

enplaning operation, secondary use, signatory, based airline with holdroom - \$0.88 per enplaning pax, secondary use, non-signatory, based airline without holdroom - \$1.10 per enplaning pax, secondary use, holdroom & loading bridge non-based airline - \$1.10 per enplaning pax, secondary use, signatory affiliated airline - \$0.88 per enplaning pax, secondary use, non-signatory, affiliated airline - \$1.10 per enplaning pax, secondary use, signatory, affiliated airline using small aircraft - \$0.77, secondary use, non-signatory, affiliated airline using small aircraft - \$0.96 per enplaning pax, baggage claim area, non-based airline - \$0.65 per deplaning pax, security fee non-based airline - \$40.00 per enplaning operation, terminal use fee non-based airline - \$1.35 per enplaning pax, in-transit lounge fee - \$5.00 per pax, international deplaning passenger fee - \$7.00 per deplaning pax, and international airlines ticket counter - \$200.00 per four hour use. The rate setting for both landing rates and terminal rental rates is based on financial data as of June 30, 2000. The direct and indirect expenses of operations in the field and ramp area and in the terminal are computed and reduced by revenues resulting from airline activity. The remaining expenses are then paid by the airlines in the form of landing fees and terminal rental rates. An additional rate fee classification of "Non-Signatory, Based Airlines" is proposed to become effective retroactive to April 1, 2001. This rate is retained for those based airlines that have not executed the Port's standard Airline Operating Agreement. The rate represents a 25% premium over rates paid by airlines that have signed the agreement. The 25% premium represents the Port's estimation of greater costs and liability that the Port assumes when an airline regularly operates from the Airport, but has not signed an agreement containing numerous covenants. These covenants include provisions such as: indemnification and insurance provisions; waiver of action against Port officers and employees; covenants to pay landing fees, passenger facility charges and contract security; additional covenants

to abide by Port and FAA rules and regulations; environmental responsibilities; enumeration of events of default and other provisions intended to protect the interests of both parties. Upon the finalization of the terms of the Airline Operating Agreement, staff sent final copies to the airlines on September 1, 2000, with an execution date of October 15, 2000. To date, only six airlines have executed the Airline Operating Agreement. Staff will stop charging the 25% premium on the landing fees to any based airline that signs and returns the Airline Operating Agreement. Mobile food truck caterers have conducted business at the Airport without any fee or much regulation for many years. As the Airport embarks on a substantial capital program, the regulation of this activity will be required. It is common practice at larger airports to assess a monthly fee to food caterers doing business; such fees are commonly assessed on most commercial activities. It is proposed that each mobile food caterer selling food and/or beverages shall pay to the Port a minimum monthly fee per catering vehicles, as established by the Director of Aviation. Such fee shall be uniform for all such caterers at the Airport and shall be not less than \$250.00 per month per vehicle nor more than \$500.00 per month per vehicle. As this is a new fee and practice, the Director of Aviation will phase in the imposition of the fee and regulation of the catering vehicles. The recommendation was approved on passage of an Ordinance to print.

First Reading of Ordinance Approving a New Easement with Pacific Gas & Electric Company at Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Port is currently constructing the Airport Roadway Project (ARP), which consists of widening 98th Avenue west of Interstate 880; constructing the Doolittle Drive and Airport Drive Interchange; improving Harbor Bay Parkway, Air Cargo Road, and Airport Drive; and constructing the Taxiway "B" Bridge. Pacific Gas &

Electric Company (PG&E) must relocate and/or extend its existing six-inch natural gas pipeline to accommodate construction of the ARP, and it was recommended that the Board authorize a new easement to PG&E to accommodate and maintain its facilities. Three separate rights-of-way each twenty feet in width: from Doolittle Drive westward to vicinity of United Airlines maintenance facility, 5,024 ± lineal feet or 110,478 ± square feet; relocation under Taxiway “B” north of Air Cargo Road under crossing, 1,879 ± lineal feet or 37,583 ± square feet; and along alignment of extended Air Cargo Road to Harbor Bay Parking, 3,651 ± lineal feet or 73,017 ± square feet, will be required. There is no consideration, and this new easement to PG&E replaces an existing perpetual easement. The recommendation was approved on passage of an Ordinance to print.

First Reading of an Ordinance Approving Two Easements with Alameda Power and Telecom at Oakland International Airport was the subject of a memo to the Board from the Director of Aviation recommending approval of two non-exclusive easements along the proposed Airport Roadway Project alignment at the Airport. One easement would be for telecommunication purposes, the other for electrical transmission purposes. Alameda would be entitled throughout the term to a 10-foot wide, non-exclusive construction and maintenance easement. The Port shall retain throughout the term hereof all rights to use the surface and above-ground areas of the easement premises for whatever purposes the Port may require. The term will be thirty years with three-10 year mutual renewal options, commencing upon the date of the Port’s delivery of the notice to proceed to Alameda. Alameda will pay approximately \$28,031.00 per year for the telecommunication easement and \$51,075.00 per year for the electrical power easement. The consideration for said easements shall be paid and adjusted annually upon each anniversary date of the term by an increase in the CPI, All Urban Consumers, San Francisco-Oakland. Such

consideration shall be adjusted every 10-years to the then Fair Market Value. Alameda shall pay during the construction period consideration equal to 25% of the applicable consideration. The construction period shall run for 4 years from the commencement date, or until Alameda commences construction on those portions of the easement length not under the Taxiway B Port construction area, whichever date is first. Alameda will pay for the full cost of all required relocations during the term, whether required by the Port or Alameda, providing, however, that any Port-caused relocations shall not entail more than 20% of the linear length of the original easement. Any such relocation entailing more than 20% of the linear length of the original easement shall be paid by the Port. Alameda will provide at its sole cost all necessary service connections for Port or Port tenant use along the easement alignment during the term. Port or Port tenants will pay the cost of any extensions therefrom, provided that Alameda has existing 12kV distribution service in such portion of the easement where the service connection is to be made. Alameda will pay Port engineering costs for review and approval of plans and specifications for initial installation and any relocations resulting from any Alameda-caused relocations. Alameda at all times shall reserve not less than 10% of the total telecommunications conduit space for Port's sole use, at its sole election, without cost to the Port. The Port may, at any time during the term hereof, buyout Alameda's then unamortized interest in either easement. The recommendation was approved on passage of an Ordinance to print.

Ratification of Addendum and Award of Contract for Overlay of Taxiway B (Between Runways 27L and 27R), North Field, OIA was the subject of a memo to Board from the Director of Engineering notifying the Board of the three bids received and recommending award of the contract to Gallagher & Burk, Inc., the lower bidder, at \$657,450.00. Addendum No. 1 was by the March 20, 2001

Chief Engineer to include lighting information on one of the Plan sheets and to extend the bid opening date to March 5, 2001. The addendum did not change the physical work of the contract. The recommendation was approved on passage of Resolution No. 01100.

U.S. Department of Transportation – Coast Guard Island Bridge Easement was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the United States Coast Guard operates Coast Guard Island in the basin east of 9th Avenue Terminal. Coast Guard Island is wholly within the City of Alameda's borders; however, the Island can only be accessed via of bridge from the foot of Dennison Street in Oakland. The bridge is too narrow to support safe operation of motor vehicles and carries substandard vehicle loads. In 1948, the Port entered into a court ordered stipulation that provided the Coast Guard with an easement across Port-owned submerged lands. The court ordered stipulation gave the federal government rights to maintain the bridge as well as to construct a new bridge from Dennison Street to the Island. The Coast Guard is proposing to erect a modern concrete pile support bridge connecting Dennison Street to Coast Guard Island on a slightly different alignment. The new alignment connects the bridge to a new more central access street on the Island. The Coast Guard has prepared the legal metes and bound description for the submerged land the bridge will occupy within the Port's ownership. It was recommended that the Board authorize an easement agreement with the Coast Guard as required to cover the new easement in perpetuity. Upon completion of the new bridge and demolition of the old bridge, the Port would terminate the old easement by agreement. The recommendation was approved on passage of an Ordinance to print.

License and Concession Agreement – Water Taxi was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Jack London March 20, 2001

Water Taxi Service is a service operated by Captain Robert Cooper. This is an on-call taxi service that takes riders from the foot of Broadway in Jack London Square to other points along the Oakland Estuary, including Alameda or points east on the Oakland side of the estuary. The Port has used his services for waterfront tours on several occasions and his water taxi is available for charter for small groups and conducts tours by appointment. Mr. Cooper has been a Port berth tenant for about 3 years. Mr. Cooper cannot support additional expenses such as the new Jack London Marina berth rates given the current expenses of operating the service and it was recommended that the Board authorize a new agreement covering its operation. Basic terms of the proposed agreement would include free berthing for the Water Taxi vessel in the Jack London Square Marina; Water Taxi rates are subject to approval by the Port (the current rate is \$5.00 per person round trip); he will maintain specific service hours during the summer and on weekends subject to approval by the Port; will provide with his monthly passenger counts and gross sales; provide up to two hours per month of free charter service to the Port for Port functions; and the Port reserves the right to relocate the Water Taxi dock or the Water Taxi berth at its sole option which shall not be unreasonable to the Water Taxi operator's business. After discussion, the recommendation was approved on passage of Resolution No. 01101.

Recommended Approval of New License and Concession Agreement with Athens Baking Co., L.L.C. for Property located at Embarcadero near Diesel Street was the subject of a memo to the Board from the Director of Commercial Real Estate recommending approval to renew their agreement for vacant land at Embarcadero near Diesel Street at \$1,029.93 per month (\$.10 psf). The parcel is used for storage of delivery vehicles. The recommendation was approved on passage of Resolution No. 01102.

Approval of Amending License and Concession Agreement with J. Fletcher Creamer & Son, Inc. to Expand Premises Located at Diesel and Kennedy Streets was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board of the agreement with J. Fletcher Creamer & son, Inc. for storage of equipment and supplies at a vacant site on Embarcadero East. They have requested that they be able to double the amount of leased space. The amendment would increase the square footage from 20,680 square feet to 41,360 square feet. Monthly rental for the entire leased premises would be \$4,136.00 (\$.10 per sq. foot). It was recommended that the Board authorize the amendment to the agreement. The recommendation was approved on passage of Resolution No. 01103.

At the hour of 3:45 p.m., Commissioner Tagami joined the meeting.

Authorization for the Executive Director to Sign the Project Cooperation Agreement (PCA); and Authorization to Provide the Port of Oakland's Cost Share for Phase 1, Inner Harbor Turning Basin, the First Component of 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 the Federally authorize Project to deepen the Port's navigation channels, turning basins, and berths is a key component of the Port's Strategic Plan. Depths of -50 feet, Mean Lower Low Water (MLLW), are required to accommodate the latest generation of larger, more efficient container ships. The project was authorized by Congress in the Water Resources Development Act (WRDA) of 1999. Congress appropriated funds for the Project to be constructed by the U.S. Army Corps of Engineers (CoE), starting in Fiscal Year (FY) 2001. The Port is the non-Federal sponsor of the Project, and will participate in its cost in accordance with WRDA 1986, as amended. The Project will also widen the Outer Harbor turning basin from 1, 500

feet to 1,650 feet, and widen the Inner Harbor turning basin from 1,200 feet to 1,500 feet. In addition to cost sharing the construction of general navigation features and environmental restoration components of the Project, the Port is responsible for providing Lands, Easements, Relocations, and Rights-of-Way (LERRS) as well as local service facilities for the Project. Local service facilities include berth deepening and wharf strengthening. Approximately 12 million cubic yards (mcy) of material will need to be dredged for the project. Approximately 5.8 mcy of clean dredged material will be placed in the Middle Harbor for environmental restoration as shallow water habitat. Approximately 2.5 mcy of dredged material will be placed at the Federally authorized Hamilton Wetlands Restoration Project at the closed Hamilton Army Airfield in northern San Francisco Bay. Approximately 2.9 mcy of dredged material will be placed at the Montezuma Wetlands Restoration Project located in the West Delta. Approximately 0.8 mcy of dredged material will be used for upland construction and as daily fill and cover for landfills. The Port and San Francisco District, CoE, have drafted a Project Cooperation Agreement (PCA) for the Project. The PCA specifies cost sharing between the Federal Government (CoE) and local cost sharing sponsor (Port) for the Project, in accordance with WRDA 1986 and subsequent WRDAs. Phase 1 of the Inner Harbor Turning Basin is the first component of the -50 foot Project. Phase 1 consists of widening the Inner Harbor Turning Basin on a northwest to southeast axis (between the Fleet Industrial Supply Center Annex on the Alameda side of the turning basin to Schnitzer Steel's loading facility on the Oakland side of the turning basin). The work includes of partial building/wharf demolition, installation of sheet pile shore protection, removal of debris, and dredging to widen the existing 1,200-foot turning basin to 1,500 feet. The -50 foot project will be constructed in phases in order to increase competition and accurately reflect future Federal

appropriations for the project. The CoE has requested \$6.1 million from the Port as the local cost share for the first component (contract) of the Project. The total cost of the –50 foot deepening Project is currently estimated at \$287.7 million. The Port’s contribution to the project is currently estimated at \$145 million. It was recommended that the Board approve the Project Cooperation Agreement (PCA) and authorize the Executive Director, on behalf of the Board, to sign the PCA for the project; and authorize the payment of the Port’s \$6.1 million cost share to the U.S. Army Corps of Engineers for the first component of the –50 foot project, Phase 1 of the Inner Harbor Turning Basin. The recommendation was approved on passage of Resolution No. 01115.

Modification to the Italia Line Terminal Use Agreement (TUA) Adding Med Bulk Maritime Corp. as a User to the Agreement was the subject of a memo to the Board from the Director of Maritime notifying the Board that Italia di Navigazione-Societa Per Azione (Italia Line) is owned by the d’Amico Group and maintains a regular cargo service in the trade between the U.S. West Coast and the Mediterranean. Italia Line presently conducts operations at the Charles P. Howard Terminal where terminal services are provided by Stevedoring Services of America. The d’Amico Group also owns a smaller liner service known as Med Bulk Maritime Corporation (MBM). Representatives from Italia Line requested that MBM be treated as a “user” in accordance with the compensation terms of the Italia Line UTA. MBM’s deployment from the Mediterranean may include Cartagena while en route to Los Angeles, Oakland and Vancouver. MBM is planning for two Oakland vessel calls each month, commencing on or about April 15, 2001. The anticipated volume is 300 loaded TEUs per month or 3,600 loaded TEUs annually. The key compensation terms in the TUA provide that Italia Line is subject to the Port’s marine terminal tariff and that Italia Line is subject to a Minimum Annual Guarantee of 11,500 loaded TEUs at March 20, 2001

Howard Terminal. It is proposed that the TUA be amended so that MBM vessel and cargo operations will be considered the same as those of Italia Line, including application of the existing compensation terms. Based upon the projected level of increased vessel and cargo activity it is estimated that this new business will generate approximately \$218,000.00 in new dockage and wharfage revenue during the first twelve month period. It was recommended that the Board approve the amendment. The recommendation was approved on passage of Resolution No. 01104.

Additional Extension of Senator Lines/Cho Yang Shipping Company's Terminal Use Agreement at Ben E. Nutter was the subject of a memo to the Board from the Director of Maritime notifying the Board that Senator Lines and Cho Yang Shipping, along with Hanjin Shipping, are collectively referred to as the United Alliance. These lines are presently assigned to Ben E. Nutter Terminal under separate Terminal Use Agreements (TUAs) and will occupy the new Berth 55/56 facility upon substantial completion of Phase 1. The Berths 55/56 Agreement already provides for the extension of the Hanjin TUA at Ben E. Nutter Terminal, subject to commencement of the term at the new facility. In order to allow for recent construction delays at Berth 55/56, the staff now proposes a further extension to the Senator/Cho Yang TUA. The new extension shall be on the first of May 1, 2001, as said date maybe extended in writing by the Port, acting through its Director of Maritime, and the Term Commencement Date of the Berth 55 Agreement. It was recommended that the Board approve the proposed term extension to the Senator/Cho Yang TUA. The recommendation was approved on passage of Resolution No. 01105.

Recommendation to Determine Necessity to Improve and Alter a Part of Middle Harbor Road, to Authorize Execution of Permits and Agreements therefor, to Authorize Legal Action to Determine Rights and Obligations of Port and East Bay Municipal Utility

District (EBMUD), to Approve Plans and Project Manual for Construction of Realignment of Middle Harbor Road, Adeline Street Overcrossing to West of K Street, Vision 2000, and to Give First Reading to Ordinance Authorizing Grant of Easement to EBMUD was the subject

of a memo to the Board from the Director of Engineering notifying the Board that plans and project manual have been prepared for construction of realignment of Middle Harbor Road, Adeline Street Overcrossing west of K Street, Vision 2000, Oakland, California, and recommending their approval. This is the second roadway realignment project for the Port's Vision 2000 Program. This project will construct the new railroad tail tracks and associated circuitry serving the Joint Intermodal Terminal (JIT), the new Berths 57/58/59 rail crossing, realignment of the Roadway, asphalt concrete overlay of the existing roadway, new street light poles with foundations and lamps, new and modified traffic signal systems, and trenching for the relocation of the domestic water system. The Project is located on Port property and also partially within publicly dedicated Middle Harbor Road. Under Section 713 of the Charter of the City of Oakland, "Whenever the Board shall determine it is necessary to open, close, improve, alter or vacate a public street or part of a public street within the 'Port Area', a certified copy of the resolution so determining such necessity shall be filed by the Board in the Office of the City Clerk, with the request that the City Manager and the Council initiate and carry to completion the proceedings necessary to effect such proposal." Section 713 applies to the northerly half of the strip of public Middle Harbor Road that is within the subject project area, because within that area new JIT railroad tail tracks will be constructed. For reasons of safety and compatibility of rail and automobile/truck operations, it is necessary to realign Middle Harbor Road so that the part that will be used for railroad operations is separated from the part used by automobiles and trucks. City Staff is cooperating with the Port to complete the proceedings

necessary to effect the Port's proposed project. The elements of the agreement reached are the following: (1) the northerly two lanes of Middle Harbor Road that the Port will improve and alter for the JIT railroad tail track operations will be kept separated from automobile and truck traffic, and the Port will construct two new lanes contiguous to the south boundary of existing Middle Harbor Road which will functionally retain the exiting capacity of Middle Harbor Road for automobile and truck traffic; (2) the Port would agree to keep the new lanes, which would be located on City land in the Port Area and would not be dedicated as part of the public street, open to public automobile and truck traffic so long as the existing northerly lanes are used just for railroad purposes; (3) the Port would be responsible for all new construction and for the maintenance of all of Middle Harbor Road, both the dedicated and new non-dedicated portions, all the way east to the Adeline Street Overcrossing; and (4) the Port would indemnify other City agencies for claims and liabilities arising out of the proposed improvements and alterations and use of the area of Middle Harbor Road that the Port would be responsible to maintain. In April 2000 a preliminary set of construction plans for the final phase of the Middle Harbor Road realignment was provided to all of the potentially affected utilities. EBMUD determined that the existing water line which runs under the proposed track alignment within the publicly dedicated portion of Middle Harbor Road will have to be relocated in order to provide access for maintenance. Port staff concurs with EBMUD's determination, because of the potential interference with and disruption to rail operations arising from EBMUD's maintenance of its existing line. The Port Attorney's office has advised that the well-established body of case law requires that a utility (such as EBMUD) which operates utility facilities in a public street (such as Middle Harbor Road) under a statutory franchise (such as EBMUD does) is required to pay the costs of relocating its facilities when requested by the

municipality. Despite the Port's efforts over the past several months to come to some acceptable agreement with EBMUD, EBMUD has refused to pay the costs to relocate its line, based on the arguments that the Port is a "special purpose public agency", and is not "the City of Oakland", and that "the project is not a street improvement project." The Port, however, is a City department, and is simply the instrumentality through which the City acts in the Port Area, and the law requiring a utility franchise to be relocated from a public street is not limited to narrow situations where the governmental purpose is only to improve the street for automobile purposes, but clearly covers the situation at hand, where the City is improving the street for a governmental purpose such as railroad purposes which is included within the original grant and dedication for street purposes, the City Charter and the applicable State legislative tideland grants to the City. The plans before the Board provide for the Port's contractor to relocate the EBMUD line, partly to other areas of publicly dedicated Middle Harbor Road but mostly to areas within the new non-dedicated southerly portion of Middle Harbor Road to be constructed by the contractor . It is estimated that the cost of relocation will be approximately \$1.25 million. EBMUD has no franchise right to operate facilities on City property that is not within a dedicated right of way. It is proposed that the Port grant to EBMUD an easement for operation of the portion of EBMUD's line relocated to the proposed new non-dedicated portions of Middle Harbor Road. The construction of the roadway improvements was anticipated 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, Oakland. It was further evaluated in the Environment Impact Report (EIR) prepared for the JIT Project. On June 15, 1999, the Board certified the JIT Project EIR, adopted findings concerning significant impacts of the Project, adopted mitigation measures for the Project, adopted a Mitigation

Monitoring and Reporting Program, and approved the development of the Project. The cost of this work is anticipated to be less than \$6 million. It was recommended that the Board pass a resolution determining that, in the interests of public and railroad safety, it is necessary to improve and alter the northerly portion of the area of publicly dedicated Middle Harbor Road and separate railroad traffic from automobile and truck traffic, and authorizing the filing of a certified copy of the resolution with the City Clerk with a request that the City Manager and City Council initiate and carry to completion the proceedings necessary to effectuate the proposal for the improvements and alterations; pass a resolution authorizing the Executive Director to execute such permits and agreements as may be required by the City Manager or City Council and are necessary to effectuate the proposal for the improvements and alterations, including the terms and conditions outlined above, subject to approval as to form and legality by the Port Attorney; pass a resolution authorizing the Port Attorney to file such claims and initiate and prosecute such legal proceedings as the Port Attorney determines appropriate to establish the rights and obligations of the Port and EBMUD regarding the proposed project; pass a resolution approving the plans and project manual and authorizing advertisement for bids; and give first reading to an ordinance authorizing the grant of an easement on behalf of the Board to EBMUD for EBMUD's facilities that are relocated outside the public dedicated portions of Middle Harbor Road. The recommendation was approved on passage of Resolution No. 01106; Resolution No. 01107; Resolution No. 01108; Resolution No. 01109; and on an ordinance to print.

Ratification of Change Order to Contract for Construction of Container Yard, Phase 1B at Berths 55/56, Inner Harbor Channel – Replace Unsuitable Soil Material was the subject

of a memo to the Board from the Director of Engineering notifying the Board of the contract with

O.C. Jones & Sons, Inc. for the construction of container yard Phase 1B at Berths 55/56, at a lump sum and unit prices totaling \$20,782,063.00. Unstable subsoil consisting of bay mud was discovered at the project site and a change order was issued to compensate the contractor for mechanical stabilization which consisted of placing geotextile fabric and rock. Subsequently, a separate change was issued to perform lime/cement on approximately 75% of the project site. The contractor had intended to use this same method to stabilize the subsoil in the southern area of the site where portions were within 300 feet of the new shoreline (Zone 1). However, environmental regulators restricted the use of chemical stabilization methods in Zone 1. Therefore, the contractor was directed to replace the unstable subsoil in Zone 1 areas using mechanical methods specified in the Project Manual. During excavation of unsuitable soil material near former M Street, the contractor encountered asbestos piping that required removal and proper disposal. The costs associated with proper disposal are included in this change order and are paid under the provisions for force account work. It was recommended that the Board ratify a change order for an amount of \$85,461.00 to O.C. Jones & Sons, Inc. for the additional work. The recommendation was approved on passage of Resolution No. 01110.

Authorization for Executive Director, or Designee, to Exercise Powers under Public Contract Code, Section 4107, to Render Decision on Prime Contractor's Request for Substitution of Interlocking Paving Stone Subcontractor 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 that the Port presently has a contract with O.C. Jones & Sons, Inc. for the construction of container yard Phase 1B at Berths 55/56, Inner Harbor Channel, at lump sum and unit prices totaling \$20,782,063.00. The work consists of construction

of approximately 71 acres of container yard, including furnishing and installing asphaltic and interlocking paving stone pavement; furnishing and installing lighting, fire protection, potable water, gas and electrical systems; furnishing and installing storm and sanitary systems; and performing signing and striping. The work also includes the construction of the terminal gate and canopy, the reefer wash facility and landscaping. The subcontractor for Interlocking Paving Stone work is C.S.E. Paving of FL, Inc. (CSE). CSE is responsible for accomplishing all work associated with placing the stones, including supplying the stones (through their supplier, Basalite). CSE contends that the stones currently produced by Basalite are defective and cannot or should not be placed and CSE has discontinued placement of the paving stones. CSE's supplier, Basalite, contends that the stones meet all contract specifications, and has discontinued manufacture and delivery of the stones. The dispute between CSE and Basalite has brought work to a halt. Therefore, pursuant to Section 4107 of the Public Contract Code, O.C. Jones has formally requested the Port's permission to substitute a new subcontractor for CSE. Section 4107 Code limits a prime contractor's right to substitute a new subcontractor for the one originally listed in its bid. Section 4107 permits the public agency to authorize an officer to approve substitutions on its behalf and to hold a hearing and render a decision in the event that the incumbent subcontractor objects. Authorizing an offer to perform these functions offers two advantages. A Port officer with an engineering background can consider any technical questions that are presented and the Board may realize a time savings by avoiding the necessity for presiding over a hearing. The pending Request for Substitution from O.C. Jones provides a good opportunity for the Port to evaluate the utility of delegating all substitution authority to staff. CSE has not yet filed any objections to O.C. Jones' request; however, if the Port receives timely objections, a hearing will be required. It was

recommended that the Board authorize the Executive Director, or his designee, to exercise all of the Port's powers under Public Contract Code Section 4107 with respect to O.C. Jones' request to substitute a new subcontractor for CSE, including hold a hearing, resolving disputed issues of fact and law, and rendering a final decision. After discussion, the recommendation was approved on passage of Resolution No. 01116.

Acknowledging the Vital Role that Intermodal Trucking has in the Success of the Port of Oakland and Directing that Various Actions be Taken to Lessen Terminal Throughput Time and Improve Trucking Working Conditions was the subject of the memo to the Board

from the Director of Maritime notifying the Board that at the ports throughout the United States, most of the drayage of containers between marine terminals and either local shippers or intermodal rail terminals is carried out by independent owner/operators. They contract with trucking companies and truck brokers that acquire the business, dispatch the trucks and handle the invoicing to either the shipper or the steamship line. The trucking companies generally pay the independent owner/operators by the move rather than by the hour. The majority of these trucking companies are quite small, controlling fifteen to thirty trucks. Because of the large number of trucking companies, there is fierce competition and rates are highly competitive. Fuel price fluctuations as well as traffic congestion, terminal delays and inadequate chassis maintenance can lower productivity and can cause all independent owner/operator to lose money. Truck owner/operators legally are independent contractors and are not employees of trucking companies or brokers. As such, they are prevented from organizing by antitrust regulations. However, the Teamsters Union has been advising them and has helped to publicize their plight without directly representing them. At the suggestion of the Secretary/Treasurer of Local 70 of the Teamsters Union, the Maritime Committee

of the Port held a Special Hearing on Independent Truck Owner Operator Issues. Other issues that were raised at the hearing have been ongoing, and while the Port is not a party to truck movement contracts, the Port has facilitated meetings between terminal operators and truckers when specific problems have arisen. The Port recognized terminal congestion and the associated delays in picking up or delivering containers as a major contributor to trucker frustration and inability to earn adequate remuneration. One of the major benefits of the Vision 2000 expansion program and the construction of two new terminals will be a significant reduction in congestion at the Port's older marine terminals. In addition, a common bottleneck in interchanging containers in and out of a terminal is at the gate. For the past eighteen months, the Port has been engaged in a terminal facility gate enlargement and modernization program that is nearing completion. To provide for a more efficient Port, it was recommended that the Board pass a resolution directing that the following actions be taken to improve terminal throughput time and working conditions: the Port will convene a Harbor Transportation Advisory Forum with individuals from each of the stakeholders engaged in container throughput, this group will address issues involving the relationships between the various parties participating in container transactions and will advise on the feasibility of solutions; the Port will conduct a time and motion study of truck queues outside terminal gates, it will also monitor weekly truck dwell time records inside terminals so that an independent record of throughput time averages can be established, problems will be identified and corrective actions, where feasibility, will be developed in concert with the affected terminals; the Port will implement a program for the installation of video cameras at certain locations in the harbor, these cameras will be accessible through the internet so that truck dispatchers will have a real-time view of trucking queues; the Port will explore ways in which to incorporate a new

technologies that would improve container interchange efficiencies, as part of this effort, up to \$25,000.00 will be invested by the Port to develop an internet container pickup reservation system; the Port will establish a program for incorporating quality of life amenities for truck drivers into new and revised terminal and roadway facilities; and a quarterly report will be presented to the Marine committee for review of progress and consideration of presentation to the full Board. After discussion, the recommendation was approved on passage of Resolution No. 01117.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the termination of Larry Montoya, Semiskilled Laborer, for cause, effective the close of workday, March 21, 2001; and the termination of Richard Handy, for cause, effective the close of workday, March 21, 2001. After considerable discussion in open session and closed session, the Montoya recommendation was held over. The Handy recommendation was also held in closed session based on negotiations and an offer by the Port to Mr. Handy contained in Resolution No. 01001S.

Funding Support of the Bay Area World Trade Center, Formerly the Greater Oakland International Trade Center was the subject of a memo to the Board from the Executive Director notifying the Board that in 1994, the Port participated in the creation of BAYTRADE, an export promotion program which builds upon the Bay Area's strengths as a world class trade center. In 1995, the Greater Oakland International Trade Center (GOITC) was created to serve the companies in the East Bay. GOITC, during its five years of existence, has gained stated and international prominence by strategically positioning the Center and the Port to become the "Hub for International Trade Related Service Activity." The Greater Oakland International Trade Center merged with the Bay Area World Trade Center (BAWTC) located in San Francisco during the March 20, 2001

spring of 2000. Merging with BAWTC allows GOITC to serve the greater San Francisco/Oakland Bay Area, expand its international network and operate under the World Trade Center (WTC) brand name. The WTC network is made up of over 300 world trade centers in more than 100 cities around the world with 500,000 members. The newly merged organization will be headquartered in Oakland located in the Port building operating under the name "Bay Area World Trade Center." It was recommended that the Port provide funding in the amount of \$100,000.00 for FY 00/01 to BAWTC. The funding will allow the organization to maintain its export/import promotion activity, and its international business relations and continue to raise public awareness of the critical role the Port and trade plays in the regional economy. The \$100,000.00 in funding provided by the Port represents 18% of BAWTC's total budget. Other major funders of BAWTC are the City of Oakland, the City of San Francisco, the County of Alameda, and BAWTC members and corporate sponsors. The recommendation was approved on passage of Resolution No. 01118.

Approval of Assignments of Rights to the Name of Harding ESE, Inc. was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has four outstanding professional services and civil works contract with Harding Lawson Associates, Inc. (HLA). HLA was purchased by MACTEC in June 2000 and the corporate name was changed to Harding ESE, Inc. (the ESE portion of the name reflects another MACTEC acquisition, Environmental Science and Engineering). It was recommended that the Board approve the assignment of rights for the existing four contracts to Harding ESE, Inc. The recommendation was approved on passage of Resolution No. 01111.

Resolution to Continue Funding the Dioxin Task Force was the subject of a memo to the Board from the Director of Engineering notifying the Board that the City of Oakland established a

Regional Task Force on Dioxin Policy, Public Health, and the Environment and ultimately, the Association of Bay Area Governments (ABAG) agreed to establish a Dioxin Task Force in order to convene a group of interested government entities to: review issues related to dioxin in the environment; develop a scope of work/analysis into a work plan; and work to secure funding to undertake the work plan. On February 22, 2000, the Board approved a \$10,000.00 grant to ABAG to support the Task Force. Since that time, the Task Force has been evaluating pollution prevention strategies for local governments to prevent the formation of dioxin. In addition, the Task Force has been able to secure additional grants to support public outreach efforts. ABAG has requested that the Port contribute an additional \$10,000.00 grant to support the continuing efforts of the Task Force. Besides the Port, the Cities of Oakland, San Francisco, and Berkeley, among others, all play major roles on the Task Force. The Port's participation on the Task Force has provided an opportunity to balance environmental concerns with those of a business and operations perspective. This perspective is particularly useful because most government entities cannot argue economic impact issues effectively. It was recommended that the Board authorize continued funding of the Dioxin Task Force in the amount of \$10,000.00 and authorize the Director of Engineering, or his designee, to continue participating on the Task Force. The recommendation was approved on passage of Resolution No. 01112.

The Oldani Group Search Firm Consultant Group was the subject of a memo to the Board from the Deputy Executive Director recommending approval to enter into a consultant agreement with The Oldani Group, an executive search firm to recruit for the Director of Maritime position at a total cost of \$21,000.00, plus appropriate expenses. The recommendation was approved on passage of Resolution No. 01113.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,

Uribe and President Kramer - 6

Noes: None

Absent: Commissioner Tagami - 1

“RESOLUTION NO. 01100

RATIFYING AND APPROVING ADDENDUM TO PLANS AND SPECIFICATIONS FOR OVERLAY OF TAXIWAY B (BETWEEN RUNWAYS 27L AND 27R), NORTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, 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. 01101

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH CAPTAIN ROBERT COOPER.”

“RESOLUTION NO. 01102

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH ATHENS BAKING CO., L.L.C.”

“RESOLUTION NO. 01103

APPROVING AND AUTHORIZING EXECUTION OF AN AMENDMENT TO THAT CERTAIN LICENSE AND CONCESSION AGREEMENT WITH J. FLETCHER CREAMER & SON, INC.”

“RESOLUTION NO. 01104

AUTHORIZING EXECUTION OF FIRST SUPPLEMENTAL AGREEMENT WITH ITALIA LINE (HOWARD TERMINAL, TERMINAL USE AGREEMENT).”

“RESOLUTION NO. 01105

APPROVING AND AUTHORIZING EXECUTION OF SEVENTH SUPPLEMENTAL AGREEMENT WITH DSR-SENATOR LINES GmbH AND CHO YANG SHIPPING COMPANY, LTD.”

“RESOLUTION NO. 01106

FINDING AND DETERMINING THAT IT IS NECESSARY TO IMPROVE AND ALTER PORTIONS OF MIDDLE HARBOR ROAD, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01107

AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE SUCH PERMITS AND AGREEMENTS AS MAY BE REQUIRED BY THE CITY MANAGER AND/OR CITY COUNCIL REGARDING ALTERATION AND IMPROVEMENT OF MIDDLE HARBOR ROAD.”

“RESOLUTION NO. 01108

APPROVING AND AUTHORIZING THE FILING OF A CLAIM AND OTHER LEGAL PROCEEDINGS AGAINST THE EAST BAY MUNICIPAL UTILITY DISTRICT AND RELATED PARTIES (RELOCATION OF UTILITY FACILITIES IN MIDDLE HARBOR ROAD).”

“RESOLUTION NO. 01109

APPROVING PLANS AND PROJECT MANUAL FOR CONSTRUCTION OF REALIGNMENT OF MIDDLE HARBOR ROAD, ADELINE STREET OVERCROSSING TO WEST OF K STREET, VISION 2000, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01110

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDERS FOR CONTRACT WITH O.C. JONES & SONS, INC., FOR CONSTRUCTION OF CONTAINER YARD PHASE 1B AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01111

APPROVING CONSENT TO ASSIGNMENT OF RIGHTS TO HARDING ESE,
INC. FOR CERTAIN EXISTING CONSULTANT AGREEMENTS.”

“RESOLUTION NO. 01112

CONCERNING DIOXIN COMPOUNDS.”

“RESOLUTION NO. 01113

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH
THE OLDANI 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. 01114

GRANTING THRIFTY CAR RENTAL, PERMISSION TO PERFORM CERTAIN
WORK.”

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates, Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

“RESOLUTION NO. 01115

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO
EXECUTE A PROJECT COOPERATION AGREEMENT WITH THE
DEPARTMENT OF THE ARMY FOR CONSTRUCTION OF THE OAKLAND
HARBOR NAVIGATION IMPROVEMENT (-50 FOOT) PROJECT.”

“RESOLUTION NO. 01116

APPROVING SUBSTITUTION OF INTERLOCKING PAVING STONE SUBCONTRACTOR FOR CONSTRUCTION OF CONTAINER YARD PHASE 1B AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01117

ACKNOWLEDGING THE VITAL ROLE THAT INTERMODAL TRUCKING HAS IN THE SUCCESS OF THE PORT OF OAKLAND AND DIRECTING THAT VARIOUS ACTIONS BE TAKEN TO LESSEN TERMINAL THROUGHPUT TIME AND IMPROVE TRUCKING WORKING CONDITIONS.”

“RESOLUTION NO. 01118

APPROVING AND AUTHORIZING CONTRIBUTION OF PORT FUNDS FOR FUNDING SUPPORT OF THE BAY AREA WORLD TRADE CENTER.”

“RESOLUTION NO. 01119

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

“RESOLUTION NO. 01120

APPROVING AND AUTHORIZING 1) THE EXECUTIVE DIRECTOR TO ENTER INTO A SURRENDER AND TERMINATION OF LEASE AND PROPERTY RESTORATION AGREEMENT WITH PRAXAIR, INC., AND 2) THE DIRECTOR OF COMMERCIAL REAL ESTATE TO ENTER INTO A RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH PRAXAIR, INC., ALL CONCERNING PROPERTY LOCATED AT 901 EMBARCADERO ROAD, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01001S

TERMINATING CERTAIN APPOINTMENT.”

Port Ordinance No. 3630 being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 1606 FORMULATING AND ESTABLISHING CONDITIONS AND PROCEDURES FOR BIDDING, CONTRACTING AND PURCHASING.," was read a second time and passed by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Uribe and President Kramer - 6

Noes: None

Absent: Commissioner Scates - 1

Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF EASEMENT DOCUMENTS TO PACIFIC GAS & ELECTRIC COMPANY," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF EASEMENT DOCUMENTS TO ALAMEDA POWER AND TELECOM," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF EASEMENT DOCUMENTS TO EAST BAY MUNICIPAL UTILITY DISTRICT (EBMUD) FOR UTILITY FACILITIES ADJACENT TO MIDDLE HARBOR ROAD," were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates
Uribe and President Kramer - 6

Noes: None

Absent: Commissioner Tagami - 1

Port Ordinance No. ____ being, "AN ORDINANCE ESTABLISHING CHARGES FOR USE OF FACILITIES AND THE PROVISION OF AVIATION FUEL AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, PROVIDING CERTAIN REGULATIONS IN CONNECTION THEREWITH AND REPEALING PORT ORDINANCE 1149," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF AN EASEMENT AGREEMENT WITH THE UNITED STATES COAST GUARD," were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

At the hour of 4:19 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, pursuant to subdivision (a) of Section 54956.9, Name of Case: Fireman’s Fund Insurance Company v. Donna Hayes, et al; Donna Hayes v. Port of Oakland, United States District Court Case No. C002603 California; conference with legal counsel – anticipated litigation, significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: 3 matters; personnel matters, as provided under Government Code Section 54957: 1 matter; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation, property: Oakland Army Base, negotiating parties: Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation: Price and Terms of Agreement; and reconvened in open session at the hour of 6:31 p.m.

At the hour of 6:35 p.m. the meeting was adjourned on an motion duly made and seconded.

A handwritten signature in cursive script, reading "Kenneth C. Marshall", is written over a horizontal line.

Secretary of the Board

car relocation projects. A traffic engineering study for the Convair Street and Langley Street roadway systems, within which the utility infrastructure project is located, identified a need to revise the traffic flow along Langley Street to allow for an anticipated increase in traffic volume. The Langley Street realignment project includes the construction of a new storm drain system to accommodate the storm water from the Dollar Rent-A-Car facility site as well as other surrounding areas. The construction of the Langley Street realignment project is expected to be complete by February 2002. The Dollar Rent-A-Car facility is expected to be in operation by June 2001 and it is necessary at this time to construct the portion of the new storm drain system that accommodates storm water from the Dollar Rent-A-Car facility site. The required design data for the new storm drain system was not available prior to the execution of the contract to construct the utility infrastructure project. As it is in the best interest of the Port to allow telecommunication providers to complete for the tenant's business, it is desirable to add a second set of pull boxes to the telecommunication infrastructure to allow this competition. This change in design will create two independent telecommunication conduit systems. It was recommended that the Board authorize the change order for the Telecommunication Conduit System at \$110,000.00 and the Storm Drain Work at \$106,000.00. Previous change orders issued totaled \$59,500.00 for a total of \$275,500.00. The recommendations was approved on passage of an Resolution No. 01087.

Approval of License and Concession Agreement with Safeway, Inc. was the subject of a memo to the Board from the Director of Aviation recommending approval of an agreement with Safeway, Inc. for occupancy of approximately 35,868 square feet of office, hangar, shop/storage, apron and paved parking in and adjacent to Hangar 8, (Bay "C" of Building L-810). Safeway uses the premises for corporate aircraft storage and maintenance. The agreement would extend

Safeway's occupancy of the same premises through June 30, 2001 with a month-to-month holdover provision. Monthly rent would increase to \$20,820.00 retroactively to July 1, 2000. The recommendation was approved on passage of Resolution No. 01088.

Authorization to Modify Contract with M.A. Lindquist Co., Inc., and Purchase Insurance for Phase 1 of the Aircraft Sound Insulation Program was the subject of a memo to the Board from the Director of Aviation notifying the Board of the contract with M.A. Lindquist Co., Inc. for the Aircraft Sound Insulation Program (SIP) which involves insulating up to 632 homes on Bay Farm Island, Alameda, as part of the Airport's noise mitigation program. The contract with M.A. Lindquist is for the first phase of the SIP and includes 99 homes. Almost all of the homes eligible for the SIP are condominiums and subject to special attention from the insurance industry when trying to obtain general liability coverage for construction work. State law allows homeowners to sue contractors for up to 10 years post-construction, and over the past decade, numerous lawsuits have been filed against condominium construction projects. The Port's original Owner Controlled Insurance Program did not provide this type of coverage, as it is residential construction. It was recommended that the Board authorize the Port to purchase a mini-OCIP with Claremont Liability Insurance Company for up to \$150,000.00 to provide General Liability coverage for 10 years post-construction for Phase 1 of the Sound Insulation Program. It also was recommended that the Board authorize the construction contract for Phase 1 of the SIP with M.A. Lindquist Co., Inc., to be modified so that the Port provides mini-OCIP General Liability coverage for up to \$150,000.00 premium, and Lindquist provides all remaining insurance requirements. The recommendation was approved on passage of Resolution No. 01099.

