30, 1999. Develop a mechanism to Assist Financing of a new Airport Rental Car/Parking Garage which would establish a means for a portion of the costs associated with construction to be offset and would be a mechanism for additional financing. Precedent has been set whereby rental car agencies bear a certain amount of the cost associated with construction of their on-airport facilities. This cost is typically passed on to the customer. The Port's effort will be to authorize rental car agencies at Oakland International Airport to include a surcharge in its customer fees that would specifically be earmarked to support the construction of a rental car garage/facility and related support activities. Governmental Affairs is working with the Port's environmental unit to develop a measure aimed at improving air quality. It will more than likely be related to trucks and retrofit efforts. Governmental Affairs will also be pursuing additional state funding for the Port's harbor deepening project. Governor Wilson blue

penciled several million dollars out of last year's State Budget that were earmarked for our -50' project. Governmental Affairs will keep the Commission apprised of activities as they unfold and will provide quarterly legislative reports for the Commission's review and comment. The information was noted and ordered filed.

A Resolution Authorizing Port Staff to Prepare the Minutes for Future Meetings of City/Port Liaison Committee was the subject of a memo to the Board from the Manager, Governmental Affairs, notifying the Board pursuant to a recent request by the Oakland City Council the City/Port Liaison Committee members requested that a meeting summary be completed each month for the City/Port Liaison Committee. This summary will be used to inform Councilmembers, Commissioners and members of the public on items discussed by the committee. The meeting summary will be sent to the City Clerk five days after the Committee meeting for filing. The meeting summary will then be included in the subsequent month's agenda for review by the Committee members and approval at the following meeting. The Port's Governmental Affairs Department currently provides staff support to the committee and has offered to provide the meeting summary as part of their overall duties. It was recommended that the Board authorize the Port staff to provide the requested meeting summary for the City/Port Liaison Committee. The recommendation was approved on passage of Resolution No. 99084.

Approval for \$30,000 Contribution for Bay Area Water Transit Initiative Information Video Program was the subject of a memo to the Board from the Director of Strategic and Policy Planning notifying the Board that the board approved a contribution of \$50,000.00 to Bay Area Council and the Bay Area Economic Forum in July 1998, to support studies conducted by the State Senate-created Blue Ribbon Task Force for water Transit, of which the Port is a member. The Task Force is working to create a regional consensus in support of comprehensive passenger and cargo ferry services serving all of the communities on San Francisco Bay. Projections of steadily worsening roadway overcrowding include a 249 percent increase in traffic congestion by the year 2020; using the bay for water transit represents the single most promising source of untapped mobility to address this critical problem. As the operator of transportation facilities heavily

dependent on efficient truck movement throughout the region, the Port has a serious stake in seeking long-range measures that will ensure the ongoing viability of the regional transportation system. The Task Force has now completed and is circulating for public review the Bay Area Water Transit Initiative, a document that sets forth a vision for such comprehensive ferry service system. When approved by the Task Force after public comment, the Initiative will be forwarded to the State Legislature for action. To provide full public discussion of this vision and generate the necessary consensus and support, the Bay Area Council is planning to prepare a high-quality video program that can be used throughout the region to present the Water Transit Initiative. The budget for the video is estimated at \$100,000.00 to \$125,000.00; the Port has been asked to contribute \$30,000.00 toward the production costs, with the remainder to come from other members of the Task Force. It was recommended that the Board authorize the Executive Director to forward \$30,000.00 to the Bay Area Council as a contribution toward the costs of preparing the video presentation of the Bay Area Water Transit Initiative. The recommendation was approved on passage of Resolution No. 99085.

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. 99072

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CAROL H. WILLIAMS 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. 99073

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH MCA 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. 99074

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH ENVIRONMENTAL SCIENCE 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. 99075

AUTHORIZING DIRECTOR OF AVIATION OR HIS DESIGNEE TO APPROVE ROUTINE MARKET SERVICE CONTRACTS AND AGREEMENTS RELATED TO BUDGETED MARKETING PROGRAMS."

"RESOLUTION NO. 99076

APPROVING RENTAL CREDIT TO AIR TERMINAL SERVICES, INC. AND WAIVING COMPETITIVE BIDDING."

"RESOLUTION NO. 99077

APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH OAKLAND MUSEUM OF CALIFORNIA."

"RESOLUTION NO. 99078

APPROVING SECOND SUPPLEMENTAL AGREEMENT TO THE LICENSE AND CONCESSION AGREEMENT WITH HILLTOP AVIATION SERVICES, INC."

"RESOLUTION NO. 99079

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH VICKERMAN-ZACHARY-MILLER/ACKLAND INTERNATIONAL, INC., JOINTLY AND SEVERALLY 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. 99080

AWARDING CONTRACT TO CLEMENT I. OKOH, AN INDIVIDUAL, DBA OGISO ENVIRONMENTAL FOR SITE PREPARATION FOR MISCELLANEOUS PORTIONS OF THE VISION 2000 PROGRAM, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS."

"RESOLUTION NO. 99081

CONCERNING CERTAIN APPOINTMENTS."

“RESOLUTION NO. 99082

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

“RESOLUTION NO. 99083

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

“RESOLUTION NO. 99084

AUTHORIZING PORT STAFF TO PREPARE THE MINUTES FOR FUTURE MEETINGS OF CITY/PORT LIAISON COMMITTEE.”

“RESOLUTION NO. 99085

APPROVING AND AUTHORIZING A CONTRIBUTION OF \$30,000.00 TO THE BAY AREA COUNCIL FOR BAY AREA WATER TRANSIT INITIATIVE INFORMATIONAL VIDEO PROGRAM AND AUTHORIZING EXPENDITURE OF PORT FUNDS.”

“RESOLUTION NO. 99086

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 99087

GRANTING KAISERAIR, INC., PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99088

GRANTING SIERRA ACADEMY OF AERONAUTICS, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99089

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, Kramer, Neal, Taylor,
Uribe and President Loh - 6

Noes: None

Abstained: Commissioner Kiang - 1

Absent: None

“RESOLUTION NO. 99090

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH HELLMUTH, OBATA & KASSABAUM, KPA, KWAN HENMI AND POWELL & PARTNERS FOR MASTER ARCHITECT AND DESIGN CONSULTANT SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING.”

Port Ordinance No. 3486 being, “AN ORDINANCE CORRECTING, RATIFYING, AND AMENDING PORT ORDINANCE NO. 3482,” and Port Ordinance No. 3487 being, “AN ORDINANCE AMENDING SECTIONS 2.05, 6.043 AND 10.00374 OF PORT ORDINANCE NO. 867,” and Port Ordinance No. 3488 being, “AN ORDINANCE FORMULATING AND ESTABLISHING GUIDELINES AND PROCEDURES FOR EXTENSION OF PORT OF OAKLAND SERVICE CONTRACTS,” 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

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 1149 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AMENDED AND RESTATED LEASE WITH THE PORT OF OAKLAND AND CITY OF OAKLAND (GALBRAITH GOLF COURSE),” and Port Ordinance No. ____ being, “AN ORDINANCE

AMENDING PORT ORDINANCE NO. 867 CORRECTING PORT ORDINANCE NO. 3470 AND AMENDING AND CREATING NEW AND ADDITIONAL POSITIONS," 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 6:00 p.m., the Board entered into closed session pertaining to conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 2 matters; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: property - 100 Water Street, Oakland, California 94607, negotiating parties - Port and Oakland Portside Associates, under negotiation - price and terms of payment; and reconvened in open session at the hour of 7:00 p.m.

At the hour of 7:12 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 2, 1999, at the hour of 3:14 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, Kramer, Neal, Taylor,
Uribe and President Loh - 6

Commissioners absent: Kiang

Also present were the Executive Director; Deputy Executive Director; Port Attorney; Director of Maritime; General Manager, South Airport; Director of Commercial Real Estate; Director of Strategic and Policy Planning; Chief Engineer; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

Approval of New License and Concession Agreement with Existing Tenant Federal Express Corporation was the subject of a memo to the Board from the Director of Aviation recommending approval of a one-year License and Concession Agreement with the Federal Express Corporation (FedEx), a current tenant on the South Airport. A portion of the premises covered under this agreement represents parcels of land which were included under a "Right of First Refusal" clause contained in FedEx's Metroplex facility agreement of 1985. The proposed agreement is effective March 1, 1998 and provides for 701,747 square feet of unimproved land in the vicinity of and adjacent to Buildings M-141 (Metroplex facility) and M-132 which buildings are currently occupied by FedEx and are covered by two separate agreements with the Port. The Port is in the process of consolidating all FedEx's agreements for South Airport into one lease. Until the Lease modification is completed, it was recommended that FedEx would continue occupancy of its premises on "hold over status" for any agreement(s) that expire. The monthly rental for this new space would be \$55,262.58 and is calculated at a rate of \$.07875 per square foot which is the

current, prevailing rate for land at FedEx's Metroplex facility adjusted upward to the increase in the Consumer Price Index. The recommendation was approved on passage of Resolution No. 99041.

Approval of Lease 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 recommending approval of the agreement with the United States of America, Department of Transportation, FAA, for 2,825 square feet of office, 120 square feet of lobby/restrooms and 2,000 square feet of unpaved parking in and adjacent to Building L-619, North Airport, at \$4,169.00 per month, effective October 1, 1998. The recommendation was approved on passage of Resolution No. 99042.

Authorization to Dispose of Surplus Trucks was the subject of a memo to the Board from the Director of Engineering notifying the Board that Port equipment No. X701, is a 1984 Ford Dump truck and equipment No. X7023, is a 1984 GMC Flat Bed truck that are no longer useful to Airport maintenance operations due to age and limited hauling capabilities. They have been replaced with newer trucks with better performance capabilities. The Port has received requests from Yosemite Fire Rescue, a non-profit volunteer fire department serving Mariposa County, that the vehicles be donated to their agency. Yosemite Fire Rescue does not have a tax base or other sources of income, beyond donations and special fund raising activities such as bake sales and the like. The Port would normally attempt to sell surplus equipment based on residual or salvage value, but due to the age of the equipment, it is difficult to precisely predict the resale value of the vehicles. The Port estimates that the cost of selling the vehicles would probably exceed the proceeds. It was recommended that the Board authorize the Executive Director to sell the vehicles to Yosemite Fire Rescue for the nominal fee of one dollar each, plus incidental costs such as transportation and fees. The recommendation was approved on passage of Resolution No. 99043.

Approval of a Building Permit Application for 360 Degree Gourmet Burrito at Terminal 1 was the subject of a memo to the Board from the Director of Engineering recommending approval for the construction of certain tenant improvements in the existing shell space in the Terminal 1 concourse area, as a sub-tenant of CA1. The proposed work will include

installation of new food service equipment; construction of new partition walls; installation of fixtures, furnishings, and finish materials; and installation of electrical and mechanical equipment to serve the area. The recommendation was approved on passage of Resolution No. 99044.

Recommendation to Award Contract for Alameda/Oakland Ferry Service was the subject of a memo to the Board from the Director of Commercial Real Estate. Discussion and possible action was held over to a future meeting to allow for the City of Alameda, the lead agency, to act on the matter.

Recommendation to Give First Reading to an Ordinance, Approving an Option to Extend the Lease Term of Baystay Lodging, LLC for the Property Located at 1101, 1103 and 1111 Embarcadero and Approval to Change the Name from Baystay Lodging, LLC to Oakland Hospitality, LLC was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that on November 10, 1998 the assignment of the JBN Lodging, LLC Lease to Baystay Lodging, LLC (Baystay) was approved and a First Supplemental Agreement to the Lease Agreement was approved. Baystay intends to develop a 118-room extended stay facility to be flagged as a Hawthorn Suites Hotel on a two-acre site, located on Embarcadero near the entrance to the Ninth Avenue Terminal. The Port Attorney's office is currently finalizing the language of the First Supplemental Agreement. To address concerns expressed by the Board regarding the repayment of delinquent rent, the former Lessee (John Norton) has agreed to execute a personal guaranty for any of the delinquent amount not repaid by Baystay. The Port Attorney's office has prepared the necessary "Guaranty" document. The original JBN Lodging Lease had a 50-year lease term. There are approximately 47.5 years remaining on that term. The Assignee's potential lender (AFL-CIO Pension Fund) has expressed concern over some lender protection issues, primarily the amount of remaining lease term in the event that Baystay should default on the loan and the lender is forced to foreclose; refinances the loan; or sells or assigns the leasehold interest. As a result, Baystay has requested the Port to grant an option for a term extension which could only be exercised for one of the aforementioned reasons and only during the 10-year loan term. In no event would the maximum lease term exceed 60

years. The Port believes that this is not an unreasonable request given the developer's substantial investment of \$7 million, and the automatic minimum rent adjustment during the extended term of the lease. The percentage rent would also be at a very competitive rate (8.5%) during aforementioned extension. It was recommended that the Board approve the First Supplemental Agreement to be revised to include this option to extend the lease term and the option would specifically provide that the lender would have the option to readjust the lease term only during the 10 year loan term to 50-years in the event of a loan default and foreclosure, loan refinance, or leasehold sale/assignment. In addition, Baystay has requested a change in the name of the controlling entity from Baystay Lodging, LLC to Oakland Hospitality, LLC. The recommendation was approved on passage of an ordinance to print.

Recommended Approval of New License and Concession Agreement - Intigre Marine, Ltd. was the subject of a memo to the Board from the Director of Commercial Real Estate recommending approval of a new agreement with Intigre Marine, Ltd., for 696 square feet of parking lot area at 1211 Embarcadero, at \$870.00 per month, effective January 22, 1999. The recommendation was approved on passage of Resolution No. 99045.

License and Concession Agreement - Pacific Coast Farmer's Market Association was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Pacific Coast Farmer's Market Association is a non-profit association that operates several Certified Farmer's Markets around the East Bay including the Jack London Square Market. Certified Farmer's Markets are certified by the County under the State of California Food and Agriculture laws. Certified Farmer's Markets only allow direct producers to sell their agricultural products. The Pacific Coast Farmer's Market Association has been operating the farmer's market in Jack London Square for nearly 10 years. The Jack London Square Farmer's Market has formalized this activity by entering into a new License and Concession Agreement. The agreement requires the Farmer's Market to provide all after event cleanup of the site. In addition, as the Jack London Square landscape changes due to marina construction and other work, the Farmer's Market will be required to "down load" their vehicles to booths. Long term vehicle parking will not be

allowed on public promenades. The Jack London Square Farmer's Market continues to be very strong and successful, attracting from 5,000 to 8,000 patrons on Sundays to the Jack London Square area. It was recommended that the Board approve a new License and Concession Agreement for the Pacific Coast Farmer's Market Association, at \$1.00 per year, effective January 1, 1999. The recommendation was approved on passage of Resolution No. 99046.

Authorization to Execute Agreement with Oakland Village Corporation for Temporary Office Space in Jack London Village was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that as part of the Jack London Marina Construction Project, the Port must provide engineering and construction oversight in an on-site office. Normally the Port would lease a portable office trailer to house the construction oversight staff. It is more economical and cost effective to rent vacant retail space at Jack London Village on a month-to-month basis, at a total of \$742.90 per month, effective November 1, 1998. The construction will last at the outset for 12 months and the maximum cost for a rental would be \$8,900.00 for the construction period. It was recommended that the Board authorize the Executive Director to execute a rental agreement with the Oakland Village Corporation. The recommendation was approved on passage of Resolution No. 99047.

Authorization to Dispense with Formal Bidding for the Deconstruction of Buildings D-122, D-405, D-731, D-732, D-734, and D-831 was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port and the Youth Employment Partnership, Incorporated (YEP) have identified the listed buildings located at the old Fleet Industrial Supply Center-Oakland (FISCO) as sites eligible for deconstruction with salvageable materials available for reuse. YEP would like to contract with the Port for the deconstruction work. YEP would provide 100 trainees, support services, and necessary materials to deconstruct the structures. The Port would pay contract demolition rates with a maximum total payment of \$850,000.00 for the deconstruction of all the buildings; provide an advance payment of thirty percent of the full contract amount per building; coordinate with other contractors; provide access and utility use. It was recommended that the Board dispense with the formal bidding requirements for the deconstruction

of the buildings and authorize the contracting with YEP. The deconstruction work is necessary to prepare the site for construction of the Vision 2000 Program and Joint Intermodal Terminal. The recommendation was approved on passage of Resolution No. 99048.

Approval of Consultant Agreement for Engineering Design Services for the Closure of the Former Galbraith Golf Course Site was the subject of a memo to the Board from the Director of Engineering notifying the Board that the former Galbraith golf course site originally consisted of shallow mudflats and tidal marshlands adjacent to San Francisco Bay. Between 1930 and 1960, the site was used as a municipal landfill. The landfill contains solid waste, construction debris, hydraulic fill and an isolated area of sewage sludge disposal. In early 1960, the site was developed into the Lew F. Galbraith Golf Course. In 1994 the golf course was closed and between 1995 and 1998, the site was used as the Galbraith Dredged Material Disposal Facility for unsuitable material from the Port and the US Army Corps of Engineers -42 foot deepening project. The disposal facility consists of two containment ponds with a combined area of approximately 100 acres. The Port is currently in the process of converting the site back into a public golf course by the year 2002. However, prior to any new site development, the Port must close the former landfill areas. In order to close these areas, the Port must meet the Regional Water Quality Control Board's (RWQCB) closure requirements. One requirement is the construction of an engineered impermeable cap over the landfill areas. The site currently consists of perimeter dike walls containing dredged material covering most of the cap requirements. Alternate cap designs will also be considered to reduce differential settlement and meet design requirements associated with the new golf course. Work also includes geotechnical investigations, regulatory permit assistance, preparation of plans and specifications and coordinate grading design with the new golf course designer. It was recommended that the Board authorize the preparation and execution of an agreement with Subsurface Consultants, Inc. for the professional design services. The amount of the agreement will not exceed \$300,000.00 based upon the scope of work and terms of the contract. In addition, it was requested that the Executive Director be authorized to approve up to an

additional \$75,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 99049.

Modifications to Port of Oakland Tariff 2-a: Increase to Space Assignment Rates; and Clarification of Provisions Dealing with User Compliance of Government Regulations was the subject of a memo to the Board from the Director of Maritime recommending the approval of two changes in the Port's marine terminal tariff. The current published monthly rates reflect a land value of \$10.80 per square foot. The rates now need to be adjusted to reflect increases in land values. The increase will be implemented in phases. The first increase will reflect a land value of \$11.00 per square foot, effective April 1, 1999, then to \$11.25 per square foot, October 1, 1999 and to \$11.50 per square foot, May 1, 2000. The last adjustment was made on May 1, 1998 and does not reflect prevailing fair market land values at other major West Coast ports. The Port tariff has always required maritime users to comply with all applicable laws, rules and regulations adopted by federal, state, local and other government agencies. The proposed clarification effective April 1, will amplify and specify that users are also required to comply with all environmental laws, rules and regulations pertaining to air quality, water quality, noise, pollution, odor, soil and other environmental regulations. This clarification is also desired in order to raise terminal users awareness of environmental concerns. The recommendation was approved on passage of an ordinance to print.

Plans and Specifications for Demolition of Buildings D-333 and D-433, 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-333 and D-433. Building D-333 is a one-story, approximately 136,000 square foot, general storage warehouse with concrete floors; steel columns and beams, and built-up tar and gravel roofing. Building D-433 is a one-story, approximately 122,000 square foot, general storage warehouse with concrete floors, steel columns and trusses; and built-up tar and gravel roofing. This work is necessary in order to clear the site for construction of

the Berths 55/56 Container Yard beginning in early 1999. The recommendation was approved on passage of Resolution No. 99050.

Plans and Specifications for Demolition of Building D-341, 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 abatement and disposal of asbestos-containing building materials, demolition and removal of Building D-341, a one-store, approximately 134,000 square foot, general storage warehouse with concrete floors, steel columns and beams; and built-up tar and gravel and rolled roofing. This work is necessary in order to clear the site for construction of Berths 55/56 Container Yard beginning in early 1999. The recommendation was approved on passage of Resolution No. 99051.