Approval to Dispense with Formal Bid Procedures for Reconstruction of the Knight

Yard, Oakland Outer Harbor was the subject of a memo to Board from the Director of Engineering notifying the Board that Plans and Project Manual have been prepared for reconstruction of Knight Yard, Oakland Outer Harbor, Oakland, California. The Knight Yard is a vital element of the intermodal facilities complex required to support development and growth of intermodal business at the Port. This project will provide for construction of a railroad storage yard to support the Joint Intermodal Terminal (JIT) railroad operations by constructing a receiving and departure yard consisting of railroad tracks up to one mile long for storing and preparing inbound and outbound intermodal trains. The project consists chiefly of railroad track construction work. Railroad track construction is a highly specialized type of construction work and very few contractors are known to be qualified to construct railroad track for significant railroad facilities such as the Knight Yard. Railroad track construction contractors, railroad track work fabricators, railroad equipment distributors, and railroad surveyors have been pre-qualified. The environmental review for the Knight Yard was performed as an element of the Vision 2000 Program and the JIT project and was conducted in conformance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA). Since preparation of the JIT EIR, planning and engineering design for the Knight Yard have progressed and project now includes improvements to two areas at the edge of the yard: construction of approximately 1,000 feet of tracks connecting the southern tip of the Knight Yard with Union Pacific tracks and the JIT; and straightening the northern track of the Knight Yard over an area covered by wetland vegetation, and constructing approximately 1,500 feet of tracks connecting the northern tracks with the UP Desert Yard and the Oakland Terminal Railroad. The proposed changes to the Knight Yard project would

not result in any new significant impact or in a substantial increase in the severity of any significant impact identified in the JIT EIR. It was recommended that the Board adopt a resolution certifying that it has reviewed and considered the information contained in the JIT Project EIR and Addendum; and that the Addendum has been prepared in compliance with CEQA, the State CEQA Guidelines, and the Port CEQA Guidelines, and finding it to be in the best interest of the Port to dispense with the formal bid procedures for this project; that the Bid Document be provided to the pre-qualified contractors in the above analysis in April 20, 2001; and that proposals be received in the fourth Thursday following actual solicitation for proposal; and that the Executive Director be authorized to exceed contract based on the receipt of informal proposals. The recommendation was approved on passage of Resolution No. 01089.

Approve Change Order to Contract for Construction of Berths 57/58 Container Wharf, Fill and Middle Harbor Shoreline Modifications – Add Wharf at Berth 59 was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Berth 57/58 Constructors, a Joint Venture, for the construction of Berths 57/58 container wharf, fill and Middle Harbor Shoreline modifications, at a lump sum and unit prices totaling \$61,701,177.00. The project consists of site demolitions, mass excavation and dredging, placement of fill on land and in the water, shoreline stabilization, construction of a concrete pile supported wharf, grading areas for the Middle Harbor Shoreline Park and a portion of the Berth 57/58 container yard. The original design and construction contract for this project included the construction of 3,000 linear feet of wharf, plus 600 linear feet of embankment for a future tugboat facility, and dredging to –50 feet at the wharf to accommodate the berths. The Board approved a lease of the terminal to SSA Terminals that included 3,600 feet of wharf. The additional 600 feet of

wharf would be constructed at the 600 foot of embankment where the tug- boat facility was originally planned. The Board approved supplementing the design consultant contracts for the Berths 57/58 Container Wharf to include the proposed Berth 59 which was the quickest and most cost-effective way to complete the design of the Berth 59 Wharf. Further design and construction savings can be realized if the construction for the 600 feet of container wharf for Berth 59 can be added to the existing contract for Berths 57/58 Wharf in lieu of bidding as a separate contract. It was recommended that the Board approve a change order for an amount of approximately \$6,000,000.00 to add the proposed 600 feet of wharf and dredging to the Contract. The recommendation was approved on passage of Resolution No. 01090.

Approval of Second Supplemental Agreement with Moffatt & Nichol Engineers 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 of the Agreement with Moffatt & Nichol Engineers (MNE) for \$2,000,000.00 for Engineering Design Services for the Container Yard and Gate Facilities at Berths 57-59. The Port entered into the initial Agreement with MNE for the amount of \$1,540,120.68. Subsequent to the original Agreement, the Port and MNE entered into a First Supplemental Agreement for an additional \$513,133.00. Extra work has exhausted the Board approved maximum compensation of \$2,450,000.00. The original tenant for the Berths 57-59 container yard was to have been Maersk. However, a change in tenants has occurred and Stevedoring Services of America (SSA) has become the tenant. This change in tenants has resulted in a number of revisions to MNE's original scope of services. The major scope changes brought about by the change in tenants include: extension of the Berth 59 wharf and container yard

boundaries; additions and modifications to both wharf and underground utilities; miscellaneous small buildings needed for the container yard operation; demolition of the north wing of Building No. 833; the need to provide temporary tenant administration facilities until permanent administration facilities become available; the need to evaluate and redesign storm drains because of the increased size of the container yard; and a groundwater extraction and monitoring system, as mandated by the Regional Water Quality Control Board. MNE has estimated the cost of engineering services for the design of the additional facilities will be \$745,299.68. In addition to this amount, and based on the Port's experience with recent projects for the Berths 55/56 wharf and container yard, staff recommends allowing an additional amount under the Executive Director's approval authority for change in scope work of approximately \$250,000.00. Thus the total increase in the amount payable under the agreement would be \$995,000.00, making the maximum authorized compensation under the agreement \$3,445,000.00. It was recommended that the Board authorize the preparation and execution of a second supplemental agreement with MNE for additional design services as described increasing the maximum compensation under the agreement to \$3,445,000.00. The recommendation was approved on passage of Resolution No. 01091.

Authorization for the Executive Director to Acknowledge and Agree to the Terms of the Bay Conservation and Development Commission Permit No. 14-00 for Maintenance of the Middle Harbor Enhancement Area (MHEA) was the subject of a memo to the Board from the Director of Engineering notifying the Board that as part of the Oakland Harbor Navigation Improvement (-50 Foot) Project, The Corps will construct and restore shallow water habitat in the Oakland Middle Harbor. This element of the larger project is referred to as the Middle Harbor Enhancement Area (MHEA). The construction of the MHEA as part of the Federal Project is

covered by the Coastal Zone Consistency Determination process through the San Francisco Bay Conservation and Development Commission (BCDC) under the Federal law. The Port's BCDC permit requires the Port to maintain the MHEA once constructed and to remove the dredged material in the highly unlikely case that the MHEA does not meet the performance goals agreed to by the Corps and Port and certain other conditions are not met. As part of permit process, BCDC requires that the permittee acknowledge receipt of the permit, and agree to the permit terms. It was recommended that the Board authorize the Executive Director or his designee to acknowledge receipt of, and agree to the terms of the BCDC Permit No. 14-00 for the Operation and Maintenance of the Middle Harbor Enhancement Area. The recommendation was approved on passage of Resolution No. 01092.

Authorization to Dedicate Approximately 40 Acres at Middle Harbor Shoreline Park for Public Access was the subject of a memo to the Board from the Director of Engineering notifying the Board that as part of the Bay Conservation and Development Permit for the Berths 55-58 Project, the Port is required to permanently dedicate approximately 40 acres of Middle Harbor Shoreline Park for public access. The dedication shall create rights in favor of the public, which shall commence no later than after completion of construction of any public access improvements required by the BCDC permit. The instrument documenting the dedication shall preserve the ability of the Union Pacific Railroad to operate two rail lines which traverse a portion of the park and preserve the ability of the Port to maintain utility lines along 7th Street. It was recommended that the Board authorize the Executive Director to permanently dedicate approximately 40 acres of the planned Middle Harbor Shoreline Park for public access, with the

exceptions described above. The recommendation was approved on passage of Resolution No. 01093.

Authorization to Establish a Separate Account of \$2 million to Fund Corrective Actions at the Middle Harbor Enhancement Area (MHEA) as part of the Oakland Harbor Navigation Improvement (-50 Foot) Project was the subject of a memo to the Board from the Director of Engineer notifying the Board that as part of the Oakland Harbor Navigation Improvement (-50 Foot) Project, the Port and the Corps, have agreed to provide sufficient financing for the Middle Harbor Enhancement Area (MHEA) to include construction, implementation, monitoring, corrective actions, maintenance, and contingencies. As part of the Regional Water Quality Control Board (RWQCB) permit for the entire Project, the Port is required to establish a two million dollar corrective action contingency escrow account. According to the permit, “the amount of funding in this account will in no way limit the Corps’ or the Port’s obligations for corrective actions or restoration obligations.” The establishment of the separate account will not prejudice the Port’s rights to seek performance, or cost contribution, from the Corps for any required maintenance or contingency activities at the MHEA. It was recommended that the Board establish a Project/Element within the Capital Improvement Program (CIP) in the amount of two million dollars to pay for corrective action that may be required in the Middle Harbor Enhancement Area (MHEA). The new Project Element, along with the unspent amounts thereunder, will remain in the CIP for a minimum period of 16 years. The two million dollars will be deposited with the Port’s funds held pursuant to Charter provision in the City of Oakland Treasury and accounted for as Port restricted cash to be used solely for those purposes specified in the RWQCB permit. The recommendation was approved on passage of Resolution No. 01094.

Approval of First Supplemental Agreement with Terry Lim for Preparation of Museum Quality Exhibit in the Second Floor Observation Area of the Oakland Pier Train

Tower in Port View Park was the subject of a memo to the Board from the Director of Engineering notifying the Board that of the Final Environmental Impact Report (FEIR) for the Redevelopment of the Carnation Terminal Area. In March, 1991, the Board certified the Final Supplemental Environmental Impact Report (FSEIR) for the project which included the relocation of the Oakland Pier Train Tower (Tower) to Port View Park. The relocation was agreed to during the environmental assessment process to reduce the possibility of lengthy negotiations due to the potential historical significance of the building. In a letter to the State Historic Preservation Officer (SHPO), the Port stipulated that the two-story structure (known in the railroad industry as a “tower”) would be “used as a museum with photographs representing the historical railroad era and as a viewing platform for marine terminal operations.” Reinforcing this commitment, a condition of construction permit 12-91 approved by the San Francisco Bay Conservation and Development Commission (BCDC), specifies that the historical railroad building “include ... interpretive exhibits depicting Port operations and a second floor observation area allowing an overview of port activities. In consultation with staff of the Oakland Museum, Port staff explored conceptual approaches and requested recommendations of local artists with a strong reputation for graphic communications and relevant past experience in preparing public exhibits for unsupervised spaces. A \$75,000.00 budget was established for the purpose of designing, fabricating and installing the interpretive exhibits; and Ms. Terry Lim, an Oakland-based graphic artist, was retained as the prime consultant to prepare a comprehensive series of exhibits, oriented to the principal “viewscapes” of the Tower in Port View Park. Ms. Lim proposed a budget of \$45,000.00

plus a maximum of \$4,500.00 for reimbursable expenses. In September 2000, a schematic design review session was held with significant stakeholders including representatives from the Oakland Museum, Oakland Landmarks Preservation Advisory Board, Oakland Cultural Heritage Survey, railroad history associations, West Oakland neighbors, East Bay Regional Parks exhibit design, and Port staff. In response to the comments generated by this review, the exhibit team reorganized the information structure, revised the schematic design to include 28 information panels, and adjusted the contract budget based on the changes in scope of work. Ms. Lim now proposes a contract increase of \$38,500.00.00, with \$2,500.00 added to the amount the Executive Director is authorized to approve for change-of-scope work. This would increase Ms. Lim's compensation under this agreement to a maximum of \$88,000.00, plus \$7,500.00 for possible change-of-scope work. The Port staff believes that the proposed schematic design is a much better product that fully responds to the input of our stakeholders and will become a signature component of the Port's public interpretation program. It was recommended that the Board authorize preparation and execution of a supplemental agreement with Ms. Terry Lim for services as described, increasing the maximum compensation under the agreement to \$95,000.00. The recommendation was approved on passage of Resolution No. 01095.

Approval of Third Supplemental Agreement with H. Lee Halterman for Government and Community Affairs Consulting 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 government and community affairs consultant who assists organizations in their efforts to reach consensus with targeted constituencies. The Board approved the original agreement on April 21, 1998. The original agreement was for \$60,000.00.

The First Supplemental Agreement was approved for 1999 providing a maximum compensation of \$70,000.00. The Second Supplemental Agreement was approved for 2000 providing a total compensation of \$70,000.00. His work will include seeking resolution of air quality and environmental issues surrounding the Vision 2000 program. He will be coordinating additional support at the federal level for various Port projects and funding. He will be expected to assist and provide consultation relative to Port acquisition of the Oakland Army Base and implementation of the approved reuse plan. It was recommended that the Board authorize the preparation and execution of a Third Supplemental Agreement with H. Lee Halterman with the total maximum compensation of \$75,000.00. The recommendation was approved on passage of Resolution No. 01096.

First Reading of an Ordinance Amending Change Order Approval Limits Established in Port Ordinance 1606, which Formulates and Establishes Conditions and Procedures for Bidding, Contracting and Purchasing was the subject of a memo to the Board from the Director of Engineering notifying the Board that Port Ordinance 1606 formulates and establishes conditions and procedures for bidding, contracting and purchasing. Section 5, Subsection i, of that Ordinance, provides for exceptions to the competitive bidding procedures, including change order work approved or ratified by the Board. It also delegates to the Executive Director the authority to approve contract change order work for amounts not to exceeding \$35,000.00 for any single change order. All other contract change orders are subject to Board approval. The \$35,000.00 limit has worked well for over ten years. However, inflation and the aggressive Capital Improvement Program have rendered this limit impractical. It is proposed that Ordinance 1606 be amended by increasing the limit of authority for Executive Director approval of individual contract change

orders to \$250,000.00 or 10% of the contract bid amount, whichever is less, but never less than \$50,000.00. It is also proposed that contract change orders be subject to an aggregate limit of 10% of the bid amount, but not less than \$50,000.00. The proposed amendment also recognizes that, on occasion, additional change order work may be required after the aggregate limit for a contract has been reached. Accordingly, it provides that the Board may, with respect to any single contract, delegate to the Executive Director the authority to execute additional change orders beyond the aggregate limit for that contract. It was recommended that the Board approve an amendment to Port Ordinance 1606 revising Section 5, Subsection i, as described, including increasing the Executive Director authority to approve contract change orders. The recommendation was approved on passage of an Ordinance to print.

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

Ayes: Commissioners Ayers-Johnson, Protopappas, Scates,
Tagami, Uribe and President Kramer - 6

Noes: None

Absent: Commissioner Kiang – 1

“RESOLUTION NO. 01087

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH LFR, INC., FOR CONSTRUCTION OF DOLLAR RENT-A-CAR UTILITY INFRASTRUCTURE, NORTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01088

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH SAFEWAY, INC.”

“RESOLUTION NO. 01089

CERTIFYING REVIEW AND CONSIDERATION OF ADDENDUM TO ENVIRONMENTAL IMPACT REPORT FOR JOINT INTERMODAL TERMINAL PROJECT, FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR RECONSTRUCTION OF THE KNIGHT YARD, OAKLAND OUTER HARBOR, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS FROM PRE-QUALIFIED CONTRACTORS.”

“RESOLUTION NO. 01090

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH BERTHS 57/58 CONSTRUCTORS, A JOINT VENTURE, FOR CONSTRUCTION OF THE BERTHS 57/58 CONTAINER WHARF, FILL AND MIDDLE HARBOR SHORELINE MODIFICATIONS, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01091

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH MOFFATT & NICHOL ENGINEERS FOR ENGINEERING DESIGN 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. 01092

AUTHORIZING EXECUTIVE DIRECTOR TO ACKNOWLEDGE AND AGREE TO TERMS OF THE SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (BCDC) PERMIT FOR MAINTENANCE OF THE MIDDLE HARBOR ENHANCEMENT AREA.”

“RESOLUTION NO. 01093

AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE INSTRUMENTS PERMANENTLY DEDICATING APPROXIMATELY 40 ACRES OF THE PLANNED MIDDLE HARBOR ROAD SHORELINE PARK FOR PUBLIC ACCESS.”

“RESOLUTION NO. 01094

ESTABLISHING A \$2 MILLION FUND FOR CORRECTIVE ACTIONS AT MIDDLE HARBOR ENHANCEMENT AREA AS PART OF THE OAKLAND HARBOR NAVIGATION IMPROVEMENT (-50 FOOT) PROJECT.”

“RESOLUTION NO. 01095

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH TERESA MEILING LIM DOING BUSINESS AS TERRY LIM GRAPHICS 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. 01096

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

“RESOLUTION NO. 01097

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

“RESOLUTION NO. 01098

AUTHORIZING AND APPROVING RETENTION OF SPECIAL COUNSEL.”

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

Ayes: Commissioners Ayers-Johnson, Scates,

Uribe and President Kramer - 4

Noes: None

Abstained: Commissioners Protopappas and Tagami - 2

Absent: Commissioner Kiang - 1

“RESOLUTION NO. 01099

CONSENTING TO MODIFICATION TO CONTRACT WITH M.A. LINDQUIST CO., INC. FOR AIRCRAFT SOUND INSULATION PROGRAM, PHASE 1, BAY FARM ISLAND, ALAMEDA, CALIFORNIA, AUTHORIZING PURCHASE OF INSURANCE.”

Port Ordinance No. 3628 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH SAMUEL FREDERICKS DOING BUSINESS AS SAMUEL’S GALLERY,” and Port Ordinance No. 3629 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF THIRD SUPPLEMENTAL AGREEMENT WITH EAST BAY HOTEL L.P.,” was read a second time and passed by the following vote:

Ayes: Commissioners Ayers-Johnson, Protopappas, Scates,

Tagami, Uribe and President Kramer - 6

Noes: None

Absent: Commissioner Kiang - 1

Port of Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 1606 FORMULATING AND ESTABLISHING CONDITIONS AND PROCEDURES FOR BIDDING, CONTRACTING AND PURCHASING,” and was read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Protopappas, Scates

Tagami, Uribe and President Kramer - 6

Noes: None

Absent: Commissioner Kiang - 1

At the hour of 3:55 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: 2 matters; personnel matters, as provided under Government Code Section 54957: 1 matter; and reconvened in open session at the hour of 4:50 p.m.

At the hour of 4:55 p.m. the meeting was adjourned on an motion duly made and seconded.

A handwritten signature in cursive script, appearing to read "Anita C. Marshall", is written above a horizontal line.

Secretary of the Board

Agreement with Osprey Orielle Lake for Acceptance of the Cheemah Monument and

Display in Jack London Square was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the “Mother of the Spirit-Fire, Cheemah” is a sixteen-foot tall monument dedicated by the artist to “honoring the diversity of all people of the work and care for the earth.” The vision of the International Cheemah Project is to place eight Cheemah Monuments around the world to create an inspiring bridge between cultures. Two of the eight monuments have already been produced. One of the monuments is installed at the Hamburg International Airport in Germany. The second monument has been on view at the Rincon Center in San Francisco for eighteen months and is now awaiting installation on the island of Mallorca in the Mediterranean. An agreement has been drafted between the artist and the Port containing the following information: the artist will transfer title of the monument to the Port on the date of installation; the monument will be installed at the base of the steps at the Franklin Street end of the Barnes and Noble Pavilion Plaza; and the Port will have the option to move the monument to a different site if the location presently chosen is impeding development opportunities for the Jack London Square expansion. Once the monument is installed, and after a minimum of five years, if either party determines that Jack London Square is no longer appropriate for the display of the monument, either party may terminate upon giving the other party one-year notice. Circles Metis Art, Inc., a Bay Area non-profit organization, will be financially and logistically responsible for the following: production of the monument and protecting the monument with a sealer to keep the monument from corroding and being affected by the marine environment; transporting the monument to Jack London Square; getting plans and installation permits approved by the Port and the City; site preparation; installing the steel pedestal for the monument and installing the

monument on the pedestal; and setting up an endowment fund to maintain the monument. If the monument would need to be moved, the cost would be borne by the Port. The artist and Artworks Foundry in Berkeley will provide professional expertise. After considerable discussion concerning the Port's obligation for the monument and its proposed location, the recommendation was approved on passage of Resolution No. 01073.

Authorization to Enter into an Exclusive Negotiating Agreement (ENA) with Gray & Reynolds Properties, Inc. for a 4.4 Acre Parcel Located at Embarcadero Cove, South of 9th Avenue Terminal

Avenue Terminal was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Port has been approached by the development firm of Gray & Reynolds with a proposal to master lease and develop a 4.4 acre parcel located at Embarcadero Cove south of 9th Avenue Terminal and adjacent to the proposed Homewood Suites site. The leased site would consist of three parcels: Parcel B, a 1.05 acre site formerly leased to the Hungry Hunter restaurant; Parcel C, a 1.95 acre site currently leased to Marine Max for a 10-year term commencing in 1998 and expiring in 2008, with one five-year option; and Parcel D, a 1.4 acre underdeveloped site formerly occupied by Crowley Marine. The development plans envisions the relocation of the existing Marine Max facility from Parcel C (in the middle of the site) to Parcel D (the south end), leaving approximately 3.0 acres (Parcels B&C) to develop into two to three story Class A office/retail space. Gray & Reynolds, working with their architects, Ratcliff Associates, are currently studying various site plan options for a development project which could include two to three Class A buildings of 2-3 stories per 1000 net rentable square feet of building space. Gray & Reynolds would move their offices to the site, and would work on bringing in new tenants not currently housed in Oakland. The Marine Max building would consist of a sales area of 10,000

square feet with a service area of 20,000 square feet. The developers are interested in attracting a second boatyard to the site. They would like to incorporate the Port's berths into the lease, and plan to develop 21 larger berths to accommodate the more expensive yachts that cannot fit in the showroom. The total project cost is currently estimated to be \$11 million. The Gray & Reynolds proposal, which is a comprehensive vision for this section of the estuary, would complement the new Homewood Suites project currently underway, and the proposed Executive Inn expansion. Terms of the ENA include: a term of 90 days with an option to extend for an additional 90 days; a deposit of \$50,000.00 due at execution of ENA; an extension payment of \$25,000.00 due at day 91; Condition #1, the \$50,000.00 deposit is refundable within the first 45 days if the parties are unable to reach agreement on the economic terms of the ground lease; and Condition #2, \$25,000.00 of the deposit is refundable within the first 60 days if the lessee determines that the results of survey or engineering studies indicate that the project is not economically feasible. It was recommended that the Board approve the terms of the ENA with Gray & Reynolds. The recommendation was approved on passage of Resolution No. 01074.

Approval of Lease with Samuel Fredericks dba Samuel's Gallery, for the Premises at 70 Franklin Street was the subject of a memo to Board from the Director of Commercial Real Estate recommending approval of a new five-year lease with Samuel's Gallery (a former Jack London Square Village tenant) for 2,005 square feet located at 70 Franklin, a portion of the vacant space located next to Hahn's Hibachi. The basic terms of the proposed lease include: a use for retail sale of original African and African-American art, sculptures, carvings, and framing; a minimum rent for months 1 – 12 equals \$1.40 per square foot, months 13 – 24 equals \$1.75 per square foot, months 25 – 36 equals \$1.95 per square foot, and months 37 – 60 equals \$2.05 per

square foot; a percentage rate of 6% of gross sales versus the minimum rent, whichever is greater; term of five years, with a one (3 year) option to renew at fair market rent; tenant shall pay all CAM and Operating Costs based on a formula for retail establishments, which based on current costs, Samuel's Gallery will pay \$6.03 per square foot per year; a security deposit of \$3,465.00; the Port will retain a Landlord's Gross Receipts Termination Rights in the event Tenant's gross receipts do not exceed \$250.00 per rentable square feet annually, beginning with the second full lease year; the Port will use a TI contribution of \$11.85 per square foot, and provide minor improvements, estimated to cost \$30,000.00 prior to delivering the premises; and Landlord shall have the right to relocate Mr. Frederick's at Landlord's expense during the term of the lease upon giving prior notice. It was recommended that the Board authorize the preparation and execution of the lease with Samuel Fredericks, dba Samuel's Gallery, for the premises at 70 Franklin. The recommendation was approved on passage of an ordinance to print.

Approval of Contract with Security U.S.A. for Security Services in Jack London Square and the Recreational Marinas was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the existing contract for security services in Jack London Square and the Port recreational marinas expired on December 31, 2000. The vendor, Security U.S.A., has held this contract for the past four years (a two-year contract with two 1-year options). Several months ago Port staff prepared a new Request for Proposal with the intent of securing a new contract for one year with 2 one-year options (a total of 3 years maximum). RFP packages were sent to 13 Oakland-based firms. An evaluation panel consisting of various staff members from the Commercial Real Estate Division, Oakland Portside Associates, Office of Equal Opportunity, Ampco System Parking, and two Port tenants (Scott's Restaurant and Southwest

Airlines) undertook a thorough review of the two proposals. Independent oral interviews were conducted with Security U.S.A. and F & J Security Patrol. It was the consensus of the evaluation panel that the most qualified firm is Security U.S.A. Prior to receiving their RFP package, Security U.S.A. approached Port staff to discuss raising their \$8.00 per hour starting salary, citing difficulty in attracting high-qualified personnel. A November 2000 Oakland Tribune job listing of security positions indicate companies offering starting salaries ranging from \$8.00 to \$13.50 per hour, in addition to a hiring bonus. After determining the fiscal impact of various starting salaries and associated compaction effects, Port staff recommends a starting salary of \$10.25 per hour with increases given to those with satisfactory performance reviews after a six month probationary period. In addition, Port staff enter into negotiations with Tim Weldon, President of Security U.S.A. to lower the proposed monthly management fee. Both parties have agreed to a \$13,000.00 management fee for the first year and then from one to two years. The Port has also reserved the right to adjust the management fee to correspond for any reduction in the scope of services as a result of a master lessee or the sale of the marina assets. The proposed annual budget for security services is estimated to be \$1,422,744.00. It was recommended that the Board authorize the Executive Director to execute a new security services contract with Security U.S.A. for a two year term with two 1-year options as described. The recommendation was approved on passage of Resolution No. 01086.

Executive Inn Expansion Project – Approval of Mitigated Negative Declaration/ Initial Study; Adoption of the Mitigation Monitoring Program; Approval of the Third Supplement to the Existing Lease Agreement; Authorization for the Executive Director to Implement the BCDC Permit Requirements; and Approval of Development Permit was the

subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that East Bay Hotel owns and operates the Embarcadero Executive Inn in Oakland located at 1755 Embarcadero Avenue, under the terms of a 50-year ground lease with the Port which expires April 30, 2040. The Embarcadero Executive Inn was opened in 1990 and caters primarily to business groups, government and leisure travelers. The limited service, 146-room hotel was constructed on 1.93 acres of Port land and includes three buildings joined by a common roof. The hotel contains 120 on site parking spaces, 4,000 square feet of meeting space, a spa and fitness room. In addition, the hotel property includes approximately 650 linear feet of shoreline trail with rest areas and benches. In 1999, the hotel achieved annual gross sales of approximately \$3.85 million with an average daily rate of \$84.74 and an occupancy rate of 80.4%. Port rental revenue in that year based on percentage rent was \$347,030.00. E.B. Hotel has proposed building a detached three-story addition, containing 81 new hotel rooms, on adjacent Port land (1.8 acres) immediately west of the existing hotel facility. The project would also include extensive public access and shoreline improvements, bank stabilization, 50 on-site parking spaces, site landscaping and a new public observation pier built over an existing concrete box culvert. The public access improvements would include a shoreline walkway, benches, landscaping and lighting. The footprint of the new building would be approximately 21,000 square feet, with a total building square footage of 64,000. The exterior of the new building would match the architecture of the existing buildings. The anticipated cost of the construction would be approximately \$5.5 million. Concurrent with the construction of the new building the developers plan to spend an additional \$500,000.00 to improve the existing hotel facilities. The proposed expansion project, with its extensive public access improvements, would enhance and enliven an unattractive area of the waterfront that has long stood

vacant. The hotel use is consistent with the goals of the Estuary Policy Plan, which in this location encourages uses that build upon the existing character and create connections with the water's edge.

Additional project benefits include: prevailing wage jobs for construction workers and approximately 25 permanent jobs for new hotel workers; adds to hotel room base of the City, helping to attract larger visitor groups which the City is now unable to accommodate; transit occupancy tax would increase in year 1 by approximately \$330,000.00; property taxes paid to Alameda County would increase by approximately \$45,000.00 annually; and initial increase in Port revenue of approximately \$109,000.00 annually. The term of the lease would be 60 years for both the existing and expansion properties. The construction rent would commence six months after the execution of the Supplemental Agreement. The monthly rent for the expansion property would be \$3,811.00. Upon completion of the new 80-room addition, the minimum rent for the combined 227 rooms would be approximately \$256,000.00 annually. The minimum rent adjustment would be every 5 years based on the percentage change in the consumer price index over the 5-year period. Upon completion of the new 90-room addition, the percentage rent for the combined 227 rooms would be according to the following percentages of gross revenue: years 1 – 5 equals 6.5%; years 6 – 14 equals 7.25%; and thereafter percentage rent would be 8.5% of gross revenue. The Lessee would construct the improvements according to plans/specifications to be approved by Port. The lessee would commence construction within 10 months after the effective date of the Supplemental Agreement, and complete construction within 22 months. The lessee would pay all costs associated with bank stabilization and landscaping outside of leased premises. The Port would contribute 50% of the cost of the public observation pier, not to exceed \$60,000.00, through rental credits. The Lessee also agrees to maintain entire area, outside leased premises, for 15 years at his sole cost. All

costs associated with the preparation of the required CEQA environmental documents would be paid by the Lessee, including Port environmental processing fee of 1% of project cost. The Port will contribute the first \$150,000.00 to test and remediate contaminated soil conditions. The lessee would contribute the next \$100,000.00. If testing and remediation costs exceed \$250,000.00 the Port would have the option to terminate the Supplemental Agreement. In compliance with the California Environmental Quality Act (CEQA), the Port prepared an Initial Study to determine whether the Project would cause any significant environmental impacts. The Initial Study concluded that the Project may result in short-term significant environmental impacts related to air quality, biological resources, cultural resources, noise, water quality, and potential hazardous materials/wastes and that the long-term significant impacts of project operation and maintenance may include effects related to biological resources, seismicity, noise, and bicycle safety. However, each of these impacts would be mitigated to a less-than-significant level with implementation of the mitigation measures identified in the draft Mitigation Monitoring and Reporting Program. Consequently, the Port determined that an Environmental Impact Report (EIR) was not necessary and issued a Draft Mitigated Negative Declaration. It was recommended that the Board approve the Mitigated Negative Declaration/ Initial Study, and adopt the Mitigation Monitoring and Reporting Program; authorize the Executive Director to implement BCDC permit requirements and approve the Development Permit for the Executive Inn Expansion Project. In addition, it was recommended that the Board give a first reading to an Ordinance approving the Third Supplemental Agreement under the terms and conditions as defined. The recommendation was approved on passage of Resolution No. 01075.

Recommended Approval for the Second Supplemental Agreement to the Oakland Hospitality LLC Lease, Regarding Proposed Revisions to the Lender Protection Provisions of the Lease Agreement was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that on July 1, 1996, the Port entered into a fifty-year ground lease with JBN Lodging, LLC for the development of a 116-room Marriott Residence Inn hotel. The Lease was subsequently assigned to Baystay Lodging LLC (now referred to as Oakland Hospitality LLC) on November 10, 1998. Oakland Hospitality recently commenced construction on the improvements and anticipates opening the hotel in October 2001. The Lessee has requested that certain provisions of the original Lease and First Supplemental Agreement be modified to satisfy their construction and permanent lenders (Indymac Bank, F.S.B. and GE Capital, respectively). The proposed modifications are not substantive and deal primarily with timeline changes, lender protection provisions and other minor changes and revisions. It was recommended that the Board approve the Second Supplemental Agreement to the Oakland Hospitality LLC Lease. The recommendation was approved on passage of Resolution No. 01076.

Approval of a Development Permit Application for Improvements to Martin Luther King Jr. Regional Shoreline Park by East Bay Regional Parks District was the subject of a memo to the Board from the Director of Engineering recommending approval for the Parks District to make facility upgrades to the access road, utilities, and restrooms at the shoreline park. The proposed work will include: installation of new underground sanitary sewer and electrical lines along the existing on-site access road, and the new electrical line will continue across the San Leandro Channel pedestrian bridge to a new PG&E substation near the existing pedestrian path; installation of asphalt pavement on existing gravel road from the Swan Way entrance to the parking

lot; and construction of a new restroom building off central parking lot, approximately 8' x 20', including concrete pad connected to existing paved lot and underground utility connections to main road. The estimated value of the work is \$693,000.00. The environmental document associated with the work has previously been considered by the Board. The recommendation was approved on passage of Resolution No. 01077.

Authorization to Solicit Informal Proposals for Sale of Container Cranes X-411 and X-412 at TransBay Container Terminal was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port is purchasing three container cranes to be utilized by TransBay Container Terminal. In order to make room for the new container cranes and to minimize disruptions to the tenants, it is recommended that the sales process of the existing cranes be initiated immediately so that the removal of the old cranes can coincide as closely to the new crane delivery date as possible. The recommended method for selling the cranes is to advertise for proposals for purchasing the cranes. Upon receipt of an acceptable proposal, negotiations would be held with the interested party to effect the sale. It was recommended that the Paceco cranes X-411 and X-412 be declared to be surplus equipment, be found to be inadequate for Port needs under Section 5.13(a) of the Port's master Trust Indenture, and the offering for sale of the cranes be approved. It was also recommended that the Board offer to pay a broker's commission for the Port's sale of cranes X-411 and X-412 on the same terms set forth in Resolution No. 20231 for the sale of real property, except that the commission shall be a flat 10% of the total sale price. The recommendation was approved on passage of Resolution No. 01078.

Approval of First Supplemental Agreement with David Gates & Associates and Thruston Design Group (JV) for Engineering Design Services for Construction of Public

Access Improvements, Berths 55/59, Inner Harbor was the subject of a memo to the Board from the Director of Engineering notifying the Board that of the current professional services agreement with David Gates & Associates and Thruston Design Group (DGA/TDG), a Joint Venture, hired to design the public access project for the Berths 55-58/Vision 2000 Program. The Board authorized a maximum compensation of \$1,500,000.00, with the provision for an additional amount of up to \$375,000.00 to be spent with the approval of the Executive Director. The original proposal included a public outreach program, preparation of a Public Access Master Plan, design and preparation of construction documents, and construction administration. During the planning and conceptual design for this project, various elements of the overall program were changed to accommodate the community and regulatory agency stakeholders and to respond to specific site conditions. During the design and development phase, it was decided that multiple construction documents should be prepared to provide an opportunity for small, local contractors to participate in the Vision 2000 Program. Also, recommendations made by agency stakeholders, including the potential future manager of the park, coupled with delays at the beginning of the Vision 2000 Program in the permits, have resulted in an extension in design time from two to three years. Consequently, the scope of work under the agreement with David Gates & Associates & Thruston Design Group was expanded. It was recommended that the Board approve the revisions to the amended scope of work and a cost increase of \$260,000.00 resulting in a new maximum contract amount of \$2,135,000.00. The recommendation was approved on passage of Resolution No. 01079.

Authorize Executive Director to Negotiate and Execute Agreements Among the Oakland Base Reuse Authority, East Bay Municipal Utility District, Port of Oakland and the

U.S. Army Reserve to Relocate the U.S. Army Reserve 63rd Reserve Support Command from the Oakland Army Based to Mare Island in Vallejo, CA and Camp Parks in Dublin, CA and Authorize the Spending of up to \$100,000.00 to Conduct Feasibility and Preliminary Planning Studies to Facilitate the Subject Relocation was the subject of a memo to the Board

from the Deputy Executive Director notifying the Board that the Oakland Army Base (OAB) was recommended for closure in 1995 by the Defense Base Closure and Realignment Commission (BRAC) and was approved for closure by the President of the United States pursuant to the Defense Base Closure and Realignment Act of 1990. Pursuant to the BRAC decision, OAB is scheduled to close no later than July 13, 2001. Following the closure of OAB, most of its 422 acres and 93 buildings will be available for civilian, federal and/or Port reuse, demolition and redevelopment. The Port and OBRA have cooperatively developed plans to reconfigure the boundaries of the lands at OAB as contemplated for conveyance and as delineated in the original Reuse Plan. The BCDC's Seaport Plan Advisory Committee (SPAC) accepted the Port/OBRA's joint application to amend the Bay and Seaport Plans at its October 17, 2000 public hearing and subsequently approved the amendment at its January 4, 2001 meeting. The 1995 BRAC legislation that mandated the closure of Oakland Army Base also authorized the establishment of an Army Reserve Enclave on the Base. The Army Reserve Enclave includes the Subaru Lot (approximate 19.43 acre), the Building 762 Parcel (approximately 1.68 acre) and the Building 780 Parcel (approximately 5.07 acre) for a total of approximately 26.18 acres according to the Army's Record of Survey dated October 10, 2000. In addition, the U.S. Army Reserve (Army Reserve) currently operates the 63rd Reserve Support Command (63rd RSC) at the Heroic War Dead Site, which is contiguous with and located just outside of the northeasterly boundary of OAB (approximately 16.61 acre). This 16.61 acre parcel is

owned by the Army Reserve and unlike the other parcels was not acquired via a federal screening process. None of the identified parcels are included in the proposed BRAC conveyance to the Port and OBRA/City. Prior to the development of the reconfiguration, OBRA and the East Bay Municipal Utility District (EBMUD) were in discussions with the Army Reserve with regard to the ultimate disposition of the Baldwin Yard, Subaru Lot, Heroic War Dead Site and, tangentially, of the Building 762 and 780 parcels. EBMUD had indicated a strong interest in securing the entire 16.61 acres at the Heroic War Dead Site to accommodate anticipated future expansion. Due to the realignment of interests that resulted from the reconfiguration, the Port, OBRA and EBMUD (the Parties) met to discuss and identify common interests. These preliminary discussions resulted in the Parties desiring to explore the feasibility of relocating the 63rd RSC offsite and away from the waterfront. Pursuant to further discussions, the Army Reserve indicated that it is interested in relocating its existing equipment maintenance function at the Reserve Enclave to Mare Island in the City of Vallejo, CA and relocating its existing training facilities to Camp Parks in Dublin, CA. Both Mare Island and Camp parks are federal installations. Pursuant to the above preliminary discussions, on October 2, 2000, the Parties transmitted a Letter of Interest (LOI) to the Army Reserve requesting that the Reserve enter into formal negotiations for the subject relocation of the 63rd RSC and associated property conveyance to the Parties. The Army Reserve has expressed a willingness to enter into such negotiations for the subject relocation via a Memorandum of Exchange (MOE) process. Under the proposed reconfiguration, the Port would develop new marine terminal and intermodal railroad facilities in the area of Buildings 762 and 780, respectively. If the 63rd RSC were to operate on the Building 780 parcel as originally contemplated, it would severely constrain the design and development of the Port's proposed enlarged intermodal

railroad facilities at OAB. Likewise, relocation of the Army Reserve would benefit EBMUD and OBRA by allowing expansion of the contemplated operations and developments, respectively. The joint Agencies have agreed to each seek and establish a \$100,000.00 budget (totaling \$300,000.00) to fund a feasibility study, fatal-flaw analysis, environmental assessment and investigation, and to perform related work such as preliminary engineering, etc. The Joint Agencies do not expect to have to pay for the land at OAB, Mare Island or Dublin. However, the Joint Agencies must pay all construction and related costs for the Army Reserve to meet their mission minus certain items yet to be negotiated. Although partial environmental documentation has taken place, most of the parcels in question have not yet been fully characterized because the entire Reserve Enclave including Building 762 and 780 parcels and the Heroic War Dead Site were either removed from the BRAC program or not in the program to begin with. The City of Oakland is preparing to commence work on a Programmatic Environmental Impact Report (PEIR) and the proposed relocation of the Army Reserve is expected to be covered under the PEIR by supplement. It was recommended that the Board authorize the Executive Director to negotiate and execute a Memorandum of Understanding among the Port, the Oakland Base Reuse Authority and the East Bay Municipal Utility District to create the "Joint Agencies", said MOU to include a 3-Party Planning component for the proposed improvements at Mare Island and Camp Parks with commitment by each Party to spend up to \$100,000.00 to perform a feasibility study, fatal-flaws analysis, environmental assessment and investigation, and perform preliminary planning and engineering in compliance with Army policy and federal and state law to provide adequate information to prepare a subsequent Design Agreement among the Parties and to concurrently seek and secure federal, state or other grant funding and to execute documents accepting such funding;

authorize the Executive Director to represent the Port as a member of the Joint Agencies to negotiate and execute a non-binding Memorandum of Intent between the Joint Agencies and the Army Reserves; authorize the Executive Director to negotiate a 3-Party Design Agreement among the Parties within the Joint Agencies framework for design of the planned work at Mare Island and Camp Park; authorize the Executive Director to represent the Port as a member of the Joint Agencies to negotiate and subsequently execute a binding Memorandum of Exchange between the Joint Agencies and the Army Reserves; authorize the Executive Director to represent the Port as a member of the Joint Agencies, to negotiate a 3-Party Construction Agreement between the Joint Agencies and the Army Reserve and/or its agent; and authorize the Executive Director to represent the Port as a member of the Joint Agencies, to negotiate and enter into any required agreements with regulatory agencies to assess and preliminarily address environmental conditions such as a Consent Agreement with the California Environmental Protection Agency, Department of Toxic Substances Control to effect the proposed actions. The recommendation was approved on passage of Resolution No. 01080.

Request to Execute Fifth Supplemental Agreement with PricewaterhouseCoopers Dated June 9, 1996-1997 to Perform Audit Services for FY Ending June 2001 and A Separate Agreement with Yano and Associates to Review and Update the Port's Indirect Cost Allocation Plan for FY 2000 was the subject of a memo to the Board from the Chief Financial

Officer notifying the Board that PricewaterhouseCoopers (PWC) has performed audit services on the Port's consolidated financial statements (including Oakland Portside Associates) for the four fiscal years ending 1997, 1998, 1999 and 2000. Since the Port will be implementing a new financial reporting model required under Government Accounting Standards Board (GASB) #34,

and undertaking a major bond financing in fourth quarter 2001, the Port is recommending a one year extension to the audit services agreement and recommending that the firm of Pricewaterhouse-Coopers and Yano and Associates perform the review and update of the Port's Indirect Cost Allocation Plan for FY2000. The fee for FY2001 audit services will not exceed \$210,300.00. The fee for the FY2000 review and update of the Port's Indirect Allocation Plan will not exceed \$25,000.00. The recommendation was approved on passage of Resolution No. 01081.