Recommendation to Negotiate with Merriwether & Williams/Clark Baquie Clark/

James E. Ingram to Provide a Surety Bond Guarantee and Loan Guarantee Program for the

Port of Oakland for a Three-Year Period

was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that traditionally the small local contractors whom the Port is most anxious to involve in its public works program are unable to bid because their difficulties in obtaining performance and labor and materials bonds as well as operating capital. In the months after the Board approved its Non-Discrimination Local/Small Business Utilization Policy in October 7, 1997, the community became aware that the Port was serious about addressing small contractors' problems in obtaining bonding. As a result, the Port received three unsolicited proposals, two from firms offering professional services, a joint venture headed by Merriwether & Williams Insurance Services Corporation, a San Francisco minority owned company, with Clark, Baquie & Clark Insurance Agency and James E. Ingram & Co., Inc. Insurance Agency, both Oakland minority owned firms, and a joint venture between the Bay Area Black Contractors Association, Debra Bell Insurance Services, and the Technical and Administrative Support Company, all Oakland minority firms. The Port also received proposal from a group, Contractors Mutual Insurance Company (CMIC), proposing to establish a new California surety company to be domiciled in Oakland. On the basis of the written proposal, the interview, and their experience at

San Francisco Airport, the Port agreed that the Merriwether/Clark/Ingram proposal met the Port's immediate needs. The Merriwether/Clark/Ingram proposal includes individual counseling of local, small, minority and women contractors to assess their eligibility to bond and to determine the most effective "tool" to use in overcoming their inability to bond, e.g., determining the appropriate project for the contractor to bid, the appropriate surety company and the most suitable local bond broker; directing contractors to an appropriate local CPA for financial statements; funds control; bond guarantees up to 40% of the bond to a maximum of \$750,000.00, and many others. They will also administer a loan fund which will guarantee up to 50% of a contractor's loan to a maximum of \$750,000.00, where needed. The group will assemble a local contractor-oriented support team (accounts, bankers, brokers, business consultants, economic development specialists, etc.); and sponsor quarterly information workshops on bonding, financing and business management. They will monitor contractors' performance and loan payment activity and provide periodic reports to the Port. The Port will establish a bond and loan guarantee fund of \$2,000,000.00, pay for funds control up to 1% of the project costs, and subsidize the preparation of one time financial statements up to \$3,000.00 with the contractor paying the first \$500.00. The partnership between Merriwether and Williams with the two Oakland firms will give these companies a thorough understanding of the surety bond industry, and experience in administering a bond/loan contractors program; however, none of the three firms will act as brokers for contractors in the program, but refer contractors to local bond brokers. It was recommended that the Board authorize the negotiation with Merriwether & Williams/Clark Baquie Clark/James E. Ingram to design and administer a surety bond guarantee and loan guarantee program for the Port for a three year period. The annual cost, including funds control, accounting subsidy, the cost of providing a \$2 million reserve fund, training seminars and consulting services will not exceed \$364,500.00 annually; and that the Executive Director be authorized to approve an additional \$50,000.00 for unforeseen contingencies. The recommendation was approved on passage of Resolution No. 90052.

Approval of Consultant Agreement with Glen Gaudet Consulting Services was the subject of a memo to the Board from the Director of Equal Opportunity notifying the Board that
February 2, 1999

Glen Gaudet is a training, discrimination complaint investigation, and mediation consultant with 16 years experience assisting private and public employers in development and implementation of programs in the areas of mediation, alternative dispute resolution, equal employment opportunity, sexual harassment prevention and managing diversity. Mr. Gaudet's firm, Gaudet Consulting Services, is an Oakland based, minority owned company. He has worked the office of Equal Opportunity in the past to train the Port in prevention of sexual harassment and to assist the Director in the investigation of discrimination complaints. It was recommended that the Board authorize an agreement with Mr. Gaudet's firm, Gaudet Consulting Services, for training and discrimination complaint investigation services for an amount not to exceed \$30,000.00. The recommendation was approved on passage of Resolution No. 99053.

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. 99041

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH FEDERAL EXPRESS CORPORATION."

"RESOLUTION NO. 99042

FINDING AND DETERMINING THAT CERTAIN MOTOR VEHICLES OWNED BY THE PORT ARE NO LONGER REQUIRED FOR PORT USE AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SELL SURPLUS VEHICLES."

"RESOLUTION NO. 99043

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

"RESOLUTION NO. 99044

GRANTING 360 DEGREE GOURMET BURRITO PERMISSION TO PERFORM CERTAIN WORK."

“RESOLUTION NO. 99045

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH INTEGRE MARINE, LTD.”

“RESOLUTION NO. 99046

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH PACIFIC COAST FARMER’S MARKET ASSOCIATION.”

“RESOLUTION NO. 99047

APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH OAKLAND VILLAGE CORPORATION.”

“RESOLUTION NO. 99048

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT WITH THE YOUTH EMPLOYMENT PARTNERSHIP, INC. FOR DECONSTRUCTION OF BUILDINGS D-122, D-405, D-731, D-732, D-734 AND D-831, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK.”

“RESOLUTION NO. 99049

FINDING AND DETERMINING THAT A PROPOSED 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 AGREEMENT.”

“RESOLUTION NO. 99050

PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDINGS D-333 AND D-433, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99051

APPROVING PLANS AND SPECIFICATIONS FOR DEMOLITION OF BUILDING D-341, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99052

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH MERRIWETHER & WILLIAMS INSURANCE SERVICES CORPORATION, A JOINT VENTURE TOGETHER WITH CLARK BAQUIE & CLARK AND JAMES E. INGRAM & CO. (“MERRIWETHER & WILLIAMS”) FOR A SURETY BOND GUARANTEE AND LOAN GUARANTEE PROGRAM CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING.”

“RESOLUTION NO. 99053

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH GAUDET CONSULTING 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. 99054

GRANTING FEDERAL EXPRESS CORPORATION PERMISSION TO PERFORM CERTAIN WORK.”

Port Ordinance No. 3483 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING ADDITIONAL POSITION OF PORT CAPITAL PROGRAMS ADMINISTRATOR, AND ADDING ADDITIONAL POSITION WITHIN EXISTING PORT CLASSIFICATION,” was 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 FIRST SUPPLEMENTAL AGREEMENT TO LEASE WITH OAKLAND HOSPITALITY, LLC,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 2833 RELATING TO SPACE ASSIGNMENTS AND COMPLIANCE WITH REGULATIONS,” were read a first time and passed to print by the following vote:

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

Noes: None

Absent: Commissioner Kiang - 1

At the hour of 5:21 p.m., the Board entered into closed session pertaining to conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision

(d) of Section 54956.9: 3 matters; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: property - 100 Water Street, Oakland, California 94607, negotiating parties - Port and Oakland Portside Associates, under negotiation - price and terms of payment; and reconvened in open session at the hour of 7:55 p.m.

At the hour of 7:56 p.m. the meeting was adjourned to Wednesday, February 10, 1999, at 7:00 p.m., at the Council Chambers, City Hall, for a joint meeting with the City Planning Commission regarding the proposed recommendation to adopt the Estuary Policy Plan.

The meeting was reconvened on Wednesday, February 10, 1999, at the hour of 7:15 p.m., in the Council Chamber, City Hall, meeting jointly with the City Planning Commission, President Loh presiding, appropriate notice having been given and posted.

Commissioners present: Kramer, Taylor, Uribe
and President Loh - 4

Commissioners absent: Harris, Kiang and Neal - 3

Also present were the Deputy Executive Director; Port Attorney; Director of Strategic and Policy Planning; Director of Commercial Real Estate; Director of Communications; and Secretary of the Board.

Approval of the Oakland Estuary Policy Plan, (as Revised) and Recommendation to Incorporate the Revised 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 notifying the Board that on July 2, 1996, the Board approved Resolution No. 96240, which authorized the execution of an agreement with ROMA Design Group, Inc., to prepare the Oakland Estuary Plan. The Estuary Policy Plan is the culmination of 18 months' work by the staff, consultant team, and the Public Advisory Committee established to guide the staff and consultants, plus 12 months' public review and comment on the plan. It recommends several long-range policies, guidelines and actions to be taken in order to enhance the Estuary shoreline and adjacent inland neighborhoods; to provide more and better public access to the waterfront; to promote additional development and activities; and to

improve methods of pedestrian and vehicular circulation to and along the Estuary. Preparation of the Estuary Plan has been a collaborative effort between the City of Oakland's Community and Economic Development Agency (CEDA) and the Port. Port-City collaboration continued during the public review and comment phase of the process, in anticipation that the Board of Port Commissioners, the City 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 water front. In June 1998, the Board and the Planning Commission conducted a unique joint public hearing on the draft plan. In addition, a draft Environmental Impact Report was prepared and circulated. In August 1998, the Board and the Planning Commission approved resolutions directing the staff to respond to public comments and to re-format the plan document into two documents which separated policy recommendations (which are suitable for inclusion in the General Plan) from the details of various implementation techniques. The resultant policy-oriented document, the Estuary Policy Plan, was completed and re-distributed for public comment in November 1998. It forms the basis of the recommendations to be considered for approval. In December 1998, the Board and the Planning Commission heard additional public testimony on the revised plan, and directed staff to respond to comments received and to recommend additional revisions as necessary. Since December 1998, City and Port staff have continued to revise and refine the plan in response to comments received from the public, the Board, and the Planning Commission. Upon reviewing the recommendations and additional testimony, the Commission directed city staff to respond again, and to make additional recommendations for revision. The recommended revisions and associated analysis are include in two attachments, as follows: "Attachment A" known as the draft Estuary Policy Plan, marked to reflect minor edits that are recommended to clarify the intent of the plan, correct typos or to otherwise improve its readability and comprehension; and "Attachment B" is a city staff report entitled "Consideration of Draft Estuary Policy Plan" (Planning Commission case files GP98-114 and ER98-12; updated to February 10, 1999). Taken together, Attachments A and B should be considered in total as an addendum to the Estuary Policy Plan which recommends specific revisions to certain text, maps,

policies and recommendations presented in the report. Attachment B includes references to two specific recommendations for policy revisions which Port staff does not recommend. These are the recommendations that address Policy Issue #5 (land uses to be encouraged in Phase II of Jack London Square) and #6 (revisions of Implementation Policy MF-4 relating to establishment of a joint City-Port project review function. Port staff believes that in both cases, the recommendations in November 1998 plan report are preferable, and that these policies should not be revised. Approving the Estuary Policy Plan involves separate and different actions by the Board and the City. To the extent that the Estuary Policy Plan is intended to be an element of the City's General Plan, the official action to be taken is to adopt it as an amendment to the General Plan. This is a responsibility of the City Council, upon recommendation of the Planning Commission and certification of the associated Environmental Impact Report. The Board's role is to approve the proposed policies (as revised) and to recommend a course of action to the City Council. It was recommended that the Board approve a resolution which encompasses the following Board actions: acknowledge receipt of and approve the policy recommendations presented in the Oakland Estuary Policy Plan dated November 1998, as revised by the annotations presented in Attachment A and Attachment B, with the following exceptions: regarding Attachment B, Issue #5 (i.e. Recommended land uses to be encouraged in Phase II of Jack London Square), the Board recommends that Policy JL-2.1 (pg. 60) remain as drafted in the report, in addition, the recommended Land use classification which includes Phase II (Classification WCR-1, pg. 132) should be amended to specifically include theaters and other similar entertainment venues as uses achieving the desired character of the area, and regarding Attachment B, Issue #6 (i.e. Implementation policy relating to establishment of a joint City-Port project review function), the Board recommends that Policy MF-4 (Pg. 136) remain as drafted in the report; recommends to the City Council that the policy recommendations presented in the Estuary Policy Plan (as revised by paragraphs 1, 1(A) and 1(B) above) be adopted as part of the Oakland General Plan, according to appropriate City Council procedures; recommend to the City Council that any subsequent amendments of the Estuary Policy Plan that would apply to the Port or to the area of Port

jurisdiction be approved by the Board prior to adoption; and direct staff to disseminate the Board's recommendations to the public and the City Planning Commission for their information.