Approval of an Agreement with Kevin Harper CPA for Internal Audit Consulting Services was the subject of a memo to the Board from the Port Internal Auditor notifying the Board that the Port has a temporary professional services agreement under the \$15,000.00 limit with Kevin Harper CPA a sole practitioner doing business in the Local Business Area to provide internal audit consulting services. Recruiting for staff for the Internal Audit Department to fulfill the audit plan approved by the Audit, Budget and Finance Committee has been slower than anticipated. It is proposed that the short fall in planned internal control audits that the staff be augmented by outside professional audits until such time as the recruiting can be successfully completed, and it was recommended that the Board authorize an increase in compensation under the current temporary limited contract in an amount not to exceed \$200,000.00 including the present contract amount of \$15,000.00. Additionally, it was recommended that the Executive Director be authorized to increase the compensation by fifty percent for additional work in the event it is that the delays in hiring staff continue. The recommendation was approved on passage of Resolution No. 01082.

Mr. Al Loera, representing Local 790 Port Chapter, appeared before the Board to note some personnel observations concerning Port managers. President Kramer asked Mr. Loera to put his observations in a written narrative form. No further action was taken.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

“RESOLUTION NO. 01072

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH UNITED STATES POSTAL SERVICE.”

“RESOLUTION NO. 01073

APPROVING AND AUTHORIZING AN AGREEMENT WITH OSPREY ORIELLE LAKE FOR ACCEPTANCE OF THE CHEEMAH MONUMENT.”

“RESOLUTION NO. 01074

APPROVING AND AUTHORIZING EXECUTION OF EXCLUSIVE NEGOTIATING AGREEMENT WITH GRAY & REYNOLDS PROPERTIES, INC.”

“RESOLUTION NO. 01075

CERTIFYING CONSIDERATION OF INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION FOR THE EXECUTIVE INN EXPANSION PROJECT, FINDING NO SUBSTANTIAL EVIDENCE OF SIGNIFICANT EFFECT ON THE ENVIRONMENT, APPROVING THE MITIGATED NEGATIVE DECLARATION, THE MITIGATION MONITORING AND REPORTING PROGRAM AND AUTHORIZING IMPLEMENTATION OF REQUIRED BCDC PERMITS AND APPROVING DEVELOPMENT PERMIT FOR THE EXECUTIVE INN EXPANSION PROJECT.”

“RESOLUTION NO. 01076

APPROVING AND AUTHORIZING EXECUTION OF A SECOND SUPPLEMENTAL AGREEMENT WITH OAKLAND HOSPITALITY, LLC.”

“RESOLUTION NO. 01077

GRANTING EAST BAY REGIONAL PARKS DISTRICT, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01078

FINDING AND DETERMINING THAT PORT CONTAINER CRANES X-411 AND X-412 AT THE TRANSBAY CONTAINER TERMINAL ARE INADEQUATE FOR AND SURPLUS TO PORT NEEDS, AUTHORIZING THE SOLICITATION OF PROPOSALS TO PURCHASE SAID CRANES AND OFFERING A BROKER’S COMMISSION FOR SALE OF SAID CRANE.”

“RESOLUTION NO. 01079

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH DAVID GATES & ASSOCIATES AND THRUSTON DESIGN GROUP, 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. 01080

APPROVING AND AUTHORIZING NEGOTIATION, OR NEGOTIATION AND EXECUTION, OF CERTAIN AGREEMENTS WITH THE OAKLAND BASE REUSE AUTHORITY, EAST BAY MUNICIPAL UTILITY DISTRICT, AND U.S. ARMY RESERVE TO RELOCATE THE U.S. ARMY RESERVE 63RD RESERVE SUPPORT COMMAND FROM THE OAKLAND ARMY BASE, AND AUTHORIZING THE EXPENDITURE OF UP TO \$100,000 TO CONDUCT FEASIBILITY AND PRELIMINARY PLANNING STUDIES TO FACILITATE THE RELOCATION.’

“RESOLUTION NO. 01081

FINDING AND DETERMINING THAT A PROPOS4ED FIFTH SUPPLEMENTAL AGREEMENT WITH PRICEWATERHOUSE- COOPERS AND YANO AND ASSOCIATES FOR FINANCIAL ADVISORY SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 01082

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

“RESOLUTION NO. 01083

DESIGNATION OF PORT REPRESENTATIVES FOR NEGOTIATIONS WITH WESTERN COUNCIL OF ENGINEERS.”

“RESOLUTION NO. 01084

APPROVING APPOINTMENT OF SPECIAL COUNSEL AND AUTHORIZING INTERVENTION IN SAN FRANCISCO BAYKEEPER V. U.S. ARMY CORPS OF ENGINEERS.”

“RESOLUTION NO. 01085

APPROVING APPOINTMENT OF SPECIAL COUNSEL (CITY OF ALAMEDA V. FAA).”

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

Ayes: Commissioners Kiang, Protopappas, Scates,

Tagami, Uribe and President Kramer - 6

Noes: None

Abstained: Commissioners Ayers-Johnson - 1

Absent: None

“RESOLUTION NO. 01086

APPROVING AND AUTHORIZING AN AGREEMENT WITH SECURITY U.S.A. FOR JACK LONDON SQUARE, EMBARCADERO COVE AND PORT MARINA SECURITY.”

Port Ordinance No. 3626 being, “AN ORDINANCE APPROVING ADDITIONAL SIGNATORIES TO THE AIRLINE OPERATING AGREEMENT AND SPACE/USE PERMIT

AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. 3627 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO CHANGE THE TITLES OF CERTAIN POSITIONS, TO AMEND SALARY SCHEDULE ASSIGNMENTS OF CERTAIN POSITIONS AND TO CREATE AN ADDITIONAL POSITION OF SENIOR SECRETARY,” and was read a second time and passed by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH SAMUEL FREDERICKS DOING BUSINESS AS SAMUEL’S GALLERY,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF THIRD SUPPLEMENTAL AGREEMENT WITH EAST BAY HOTEL L.P.,” and were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates
Tagami, Uribe and President Kramer - 7

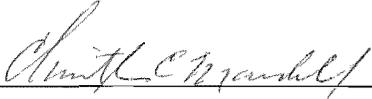
Noes: None

Absent: None

At the hour of 4:19 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, pursuant to subdivision (a) of Section 54956.9, Name of February 20, 2001

Cases: City of Alameda et al. v. Port of Oakland et al., California Court of Appeal Case Nos. A086708/A087959/A089660/A091969/A091974, District Council of Ironworkers v. Janet Reno et al., United States District Court Case No. 010107, San Francisco Baykeeper, et al. v. U.S. Army Corps of Engineers, et al., U.S. District Court Case No. C -1 0602 CW; conference with legal counsel – anticipated litigation, significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: 5 matters; personnel matters, as provided under Government Code Section 54957: 1 matter; conference with Labor Negotiator, Agency Negotiator: Robert Martinez, Employee Organization: Western Council of Engineers; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiation, property: 9th Avenue Terminal, Oakland, negotiating parties: Port of Oakland and Cal Crew of U.C. Berkeley, under negotiation: Price and Terms of Agreement; and reconvened in open session at the hour of 6:06 p.m.

At the hour of 6:07 p.m. the meeting was adjourned on an motion duly made and seconded.



Secretary of the Board

construction of the Airport Drive undercrossing, including construction of a bridge span at Doolittle Drive. The original contract plans showed approximately 914 linear feet of 36" to 42" plastic storm drain pipe to be installed along Airport Access Road between Doolittle Drive and 98th Avenue. The storm drain maintenance agreement between the City and the Port was not finalized until after award of the Contract. The agreement extended the City maintenance boundary from 98th Avenue to the edge of Airport Access Road and Doolittle Drive. As a result, the 914 linear foot section of storm drain along Airport Access Road is now within the City's maintenance area. The City then required that this pipe be changed from plastic to reinforced concrete pipe (RCP) per the City of Oakland Standard Details. Installation of the RCP resulted in an increase to the Contract price because the concrete pipe is more expensive, heavier, and requires more handling than plastic pipe. The Contractor was asked to prepare a quote for changing pipe materials. The Contractor's estimate was \$100,000.00 higher than the engineer's estimate. When it became apparent that an agreement on price could not be reached, the Contractor was directed to furnish and install the RCP on a time and material basis. The originally specified plastic pipe was deleted from the Contract, with a credit of \$147,000.00 which was the Contractor's bid price for that work. There were other additional costs for installation of the RCP associated with requirements of the City, which included installation of a concrete cap due to shallow elevation, and the addition of a cast-in-place transition manhole in lieu of a simple collar. During installation of the storm drain system, unforeseen conditions were encountered, including an EBMUD valve which had not yet been relocated by EBMUD, and two PG&E services that had not yet been abandoned or relocated by PG&E. Also, because the work was delayed by redesign and relocation work, installation was performed within the rainy season, resulting in additional costs associated with special flood control

measures. It was recommended that the Board ratify a change order estimated price of \$290,000.00 to Ballagher & Burk – Brosamer, a Joint Venture. The recommendations was approved on passage of an Resolution No. 01044.

Ratify Change Order to Contract for Construction of Doolittle Drive and Airport Drive Interchange, Airport Roadway Project (Contract B), OIA – Perform Potholing

Operation of the Storm Drain System was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with Oliver DeSilva, Inc. (dba Gallagher & Burk, Inc.) and R & L Brosamer, Inc. doing business as Gallagher & Burk – Brosamer, a Joint Venture for the construction of Doolittle drive and Airport Drive Interchange. The Contract became effective on June 29, 1999, with a contract sum of \$13,646,262.50. The work consists of construction of the Airport Drive undercrossing, including construction of a bridge span at Doolittle Drive. Upon review of the Contract Drawings, several potential conflicts were identified between the proposed storm drain system and existing utilities. The utilities were specified on the Contract Drawings as “to be relocated by others.” Although PG&E had lowered two of their duct banks, EBMUD had not yet relocated their water lines, Pacific Bell had not begun design work for their lowerings, and MCI and AT&T were not aware that relocations might be necessary. There was also the possibility that the actual location of utilities in field would differ from the Contract Drawings. It was not advisable to begin installation of the storm drain without first clearly identifying these utility conflicts and performing relocations and redesign. Due to the extent of potential work stoppages that would occur because conflicts, the Contractor was directed to perform potholing prior to mobilizing the full crew and installing the storm drain. This allowed for both redesign of the system and relocation of the existing utilities based on actual locations of

the existing utilities. After excavating at several locations where utilities were shown on the plans, it was discovered that the contract plans did not accurately show water or sewer lines along Airport Access Road or the 98th Avenue cul-de-sac. Potholing was performed on a force account (time and materials) basis to identify water line crossings and location of the mainline. The initial estimate for the work was five days at \$6,000.00/day or \$30,000.00. This effort would minimize potential delay costs associated with stand-by time, mobilization and demobilization, and traffic control, as well as service disruption at the Holiday Inn and to AT&T customers. The actual cost to perform the work was \$39,500.40, the bulk of the added cost of which was due to the need for shoring that was not expected prior to the work starting. It was recommended that the Board ratify the change order for \$39,500.40 to Gallagher & Burk – Brosamer Joint Venture for the work. The recommendation was approved on passage of Resolution No. 01045.

Approve Change Order to the Contract for Widening of 98th Avenue West of I-880, Airport Roadway Project (Contract C), OIA, Conform Curbs, Sidewalks and Driveways to Property Elevations was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with Oliver DeSilva, Inc. (dba Gallagher & Burk, Inc.) for the construction of Widening of 98th Avenue West of I-880. The contract was awarded on June 29, 1999, for a contract sum of \$3,444,053.50. The work consists of the widening of 98th Avenue between Interstate 880 and Airport Access Road, including construction of an additional bridge span at San Leandro Creek. The original design only called for minor adjustments of paving at driveways, and did not provide for a transition between the elevations of the new sidewalk/driveways and the existing adjacent private property. However, these elevation discrepancies would have resulted in a vertical dirt embankment of 6 to 18-inches along the back of

the new sidewalk and vertical alignment problems at the new driveways. A vertical concrete curb was added along the sidewalk to alleviate safety and drainage problems; and the existing grade was sloped, as needed, at driveways in order to provide a smooth transition. Other adjustments also became necessary to ensure the functionality of private property gates and other security features (reinstallation of tiger teeth). The Port considers these problems to be the result of errors and omissions on the part of the designer, Kaiser Engineers, and has filed a claim to recover the costs of this change order work. Kaiser Engineers has filed for bankruptcy, and the claim was filed with the court. This work is being performed on a force account (time and materials), for a not to exceed amount of \$110,000.00. It was recommended that the Board ratify a change order for an amount up to approximately \$110,000.00 to Gallagher & Burk – Brosamer, a Joint Venture, for the work. The recommendation was approved on passage of Resolution No. 01046.

First Reading of Ordinance Approving Additional Signatories to the Airline Operating Agreement and Space/Use Permit at Oakland International was the subject of a memo to Board from the Director of Aviation notifying the Board that this action would approve the addition of new signatories to the Port’s standardized Airline Operating Agreement and Space/Use Permit for commercial and cargo air carriers, as well as other aviation-related operators (e.g., ground handlers, passenger security screening companies, skycap services) at the Airport. Last year, staff and representatives of the major carriers serving the Airport negotiated the final terms and conditions of a new standardized Airline Operating Agreement and Space/Use Permit. At the time of the Board’s prior approval, staff listed all aviation tenants serving the South Airport, as well as several others that were about to initiate service. Since that time, additional carriers and operators have started service or are expected to soon. This action authorizes staff to add those

additional carriers and operators. 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 approve the following carriers: Ryan International Airlines, Lineas Aereas Allegro S.A. de C.V., SunTrips Airlines, Express.NetAirlines, Continental Airlines, JetBlue Airways, Kitty Hawk Air Cargo and TradeWinds Airlines, to the Port's Airline Operating Agreement and Space/Use Permit at the Airport; and the following operators are AVSEC Services, Pedus Aviation Services, A. P. Enterprises, Cal-Air Aviation Services, GAT Airline Ground Support, Transpacific Aviation Services, Stewart and Stevenson and Keiser & Associates. The recommendation was approved on passage of an ordinance to print.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with AVSEC Services, LLC was the subject of a memo to the Board from the Director of Aviation recommending approval to extend their agreement which provides for access to the South Airport to provide aircraft grooming and facilities janitorial services to airline tenants. No premises are occupied by AVSEC under the Right-of-Entry. The proposed Extension Agreement would authorize continued access to the South Airport to provide aircraft grooming and facilities janitorial services to airline tenants, commencing January 1, 2001 and ending September 30, 2001, with a mutual 30-day terminal provision. The monthly rent would remain \$250 or 10% of gross revenues, whichever is greater. The recommendation was approved on passage of Resolution No. 01047.

Approval of Agreement to Extend Right-of-Entry Agreement with the United States Government was the subject of a memo to the Board from the Director of Aviation recommending approval of an Agreement to Extend Right-of-Entry Agreement (Extension Agreement) with the United States Government (Government). The Government currently rents property under an

February 6, 2001

Extension Agreement, which provides for occupancy of approximately 698.5 square feet of office space in Building M-102, South Airport. The Government will pay Type II (office space) rent under Port Ordinance 1149, commencing with the Federal Government's fiscal year 2002 in October of 2001. The proposed Extension Agreement would extend the Government's occupancy of the same premises, commencing December 10, 2000 and ending September 30, 2001, with a mutual 30-day termination provision. The recommendation was approved on passage of Resolution No. 01048.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with Pedus Aviation Services, Inc. was the subject of a memo to the Board from the Director of Aviation recommending approval to extend their agreement to provide aircraft washing services and occupancy of 800 square feet of apron space near Building M-135 on the South Airport. The proposed Agreement would extend Pedus' occupancy of the same premises, commencing January 1, 2001 and ending September 30, 2001, with a mutual 30-day termination provision. Monthly rent would remain \$280.00 plus 10% of gross revenues. The recommendation was approved on passage of Resolution No. 01049.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with Oakland Fuel Facilities Corporation, Adjacent to Gate "A", South Airport was the subject of a memo to the Board from the Director of Aviation recommending approval to extend their agreement which provides for occupancy of approximately 684 square feet of vacant land for the parking of an office trailer and supporting vehicles adjacent to Gate "A", South Airport. The proposed Extension Agreement would extend OFFC's occupancy of the same premises, commencing November 29, 2000 and ending October 31, 2001, with a mutual 30-day termination February 6, 2001

provision. Monthly rent would remain \$342.00. The recommendation was approved on passage of Resolution No. 01050.

Ratification of Addenda and Award of Contract for Construction of Two New Gates in Terminal 1, Building M-103, OIA 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 J.H. Fitzmaurice, Inc., the low bidder, at \$1,511,400.00. The addenda concerned small changes to the construction criteria and did not change the physical work of the contract. The recommendation was approved on passage of Resolution No. 01051.

Award of Contract for Recarpeting of Building M-130, Terminal 2, OIA 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 Hoem-Schurba & Associates, the low bidder, at \$312,613.00. The recommendation was approved on passage of Resolution No. 01052.

Authorization to Execute an Agreement with PG&E to Construct a New Gas Main Along New Earhart Road, North Airport, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port is constructing the utility infrastructure along the new Earhart Road to support Dollar Rent-A-Car and rental car relocation projects at the North Airport. The utility infrastructure project provides the trench for the installation of the new gas main designed and constructed by PG&E. The cost for the design and construction of the gas main is estimated to be \$70,000.00. It was recommended that the Executive Director be authorized to execute an agreement with PG&E for the design and construction of the gas main. The recommendation was approved on passage of Resolution No. 01053.

Request to Execute First Supplemental Agreement and Second Supplemental Agreement to the Amended and Restated Lease Agreement between the City of Oakland and the Port of Oakland for the Development and Operation of a New Golf Course on the Former

Lew F. Galbraith Site was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port and the City of Oakland (City) closed the Lew F. Galbraith Golf Course (Galbraith) in 1994 to utilize the site for dredge materials from the -42ft. channel deepening project and to eventually use these same dredge materials to close the underlying landfill. Final placement of the dredge material occurred in 1998. In the consideration for closing Galbraith, the Port made a commitment to the community to rebuild the new course by early to mid 2002. At the time Galbraith was closed, the City and Port terminated the 1966 lease agreement and entered into a new lease agreement executed in 1994 for a term of 66-years. The lease was amended and in March 1999, the Board ratified the Amended and Restated Lease Agreement. The key terms and conditions of the amended Lease are: a unified and streamlined process to solicit, evaluate, and recommend a private sector golf course management team to design, construct and operate the new course; a 50/50 split of rental revenue between the City and the Port; an "Interruption Period" to provide, without penalties, an extension of 6-months should the selection process be delayed with additional incremental extensions of 3-months; a cap of \$5,000,000.00 to be invested by the Port; and to allow the City to divert \$2,500,000.00 of the Port's investment to Chabot Golf Course. In March 2000 Courseco was selected as developer/operator of the golf course. Since the Port was obligated to build the course, Port engineering staff retained Fred Bliss, architect, of Johnny Miller Design, Inc., to design the new golf course. During the design phase, Courseco's experts discovered that additional sand would have to be imported and placed on top of the cap; the on-site

materials were not of a quality conducive to good drainage since water could not drain vertically because of the clay cap; and certain design modifications were required to accommodate a more elaborate drainage system. Because of these discoveries, it is estimated that an additional investment of between \$1,800,000.00 and \$2,300,000.00 is required in order to construct the course. After much consideration, the Port has decided with the City's concurrence to withdraw from active participation in negotiating for the development and operation of the new golf course and to allow the City to move forward as the Port's tenant in negotiating the construction and operation of the proposed new golf course directly with Courseco. The City Manager and the Port Executive Director have executed a First Supplemental Agreement to approve payment of \$2,500,000.00 and to delineate 4 acres to be carved out of the golf course premises for an additional investment by the Port of \$1,000,000.00 for the Galbraith development, and a contribution from the City to the Galbraith project of \$1,000,000.00. The Port staff believes that any outstanding issues remaining are within the City's purview. The City as a tenant of the Port would contract with Courseco to build the tenant improvements including the new course and ancillary structures like the clubhouse and driving range payments under this contract. The reimbursement would occur through the Port funded escrow of \$5,000,000.00. Since the design is nearly 100% complete and Courseco and the City are in agreement with the design, Port engineering staff feel confident that any further changes to the current design could be handled during the permit process and handled accordingly. It was recommended that the Board pass a resolution approving the execution of the First Supplemental Agreement and the proposed second supplemental agreement to the Revised and Restated Lease between the City of Oakland and the Port of Oakland, authorizing the deposit of an additional \$1,000,000.00 into the Galbraith escrow, assigning the contract with architect, Fred

Bliss, of Johnny Miller Design, Inc. to the City, and the payment of \$2,500,000.00 to the City for the 4 acres to be carved out of the Galbraith premises. The recommendation was approved on passage of Resolution No. 01054.

Authorization to Execute Agreements with Three Consultants for Dredging-Related Sediment and Water Testing was the subject of a memo to the Board from the Director of Engineering notifying the Board that to perform its maritime construction and maintenance activities, the Port must continue to meet agency-mandated sediment and water quality testing requirements for the disposal of dredged materials. To do this, the Port needs the services of sediment testing laboratories. The current contract for sediment testing and other dredging support, is with EVS Environment Consultants, and was approved in 1998 with the contract budget nearly exhausted. To continue to meet the operational needs for sediment testing, the Environmental Planning Department circulated a request for proposals (RFP) for “Biological and Chemical Analyses of Sediments.” Three firms have been chosen. EVS is currently doing sediment and water testing on the Berths Project and is completely familiar with the Port’s regulatory environment, reporting protocols, etc. EVS will provide continuity on the Berths Project permit compliance, assist the Port on the maintenance dredging program, and consult to the Port as questions arise during the 50’ Project. A second contract with MEC Analytical Systems for sediment sampling and testing for the Maintenance Dredging Program will provide flexibility to the Port in the short term as well as help maintain local options in the long term. MEC personnel enjoy strong reputations in the sediment testing field, and the company has been used successfully by the Port in the past. A third contract, with Pacific Ecorisk for mainly water quality monitoring and some sediment testing, would complete these testing services required. Water testing will be for

future dredging as part of the RWQCB's new Total Maximum Daily Load (TMDL) program. Pacific Ecorisk has a strong track record with the RWQCB for this type of testing, as well as solid experience in sediment testing. It is deemed to be in the Port's interest to have this local company on-call to provide all the specific testing services to support the dredging program. It was recommended that the Board approve the agreements with EVS Environmental Consultants to complete the testing for the Berths project, assist in the preparation of sampling and testing protocols for TMDLs for the 50' Project, and provide consulting to the Port; with MEC Analytical Systems to perform sediment testing for the dredging program; and Pacific Ecorisk to conduct Water Testing during the 50' Project and some sediment testing, as needed, for the dredging programs. The recommendation were approved on passage of Resolution No. 01055 for MEC Analytical Systems; Resolution No. 01056 for EVS Environmental Consultants; and Resolution No. 01057 for Pacific Ecorisk.

Authorization to Reimburse BART for the Cost of Materials and Construction, BART Anodes Relocation (-50 Foot Project) the subject of a memo to the Board from the Director of Engineering notifying the Board that the Federally authorized project to deepen the Port's navigation channels, turning basins, and berths is a key component of the Port's Strategic Plan. Depths of -50 feet, Mean Lower Low Water (MLLW), are required to accommodate the latest generation of larger, more efficient container ships. In order to deepen the Outer Harbor channel to a depth of -50 feet, three anodes will be required to be relocated safely away from the proposed channel limit line. The anodes are key components of the system that protects the BART transbay tube from corrosion. The BART tube, itself, will not be impacted by the -50 foot deepening project. The anode relocation will be done in phases in order to take advantage of Bart's

maintenance schedule in terms of mobilization, demobilization, and economies of scale; and save digging effort by waiting until the channel is deepened before trenching for the relocated anode system. It was recommended that the Board authorize the reimbursement to BART, an amount not to exceed \$250,000.00 as Phase 1 of the relocation of anodes necessary to provide corrosion protection to the BART transbay tube. The recommendation was approved on passage of Resolution No. 01058.

A Resolution Supporting a Connector from BART to the Oakland International Airport as a Top Priority Transportation Project and Urging Federal and State Officials to Allocate Funds was the subject of a memo to the Board from the Director of Communications notifying the Board that the Port, the Bay Area Rapid Transit District (BART), and the City of Oakland have joined together to develop a proposal for a connection known as the BART/Oakland International Airport Connector that will link the Coliseum BART Station with the Oakland International Airport. Roads and highways leading to the Airport are becoming increasingly congested and a reliable connection from BART to the Oakland Airport would provide an alternative to the automobile. AirBART, the existing shuttle bus between BART and the Airport, can be subject to delays caused by Coliseum events, increasing traffic congestion, and peak seasonal air travel, and will eventually be unable to keep up with passenger demand. This project enjoys support from a broad-based coalition, including the Bay Area legislative delegation, the Metropolitan Transportation Commission, Alameda County Congestion Management Agency, the City of Oakland as well as the business and environmental community. This project will dramatically reduce the travel time between BART and Oakland International Airport. It will also relieve traffic on the I-880 and major arterials that access the Airport. The Connector is very

important to support the Oakland Airport's dramatic growth in business travel and will provide an attractive alternative for Airport employees. Furthermore, the project, which is expected to contain one or two intermediate stops will enhance the City and Port's ability to encourage economic development and growth for both the City and the Port along the Hegenberger Corridor and surrounding areas. It was recommended that the Board adopt the Resolution in support of the Connector from BART to the Airport as a top transportation priority and urge Federal and State officials to support the allocation of funds to implement such a connection. The recommendation was approved on passage of Resolution No. 01059.

Authorization to Prepare and Execute Agreements with Design Teams for On-Call Engineering Services for Pavement Design and Analysis at the Port of Oakland was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has three revenue generating divisions; the Aviation Division, which handles airline passenger traffic as well as providing private and commercial aviation facilities; the Maritime Division, which provides container handling facilities; and the Commercial Real Estate Division, which develops and manages commercial and industrial real estate property owned by the Port including marinas and berthing facilities. Modifications, additions, and repairs to the asphalt and concrete pavements at these facilities are required on a continuous basis. Heavy loads from commercial aircraft at the Airport and container carrying equipment at marine terminals have a major impact on the design and maintenance of pavements at these facilities. In order for the Port to provide timely project turn-around to its tenants and to supplement the Port's expertise and present resources, the Port is in need of ongoing design services related to asphalt and concrete pavements at various new and existing Port facilities. In order to assist with this work, the Engineering Division determined that

the most efficient solution is to supplement its staff with consultant teams that are immediately available and have the experience and expertise to assist in performing field testing, condition evaluation studies, cost estimates, design recommendations and developments, and preparation of construction documents. The Port has solicited proposals for “On-Call” engineering services. The terms for the proposed contract with the two top-ranked teams would be as follows: maximum of \$300,000.00 per team in fees for design services; each assignment would be individually authorized and subject to a maximum compensation; as compensation for the work, up to the maximum for each project, the consultant would be reimbursed for direct salaries of personnel performing work on the project, fringe benefits, overhead, costs, profit and other direct costs required to do the work; and the agreement would be in effect, when signed by the Port, for a period of three years. It was recommended that the Board approve agreements with Golder Associates and Geolabs for the “On-Call” engineering services. The recommendation were approved on passage of Resolution No. 01060 for Golder Associates; and Resolution No. 01061 for Geolabs.

Approval of Environmental Consulting Services in the Area of Storm Waste Program

Compliance was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port administers a number of water quality compliance programs through the Environmental Health and Safety Compliance (EH&SC) Department. These programs include the Industrial Storm Water Group Monitoring Program for the aviation and the maritime areas, and the Construction Storm Water Program for construction activities associated with the Airport Development Program an the Vision 2000 Program. Port storm water programs are currently in compliance with all state and federal laws and regulations. Historically, compliance has been supported by consultants hired by the EH&SC Department to collect storm water samples and draft

annual reports required by the various permits. The Port has insufficient internal resources to perform all of the required compliance tasks. The consultant recommended to be hired would continue to perform that work. In addition, the Port wishes to conduct a comprehensive assessment of the potential impact on water quality of the Port's existing operations and the future maritime, aviation, and commercial real estate development projects proposed in the Capital Improvement Program. As part of the review effort, the Port expects the consultant to research and recommend cost-effective, efficient, and proven storm water treatment technologies that can be incorporated into project designs. The Port also wishes to develop effective strategies for engaging the broader community on water quality issues. The EH&SC Department solicited proposals from 29 environmental consulting firms located in the Local Business Area (LBA) and the Local Impact Area (LIA), with known expertise in performing storm water program consulting services. After interviewed, the top-ranked firm, Eisenberg, Olivieri & Associates (EOA), is located in the LIA, has been recommended. It was recommended that the Board authorize the preparation and execution of an agreement with Eisenberg, Olivieri & Associates; and determine that the consulting services are professional services. The recommendation was approved on passage of Resolution No. 01062.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the approval of title changes: from Junior Civil Engineer to Port Junior Engineer, from Junior Port Electrical/Mechanical Engineer to Port Junior Engineer (Electrical/Mechanical), from Assistant Civil Engineer to Port Assistant Engineer, from Assistant Port Electrical/Mechanical Engineer to Port Assistant Engineer (Electrical/Mechanical), from Civil Engineer to Port Civil Engineer, and Supervising Civil Engineer to Port Supervising Civil Engineer; approve the

amendment of the salary schedule assignment for the Airport Ground Transportation & Parking Operations Specialist I to Salary Schedule 200.5; creation of a new Senior Secretary position in the Airport Administration Services Department; approve the conversion of 10 WCE CIP positions (actual positions to be determined) in the Engineering Division to 10 permanent FTE positions under the operating Budget; and salary adjustments for the Director of Aviation and Director of Engineering. The recommendations were approved on passage of Resolution No. 01063 for conversion; Resolution No. 01064 for adjustments; and on an ordinance to print for creation of positions.

Authorization to Become a Member Organization of IEDA was the subject of a memo to the Board from the Director of Administration recommending the Port become a contract member of Industrial Employers and Distributors Association (IEDA), to authorize the Director of Administration to serve as the Port's representative on the Board of Directors of IEDA, to utilize IEDA's professional services on an as needed bases for labor relations, training, immediate research access consultation and other services as appropriate. It was recommended that the Board authorize the Executive Director to enter into an agreement to become a contract member of IEDA for a period of 3 years, renewable annually at the option of the Port for additional period of 2 years at the rates in effect during the term of the contract, to purchase additional services from IEDA on a fee basis to a maximum annual fee for service cost of \$25,000.00, and to authorize the Director of Administration to serve as the Port's representative on the Board of Directors of IEDA. The recommendation was approved on passage of Resolution No. 01065.

Travel Authorization was the subject of a memo to the Board from the Secretary of the Board recommending the travel of George Turner, Manager, Aviation Marketing and

Communications, to various cities in China, on or about the period February 15 – 28, 2001, to meet with Chinese air carriers concerning passenger and cargo service to Oakland International Airport. The recommendation was approved on passage of Resolution No. 01066.

Recommendation to Pass Resolution 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 the Agenda was Posted, and to Ratify and Authorize Actions Relating to Purchase of Electric Power at the Airport was the subject of a memo to the Board from the Director of Engineering notifying the Board that recommending approval to take appropriate action regarding a finding of the need to take action arose after the agenda was posted regarding the purchase of the electrical power. The finding was approved on passage of Resolution No. 01067. The Board was notified that in the current crisis environment in which the Port is procuring electricity for the Airport, staff has taken several recent actions, and the Port needs to take several additional actions, on an emergency basis to protect the Port's interests. It was recommended that several actions be taken to address the extraordinary and rapidly changing electric power market in California which is having a significant financial impact on the Port. It is estimated that the value of the Port's purchase of electric power at the Airport for the two-year period of 2001 and 2002 is \$20 million or more. On December 28, 2000, the Port executed a Power Sales Agreement with IDACORP Energy to provide power supply for the Airport beginning January 1, 2001 at prices tied to the California Power Exchange (PX) NP-15 Hourly Price. In negotiations prior to December 28th, the parties recognized that significant changes were about to occur in the way power would be bought and sold in California. On January 19, 2001, the Port noticed anomalies in the NP-15 market clearing prices shown on the California Power Exchange (PX) website for power deliveries that day. Further

investigation revealed significant declines in the volume of power traded through the PX and that the average hourly prices on the PX were higher than prices in the so-called bilateral market (i.e. the market of transactions between private parties where the price is not generally published but is surveyed confidentially by entities such as Dow Jones). That same day the Port formally notified IDACORP Energy that it would move to terminate the Agreement unless a new price acceptable to the Port could be negotiated. In the intervening two weeks, the Port and IDACORP Energy verbally agreed that beginning February 1, 2001, the price for deliveries under the contract will be tied to the Dow Jones NP-15 index price for 5 MW of power purchased each and every hour; the Port will have a take or pay obligation for this 5 MW block of power; IDACORP Energy will work with the Port to fix the price of the 5 MW block of power for all or part of February; if the Airport load is less than 5 MW in any given hour the excess will be sold to the California Independent System Operator (ISO) and the Port will be entitled to the proceeds of such sale; the power needs of the Airport above 5 MW will be obtained from the ISO at the ISO ex-post price (the average of whatever the ISO has to pay to balance the California's supply and demand within a given hour) and; the contract between the Port and IDACORP Energy will terminate on March 1, 2001. During January the lead power trader at NCPA recommended that the Port try to fix the price for February deliveries rather than remain subject to the daily volatility of pricing tied to the Dow Jones NP-15 Price Index. While entering into a fixed price arrangement does not guarantee a lower price at the end of the month, the NCPA trader's opinion was that there was more risk of prices going higher than of prices falling during February. Staff established that Enron would sell the 5 MW block to the Port (through IDACORP Energy) at a price within the range quoted by the NCPA trader. The Port, IDACORP Energy and Enron agreed in a conference call that Enron would sell a 5 MW block

of power for all hours of February delivered to NP15 at a price of \$250/MWh and that IDACORP Energy would resell this same 5 MW block of power to the Port for \$250/MWh. The total value of the Enron transaction is \$810,000.00. The NCPA trader also recommended that the Port lock up additional blocks of power to meet the Airport's needs in future months. Accordingly, staff recommends that the Port begin locking up at least 5 MW of supply at fixed prices for March and then through the high demand summer months of this year. The Port will need new arrangements to procure and schedule power deliveries beginning March 1 when the amended IDACORP Energy Power Sales Agreement will terminate. Staff is in discussions with NCPA to perform these functions. The Enron/IDACORP Energy/Port of Oakland fixed price transaction for February was cumbersome to arrange. Not all suppliers would be as flexible as Enron and IDACORP Energy were in this situation. Depending on which entity the Port chooses as a scheduling coordinator, it may be desirable for the Port to enter into umbrella supply agreements (master contracts) with a number of potential suppliers to facilitate these types of fixed price power purchases in the future. One way to do this is for the Port to become a member of the Western Systems Power Pool (WSPP). All members agree to buy and sell power under a master agreement under which transactions are executed by recorded phone call and confirmed by fax. It requires several months of time to apply and become a member of WSPP. It was recommended that the Board ratify the purchase of a 5 MW block of electrical power from Enron (through IDACORP Energy) for February 2 – February 28, 2001 at \$250/MWh and approve an increase in the size of the block on such terms as are determined appropriate by the Executive Director; approve execution of an agreement amending the IDACORP Energy Power Sales Agreement; authorize the Executive Director to select and execute a contract with a new scheduling coordinator to begin service on February 6, 2001

March 1, 2001; authorize the Executive Director to enter into master contracts with a variety of suppliers of fixed price power to the NP-15 delivery point in Northern California and to then enter into single or multiple month contracts (not to extend beyond December 31, 2002) for purchase of up to 8 MW blocks of power via recorded phone call with faxed confirmation; authorize the Executive Director to enter into master ISDA Agreements with a variety of counter-parties selling fixed for floating swaps for power at the NP-15 delivery point in Northern California and to then enter into single or multiple month swaps (not to extend beyond December 21, 2002) for up to 8 MW blocks of power via recorded phone call with faxed confirmation, such swaps could not overlap any blocks of physical power priced at fixed prices; authorize the Executive Director to enter into such other agreements as are determined appropriate by the Executive Director to manage the electricity price and supply shortage risks to the Port due to the presently prevailing conditions in California which are expected to last through 2002; and authorize the Executive Director to cause the Port to become a member of WSPP if the Executive Director determines such membership is appropriate. During discussion, the purchase of power was capped at a \$40 million limit and the Board asked that \$30 million limit revisit Swap Agreement. The recommendation was approved on passage of Resolution No. 01068.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

“RESOLUTION NO. 01044

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH GALLAGHER & BURK, INC. – BROSAMER, A JOINT VENTURE, FOR CONSTRUCTION OF DOOLITTLE DRIVE AND AIRPORT DRIVE INTERCHANGE, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01045

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH GALLAGHER & BURK, INC. – BROSAMER, A JOINT VENTURE, FOR CONSTRUCTION OF DOOLITTLE DRIVE AND AIRPORT DRIVE INTERCHANGE, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01046

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH GALLAGHER & BURK, INC., FOR CONSTRUCTION OF WIDENING OF 98TH AVENUE WEST OF I-880, AIRPORT ROADWAY PROJECT (CONTRACT C), OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01047

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH AVSEC SERVICES, L.L.C.”

“RESOLUTION NO. 01048

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH THE UNITED STATES GOVERNMENT.”

“RESOLUTION NO. 01049

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH PEDUS AVIATION SERVICES.”

“RESOLUTION NO. 01050

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH OAKLAND FUEL FACILITIES CORPORATION.”

“RESOLUTION NO. 01051

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF TWO NEW GATES IN TERMINAL 1, BUILDING M-103, OAKLAND INTER- NATIONAL AIRPORT, OAKLAND, CALIFORNIA, EXTENDING DATE SET FOR RECEIVING BID THEREFOR; AND AWARDDING CONTRACT TO J. H. FITZMAURICE, INC., FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01052

AWARDING CONTRACT TO HOEM-SCHURBA AND ASSOCIATES, FOR RECARPETING OF BUILDING M-103, TERMINAL 2, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, EXTENDING DATE SET FOR RECEIVING BIDS THEREFOR; AND AWARDDING CONTRACT TO J. H. FITZMAURICE, INC., FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01053

APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH PACIFIC GAS & ELECTRIC COMPANY FOR CONSTRUCTION OF A NEW GAS MAIN ALONG NEW EARHART ROAD, NORTH FIELD, OAKLAND INTERNATIONAL AIRPORT.”

“RESOLUTION NO. 01054

AUTHORIZING EXECUTION OF A FIRST SUPPLEMENTAL AGREEMENT TO THE AMENDED AND RESTATED LEASE WITH THE PORT OF OAKLAND AND CITY OF OAKLAND (GALBRAITH GOLF COURSE).”

“RESOLUTION NO. 01055

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH MEC ANALYTICAL 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. 01056

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH EVS ENVIRONMENT 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. 01057

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

“RESOLUTION NO. 01058

APPROVING AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT TO SHARE THE COST OF RELOCATING UTILITY FACILITIES FOR THE OAKLAND HARBOR NAVIGATION IMPROVEMENT (-50 PROJECT).”

“RESOLUTION NO. 01059

TO SUPPORT THE BAY AREA RAPID TRANSIT DISTRICT (“BART”) FOR THE BART COLISEUM STATION/METROPOLITAN OAKLAND INTERNATIONAL AIRPORT CONNECTOR (“CONNECTOR”).”

“RESOLUTION NO. 01060

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. 01061

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

“RESOLUTION NO. 01062

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH EISENBERG, OLIVIERI & 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. 01063

APPROVING THE CONVERSION OF CERTAIN POSITIONS.”

“RESOLUTION NO. 01064

APPROVING SALARY ADJUSTMENTS OF CERTAIN EMPLOYEES.”

“RESOLUTION NO. 01065

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT WITH INDUSTRIAL EMPLOYERS AND DISTRIBUTORS ASSOCIATION (IEDA) FOR PORT MEMBERSHIP AND PROFESSIONAL SERVICES ON AN AS-NEEDED BASIS.”

“RESOLUTION NO. 01066

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 01067

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 (RELATING TO PURCHASE OF ELECTRIC POWER AT THE AIRPORT).”

“RESOLUTION NO. 01068

RATIFYING PURCHASE OF ELECTRIC POWER FOR OAKLAND AIRPORT, APPROVING AND AUTHORIZING EXECUTION OF AGREEMENTS FOR PURCHASE AND PROVISION OF ELECTRIC POWER FOR OAKLAND AIRPORT, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH.”

“RESOLUTION NO. 01069

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

“RESOLUTION NO. 01070

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

“RESOLUTION NO. 01071

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

Port Ordinance No. 3614 being, “AN ORDINANCE FINDING AND DETERMINING THAT THE PUBLIC INTEREST OF KAISERAIR, INC. AND EARHART ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, FOR PUBLIC USE IN CONNECTION WITH PORT DEVELOPMENT PURPOSES, MAKING OTHER FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH, AND AUTHORIZING THE FILING OF PROCEEDINGS IN CONDEMNATION FOR THE ACQUISITION THEREOF,” and Port Ordinance No. 3625 being, “AN ORDINANCE MAKING CERTAIN FINDINGS AND DETERMINATIONS IN SUPPORT OF, AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH SIMEON COMMERCIAL PROPERTIES FOR THE PORT OF OAKLAND’S SALE OF AN APPROXIMATELY 23 ACRE PARCEL OF LAND LOCATED AT I-880 AND HEGENBERGER ROAD,” and was read a second time and passed by the following vote:

February 6, 2001

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, "AN ORDINANCE APPROVING ADDITIONAL SIGNATORIES TO THE AIRLINE OPERATING AGREEMENT AND SPACE/USE PERMIT AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO CHANGE THE TITLES OF CERTAIN POSITIONS, TO AMEND SALARY SCHEDULE ASSIGNMENTS OF CERTAIN POSITIONS AND TO CREATE AN ADDITIONAL POSITION OF SENIOR SECRETARY," and were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates
Tagami, Uribe and President Kramer - 7

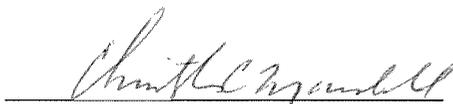
Noes: None

Absent: None

At the hour of 4:37 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, pursuant to subdivision (a) of Section 54956.9, Lanetta L. Savage v. Port of Oakland, Workers' Compensation Appeal Board Case No. 0110467, City of Alameda et al. v. Port of Oakland et al., California Court of Appeal Case Nos. A086708/A087959/A089660/A091969/A091974, District Council of Ironworkers v. Janet Reno et al., United States District Court Case No. 010107; conference with legal counsel – anticipated February 6, 2001

litigation, significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: 4 matters; personnel matters, as provided under Government Code Section 54957: 1 matter; and reconvened in open session at the hour of 5:55 p.m.

At the hour of 5:57 p.m. the meeting was adjourned on an motion duly made and seconded.