The Board and the Planning Commission received oral reports on the process, study and recommendation on the Estuary Policy Plan and its incorporation into the Oakland General Plan from Port representative Rick Wiederhorn and City Representative Katrina Koh.

At the hour of 7:50 p.m., the Planning Commission held a public hearing on "Approval of the Oakland Estuary Policy Plan" (as revised) during which time 13 individuals appeared before the hearing concerning the subject matter and the public hearing was closed at the hour of 9:12 p.m.

During the public hearing, Commissioner Neal joined the meeting.

At the conclusion of the public hearing both Boards held extensive dialog on the Estuary Policy Plan with particular attention to appropriate uses on the waterfront with regard to the Port's Phase II Jack London Square location.

Further dialog resulted in agreement for the language concerning the appropriate uses in Phase II and agreement concerning mutual review of proposed projects without burden of an additional level of approval. The policy plan would be amended to include the agreed upon language as follows: (revised Policy JL-2.1 was the following text, p. 60) JL-2.1: Encourage the redevelopment of Phase II of Jack London Square for commercial-recreational and waterfront-oriented uses, this policy favors uses with a strong relationship to the water's edge and the planned Marina Green, the ground floor should be designed to encourage active pedestrian uses and open orientation to streets and public open spaces, large, internalized activities which may detract from a relationship to the water's edge should be studied for their appropriateness to the intent of the policy; and (revised Policy MF-4 with the following text, pg. 136) Policy MF-4: Create a joint City-Port project review function which is advisory to the decision-making body, to promote high quality projects and to insure consistent complementary achievement of objectives between the City and the Port, this review function shall not create an additional layer of review and shall not delay the decision-making body's normal project review process.

The two Boards also discussed potential height limits, view corridors, density and other planning issues which agreement was not reached and would be sent to the full City Council for further review and comment.

Commissioner Taylor moved that the appropriate resolution "Approving the Oakland Estuary Policy Plan" (as revised) and recommending incorporation of the revised Estuary Policy Plan into the Oakland General Plan as further revised by mutual agreement of the Boards be introduced with the recommended approval. The recommendation was approved on passage of Resolution No. 99055.

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. 99055

APPROVING THE OAKLAND ESTUARY POLICY PLAN (AS REVISED) AND RECOMMENDING INCORPORATION OF THE REVISED ESTUARY POLICY PLAN INTO THE OAKLAND GENERAL PLAN."

At the hour of 11:35 p.m. on a motion duly made and second the meeting was adjourned.



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 19, 1999, 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; Director of Equal Opportunity; Chief Financial Officer; Director of Communications; Director of Administration; and Secretary of the Board.

The Board received a report on change orders to Public Works Contracts in Fiscal Year 1997-98.

Authorization to Dispense with Formal Bids for Award to ARINC Inc. a Contract for Design, Installation and Maintenance of a Common Use Terminal Equipment System at Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that this program proposes approval of a contract for the purchase and installation of a state-of-the-art Common Use Terminal Equipment ("CUTE") system from ARINC Inc. CUTE is a combined hardware/software infrastructure system permitting any number of airline users to access their proprietary reservation and ticketing applications through "common use" equipment. The system would be located at nineteen ticket counter and all gateroom podium positions within Terminal 1. The system would enable the Airport to increase the operational capacity of the terminal building complex without building new aircraft gates. With the relocation in November 1998 of Delta Airlines' ticket counters in Terminal I, the Airport now has nineteen

contiguous ticketing positions, served by four separate outbound baggage belts, available for use by existing and new airlines. During Phase 1 of the proposed program, CUTE would be installed at all nineteen positions, as well as Gates 1 and 3, the international airline gates. Subsequently in late 1999 or early 2000, Phase 2 CUTE would be installed at the remaining twelve domestic aircraft gates within Terminal 1 enabling Airport staff to truly manage all fourteen Terminal 1 gates in "real time." It was recommended that the Board authorize dispensing with formal bids for the purchase and installation of a Common Use Terminal Equipment system; that the Executive Director be authorized to negotiate, prepare and execute an agreement with ARINC for the CUTE system, including the installation and construction of a point-to-point fiber LAN system to connect and service the CUTE system in an amount not to exceed \$1,300,000.00; and that the Executive Director be authorized also to approve up to an additional \$200,000.00 and/or 15% for potential changes in scope of work. It was further recommended that the Executive Director be authorized to approve expenditures for hardware maintenance performed by ARINC during the second and third years of the contract for approximately \$100,000.00 per year, and ongoing license fees for the second through the fifth years of the contract in approximately \$50,000.00 per year. The recommendation was approved on passage of Resolution No. 99017.

Approval of New License and Concession Agreements with AT&T Communications, Inc. and with Oakland Telecards LLC for Prepaid Telephone Calling Card Machines at Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that in the Airport's ongoing attempt to provide customers with products and services to meet their needs, the Airport proposes to have prepaid telephone calling card vending machines installed in the terminal buildings on a trial basis. These machines are estimated to gross approximately \$2,000.00/mo. per machine, and generate over \$20,000.00/yr. in revenue to the Port. It was recommended that two separate companies be given the opportunity on a trial basis. Two companies were identified as offering the widest scope of services most desired by our customers and both companies have a local presence and ability to quickly react to customer service issues. AT&T proposed to operate two machines selling its branded card product and will

subcontract the day-to-day operation to JRL Candies, a Port-certified Disadvantaged Business Enterprise owned by Njambi Mugnai. JRL currently operates two See's Candies retail locations at the Airport and has staff available most hours to service the machines. AT&T proposes to pay the Port 25% of gross revenues against a minimum of \$250.00 per monthly. Oakland Telecards (OTC) currently operates two prepaid telephone calling card machines at Jack London Square. OTC, is owned by Dennis Middleton. Mr. Middleton also owns a separate business, Niccam Enterprises, which operates a retail cart in Terminal II. OTC proposes to pay the Port 20% of the gross revenues against a minimum of \$250 per month and will also stock at least one of the machines with cards bearing the Oakland Airport design. It was recommended that the Board approve the Agreements with AT&T Communications, Inc. and with Oakland Telecards LLC for Prepaid Telephone Calling Card Machines. The recommendation was approved on passage of Resolution No. 99018.

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 of an agreement with Mercury International Sales and Services Company, an exclusive Travel Insurance concession, for two cabinets located in Buildings M-102 and M-103, at 10% of Gross Revenue against \$150.00 per month minimum guarantee, effective February 1, 1999. The recommendation was approved on passage of Resolution No. 99019.

Approval of License and Concession Agreement with Enterprise Rent-A-Car Company of San Francisco was the subject of a memo to the Board from the Director of Aviation notifying the Board that during the past ten years, six rental car companies have operated at the Airport. In November, one of the companies, Alamo Rent A Car, notified the Airport that it was terminating its agreement and ceasing operations at the Airport. Enterprise Rent-A-Car Company of San Francisco (Enterprise) was contacted to determine its interest in becoming an on-airport rental car concessionaire. Enterprise has operated as an off-airport rental car company since 1995. Enterprise owns a building near the Airport which it uses as a service facility and has corporate

offices in San Leandro, CA. Enterprise would rent counter space in Terminals I and II and would be allocated 20 spaces in the ready return lot. Enterprise will pay the same fees as the other on-airport rental car concessionaires: 95% of gross receipts against a \$2,500.00 per month minimum concession fees; plus rental for its spaces in the terminals and the ready return lot. It is estimated that Enterprise will pay the Port approximately \$37,000.00 in annual rent, and \$450,000.00 in annual concession fees. It was recommended that the Board approve the agreement with Enterprise Rent-A-Car Company of San Francisco. The recommendation was approved on passage of Resolution No. 99020.

Approval of Third Supplemental Agreement with National Rent A Car System, Inc.

was the subject of a memo to the Board from the Director of Aviation notifying the Board that National is one of six airport rental car licensees that share the Ready Car Lot in the Airport Parking Lot. Parking Lot space between and adjacent to the Ready Car Lot and Airport Drive is available to those licensees that wish to install larger customer service booths. Use of this space for booths will maximize use of available space and improve customer service. The proposed Third Supplemental Agreement to National's existing License and Concession Agreement adds 405 square feet of land adjacent to the Ready Car Lot and Airport Drive, for National to install and operate a customer service booth. The monthly rent would be \$82.82. The recommendation was approved on passage of Resolution No. 99021.

Approval of License and Concession Agreement with San Ramon Carriage Company, Inc. dba Thrifty Car Rental

was the subject of a memo to the Board from the Director of Aviation notifying the Board that during the past ten years, six rental car companies have operated at the Airport. In November, one of the companies, Alamo Rent A Car, formally notified the Airport that it was terminating its agreement and ceasing operations at the Airport. San Ramon Carriage Company, Inc. doing business as Thrifty Car Rental contacted the Airport and requested an agreement to become an on-airport rental car concessionaire. Thrifty would rent counter space in Terminal I and II and would be allocated 20 spaces in the ready return lot. Thrifty will pay the same fees as the other on-airport rental car concessionaires: 9.5% of gross receipts against a

\$2,500.00 per month minimum concession fee; plus rental for its spaces in the terminals and the ready return lot. It estimated that Thrifty will pay the Port approximately \$37,000.00 in annual rent, and \$450,000.00 in annual concession fees. It was recommended that the Board approve the agreement with Thrifty. The recommendation was approved on passage of Resolution No. 99022.

Approval of Lease Amendments with Existing Tenant United States Postal Service

was the subject of a memo to the Board from the Director of Aviation recommending approval of the amendments which reflect rental increases to the agreement with United States Postal Service for 8,000 square feet of warehouse, 12,800 square feet of apron and 4,800 square feet of paved parking in and adjacent to Building L-812, Space #3, at \$5,377.28 per month, effective January 1, 1999; and 10,000 square feet of warehouse and office, 16,000 square feet of apron and 2,700 square feet of paved parking in and adjacent to Building L-812, Space #2, at \$6,371.14 per month, effective January 1, 1999. The recommendation was approved on passage of 99023.

Recommendation to Award Contract for Alameda/Oakland Ferry Services

was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board of the current status of the proposed operating agreement. After discussion, the item was held over to a future meeting, after the City of Alameda has taken appropriate action.

Approval of Submittal of Application for State Transportation Improvement Program (STIP) Funding for Two Projects: 1) Reconstruction of Embarcadero between 5th Avenue and 16th Avenue Overcrossing; and 2) Improvements to Embarcadero West

was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that in November of 1998, the Port submitted two project submittals to the Alameda County Congestion Management Agency (CMA) in response to their request for projects for Federal Transportation Equity Act for the 21st Century (TEA-21) funds and State Transportation Improvement Program (STIP) funds. The projects that were submitted are reconstruction of Embarcadero between 5th Avenue and 16th Avenue Overcrossing and improvements to Embarcadero West. The reconstruction of Embarcadero between 5th Avenue and 16th Avenue Overcrossing consists of removing existing deteriorated pavement, constructing new asphalt

concrete pavement, installing striping, and constructing landscaping improvements. This work will complement, and be closely coordinated with, the City of Oakland's Embarcadero Bay Trail Bikeway Project along this highly visible segment of Embarcadero. The improvements to Embarcadero West project involves modifications to Embarcadero between Clay and Webster Streets. These modifications consist of removing an inactive section of railroad track, installing pre-cast concrete railroad crossings at four intersections (Clay, Washington, Broadway and Franklin), constructing asphalt concrete overlays and installing striping in the traffic lanes, and constructing lighting and landscaping improvements. The CMA has determined that both of these projects are eligible to apply for STIP grants. Under the terms of the grants, the Port would be obligated to complete the projects and to provide any funding above and beyond the grant amounts necessary for project completion. The estimated Port funding contribution is the difference between the total estimated project cost and the proposed grant amount. It was recommended that the Board authorize the Executive Director to file applications for STIP funding in the amount of \$707,000.00 for the reconstruction of Embarcadero between 5th Avenue and 16th Avenue Overcrossing and \$680,000.00 for improvements to Embarcadero West; and to commit Port funds in the amount of \$263,000 and \$302,000.00 for the Port contribution and that the Port commit to use its best efforts toward completion of these projects. The recommendation was approved on passage of Resolution No. 99024.

Award of Contract for 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 of the five bids received and recommending award of the contract to O.C. Jones and Sons, the low bidder, at \$5,637,541.00. The recommendation was approved on passage of Resolution No. 99025.

Award of Contract for Demolition of Building D-123, 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 \$98,800.00. The recommendation was approved on passage of Resolution No. 99026

Award of Contract for Removal of 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 notifying the Board of the three bids received and recommending award of the contract to Peak Engineering, Inc., the low bidder, at \$70,800.00. The recommendation was approved on passage of Resolution No. 99027.

Award of Contract for Demolition of Building D-223, Harbor Transportation Center was the subject of a memo to the Board from the Director of Engineering notifying the Board of the ten bids received and recommending award of the contract to Thomas D. Eychner Co., Inc., the low bidder, at \$160,148.00. The recommendation was approved on passage of Resolution No. 99028.

Plans and Specifications for Site Preparation for Miscellaneous Portions of the Harbor Transportation Center, Vision 2000 Program 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. Prior to work beginning on the Cement Deep Soil Mixing (CDSM), the area for the CDSM production must be cleared of all concrete foundations, utilities, asphalt/concrete paving, and railroad track. In addition, an area has been set aside for the stockpiling of the excavation soil from the CDSM construction process. This area is currently paved and has foundations from buildings demolished under previous contracts for the Vision 2000 Program. These materials must be removed prior to stockpiling the excavation spoils. The materials removed from the stockpile area and CDSM production wall site will be delivered to another area on the Vision 2000 site for recycling. Concluding the process of generally clearing up the FISCO site, all remaining railroad track will be removed. The work consists of the removal of the paving on G Street, H Street, M Street, N Street, and an area south of old Middle Harbor Road east of 6th Street and all railroad tracks in the Harbor Transportation Center. The Project has been determined to conform to the policies of the Oakland General Plan. The recommendation was approved on passage of Resolution No. 99029.

Personnel Items contained in a memo to the Board from the Director of Administration recommending the appointment of Connie L. Chu, as Senior Account Clerk, effective February 8, January 19, 1999

1999, at \$3,205.00 per month; Raymond Maxwell, as Associate Port Environmental Scientist, effective February 8, 1999, at \$4,861.00 per month; Eddie Villasenor, as Painter, effective February 8, 1999, at \$3,952.00 per month; James E. Allen, Jr., as Deputy Port Attorney III, effective January 23, 1999, at \$7,770.00 per month; and Bruce A. Mackay, as Assistant Port Environmental Planner, effective February 8, 1999, at \$4,218.00 per month. Further recommended was the creation of Port Capital Programs Administrator; one additional position of Commercial Representative V in the Aviation Division; the rescission of appointment of Leslie J. McCoy, who was appointed Custodian; Civil Service examination announcements for Computer Operations Analyst II, Port Electrician, and Electrical-Mechanical Inspector; and amend the appointment dates for Mesay Lulseged, as Junior Civil Engineer, to February 1, 1999, Joan Pham, as Junior Civil Engineer, to February 8, 1999, Ben B. Wu, as Port Technical Support, to February 8, 1999, and Janice Adams, as Port Field Representative I, to February 8, 1999. The recommendations were approved on passage of Resolution No. 99030 for appointments; Resolution No. 99031 for examination announcements; Resolution No. 99032 for rescinding certain appointment; and on an ordinance to print for creation of positions.

Approval of Consultant Agreement for State Legislative Advocacy Services was the subject of a memo to the Board from the Director of Communications notifying the Board that the Governmental Affairs Department contracts on an annual basis for legislative advocacy and lobbying services performed at the State level. The contract for such services expired December 31, 1998. It was recommended that the Board authorize the Executive Director to enter into an agreement with Harris & Aprea, LLC, for the amount of the agreement not to exceed that of the prior contract's annual amount of \$90,576.00. This amount includes a retainer fee and any related or ancillary services. The term of the agreement will be from February 1, 1999 through January 31, 2000 with authorization for the Executive Director to extend the agreement for one additional year if it is determined that the consultant has demonstrated satisfactory performance. The recommendation was approved on passage of Resolution No. 90033.

Extension of Contract for Mandalay Associates was the subject of a memo to the Board from the Director of Administration notifying the Board that Mandalay Associates was initially hired in the Spring of 1994, as a result of a mutual agreement between the Port and Service Employees International Union (SEIU), Local 790 to provide a desk audit to resolve a grievance regarding a classification dispute. Mandalay Associates was recommended by SEIU as a consultant group because of their history and success in working with management and labor assisting in the successful resolution of classification and compensation disputes. Most recently, the Board approved a contract with Mandalay Associates, in the amount of \$75,000.00. Under this contract Mandalay agreed to perform twenty four desk audits and compensation studies. These audits have been completed, resulting in a recommendation to upgrade nine positions, which have been approved. It was recommended that the contract with Mandalay and Associates be extended in an amount not to exceed \$50,000.00 to perform desk audits, update certain classification specifications and to provide assistance regarding compensation for certain represented employees in Units A,B,C and F. The recommendation was approved on passage of Resolution No. 99034.

Request to Reimburse Moving Expenses was the subject of a memo to the Board from the Director of Administration notifying the Board that on February 23, 1998, the Board approved the appointment of Mr. Omar Benjamin to the position of Director of Commercial Real Estate. Mr. Benjamin, upon receiving the Port's offer of employment, requested to be reimbursed for actual expenses for travel and transportation covering his commute from his home in Los Angeles to the Port, interim living expenses for his local housing during the period of his search for a home and additional moving expenses to move his personal effects. The total costs and expenses incurred was \$22,700.00. The reply of the Chief Administrative Officer at the time was that such expenses would be covered and that guidelines outlining the policy and practice for reimbursement of relocation expenses would be forthcoming. The guidelines were never provided and have yet to be developed. However, through salary negotiations related to specific Senior Management appointments, the Port's practice has been to provide reimbursement of such costs and expenses when requested. In recognition of specific reimbursement expectations which are consistent with a

general intent to facilitate relocation of personnel in the best interest of the Port and precedents set for reimbursement of relocation expenses at the Senior Management level, it was recommended that relocation costs and expenses of the Mr. Benjamin be reimbursed totaling \$22,700.00 plus an additional amount to cover related income taxes for a combined total of \$35,000.00. The recommendation was approved on passage of Resolution No. 99035.

Award of Contract 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 was the subject of a letter to the Board from the Director of Engineering notifying the Board of the three bids received and recommending award of the contract to Thyssen Elevator Corporation, the low bidder, at \$145,800.00. The recommendation was approved on passage of Resolution No. 99036.

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. 99017

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO AWARD THE CONTRACT(S) FOR DESIGN, INSTALLATION AND MAINTENANCE OF A COMMON USE TERMINAL EQUIPMENT SYSTEM, SOUTH AIRPORT, TERMINAL I, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, TO ARINC, INC., WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT(S) FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 99018

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENTS WITH AT&T COMMUNICATIONS, INC. AND WITH OAKLAND TELECARDS LLC.”

“RESOLUTION NO. 99019

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 SERVICES COMPANY.”

“RESOLUTION NO. 99020

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH ENTERPRISE RENT-A-CAR COMPANY OF SAN FRANCISCO.”

“RESOLUTION NO. 99021

APPROVING AND AUTHORIZING EXECUTION OF THIRD SUPPLEMENTAL AGREEMENT TO LICENSE AND CONCESSION AGREEMENT WITH NATIONAL RENT A CAR SYSTEM, INC.”

“RESOLUTION NO. 99022

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH SAN RAMON CARRIAGE COMPANY, INC., DOING BUSINESS AS THRIFTY CAR RENTAL.”

“RESOLUTION NO. 99023

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO RENEW LEASES FOR RESPECTIVE TERMS OF ONE YEAR OR LESS WITH UNITED STATES POSTAL SERVICE, BUILDING L-812, SPACES 2 AND 3.”

“RESOLUTION NO. 99024

APPROVING THE APPLICATION FOR STATE TRANSPORTATION IMPROVEMENT PROGRAM FUNDS FOR THE RECONSTRUCTION OF EMBARCADERO BETWEEN 5TH AVENUE AND 16TH AVENUE OVERCROSSING AND IMPROVEMENTS TO EMBARCADERO WEST.”