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

Secretary of the Board

responsive; reject FCB International's bid; ratify Addendum 1; waive the minor irregularity of the late submission of Rosendin Electric, Inc.'s fifth Contractor's Questionnaire Form; find Rosendin Electric, Inc. to be the lowest responsible bidder; award the contract to Rosendin Electric, Inc. for the amount of its bid; and reject the other bids and return the bid securities to the respective bidders. The recommendations were approved on passage of an Resolution No. 01024.

Plans and Project Manual for Construction of Overlay of Runway 11-29 and Conversion of Taxiway "W" to Temporary Runway 12-30, South Airport, OIA 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. In order to perform an overlay of Runway 11-29, the Runway must be closed to all operations. Several possible scenarios were considered for closure of the Runway, including consecutive weekend closures and consecutive 24-hour day closures (full closure) for the time period required to perform the overlay. In conjunction with the Runway closure, a proposal has been submitted to the FAA for approval for the conversion of Taxiway "W" to a temporary runway for use during the overlay of Runway 11-29. The temporary runway, to be identified as Runway 12-30, would be used primarily for aircraft departures. Aircraft landings would occur at the North Airport. The alternative to converting Taxiway W to a temporary runway would be the diversion of all aircraft operations to the North Airport. This would result in highly congested arrival and departure aircraft traffic attempting to taxi between North and South Airports while alternating single directional traffic along the existing single taxiway. Creating a temporary runway will significantly reduce the traffic congestion, travel time, and the resulting aircraft noise levels over Alameda. The Nationwide Permit 14 and the 401 Certification are needed because the Port proposes to alter or "fill" up to one-half acre of delineated wetlands by replacing open ditches

near temporary runway 12-30 with drainage pipes. The replacement of open ditches is necessary to comply with the FAA requirement of acceptable grades adjacent to temporary Runway 12-30. The Army Corps permit for fill requires mitigation. Creation and restoration of wetlands at Damon Slough will cost approximately \$1.5 million. The cost is included within the project budget. The Nationwide Permit 10 and the Amendment to the Shoreline Permit are needed for temporary off-loading of aggregate material from barges. Potential barge off-loading sites are located at the Airport or at Ninth Avenue Terminal. The barge off-loading will provide an alternative to bringing material by truck to the airport for the proposed portable asphalt concrete plant. Staff is actively pursuing environmental agency approvals. Staff expects to receive these approvals before the award of the contract. It was also recommended that Damon Slough be approved as the site as mitigation for up to one-half acre of delineated wetlands at the Airport. The recommendation was approved on passage of Resolution No. 01025.

Authorization to Dispense with Competitive Bidding Procedures to Purchase a New Circuit Breaker for the Upgrade of Substation SS-4M, North Airport, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that Rolls Royce, a Port tenant at the North Airport has requested the Port to increase its electrical power supply by 1.2 MVA to meet the power requirement for its new development which is scheduled to be in operation by September 2001. To meet the increased power requirements of Rolls Royce, it is necessary for the Port to upgrade Substation SS-4M at the North Airport, by adding a new 38kV circuit breaker to the existing switchgear, and to upgrade the electrical feeder that serves Rolls Royce and other future development at the North Airport. Staff believes it would be in the best interests of the Port to purchase a breaker that matches the existing breakers to facilitate system integration and

maintenance. The manufacturer of the existing breakers for Substation SS-4M is Toshiba International Corporation of Houston, Texas (Toshiba). A purchase order contract will be issued for procurement of the breaker. Installation of the breaker and the electrical feeder upgrade will be performed under other contracts. Toshiba has indicated a lead time of six months to manufacture and ship the circuit breaker. The purchase order contract for the circuit breaker is expected not to exceed \$130,000.00. It was recommended that the Board find it to be in the best interests of the Port to dispense with competitive bidding procedures to purchase the circuit breaker; and the Executive Director be authorized to negotiate a purchase order contract for the purchase of the breaker. The recommendation was approved on passage of Resolution No. 01026.

Approval of License and Concession Agreement with Adela M. Bashian dba Oakland

Duty Free was the subject of a memo to Board from the Director of Aviation notifying the Board that Adela M. Bashian dba Oakland Duty Free (Duty Free) operates a duty free shop in Terminal 1 of the Airport pursuant to a sublease agreement with the Airport's Master Concessionaire, CA One Services, Inc. The store premises consist of approximately 350 square feet. In addition, Duty Free operates a small retail unit in the Gate One holdroom and in the Transit Lounge. At the time Duty Free entered into its agreement to operate at the Airport, the Airport agreed to provide it storage space as soon as such space became available. Space has now become available, and the Airport can honor its commitment to Duty Free. The Port has identified approximately 72 square feet of storage on the lower level of M-103. This storage space was newly constructed by the Port to address storage needs of its tenants. Duty Free proposes to rent this space at the stated rate of \$4.684 square foot per month (\$337.25 per month) and the term of the agreement will be for one year. It was recommended that the Board approve the License and Concession Agreement with

Adela M. Bashian dba Oakland Duty free. The recommendation was approved on passage of Resolution No. 01027.

Plans and Project Manual for Overlay of Taxiway B (Between Runways 27L and 27R), North Airport, OIA 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. Taxiway B (between Runways 27L and 27R) was built in the 1960's and is showing signs of deterioration. The pavement and taxiway lighting system are in need of improvements. This project is part of the North Airport Reconstruction Program to enhance safety and extend the life of existing facilities, and was originally scheduled in the Capital Improvement Program to be constructed in the summer of 2002. However, due to the impacts of the Runway 11-29 asphalt concrete overlay project, the majority of arriving aircraft to the Oakland Airport will be diverted to the North Field, and consequently, increase the aircraft traffic in the area requiring the Taxiway B improvements. As a result, this Taxiway B improvement project will be performed prior to the planned start of the Runway 11-29 overlay project in order to avoid potential foreign object damage (FOD) from the deteriorated pavement. The scope of work consists of the construction of asphalt pavement overlay; installation of pavement striping and markings; and removal and replacement of existing taxiway lights. The Total Estimated Bid is expected not to exceed to be \$600,000.00. The recommendation was approved on passage of Resolution No. 01028.

Plans and Project Manual for Construction of 12.47 kV Circuit Between SS-8 and SS-5A, OIA 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 scope of work consists of installing circuit breakers in substations SS-5A and SS-8, installing a conduit system under

Taxiway B and in front of Building M-104; and installing power and control cables. The Total Estimated Bid is expected not to exceed \$850,000.00. The recommendation was approved on passage of Resolution No. 01029.

First Reading of an Ordinance Authorizing the Execution of a Purchase and Sale Agreement with Simeon Commercial Properties for the 23-acre Site Located at I-880 and

Hegenberger Road was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that a critical component of the Commercial Real Estate Division's restructure plan, which was approved by the Board in 1999, was the sale of parcels within the Oakland Airport Business Park to create funding for projects along the waterfront. One of the key sites, known as the Hegenberger Gateway site, is a 23-acre parcel at the corner of I-880, and Hegenberger Road. The Hegenberger Corridor is envisioned as a visitor-oriented destination corridor, and is planned for high-end lodging, commercial, retail and office development. The Port and the City are jointly funding a \$6 million Hegenberger Streetscape project that will upgrade landscaping and lighting in the corridor. The Gateway Development Plan, completed in 1998, targeted this site for an upscale hotel with conference space. On July 18, 2000, the Board approved the terms and conditions of an Exclusive Negotiating Agreement (ENA) with Simon Commercial Properties for the sale of the site. The ENA allowed the developer to complete due diligence on the site, and to negotiate the terms of the Purchase and Sale Agreement. The 90-day ENA, which commenced on July 7, 2000, provided for a \$200,000.00 deposit. On October 4, 2000, the Simeon development team submitted written notice of its intent to exercise one of its two available options to extend the ENA period for an additional 90 days, along with a \$100,000.00 nonrefundable deposit. The terms of the Purchase and Sale Agreement were negotiated during the ENA period,

and executed on January 5, 2001 within the first extension period. The ENA provided that if the agreement was signed within the ENA Period, that period would be extended an additional 60 days to enable the Board to determine whether it desires to enter into the Purchase Agreement; take the actions necessary to authorize the Port to sign the Purchase Agreement if the Board desires to allow the Port to do so; and to allow the Port to sign the Purchase Agreement. The development articulated in the ENA consisted of a full-service hotel of 300 rooms, conference space and 500,000 to 1,000,000 square feet of Class A office space. There are complex issues surrounding this transaction, including the timing and phasing of the office and hotel development on the site; the schedule for the acquisition of the Caltrans parcel and the leasehold interest on the Chevron site; option for wetlands relocation off-site, which could result in the relocation of existing Oakport Street and development on the wetlands parcel; and the timing of the BART Airport Connector project and a potential station on the site. The terms of the conditions of the Purchase and sale agreement are as follows. Purchase price: \$18.00 per square foot for parcel A,B,D and F for a total price of \$14,089,896.00; the wetlands parcel will be transferred at no cost, with Simeon taking on responsibility for any landscape maintenance responsibilities; and Simeon is working towards relocating the wetlands off-site. Effective Date: 30 days following the second reading of the Port Ordinance. Deposit: \$500,000.00 consisting of \$300,000.00 (initial deposit in escrow) and \$200,000.00 due within 5 days following the effective date of the Purchase and Sale Agreement; and the deposit is non-refundable provided Seller is not in default, and shall be applied and credited toward the purchase price. Due Diligence is 15 months. Closing of Escrow is 45 days after the due diligence expiration date. Extension: buyer may extend the due diligence period for three additional periods of 90 days each at a cost of \$150,000.00 per extension; and 50% of each

payment may be applied to the purchase price. Moratorium: in the event of a moratorium affecting entitlement imposed by administrative or legislative action, buyer may postpone the final due diligence expiration date in one or more increments of 90 days for an aggregate period which does not exceed the less of the duration of the moratorium; or eighteen months; and if buyer elects to extend, the purchase price for the property shall be increased (but not decreased) by the Consumer Price Index. Acquisition of Parcels D and G: seller to notify buyer within 6 months about whether seller has obtained an agreement with Caltrans to convey parcels D and G; and if seller is unable to obtain an agreement, then buyer may terminate this agreement and the deposit is refundable. Option to Purchase Chevron Parcel E: buyer has an option to purchase the Chevron leasehold parcel at the fair market value at the time the option is exercised. Repurchase Agreement for Office: if buyer has substantially commenced construction on 300,000 square feet of office space by the second October 15 following close of escrow, Seller has the right to repurchase the office parcel; however, if during the preceding 9 month period the average office vacancy rate for Class A office space in Oakland is greater than 10%, the commencement date is extended by an additional 12 months; and in no event will the commencement date be extended to a date more than 5 years after the close. Repurchase Agreement for Hotel: Parcel F is the designated hotel site; the hotel construction commencement date is the last day of the 24th month following the close of the escrow; if during the preceding 9 month period, the average occupancy rate for hotel rooms in the Oakland sub-market is less than 75% or the average occupancy rate for 7 East Bay hotels listed in an exhibit is less than 75% or the average daily room rate for the listed hotels is less than \$165.00, then the commencement date is extended for twelve months; and in no event will the commencement date be extended more than 7 years without triggering the repurchase option. It

was recommended that the Board authorize the Executive Director to execute a Purchase and Sale Agreement and all related sales documents between the Port and Simeon Commercial Properties for the purchase of the Hegenberger Gateway parcel at a purchase price of \$18.00 per square foot. The recommendation was approved on passage of an ordinance to print.

Recommend Approval of New License and Concession Agreement with Laura M. Lee

dba: The Reef Restaurant was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that on October 3, 1978, the Port entered into a lease agreement with Dean W. and Betty R. Gibson for the operation of an oyster bar style restaurant at 1000 Embarcadero. The lease was assigned to Hing C. Mok and Yuen B. Mok on July 21, 1981. Subsequently, the lease was assigned to the present operators, Edward Pereira and Amornratana Rego on September 3, 1981. A fourth Supplemental Agreement extended the lease term to December 31, 2000, and allowed the Lessee to expand the premises from 1,000 square feet to 2,090 square feet. While the restaurant has had successful periods in the past, during the last four years there have been declining sales. Gross sales from the restaurant have recently increased modestly, but the current Lessee is in default. Laura M. Lee, as an individual d.b.a. the Reef Restaurant, has submitted a proposal to operate the existing restaurant as a first-class seafood restaurant. She is currently operating under a Right-of-Entry Agreement to allow her to maintain the existing staff and loyal customer base. Ms. Lee has provided evidence of adequate financial resources to fund a shortfall for at least a one-year period. It is proposed to enter into a License and Concession Agreement for a term of one year. The term of the Agreement may not be extended without a resolution approved by the Board. There will be language in the Agreement specifically disallowing the holdover provision in the standard License and Concession Agreement. The

proposed rent will be \$1.00 per square foot (for \$2,090.00 per month), against 7% of gross sales. The effective date would be February 10, 2001. The proposed one-year License and Concession Agreement would allow for retention of the only restaurant facility in that particular area of Embarcadero Cove, complementing a new hotel which is under construction, and the existing recreation marina. It was recommended that the Board approve Resolution No. 01030. The recommendation was approved on passage of Resolution No. 01030.

Recommend Approval of New License and Concession Agreement with J. Fletcher Creamer & Son, Inc. was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that J. Fletcher Creamer & Son, Inc., a New Jersey corporation, is a construction company specializing in laying of telephone and fiber optic cable trunk lines. Their West Coast operation is located in Van Nuys, California. Much of the work under contract at this time is located in the Bay Area, necessitating an equipment storage facility near their projects. Creamer & Son, Inc. is currently in occupancy of approximately 20,680 square feet of vacant land at Diesel and Kennedy Streets under a Right of Entry and Indemnity Agreement. They are occupying approximately one-third of the entire vacant parcel. Monthly rental for the occupied portion is \$2,068.00 (\$.10 per square foot). The site is used for the storage of equipment and supplies within a screened fenced area. The proposed one-year License and Concession Agreement provides revenue to the Port while negotiations are in process with potential developers of the entire parcel. J. Fletcher Creamer & Son, Inc. are aware of the negotiations and understand that they may be given a 30-day notice to vacate the parcel at any time. Their position is that this interim agreement will buy them the time they need to either find a permanent location in Northern

California or complete their projects in the Bay Area. It was recommended that the Board approve the agreement. The recommendation was approved on passage of Resolution No. 01031.

Approval of Funding for Waterfront Open Space and Access Coordinator was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that when the Estuary Policy Plan was approved by the Board and City Council in 1999, one of the concerns expressed about the Plan was a general belief that it emphasized the desire for greatly enhanced public spaces and access projects without a sufficient assessment of the costs. A “ballpark estimate” of the costs to develop all the recommended public improvements over a 20-year timeframe was in excess of \$152,000,000.00. Although this estimate was done at a general level for planning purposes only, and omitted several items of which the consultant team had little direct information, (e.g. Environmental site remediation) the \$152 million estimate did create an “order of magnitude”, and sparked a sobering debate about what it will take to realize the vision established in the Plan. The issue of how to pay for all the public improvements (and then ongoing maintenance) was raised by both the Board and the City Council. The council directed three different Council Committee (Public Works, Life Enrichment, & Finance) to: detail the recommended projects; recommend priorities; identify potential sources of funding and partnerships with other interested public agencies; and identify ways to expedite development of open space and access projects. In response, City staff prepared a detailed report that recommended several measures to address the Council’s directive, including a discussion of the role of the Port in providing for open space and access. Port staff was involved in the preparation of the report. The Port has a long track record and a proven enough approach to open space/access project development, and are leading and doing our share to realize public access projects. As a result, the

report does acknowledge the significant efforts and investments the Port has made (both on its own and with development partners). The report also pointed out that achieving the open space vision in the Estuary Plan cannot be accomplished by a single agency or one source of funds. It requires a concentrated sustained effort by many parties, including the Port, to organize and integrate tasks and funding opportunities. A key component of this strategy is the need to coordinate the many actors, programs, and skills needed to implement the various projects. Furthermore, if the waterfront is to receive and sustain the priority intended by the Council, it requires a visible advocate within the city structure to insure it gets the attention it needs. Otherwise, access projects will continue to be accomplished incrementally, without the sense of urgency expressed by the City Council. To address this situation, the Council committees recommended that a new staff position be created in the City's Community and Economic Development Agency. This position, tentatively identified as the "Waterfront Open Space and Access Coordinator" is intended to coordinate and expedite efforts by the City, Port and other agencies. As envisioned by the City, the coordinator would be responsible for detailing strategies to match project priorities with available funding; developing specific proposals for high-priority sites; overseeing technical studies; coordinating Oakland efforts with those of outside agencies; soliciting and administering outside grants; and generally being the primary resource for information and advocacy. The position would be permanent, full-time, and fully devoted to the waterfront. The City Council has endorsed the recommendation to create the Estuary Access Coordinator position, and to request that the Port contribute 50% of the position's cost on an ongoing basis. The current estimate of the Port's share under this scenario is \$62,500.00 (including salary, fringes, and overhead factor). The Council has formally requested that the Board consider the proposal to create the position and split the costs 50-

50%. In addition, the Council has already budgeted its half of the costs in the City's 2001-2002 operating budget. As an indication of the City's seriousness, of the 350 requests by city agencies to fund new positions, this is the only new position approved by the entire city budget. It was recommended that the Board approve the execution of a Memorandum of Understanding (MOU) by the Port's Executive Director to cover the funding of an Open Space and Access Coordinator position in the amount of \$62,500.00 to be housed in the City of Oakland Community and Economic Development Agency. The recommendation was approved on passage of Resolution No. 01032.

Approve Change Order for Construction of Container Yard, Phase 1B at Berths 55/56, Inner Harbor Channel – Furnish Aggregate Base 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 O.C. Jones & Sons, Inc., for the construction of container yard phase 1B at Berths 55/56, Inner Harbor Channel, which became effective on December 15, 1999 at lump sum and unit prices totaling \$20,782,063.00. The work consists of constructing approximately 71 acres of container yard, including furnishing and installing asphaltic and interlocking stone pavement; furnishing and installing lighting, fire protection, potable water, gas and electrical systems; furnishing and installing storm and sanitary systems; and performing signing and striping. The work also includes the construction of the terminal gate and canopy, the reefer wash facility and landscaping. As part of the Vision 2000 program, the Port stockpiled all of the asphalt concrete and portland cement concrete generated from the demolition of the existing streets and buildings. This material was then crushed to be recycled as aggregate base for use in the new pavement sections for the container yard, roadways, and rail terminal. When the projects went to bid, the crushing process was on-

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going, so an accurate quantity of the stockpiling material could not be determined. It was anticipated that there would be enough material for this project, the construction of Berths 55/56 Wharf and Container Yard 1A, the Realignment of 7th Street and the New Road and a portion of the Construction of the Joint Intermodal Terminal. Approximately 684,000 tons of aggregate base was generated prior to the closing of the crushing operations. It has been determined that this phase of the program will be short of Port-furnished aggregate base. This project will need an estimated 15,700 tons of aggregate base to complete the work. The contract documents for this project did not anticipate a shortfall in quantity and therefore did not contain a separate bid item to furnish aggregate base. The shortfall occurred because, during the construction of the subgrade for the Vision 2000 program projects, soft subgrade was encountered. One method of the repair as specified in the contract manual was to use aggregate base in combination with geotextile materials. The stockpiled material was used for this purpose, hence this current short fall. The estimated cost of this change order will be \$220,000.00. It was recommended that the Board approve this Change Order to O.C. Jones to furnish aggregate base, and that payment be made under negotiated units prices for the estimated amount \$220,000.00. The recommendation was approved on passage of Resolution No. 01033.

Authorization to Include Replacement of Domestic Water Lines to Buildings B-319, B-322, and Ships Water Supply at Berths 20, 21, and 22, Outer Harbor Terminal, 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 project manual have been prepared to advertise for bids. Testing of water supply serving Berths 20, 21, and 22 has indicated contaminants beyond acceptable levels. The probable cause of contamination is the infiltration of ground water through

deteriorated joints of aging asbestos cement pipe. Based on the condition of the pipe, it has been determined that, for health and safety reasons, the piping system needs to be replaced. The work will be phased to minimize the impact on tenant operations. It is believed to be in the best interests of the Port to include this project in the Port's Small Business Program. This program allows small local contractors to attain experience in public sector work. To encourage small local contractor participation in this work, it is recommended that the Port dispense with competitive bidding procedures and engage in an outreach program by initially soliciting proposals from only small local contractors. To ensure that this work is completed expeditiously, the bid documents and advertisement will be modified to encourage all contractors to pick up the Plans and Project Manual. The contractors will be informed that the Port will initially only consider bids from small local contractors. If no responsive bids are received, all companies on record as having received the Plans and Project Manual will be invited to submit bids on a newly scheduled bid submission date. The total estimated bid is expected not to exceed \$250,000.00. It was recommended that the project, replacement of domestic water lines to Buildings B-319, B-322, and ships water supply at Berths 20, 21, and 22, Outer Harbor Terminal, be included in the Port's Small Business Program, and that it be found to be in the best interests of the Port to dispense with competitive 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 bid. It was further recommended that the Executive Director be authorized to execute a contract for this work with any qualified contractor, based on informal bids, if the attempt to secure an acceptable bid from a small local contractor is not successful. The recommendation was approved on passage of Resolution No. 01034.

Authorization to Negotiate and Execute an Agreement with William Sherman Golf Consultant (Consultant) for Professional Services Supporting the Galbraith Project Negotiations among the Port of Oakland, City of Oakland, and the Developer/Operator,

Courseco, Inc. was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port has a commitment to the community to replace the former Lew F. Galbraith Golf Course with a new course by 2002. William Sherman Golf Consultant, was hired under a Purchase Order to lend support services to this project. The Consultant has provided services to the Port from the engineering feasibility stage of the project up to the current negotiation of the development and operations agreements with the City of Oakland and Courseco for the construction and operation of the new golf course. Staff did not anticipate that the negotiations with the City of Oakland and the developer/operator, Courseco, would be extended resulting in the need for continued professional services in excess of the Purchase Order. Therefore, staff is requesting approval to enter into a Professional Services Contract. The Consultant has been involved in all elements of the project including engineering, financial analysis and negotiations. Therefore, the Consultant has first hand knowledge of the intricacies of the project. The Consultant interacts with the developer/operator on behalf of the Port and is acquainted with all the negotiating parties' representatives. The Consultant maintains a high profile in the golf community and understands the industry standards for developing and operating the golf course. Staff has developed a detailed scope of work and has negotiated the fees with the Consultant. It is anticipated that the contract will not exceed \$50,000.00. It was recommended that the Board authorize the negotiation and execution of an agreement with William Sherman Golf Consultant; and authorize the Executive Director to approve up to an additional \$10,000.00 for possible

changes in scope of work. The recommendation was approved on passage of Resolution No. 01035.

Authorization to Negotiate and Execute an Agreement with P/K Consultants, Inc. (P/K) for Real Estate Services Supporting the –50ft Dredging Project the subject of a memo to the Board from the Director of Maritime notifying the Board that P/K was hired under a Purchase Order to provide real estate services including acquisition, relocation, negotiations, and other duties as required associated with the –50ft Dredging Project real estate. The Purchase Order limit has been reached. Staff did not anticipate that professional services would exceed the Purchase Order limit. However, the growing complexities of the project and of the Army Corps of Engineers (Corps) real estate process have extended the need for professional services. Therefore, staff is requesting approval to enter into a Professional Services Contract. P/K has been involved in elements of the project from the first meeting with the Corps and other entities regarding real estate concerns. Therefore, P/K has first hand knowledge of the intricacies of the project and Corps real estate requirements. P/K has interacted with and promoted the Port's project with outside constituents and political entities impacted by the project. Staff has developed a detailed scope of real estate work and negotiated fees with PK. It is anticipated that the contract will not exceed \$120,000.00. It was recommended that the Board authorize the preparation and execution of an agreement with PK Consultants, Inc.; and authorize the Executive Director to approve up to an additional \$36,000.00 for possible changes in scope of work. The recommendation was approved on passage of Resolution No. 01036.

Plans and Project Manual for Construction of Berths 57-59 Container Yard and Gate, Vision 2000 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 work. This is the second container yard project for the Port's Vision 2000 Program. This project will construct approximately 145 acres of container terminal. The work consists in general of excavating, placing and grading fill soils, site preparation and demolitions, site utilities (storm and sanitary sewers, electrical, communications, domestic and fire water systems, and gas); reefer racks, crushing stockpiled rubble, placing various pavements, striping, fencing and building the gate complex of scales and clerk booths. The project is located in the eastern portions of the former Union Pacific Inner Harbor Terminal and the Navy Fleet Industrial Supply Center (FISC) property. With a project of this magnitude and complexity, the issuance of addenda by staff may be required during the bidding period. All addenda will be presented to the Board for ratification when the construction contract is awarded. The construction of the proposed container yard was evaluated in the Environmental Impact Report (EIR) entitled Berths 55-58 Project Environment Impact Report. The recommendation was approved on passage of Resolution No. 01037.

Assignment of Subcontract 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 the Port presently has a contract with Port of Oakland Constructors, a JV, for this contract, which became effective on October 25, 1999, at lump sum and unit prices totaling \$57,063,086.00. The Joint Venture partners are General Construction Company (General) and SeaWorks Incorporated (SeaWorks). Subsequently, General purchased SeaWorks; SeaWorks will continue to operate as a wholly-owned subsidiary of General. However, General wishes to assign SeaWorks' subcontract on this project to Port of Oakland Constructors, a JV, to facilitate the execution of the work and to avoid unnecessary

administrative complications. It was recommended that the Board authorize the Executive Director to sign the consent to the assignment. The recommendation was approved on passage of Resolution No. 01038.

Approval of First Supplemental Agreement with Isys Idea Systems for Port Internet Consulting 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 Isys Systems, a woman owned, Oakland-based Website development firm, for the redesign and maintenance of the Port's internet website. The current agreement was approved by the Board on September 20, 1999 and approved for a maximum compensation of \$75,000.00. The design of the website has been completed and continued maintenance is necessary as updates to the site are posted frequently. Isys Idea Systems provides excellent service and assistance to Port staff in the maintenance of the internet site. The staff is requesting approval to enter into a First Supplemental Agreement with this firm for continued maintenance with no major redesign work anticipated. The work is expected to cost \$35,000.00 over the next 12 months, making the total compensation \$105,000.00. It was recommended that the Board authorize the preparation and execution of a First Supplemental Agreement with Isys Idea Systems for the total maximum compensation of \$35,000.00. The recommendation was approved on passage of Resolution No. 01039.

Recommendation to Pass Resolution 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 the Agenda Was Posted, and to Take Final Action on Port Ordinance No. 3621 (Rates and Charges for Electric Power at the Airport) was the subject of a memo to the Board from the

Director of Engineering notifying the Board that on January 9, 2001 Port Ordinance No. 3621

amending and establishing rates and charges for electrical power provided by the Port at the Airport. With the extraordinary surge in market prices for electrical power, the Port requests to amend its Ordinance that establishes rates and charges for electrical power the Port sells at the Airport in order for the Port to offset the large increase in the purchase price the Port is required to pay for the power. Because of the current extreme volatility of electrical power rates, the financial impact on the Port to delay in the Ordinance becoming effective cannot be stated with certainty. It is estimated that the impact could be \$175,000.00 per week or more. The impact of waiting 10 days or more to give final reading to the Ordinance, therefore, could be well in excess of \$250,000.00. 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 and that the need to take 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 that the need for such action came to the attention of the Board subsequent to the Agenda being posted for the January 23 Board meeting; and if the Board passes the foregoing resolution, that the Board give final approval to Ordinance No. 3621. The recommended was approved on passage of Resolution No. 01040 and on passage of Ordinance No. 3621 on final adoption.

Uncollectible Accounts was the subject of a letter to the Board from the Port Attorney notifying the Board that the Director of Finance has requested the Port Attorney's opinion on certain account receivables to be written off the books of the Port as of January 23, 2001. The sum indicated represents an aged account receivable arising from damage to the Port property on December 12, 1995. This account represents a total receivable as of November 1, 2000, in the sum of \$123,925.70. The last Board write-off approved was on June 6, 2000, in the amount of January 23, 2001

\$220,301.99, as a matter of practice, the Board approves write-offs twice a year. It was recommended that the Board authorize this account to be written off the books of the Port and the Director of Finance joins in recommending adoption of the resolution. The recommendation was approved on passage of Resolution No. 01041.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

“RESOLUTION NO. 01024

RATIFYING AND APPROVING ADDENDUM TO PLANS AND SPECIFICATIONS FOR IMPROVEMENT OF RUNWAY AND TAXIWAY LIGHTING, MARKING, AND CONTROL SYSTEM, SOUTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, A.I.P. 3-06-0170-19, AWARDED CONTRACT TO ROSENDIN ELECTRIC, INC., FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01025

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF OVERLAY OF RUNWAY 11-29 AND CONVERSION OF TAXIWAY “W” TO TEMPORARY RUNWAY 12-30, SOUTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01026

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE OF NEW CIRCUIT BREAKERS FOR THE UPGRADE OF SUBSTATION SS-4M, NORTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 01027

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH ADELA M. BASHIAN DOING BUSINESS AS OAKLAND DUTY FREE.”

“RESOLUTION NO. 01028

APPROVING PLANS AND SPECIFICATIONS FOR OVERLAY OF TAXIWAY B (BETWEEN RUNWAYS 27L AND 27R) NORTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01029

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF 12.47kV CIRCUIT BETWEEN SS-8 AND SS-5A, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01030

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH LAURA M. LEE DOING BUSINESS AS THE REEF RESTAURANT.”

“RESOLUTION NO. 01031

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH J. FLETECHER CREAMER & SON, INC.”

“RESOLUTION NO. 01032

AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE PORT OF OAKLAND AND THE CITY OF OAKLAND COMMUNITY AND ECONOMIC DEVELOPMENT AGENCY TO FUND AN OPEN SPACE AND ACCESS COORDINATOR POSITION.”

“RESOLUTION NO. 01033

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH O.C. JONES & SONS, INC., FOR CONSTRUCTION OF CONTAINER YARD PHASE 1B AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01034

GRANTING AUTHORIZATION TO INCLUDE REPLACEMENT OF DOMESTIC WATER LINES TO BUILDINGS B-319, B-322, AND SHIPS WATER SUPPLY AT BERTHS 20, 21, AND 22, OUTER HARBOR 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. 01035

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

“RESOLUTION NO. 01036

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH P/K 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. 01037

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF BERTHS 57-59 CONTAINER YARD AND GATE, VISION 2000, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01038

APPROVING AND AUTHORIZING ASSIGNMENT OF RIGHTS BY SEAWORKS, INC. TO PORT OF OAKLAND CONSTRUCTORS, A JOINT VENTURE, OF THE CONTRACT FOR CONSTRUCTION OF CONTAINER WHARF, DIKE, FILL AND CONTAINER YARD, PHASE 1A AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01039

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL 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 SAID SUPPLEMENTAL AGREEMENT.”

“RESOLUTION NO. 01040

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 (FINAL APPROVAL OF PORT ORDINANCE NO. 3621 RELATING TO RATES AND CHARGES FOR ELECTRIC POWER AT THE AIRPORT).”

“RESOLUTION NO. 01041

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. 01042

GRANTING PEGASUS AVIATION, INC., PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01043

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

Port Ordinance No. 3621 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3439 AND ESTABLISHING RATES AND CHARGES FOR ELECTRICAL POWER PROVIDED BY THE PORT AT THE METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. 3622 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A LEASE WITH WESTERN AEROSPACE MUSEUM, AND DIRECTING RECORDATION THEREOF,” and Port Ordinance No. 3623 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A FIRST SUPPLEMENTAL AGREEMENT TO LEASE WITH DOLLAR RENT A CAR SYSTEMS, INC.,” Port Ordinance No. 3624 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 2833 RELATING TO SPACE ASSIGNMENTS RATES AND BASIC CRANE RENTAL RATES,” and was read a second time and passed by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,

Tagami, Uribe and President Kramer - 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 SIMEON COMMERCIAL PROPERTIES FOR THE PORT OF OAKLAND’S SALE OF AN APPROXIMATELY 23 ACRE PARCEL OF LAND LOCATED AT I-880 AND

HEGENBERGER ROAD,” and were read a first time and passed to print by the following vote:

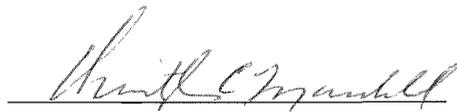
Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

At the hour of 4:10 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 matters; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiations: property – Selection Locations, Jack London Square, Oakland, California, negotiating parties – Port of Oakland and Oakland Portside Associates, under negotiation – price and terms of agreement; personnel matters, as provided under Government Code Section 54957; and reconvened in open session at the hour of 6:20 p.m. during which time Commissioner Kiang joined the meeting.

At the hour of 6:25 p.m. the meeting was adjourned on a motion duly made and seconded.



Secretary of the Board

prices for electric power under a new contract to supply its own loads and the loads of its tenants at the Airport. Those prices have surged to levels unimagined several months ago, and the Port could suffer a \$5 - \$10 million budget shortfall in 2001 if power prices for the Airport continue at these levels. As a major electric energy user at the Airport, the Port itself consumes and pays for approximately 40% of the electric energy that it purchased in the wholesale market. To partially offset the budget shortfall from high electricity prices, the Engineering Division recommends that the Board adopt new electricity rate structures for Airport tenants that pass through the cost of purchased power to those who consume electric energy. The Port has been buying power and reselling it to Airport tenants for approximately 70 years. In 1985, as the result of litigation, the Port acquired the right to purchase power from PG&E for the Airport at wholesale rates. By 1990 wholesale rates had risen and the Port raised its own rates to its tenants. In 1995, the Port executed a pioneering five-year electricity supply contract with Dynegy under which the price for wholesale power was nearly 60 percent lower than the price paid under the PG&E agreement. In anticipation of the Dynegy contract expiring on December 31st, the Port issued a Request for Proposals for new wholesale supply in July. The proposals that were received all tied the price of power to market index price. Based upon evaluation of the proposals received, the Port decided in October to negotiate a power sales contract with IDACORP Energy. As negotiations proceeded with IDACORP Energy in November and December, the California electricity market went into absolute turmoil. There are a number of reasons for this but all are related to the fact that demand for electric energy in California now routinely exceeds the supply. The shortfall is due to continued strong growth in consumption combined with the fact that no significant new generation capacity has been built in ten years. The Utilities Administration recommends that the Board adopt new

rates schedules that pass through the actual costs of the Port's electric power purchases. Like the present rate schedules, the proposed schedules approximate PG&E's rate schedules. Energy charges in the new rate schedule would be based on the actual and varying costs of energy purchased by the Port, just as PG&E's energy charges to its customers will be based on the cost of energy purchased by PG&E once PG&E's rate freeze is lifted. To mitigate the impact of these increases, Utilities Administration recommends that the Port work with tenants to identify and implement energy conservation programs. Many of these programs will require investments in new lighting, equipment and energy management and control technology. The Utilities Administration also recommends that the Port explore opening the Port's distribution system at the Airport to other providers of electric energy so that tenants will be able to take advantage of the choices and opportunities that the competitive electric generation and supply market are expected to offer in the long run. It was recommended that the Board adopt new electric energy rates and charges for Airport customers as described; approve the Utilities Administration developing programs to identify electric energy savings opportunities in its own and tenants facilities and to finance the investments required to realize these opportunities; and approve the Utilities Administration exploring the opening of the Port's distribution system at the Airport to other providers of electric energy so that tenants will be able to take advantage of the choices and opportunities that the competitive electric generation and supply market may offer in the long run. The recommendations were approved on passage of an Resolution No. 01001 for developing new programs and exploring the opening the distribution system; and on an ordinance passed to print for rates and charges.

Approval of Rental Credit for Rainin Instrument Company, Inc., North Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that Rainin

Instrument Company, Inc. (Rainin), a California corporation, has been a North Field tenant since 1988. To house a corporate aircraft fleet, Rainin occupies approximately 1,459 square feet of office, 11,131 square feet of hangar and 9,000 square feet of apron space in Bay A of Building L-710, a circa WWII “Kodak” hangar. In connection with recent substantial, market-responsive increases in rent for the Port’s North Field corporate aviation hangar tenants, Port staff has received input from these tenants as to necessary and desired improvements to their hangar facilities. Over the last year, Rainin’s rent has more than doubled from \$5,494.00 monthly to \$14,805.00 monthly. Rainin has identified a \$20,869.68 improvement i.e. motorizing the hangar doors. Due to their size and weight and needing to be operated by hand, these doors represent a potential safety hazard and have been known to fall. Rainin is seeking reimbursement from the Port for the cost of motorizing the hangar doors. Rainin is amenable to receiving the \$20,869.68 reimbursement in the form of a rent credit of six monthly credits of \$3,478.28 each. It was recommended that the Board approve the rental credit with Rainin Instrument Company, Inc. The recommendation was approved on passage of Resolution No. 01002.

Approval to Dispense with Competitive Bidding Procedures to Purchase Electrical Equipment and Material to Power Airport Substations, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport has two incoming electrical service feeders from PG&E’s Edes substation to the main electrical substation SS-1. Each feeder has a capacity rating of 10 Mega-Watts (MW). The existing system is designed to operate on only one of these feeders at a time. The second feeder is used as a backup only. The two feeders cannot be used simultaneously because of the existing substation configuration and limitations set by PG&E so the Airport’s capacity is limited to 10 MW. The existing peak

electrical load at the Airport is 8.4 MW. However, it is anticipated that the electrical load demand will grow to 11 MW by early 2002 and to 15 MW by 2005. To meet the new Airport electrical load requirement, the Port has reached an agreement with PG&E to separate the two existing feeders so that they can be used simultaneously. This requires the Port to build a new electrical substation (SS-1A) for the termination of one of these existing feeders. The total distribution capacity from PG&E to the Port will be increased to 20 MV after the work is done. The proposed SS-1A substation will be designed with new switchgear and control system that will establish a new industrial technology standard for the automation of the Airport electrical substations. This new communication protocol of the control system has not yet been standardized in the industry. This type of switchgear and control system is currently available from many manufacturers but only a few of them have demonstrated successful integration of switchgear and automated controls for utility operation. Therefore, staff has determined that it is in the best interests of the Port to select among manufacturers that have successful experience with the installation of integrated systems for utility operation. Additionally, this equipment has a long lead-time. It was recommended that authorization be granted to dispense with competitive bidding procedures for the purchase of this equipment and to solicit proposals to purchase the equipment on the open market. The estimated value of the electrical equipment package is \$1,100,000.00. It was also recommended that the Executive Director be authorized to execute a purchase order contract based on the receipt of informal quotations. The recommendation was approved on passage of Resolution No. 01003.

Ratification of First Supplemental Agreement with CH2MHill for Engineering Design Services for Additional Work for Improvement of Airfield Lighting, Marking and Control

System due to Conversion of Taxiway “W” to a Temporary Runway, South Airport, OIA

was the subject of a memo to Board from the Director of Engineering notifying the Board that the Port has a professional services agreement with CH2MHill to provide engineering services to prepare the Plans and Project Manual for the improvement of Airfield Lighting, Marking and Control System. The current agreement was approved by the Board on May 4, 1999 and executed on September 28, 1999. After execution of the agreement with CH2MHill, the Port began planning necessary pavement improvements to Runway 11-29. In order to improve the constructability of these improvements, it was determined to be in the best interest of the Port and other stakeholders to convert Taxiway “W” into a temporary alternate runway in order to accommodate aircraft takeoffs while the runway improvements were under way. Coordination between the two projects has added unanticipated additional work not in the current agreement with CH2MHill. In the interest of the time, CH2MHill was requested to modify the construction plans and project manual for the airfield lighting improvement project by incorporating a major portion of the lighting installation needed for temporary runway operation. These design changes required the addition of thirty plan sheets at the 100% project design completion phase. The conversion of Taxiway “W” to a temporary runway requires modification of most of its taxiway lighting system. To facilitate this conversion, additional centerline lights must be added to Taxiway “W”. Additionally, taxiway edge lights will be replaced with runway edge lights. Finally, the construction phasing of the airfield lighting improvement project has been revised to coordinate with the schedule of the Runway 11-29 improvement project. This added work was not included in the original design agreement with CH2MHill. CH2MHill’s original engineering work force remains the same and the participation of the sub-consultants for this work has not changed. On May 4, 1999, the Board

authorized \$400,000.00 as compensation to CH2MHill for work in the original agreement with an additional \$100,000.00 available from the Executive Director for any scope changes related to the airfield lighting project. CH2MHill's proposed fee for the work associated with the runway improvement project is not to exceed \$100,000.00. Therefore, the new maximum compensation would be \$500,000.00 with an additional \$100,000.00 for scope changes for a total, maximum compensation of \$600,000.00. It was recommended that the Board approve the First Supplemental Agreement with CH2MHill for the additional engineering services for a cost not to exceed \$100,000.00. The recommendation was approved on passage of Resolution No. 01004.

First Reading of an Ordinance Approving Lease with Western Aerospace Museum

was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Western Aerospace Museum (Museum), a California non-profit public benefit corporation, has been a North Airport tenant since 1981. The Museum occupies approximately 29,477 square feet in Building L-621, a circa 1941 hangar along with approximately 93,122 square feet of adjacent unpaved and partially paved land. Separated from the airfield by Earhart Road, the premises have no direct flightline access. The volunteer-staffed Museum promotes the Bay Area's rich aviation heritage with its museum and indoor and outdoor displays of vintage aircraft for aviation education for the general public. The Museum pays no rent and is responsible for the utility costs and 100% of the costs to maintain the premises. In order to enhance its efforts to attract large donors, the Museum seeks to convert its occupancy of L-621 under a License Agreement to a long term lease. The Port staff recommends a lease with the Museum that includes five year term with two five year options to renew, which options shall require Port approval; reservation to the Port of the right to terminate the lease without cause upon eighteen month prior notice to the Museum; Museum

responsibility for its utility costs and rent of one dollar per year so long as such remains consistent with the Department of Transportation, Federal Aviation Administration's Policy and Procedures concerning the Use of the Airport Revenues, February 16, 1999; the Port having no responsibility to maintain or improve the premises; and other standard Port provisions. It was recommended that the Board approve the lease with the Western Aerospace Museum. The recommendation was approved on passage of an ordinance to print.

Approval of New License and Concession Agreement with Ontario Aircraft Service, Inc. was the subject of a memo to the Board from the Director of Aviation notifying the Board that Ontario Aircraft Service, Inc. (Ontario) currently provides cargo/ground handling and other related services for air cargo tenants on the North Airport under a License and Concession providing for "access only" to the Airport. The agreement was effective August 23, 1999; monthly rent is a minimum of \$250 or 10% of gross revenues, whichever is greater. As Ontario's contracts on the Airport have increased, Ontario secured 456 square feet of office space in Hangar 9 under a 45-day Right-of-Entry and Indemnity Agreement effective November 28, 2000. The rent is \$515.28 per month. The proposed new License and Concession Agreement would supersede the current "access only" agreement and provide for rental of approximately 456 square feet of office space in Hangar 9. Use of the premises would continue to be in support of Ontario's cargo/ground handling services to cargo tenants. Basic rent would remain at \$515.28 per month; however, a plus 10% of gross revenues provision would be added, with the effective date of November 28, 2000. It was recommended that the Board approve the License and Concession Agreement with Ontario Aircraft Service, Inc. The recommendation was approved on passage of Resolution No. 01005.