“RESOLUTION NO. 99025

AWARDING CONTRACT TO O.C. JONES AND SONS FOR RECONSTRUCTION OF BERTH 25 YARD, OUTER HARBOR TERMINAL, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99026

AWARDING CONTRACT TO PEAK ENGINEERING, INC. FOR DEMOLITION OF BUILDING D-124, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99027

AWARDING CONTRACT TO PEAK ENGINEERING, INC. FOR REMOVAL AND DISPOSAL OF HAZARDOUS MATERIALS AND MISCELLANEOUS UTILITY WORK AT BUILDING D-122, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99028

AWARDING CONTRACT TO THOMAS D. EYCHNER CO., INC. FOR DEMOLITION OF BUILDING D-223, HARBOR TRANSPORTATION CENTER, OAKLAND, CALIFORNIA, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99029

APPROVING PLANS AND SPECIFICATIONS FOR SITE PREPARATION FOR MISCELLANEOUS PORTIONS OF THE HARBOR TRANSPORTATION CENTER, VISION 2000 PROGRAM, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 99030

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 99031

APPROVING EXAMINATION ANNOUNCEMENTS FOR THE POSITIONS OF COMPUTER OPERATIONS ANALYST II, PORT ELECTRICIAN AND ELECTRICAL/MECHANICAL INSPECTOR.”

“RESOLUTION NO. 99032

RESCINDING PORT RESOLUTION NO. 98456 CONCERNING CERTAIN APPOINTMENT.”

“RESOLUTION NO. 99033

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

“RESOLUTION NO. 99034

FINDING AND DETERMINING THAT A PROPOSED SUPPLEMENTAL AGREEMENT WITH MANDALAY 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. 99035

APPROVING DIRECTOR OF COMMERCIAL REAL ESTATE’S RELOCATION AND RELATED INCOME TAX EXPENSES.”

“RESOLUTION NO. 99036

AWARDING CONTRACT TO THYSSEN ELEVATOR CORPORATION 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, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 99037

GRANTING SIERRA ACADEMY OF AERONAUTICS PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99038

GRANTING FEDERAL EXPRESS CORPORATION PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 99039

1) ACCEPTING SETTLEMENT OFFERS FROM (A) CENTURY INDEMNITY COMPANY, (B) CONTINENTAL INSURANCE COMPANY, (C) HARBOR INSURANCE COMPANY, AND (D) ZURICH INSURANCE COMPANY, AND 2) AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE SETTLEMENT AGREEMENTS WITH SAID INSURERS, CONCERNING CITY OF OAKLAND V. ZURICH INSURANCE COMPANY ET AL., SAN MATEO SUPERIOR COURT CASE NO. 371894.”

“RESOLUTION NO. 99040

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

Port Ordinance No. 3479 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,” and Port Ordinance No. 3480 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A MULTI-YEAR LICENSE AND CONCESSION AGREEMENT WITH WINAIR, INC. DOING BUSINESS AS WINAIR AIRLINES, AND DIRECTING RECORDATION THEREOF,” and Port Ordinance No. 3481 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING ADDITIONAL POSITION OF COMPUTER OPERATIONS ANALYST II, AND ADDING ADDITIONAL POSITION WITHIN EXISTING PORT CLASSIFICATION,” and Port Ordinance No. 3482

being, "AN ORDINANCE RATIFYING PORT ORDINANCE NO. 867, ADDING ADDITIONAL RATE TO EXISTING CLASSIFICATION, AND AMENDING SALARY SCHEDULE FOR AVIATION PUBLIC WORKS SPECIALIST, PORT MAINTENANCE & CONSTRUCTION SUPERVISOR, AND SENIOR FIRE PREVENTION SYSTEMS ENGINEER," 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. 867, CREATING ADDITIONAL POSITION OF PORT CAPITAL PROGRAMS ADMINISTRATOR, AND ADDING ADDITIONAL POSITION WITHIN EXISTING PORT CLASSIFICATION," 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 4:35 p.m., the Board entered into closed session pertaining to conference with legal counsel - existing litigation, subdivision (a) of Government Code Section 54956.9, name of Case: City of Oakland v. Zurich Insurance Company, et al, San Mateo Superior Court Case No. 371894; conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 4 matters; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: property - 100 Water Street, Oakland, California 94607, negotiating parties - Port and Oakland Portside Associates, under negotiation - price and terms of payment, property - Oakland Army Base, (Headquarters: 100

Alaska Street, Oakland, CA 94626-5000), negotiating parties - Port and City of Oakland, under negotiation - price and terms of payment; and reconvened in open session at the hour of 7:45 p.m.

At the hour of 7:46 p.m. the meeting was adjourned on a motion duly made and second.

A handwritten signature in cursive script, reading "Christl C. Marshall", 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, January 5, 1999, at the hour of 3:16 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, Taylor, Uribe
and President Loh - 5

Commissioners absent: Kramer and Neal - 2

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 December 15, 1998 were approved as submitted and ordered filed.

The Board received a presentation on the Port's Strategic Planning for the revenue divisions.

Approval of Consultant Agreement with CH2MHill for Engineering Design Services for Construction of Remain Overnight (RON) Aircraft Parking Apron and Parallel Taxiway East of Taxiway U, South Airport was the subject of a memo to the Board from the Director of Engineering notifying the Board that existing operations at the Airport require additional parking apron area for passenger and cargo aircraft. Some operations require that these aircraft stay overnight, and at present there are not enough gates or parking areas available to support this need. Current expansion plans to accommodate 13.8 MAP (million annual passengers) at the Airport will generate additional aircraft traffic that will increase the need for aircraft parking areas both during and after construction of the expansion projects. In order to accommodate air traffic movements in a timely manner both during and after the construction of the terminal expansion, a parallel taxiway

adjacent to and immediately east of Taxiway U has been identified for construction to provide two way access between the terminal area and Taxiway W. The construction of the additional parking apron and the parallel taxiway prior to the major terminal expansion is required to allow subsequent projects to proceed without significant impact to existing operations. It was recommended that the Board approve an agreement with CH2MHill for Engineering Design Services for the project. The consultant will provide engineering design services for the construction of RON Aircraft Parking Apron & Parallel Taxiway East of Taxiway U. The work includes construction of concrete aircraft parking west of the proposed East Concourse at Terminal 2; installation of hydrant fueling system, lighting, electrical distribution equipment, telephone and control systems, ground rods; replacement of an existing 12 inch waterline; installation of storm drainage system, signage, pavement markings and striping; and construction of a parallel taxiway immediately east of Taxiway U including pavement markings, striping, and taxiway lighting. The amount of the agreement will not exceed \$1,000,000.00 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 \$200,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 99001.

Authorization of Consultant Agreement with Holmes & Narver for Engineering Design Services for Construction of Remain Overnight (RON) Aircraft Parking Apron Southwest of Taxiway T, South Airport was the subject of a memo to the Board from the Director of Engineering notifying the Board that existing operations at the Airport require additional parking apron for passenger and cargo aircraft. Some operations require that these aircraft stay overnight and there is a shortage of parking areas available to support this need. Current expansion plans to accommodate 13.8 MAP (million annual passengers) at the Airport will generate additional aircraft traffic that will increase the need for aircraft parking areas both during and after construction of the expansion projects. It was recommended the Board approve the agreement with Holmes and Narver to perform the required design services for the construction of the proposed new aircraft parking project. The work includes construction of concrete aircraft

parking apron southwest of Taxiway T; installation of hydrant fueling system, lighting, electrical distribution equipment, telephone and control systems, ground rods; replacement of an existing 12 inch waterline; installation of storm drainage system, signage, pavement markings and striping; and construction of a Ground Run-up Enclosure/Wash Facility. The amount of the agreement will not exceed \$2,000,000.00 based on the agreed upon scope of work and terms of the contract. In addition, it was requested that the Executive Director be authorized to approve up to an additional \$400,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 99002.

Approval of Consultant Agreement with Muller & Caulfield Architects for Design Services for Construction of the Aviation Facilities Maintenance Complex, North Airport was the subject of a memo to the Board from the Director of Engineering notifying the Board that Aviation Facilities Maintenance, Utilities Maintenance, equipment storage, vehicle maintenance and administrative functions are currently housed in 9 buildings scattered at the North Airport, and in one building on Doolittle Drive. The buildings are up to 60 years old, are outdated, and several must be demolished to create space for redevelopment. It is proposed to consolidate all of the maintenance functions into a facility on one site. It was recommended the Board approve an agreement with Muller & Caulfield to perform the required design services for this project. The design consultant will provide design services for the construction of the new facility which will include maintenance shops, administrative offices, a storage warehouse, an equipment maintenance building and fuel station; associated site work, lighting, access roads, landscaping; and security measures. The amount of the agreement will not exceed \$1,000,000.00 based on the agreed upon scope of work and the terms of the contract. In addition, it was requested that the Executive Director be authorized to approve up to an additional \$200,000.00 for potential changes in scope. The recommendation was approved on passage of Resolution No. 99003.

Conditional Consent to Sublease between Air Terminal Services, Incorporated (CA One) and Southwest Duty Free, Inc. and modification of CA One Lease and Concession Agreement was the subject of a memo to the Board from the Director of Aviation notifying the

Board that Air Terminal Services, Inc. (CA One) is the Master concessionaire for newsstand and gift shops at the Airport. CA One requests the Port's consent to the sublease of a portion of the CA One's news and gift concession premises to Southwest Duty Free, Inc. (Southwest). Southwest proposes to operate a duty free shop and two ancillary retail units in Terminal 1 at the Airport. The sublease would commence upon the date the duty free shops open for business and would run concurrently with CA One's lease, which expires in 2008. At the end of the first twelve months of operation, Southwest CA One or the Port could elect to terminate the agreement. CA One's Lease and Concession Agreement will be modified to reflect payment to the Port of percentage rent on sales of duty free merchandise as follows: months 1 - 12, percentage of gross sales 0.00%; months 13 - 24, percentage of gross sales 15%; months 25 - 36, percentage of gross sales 16%; and months 37 through remainder of term 17%. It was recommended that the Board approve the consent to the Air Terminal Services, Inc. (CA One) sublease to Southwest Duty Free Inc. and the modification of CA One's Lease and Concession Agreement (Newsstand & Gift Shop). The recommendations were approved on passage of Resolution No. 99004 for consenting to modification of Air Terminal Services, Inc. License and Concession Agreement and Resolution No. 99005 for consenting to Air Terminal Services, Inc. sublease to Duty Free, Inc.

Approval of Second Supplemental Agreement with Avis Rent A Car System, Inc. -

Service Facility was the subject of a memo to the Board from the Director of Aviation notifying the Board that Avis Rent A Car System, Inc. operates a service facility at the Airport for its rental car operation under a lease agreement which expired 12/31/98. Avis proposes to extend this lease for six months through 6/30/99. The service facility occupies land that will be needed for the Airport Development Plan roadway project. Avis has located to another building off of airport property and will vacate its service facility in early 1999. Under the terms of the lease, Avis is required to demolish the buildings and remediate any hazardous materials contamination on the property. Avis requires additional time beyond the expiration of the lease to complete its relocation to the new building and to demolish the existing improvements at the Airport. The minimum monthly rent during the extension period will be increased by 7.25% which is the increase in the

CPI from the date of the last rental increase (7/96) to the present. It was recommended that the Board approve a Second Supplemental Agreement with Avis to extend the term for an additional six months; to specify the minimum monthly rent during the extension period; and to clarify the Tenant's obligations with regard to removal of improvements and remediation of toxic materials. The recommendation was approved on passage of Resolution No. 99006.

Resolution Extending Right-of-Entry and Indemnity Agreement and First Reading of Ordinance Approving Multi-Year License and Concession Agreement with WinAir, Inc. dba

WinAir Airlines was the subject of a memo to the Board from the Director of Aviation notifying the Board of the proposed five year Multi-Year License and Concession Agreement with WinAir Airlines, a new airline tenant at the Airport. The proposed Multi-Year Agreement authorizes continued commercial aircraft operations at the Airport between Long Beach, CA and Oakland, CA. WinAir is currently operating under a Right-of-Entry and Indemnity Agreement commencing November 22, 1998 and ending January 5, 1999, or upon such later date as the Board may approve the extension of that agreement. All airlines doing business at the Airport are required to enter into an agreement with the Port. The proposed Multi-Year Agreement includes standard Port provisions for insurance coverage and indemnification, has a commencement date of March 1, 1999 and can be terminated by either party with 30 days prior written notice and proposes an extension of the Right-of-Entry and Indemnity Agreement through February 28, 1999. No premises will be occupied by WinAir under this Multi-Year Agreement. Delta Airlines, Inc. has contracted with WinAir to provide passenger, baggage and ground handling for the present three flights per day from Terminal 1. All landing fee charges, baggage claim, holdroom/gate usage fees and such other fees as may be applicable will be billed by the Aviation Finance Department. It was recommended that the Board approve the extension of the Right-of-Entry and Indemnity Agreement through February 28, 1999 with WinAir, Inc. dba WinAir Airlines. The recommendation was approved on passage of Resolution No. 99007 to extend the Right-of-Indemnity and Indemnity Agreement and on an ordinance to print for the Multi-Year License and Concession Agreement.

Approval of Consultant Agreements to Provide Services to Prepare Documents

Facilitating Transfer of Navy-owned Lands to the Port and Undertake Required Remediation at the Former Fleet and Industrial Supply Center, Oakland was the subject of a

memo to the Board from the Director of Engineering notifying the Board that between 1992 and 1996, Congress passed legislation known as the Dellums' Special Legislation which authorized the Secretary of the Navy to lease and ultimately convey Navy-owned lands at the former Fleet and Industrial Supply Center, Oakland (FISCO) to the Port without compensation. As a result, the Port has incrementally leased the entire 530 acres of FISCO for a term of 50 years with the final lease amendment being executed August 4, 1997, 14 months ahead of schedule. This early leasing facilitated earnings at the Harbor Transportation Center (HTC) of approximately \$11.4 million in gross revenues plus an additional \$350,000.00 in utility service charges. Since May of last year, the Port and the Navy have been in the process of preparing certain documents necessary to transfer fee title of FISCO from the Navy to the Port. Until recently, the process was solidly on schedule and the Port fully expected to complete the transfer of fee title to the first 70 or more parcels during November of this year. The Federal environmental document Port staff intended to use to facilitate this transfer is called a Finding of Suitability to Transfer, or a FOST. The Board approved preparation of all necessary FOSTs on May 19, 1998, which would have provided ample time to meet the Vision 2000 (V2K) schedule under normal circumstances. It was anticipated that four FOSTs would be required; one for the underwater portion of FISCO, one for the initial 70 or more above-described parcels and two for the remainder of the land area depending on the environmental categorization of the parcels involved. During the past two months, certain State environmental regulatory processes required to complete the necessary FOSTs have been delayed and consequently it has become increasingly difficult to keep the V2K program on schedule. Under the revised schedule, the fee transfer for certain parcels will likely not occur until beyond the May 1999 proposed start of the V2K construction and could be as late as January 1, 2000, or even later, for the final parcels. These delays have led the Port to explore other viable land-transfer mechanisms. In cooperation with the Navy, the Port identified an approach that may expedite fee transfer of FISCO

to the Port. The approach identified is a mechanism found in Section 120(h)(3)(C) of the Federal Comprehensive Environmental Response Compensation and Liability Act (CERCLA) and is commonly known as "Early Transfer Authority" (ETA). The ETA approach allows the Navy to defer the otherwise required making of a covenant warranting that all hazardous substance remedial actions necessary to protect human health and the environment have been taken before the date of transfer. In addition, the Port would undertake the required remediation pursuant to some funding agreement with the Navy under which the Navy would pay to the Port an agreed amount for the remedies/remediation. That amount would include payment of an insurance premium to cover additional remedy/remediation costs should they exceed the Navy's agreed payment. This approach, if accepted in a timely manner by the Navy, the State regulators, and the Governor of the State of California, would allow the Port to carry out its proposed V2K development on schedule and help to insure that the envisioned employment and entrepreneurial opportunities rapidly flow to the community and to the Port. The primary document needed to facilitate the early transfer is called a Finding of Suitability of Early Transfer, or a FOSET, which requires the signature of Navy Headquarters as well as the Governor of the State of California. The Port staff's recommendation is to pursue the ongoing FOSTs and the proposed FOSET in parallel until decisions are made as to which is appropriate for which parcels. Based on current discussions with the Navy it is likely that the FOST will be used for some parcels and the FOSET for others. To take advantage of the existing window of opportunity, to support the intense staff efforts to complete negotiations of terms and conditions of the proposed ETA Agreement with the Navy, and to prepare the necessary documents associated with the FOSET and other required documents needed to implement early fee transfer, an array of specialized professional services will be required. It was recommended that the Board approve the following agreements. Tetra-Tech, a new agreement, presently has already completed most of the required Remedial Investigation (RI) and Feasibility Study (FS) work at FISCO working directly as the Navy's contractor. It is expected that this work will be utilized directly in the preparation of the FOST, FOSET and ETA documents and estimated to cost about \$500,000.00. BRW/Dames & Moore, a new agreement, relating to the preparation of financial

analyses and related services. Dames and More will provide that specialized, but limited, support needed during preparation of the FOSTs, the FOSET and subsequent negotiations with the Navy and estimated to cost about \$100,000.00. GAIA Consulting, Inc., an ongoing agreement, to prepare the FOSTs. The new FOSET approach will incorporate much of the work already performed in the FOSTs. GAIA's current agreement is in the amount of \$50,000.00 and it will be necessary to increase the compensation in order to complete this work at a later date. Harding Lawson Associates (HLA), an ongoing agreement, provides on-call specialized environmental services for the Port. HLA's current scope of work will be expanded to provide the Environmental Management and Environmental Remediation services necessary to carry out the remediation that is expected to be required by the regulators. HLA's current agreement is in the amount of \$600,000.00, with about \$500,000.00 remaining unspent. If it later becomes necessary to increase the compensation in order to complete this work, staff will recommend approval of a supplemental agreement. Arcadis, Geraghty and Miller (Arcadis), an ongoing agreement, performs on-call specialized environmental services and staff proposes that Arcadis provide specialized support in any required remediation of vinyl chloride at the Building 740 site. Arcadis's current agreement is in the amount of \$1,000,000.00, with about \$142,000.00 remaining unspent. If it later becomes necessary to increase the compensation in order to complete this work, staff will recommend approval of a supplemental agreement. The recommendation was approved on passage of Resolution No. 99015 with Dames & Moore and Resolution No. 99016 with Tetra-Tech.

Ratification of Addendum 1 for 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 on November 24, 1998, the Board approved the plans and specifications for the reconstruction of Berth 25 yard and advertised for bids to be received on December 30, 1998. The original design for the Berth 25 yard included the removal of all generator-powered reefer receptacles and replacement with electrically-powered receptacles. However, when the Port's need to expedite the removal of the portable generators became urgent, the reefer improvement portion of the work was extracted from the project to be separately bid. On November 10, 1998, the Board

approved dispensing with formal bidding for the installation of electrical systems for reefer receptacles at various Harbor Terminals, including the Berth 25 reefer improvements. On December 14, 1998, the Port received two informal proposals for the Berth 25 reefer project, but the proposals exceeded the engineer's estimate by more than 50% and, consequently, were determined to be excessive. The most expeditious way to timely complete the reefer work is to reject the informal proposals received on December 14, 1998 for the reefer system, and put the work back into the project for Reconstruction of Berth 25 Yard making it Addendum #1. Since the Addendum 1 was not mailed to the plan holders until December 22, 1998, the bid date was changed to January 6, 1999. As the Port is most likely to receive a reasonable bid for the reefer work when it is included as part of the total yard project, it was recommended that the Board ratify the Addendum #1 to the project plans and specifications and include this work with the bids to be received on the revised bid date of January 6, 1999. The recommendation was approved on passage of Resolution No. 99008.