Approval of License and Concession Agreement with 360° Gourmet Express for Storage Space was the subject of a memo to the Board from the Director of Aviation notifying the Board that 360° Gourmet Express (360) operates a restaurant in Terminal I of the Airport pursuant to a sublease agreement with the Airport's Master Concessionaire, CA One Services, Inc. The restaurant premises consist of approximately 460 square feet excluding the common seating area in the concourse. The restaurant is averaging gross sales of over \$120,000.00 per month. Because of the high volume business and limited space, the restaurant must continually restock its supplies from a remote location. This is difficult and costly, and as a result, 360 has requested storage space in the Terminal Building. CA One Services does not have additional space available, and 360 has requested the Airport to assist with its storage needs. The Port has identified approximately 72 square feet of storage on the lower level of M-103. This storage space was newly constructed by the Port to address storage needs of its tenants and complies with Health Department regulations for food service storage. This storage space is Type IV and rents for \$4.684 per square foot per month. 360 proposes to rent this space under a one-year License and Concession Agreement at the stated rate of \$4.684/psf/mo (\$337.25/mo.). It was recommended that the Board approve the License and Concession Agreement with 360° Gourmet Express. The recommendation was approved on passage of Resolution No. 01006.

Approval of Lease Amendment with the United States Postal Service was the subject of a memo to the Board from the Director of Aviation notifying the Board that the United States Postal Service (USPS) is currently under a Lease which provides for occupancy of approximately 4,400 square feet of warehouse space in Building M-106 on the South Airport for the purpose of handling priority, first-class and express mail. The lease was effective November 1, 1997; rent is

\$3,300.00 per month. The proposed Lease Amendment would extend USPS' occupancy of the same premises, commencing November 1, 2000 through October 31, 2001, with a mutual 30-day termination provision. Monthly rent would be \$4,720.00 and use would remain the same. It was recommended that the Board approve the Lease Amendment with the United States Postal Service. The recommendation was approved on passage of Resolution No. 01007.

Approval of First Supplemental to Lease Agreement with Dollar Rent A Car Systems, Inc. for Land for a Service Facility 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 First Supplement to the existing Lease Agreement between the Port and Dollar Rent A Car Systems, Inc. (Dollar) covering premises on which Dollar is constructing a service facility on the North Airport. The First Supplement modifies the Leased Premises to accommodate a proposed Port realignment of Langley Street and its intersection with Doolittle Drive. Dollar has operated an Airport rental car concession under agreements with the Port dating back to the 1970s. Dollar rents counter space, ready return parking lot parking space and also pays the Port 9.5% of its gross receipts. In 1999, Dollar paid the Port nearly \$700,000.00 for space, parking and percentage rent. Dollar currently ranks 5th in the Airport's rental car market share, with 9.8% of the Airport's rental car market. On July 5, 2000 and July 18, 2000, the Board approved a first and second reading of an ordinance approving the Dollar 20-year lease of land on the North Airport. On July 5, 2000, the Board also approved a building permit for Dollar to construct a new service facility on the land. The land is designated for rental car facilities for the Airport Development Plan. Dollar's 20-year Lease Agreement allows the Port to modify the leased premises in the event that the premises are affected by adjacent roadway improvements on Langley Street an Doolittle Drive. The proposed First

Supplement to Dollar's Lease increases Dollar's Leased Premises by approximately 1,121 square feet, from 148,196 square feet to 149,317 square feet. The 1.24-acre option area remains unchanged. The acreage on which Dollar has a Right of First Refusal (RFR) is reduced from 3.676 acres to 2.151 acres. The acreage removal from the RFR is incorporated in the area designed for Langley Street realignment. The leased acreage meets Dollar's current needs; the option acreage and reduced right of first refusal acreage meet Dollar's anticipated future expansion needs during the 20-year lease term. Dollar's building plans, approved by the Board on July 5, 2000, anticipated and accommodate the change in boundary and acreage provided by the First Supplement. The rental rate remains \$.0926 per square foot per month, but the amount increases from \$13,722.95 per month to \$13,826.75 due to the increase in square footage. The rental rate reflects an \$11.00 square foot land value with a 10% annual rate of return. The construction rental rate remains at \$.0463 per square foot per month during the maximum 12-month construction period, but the rent amount increases from \$6,861.48 to \$6,913.38 due to the increase in square footage. It was recommended that the Board approve the First Supplemental Agreement to the Lease with Dollar Rent A Car Systems, Inc., dated July 5, 2000 and authorize the Executive Director to execute the First Supplemental Agreement. The recommendation was approved on passage of an ordinance to print.

Substitution of Concrete Subcontractor for Construction of Harbor Bay Parkway, Air Cargo Road, Airport Drive and Construction of Taxiway B Bridge, MOIA 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 Gallagher & Burk-Brosamer, a Joint Venture, for improvements to Harbor Bay Parkway, Air Cargo Road, Airport Drive and construction of Taxiway B Bridge. Gallagher &

Burk-Brosamer has requested Board approval to substitute its listed concrete subcontractor, Statewide Concrete Barriers, Inc. Statewide, has refused to provide proof of Worker's Compensation Insurance, and has failed to sign and return the subcontract agreement to perform said work. Gallagher & Burk-Brosamer has provided the Port with copies of numerous letters sent to Statewide requesting proof of insurance and execution of their contract. Under Section 4107 of the California Public Contract Code, this is considered to be a valid basis for substitution of subcontractor. The Port has given written notice to Statewide that Gallagher & Burk-Brosamer has requested the substitution of their firm. Gallagher & Burk-Brosamer has made a good-faith effort to replace Statewide with a similarly-classed company. Documentation of their good-faith effort is on file with the Port. Gallagher & Burk-Brosamer has requested that the following companies be listed as the new concrete subcontractors to perform said work. They are Oakland Ready Mix Company, an Oakland-based firm (LIABE), for furnishing the concrete; and Landavazzo Brothers, Inc., a Hayward firm (LBABE), for the concrete pumping. The value of the subcontract work is \$1,500,000.00, which is 3.6% of the total contract amount of \$40,508,177.00. It was recommended that Statewide Concrete Barriers, Inc., be deleted as the listed subcontractor to perform the concrete work, and that Oakland Ready Mix Company and Landavazzo Brothers, Inc. be added as the new concrete subcontractors to perform the said work. The recommendation was approved on passage of Resolution No. 01008.

Authorization to Amend the Memorandum of Understanding Between the Port and the City of Oakland Regarding the Hegenberger Streetscape Improvement Project, to Increase Each Agency's Funding Contribution by \$1 Million was the subject of a memo to the

Board from the Director of Commercial Real Estate notifying the Board that the Airport

Gateway/Hegenberger Streetscape Improvement Project is a major component of the Airport Area Gateway Urban Design Concept adopted by the Oakland City Council and accepted by the Board in February 1999. The Concept grew out of the San Leandro/Oakland Joint Revitalization Plan approved by the City of Oakland, the Port and the City of San Leandro in 1997. The Joint Revitalization Plan contains strategies to enhance economic development opportunities and create a positive image in the Airport Gateway area, and recommends streetscape improvements along 98th Avenue, Hegenberger Road, Doolittle Drive and Airport Access Road to welcome visitors and residents to the cities of Oakland and San Leandro. The Concept emphasizes a lively pedestrian boulevard, including sidewalks lined with Canary Island palms, ornamental streetlights, graphic arts banners and panels, flowering trees and shrubs, and accent lighting within the median. These improvements are intended to support existing and new commercial development and help transform Hegenberger Road into a destination corridor within the Gateway. The Board previously authorized the preparation and execution of a Memorandum of Understanding (MOU) with the City of Oakland for the purpose of funding and implementing the Hegenberger Road portion of the Airport Gateway Urban Design Concept. As of December 1999 the estimated cost to implement the Hegenberger Streetscape Improvement Project – then only a conceptual design was \$3,933 million. Accordingly, the Port agreed to provide up to \$1.965 million toward project implementation. However, estimated project costs increased substantially during the design development process for two primary reasons: the initial plan did not adequately estimate costs to build around the utilities and narrow sidewalks; and market conditions have inflated construction costs. After the preparation of detailed plans and estimates, the project requires additional funding of \$1,335,000.00, with an additional contingency of \$645,000.00 as a reserve against a volatile

construction climate. The Port's additional share would be \$1,000,000.00. The staff has developed a recommended project scope with value engineering which reflects the staff's new proposed scope and budget of \$5.285 million to minimize the budget increase needed to meet the goals and objectives of the Airport Area Gateway Urban Design Concept. The new scope maintains original intent of the Concept Plan; the spacing of trees and lights has been optimized to satisfy right-of-way, utility, and drainage constraints while still creating the desired streetscape theme; approximately \$350,000.00 of construction work has been allocated to the concurrent City of Oakland Hegenberger Resurfacing project; the quantity of ground cover has been adjusted to save funds; and median banners have been reduced to save funds. It was recommended that the Board authorize staff to amend the existing MOU in accordance with "Option III, Recommended Project Scope with Value Engineering." The amendment would increase the total budget from \$3.930 million to \$5.285 million, with the City/Redevelopment Agency contributing \$1,235,000.00 (including \$235,000.00 from the City's resurfacing budget) and the Port contributing \$1,000,000.00. The recommendation was approved on passage of Resolution No. 01009.

Approval of a Development Permit Application for the Waterfront Plaza Hotel Expansion Project, Intersection of Washington and Water Streets was the subject of a memo to the Board from the Director of Engineering notifying the Board that Clyde R. Gibb, d.b.a. Waterfront Plaza Hotel (Hotel) has submitted an application for a Port Development Permit for the expansion of the Hotel. The proposal is to build an expansion to the Hotel on the site now occupied by the one story building known as "Water Street III." The Board approved the lease for the project on November 21, 2000. The project remains within the Port jurisdiction for permitting under the grandfathering provision of the Port Area line change action that transferred the Estuary

Plan area to City of Oakland jurisdiction. This proposed work will include demolition of the Water Street III building, approximately 5,660 square feet; construction of a new five-story building on the Water Street III site, to include meeting rooms and a gift shop on the ground floor, and 63 guest rooms on the upper four floors; construction of a new porte cochere and remodel of the lobby; and construction of improvements to the area between the new and existing buildings to create a courtyard, eliminating vehicle traffic through this area. It was recommended that the Board approve this development permit application. The recommendation was approved on passage of Resolution No. 01010.

Modifications to Port of Oakland Tariff 2-A: 1. Increase to Space Assignment Rates; and 2: Adjustment to Basic Crane Rental Rates was the subject of a memo to the Board from the Director of Maritime recommending approval to increase space assignment rates. The adjustments to the current rates will be implemented in phases. The first phase will reflect a land value of \$11.75 per square foot, effective March 1, 2001; then to \$12.00 per square foot on September 1, 2001. The rates cover land, truck or rail, dock facilities, warehouse space, 1st floor level, in-bond storage, office space, N.O.S., non-air-conditioned, office space, N.O.S., air conditioned, and maintenance repair space. Also recommended was adjustment to basic crane rental rates. In 1998, the Board approved a new crane rental structure whereby the assessment was changed from an hourly basis to a procedure whereby charges are billed for each loaded or empty Twenty Foot Equivalent Unit (TEU) lifted. This was done because staff analysis indicated the hourly assessment did not take into account improvements in productivity provided by newer cranes which resulted in less hours charged. Consequently, the hour assessment made it more difficult to achieve an adequate rate of return. The increase for the basic rental per loaded or empty

TEU lifted ranges between \$.55 to \$.60 over the existing rate. Also recommended was several administrative items relating to the container gantry cranes provisions in the Port's tariff which include crane rental rates for the four cranes at the Hanjin Terminal. The basic crane rental rate of \$14.00 is proposed along with a Maintenance & Repair rate of \$3.50 and a Power rate of \$.70. These rates will also be assessed per loaded or empty TEU lifted in new tariff Item 09163. The crane rental charge for breakbulk cargo shall also be increased on March 1, 2001 from \$300.00 to \$315.00 per load lifted. It is estimated that the annualized impact to the Port will be a gain of approximately \$140,000.00 annually for the space assignment rates. The adjustment to Basic Crane rental rates equates to 5% with an annualized impact to the Port of approximately \$600,000.00. The recommendation was approved on passage of an ordinance to print.

Ratify Change Order to the Contract for Construction of Berths 57/58 Container Wharf, Fill and Middle Harbor Shoreline Modifications the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with Berth 57/58 Constructors, a Joint Venture, for the construction of Berths 57/58 container wharf, fill and Middle Harbor Shoreline modifications, which became effective on June 20, 2000, at a lump sum and unit prices totaling \$61,701,177.00. The project consists of site demolition, mass excavation and dredging, placement of fill on land and in water, shoreline stabilization, construction of concrete pile supported wharf, grading areas for the Middle Harbor Shoreline Park and a portion of the Berth 57/58 container yard. As part of the work, the Contract was required to excavate approximately 125,000 cubic yards of terrestrial fill identified as contaminated and place it in existing lined stockpiles. The material would then be tested further and, if found to be acceptable, would eventually be placed as fill on other Vision 2000 projects. During the excavation, an additional

50,000 cubic yards of contaminated material was identified, which would require additional lined stockpiles at an estimated cost of approximately \$250,000.00. Further, these stockpiles, if constructed, would interfere with construction of the yard of Berths 57/58. The Contractor was then directed to use his excavating equipment and off-road dump trucks to remove material already placed and tested in two existing stockpiles and transport it to the Joint Intermodal Terminal (JIT) site, at an estimated cost of \$130,000.00. This would provide the needed extra stockpile space for \$120,000.00 less than constructing new stockpiles. There were other financial benefits as well. The excavation for the Berths 57/58 project had been stopped because of the discovery of oil contamination in the fill, and the idled equipment could be used in this extra work, saving approximately \$4,000.00 per day in standby costs. Also, the Port will receive a credit from the JIT Contractor for placement of 50,000 cubic yards of fill for a savings of between \$50,000.00 and \$100,000.00. During excavation of this project, a significant groundwater and soil contamination problem was encountered at the eastern-most portion of the job (adjacent to Berth 60). This contamination consists of a coal-tar and bunker "C" fuel oil. The bunker "C" oil is located under coal-tar contaminated soils and was unexpected. Prior to advertising the project for bids, the coal-tar was identified, but the underlying bunker "C" oil was not. Concern about drilling through the coal-tar and thereby allowing it to follow the drillhole deeper into the soil prevented the discovery of the oil. Pursuant to the requirements of the Regional water Quality Control Board, both the coal-tar and the oil must be removed prior to exposing the new shoreline to the Bay. In order to remove the contaminated soil and groundwater, temporary soil stabilization will have to be installed. It is estimated that it will cost \$250,000.00 to provide temporary soil stabilization, remove the contamination and then backfill with clean soils. This will have to be completed prior to

construction of the new shoreline and the wharf. It was recommended that the Board ratify the change order for an amount not to exceed \$130,000.00 to Berth 57/58 Constructors, a Joint Venture. The recommendation was approved on passage of Resolution No. 01011.

Approval of Change Order to the Communication System in the Terminal on the 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 that the Port has a contract with O.C. Jones & Sons, Inc. for the construction of container yard Phase 1B at Berths 55/56, Inner Harbor Channel which became effective on December 15, 1999, at a lump sum and unit prices totaling \$20,782,063.00. The work consists of constructing approximately 71 acres of container yard, including furnishing and installing asphaltic and interlocking stone pavement; furnishing and installing lighting, fire protection, potable water, gas and electrical systems; furnishing and installing storm and sanitary systems; and performing signing and striping. The work also includes the construction of the terminal gate and canopy, the reefer wash facility and landscaping. Following the award of this construction contract, Marine Terminals Corporation (MTC), the stevedoring company for Hanjin Shipping, the tenant for Berths 55/56 Terminal, requested changes to the communication system in the terminal. These changes are intended to increase the productivity in the terminal. The changes include adding communication and electrical conduits. The design team for the project worked very closely with the tenant during the design of this project, but the continuing involvement of the terminal operator's plan for this terminal has led to these new changes. The Maritime Division was consulted on these changes and endorsed making the changes to support their tenant, as this will allow revenue to the Port to increase at an accelerated rate. It has been determined that the cost of these changes will be

borne by the tenant's operator. The work will be done by the Port's contractor for ease of construction. The total cost for this change order is estimated to be \$215,000.00. The Port will be reimbursed for the cost of this change order by the tenant's operator through the Port's Bill to Others Procedure. A change order of less than \$35,000.00 is being issued on the adjacent contract for Construction of Container Wharf, Dike, Fill and Container Yard, Phase 1A, Berths 55/56, to Port of Oakland Constructors for that portion of the related work in that contract. It was recommended that the Board approve this change order to O. C. Jones & Sons, Inc. in the approximate amount of \$215,000.00 for MTC-requested changes. The recommendation was approved on passage of Resolution No. 01012.

Ratify Change Order to Move Stockpile Material on the 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 that the Port has a contract with O.C. Jones & Sons, Inc. for the construction of container yard Phase 1B at Berths 55/56, Inner Harbor Channel, which became effective on December 15, 1999, at a lump sum and unit prices totaling \$20,782,063.00. The work consists of constructing approximately 71 acres of container yard, including furnishing and installing asphaltic and interlocking stone pavement; furnishing and installing lighting, fire protection, potable water, gas and electrical systems; furnishing and installing storm and sanitary systems; and performing signing and striping. The work also includes the construction of the terminal gate and canopy, the reefer wash facility and landscaping. Because of last winter rains, the Berth 55/56 Wharf project needed more area for the material stockpiles and excavated material from that project was not placed as described in the references to the contract documents. Rather, it was placed directly on the southwest corner of the Phase 1B site, occupying

approximately 420,000 square feet, or 10 acres (15% of the site). The stockpiles were also not free of debris and rubble as the contract documents required. The placement of the stockpiles in this fashion obstructed the Phase 1B Contractor from performing subsequent activities, which consisted of demolition, excavation and recompaction 3' below grade and stabilization of subgrade. The Contractor was directed to perform out-of-sequence work to load, haul and place the material and to remove any debris from the material so succeeding work in this area would not be further impacted. The on-site placement of this stockpile material on the project site resulted in an unforeseen condition that required the contractor to perform additional work. Under a separate change order, the Contractor was reimbursed for additional costs to trench through lime and cement-treated soils to install fire protection and domestic water lines. Due to unstable subgrade issues, a change order was previously issued to improve the subgrade by lime/cement stabilization. The Contractor completed the lime/cement stabilization over approximately 75% of the site in June, 2000. Trenching for the domestic and fire protection water lines begin in mid-July. Because of the improved soils, the Contractor had difficulty excavating the trenches with conventional equipment. Instead, a larger excavator had to be mobilized. This change order compensated the Contractor for the large excavator and the reduced production rates associated with trenching through lime/cement treated soils, which were not contemplated at the time of bid. It was recommended that the Board ratify these change orders totaling \$288,913.00 to O.C. Jones & Sons, Inc. for the work. The recommendation was approved on passage of Resolution No. 01013.

Ratify of Change Order to Stabilize Soil in the 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 that the Port has a contract with O.C. Jones &

Sons, Inc. for the construction of container yard Phase 1B at Berths 55/56, Inner Harbor Channel which became effective on December 15, 1999, at a lump sum and unit prices totaling \$20,782,063.00. The work consists of constructing approximately 71 acres of container yard, including furnishing and installing asphaltic and interlocking stone pavement; furnishing and installing lighting, fire protection, potable water, gas and electrical systems; furnishing and installing storm and sanitary systems; and performing signing and striping. The work also includes the construction of the terminal gate and canopy, the reefer wash facility and landscaping. Unstable subsoils consisting of bay muds were discovered at the project site on January 28, 2000. In order to progress with the work in the affected area near the former FISCO Building Pads 441 and 443, the Contractor was directed to stabilize the area by removing the unstable material, placing geotextile fabric, and backfilling with aggregate base material from the Port-supplied stockpile. This is the method of stabilization specified in the contract manual which stated that the work would be paid under the Force Account provisions. These subsoil stabilization efforts occurred at the project site in April 2000. It was following the work on this type of subgrade remediation that staff determined that this would not be cost-effective method for the potential extent of the subgrade issues. This led to the investigations into the use of and then the authorization to proceed with lime/cement (chemical) stabilization methods. It was recommended that the Board ratify a change order for an amount of \$134,911.00 to O.C. Jones & Sons, Inc., for the work. The recommendation was approved on passage of Resolution No. 01014.

Approval of Change Order to the Electrical System Design on the 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 that the Port

has a contract with O.C. Jones & Sons, Inc. for the construction of container yard Phase 1B at Berths 55/56, Inner Harbor Channel which became effective on December 15, 1999, at a lump sum and unit prices totaling \$20,782,063.00. The work consists of constructing approximately 71 acres of container yard, including furnishing and installing asphaltic and interlocking stone pavement; furnishing and installing lighting, fire protection, potable water, gas and electrical systems; furnishing and installing storm and sanitary systems; and performing signing and striping. The work also includes the construction of the terminal gate and canopy, the reefer wash facility and landscaping. In the Board agenda of November 21, 2000, a change order was approved to O.C. Jones & Sons, Inc., for design changes to the electrical system of the project. At the time, the Port and contractor had not agreed on the cost, and the change order was written for an approximate amount of \$200,000.00 for the value of acceleration, trench relocations, circuitry changes, conduits, wires and added project administration. The contractor proceeded with and was paid for two of the items: \$85,284.03 for the acceleration of the 12KV crane power, and \$32,256.00 for trenching through lime and cement-treated soils. The total, \$117,540.03, was paid to the contractor under the November 21 Board approval. At this time, the Port and contractor have agreed that the total cost of the design changes, including markups, is \$346,500.00. This change order, therefore, is to pay the contractor \$228,959.97, which is the agreed price minus \$117,540.03 for the items already completed and paid for. Outstanding still is the Contractor's claim for approximately \$300,000.00 for inefficiencies. It was recommended that the Board approve a change order for an amount of \$228,959.97 to O.C. Jones & Sons, Inc., for the work. The recommended was approved on passage of Resolution No. 01015.

Ratify Substitution of Structural Steel Subcontractor for Construction of Berth 55/56

Marine Restroom Facility and Guard House, Inner Harbor Channel, Vision 2000 was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has two contracts with cje Construction Inc. (cje), for the construction of Berth 55/56 Marine Restroom Facility and the construction of Berth 55/56 Guard House, Inner Channel. Cje has requested Board approval to substitute its listed structural steel subcontractor on both projects. By letter, dated December 13, 2000, the Contractor notified the Port that its listed subcontractor, Creative Irons, Inc., is unable to execute its subcontract with them due to a shortage of manpower and wishes to be released from their subcontract agreement. A copy of the letter from Creative Iron Inc., to cje is on file with the Port. Under Section 4107 of the California Public Contract Code, this is considered to be a valid basis for substitution of subcontractor. cje has requested that Northwind Contractors, Inc., a firm located in Pittsburg, California, be listed as the new structural steel subcontractor. This company is signatory to the California Iron Workers' Union; therefore, the PLA will be complied with. The value of the work is \$25,550.00 for the Restroom, which is 8.7% of the contract amount of \$292,148.00. The value of the Guard House subcontract work is \$32,200.00, which is 11.9% of the contract amount of \$270,240.00. Timely completion of both projects is critical to completion of Berth 55/56 Terminal. In order to complete their work on schedule and not delay completion of the terminal, it was imperative that the new subcontractor be allowed to begin work right away. 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 structural steel work; that Creative Irons, Inc., be deleted as the listed subcontractor to perform

the structural steel work; and that Northwind Contractors, Inc., be added as the subcontractor to perform the work. The recommendation was approved on passage of Resolution No. 01016.

Substitution of Ceramic Tile Subcontractor for Construction of Berth 55/56 Marine Restroom Facility, Inner Harbor Channel, Vision 2000 was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has a contract with cje Construction Inc., (cje) for the construction of Berth 55/56 Marine Restroom Facility, Inner Harbor Channel. cje has requested Board approval to substitute its listed ceramic tile subcontractor. By letter, dated December 14, 2000, the Contractor notified the Port that its listed subcontractor, Davis Tile, Inc. (Davis), has refused to execute their subcontract to perform the work. cje has provided the Port with copies of numerous letters to Davis, requesting they execute their contract. Under Section 4107 of the California Public Contract Code, this is considered to be a valid basis for substitution of subcontractor. The Port has given written notice to Davis that cje has requested the substitution of their firm. cje has received a letter from Davis informing them that they wish to be released from their contract. cje has requested that California Tile Installers, a San Jose firm, be listed as the new ceramic tile subcontractor. This company is signatory to the Bricklayers and Allied Craft Union; therefore, the PLA will be complied with. The value of the work is \$9,476, which is 3.2% of the contract amount of \$292,148.00. It was recommended that Davis Tile, Inc., be deleted as the listed subcontractor to perform the ceramic tile work, and that California Tile Installers be added as the new subcontractor to perform the work. The recommendation was approved on passage of Resolution No. 01017.

Approval of Extension of Right of Entry for the Sante Fe Pacific Pipeline Limited Partnership, SFPP, L.P. to Complete Relocation was the subject of a memo to the Board from

the Director of Engineering notifying the Board that the Joint Intermodal Terminal (JIT) Master Plan was prepared in 1998, as the basis for the current construction contract Construction of Joint Intermodal Terminal, Middle Harbor. The Master Plan was prepared to allow for construction of a Departure Track, up to 8 intermodal loading tracks, and two Tailtracks. A Departure Track serves as the temporary storage track for receiving inbound intermodal trains and preparing outbound intermodal trains for pickup by a line haul carrier, such as the Union Pacific Railroad or Burlington Northern and Santa Fe Railway. Intermodal loading tracks are the railroad tracks that are used for unloading and loading intermodal rail cars. Tailtracks serve several functions, including a runaround or escape function, as storage track when needed, and as a way to switch cuts of intermodal cars onto or off of another loading track. Tailtracks are essentially a small storage yard connected directly to the intermodal facility. The JIT railroad track will be constructed over the top of the existing Santa Fe Pacific Pipeline in Middle Harbor Road that carries petroleum products from Richmond, California, to destinations such as the Metropolitan Oakland International Airport and the San Francisco International Airport. The pipeline must be relocated in the areas where new JIT railroad track will be constructed. The railroad traffic will introduce substantially higher loads on the pipeline and the pipeline owner must relocate the pipeline to prevent the risk of damage that may result from railroad loads. The area where the pipeline must be relocated is the same area where the Port contractors are constructing roadway improvements and other utility companies are relocating their utilities for numerous reasons, including the fact that the Port is constructing the new JIT railroad track. The area is highly congested by construction work and this had led to deferral of various contractor's work to allow for simultaneous construction work and maintenance of existing Port traffic on the remaining portion of Middle Harbor Road. The contractor performing

work for relocation of the Santa Fe Pacific Pipeline had expected to begin and complete the relocation work to be completed within the current permitted time allowed in the Right of Entry. Relocation of the Santa Fe Pacific Pipeline is expected to require at least 14 days beyond the currently permitted period of 45 days allowed under the Right of Entry issued by Port Staff. The Right of Entry must be extended to allow the contractor to complete relocation of the pipeline. There is no cost or consideration associated with this work or the Right of Entry. The pipeline owner has agreed that their company is responsible for relocating the pipeline. It was recommended that the Board extend the Right of Entry for an additional 45 days and that the Right of Entry expire on March 2, 2001. The recommendation was approved on passage of Resolution No. 01018.

Approval of Group Incentive Compensation 2000-2001 Fiscal Year Goals was the subject of a memo to the Board from the Director of Administration notifying the Board that in accordance with the requirements of Incentive Compensation Provisions in Memoranda of Understanding with Western Council of Engineers, International Brotherhood of Electrical Workers Local 1245, and Incentive Compensation Programs for employees in Representation Units D, E and H, approval of Group Incentive Compensation 2000-2001 Fiscal Years goals is recommended as set forth on the table on file with the Secretary of the Board. The Board desiring to reward and motivate employees for making concerted efforts to improve the fiscal performance of the Port, established an ordinance in 1998, a group incentive pay program to reward participating employee representation units a modest incentive based upon the Port's achievements of Board approved fiscal performance targets and goals. The initial fiscal performance measure approved by the Board for participating employee representation units was the Operating Ratio – after CIP related credits.

At the time, with an annual Operating Ratio of 56%, the Port set a long range goal to achieve an operating ratio of 50% by a combination of a cost reduction measures and increases in revenue that would include funding the year to year cost of the incentive pay-out (estimated annual to be approximately \$300,000.00). In 1997-98 the Operating Ratio goal established by the Board was 54%. The Port achieved this goal and paid its first incentive premium to all participating employee representation units during fiscal year 98-99. In the 98-99 the Operating Ratio goal established by the Board was 53%. This goal was not achieved resulting in no incentive payout during fiscal year 99-00. Last year, fiscal year 99-00, after study to better link the group incentive pay program to measures within the control and responsibility of participating employee representation units, the Board considered a management recommendation to revise the measure. However, representatives of Western Council of Engineers and International Brotherhood of Electrical Workers declined to recommend the changes to their members so the recommended amendments to the policy were proposed only for unrepresented employees in representation units D, E and H. As a result the goal approved by the Board for Western Council of Engineers and International brotherhood of Electrical Workers was an Operating Ratio of 57%. The goal approved for Employees in Representation Units D & E was an Operating Income target of \$56,200,000.00 (including the cost for funding the incentive payout). A goal range was established for Employees in Representation Unit H with a minimum target of \$54,100,000.00 to a maximum of \$60,900,000.00 with pay-out options ranging from 1% to 5% of base salary. The target was exceeded with the Port achieving an Operating Ratio of 53% and Operating Income of \$64,500,000.00. It was recommended that the range of goals on file be established for fiscal year 00-01 as the qualifying criteria for awarding

incentive pay premiums during fiscal year 01-02. The recommendation was approved on passage of Resolution No. 01019.

Revision of Compensation Policy for Board of Port Commissioners' Unit H Direct Reports was the subject of a memo to the Board from the Director of Administration recommending that the Board amend the Compensation Policy by adding a new section that provides a mechanism for linking the overall performance rating of Unit H employees who report directly to the Board to specified annual base-pay and variable-pay increases within ranges approved under existing policy, authorizing the Board to delegate the duty to assess performance of its direct reports to an Executive Committee (President and 2 VPs) of the Board and amending the effective date of the policy as proposed to July 1, 1999. The current pay system, approved in 1998, is composed of two parts. The first part provides for a specified 3% increase in base-pay when the employee receives an overall rating of "meets expectations" or better. The second part provides for a specified additional increase of variable-pay, consisting of a premium amount awarded for the year but not added as a permanent component of an employee's base-pay. The variable pay amount ranges from an additional 4% for an overall performance rating of "exceeds expectations" to an additional 7% for an overall performance rating of "outstanding". The overall rating is determined by an assessment of performance factors and objectives. This system is the same for all senior management employees. The proposed system is intended to address specific suggestions and concerns raised by commissioners since the adoption of the current plan. Amend the Fixed Base-Pay Plan by providing for option Cost of Living Increases. While the 3 percent fixed rate increase is consistent for all senior management employees who receive a "meets expectations" overall rating or better, commissioners have suggested and recommended that the policy provide for

flexibility to award the direct reports of the Board a rate equal the higher of the fixed 3% rate or the rate reflected as the change in the cost-of-living for urban wage earners in the San Francisco/Oakland/San Jose area. Amend the Variable-Pay by providing for greater pay options within existing parameters. The policy is proposed to be revised to allow for variable pay increases of 4%, 5%, and 6%, dependent solely on the overall average rating score (which could range from 3.75 to 4.74 on a 5-point rating scale). Amend the policy to authorize delegation of the responsibility for assessing performance of the Board's direct reports to a designated committee of the Board. The proposed policy will provide for the flexibility of a designated committee of the Board to assess the performance of the Board's direct reports and to award base-pay and variable pay increases based on the average overall rating of those designated with the responsibility for assessing performance. Amend the effective date of the proposed changes to July 1, 1999. The recommendation was approved on passage of Resolution No. 01020.

Authorization to Purchase Pacific Bell Centrex and Related Telecommunications

Products and Services Under the State of California CALNET Agreement was the subject of a memo to the Board from the Director of Administration notifying the Board that when the Port moved to the administrative office at 530 Water Street in 1989, Pacific Bell was contracted to provide Centrex service to be the core element of the telephone system. In 1996, a contract addendum was authorized by the Board, and approved by the California Public Utility Commission, to extend the use of the 550-line Centrex service for five more years. This contract and the addendum with a prepayment amount of \$313,005.76 will expire on January 17, 2001. Based on Port's long-range telecommunication requirements, the Port planned, purchased, and installed a PBX system from Northern Telecom by the end of 1999. It provided greater

functionality for the users while completed the foundation to drastically reduce the total number of Centrex lines required. With the PBX, our current usage of Pacific Bell Centrex requires approximately 60 lines. As our present five-year contract addendum with Pacific Bell expires in January 2001, the Port has the options of renegotiating a new Centrex contract with Pacific Bell, or to take advantage of the same Centrex services offered under CALNET. CALNET is an advanced public/private network agreement competitively bid and signed by the State General Services Department. The CALNET program, which the State and the contractor may amend from time to time, ends on 12/03/2005. It offers several advantages over our existing contract structure include: complete voice, data, video and Internet services, no time-consuming bidding process or CPUC approval is required, a cost reduction up to 40% per line due to the economies of scales, improved vendor support through single contact, a 'pay as you go' billing, and no required lump sum prepayment. The 'pay as you go' format is especially beneficial to the Port as only the lines in service would be billable rather than an entire contract block of potentially idle lines. This enables the Port to meet service demands in a cost-effective manner. Line usage and billing will be administered monthly and paid accordingly at an estimated annual cost of \$9,925.00. It was recommended that the Board find it to be in the best interest of the Port to waive competitive bidding and authorize the Executive Director to purchase the Pacific Bell Centrex and related telecommunications products and services under the State of California CALNET Agreement with Pacific Bell. The recommendation was approved on passage of Resolution No. 01021.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,

Tagami and Vice President Uribe - 6

Noes: None

Absent: President Kramer - 1

“RESOLUTION NO. 01001

APPROVING AND DIRECTING PORT STAFF DEVELOPMENT OF ELECTRIC ENERGY SAVINGS PROGRAMS AND COMPETITIVE OPPORTUNITIES FOR THE PORT AND PORT CUSTOMERS AT THE METROPOLITAN OAKLAND INTERNATIONAL AIRPORT.”

“RESOLUTION NO. 01002

APPROVING AND AUTHORIZING RENTAL CREDIT TO RAININ INSTRUMENT COMPANY, INC.”

“RESOLUTION NO. 01003

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE OF ELECTRICAL EQUIPMENT AND MATERIAL TO POWER AIRPORT SUBSTATIONS, 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. 01004

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH CH2MHILL 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. 01005

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

“RESOLUTION NO. 01006

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH 360° GOURMET EXPRESS.”

“RESOLUTION NO. 01007

APPROVING THE LEASE AMENDMENT WITH UNITED STATES POSTAL SERVICE.”

“RESOLUTION NO. 01008

APPROVING SUBSTITUTION OF CONCRETE SUBCONTRACTOR 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.”

“RESOLUTION NO. 01009

APPROVING AND AUTHORIZING EXECUTION OF AN AMENDMENT TO THE 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. 01010

GRANTING CLYDE R. GIBB, DOING BUSINESS AS WATERFRONT PLAZA HOTEL, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01011

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH BERTHS 57/58 CONSTRUCTORS, A JOINT VENTURE, FOR CONSTRUCTION OF THE BERTHS 57/58 CONTAINER WHARF, FILL AND MIDDLE HARBOR SHORELINE MODIFICATIONS, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01012

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH O.C. JONES & SONS, INC., FOR CONSTRUCTION OF CONTAINER YARD PHASE 1B AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01013

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH O.C. JONES & SONS, INC., FOR CONSTRUCTION OF CONTAINER YARD PHASE 1B AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01014

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH O.C. JONES & SONS, INC., FOR CONSTRUCTION OF CONTAINER YARD PHASE 1B AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01015

APPROVING ISSUANCE OF CHANGE ORDER FOR O.C. JONES & SONS, INC., FOR CONSTRUCTION OF CONTAINER YARD PHASE 1B AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01016

APPROVING SUBSTITUTION OF STRUCTURAL STEEL SUBCONTRACTOR FOR CONSTRUCTION OF BERTHS 55/56 MARINE RESTROOM AND GUARD HOUSE, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01017

APPROVING SUBSTITUTION OF CERAMIC TILE SUBCONTRACTOR FOR CONSTRUCTION OF BERTH 55/56 MARINE RESTROOM AND GUARD HOUSE, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01018

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH SFPP, L.P.”

“RESOLUTION NO. 01019

APPROVING GROUP INCENTIVE COMPENSATION 2000-2001 FISCAL YEAR GOALS.”

“RESOLUTION NO. 01020

REVISIING THE COMPENSATION POLICY FOR BOARD OF PORT COMMISSIONERS’ UNIT H DIRECT REPORTS.”

“RESOLUTION NO. 01021

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE OF PACIFIC BELL CENTREX AND RELATED TELECOMMUNICATIONS PRODUCTS AND SERVICES UNDER THE STATE OF CALIFORNIA CALNET AGREEMENT, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH SERVICES.”

“RESOLUTION NO. 01022

CONCERNING CERTAIN APPOINTMENT.”

“RESOLUTION NO. 01023

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

Port Ordinance No. 3620 being, “AN ORDINANCE MAKING CERTAIN FINDINGS AND DETERMINATIONS IN SUPPORT OF, AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH COVANCE RESEARCH PRODUCTS, INC. FOR THE PORT OF OAKLAND’S SALE OF AN APPROXIMATELY 2.09 ACRE PARCEL OF LAND LOCATED AT EDGEWATER ROAD AND PARDEE LANE,” and was read a second time and passed by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami and Vice President Uribe - 6

Noes: None

Absent: President Kramer - 1

Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 3439 AND ESTABLISHING RATES AND CHARGES FOR ELECTRICAL POWER PROVIDED BY THE PORT AT THE METROPOLITAN OAKLAND INTERNATIONAL AIRPORT," Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A LEASE WITH WESTERN AEROSPACE MUSEUM, AND DIRECTING RECORDATION THEREOF," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A FIRST SUPPLEMENTAL AGREEMENT TO LEASE WITH DOLLAR RENT A CAR SYSTEMS, INC." and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 2833 RELATING TO SPACE ASSIGNMENTS RATES AND BASIC CRANE RENTAL RATES," and were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates
Tagami and Vice President Uribe - 6

Noes: None

Absent: President Kramer - 1

At the hour of 4:37 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, pursuant to subdivision (a) of Section 54956.9, Deborah

Johnson v. Port of Oakland, Workers' Compensation Appeals Board Case Nos. OAK 245176; conference with legal counsel – anticipated litigation, significant exposure to litigation pursuant to subdivision (b) of Section 54956.9; 3 matters; conference with real property negotiator, as provided under Government Code Section 54956.8, under negotiations: property – Galbraith Golf Course, Oakland, CA, negotiating parties – Port of Oakland and City of Oakland, under negotiation – price and terms of agreement; personnel matters, as provided under Government Code Section 54957; and reconvened in open session at the hour of 5:40 p.m.

At the hour of 5:45 p.m. the meeting was adjourned to Tuesday, January 16, 2001, at the hour of 9:00a.m., for the purpose of the second reading of the ordinance establishing rates and charges for electrical power.

The meeting was reconvened on Tuesday, January 15, 2001, at the hour of 9:07 a.m., in the office of the Board, second floor, 530 Water Street, Oakland, California, President Kramer presiding appropriate notice having been given and posted.

Commissioners present: Kiang, Protopappas, Uribe and President Kramer – 4

Commissioners absent: Ayers-Johnson, Scates and Tagami - 3

Also present were the Executive Director; Deputy Executive Director; Deputy Executive Director; Port Attorney; Director of Engineering; Director of Aviation; Director of Strategic and Policy Planning; and Secretary of the Board.

The following ordinance was introduced and passed on a final adoption.

Port Ordinance No. 3621 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3439 AND ESTABLISHING RATES AND CHARGES FOR ELECTRICAL POWER
January 9, 2001
January 16, 2001

PROVIDED BY THE PORT AT THE METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” was read a second time and passed by the following vote:

Ayes: Commissioners Kiang, Protopappas, Uribe and President Kramer – 4

Noes: None

Absent: Commissioners Ayers-Johnson, Scates and Tagami – 3

At the hour of 9:15 a.m. the meeting was adjourned on an motion duly made and seconded.

A handwritten signature in cursive script, reading "Christy C. Marshall", is written over a horizontal line.

Secretary of the Board

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

“RESOLUTION NO. 01293

APPOINTING TAY YOSHITANI TO THE POSITION OF EXECUTIVE DIRECTOR.

At the hour of 3:55 p.m. the meeting was adjourned on a motion duly made and seconded.

A handwritten signature in cursive script, appearing to read "Shun Kuzuno", is written over a horizontal line.

gross revenues effective March 1, 2001. The recommendation was approved on passage of Resolution No. 01287.

Approval of New License and Concession Agreement with The Hertz Corporation to Combine Premises was the subject of a memo to the Board from the Director of Aviation notifying the Board that The Hertz Corporation (Hertz) is currently under a 45-day Right-of-Entry and Indemnity Agreement which provides for occupancy of approximately 129,329 square feet of unpaved land (Lots A1) and paved lands (Lots B and C) in the vicinity of Wright Street, Boeing Street and Earhart Road on the North Airport. In addition, Hertz has occupied approximately 26,250 square feet of unimproved land (Lot A) in the vicinity of Wright Street and Earhart Road under a License and Concession Agreement dated November 1, 2000. The use of the premises is for storage of rental cars only. The combined monthly rent is \$6,487.63 (exclusive of Lot C which is inaccessible to Hertz due to unexpected road closures caused by Port construction of a utility trench on the premises). It was recommended that the Board approve a new License and Concession Agreement which would combine and supersede the current agreements. The use of the premises would continue to be for storage of rental cars only; with no customer service permitted. Lot A would be increased to 48,329 square feet and the monthly rent once Lot C is accessible, would increase to \$18,634.16. The recommendation was approved on passage of Resolution No. 01288.

Award of Contract for Installation of Intellikely System, South Field, OIA 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 Consolidated Lock, Inc., the bidder, at \$96,220.00. The recommendation was approved on passage of Resolution No. 01289.

Approval of New Tenancy Agreement with Unicold Corporation was the subject of a memo to Board from the Director of Maritime notifying the Board that Unicold Corporation (Unicold) operates a small container freight station and transload facility in the area that will eventually be incorporated into the new Berths 57-59 marine container terminal. The transload operation enables fresh beef and poultry shipments under temperature control, as well as dry goods, to be transferred from truck or railcar into shipping containers for subsequent transportation via ocean vessel. The Unicold premises are presently comprised of a warehouse with 6,624 square feet, office space of 1,600 square feet, lunch room with 224 square feet and approximately 1.4 acres of land area. Several months ago, Unicold approached the Port seeking to expand their operations by having the Port construct a larger building along with significantly more railcar capacity in another area. The proposed new Unicold facility, comprising approximately 2.12 acres, is in the vicinity of the new Joint Intermodal Terminal (JIT), located in the area designated for maritime support operations. The current area is served by the UP Railroad. The new facility will be available to both the UP and the BNSF railroads. The elements of the proposed Lease Agreement with Unicold are as follows: the Port would construct all transload facility improvements, the estimated cost for the entire area designated to accommodate Unicold's transload operations is approximately \$3,100,000.00, this would include land acquisition, construction of rail lead, rail support rack, a 20,000 square foot building, lighting, yard improvements, utilities and road access; the Port will provide structural maintenance; Unicold would provide all operational maintenance; the initial term of the Lease Agreement would be for a period of 10 years, Unicold will have two additional option periods of 5 years each; the rental compensation during first 5 years are years 1 – 2, \$30,912.00 per month, years 3 – 4, \$33,218.00 per month, and year 5, \$35,524.00 per month; and

commencing with the 6th contract year and at the beginning of the option periods at the start of the 11th and the 16th year of the Lease Agreement, the rental amount shall increase by the percentage increase during the previous five year period in the Port's published space assignment tariff rate for unpaved raw land, or, the Consumer Price Index (CPI) for the San Francisco Bay Area, whichever is greater. The total annual rental for the existing facility is \$89,633.28. Revenue under the proposed compensation terms will be \$370,944.00 annually during each of the first two years or an annual revenue increase of \$281,310.72. It is anticipated that over the term of the proposed Unicold agreement, the Port will receive adequate compensation to fund the improvement costs at a 1.60 coverage level and ultimately achieve a 10% return for the then prevailing value for land. It was recommended that the Board approve the proposed agreement with Unicold. The recommendation was approved on passage of an ordinance to print.

Retention of Consultants to Provide Environmental, Economic and Related Services to Facilitate Transfer and Cleanup of Army-Owned and Associated Parcels at and in the

Vicinity of the Oakland Army Base was the subject of a memo to the Board from the Deputy Executive Director notifying the Board that the Defense Base Closure and Realignment Commission (BRAC) recommended the 422-acre Oakland Army Base (OAB) for closure in 1995. Since that time, the Army has retained contractors to environmentally characterize portions of, but not all, of OAB. Similar to the Navy's "early" transfer of the former Fleet and Industrial Supply Center Oakland to the Port under a "finding of Suitability to Early Transfer" (or FOSET) process, the Army plans to employ a FOSET transfer mechanism to facilitate an early transfer of the government-owned lands at OAB to: the Oakland Base Reuse Authority (OBRA); the Port; and to other eligible agencies as appropriate. With the exception of the portion of the property expected to

be conveyed to the Port under a Port Development Conveyance (PDC), it is tentatively agreed that OBRA or the Oakland Redevelopment Agency (ORA) will subdivide and re-convey the non-PDC remainder of those lands designated the "Port Parcel" to the Port. A total of approximately 26.2 acres of OAB was removed from the BRAC program in 1998 and transferred to the U.S. Army Reserve (Army Reserve), including the Subaru Lot, the Building 762 Parcel, and the Building 780 Parcel located east of Maritime Street. In addition, the Army Reserve currently operates the 63rd Reserve Support Command at the 16.6-acre Heroic War Dead Site, a portion of which the East Bay Municipal Utility District (EBMUD) desires to use for future expansion of its existing wastewater treatment facility. Environmental characterization and related work at the Army Reserve parcels is also incomplete, and to that extent the Port, OBRA and EBMUD will endeavor to secure this property also via a FOSET transfer, if possible. Four Port-Owned parcels adjacent to the OAB parcels may be transferred to OBRA and/or other agencies to enhance the City's overall Gateway Development plans. Characterization and remediation of potential contamination of these Port-owned parcels prior to transfer is requested by the receiving agencies. The Port as the major EIR responsible agency will be required to closely involved in each step of the EIR process which will require additional resources to manage the Port's participation in the preparation of the EIR. In addition, the Port expects to participate and collaborate with OBRA on various master planning efforts and must perform conceptual planning and prepare project descriptions for its own component projects that are to be analyzed and cleared by the subject Redevelopment District EIR. Previously the Board approved a Memorandum of Intent (MOI) among the Port's Executive Director, OBRA's Executive Director, the City Manager and the Agency Administrator of the ORA relating to the conveyance of Army-owned lands, and authorized negotiation of a Memorandum of

Agreement (MOA) among the governing bodies. The MOI states that the Port will pursue a FOSET transfer of the OAB on behalf of the Port and OBRA. In addition, the Board authorized the Executive Director to enter into new contracts, in addition to contracts previously authorized by the Board, involving obtaining professional and specialized services by engineers and other specialized professional consultants up to a total combined expenditure of \$500,000.00, which was expected to cover the various Port efforts to July, when it expected an MOA would be ready for approval. A portion of these funds was used to contract with Subsurface Consultants Inc., (\$19,000.00), and with Javaherian Consulting Inc., (\$75,000.00) to provide immediate assistance with environmental issues. Additionally, the Board authorized the Executive Director to negotiate and execute agreements among the Port, OBRA, and EBMUD (Joint Agencies) and the Army Reserve to relocate the Army Reserve, and authorized spending up to \$100,000.00 for studies to facilitate the relocation. The Board also authorized the Executive Director to represent the Port as a member of the Joint Agencies and enter into any required agreements with regulatory agencies to address environmental conditions such as a Consent Agreement with DTSC, pertaining to sites from which, and/or to which, the Army Reserves will relocate. The parties have not met the goal in the MOI to complete development and negotiation of, and execute, a MOA by July. The major issues needing resolution to reach agreement on the MOA are financial, including such matters as the use of redevelopment tax increment funds and the Port's potential payment of money to the City on account of the respective parcels of OAB to be conveyed to the Port and City. In order to support the highly ambitious present target dates for executing an Environmental Services Cooperative Agreement (ESCA) with the Army by September 2002, and to achieve conveyance of OAB as soon thereafter as possible, it is essential that all planning, FOSET, EIR and other necessary steps

continue without delay. The Port requires environmental consulting assistance and a “Core Team” consisting of representatives of the Port, OBRA and the City has been established. The Core Team has subsequently established a FOSET Team and is in process of establishing an Environmental Planning Team. The FOSET Team recommends that Javaherian Consulting, Inc., act as the Port’s lead consultant on environmental investigation and remediation, and further recommends two firms provide additional environmental services, Nordhav, Inc. dba Baseline Environmental Consulting and Subsurface Consulting, Inc. These firms would provide services to characterize the subject parcels for the presence of contamination, estimate the cost to complete the Army’s work necessary for execution of an ESCA with the Army, possibly provide support where the Army left off with its environmental program and provide related services including environmental documentation. It is expected that the costs necessary to remediate the Army-owned parcels, will be funded through the ESCA. In addition, staff recommends retaining the firm of K. Zimmerman Consulting to provide the described CEQA services and the firm of Economic and Planning Systems to provide analysis and support of the Port's No-Cost Economic Development Conveyance (EDC) application that will be incorporated into OBRA’s overall EDC application and to provide related services. In order to continue the multitude of other tasks required to monitor and assure proper completion of the Army’s EIS process, the City’s EIR process, relocation of the Homeless Collaborative off of the east side of OAB to be conveyed to the Port, relocation of the Army Reserve off of OAB, the Economic Development Conveyance and Public Benefit Conveyance (PBC) process, the State public trust exchange and many related matters, it is necessary that adequate outside legal and related consultant services be retained. The firms are McCutchen Doyle Brown & Enersen who has been providing the primary outside legal services, and Washburn Briscoe & McCarthy who has

been providing services relating to the State public trust exchange and other State public trust issues. The total amount requested to be approved for the non-legal consultants, is \$1,756,000.00 + \$351,000.00 (20%) subject to approval by the Executive Director) for a total of \$2,107,000.00. The amount required for legal services to October, when an MOA is expected to be completed, is \$250,000.00. Upon execution of an ESCA with the Army, Port will be eligible to be reimbursed for certain costs associated with FOSET transfer of the OAB BRAC parcels. OBRA and the Port have agreed to share the FOSET transfer costs of services for Subsurface Consulting, Inc., Javaherian Consulting, Inc., Baseline Environmental Consulting and Marsh USA, Inc. (Mark O'Brien) together with OBRA's consultant FOSET transfer costs, 50-50 for the 90-day period beginning July 23. These costs are estimated to be approximately \$400,000.00, so each of the Port and OBRA's total obligation will be capped at \$200,000.00 for these consultants over the subject 90 day period. As lead agency under the National Environmental Policy Act (NEPA), the Army prepared a Draft Environmental Impact Statement dated September 1999 for the Disposal and Reuse of OAB to support conveyance. Due to delays associated with additional required environmental analysis and re-circulation, a NEPA Record of Decision (ROD) is not expected until February 2002. The City of Oakland (as lead agency under the California Economic Quality Act) is in the process of preparing a Redevelopment District Environmental Impact Report (EIR) anticipated to be finalized in May 2002. It was recommended that the Board determine that the engineering and environmental services as described are Professional Services; authorize preparation and execution of a supplemental agreement with Subsurface Consultants, Inc., to address insurance requirements and provide compensation not to exceed \$550,000.00, and that the Executive Director be authorized to approve increases of up to 20% of the contract maximum or

\$110,000.00; authorize preparation and execution of an agreement with Javaherian Consulting, Inc., to address insurance requirements and provide compensation not to exceed a contract maximum of \$350,000.00, and that the Executive Director be authorize to approve increases of up to 20% of the contract maximum or \$70,000.00; authorize preparation and execution of an agreement with Nordhav, Inc., dba as Baseline Environmental Consulting to address insurance requirements and provide compensation not to exceed \$550,000.00, and that the Executive Director be authorized to approve increases of up to 20% of the contract maximum or \$110,000.00; authorize preparation and execution of an agreement with K. Zimmerman Consulting, to address insurance requirements and provide compensation not to exceed a contract maximum of \$270,000.00, and that the Executive Director be authorized to provide increases of up to 20% of the contract maximum or \$54,000.00; authorize preparation and execution of an agreement with Economic and Planning Systems, Inc., to address insurance requirements and provide compensation not to exceed a contract maximum of \$36,000.00, and that the Executive Director be authorized to approve increases of up to 20% of the contract maximum or \$7,000.00; authorize execution of an interim cost-sharing agreement for the FOSET consultants; and approve the Port Attorney's expenditure of up to an additional of \$250,000.00 for outside legal and related consultant services. The recommendation was approved on passage of Resolution No. 01290.

Approval of First Supplemental Agreement with Lewis Engineering for Construction Quality Assurance Services for the Closure of Landfill at the Former Lew F. Galbraith Golf Course was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port currently has a professional services agreement with Lewis Engineering to provide construction quality assurance (CQA) services for the landfill closure project at the former

Lew F. Galbraith golf course. The Board approved a maximum compensation of \$250,000.00 with up to \$50,000.00 for potential changes in scope with approval from the Executive Director. The intent of the CQA plan is to outline the procedures to document that the construction of the final cover system for the former landfill is performed in conformance with the plans and specifications. This is a requirement of the Final Closure Plan, which is strictly regulated by the Regional Water Quality Control Board (RWCQB). The implementation of the plan requires that qualified individuals perform rigorous and repetitive lab tests and visual site inspections on a daily basis, with a final certification package being submitted to the RWCQB for approval. Lewis Engineering's original agreement was to provide construction services starting May 29, 1999 through November 24, 2000, approximately 26 weeks. The services provided were to be dependent on the construction schedule, which is now estimated to be 41 weeks. In addition, this project has required an increase in costs associated with overtime hours required to monitor the Contractor's work schedule. The Contractor is working 10-hour days, six days a week. In accordance with the RWQCB permit requirements, Lewis Engineering must monitor the Contractor's work and, therefore, must work the overtime hours. Lewis Engineering will continue to act as the prime consultant, with Subsurface and Signet as subconsultants. Precision Geosynthetic Laboratories was added to the team after the agreement to test the geosynthetic construction materials. The staff is currently developing a scope of work and negotiating fees with Lewis Engineering. It is anticipated that the maximum compensation for all services, including the additional scope of work, will not exceed \$430,000.00. It was recommended that the Board determine that the services described are professional services; and authorize the preparation and execution of a first supplemental agreement

with Lewis Engineering for the additional scope of services. The recommendation was approved on passage of Resolution No. 01291.

Plans and Project Manual for Construction of Berth 25 Yard Expansion, 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 Berth 25 Yard Expansion. As a result of the realignment of 7th Street under the Vision 2000 Program, an area of approximately 4.5 acres, located north of the new realigned roadway, will be available for expansion of the container staging yard at Berth 25 (Transbay Container Terminal). The work consists, in general, of demolition and removal of the existing asphalt concrete pavement, concrete curb and gutters, fences, light poles and installation of a new asphalt concrete pavement, drainage system, lighting, fencing, striping and marking. The recommendation was approved on passage of Resolution No. 01292.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

“RESOLUTION NO. 01287

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE
AND CONCESSION AGREEMENT WITH THE HERTZ CORPORATION.”

“RESOLUTION NO. 01288

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE
AND CONCESSION AGREEMENT WITH WORLDWIDE FLIGHT SERVICES,
INC.”

“RESOLUTION NO. 01289

AWARDING CONTRACT TO CONSOLIDATED LOCK, INC., FOR INSTALLATION OF INTELLIKEY SYSTEM, SOUTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND FIXING THE AMOUNT OF BONDS.”

“RESOLUTION NO. 01290

(1) FINDING AND DETERMINING THAT PROPOSED AGREEMENTS RELATING TO OAKLAND ARMY BASE WITH SUBSURFACE CONSULTANTS, INC., JAVAHERIAN CONSULTING INC., NORDHAV, INC. DBA BASELINE ENVIRONMENTAL CONSULTING, K. ZIMMERMAN CONSULTING AND ECONOMIC AND PLANNING SYSTEMS, INC., CONSULTANTS FOR ENGINEERING, ENVIRONMENTAL AND RELATED CONSULTANT SERVICES, CONSTITUTE AGREEMENTS FOR PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, AND WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF AGREEMENT, (2) APPROVING AND AUTHORIZING EXECUTION OF A COST SHARING AGREEMENT RELATING TO OAKLAND ARMY BASE BETWEEN THE OAKLAND BASE REUSE AUTHORITY AND THE PORT, AND (3) APPROVING AND AUTHORIZING EXPENDITURE OF ADDITIONAL FUNDS FOR OUTSIDE LEGAL AND RELATED CONSULTANT SERVICES IN CONNECTION WITH OAKLAND ARMY BASE.”

“RESOLUTION NO. 01291

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH LEWIS ENGINEERING 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. 01292

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF BERTH 25 YARD EXPANSION, OUTER HARBOR TERMINAL, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

Port Ordinance No. 3648 being, “AN ORDINANCE ESTABLISHING RULES AND REGULATIONS FOR THE CONDUCT OF GROUND TRANSPORTATION

OPERATIONS (OTHER THAN TAXICABS) AT THE METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, FOR THE PROTECTION OF PERSONS AND PROPERTY; PRESCRIBING PENALTIES; AND AMENDING CERTAIN PROVISIONS RELATED TO GROUND TRANSPORTATION IN PORT ORDINANCE 3634,” and Port Ordinance No. 3649 being, “AN ORDINANCE AUTHORIZING THE EXECUTION OF LICENSE AND CONCESSION AGREEMENTS AND GROUND LEASES WITH AVIS RENT A CAR SYSTEM, INC., DOLLAR RENT A CAR SYSTEMS, INC., BUDGET RENT A CAR SYSTEMS, INC., ENTERPRISE RENT A CAR COMPANY OF SAN FRANCISCO, FOX RENT A CAR, INC., THE HERTZ CORPORATION, NATIONAL CAR RENTAL SYSTEM, INC., AND THRIFTY RENT-A-CAR SYSTEM, INC.; AND AUTHORIZING CERTAIN EXPENDITURES FOR CERTAIN INSURANCE EXPENSES ASSOCIATED WITH SAID GROUND LEASES,” and Port Ordinance No. 3650 being, “AN ORDINANCE APPROVING THE DEDICATION OF 3.3 ACRES OF PORT-OWNED LAND FOR PUBLIC ACCESS PURPOSES AND AUTHORIZING THE PORT'S EXECUTIVE DIRECTOR TO EXECUTE AND RECORD APPROPRIATE DOCUMENTS TO COMPLY WITH THE SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSIONS' PERMIT CONDITIONS FOR THE JACK LONDON AQUATIC CENTER,” and Port Ordinance No. 3651 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3439 AND ESTABLISHING RATES AND CHARGES FOR ELECTRICAL POWER AND OTHER UTILITIES PROVIDED BY THE PORT AT THE OAKLAND ARMY BASE,” and Port Ordinance No. 3652 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 ADDING SECTION 1.33997,

AMENDING SECTIONS 5.0233, 5.1111, 5.0198, 8.20 AND 9.18 AND REPEALING SECTION 2.02,” were read a second time and passed by the following vote:

Ayers: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF LEASE WITH UNICOLD CORPORATION,”

were read a first time and passed to print by the following vote:

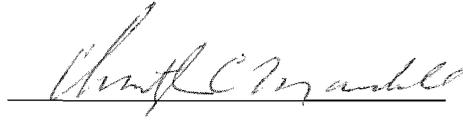
Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

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 (b) of Section 54956.9: 3 matters; conference with real property negotiator, (Government Code Section 54956.8) property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment; personnel matters, as provided under Government Code Section 54957; and reconvened in open session at the hour of 5:30 p.m.

At the hour of 5:31 p.m. the meeting was adjourned on an motion duly made and seconded.

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

Secretary of the Board

taken over 5.5 months, for United Airlines, Inc.'s (UAL) existing Oakland Maintenance Center (OMC) lease with the Port. The rental credit to UAL is for the installation of an electrical substation, including costly switches. In order to better accommodate UAL's desired schedule to upgrade its OMC, it was recommended that this work be done by UAL now, with reimbursement under a rental credit. In addition, this recommendation includes the waiving of competitive bidding for construction by UAL's contractor of the electrical substation. To facilitate its aircraft maintenance, UAL proposes construction of a central Ground Air Source (GAS) facility that will provide the OMC with clean, regulated, compressed air for operation checks of wide-body aircraft within UAL's hangar. The project includes installing seven 200HP compressors that will feed five 50,000 gallon receiver tanks. Utilizing the GAS enables UAL to test its aircraft engines without removing the aircraft from the hangar, thereby saving UAL money and time in its wide-body aircraft rehabilitation. UAL cannot operate the GAS with its current electric service provided by the Port. Under the ARP (Contract A) and a related Capital Improvement Program (CIP), the Port is relocating and upgrading electrical service along Airport Drive. The electrical substation will be constructed pursuant to the Port's Plans and Project Manual and UAL will contract directly with Rosendin Electric, Inc. to construct the electrical substation. The recommendation was approved on passage of Resolution No. 01232.

Approval to Dispense with Formal Competitive Bidding Procedures for the Construction of Electrical Substation SS-1A, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport currently has two incoming electrical service feeders from the PG&E Edes substation to the main electrical substation, SS-1. Each feeder has a capacity rating of 10 Mega-Watts (MW). The existing electrical system is

designed to operate on one of these feeders at a time. The second feeder is used as a backup only. The two feeders cannot be used simultaneously because of the existing substation configuration and limitations set by PG&E. The existing peak electrical load at the Airport is 8.4MW. It is anticipated that the electrical load demand will grow to 11MW by early 2002 and to 15MW by 2005. To meet the new Airport electrical load requirement, the Port has established an agreement with PG&E to separate the two existing feeders so that they can be used simultaneously. On January 9, 2001, the Board approved dispensing with formal competitive bidding procedures to purchase electrical equipment and material for this substation. The successful bidder for the electrical equipment procurement contract was Siemens. Siemens' design contains a new standard for electrical substation systems which is very specialized in design, construction, equipment setup and startup testing. Therefore, it was recommended that the Board find it to be in the best interest of the Port to contract with Siemens for the construction of Substation SS-1A. The total project cost for the construction of the electrical substation is \$450,000.00. The total program cost including the cost of the electrical equipment, design, and construction administration is estimated to be \$2,100,000.00. The recommendation was approved on passage of Resolution No. 01233.

Approval of License and Concession Agreement with Donald L. Jess was the subject of a memo to the Board from the Director of Aviation notifying the Board that in August 2000, the Port acquired 69.21 acres of undeveloped land on Christensen Road in eastern Alameda County to meet its obligations required by the Environmental Impact Report (EIR) for the Airport Development Program (ADP). The land was purchased to provide burrowing owl habitat as mitigation for impacts from the ADP to existing habitat at Oakland International Airport. The existing Mitigation Agreement, with the California Department of Fish and Game, requires that the

Port take action in the future to preserve approximately 40 to 50 acres of the land as burrowing owl habitat. Mr. Donald L. Jess has approached the Port with a request to graze his cattle on the land; as he previously leased the land from the former landowner. It was recommended that the Board authorize a License and Concession Agreement allowing Mr. Jess to graze cattle while requiring him to maintain the land and existing fences and perform weed abatement and fire suppression. Rental is \$1,200.00 per annum which is in excess of “market” rate for similar grazing land in the area that ranges from \$10.00 per acre to \$12.00 per acre. The recommendation was approved on passage of Resolution No. 01234.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with Today’s Aircraft Maintenance Contracting Organization was the subject of a memo to Board from the Director of Aviation recommending approval to extend the agreement with Today’s Aircraft Maintenance Contracting Organization (TAMCO) which provides for access to the South Airport to provide aircraft maintenance and repair services. No premises are occupied by TAMCO under the Right-of-Entry. The monthly rent would remain \$250.00 or 10% of gross revenues, whichever is greater, and commencing May 1, 2001 through January 31, 2002. The recommendation was approved on passage of Resolution No. 01235.

Approval to Submit an Application to Impose and Use Passenger Facility Charges at Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board of the use of Passenger Facility Charges (PFC’s) to fund certain eligible projects at the Airport since September 1, 1992. The FAA has approved nine applications and authorized the collection of approximately \$136 million in PFC revenues to fund capital projects at the Airport. To continue collecting PFC funds, the Airport must periodically submit

applications to the FAA which describe projects proposed for PFC funding. It was recommended that the Board authorize the application of the tenth PFC. The projects which have been chosen for PFC expenditure (impose and use) are those which are programmed for implementation within the next two years and which qualify, under PFC regulations, for approval to both collect and spend PFC's. The specific project includes: Terminal One Gate Improvement; Terminal One & Two Restroom Improvement; Terminal One Ticket Counter Expansion Phase 1; Multi User System Equipment for Terminal One; and Overlay Runway 11/29. The total collection in PFC 10 (impose and use) is \$39,000,000.00. The Airport is requesting a collection level of \$4.50 per enplaned passenger for the total application amount. This is an increase from the prior collection level of \$3.00 per enplaned passenger. The PFC Application 10 also requests the Federal Aviation Administration approval to "Use" PFC's previously approved for collection under PFC Application Number Seven. On April 30, 1997, the Airport received approval to collect \$33,011,496.00 in PFC revenue of which \$30,000,000.00 was approved on an "Impose Only" basis for the project "Construct Remain Overnight Parking Apron". The recommendation was approved on passage of Resolution No. 01236.

Approval of First Supplemental Agreement with Bank of America National Association to Reduce Premises by 2,880 Square Feet was the subject of a memo to the Board from the Director of Aviation notifying the Board that Bank of America (B of A) currently occupies premises in Hangar 8 (Building L-810/Bay "A") on the North Airport for corporate aircraft storage and maintenance. The proposed First Supplemental Agreement would provide for deletion of approximately 2,880 square feet. B of A has requested this deletion, as it has no use for the space. Port staff anticipates little difficulty finding a replacement tenant for the space at an equivalent or

higher rental rate due to the lack of available North Airport hangar space. Based upon the current rental rate for the subject space, B of A's monthly rent would be reduced \$1,247.04 effective June 19, 2001. It was recommended that the Board authorize the First Supplemental Agreement. The recommendation was approved on passage of Resolution No. 01237.

Approval of a Second Amendment to the Purchase and Sale Agreement with Warehouse Properties Inc. for the Property was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board of the Purchase and Sale Agreement between the Port and Warehouse Properties, Inc., dba WP Investments, for a 14-acre parcel of Hegenberger Road in the Oakland Airport Business Park. The agreement provided for a \$50,000.00 deposit at execution as the 90-day Due Diligence Period commenced. Within five days following expiration of the Due Diligence Period (February 11, 2001), a \$50,000.00 payment (Additional Deposit) was due per Clause 1.3(b) of the agreement. Both deposits are to be credited against the purchase price of \$5,657,000.00. WP has been diligently pursuing entitlements for the site, but a number of issues that remain to be resolved require coordination with outside agencies. The current entitlement process includes completing a traffic study, obtaining a BCDC permit since the parcel is adjacent to a flood control channel, and working with the East Bay Regional Park District to improve the adjoining parking and access to a regional trail. The principals of WP Investments have asked that the Port consider revising the Repurchase Agreement to tie the construction start date to the date that they receive entitlements for the project, rather than the expiration of the due diligence period. They are concerned about their ability to finance the project with the current provisions. In addition, they have asked that the construction start date be tied to market conditions. The Port has requested the WP commit to paying the \$50,000 (Additional

Deposit) as a condition of a 120-day extension to the due diligence period. In addition, as provided for in the agreement, the original \$50,000.00 deposit would become non-refundable. It was recommended that the Board authorize the Executive Director to execute a Second Amendment to the Purchase and Sale Agreement with Warehouse Properties, Inc. as described. The recommendation was approved on passage of Resolution No. 01238.

Recommendation to Contract with Appraiser for Valuation of Phase 1 Assets for Jack London Square was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that in accordance with the Agreement for Acquisition of Ground Lease Interests between the Port and Jack London Square Partners (JLSP), the Port and JLSP are continuing with the required due diligence. The agreement contains provisions for negotiations for agreement to acquire and manage existing assets, which provide that the developer must submit a proposal by May 30, 2001 and the Port has 60 days following to respond. In an effort for Port staff to effectively value the Phase 1 assets and as a result of the need to be sure that a market approach to valuation is achieved to protect the Port's Bond covenants it is recommended that the Port employ a consulting firm that will provide the Port with a picture of the value of all the Phase 1 assets owned by the Port and/or OPA to be sold to Jack London Square Partners. Of significant importance is the fact that the valuations will be subject to scrutiny relative to the requirements applicable to the Port bonds that have been used to finance various assets the Port owns in Jack London Square. Under the bond covenants, the Port must make sure that we are achieving a market rate transaction. Proposals were received from Price Waterhouse Coopers, Cushman Wakefield, Ernst and Young and Sedway Group and it was recommended that the Board authorize the retention of Cushman and Wakefield for the purpose of conducting an MAI appraisal of the Port

Assets. The cost is about mid point of the proposals and is inclusive in the amount of \$45,000.00. The agreement would also provide for up to \$25,000.00 in additional work. The recommendation was approved on passage of Resolution No. 01239.

Approval of Consultant Agreement with Phillip Williams & Associates to Design and Manage Construction of a Shoreline Enhancement Project, Clinton Basin was the subject of a memo to the Board from the Director of Engineering notifying the Board that in August, 2000, the Regional Water Quality Control Board (RWQCB) issued an Amended Complaint (No. 00-040) for Administrative Civil Liability against the Port following removal by the Port of a derelict vessel near the Seabreeze Marine (Clinton Basin). The port elected to implement a Supplemental Environmental Project (SEP) in lieu of \$64,000.00 in penalties assessed by the RWQCB. On September 20, 2000, the Port entered into a Settlement Agreement with the San Francisco BayKeeper (BayKeeper), an environmental advocacy organization, to resolve a lawsuit brought by BayKeeper involving the same incident. The SEP was also a condition of the Port's Settlement Agreement with BayKeeper. Under the settlement, the project must be mutually agreeable to the Port and BayKeeper. The Port has been working with BayKeeper, the 5th Avenue (Clinton Basin) community, the Golden Gate Audubon Society, and the Coastal Conservancy to identify a mutually agreeable project that would meet the intent of the settlement. With the help of the Coastal Conservancy's consultant, Philip Williams & Associates (PWA), a habitat restoration and enhancement project has been developed that meet the objectives of the Settlement Agreement. It was recommended that the Board authorize the preparation and execution of a consultant agreement with Philip Williams & Associates. Under the Port and City of Oakland's Estuary Plan, the Port's properties are expected to be developed over the next several years. Development would logically

include portions of the Clinton Basin area. PWA specializes in shoreline development and restoration and has an existing relationship with the Coastal Conservancy to provide these services in the San Francisco Bay region. The consultant is acceptable to all parties. PWA has developed an acceptable design that meets the goals of the SEP. PWA would also serve as construction manager during the construction phase. The recommendation was approved on passage of Resolution No. 01240.

Authorization to Include Landscape Improvements at Jack London Village Site, Jack London Square, in the Port's Small Business Program was the subject of a memo to the Board from the Director of Engineering notifying the Board of the demolition of Jack London Village and that as a condition of the BCDC permit issued for the demolition requires that the site within the shoreline public access band be landscaped. The proposed landscape project includes planting of lawn and groundcover, and the installation of irrigation and security lighting. To encourage small local contractor participation in this work, it was recommended that the Board dispense with formal competitive bidding and engage in an outreach program by initially soliciting proposals from only small local contractors. It was further recommended that the Executive Director be authorized to execute a contract for this work with any qualified contractor, based on informal bids, if the attempt to secure an acceptable bid from a small local contractor is not successful. The recommendation was approved on passage of Resolution No. 01241.

Assignment of Contract from McMillan Technology, Inc., to McMillan Security for Upgrading of Existing Security System, Jack London Square was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with McMillan Technology, Inc., for upgrade of existing Security System at Jack London Square, which became

effective on September 8, 1999, at lump sum and unit prices totaling \$781,213.00. The Contractor for this project, McMillan Technology, Inc., has declared bankruptcy. There are only two items of work that have not been completed. It was recommended that the Board give consent to assign the balance of the contract work for the project from McMillan Technology, Inc., to McMillan Security, a successor company. McMillan Security employees the same employees who installed the system under McMillan Technology. They are thoroughly familiar with this complex system. The two companies also worked together with the Port to successfully complete the contract even when McMillan Technology, Inc., was in the later stages of bankruptcy. The recommendation was approved on passage of Resolution No. 01242.

Ratification and Approval of Agreement Pertaining to Liability Insurance for the Hanjin Terminal at Berths 55-56 the subject of a memo to the Board from the Director of Maritime notifying the Board that Hanjin Shipping Company, Ltd. has a 15 year non-exclusive Preferential Assignment Agreement for the new terminal at Berths 55-56. The Term Commencement Date of the Agreement was June 8, 2001, at which time full compensation payable by Hanjin for the Phase 1 Premises of +/- 88 acres commenced. Hanjin has indicated to the Port that it plans to assign the Berths 55-56 Agreement to an associated terminal services and stevedoring group in which it will have an interest. Since Hanjin is planning such an assignment of the Berths 55-56 rights to a related entity and its purchase of liability insurance for a short period would be very expensive, it was requested that it be allowed to provide the liability insurance required by the Assignment Agreement with the Port through other means. In order to avoid any other delays pertaining to the commencement of operation at Berths 55-56, the Executive Director has signed an Agreement with Hanjin and the Berths 55-56 terminal services provider, Total

Terminals International, LLC (TTI), providing that TTI will indemnify the Port in all situations when Hanjin is required to do under the Berths 55-56 Assignment Agreement and will provide the liability insurance that Hanjin is required to supply. The Port Attorney's office and the Port's Risk Manager have reviewed the Port/Hanjin/TTI Agreement and the liability insurance provided by TTI and concur the liability protection provided the Port is just as good, if not better, when compared to the existing requirements of the Berths 55-56 Assignment Agreement. It was recommended the Board ratify the described third party Agreement providing insurance. The recommendation were approved on passage of Resolution No. 01243.

Supplemental Agreement with Marine Terminals Corporation to Accommodate Non-Terminal Use Agreement Shipping Lines at Ben E. Nutter Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board that Marine Terminals Corporation (MTC) operates at the Ben E. Nutter Terminal under a Management Agreement with the Port. As the terminal operator, MTC provides vessel stevedoring and terminal services to shipping lines which call at the public use facility. These shipping lines normally operate at the facility under a Terminal Use Agreement (TUA) with the Port where term and volume commitments are made in exchange for dockage and wharfage reductions from the charges contained in the Port's marine terminal tariff. In Oakland, the other public container maritime facility is Howard Terminal where Stevedoring Services of America Terminals (SSAT) also operates under a Management Agreement with the Port. In 1999, SSAT and the Port entered into a Supplemental Agreement to accommodate shipping line users which do not have a TUA. Non-TUA shipping lines do not want to enter into a contractual arrangement with the Port for various reasons, including the convenience of having all financial transactions handled through their terminal operator. Under the Non-TUA

arrangement the terminal operator guarantees the Port annual volume and revenue levels in exchange for reductions in the dockage and wharfage charges contained in the Port's marine terminal tariff. MTC now seeks similar modifications to their Management Agreement for the Nutter Terminal in order that they might accommodate shipping lines that do not want to enter into a contractual arrangement with the Port. The Non-TUA arrangement with SSAT at Howard Terminal has been working well and enabled the Port to capture shipping lines, like CMA-CGM, over other Bay Area ports such as San Francisco. Under the proposed Supplemental Agreement, MTC shall give the Port's Director of Maritime written notice when a shipping line desires to use the premises for its published regularly scheduled Northern California port of call but does not want to enter into a TUA with the Port and MTC shall request the Director of Maritime's written approval of such use for an initial period. The Agreement also provides for the early review of the activity at the facility. It was recommended that the Board approve the Supplemental Agreement with Marine Terminals Corporation, which will enable the Director of Maritime to approve annual use of the Ben E. Nutter Terminal by Non-TUA shipping Lines. The recommendation was approved on passage of Resolution No. 01244.

Approval to Declare Cranes X401, X423, X441 and X442 Surplus and Authorization to Sell was the subject of a memo to the Board from the Director of Maritime notifying the Board that several of the Port's marine terminal facilities include Port owned container cranes which once serviced container cargo vessels but are no longer used due to age and limited capabilities to facilitate operations with modern ships. The specific cranes are situated as follows: X401, Berths 20-21, Maersk Sea Land Agreement; X423, Berths 35-37, Marine Terminal Corp. Agreement; X441, Berths 60-63, APL is not operating; and X442, Berths 60-63, APL is not operating. Over the

coming months, the Port expects that it may encounter several opportunities to sell or dispose of one or more of the four cranes. All of the above 4 cranes were financed in part, or upgraded, with proceeds from Port Revenue Bonds. In order to sell the cranes, the Port must comply with the requirements of Section 5.13 of the Master Bond Indenture which requires that the Board find that the cranes are inadequate, obsolete or worn out. Under the Charter, the Board must find the cranes to be surplus to the needs of the Port. It was recommended that the Board pass a resolution finding that the four cranes are surplus, inadequate obsolete and worn out; authorizing the Executive Director to enter into one or more contracts of sale or disposal for Port Cranes X401, X423, X441 and X442 and that such authority for removal of any of the above named cranes shall not be in an amount exceeding \$100,000.00 per crane cost to the Port. The recommendation was approved on passage of Resolution No. 01245.

Ratification of Addendum and Award of Contract for Construction of Berths 57-59 Container Yard and Gate, Vision 2000 was the subject of a memo to the Board from the Director of Engineering notifying the Board of the five bids received and that the apparent low bidder was Gallagher & Burk, Inc., at \$52,280,620.00. A Bid Protest letter has been received from Granite Rock Company DBA Pavex Construction Division and staff investigation of the protest was not deemed valid and it was recommended that the Board award the contract to Gallagher & Burk, Inc. Addenda Nos. 1 and 2 were issued covering minor changes to the Plans and Project Manual. The Addenda did not significantly change the physical work of the contract. The recommendation was approved on passage of Resolution No. 01246.

Recommended Ordinance Authorizing Five Acre Addition to Premises Assigned to International Transportation Service (ITS) at Berths 25/26 was the subject of a memo to the

Board from the Director of Maritime notifying the Board that the marine terminal at Berths 25/26 is located in the Outer Harbor and is assigned to International Transportation Service (ITS). The Realignment of the 7th Street has allowed for increasing the terminal storage yard area by approximately five acres. The area is currently unimproved and will require construction of improvements in order to be utilized by ITS for stacked container storage. The Board previously approved a Supplemental Agreement with ITS which included the new compensation provisions for assignment of the additional five acres and improvements and it was recommended that the appropriate ordinance assigning the five acre expansion be approved. The recommendation was approved on passage of an ordinance to print.

Ratification of Addenda and Award of Contract for Construction of Point Arnold/Port View Park Connector, MHSP Stage 1, Vision 2000, Oakland, California was the subject of a memo to the Board from the Engineering notifying the Board of the three bids received and recommending award of the contract to O.C. Jones & Sons, Inc., the low bidder, at \$5,499,869.00. Addenda Nos. 1, 2 and 3 were issued by the Chief Engineer for certain minor changes. The Addenda did not significantly change the physical work of the contract. The recommendation was approved on passage of Resolution No. 01247.

Ratification of Addenda and Award of Contract for Furnishing Labor, Materials and Equipment for Reconditioning, Repairing and Reconstructing Port of Oakland Railroad Tracks and Crane Rails for the Period Commencing July 1, 2001 and Ending June 30, 202, 203 or 2004 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 the bidder, Industrial Railways Co., at Direct Labor Costs Plus 125% of Labor Costs. Addenda Nos. 1 and 2 were issued June 19, 2001

by the Chief Engineer to revise certain sections. The recommendation was approved on passage of Resolution No. 01248.

Approval of Second Supplemental 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 of the professional services agreement with CH2MHILL/John T. Warren (HILL/JTW) to provide engineering design services to prepare plans and specifications and construction assistance for the construction of the Container Wharf at Berths 55/56. The original agreement provided for a maximum compensation of \$3,000,000.00. The agreement provided for maximum payment of \$2,984,070.00 with up to \$600,000.00 of additional work with approval from the Executive Director. In April 1999, the Board authorized an increase in the Executive Director's authority for Change-In-Scope funds of \$850,000.00. The current agreement provides for a maximum payment of \$4,418,642.00. A large number and complexity of contractor-generated Requests for Information (RFI's) have resulted in more time being spent by HILL/JTW for analyses and recommendations and have nearly exhausted the approved Executive Director funds. The design services during construction performed by HILL/JTW and their sub-consultants involved several tasks. These RFI's have necessitated extensive reviews of impacts to the overall structural behavior of the wharf, and additional funds are needed to cover the work performed and preparation of "As Built" drawings by HILL/JTW for the Construction of Wharf at Berths 55/56, Inner Harbor Channel. Completion of the "As Built" drawings will bring this agreement between the Port and HILL/JTW to conclusion. It was recommended that the Board authorize the preparation and execution of a second supplemental agreement with HILL/JTW for additional

design services, estimated at \$90,000.00, increasing the maximum allowable on under the agreement to \$4540,000.00. The recommendation was approved on passage of Resolution No. 01249.

Approval of the Annual Operating Budget for Fiscal Year Ending June 30, 2002 was the subject of a memo to the Board from the Chief Financial Officer recommending approval of the FY 2001-02 Operating Budget and authorize the related appropriations for Port operating and maintenance expenses. The net income for FY 2001-02 is projected at \$9.9 million, which represents 4.5% of total operating revenue. The Port anticipates FY 2001-02 operating revenue to be approximately \$220.9 million, which is about 11.4% more than the past year's anticipated revenue. The Port expects Maritime revenue to go up at least 17.5% over FY 2000-01 as new Hanjin and SSA terminals are placed in operation. Aviation revenue is projected to increase by 5.4% mainly due to increases in passenger activity, revenue per passenger, and new lease agreements. The operating expenses for FY 2001-02 total \$125.7 million, which is 15% or \$16.6 million higher than the previous year's anticipated expenses. The operating expense budget for FY 2001-02 includes \$2.0 million for Special Services Payments to the City, which covers police services at the Airport, Jack London Square and West Oakland, and other specified administrative services that the City provides to the Port. The budget also includes a \$1.7 million annual payment to the City for General Services and Lake Merritt maintenance reimbursements. This budget also includes a \$0.5 million payment for the Landscaping and Lighting Assessment District for unleased Port property. Furthermore, \$4.8 million has been budgeted to pay for aircraft rescue and fire fighting services (ARFF). It was further recommended that the Board endorse the FY 2002-03 and

FY 2003-04 operating budgets in concept. The recommendation was approved on passage of Resolution No. 01250.

Authorization to Establish Open Account Agreements for FY 2001-02, Purchase Selected Equipment, and Donate Surplus Port Vehicles to Brandon Guest House and to First Presbyterian Church for the “Senior Ministry” was the subject of a memo to the Board from the Chief Financial officer recommending approval of the procurement plan to address the supply, equipment, and selected service requirements of Port of Oakland departments. It covers budgeted expenditures already approved by the Board. The major component of the procurement plan is open account agreements the Port maintains with 13 selected vendors. It was further recommended that the Board authorize the Executive Director to purchase certain maintenance equipment at an approximate cost of \$668,000.00 plus taxes and fees, through cooperative agreement with other public entities or through open market procurement. Also recommended was approval to declare Port vehicles X601, a 1982 Ford van, and X623, a 1985 Ford van, as surplus vehicles and authorize the Executive Director to donate the said vehicles to the Brandon Guest House and to First Presbyterian Church for the “Senior Ministry”. The recommendation was approved on passage of Resolution No. 01251.