Personnel Items contained in a memo to the Board from the Acting Director of Administration recommending the appointment of Cynthia Duenas, Ismael Kelly, Iqbal Razawi, as Relief Airport Custodians, effective January 25, 1999, at \$12.07 per hour; Robert C. Martinez, as Director of Administration, effective January 6, 1999, at \$8,647.00 per month; Ben B. Wu, as Port Technical Support Analyst III, effective January 25, 1999, at \$4,257.00 per month; Valadimir Todor, as Junior Port Electrical-Mechanical Engineer, effective January 6, 1999, at \$4,621.00 per month; Fred Lee, as Assistant Civil Engineer, effective January 6, 1999, at \$4,574.00 per month; Steven Low, as Junior Civil Engineer, effective January 6, 1999, at \$4,428.00 per month; Anthony Kekulawela, as Junior Port Electrical-Mechanical Engineer, effective January 25, 1999, at \$4,151.00 per month; Welman M. Lee, as Port Senior Equipment Mechanic, effective January 9, 1999, at \$5,217.00 per month; Bendu Griffin, as Executive Secretary, effective January 9, 1999, at \$3,737.00 per month; Elizabeth Domingo, as Senior Account Clerk, effective January 9, 1999, at \$3,536.00 per month; Yvette Kelly, Senior Account Clerk, effective January 25, 1999, at \$3,205.00 per month; Misiona Pulu, as Senior Typist Clerk, effective January 9, 1999, at \$3,491 per month; January 5, 1999

Theresa O'Rourke, as Commercial Representative V, effective January 9, 1999, at \$6,384.00 per month; Bruce A. McGraw and Bennie Granter, as Airport Operations Specialists, Airside/Landside, effective December 14, 1998 (McGraw) and January 4, 1999 (Granger), at \$4,826.00 per month; Isaac Saenz, as Airport Operations Supervisor, Airside, effective January 4, 1999, at \$5,800.00 per month; and Janice Adam, as Port Field Representative I, effective January 15, 1999, at \$3,834.00 per month. Further recommended the appointments to limited duration positions: David G. Duey, David J. Gittleson, Barbara Hawkins-Bowman, William B. Williams, Jennifer Wong, as Assistant Civil Engineer, effective January 11, 1999 and ending January 10, 2000, at \$4,574.00 per month; Conrado Paulino, as Assistant Port Electrical-Mechanical Engineer, effective January 11, 1999 and ending January 10, 2000, at \$4,574.00 per month; Kevin Kashi, as Assistant Civil Engineer, effective January 11, 1999 and ending January 10, 2000, at \$4,878.00 per month; Kenny A. Ogunfunmi and Lorraine G. Wui, as Assistant Civil Engineer, effective January 25, 1999 and ending January 24, 2000, at \$4,574.00 per month; Tony Chu and Mesay Lulseged, as Junior Civil Engineer, effective January 25, 1999 and ending January 24, 2000, at \$3,954.00 per month; Derrick Cooper, as Junior Civil Engineer, effective January 25, 1999 and ending January 24, 2000, at \$4,218.00 per month; Thanh Nguyen, as Junior Engineer, effective January 25, 1999 and ending January 24, 2000, at \$3,954.00 per month; Joan Pham, as Junior Civil Engineer, effective February 1, 1999 and ending January 31, 2000, at \$4,151.00 per month; and Richmond Apande and Alvin Kan, as Junior Port Electrical-Mechanical Engineer, effective February 1, 1999 and ending January 31, 2000, at \$3,954 per month. Also recommended was the creation of the Computer Operations Analyst II; Deputy Port Attorney III; examination announcements for Engineer Project Manager and Airport Landside Services Coordinator; amendment of salary schedule effective retroactive to the beginning of pay period containing September 1, 1998; and amendments of salary schedule assignments for Aviation Public Works Specialist, Port Maintenance & Construction Supervisor, and Senior Fire Prevention Systems Engineer. The recommendations were approved on passage of Resolution No. 99009 for certain appointments; Resolution No. 99010 for examination announcements; Resolution No. 99011 for ratifying certain appointments; and an ordinance to print

for creating additional position and adding additional positions within existing classifications and also an ordinance to print for adding additional rate to existing classifications, and amending salary schedule for certain positions.

Supplemental Agreement for Medical Management and Bill Review Service with Beech Street was the subject of a memo to the Board from the Acting Director of Administration notifying the Board that in January 1994 the Board approved the Director of Human Resources' request to hire Beech Street, a medical management and bill review service to provide cost containment consulting services for the Port's self-insured, self-administered workers' compensation program at their normal billing rates for an amount not to exceed \$50,000.00. The costs averaged \$16,700.00 per year covering the period from January, 1994 through March, 1997. On April 15, 1997, the Board approved the execution of a supplemental agreement with Beech Street extending their contract for an additional \$50,000.00. To date the Port has spent \$39,000.00 under the terms of the supplemental agreement averaging \$31,200.00 annually. Based on current trends which includes an increase in the number of claims requiring review of medical bills for cost control purposes, the estimate cost for these services will total approximately \$78,000.00 by the end of the fiscal year. As a result of the services provided by Beech Street, the Port has saved, in reduced medical payments, \$495,000.00 at a cost of \$89,000.00 for a net savings of \$406,000.00. This savings represents an estimated reduction of medical payments, including savings from PPO providers of approximately 20-30% Beech Street's services have been billed at a rate of 18% of cost savings they create for the client. When they have not been able to reduce the bill, the Port has not been charged. Beech Street was recently purchased by a managed care organization which will primarily focus on their preferred provider network. As a result, they will cease bill review services for the Port effective December, 1999. The Port currently is researching and reviewing alternate providers. Due to the ongoing nature of their services to the Port in reviewing all medical bills and reducing them to the allowable fees set by the State, it was recommended that the Board approve the renewal of Beech's contract so that they may continue services through the end of calendar year 1999, or until a new service provider is approved by the Board. To cover the costs, the Board is

recommended to approve the extension of the contract with Beech Street for an additional services at their current rate not to exceed a total of \$55,000.00. The recommendation was approved on passage of Resolution No. 90012.

Approval of First Supplemental Agreement with H. Lee Halterman for Community and Governmental Services was the subject of a memo to the Board from the Director of Communications notifying the Board that the Port has a professional services agreement with H. Lee Halterman, an Oakland-based community affairs and governmental affairs consultant who specializes in assisting organizations reach consensus with targeted constituencies. The current agreement was approved in April 1998 and provided for maximum compensation of \$50,000.00 with additional work authorized by the Executive Director in an amount of \$10,000.00 for a maximum possible payment of \$60,000.00. Mr. Halterman will continue his liaison work with numerous Port stakeholders including special emphasis on the labor and environmental communities in support of on-going Port operations. His work will include resolution of air quality and environmental issues surround the Vision 2000 program. He will also assist in framing the Memorandum of Understanding with the City of Alameda concerning the -50 foot project. He will be coordinating additional support at the federal level for the Water Resources Development Act and will be facilitating discussion with Labor interests regarding the Joint Intermodal Terminal. The additional work and level of effort will cost \$60,000.00. It was recommended that the Board approve making the total maximum compensation of \$120,000.00. It is also recommended that the Board grant the Executive Director the authority to approve up to \$10,000.00 for additional work. The recommendation was approved on passage of Resolution No. 99013.

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

Ayes: Commissioners Harris, Kiang, Taylor, Uribe
and President Loh - 5

Noes: None

Absent: Commissioner Kramer and Neal - 2

“RESOLUTION NO. 99001

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CH2MHILL FOR ENGINEERING CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 99002

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

“RESOLUTION NO. 99003

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

“RESOLUTION NO. 99004

CONSENTING TO MODIFICATION OF AIR TERMINAL SERVICES, INCORPORATED’S LICENSE AND CONCESSION AGREEMENT, NEWSSTAND & GIFT SHOP.”

“RESOLUTION NO. 99005

CONSENTING TO AIR TERMINAL SERVICES, INCORPORATED’S SUBLEASE TO DUTY FREE, INC.”

“RESOLUTION NO. 99006

APPROVING AND AUTHORIZING EXECUTION OF SECOND SUPPLEMENTAL AGREEMENT WITH AVIS RENT A CAR SYSTEM, INC.”

“RESOLUTION NO. 99007

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH WINAIR, INC. DOING BUSINESS AS WINAIR AIRLINES.”

“RESOLUTION NO. 99008

RATIFYING AND APPROVING ADDENDUM 1 FOR RECONSTRUCTION OF BERTH 25 YARD, OUTER HARBOR TERMINAL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 99009

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 99010

APPROVING EXAMINATION ANNOUNCEMENTS FOR THE POSITIONS OF ENGINEERING PROJECT MANAGER AND AIRPORT LANDSIDE SERVICES COORDINATOR.”

“RESOLUTION NO. 99011

RATIFYING CERTAIN AIRPORT OPERATIONS SPECIALISTS, AIRSIDE/LANDSIDE AND AIRPORT OPERATIONS SUPERVISOR, AIRSIDE APPOINTMENTS.”

“RESOLUTION NO. 99012

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

“RESOLUTION NO. 99013

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

“RESOLUTION NO. 99014

CONFIRMING, RATIFYING AND APPROVING THE RETENTION OF THE LAW FIRM FARELLA BRAUN & MARTEL LLP AS SPECIAL COUNSEL TO THE PORT ATTORNEY.”

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

Ayes: Commissioners Harris, Kiang, Taylor

and President Loh - 4

Noes: None

Abstained: Commissioner Uribe - 1

Absent: Commissioners Kramer and Neal - 2

“RESOLUTION NO. 99015

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

"RESOLUTION NO. 99016

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH TETRA-TECH FOR MARITIME CONSULTING CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT."

Port Ordinance No. 3479 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 second time and passed by the following vote:

Ayes: Commissioners Harris, Kiang, Taylor, Uribe
and President Loh - 5

Noes: None

Absent: Commissioners Kramer and Neal - 2

Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A MULTI-YEAR LICENSE AND CONCESSION AGREEMENT WITH WINAIR, INC. DOING BUSINESS AS WINAIR AIRLINES, AND DIRECTING RECORDATION THEREOF," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, CREATING ADDITIONAL POSITION OF COMPUTER OPERATIONS ANALYST II, AND ADDING ADDITIONAL POSITION WITHIN EXISTING PORT CLASSIFICATION," and Port Ordinance No. ____ being, "AN ORDINANCE RATIFYING PORT ORDINANCE NO. 867, ADDING ADDITIONAL RATE TO EXISTING CLASSIFICATION, AND AMENDING SALARY SCHEDULE FOR AVIATION PUBLIC WORKS SPECIALIST, PORT MAINTENANCE & CONSTRUCTION SUPERVISOR, AND SENIOR FIRE PREVENTION SYSTEMS ENGINEER," was read a first time and passed to print by the following vote:

Ayes: Commissioners Harris, Kiang, Taylor, Uribe
and President Loh - 5

Noes: None

Absent: Commissioners Kramer and Neal - 2

At the hour of 5:10 p.m., the Board entered into closed session pertaining to conference with legal counsel - anticipated litigation, significant exposure to litigation pursuant to subdivision (d) of Section 54956.9: 4 matters; conference with legal counsel - pending litigation, initiation of litigation pursuant to subdivision (c) of Section 54956.9: Syufy v. Port of Oakland; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation: property - 100 Water Street, Oakland, California 94612, negotiating parties - Port and Oakland Portside Associates, under negotiation - price and terms of payment; and reconvened in open session at the hour of 6:45 p.m.

At the hour of 6:46 p.m. the meeting was adjourned on a motion duly made and second.



Secretary of the Board