Ratification of Addendum and Award of Contract for Performing Emergency Spill Response and Handling Hazardous and Contaminated Materials at Port of Oakland Aviation and Maritime Construction Sites for the Period Commencing July 1, 2001 and Ending June 30, 2002, 2003, or 2004 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 Dillard

Trucking, Inc. dba Dillard Environmental Services, the low bidder, at direct labor costs plus 20%.
The recommendation was approved on passage of Resolution No. 01252.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the creation of a classification/position of Traffic Representative II (Contracts & Pricing Analyst); and the annual salary adjustments (COLA) to salary schedules for employees represented by SEIU Local 790 (Units A & B) and in agreement with Administrative Policy 421 for employees in Representation Units D & E in the amount of 5% effective Jun 23, 2001. The recommendations were approved on passage of ordinances to print.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

“RESOLUTION NO. 01232

AUTHORIZING THE EXECUTION OF A SECOND SUPPLEMENTAL AGREEMENT TO LEASE WITH UNITED AIRLINES, INC. FOR CONSTRUCTION OF NEW ELECTRICAL POWER SUBSTATION TO SERVICE ITS MAINTENANCE CENTER 1100 AIRPORT DRIVE, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING NEGOTIATION AND EXECUTION OF A CONTRACT.”

“RESOLUTION NO. 01233

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR CONSTRUCTION OF NEW AIRPORT SUBSTATION SS-1A, NORTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING NEGOTIATION AND EXECUTION OF A CONTRACT WITH SIEMENS ENERGY AND AUTOMATION, INC. FOR SUCH WORK.”

“RESOLUTION NO. 01234

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH DONALD L. JESS.”

“RESOLUTION NO. 01235

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH TODAY’S AIRCRAFT MAINTENANCE CONTRACTING ORGANIZATION.”

“RESOLUTION NO. 01236

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

“RESOLUTION NO. 01237

APPROVING AND AUTHORIZING EXECUTION OF A FIRST SUPPLEMENTAL AGREEMENT WITH BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION.”

“RESOLUTION NO. 01238

APPROVING AND AUTHORIZING EXECUTION OF A SECOND AMENDMENT TO THE PURCHASE AND SALE AGREEMENT WITH WAREHOUSE PROPERTIES, INC., FOR THE PORT OF OAKLAND’S SALE OF A PARCEL OF LAND LOCATED AT HEGENBERGER AND PARDEE ROADS.”

“RESOLUTION NO. 01239

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

“RESOLUTION NO. 01240

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH PHILIP WILLIAMS & 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. 01241

GRANTING AUTHORIZATION TO INCLUDE LANDSCAPE IMPROVEMENTS AT JACK LONDON VILLAGE SITE, JACK LONDON SQUARE 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. 01242

APPROVING AND AUTHORIZING AND ASSIGNMENT OF RIGHTS BY McMILLAN TECHNOLOGY, INC. OF THE CONTRACT FOR UPGRADE OF EXISTING SECURITY SYSTEM AT JACK LONDON SQUARE, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01243

RATIFYING AND APPROVING AGREEMENT WITH HANJIN SHIPPING COMPANY, LTD. AND TOTAL TERMINALS INTERNATIONAL, LLC.”

“RESOLUTION NO. 01244

APPROVING AND AUTHORIZING EXECUTION OF THIRD SUPPLEMENTAL AGREEMENT WITH MARINE TERMINALS CORPORATION.”

“RESOLUTION NO. 01245

FINDING AND DETERMINING THAT CERTAIN CRANES OWNED BY THE PORT ARE NO LONGER REQUIRED FOR PORT USE AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SELL SURPLUS CRANES.”

“RESOLUTION NO. 01246

RATIFYING AND APPROVING ADDENDUM TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF BERTHS 57-59 CONTAINER YARD AND GATE, VISION 2000, OAKLAND, CALIFORNIA; 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. 01247

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF POINT ARNOLD/PORT VIEW PARK CONNECTOR, MHSP STATE 1, VISION 2000, OAKLAND, CALIFORNIA; EXTENDING DATE SET FOR RECEIVING BIDS THEREFORE; 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. 01248

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR FURNISHING LABOR, MATERIALS, AND EQUIPMENT FOR RECONDITIONING, REPAIRING AND RECONSTRUCTING PORT OF OAKLAND RAILROAD TRACKS AND CRANE RAILS FOR THE PERIOD COMMENCING JULY 1, 2001 AND ENDING JUNE 30, 2002, 2003 OR 2004, OAKLAND, CALIFORNIA; 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. 01249

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH CH2MHILL AND JOHN T. WARREN AND ASSOCIATES, INC., JOINTLY, 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. 01250

APPROVING ANNUAL OPERATING BUDGET AND AUTHORIZING THE EXPENDITURE OF CERTAIN MONEYS OF THE PORT OF OAKLAND FOR THE FISCAL YEAR 2001-2002.”

“RESOLUTION NO. 01251

AUTHORIZING AND APPROVING OPEN ACCOUNT AGREEMENTS WITH AM PM SERVICE, CRYSTAL DATA SYSTEMS, EAST BAY CONSERVATION CORPS, ELITE REPROGRAPHICS, EAST BAY BLUE PRINT, FORD GRAPHICS, GALLAGHER & BURK, MARKUS ACE HARDWARE, VS SUPPLIES, W.W. GRAINGER, WASTE MANAGEMENT, WEST/G&W AND XEROX FOR FY 2001-02 PURCHASE OF SELECTED EQUIPMENT, AND DISPENSING WITH COMPETITIVE BIDDING; AND 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. 01252

RATIFYING AND APPROVING ADDENDUM TO PLANS AND SPECIFICATIONS FOR PERFORMING EMERGENCY SPILL RESPONSE AND HANDLING HAZARDOUS AND CONTAMINATED MATERIALS AT PORT OF OAKLAND AVIATION AND MARITIME CONSTRUCTION SITES FOR THE PERIOD COMMENCING JULY 1, 2001 AND ENDING JUNE 30, 2002, 2003 OR 2004, OAKLAND, CALIFORNIA; AND AWARDED CONTRACT TO DILLARD TRUCKING, INC. dba DILLARD ENVIRONMENTAL SERVICES, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01253

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

“RESOLUTION NO. 01254

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

Port Ordinance No. 3641 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A SUPPLEMENTAL AGREEMENT TO LEASE WITH ROLLS-ROYCE ENGINE SERVICES-OAKLAND, INC.” and Port Ordinance

No. 3642 being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A LEASE WITH SIERRA ACADEMY OF AERONAUTICS, INC," and Port Ordinance No. 3643 being, "AN ORDINANCE AMENDING SECTION 9 OF PORT ORDINANCE NO. 3634 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT," and Port Ordinance No. 3644 being, "AN ORDINANCE AMENDING PORT ORDINANCE 2613 AS AMENDED, FIXING CERTAIN REVISED PARKING RATES IN THE PORT'S PUBLIC AUTOMOBILE PARKING FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT," were read a second time and passed by the following vote:

Ayers: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates, Tagami, Uribe and President Kramer – 1

Noes: None

Absent: None

Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO NONEXCLUSIVE PREFERENTIAL ASSIGNMENT AGREEMENT WITH INTERNATIONAL TRANSPORTATION SERVICE, INC," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING SECTIONS 2.01, 2.03 AND 2.05 AND ADDING SECTION 1.33996 TO PORT ORDINANCE NO. 867 RATIFYING AND FIXING THE COMPENSATION OF CERTAIN EMPLOYEES OF THE PORT DEPARTMENT," Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO CREATE A NEW POSITION

OF TRAFFIC REPRESENTATIVE II-CONTRACTS AND PRICING ANALYST,” were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates, Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

At the hour of 4:42 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, pursuant to subdivision (a) of Section 54956.9. Name of cases Shanti Vora v. Port of Oakland, et al., Alameda County Superior Court Case No. 787425-1, Kenneth Taylor v. Port of Oakland, et al., United States District Court Case No. CC00-0988 PJH (ADR), Port of Oakland v. GKO Messinger & Associates, Alameda County Superior Court Case No. 824540-7; conference with legal counsel – anticipated litigation, significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: 4 matters; conference with real property negotiator, (Government Code Section 54956.8) property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment, property – Selected Locations, Jack London Square, negotiating parties – Port of Oakland, Jack London Square Partners, under negotiation – price and terms of payment; and reconvened in open session at the hour of 5:46 p.m.

At the hour of 5:48 p.m. the meeting was adjourned on an motion duly made and seconded.



Secretary of the Board

for its current contract with MCA Net by an additional \$60,000.00 (from \$358,000.00 to \$418,000.00) to allow for implementation of the special community relations communications program related to the Runway 11/29 resurfacing program, including issues related to aircraft rerouting and increased truck traffic. The recommendations was approved on passage of an Resolution No. 01231.

First Reading of Ordinance Approving Lease Supplement with Rolls-Royce Engine Services – Oakland, Inc. Increasing Rent, Extending Lease Term, Expanding Premises for

New Building Construction, etc. was the subject of a memo to the Board from the Director of Aviation notifying the Board that Rolls-Royce Engine Services – Oakland, Inc. (Rolls), successor company to National Airmotive Inc. – a North Field tenant for thirty-five years, is the North Airport’s largest employer with over 420 people overhauling and repairing gas turbine engines for the aerospace and industrial market. Rolls ground leases 435,048 square feet on which are situated a 206,304 square feet main building complex, 133,488 square feet of parking and a 95,256 square feet engine test cell facility. Rolls has indicated a willingness to expand its premises by investing over \$6,250,000.00 in new building construction. The premises will be modified to reflect Roll’s relinquishment of space for the Port’s Earhart Road Realignment Project and to add land in anticipation of building construction known as Lot “A”. Rolls shall have the option to add approximately 141,000 square feet of unpaved land known as Lot “B”. Rolls’ lease term will be extended to 1/31/30 contingent upon Rolls completing construction of a warehouse/shop building on Lot “A” within fourteen months of the Term Commencement Date of the Lease Supplement. This building shall have a minimum cost of \$2,250,000.00, size of 45,000 square feet and cost per square foot of \$50.00. The lease term shall be extended further to 1/31/40 contingent upon Rolls

completing construction of a second warehouse/shop building on Lot "B" before February 1, 2006. This building shall have a minimum cost of \$4,000,000.00, size of 80,000 square feet and cost per square feet of \$50.00. The new rent will be as follows: from 11/1/00 through 1/31/30 - \$29,970.93 per month for the Main Building premises and \$6,906.06 per month for the Test Cell premises, which rents represent rates of \$0.075 per square foot per month. The Port shall have the right to charge rent based upon both the land and buildings for existing premises on 2/1/15 and for new buildings on 2/1/30. Rent also shall be subject to adjustment based upon the percentage change in the CPI from 2/1/00 as follows: for all premises except Lot "B" – on 2/1 of 2005, 2010, 2020 and every thirty months thereafter except in 2025; and for Lot "B" – on 2/1 of 2005, 2010, 2020 and every thirty months thereafter (except in 2025), 2030 and 2035. Those CPI adjustments occurring every five years shall be not less than 15% nor greater than 35% over such five year period; those CPI adjustments occurring every thirty months shall not be less than 8% nor greater than 17.5% over each such thirty month period. The Port shall have the right to adjust the rent (upward only) to reflect market conditions (three appraiser method in the event of disagreement between Rolls and the Port). The agreement will also contain provisions for Performance Deposit, Improvements, Maintenance, Utilities, Taxes and Assessments, Environmental Responsibilities, and other Standard Port Lease Provisions. The Board adopted a Mitigated Negative Declaration for the project on October 10, 2000. It was recommended that the Board approve the lease supplement for Rolls-Royce Engine Services. The recommendation was approved on passage of an ordinance to print.

First Reading of Ordinance Approving Lease with Sierra Academy of Aeronautics, Inc. for Fixed Base Operator Use, Including Secondary Fueling on Approx. 378,375 Square Feet of Hangar, Office, Ship/Storage, Apron parking and Unpaved Land in and Adjacent to

Buildings, North Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that Sierra Academy of Aeronautics, Inc. (Sierra), a North Airport tenant for over thirty-five years, occupies over a third of a million square feet of hangar, office, shop, storage, parking and apron space under several occupancy agreements of one year or shorter duration. Sierra uses the premises mainly to provide a wide range of aviation training services. Sierra graduates approximately 390 aircraft mechanics and 240 pilots each year. Sierra finds job placements for more than 86% of these graduates. Sierra pays the Port over \$862,000.00 annually in rent and flowage fees for “Self” fueling. Sierra has requested that it be allowed to compete in the selling of fuel on the North Airport as a “secondary fueler”. By agreement, secondary fuelers must limit their fueling activities to premises leased by the secondary fueler. To become so eligible, Sierra, among other requirements, would need to lease and operate a minimum of 37,000 square feet of hangar and 150,000 square feet of aircraft parking (apron) space under a lease requiring the payment of rent and other charges comparable to those required of other secondary fuelers. North Airport hangar space has been at virtual 100% occupancy for over four years. Port staff has determined that Sierra meets the above requirements under the terms of the proposed Lease. Presently, there is only one secondary fueler on the North Airport – KaiserAir. KaiserAir is also the North Airport’s only “primary” fueler (may travel directly to customer). For the twelve months ending February 2001, KaiserAir pumped more than 4,800,000 gallons of aviation fuel. Port staff believes that the presence of an additional secondary fueler could result in a reduction in the price of aviation fuel at the Oakland Airport and an increase in gallons pumped and fuel flowage fees paid to the Port. KaiserAir’s lease expressly provides that KaiserAir’s right to engage in secondary fueling is non-exclusive right that is subject to the Federal Grant Assurances. The

Federal Aviation Administration has concluded that the existence of an exclusive right to conduct any aeronautical activity (e.g. "sale of aviation petroleum products") at an airport "... limits the usefulness of the airport and deprives the using public of the benefits that flow from a competitive enterprise." Sierra has indicated a willingness to expand its premises and to invest over \$1,000,000.00 in improvements on terms that include the following: premises to cover over 378,375 square feet of hangar, office, shop/storage, apron, parking and unpaved land all located in and adjacent to Buildings L-105, L-118, L-130, L-142, L-150, L-156, L-158, L-810 and L-825; except for Sierra's non-flightline premises (i.e. L-105 and L-825) and Building L-130, the term of which shall be limited to three years, the Lease term shall be ten years contingent upon Sierra's investment of a minimum of \$1,000,000.00 in certain Port-approved improvements as indicated in "improvements". Sierra shall have one option to renew for an additional ten years, upon the investment of an additional \$500,000.00 in improvements as indicated in "improvements"; and use will be for maintenance and operation of a first-class fixed based aircraft facility and uses incidental thereto including aviation training and secondary fueling, approximately 185,839 square feet of Sierra's premises shall be "Restricted" use premises where Sierra shall be permitted to conduct only aviation training uses and uses reasonably related thereto, the remaining approximately 192,536 square feet of Sierra's premises which includes 150,000 square feet of apron plus 37,094 square feet of hangar space to comport with secondary fueler eligibility requirements shall be "Unrestricted" use premises where Sierra shall be permitted to conduct secondary fueling activities plus other FBO activities. The rent will be approximately \$55,589.42 per month plus fuel flowage fees determined as follows: \$0.15 per gallon or 19% of the gross margin, whichever is greater, Sierra shall also pay a percentage of gross receipts on terms

comparable with KaiserAir's Hangar 4/3-west lease, the \$55,589.42 monthly rent combines "restricted" and "unrestricted" use rates. To ensure comparability with KaiserAir's Hangar 4/3 west lease on September 1, 2001, selected rent rates shall be adjusted upward by the same percentage increase as the then increase in KaiserAir's Hangar 4/3 west monthly rental rate, rent also shall be subject to CPI adjustment based upon the percentage change in the CPI every thirty months from the term commencement date of the Lease with ceiling of 8% per annum, and at the end of every five years from the term commencement date of the Lease, the Port shall have the right to adjust the rent (upward only) to reflect market conditions (three appraiser method in the event of disagreement between Sierra and the Port). The proposed agreement also provides for performance deposit, improvements, maintenance, utilities, taxes and assessments, self- and secondary fueling, and other standard Port lease provisions. This project has been determined to be categorically exempt from requirements of the California Environmental Quality Act (CEQA) and the Port CEQA Guidelines, which exempts renewals, extensions or amendments to leases or license and concession agreements where the premises or licensed activity was previously leased or licensed to the same or another person and involving negligible or no expansion of use beyond that previously existing. It was recommended that the Board give first reading to an ordinance approving a lease with Sierra Academy of Aeronautics, Inc, which include the rights for secondary fueling.

During discussion the following individuals supported the recommendation and appeared before the Board: Mr. Skip Everett, representing Sierra Academy; Mr. James Gabbert, representing Next Century Aviation; Mr. Bill Kane, representing Regal Aviation; Mr. Ralph Hughes, representing Bay Area Corp.; and Ms. Sandra McNabb, Attorney, representing Sierra Academy.

Mr. Trevor Spensor, Mr. Ron Guerra, and Attorney, Ernest Reddick appeared on behalf of KaiserAir to speak in opposition to the agreement.

After discussion, which include a closed session, the recommendation was approved on passage of an ordinance to print.

Airport Parking Modification was the subject of a memo to Board from the Director of Aviation notifying the Board that the Airport is experiencing extraordinary growth as expected with an increase in flights and Airport public parking lots are filling to capacity much quicker during the morning. Airport Marketing is encouraging the traveling Public, through its media releases, to take alternate modes of transportation to Oakland Airport such as taxis, door-to-door shuttles, AirBart, AC transit or to make arrangements for family or friends to drop them off and pick them up at curbside instead of using their personal vehicles to park in the public parking lots at Oakland Airport. After a comprehensive review of the current rate structure for the Airport Public Parking Lots and in an effort to modify the behavior of the traveling public, staff recommends increasing parking rates in the hope that this parking rate increase will encourage the traveling public to take alternative transportation to the airport and anticipate the benefits of less traffic congestion at the Airport, increase revenue through increase AirBart ridership, decrease in automobile emissions, and passengers relieved from the frustration of finding parking. The increases effect long term parking and economy and overflow parking. The recommendation was approved on passage of an ordinance to print.

Approval of an Amendment to Port Ordinance 3634 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 approved a policy of linking rates and charges of certain North

Airport activities and properties to the previous calendar year's Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The San Francisco-Oakland area calendar year April 2000 to April 2001 CPI-W increase was 5.7%. Therefore, fees governing aircraft parking, assigned ramp spaces, T-hangars and office space in said T-hangars, Port-A-Ports and Tiedowns would be increased 5.7% effective July 1, 2001. The recommendation was approved on passage of an ordinance to print.

Ratification of Submittal of Pre-Application and Application to Federal Aviation Administration (FAA) was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport and Airway Improvement Act of 1982, and amended by the Airport and Airway Safety and Capacity Expansion Act of 1987. Under this program which is administered by the Federal Aviation Administration (FAA), grants are made to public agencies, and some cases, private owners or entities, for the planning and development of public-use airports. The FAA provides two funding sources to support the AIP: entitlement funds; and discretionary funds. Entitlement funds are allocated annually based on the number of enplaning passengers and air cargo traffic units per airport; and discretionary funds are made available above and beyond the entitlement funding levels for certain projects that the FAA regards as high priority in nature, principally involving improvements to airfield capacity and safety. The Port was recently notified by the FAA that approximately \$1.9 million in discretionary funds and \$6.1 million in entitlement funds were available to the Port under the AIP for federal fiscal year 2001. In order to ensure that a grant pre-application and application (application) can be processed prior to May 31, 2001, the grant application had to be submitted as soon as possible and therefore, an application for funding for two projects was submitted by Port staff to the FAA on April 27, 2001. The project includes:

Overlay of Runway 11-29 – the total estimated cost of the Overlay Runway 11-29 project is \$10,764,600.00, on September 19, 2000, the Port accepted the FAA Grant Offer of \$1,978,041.00 under AIP-24, which was the first portion of the multi-year grant, on the application the Port requested \$1,881,894.00 of the discretionary funds and \$4,815,256.00 in entitlement funds, for a total amount of \$6,697,150.00 for fiscal year 2001 to fund the rest of the Runway project; and Construction of Infield Roadway – the total estimated cost of the Construction of Infield Roadway project is \$14,000,000.00, on the application, the Port requested \$1,334,400.00 of entitlement funds for fiscal year 2001 and \$9,948,200.00 future discretionary funds to cover the remainder of the project. Overlay of Runway 11-29 has been determined to be categorically exempt from CEQA Guidelines pursuant to Section 15301 and construction of infield roadway has different environmental documents depending upon the location within the project area. Two environmental documents cover the portion of the project within the airside of Oakland International Airport: the U.S. Department of Transportation, Federal Aviation Administration approved a Finding of No Significant Impact and Record of Decision based on an Environmental Assessment for the Airport Development Program (ADP); and the Board previously approved an Environmental Impact Report for the ADP. It was recommended that the Board ratify the submittal of the pre-application and application to the Federal Aviation Administration for the projects. The recommendation was approved on passage of Resolution No. 01208.

Substitution of Glazing Subcontractor for Construction of Two New Gates in Terminal 1, Building M-103, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with J.H. Fitzmaurice, Inc., for the construction of two new gates in Terminal 1. Fitzmaurice has requested Board approval to substitute its listed

glazing subcontractor, Safeshields, Inc., dba MAZ Center, as they have failed to provide the necessary submittal of the insurance information required by the Port's OCIP Insurance Program. The statutory time within which the subcontractor may object has passed and the Port has received no reply from MAZ Center. Fitzmaurice will retain Glazing Systems as a consultant and perform the work themselves. The value of the subcontract work is \$8,942.00. The request was approved on passage of Resolution No. 01209.

Authorization to Include the Construction of Office Facilities at Terminal 1, Building M-103, South Field, OIA, in the Small Business Program was the subject of a memo to the Board from the Director of Engineering notifying the Board that there is an immediate need for additional office space in Terminal 1 to accommodate additional airline personnel hired by existing tenants as well as additional personnel from new airport tenants. To remedy this situation, the Port needs to construct new offices for the airlines as soon as possible. It is believed to be in the best interests of the Port to include this project in the Port's Small Business Program. To ensure that this work is completed in a timely manner, the bid documents and advertisement will be modified to encourage all contractors to pick up the Plans and Project Manual. If no responsive bids are received, all companies on record as having received the Plans and Project Manual will be invited to submit bids on a newly scheduled bid submission date. The provisions of the Port Maritime and Aviation Project Labor Agreement (MAPLA) apply for this work. however, if a qualifying small local contractor submits a proposal that is acceptable to the Port and said contractor is otherwise eligible for exemption from the MAPLA under the program established in the MAPLA's Appendix "G", it is the Port's intention to exercise the exemption and to award the contract under that program. It was recommended that the project be included in the Port's Small Business Program,

and that it is found to be in the best interests of the Port to dispense with formal competitive bidding procedures. The recommendation was approved on passage of Resolution No. 01210.

Recommended Approval of New License and Concession Agreement with Dockside Boat and Bed was the subject of a memo to the Board from the Director of Commercial Real Estate recommending approval of a new agreement to accommodate their office relocation from Water Street III building to an office trailer on vacant Port land (564 square feet) in the Potomac yard and a small 55 square foot interior office area in the new Harbormaster building for the purpose of meeting with prospective clients. Both the vacant land and interior areas would be reflected in the same License and Concession Agreement. The rent for the Potomac Yard Area will be \$338.40 per month/\$.60 per square foot; and for Harbormaster building will be \$110.00 per month/\$2.00 per square foot. The recommendation was approved on passage of Resolution No. 01211.

Approval to Renew License and Concession Agreement with the City of Oakland for Parcels Located at Oakport Street near 66th Avenue was the subject of a memo to the Board from the Director of Commercial Real Estate recommending approval of the agreement for two parcels of vacant land containing 74,041 square feet in the Business Park. The Port and City are currently in negotiation for the transfer of these parcels to the City of Oakland which accommodates the development of Zhone Technologies in the Oakland Business Park. In anticipation of the transfer of the property, no revenue was budgeted. The recommendation was approved on passage of Resolution No. 01212.

Recommendation to Approve Proposed Resolution Between Port and Hanjin Shipping Company of Issues Involving Substantial Completion of New Berths 55-56 was the

subject of a memo to the Board from the Director of Maritime notifying the Board that in October 1999, the Port and Hanjin Shipping Company, Ltd., (Hanjin) entered into a 15-year Non-Exclusive Preferential Assignment Agreement for the Vision 2000 marine terminal at Berths 55/56. Primary use for this Assignment Agreement shall be for Hanjin's global shipping line partners which includes Senator Lines GmbH (Senator), Cho Yang Shipping (Cho Yang) and China National Foreign Trade Transportation Group Corporation (Sinotrans). Hanjin also has controlling interest in Senator. The Phase 1 Premises includes +/- 88 acres of land area and +/- 7.15 acres of berthing area along with various improvements including four container cranes, a Maintenance & Repair Building (M&R) and the Marine Operations Building (MOB). An additional +/- 17 acres of land area will be added to the premises at completion of the Phase 2 developments and +/- 15 acres will be further added when the final Phase 3 work is completed. The terminal will ultimately comprise approximately 120 acres with two vessel berths and four post-Panamax cranes capable of an outreach of 22 containers which lift 115 feet over dock and have a capacity of 65 long tons. During the construction of the Berths 55-56 terminal, Hanjin has continued to operate at the Port's Nutter Terminal under a Terminal Use Agreement (TUA) dated May 3, 1994. Sinotrans is also defined as a user in the 1994 Hanjin TUA. Concurrently, Senator and Cho Yang also operate at Nutter Terminal under a separate TUA dated May 19, 1987 as amended. The Berths 55-56 Assignment Agreement provides that the term of the 1994 Hanjin TUA shall be deemed canceled and terminated as of the Term Commencement Date of the Hanjin Assignment for Berths 55-56. A parallel provision in the Senator-Cho Yang TUA stipulates that this TUA will also terminate on the Term Commencement Date of the Hanjin Assignment Agreement for Berths 55-56. The Berths 55-56 Assignment Agreement with Hanjin provides that the Term Commencement Date shall be the

first day of the calendar month immediately following the “Phase 1 Completion Date” of the improvements and Cranes to be provided to the Phase 1 Premises or an earlier Term Commencement Date mutually agreed upon in writing between the Port and Hanjin. Hanjin is not obligated to make compensation payments to the Port prior to the Term Commencement Date. Hanjin’s Assignment Agreement for Berths 55-56 also stipulates the “Phase 1 Completion Date” as the day on which the Port’s Chief Engineer notifies Hanjin in writing that the improvements to the Phase 1 Premises and the Cranes are “Substantially Complete”, or, in the event the Port’s Chief Engineer previously has given Hanjin a separate Crane Completion Notice, the date on which the Chief Engineer notifies Hanjin writing that the improvements to the Phase 1 Premises in addition to the Cranes are Substantially Complete. The most current substantial completion notices given to Hanjin by the Port’s Chief Engineer are as follows: April 17, 2001, notice that the Phase 1 improvements would be substantially complete by May 18, 2001; and April 18, 2001, notice that the Cranes are complete. Two issues have arisen regarding the Phase 1 improvements: the Substantial Completion of the Phase 1 Improvements; and the financial responsibility for providing and installing certain operation equipment in the M&R as well as the MOB Buildings. Hanjin’s expressed concerns have been that the Phase 1 Premises be completed to a level that they are adequate for Hanjin’s operations and do not create any serious health or safety problems. Port staff has determined the Phase 1 Premises as presently completed satisfy those concerns and are “Substantially complete” within the meaning of those terms as used in the Hanjin Berths 55/56 Agreement. The issue with the financial responsibility for providing and installing certain operating equipment in the M&R and MOB Buildings relates to automated reefer washing equipment, a 10-ton tractor hoist, three 3-ton vehicle hoists and three 7.5 ton bridge cranes, all

located in the M&R building, and a 25-ton Bridge Crane located in the MOB. Hanjin did not provide the Port with any specifications for this equipment. This understanding is reflected in the final plans and specifications for this equipment. Accordingly the improvements are to be constructed by the Port for the Phase 1 Premises would accommodate, but not include, the above listed equipment. This understanding is reflected in the final plans and specifications for the terminal that were approved by Hanjin in writing. It has been Hanjin's contention that the equipment for the M&R and the MOB Buildings should be paid for by the Port and that the new Berths 55-56 Terminal be tendered to Hanjin as "turn-key" operable. The Port's position with Hanjin has been consistent with our other new Port facilities, constructed by the Port, which is that the operating equipment for the M&R and MOB Buildings is to be funded and installed by the tenant, in this case Hanjin. The Port's primary goal at this point is to move forward with Hanjin in a mutually acceptable effort to commence container operations at Berths 55-56 as soon as reasonably possible, and not to prolong a dispute. Consequently, in cooperation with Hanjin the following proposed resolution was developed, and has been agreed to by the Port Executive Director and Hanjin, subject to the Board's approval under the proposed resolution. Hanjin will agree: 1) that the cranes were substantially complete April 18,2001, and the other Phase 1 improvements are substantially complete as of May 25, 2001, and, except for latent defects, the Port is not required to make, or to pay for, any improvement, work or equipment for the Phase 1 Premises except, as expressly specified in the May 16 letter confirming the resolution of issues; and 2) that the Term Commencement Date of the Agreement is June 8, 2001, at which time full compensation to be paid by Hanjin for the Phase 1 Premises will commence. In consideration for Hanjin's agreement to the above, the Port will: 1) purchase from Hanjin the reefer washing

equipment, including spare parts, which Hanjin is installing in the M&R Building, the purchase price of this equipment will be at actual cost, including cost of installation, not to exceed \$120,000.00; 2) purchase the 10-ton tractor hoist, 25-ton bridge crane and the three 75-ton bridge cranes being installed by Hanjin in the M&R Building and the MOB respectively, the purchase price of this equipment is its actual cost, including cost of installation, not to exceed \$195,000.00; 3) modify, at the Port's cost, the M&R Building to include a chain link fence partition, an additional door, exhaust fans and air and power in the gen-set room as well as modify the rollup door to a window in the parts room; 4) modify at the Port's cost the MOB to include additional electrical outlets, a louvered window and an exhaust fan as was recently requested by Hanjin; 5) complete various other work within the June 1 – June 30, 2001 time frame in the container yard, Administration, M&R Buildings and the MOB, Guardhouse, Marine Restrooms and Truckers Trouble Kiosk; and 6) extend the Nutter Terminal Hanjin and Senator/Cho Yang TUAs through the week commencing June 17, 2001 through June 24, 2001, but in no event will the extension go beyond June 24, 2001. The extension is intended to meet logistical requirements associated with Hanjin's transition plan for the new gate and yard operations at Berths 55-56 while operations are phasing out of the Nutter Terminal. In exchange for resolution of the Substantial Completion issue, which will assure through Hanjin's agreement that full compensation will commence by June 8, the Port would pay for (and take owners of) the listed equipment at a price not to exceed \$315,000.00. The value to the Port of the assurance that full compensation terms begin by June 8, and are not delayed to July, is at least \$822,631.00. It was recommended that the Board pass a resolution determining that the proposed: 1) resolution of issues in the May 16,2001, letter countersigned by Hanjin is in the best interests of the Port; 2) approving the terms of the May 16, 2001, letter, 3)

extension of the Hanjin and Senator/Cho Yang TUAs as outlined; and 4) authorizing staff to make all actions necessary to implement the resolution. After discussion the recommendation was approved on passage of Resolution No. 01213.

Ratification of Change Order to Contract for Closure of Landfill at the Former Lew

F. Galbraith Golf Course – Storm Drain Trenches was a memo to the Board from the Director of Engineering notifying the Board that on March 21, 2000, the Board approved entering into a contact with Harding ESE for closure of landfill at the Former Lew F. Galbraith Golf Course, Oakland, California. The work consists of moisture conditioning the dredged material previously placed on the site as part of the –42 foot deepening project, using the material to construct a clay cap over the existing landfill areas, and providing rough grading and drainage for the future golf course. The 170-acre site originally consisted of shallow mudflat and tidal marshland adjacent to San Francisco Bay. Municipal waste filling (primarily construction demolition debris) began as early as the 1930's and continued through the 1950's. In the mid 1960's, the site was converted into the Lew F. Galbraith Municipal Golf Course by leveling and allegedly covering the site with a two to five-foot thick layer of soil. The dredged material placed on the site continues to meet or exceed expectations with respect to its performance as a capping material (compaction and permeability). However, the underlying landfill posed significant, unanticipated problems. The two to five-foot thick layer of soil, placed over the old landfill, according to historical records, turned out to be much thinner than expected. The contractor was not able to use the fill layer and was forced to excavate into and install subsurface drainage within the former landfill itself. This, in turn, resulted in problems with unanticipated amounts of refuse and the underlying water, or leachate. Previously two significant change orders were issued for the installation of the cut-off

walls to control higher than anticipated groundwater levels in order to construct the low elevation ornamental lake and pond areas for the new golf course; and to provide for a leachate control treatment system via Baker Tanks and additional winterization, as advised by the Regional Water Quality Control Board to treat groundwater/leachate encountered during excavation work. As of May 2001, Harding ESE has completed placing and compacting 107,000 cubic yards of clay cap. In addition, HLA has also placed 128,000 square feet of geosynthetic liner and installed 2,400 lineal feet of storm drain pipe for the ornamental pond and basin areas associated with the replacement golf course. The project to cap the former landfill is 70% complete. During the installation of the storm drain system, it became apparent that the method of construction, as shown on the plans and described in the specifications, was not possible due to higher than anticipated groundwater/leachate levels and unconsolidated underlying refuse material. The combination of groundwater/leachate and the organic refuse material prevented achieving compaction requirements. The Port's Construction Quality Assurance Officer, in conjunction with Harding ESE, devised an alternate method of construction to meet those requirements shown on the plans and specifications. This method of construction was more expensive than the original method due to the extra effort required for over-excavating and compacting the clay layer prior to excavating the actual storm drain trench. The cost for the revised method of construction for the storm drain pipe, devised by Port staff and the contractor, together with the volume of additional refuse excavated and reburied was field verified by Port staff to be \$369,000.00. The total project cost for landfill closure is estimated to be \$12,048,000.00. It was recommended that the Board ratify the change order for the described work for a not-to-exceed total amount of \$369,000.00 for the

additional work necessary to construct the storm drain trenches. The recommendation was approved on passage of Resolution No. 01214.

Approval of Two Supplemental Professional Services Agreements for Additional Engineering Design Services and On-Site Inspection Work on Two Optional Cranes at Berth

26 the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port exercised its option to purchase two additional cranes for Berth 26. Associated with the crane contract 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 two additional cranes. The agreements are with Liftech Consultants, Inc. to provide structural and fabrication review, structural problems' resolution during construction, and testing of cranes during acceptance, with a proposed increase in the maximum compensation under the agreement by \$153,836.00 to a new total of \$614,036.00; and McKay International Engineers to provide mechanical system fabrication and installation technique review, mechanical problems' resolution during construction, on-site 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; and it is proposed to increase the maximum compensation under the agreement by \$440,000.00 to a new total of \$1,472,300.00. It was recommended that the supplemental agreements be approved. The recommendation were approved on passage of Resolution No. 01215 for Liftech and Resolution No. 01216 for McKay.

Modification to Compensation Provisions for Wharfage Through Supplemental Agreements of the Terminal Use Agreements with Hanjin Shipping, Yang Ming Line and

Senator Lines GmbH the subject of a memo to the Board from the Director of Maritime notifying

the Board that Yang Ming Line (YML) is a major Republic of China (Taiwan) flag carrier container shipping line that calls at the Ben E. Nutter Terminal under a Terminal Use Agreement (TUA). The initial term of the TUA was scheduled to expire April 30, 2001. However, on April 24, 2001 the Port's maritime staff recommended that the Board extend the YML Agreement through May 31, 2001 in order to facilitate negotiations. Subsequently, on May 8, 2001 the Board authorized a new 5 year TUA with YML. YML is in the midst of deploying new and larger vessels with a capacity of 5,500 twenty foot equivalent units (TEUs) that will call Oakland. Several of the new vessels are owned and operated by Yang Ming (UK) Ltd. which is a separate and different entity from Yang Ming Transport. In addition to the recommendation for approval of a new TUA for YML, the Board approved an agreement with YML entering into a container slot allocation and sailing contract with Hanjin Shipping (Hanjin) of Korea. Several years ago Hanjin bought controlling interest in Senator Lines GmbH (Senator). Senator also calls at the Nutter Terminal under a joint TUA with Cho Yang Shipping Company (Cho Yang). Hanjin, Senator and Cho Yang operate a global consortium known as the United Alliance. The recent Hanjin/YML vessel sailing arrangement naming Hanjin and YML as the parties to their agreement and allows each carrier to purchase 150 twenty foot equivalent units (TEUs) of space on the other party's vessels in the trade between the U.S. Pacific Coast and Asia but it was unclear as to whether other United Alliance partner vessels would be included in the new vessel sharing arrangement. The YML TUA that was extended through May 31, 2001 provides "cargo controls" with the guiding principle that the Port remain financially whole YML cargo activity from Hanjin vessels at the Nutter Terminal are subject to the same wharfage compensation terms and economic benefits received by the YML TUA at Nutter Terminal; and Hanjin cargo activity from YML vessels at Nutter Terminal are

subject to the same wharfage compensation terms and benefits received by the Hanjin TUA at the Nutter Terminal. At the time the recommendation was approved by the Board, staff was only aware of Hanjin designated vessels participating in the Hanjin/YML container slot allocation and sailing contract. However, YML's North American headquarters in New Jersey now advises that their intent all along was for Senator vessels to be a party in the Hanjin/YML container slot allocation and sailing agreement. YML's New Jersey headquarters has also submitted copies of joint Hanjin/YML operating documentation delineating procedures for the Hanjin/YML vessel sailing arrangement with a service structure listing that includes Senator vessels. It is therefore necessary to also amend the Senator – Cho Yang TUA along with the amendments previously authorized to the Hanjin TUA and the YML TUA that was extended through May 31, 2001 so that “cargo controls”, with the guiding principle that the Port remains financially whole, as follows: YML cargo activity from Senator vessels at the Nutter Terminal are subject to the same wharfage compensation terms and economic benefits received by YML under the YML TUA at Nutter Terminal; and Senator cargo activity from YML vessels at Nutter Terminal are subject to the same wharfage compensation terms and benefits received under the Senator TUA at the Nutter Terminal. Once Hanjin and Senator transfer to Berths 55-56 none of the “cargo controls” remain in effect. It was recommended that the Board approve the proposed modifications to the Senator-Cho Yang Terminal Use Agreement and such other provisions deemed appropriate by the Executive Director which are Port revenue neutral; and, naming both Yang Ming Marine Transport Marine Corporation and Yang Ming (UK) Ltd., as contract parties to the TUA modification previously authorized on May 8, 2001 to the extended Yang Ming TUA which will expire May 31, 2001. The recommendation was approved on passage of Resolution No. 01217.

Approval of Change Order to Contract for Furnishing and Delivering High Mast Light Poles and Fixtures for Vision 2000 Program-Add Equipment for Berth 59 Yard was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with WESCO Distributors, Inc. for furnishing and delivering high mast light poles and fixtures for Vision 2000 Program, at a lump sum and unit prices totaling \$1,050,382.00. The work consists of furnishing 85 100-foot high mast light poles and fixtures, electrically operated lowering equipment, and manufacturer supervision for installation and testing of lighting systems in Berths 55/56 and 57/58 container yards. The contract, as awarded, was intended to furnish lighting materials and equipment for Berths 55/56 and 57/58 container yards. The Board approved a lease of the terminal to SSA Terminals that expanded Berths 57/58 Yard to include the area designated for Container Yard 59. This yard expansion requires additional light poles and fixtures not included in the original Berths 57/58 Yard design and lighting contract. The additional lighting materials required for Berths 57-59 Container Yard includes eight 100-foot poles and fixtures estimated to cost \$155,000.00. During the time in which the Port was storing the light poles and fixtures for the Berth 57/58 project, an adjacent project to improve yard lighting at Berth 23 was authorized. That project was being done on a very short schedule and was being done as a part of the Port's Small Business Program. It was decided to eliminate the purchase of 36 fixtures from that contract and provide them from the on-hand materials from the Berth 57/58 project. It was recommended that the Board approve a change order for an approximate amount of \$236,840.00 to WESCO Distributors, Inc. for the additional light poles and equipment. The recommendation was approved on passage of Resolution No. 01218.

Approval of Change Order to Contract for Construction of Container Yard, Phase 1B at Berths 55/56, Inner Harbor Channel – Intermodal Gate was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with O.C. Jones & Sons, Inc. for the construction of container yard Phase 1B at Berths 55/56, at a lump sum and unit prices totaling \$20,782,063.00. The work consists of construction of approximately 71 acres of container yard, including furnishing and installing asphaltic and interlocking paving stone pavement; furnishing and installing lighting, fire protection, potable water, gas and electrical systems; furnishing and installing storm and sanitary sewer systems; and providing and installing signing and striping. Following the award of this contract, the terminal tenant (Hanjin) requested changes to the layout of the yard. The changes included: extending the interlocking stone pavement to allow heavy equipment access to a greater percent of the terminal for approximately \$800,000.00; and moving the refrigerated container sacking area and substation and other miscellaneous work for approximately \$250,000.00. The changes also included adding an intermodal gate between the terminal and the adjacent Joint Intermodal Terminal (JIT) for approximately \$200,000.00. The proposed cost for the work is now \$310,000.00; and it was recommended that the Board approve a change order for an amount of \$110,000.00 to O.C. Jones & Sons, Inc. for the work. The recommendation was approved on passage of Resolution No. 01219.

Authorization for Open Market Procurement of Piles was the subject of a memo to the Board from the Chief Financial Officer notifying the Board of the recent inspection of the existing fender pile system and the need to purchase 200 pieces of 70' Douglas fir piles to replace the broken ones. In order to expedite this procurement, informal quotations were solicited from six

suppliers. It was recommended that the Board find and determine that it is in the best interest of the Port to suspend formal bidding and authorize the purchase of 200 pieces of 70' Douglas fir piles to the lowest quote from Vorhees Wood & Manufactured Products, for a total cost of \$136,784.00, including sales tax and freight. The recommendation was approved on passage of Resolution No. 01220.

Personnel Items contained in a memo to the Board from the Director of Administration recommended the termination of Larry Montoya, Semiskilled Laborer, for cause, effective the close of workday, June 6, 2001; termination of Sergio Ortega, Airport Operations Specialist, for cause, effective the close of workday, June 6, 2001; and termination of Eddie Ford, Custodian, for cause, effective the close of workday, June 6, 2001.

Mr. Al Loera, representing SEIU Local 790, appeared before the Board to contest the termination of Larry Montoya as the documentation in the case was incorrect.

After review the Board approved the terminations on passage of Resolution No. 01221.

Authorization to Execute an Agreement with Kathleen Baca (Newsmaker Media) to Provide Communications Consulting Services was the subject of a memo to the Board from the Director of Administration recommending approval to enter into an agreement with Kathleen Baca of Newsmaker Media to provide the consulting services specified. Ms. Beca will be reviewing and evaluating all promotional materials regarding aviation, maritime and commercial real estate to ensure that the goals of the various entities are incorporated into an overall communication plan; meeting with marketing and public information officers of aviation, maritime and commercial real estate to identify and incorporate their goals and objectives into the document; evaluating current communication vehicles and tools and recommending methods and activities by which Portwide

goals can be integrated to reflect all three of the Port's business lines; recommendation of additional venues and activities to promote the Port; and develop a system of metrics to measure effectiveness of the plan. The recommendation was approved on passage of Resolution No. 01222.

Approval to Enter into a First Supplemental Agreement with The Gualco Group for State Legislation Advocacy Services was the subject of a memo to the Board from the Director of Communications recommending approval to renew the contract with the Gualco Group for legislative advocacy and lobbying services performed at the State level. The annual retention is in the amount of \$75,000.00 and runs through February 28, 2002. The recommendation was approved on passage of Resolution No. 01223.

Approval to Enter into an Agreement for Additional Administrative/Regulatory Advocacy Services was the subject of a memo to the Board from the Director of Communications recommending approval to enter into an agreement with an appropriate Sacramento advocacy firm to provide Administration and Regulatory Agency lobbying assistance. The amount requested for the Administration/Regulatory Advocacy Services is \$40,000.00, with an additional \$10,000.00 to be available for unforeseen and exceptional circumstances. The term of the agreement will be from June, 2001 through May, 2002. The recommendation was approved on passage of Resolution No. 01224.

Ratify Renewal of the Port's Insurance Program Including Automobile Liability, Automobile Physical Damage, Public Officials Errors and Omissions, Port Liability CAPA Umbrella Excess Liability Policy, Crane Physical Damage, Contractors Equipment, Computer and Loss of Access Policies was the subject of a memo to the Board from the Chief Financial Officer recommending approval of the renewal of the Port of Oakland's Insurance

Program as of May 20, 2001. The policies are as follows: Automobile Liability with Genesis, Limit - \$1,000,000.00, Premium - \$89,507.00; Automobile Physical Damage, with Genesis, Annual Premium - \$29,841.00; Port Liability, with MOAC, Limit - \$1,000,000.00, Premium - \$102,500.00; Public Officials Errors & Omissions, with Coregis, Limit - \$1,000,000.00, Premium - \$25,257.00; Excess Public Officials Errors & Omissions, with AIG, Limit - \$19,000,000.00, Premium - \$150,000.00; CAPA, Umbrella Excess Liability, with U.S. & London, Limit - \$150,000,000.00, Premium - \$150,000.00; Airport Liability, with AAU, Limit - \$200,000,000.00, Premium - \$194,402.00; Cranes, with U.S. & London, Limit - \$100,000,000.00, Premium - \$1,587,000.00; Computers, with Hartford, Limit - \$3,100,000.00, Premium - \$15,403.00; Loss of Access, with Lloyds, Limit - \$3,000,000.00, Premium - \$26,651.00; and Contractors Equipment, with MOAC, Limit - \$7,673,760.00, Premium - \$16,500.00. The recommendation was approved on passage of Resolution No. 01225.

Approval to Hire Consultant to Develop and Assess Options for Ownership, Management and Operation of Electric Utility Systems for the Port of Oakland and to Evaluate Proposals Received from Private Developers for Power Generation on Port Land

was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Engineering staff issued a Request for Proposals (RFP) for a consultant to develop and assess options for ownership, management and operation of electric utility systems at the Airport and Harbor facilities. Six firms submitted proposals and were interviewed for this work by staff. In the interviews, each consultant was also asked to present its qualifications to evaluate specific proposals the Port expects to receive from third-party developers proposing to build electric generation on Port land. It was recommended that the Board authorize staff to enter into a contract

not to exceed \$115,000.00 with R.W. Beck, Inc. to develop and assess options for ownership, management and operation of electric utility systems for the Port, to present its study results to the Board by November, 2001 and to evaluate proposals received from third-party developers proposing to build electric generation facilities on Port land. In addition, it was requested that the Executive Director be authorized to approve up to \$30,000.00 for contingencies as necessary in response to the volatility of the electricity market. The recommendation was approved on passage of Resolution No. 01226.

Personnel Items contained in a memo to the Board from the Director of Administration recommended that the Board approve a CPI based COLA to salary schedules for employees represented by SEIU Local 790 (Units A & B) and in agreement with Administrative Policy 421 for employees in Representation Units D & E in the amount of 5% effective June 23, 2001. The recommendation was approved on passage of an ordinance to print.

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

Ayes: Commissioners Kiang, Protopappas, Tagami, Uribe
and President Kramer - 5

Noes: None

Absent: Commissioners Ayers-Johnson and Scates - 2

“RESOLUTION NO. 01208

RATIFYING AND APPROVING SUBMITTAL OF PRE-APPLICATION
AND APPLICATION TO FEDERAL AVIATION ADMINISTRATION
UNDER THE AIRPORT IMPROVEMENT PROGRAM.”

“RESOLUTION NO. 01209

APPROVING SUBSTITUTION OF GLAZING SUBCONTRACTOR FOR CONSTRUCTION OF TWO NEW GATES IN TERMINAL 2, BUILDING M-103, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01210

GRANTING AUTHORIZATION TO INCLUDE CONSTRUCTION OF OFFICE FACILITIES AT TERMINAL 1, BUILDING M-103, 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. 01211

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH DOCKSIDE BOAT AND BED.”

“RESOLUTION NO. 01212

APPROVING AND AUTHORIZING THE RENEWAL OF LICENSE AND CONCESSION AGREEMENT WITH THE CITY OF OAKLAND.”

“RESOLUTION NO. 01213

DETERMINING THAT IT IS IN THE BEST INTERESTS OF THE PORT TO APPROVE THE PROPOSED RESOLUTION OF ISSUES BETWEEN THE PORT AND HANJIN SHIPPING COMPANY, LTD. REGARDING SUBSTANTIAL COMPLETION OF NEW BERTHS 55-56 AND APPROVING AND AUTHORIZING AMENDMENTS TO TERMINAL USE AGREEMENTS WITH HANJIN SHIPPING COMPANY, LTD., DSR-SENATOR LINES GmbH AND CHO YANG SHIPPING COMPANY, LTD.”

“RESOLUTION NO. 01214

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH HARDING LAWSON ASSOCIATES, FOR CLOSURE OF LANDFILL AT THE FORMER LEW F. GALBRAITH GOLF COURSE, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01215

FINDING AND DETERMINING THAT A PROPOSED SECOND 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. 01216

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. 01217

APPROVING AND AUTHORIZING EXECUTION OF AMENDMENTS TO TERMINAL USE AGREEMENTS WITH HANJIN SHIPPING COMPANY, LTD., YANG MING MARINE TRANSPORT CORPORATION, AND DSR-SENATOR LINES GmbH AND CHO YANG SHIPPING COMPANY, LTD.”

“RESOLUTION NO. 01218

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH WESCO DISTRIBUTORS, INC., FOR FURNISHING AND DELIVERING HIGH MAST LIGHT POLES AND FIXTURES FOR VISION 2000 PROGRAM, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01219

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH O.C. JONES & SONS, INC., FOR CONSTRUCTION OF CONTAINER YARD PHASE 1B AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01220

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE 200 PIECES OF 70’ DOUGLAS FIR PILES, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 01221

TERMINATING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 01222

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

“RESOLUTION NO. 01223

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH THE GUALCO GROUP 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. 01224

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

“RESOLUTION NO. 01225

APPROVING AND RATIFYING RENEWAL OF PORT’S INSURANCE PROGRAM INCLUDING, COVERAGE FOR AUTOMOBILE LIABILITY, AUTOMOBILE PHYSICAL DAMAGE, PORT LIABILITY, PUBLIC OFFICIALS ERRORS AND OMISSIONS, EXCESS PUBLIC OFFICIALS ERRORS AND OMISSION, CAPA UMBRELLA EXCESS LIABILITY, AIRPORT LIABILITY, CRANES, AND CONTRACTORS EQUIPMENT; COMPUTER AND LOSS OF ACCESS LIABILITY POLICIES.”

“RESOLUTION NO. 01226

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH R.W. BECK, 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. 01227

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

“RESOLUTION NO. 01228

GRANTING CONTINENTAL AIRLINES, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01229

CONCERNING EZBH ENVIRONMENTAL ISSUES, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01230

CONCERNING ENVIRONMENTAL ISSUES IN THE VICINITY OF BERTH 25, OAKLAND, CALIFORNIA.”

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

Ayes: Commissioners Kiang, Tagami, Uribe
and President Kramer - 4

Noes: None

Abstained: Commissioner Protopappas - 1

Absent: Commissioners Ayers-Johnson and Scates - 2

“RESOLUTION NO. 01231

FINDING AND DETERMINING THAT A PROPOSED THIRD SUPPLEMENTAL AGREEMENT WITH MCA NET, 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. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A SUPPLEMENTAL AGREEMENT TO LEASE WITH ROLLS-ROYCE ENGINE SERVICES-OAKLAND, INC,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A LEASE WITH SIERRA ACADEMY OF AERONAUTICS, INC.,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 9 OF PORT ORDINANCE NO. 3634 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE 2613 AS AMENDED, FIXING CERTAIN REVISED PARKING RATES IN THE PORT’S PUBLIC AUTOMOBILE PARKING FACILITIES AT

METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” were read a first time and passed to print by the following vote:

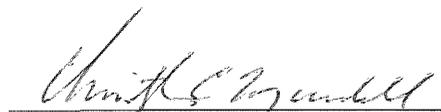
Ayes: Commissioners Kiang, Protopappas, Tagami, Uribe
and President Kramer - 5

Noes: None

Absent: Commissioners Ayers-Johnson and Scates - 2

At the hour of 5:56 p.m., the Board entered into closed session pertaining to conference with legal counsel – existing litigation, pursuant to subdivision (a) of Section 54956.9. Name of case: Luian v. G & G Fire Sprinkers, U.S. Supreme Court Case No. 00-152; conference with legal counsel – anticipated litigation, significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: 3 matters; conference with real property negotiator, (Government Code Section 54956.8) property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment, property – Berths 55-56, Middle Harbor Terminal, Oakland, California, negotiating parties – Port of Oakland and Hanjin Shipping Co., under negotiation – price and terms of payment; and reconvened in open session at the hour of 6:25 p.m.

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



Secretary of the Board

provide passenger, baggage and ground handling services. The rent is \$250.00 per month or 10% of gross revenues, whichever is greater. During the period of July 1, 2000 through January 31, 2001, the Port received an average of \$6,520.00 per month as a percentage of gross revenues. The new agreement would authorize continued access commencing April 1, 2001 and ending December 31, 2001. The monthly rent would remain \$250.00 or 10% of gross revenues, whichever is greater. The recommendations was approved on passage of an Resolution No. 01198.

Approval of Fourth Supplemental Agreement with City of Alameda for the Operation of Ferry Services and to Approve Fare Increases and Subsidy for the Operation of the

Alameda/Oakland Ferry was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that subsequent to the October 1989 earthquake, the Port entered into an agreement with the City of Alameda for the joint funding and operation of ferry service from the Oakland Estuary to San Francisco. This service has been named the Alameda/Oakland Ferry Service. Periodically the Port and the City of Alameda, as required by the terms of this agreement, must enter into renewal agreements. The recommended Fourth Supplemental Agreement covers the periods from the last amendment (or Third Supplemental) up through 2002. Under the terms of the agreement the majority of subsidy funded is obtained through the Metropolitan Transportation Commission (MTC) and other outside sources and through local matching funds from the Port and the City of Alameda. The agreement provides that both the City of Alameda and the Port of Oakland share equally in the local match for these funds. The City of Alameda has continued to be the lead agency for the purposes of entering into agreements with the operator and securing subsidy funding from MTC and other sources. Under the terms of the agreement the Port and the City of Alameda each have funded the subsidy amounts for the direct

ferry operations in the amount of approximately \$60,000.00.00 per year for the last five years. Additionally, the Port funds approximately \$38,000 per year to support the marketing and contract management efforts for the ferry. Each year the Port and the City of Alameda negotiate with the service provider (currently Blue and Gold Fleet) for the schedule of service, the passenger fare to be charged, the amount of subsidy and service levels for the following year. For the next fiscal year (2001-2002) a one-time subsidy increase of \$50,000.00 from each agency is required. This is necessary to properly fund the increased operating cost for the ferry under the current operational schedule; coupled with a proposal to raise fares. Following Fiscal Year 01/01 additional subsidy for the ferry (part of the Alameda County Measure B program approved by the voters) will be allocated to the ferry as matching monies. This additional source of funds will allow both the City of Alameda and the Port to reduce their share of the operating subsidy back to the former levels of approximately \$60,000.00 each per year. Under the terms proposed and negotiated with the Ferry Operator, the operator will provide the following service levels; weekday, the existing 15-departure schedule will be retained, in addition, direct PacBell Ballpark service will be operating on weekday evenings and on weekends; weekend, seasonal variations with the maximum service during the summer and fall of 9 round trips; and in addition, the service also provides connections to Pier 39 and to Angel Island via transfer at Pier 39, in calendar year 2002, there will again be direct Angel Island service from Oakland and Alameda as there has been for the past four years. In order to avoid a reduction of service and in addition to the required increase in the subsidy, a fare increase of \$0.25 will be required for all ticket categories, effective July 1, 2001. The Public Utilities Commission will need to approve the fare increase or the operator can add a fuel surcharge of \$0.25 in lieu of PUC approval. The annual subsidy for the Alameda/Oakland Ferry service for the fiscal

year beginning July 1, 2001 will be \$621,000.00. Of this amount \$255,720.00 will be allocated to the Blue and Gold Fleet on the basis of performance measurements. The Port will fund its half of the \$220,000.00 increased local match for the service and its half of the \$75,000.00 for the marketing and operational oversight. The patronage for the service for calendar year 2000 was 546,000 one-way boarding passengers, up 12% from 1999. A new vessel funded with State funds and 10% matching subsidy from the Port and the City of Alameda will be available in the fall of 2001 to assist in serving the growth of this enterprise. It was recommended that the Board approve the renewal agreement with the City of Alameda through 2002 enabling the Port and the City to fund and operate the ferry through joint actions of their respective legislative bodies; approve a fare increase of \$0.25 per ticket sold effective July 1, 2001; and approve a subsidy for FY 2001-02 for the ferry operation of \$110,000.00 and for the marketing, contract management and operational oversight funding of \$38,000.00. The recommendation was approved on passage of Resolution No. 01199.

Authorization for Executive Director to Act on Behalf of the Port as General Partner in Oakland Portside Associates; Make Certain Findings and Determinations and Ratify

Actions Previously Taken was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that on March 17, 1997, the Board approved a resolution authorizing the Executive Director to act on behalf of the Port, as general partner in OPA, to take such actions and enter into agreements without further actions of the Board, which are consistent with the OPA partnership agreement. The cumulative obligation the Port and OPA could expend was \$3,500,000.00. The Board found and determined that it is necessary to enter into additional agreements and contracts between OPA or the Port for certain legal, management,

brokerage, accounting, engineering and similar services for the OPA premises. The annual operating expense budget for OPA is approximately \$3,000,000.00 for FY 2000/2001. The budget includes the advertising and promotion budget for Jack London Square, but does not include non-escalatable expenses like Port loan reimbursement and depreciation. The \$3,500,000.00 limit has been exceeded since the approval of the March 17, 1997 resolution. The necessity for specialized legal, management, brokerage, accounting, engineering and similar services, continues as the OPA operations continue in Jack London Square. It was recommended that the Board make a finding and determination authorizing the Executive Director to act on behalf of the Port as general partner in Oakland Portside Associates and to take such actions and enter into agreements without further actions of the Board, which are consistent with the OPA partnership agreement. The cumulative expenditures the Port and OPA would not exceed \$3,500,000.00. The recommendation was approved on passage of Resolution No. 01200.

Adjustment to Compensation Terms with International Transportation Service (ITS)
Pertaining to Completed Improvements and Additional 5 Acre Expansion to the Assigned Premises at Berth 25/26 was the subject of a memo to Board from the Director of Maritime notifying the Board that International Transportation Service (ITS) is a wholly owned subsidiary of “K” Line and has a Non-exclusive Preferential Assignment Agreement with the Port for Outer Harbor Berths 25/26. The Minimum Annual Guarantee/Breakpoint (MAG/BP) for wharfage, wharf storage and demurrage for the term after June 30, 1999 is 65,000 loaded twenty foot equivalent units (TEUs). In accordance with the Agreement, ITS has been paying the Port \$71.23 per loaded TEU to the MAG/BP level of 65,000 loaded TEUs. All loaded TEUs beyond 65,000 are assessed \$25.75 per loaded TEU. At the time the expansion was planned the projected cost of the

terminal improvements was estimated at \$10,623,770.00. The Agreement with ITS provides that the MAG/BP level of 65,000 loaded TEUs is to be reduced by 200 TEUs for each \$100,000.00 of costs lower than \$10,623,770.00 incurred by the Port. The Port's maritime staff has also been negotiating with ITS to expand the terminal with an additional 5 acre parcel that will become available due to the realignment of 7th Street. Based upon the reconciliation of construction costs with ITS staff and the methodology in the Agreement for adjusting the MAG/BP level, the proposal is for the MAG/BP after June 30, 1999 to be reset to 61,162 loaded TEUs. The 3,838 loaded TEU reduction from 65,000 to 61,162 equates to construction costs that are \$1,919,000.00 lower than the initial project of \$10,623,770.00 and reflect a cost of \$8,704,770.00. The Port also wants to recognize that there were delays caused by our own slowdown in design and engineering which further impacted operations at Berth 25/26 during construction. For this reason, we proposed a one time reduction of 521 loaded TEUs to the revised MAG/BP. Therefore, the revised MAG/BP level for the contract year relating to July 1, 1999 through June 30, 2000 shall equate to 60,641 loaded TEUs. Port staff also intends to reconcile for any money which may be owned ITS due to their paying the \$71.23 rate to the 65,000 loaded TEU level. The estimated construction cost to the Port for the 5 acre additional area is approximately \$1.8 million. Maritime staff initially negotiated compensation for the new expansion area on the basis that it could be fully and efficiently utilized and operated upon. However, further review between the Port and ITS indicated the additional area will provide limited stacking utilization due to the inherent constraints from the proximity of the subsurface tube that accommodates the Bay Area Rapid Transit (BART). Consequently, it is proposed that the additional area be added by increasing the MAG/BP for wharfage, demurrage and storage by 5,945 loaded TEUs. Upon completion of the work, this will bring the new MAG/BP to

67,107 (61,162 + 5,945) loaded TEUs. In accordance with the Agreement, the new MAG/BP shall be further increased by the percentage increase in the average per square foot fair market value of the land within the premises for the extended terms under both the first and second option periods. During the conclusion of the negotiations for the new 5 acre area, ITS also requested 10 pedestals to accommodate 20 reefer plugs in the new 5 acre parcel. Based upon the Agreement's methodology for adjusting the MAG/BP by 200 TEUs for each \$10,000.00 of cost, the MAG/BP will increase another 240 loaded TEUs so that upon completion of all work it will equate to 67,347 loaded TEUs (61,162 + 5,945 + 240). It was recommended that the Board approve the Supplemental Agreement with International Transportation Service. The recommendation was approved on passage of Resolution No. 01201.

Plans and Project Manual for Construction of Berths 55/56 Container Yard, Phase 1, Vision 2000 was the subject of a memo to the Board from the Director of Engineering recommending the approval and authority to advertise for bids for the construction of approximately 20 acres of marine shipping container yard, including all paving, lighting, fire protection system, potable water system, electrical distribution system telecommunications, and storm sewer systems within the site of the former Navy Fleet Industrial Supply Center, Oakland. It was noted that with a project of this magnitude and complexity, the issuance of addenda by staff may be required during the bidding period. All addenda will be presented to the Board for ratification when the construction contract is awarded. The Board previously certified the Berths 55-58 Project EIR, approved the project, and adopted the recommended mitigation measures together with all feasible air quality mitigation measures. The recommendation was approved on passage of Resolution No. 01202.

Ratify Addenda and Award of Contract for Realignment of Middle Harbor Road, Adeline Street Overcrossing to West of K Street, Vision 2000, Oakland California was the subject of a memo to the Board from the Director of Engineering notifying the Board of the four bids received and recommending award of the contract to O.C. Jones & Sons, Inc, the low bidder, at \$4,397,153.50. Addenda 1 and 2 were issued by the Chief Engineer to extend the bid opening to April 25, 2001; revise estimated bid quantities; and issue other minor changes to the project plans and project manual. The changes to the physical work of the Contract were not substantial. The recommendation was approved on passage of Resolution No. 01203.

Approval of First Supplemental Agreement with Consultant Teams to Provide As-Needed Environmental Planning 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. As an agency responsible for a wide range of activities, the Port often needs to prepare environmental documentation and secure permits. The Port's Environmental Planning Department provides broad environmental planning services for the Port's capital program and operations. Additional environmental planning consulting services are often required to supplement these activities. Since May 1998, such professional services have been facilitated by having "as-needed" contracts with the following three prime consultants so that assistance would be immediately available when required: j. borchard & associates; Lamphier & Associates; and URS Corporation. The Board approved the execution of professional services contracts for three years each with all three consultant teams, compensating them at agreed billing rates on a time-and-materials basis for a total amount not to exceed \$900,000.00 per firm. The contracts, as executed, included a provision for their extension for an additional three years, subject to Board approval. To

date, a total of 53 Technical Service Orders (TSOs), for a total of approximately \$2.65 million, have been authorized under the “as needed” services contracts. The staff is requesting an extension of the terms of these contracts until the currently authorized TSOs are complete, up to a maximum of three years. It was recommended that the Board authorize the preparation and execution of separate supplemental agreements with g. borchard & associates, Lamphier & Associates, and URS Corporation to extend the term of each contract until the currently authorized TSOs are complete, up to a maximum of three years. The recommendation was approved on passage of Resolution No. 01204 for g. borchard & associates; Resolution No. 01205 for Lamphier & Associates; and Resolution No. 01206 for URS Corporation.

Travel Authorization was the subject of a memo to the Board from the Secretary of the Board recommended approval of the travel of George Turner, Marketing Manager, to Hong Kong, Guangzhou, and other cities in China, on or about the period June 1 – 15, 2001, to meet with Chinese carriers concerning opportunities for both future passenger and cargo service between China and Oakland International Airport. Also recommended the travel of Terry Smalley, Supervising Electrical Mechanical Engineer, to Shanghai, China, on or about the period May 20 – June 8, 2001, to review design issues and new crane contract terms, and to inspect progress on the current crane construction at ZPMC. The recommendation was approved on passage of Resolution No. 01207.

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

Ayes: Commissioners Ayers-Johnson, Protopappas, Tagami,
Uribe and President Kramer - 5

Noes: None

Absent: Commissioners Kiang and Scates - 2

“RESOLUTION NO. 01198

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH GAT AIRLINE GROUND SUPPORT, INC.”

“RESOLUTION NO. 01199

APPROVING AND AUTHORIZING EXECUTION OF AMENDED AGREEMENT WITH THE CITY OF ALAMEDA FOR CONTINUED OPERATION OF FERRY SERVICE BETWEEN JACK LONDON SQUARE, THE CITY OF ALAMEDA AND SAN FRANCISCO, AND CONCURRING WITH NEW FARES FOR FERRY SERVICE.”

“RESOLUTION NO. 01200

MAKING CERTAIN FINDINGS AND DETERMINATIONS; AUTHORIZING THE PORT’S EXECUTIVE DIRECTOR TO ACT ON BEHALF OF THE PORT AS GENERAL PARTNER IN OAKLAND PORTSIDE ASSOCIATES; AND RATIFYING ACTIONS PREVIOUSLY TAKEN.”

“RESOLUTION NO. 01201

APPROVING AND AUTHORIZING EXECUTION OF A SUPPLEMENTAL AGREEMENT WITH INTERNATIONAL TRANSPORTATION SERVICE, INC.”

“RESOLUTION NO. 01202

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF BERTHS 55/56 CONTAINER YARD, PHASE 2, VISION 2000, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01203

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR REALIGNMENT OF MIDDLE HARBOR ROAD, ADELINE STREET OVERCROSSING TO WEST OF K STREET, VISION 2000, OAKLAND, CALIFORNIA, EXTENDING DATE SET FOR RECEIVING BIDS THEREFOR; AND AWARDING 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. 01204

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH G. BORCHARD & 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. 01205

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH LAMPHIER & 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. 01206

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH URS CORPORATION 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. 01207

CONCERNING CERTAIN TRAVEL.”

Port Ordinance No. 3639 being, “AN ORDINANCE AUTHORIZING AND APPROVING THE EXECUTION OF TERMINAL USE AGREEMENT WITH YANG

MING MARINE TRANSPORT CORPORATION,” and Port Ordinance No. 3640 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, AMENDING SECTIONS 2.05, 8.144, 10.013 AND CREATING NEW POSITIONS,” were read a second time and passed by the following vote:

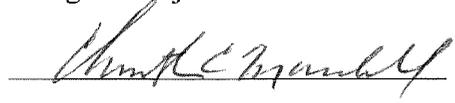
Ayes: Commissioners Ayers-Johnson, Protopappas, Tagami,
Uribe and President Kramer - 5

Noes: None

Absent: Commissioners Kiang and Scates - 2

At the hour of 4:25 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 matters; conference with real property negotiator, (Government Code Section 54956.8) property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment and property – selected locations, Jack London Square, Oakland, California, negotiating parties – Port of Oakland and Oakland Portside Associates, under negotiation – price and terms of payment; conference with legal counsel – existing litigation, pursuant to subdivision (a) of Section 54956.9, name of case: City of Oakland v. GKO & Associates, et al., Alameda County Superior Court Case No. 824540-7; and reconvened in open session at the hour of 5:10 p.m.

At the hour of 5:11 p.m. the meeting was adjourned on an motion duly made and seconded.



Secretary of the Board

Board from the Director of Engineering notifying the Board of the contract for construction of overlay of Runway 11-29 and conversion of Taxiway W to temporary Runway 12-30. The work of the contract includes a six-inch asphalt concrete overlay of Runway 11-29. The work is necessary to ensure that the Runway remains usable for the next 15 years. It has been determined that full closure of Runway 11-29 for the total number of consecutive days required to complete the overlay will be at least disruptive, as opposed to other scenarios, such as weekend closures. The work of this Contract also includes the conversion of Taxiway "W" to Temporary Runway 12-30, to be used primarily for aircraft departures during the work to overlay Runway 11-29. Due to the magnitude of the current construction program, the Port's Construction Department needs assistance in managing this construction contract. Port staff invited three construction management firms currently under contact with the Port on other projects and who specialize in airport work, to be interviewed. It was recommended that the Board authorize negotiations and the preparation and execution of an agreement with Paragon Project Resources, Inc., for their services on the overlay project. It is anticipated that the amount of the agreement will not exceed \$1,100,000.00 and it was requested further that the Executive Director be authorized to approve up to an additional \$300,000.00, for potential changes in scope. The recommendation was approved on passage of an Resolution No. 01177.

Authorization to Provide Funds to the Metropolitan Transportation Commission to Conduct the 2001 Airline Passenger Survey was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Metropolitan Transportation Commission (MTC) prepares an Airline Passenger Survey that examines customer behavior at Oakland International Airport, San Francisco International, San Francisco International Airport, and San Jose

International Airport approximately every five years. The last Airline Passenger survey was completed in 1995. The MTC's Airline Passenger Survey is one of the most important documents that the Commission produces. It enables transportation planners and airports alike to analyze the true origin of airline passengers, passenger ingress/egress methods, factors that passengers consider when choosing an airport, and comprehensive data about why customers use each airport. Because MTC was conducting its Regional Airport System Plan in 2000, the Airline Passenger Survey fell behind one year. During that time, the Port of Oakland commissioned its own survey of OAK passengers to update the data used in planning the Terminal Expansion Program. The Port's survey lacks the comparable data for San Francisco and San Jose, which is critical for planning any further Bay Area aviation facilities. This year, MTC will spend \$100,000.00 on its share of this project, while San Francisco and San Francisco and San Jose have agreed to contribute up to \$130,000.00 and \$73,000.00 respectively. Oakland's share of this project would not exceed \$65,000.00; the estimated cost of Oakland's share is \$58,272.00 plus almost \$6,000 in contingency monies. It was recommended that the Board authorize the Executive Director to contribute up to \$65,000.00 to Metropolitan Transportation Commission for the completion of the 2001 Airline Passenger Survey. The recommendation was approved on passage of Resolution No. 01178.

Approval of Second Supplemental Agreement to License and Concession Agreement with First Metropolitan Credit Union was the subject of a memo to the Board from the Director of Aviation notifying the Board that First Metropolitan Credit Union (FMCU) operates two automated teller machines (ATMs) at the Oakland International Oakland (Airport). The term of the Agreement expires June 30, 2001 and FMCU pays a fixed rent per machine of \$561.54 per month. In January 2001, FMCU notified the Airport that it was no longer going to operate automated teller

machines and requested to remove its machines from the Airport. The removal of two ATMs from the Airport would have a significant negative impact on the level of service provided to Airport passengers. The Airport desired to retain the ATMs until the end of the contract term, and FMCU agreed to leave them in place provided that the Airport waived the fixed rent for the period from February 1, 2001 through June 30, 2001. It was recommended that the Board authorize the supplemental agreement waiving the rent. The Airport has invited Bank of America (which currently operates two ATMs at the Airport) and Wells Fargo Bank (which does not currently have ATMs at the Airport) to submit proposals to operate a total of eight ATMs at the Airport. If acceptable proposals are received, the machines could be installed by July. The recommendation was approved on passage of Resolution No. 01179.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with ADSD, Inc. dba A.P. Enterprises was the subject of a memo to Board from the Director of Aviation notifying the Board that ADSD, Inc. dba A.P. Enterprises is currently under a Right-of-Entry and Indemnity Agreement which provides for access to the South Airport to repair ground service equipment. No premises are occupied by A.P. Enterprises under the Right-of-Entry. The rent is \$250.00 per month or 10% of gross revenues, whichever is greater. It was recommended that the Board authorize the continued access to the South Airport to repair ground service equipment, commencing April 1, 2001 and ending December 31, 2001. The monthly rent would remain \$250.00 or 10% of gross revenues, whichever is greater. The recommendation was approved on passage of Resolution No. 01180.

Approval to Ratify the Purchase Order Contract to Allied Painters Inc. to Repaint Hangar 8 and Approve Issuing a Second Purchase Order to Allied to Repaint Hangar 6,

North Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Port solicited Purchase Order (PO) contract proposals from local painting contractors for the repainting of the exterior walls of Hanger 7 (L-710) and Hangar 8 (L-810) on the North Field. Since the port may elect to award the painting work in two separate PO contracts, staff instructed contractors to submit proposals, both to paint each hangar separately and to paint both for a lump sum price. Allied Painters Inc., submitted the lowest bid, at \$71,451.00, to paint both hangars 7 and 8; and it was recommended that the Board ratify the Purchase Order contract to Allied Painters Inc. to repaint Hangar 8 and approve issuing a second Purchase Order to Allied to repaint Hangar 7. The recommendation was approved on passage of Resolution No. 01181.

Approval of Agreement to Extend Right-of-Entry Agreement with CAL-AIR Aviation Services, Inc., South Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that CAL-AIR Aviation Services, Inc. (CAL-AIR) is currently under a Right-of-Entry and Indemnity Agreement (Right-of-Entry) which provides for access to the South Airport to perform visual transit inspections of aircraft. No premises are occupied by CAL-AIR under the Right-of-Entry. The Right-of-Entry was effective July 1, 2000; rent is \$250.00 per month or 10% of gross revenues, whichever is greater. It was recommended that the Board authorize continued access to the South Airport commencing April 1, 2001 and ending December 31, 2001. The recommendation was approved on passage of Resolution No. 01182.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with Ontario Aircraft Service, Inc. was the subject of a memo to the Board from the Director of Aviation notifying the Board that Ontario Aircraft Service, Inc. is currently under a 45-day Right-of-Entry Agreement effective May 8, 2001

of-Entry and Indemnity Agreement which provides for occupancy of approximately 1,123 square feet of office space in Building L-820 (Hangar 9) in support of its cargo operations for Kitty Hawk Aircargo, Inc. on the North Airport. The rent is \$837.76 per month, in addition to 10% of gross receipts paid pursuant to other occupancy agreements with the Port. It was recommended that the Board extend Ontario's occupancy of the same premises commencing May 31, 2001 and ending September 29, 2001 at the same monthly rent. The recommendation was approved on passage of Resolution No. 01183.

Approval of Access Agreement for Survey and Exploration with United States of America, Department of the Army (Two Parcels Bounded by Grumman, Earhart Road, Convair & Doolittle Drive), North Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board of the proposed one-year Access Agreement for survey and exploration for the United States of America, Department of the Army, to conduct investigations to prepare for possible removal of underground fuel storage tanks located on two sites on the North Airport. The Corps of Engineers (COE) directs this Naval Auxiliary Air Station Oakland Project in cooperation with the City of Oakland, as part of the Defense Environmental Restoration Program for former defense sites. No rent is charged. The proposed Access Agreement would commence upon Board approval and end one year later. This would allow the COE adequate time to continue its surveys, test probings, sampling of ground water and soils and exploratory work. It was recommended that the Board approve the Access Agreement for survey and exploration. The recommendation was approved on passage of Resolution No. 01184.

Recommend Approval of New License and Concession Agreement with Il Pescatore Restaurant was the subject of a memo to the Board from the Director of Commercial Real Estate

recommending approval of a new one-year agreement for 418 square feet of storage space in Building F-101 (new Harbor Master Building) for restaurant storage, at \$276.00 per month. The recommendation was approved on passage of Resolution No. 01185.

Termination of Ground Lease with Oakland Portside Associates for the Water Street

III Building in Jack London Square was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that Oakland Portside Associates (OPA) currently has a ground lease with the Port (Boatel Block Lease) for a 5,800 square foot parcel in Jack London Square on Water Street adjacent to the Waterfront Plaza Hotel. The parcel is improved with a 5,650 square foot building commonly known as Water Street III. The one-story building was constructed in 1989 as part of the Phase 1 redevelopment of Jack London Square. On November 21, 2000 the Board approved the proposed expansion of the Waterfront Plaza Hotel. The expansion project involves the construction of a new five-story building containing 63 new hotel rooms. To facilitate the expansion project, Water Street III building would be demolished and the new hotel addition would be built in the same location. It was recommended that the Board pass a resolution to terminate the Port of Oakland Lease with Oakland Portside Associates for the Water Street III building to allow for the hotel expansion. The recommendation was approved on passage of Resolution No. 01186.

New Terminal Use Agreement (TUA) with Yang Ming Line was the subject of a memo to the Board from the Director of Maritime notifying the Board that Yang Ming Marine Transport (Yang Ming) is a major Republic of China (Taiwan) flag carrier container shipping line that calls at the Ben E. Nutter Terminal under a Terminal Use Agreement (TUA) which is scheduled to expire April 30, 2001. Marine Terminals Corporation (MTC) provides stevedoring and terminal services

at the facility. Yang Ming is in the midst of deploying new and larger vessels with a capacity of 5,500 twenty foot equivalent units (TEUs) that will call Oakland. Several of the new vessels are owned and operated by Yang Ming (UK) Ltd. which is a separate and different entity from Yang Ming Transport. It was recommended that the board approve a new TUA for the two Yang Ming operations. The key elements of the new TUA include Yang Ming shall be subject to a Minimum Annual Guarantee (MAG) of 24,000 loaded TEUs during each contract year. If Yang Ming's use of the assigned premises in any contract year generates less loaded TEUs than the MAG, then the shortfall in loaded TEUs shall be multiplied by the TEU Fixed Charge in effect on the last day of the contract year and YM shall pay the resulting amount to the Port at the conclusion of the contract year. Yang Ming will be assessed dockage and wharfage on the basis of \$69.00 per loaded twenty-foot equivalent unit (TEU). This amount will be referred to as the Fixed TEU Amount. At the end of each contract year Yang Ming Line will also be eligible for an additional discount from the above TEU Fixed Charge of \$69.00 based upon the following volume levels: contract year volume 20,000 – 29,999 loaded TEUs with additional discount of 10%; 30,000 – 39,999 loaded TEUs – 15%; 40,000 – 54,999 loaded TEUs – 20%; 55,000 – 64,999 loaded TEUs – 25%; and contract year volume 65,000 or more loaded TEUs – 30%. At the end of each contract year YM shall receive a refund of \$5.00 per loaded TEU of IPI cargo exceeding 4,000 loaded IPI TEUs. However, YM shall pay the Port within 45 days after the end of the contract year, \$10.00 for each TEU of IPI cargo that is less than 3,000 loaded IPI TEUs during any 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 be counted as one loaded TEU for purposes of computing the additional year-end discount. At current volume levels the Port's gain equates to

approximately 2% or \$37,000.00 more annually. The recommendation was approved on passage of an ordinance to print.

Ratification of Change Order to Contract for Construction of Berths 57/58 Container Wharf, Fill and Middle Harbor Shoreline Modifications – Production Losses During Excavation of Contaminated Soils was the subject of a memo to the Board from the Director of Engineering notifying the Board of a contract with Berth 57/58 Constructors, a Joint Venture, for the construction of Berths 57/58, container wharf, fill and Middle Harbor Shoreline modifications totaling \$61,701,177.00. The project consists of site demolition, mass excavation and dredging, placement of fill on land and in the water, shoreline stabilization, construction of concrete pile-supported wharf, grading areas for the Middle Harbor Shoreline Park and construction of a portion of the Berth 57/58 container yard. During the actual excavation work, the Contractor encountered heavy unexpected concentrations of Bunker C fuel oil and coal tar near the estuary shore. These materials were not encountered in the sampling protocols followed. These contaminated soils had to be excavated carefully and placed in special lined and covered stockpiles. The Contractor at times could do no work during periods of soils testing and analysis, and while awaiting directions from regulatory agencies. The sequence of the Contractor's operations was changed to ensure that contaminated soils did not come in contact with the waters of the Bay. After substantial negotiation, the Port and the Contractor have agreed that the added costs are \$553,770.37; and it was recommended that the Board ratify a change order for \$553,770.37 to Berth 57/58 Constructors, a Joint Venture, for the additional work. The recommendation was approved on passage of Resolution No. 01187.

Approval of Professional Services Agreement to Provide On-Call Engineering Design

Services for Railroad Facilities in the Maritime Support Center, Vision 2000 Program the

subject of a memo to the Board from the Director of Engineering notifying the Board of the critical mass in the development of railroad facilities within the Vision 2000 area. The center of the new railroad facilities will be the Joint Intermodal Terminal (JIT) which is currently under construction. The JIT will be substantially complete for railroad operations in June of this year and all construction is expected to be complete in September of this year. The Knight Yard will become the railroad support yard for the JIT and other Port railroad related operations; a construction contract for the Knight Yard was approved by the Board on March 6, 2001, and will be sent out to bid to pre-qualified railroad contractors in April of this year. The final piece of the currently planned Port railroad facilities is expected to be development of a railroad transload center in the area north of the JIT and south of 7th Street. The first of potentially several transload businesses in that area is expected to be the Unicold Corporation. Relocation of the Unicold Corporation from their current facility between Berth 58 and the APL terminal will allow the Port to expand the APL terminal and the Berth 59 terminal areas within the next 9 to 18 months. The Maritime Division is planning to expand the APL terminal and Berth 59 terminal area as soon as possible to meet the business needs of the respective tenants. The Port does not have the staff available to prepare Plans and Specifications for another set of construction projects in the Vision 2000 area. It was recommended that HDR Engineering, Inc. be hired to perform the design work required to prepare Plans and Specifications for the relocation of the Unicold Corporation and to provide engineering design and planning assistance as required to ensure that the project conforms with the ongoing plans for the remainder of the Maritime Support Center. It is expected that the maximum

compensation will not exceed \$400,000.00 and an additional \$100,000.00 for potential changes in scope. The Agreement would cover the work required for the Transload Center and other miscellaneous railroad study/design work. The recommendation was approved on passage of Resolution No. 01188.

Authorization to Enter into a Three-Year Agreement with the United States Department of Agriculture's Wildlife Services to Provide Predator Abatement at the Berths 55-58 Cranes the subject of a memo to the Board from the Director of Engineering notifying the Board that the San Francisco Bay is located along the Pacific flyway and attracts a large diversity of bird species, including endangered and other protected species in the area. The U.S. Fish and Wildlife Service Endangered Species Act Section 7 Biological Opinion for the Berths 55-58 Project requires inspection of the new container cranes for avian predator use and nesting between April 1 and August 15 of each year, and abatement of any predators found to be preying upon the endangered least tern (a small bird that breeds at the former Alameda Naval Air Station). If any predators are found to be using the new cranes to prey upon least terns, the Biological Opinion requires that they be abated. Because any potential predators would likely be protected by either the Federal Migratory Bird Act and/or the Endangered Species Act, abatement must be performed by specialists with the appropriate authorizations. The United States Department of Agriculture's Wildlife Services is the only entity that is currently authorized to perform this work and is therefore uniquely qualified and it was recommended that the Board authorize the Executive Director to enter into an agreement with the agency to provide as-needed predator abatement services at Berths 55-58, for a three-year period, at a cost not to exceed \$30,000.00. The recommendation was approved on passage of Resolution No. 01189.

Amendment of Compensation Provisions for Wharfage Through Supplemental Agreements of the Terminal Use Agreements with Hanjin Shipping and Yang Ming Line was

the subject of a memo to the Board from the Director of Maritime notifying the Board that Yang Ming Line (YML) is a major Republic of China (Taiwan) flag carrier container shipping line that calls at the Ben E. Nutter Terminal under a Terminal Use Agreement (TUA). YML is also presently involved in several vessel sharing arrangements with China Ocean Shipping Company (COSCO) and K-Line. Under these arrangements wharfage is normally assessed on a “vessel controls basis.” For example, K Line cargo on a YML vessel is subject to the economic terms of YML’s TUA at the Nutter Terminal; and YML cargo on K Line vessels is subject to economic terms of the K-Line operation at Berth 25/16. However, in 1998 the Board authorized a “cargo controls” wharfage assessment in the COSCO and YML TUAs. COSCO cargo activity from YML vessels at the Nutter Terminal are subject to the same wharfage compensation terms and economic benefits received by COSCO at Howard Terminal. YML cargo activity from COSCO vessels at Howard Terminal area subject to the same wharfage compensation terms and benefits received by YML at the Nutter Terminal. YML has now entered into a container slot allocation and sailing contact with Hanjin Shipping (Hanjin) which also domiciles its vessels operations under a TUA at the Nutter Terminal. Hanjin will soon transfer its operations to the new facility at Berths 55. The Hanjin/YML vessel sailing arrangements allows each carrier to purchase 150 twenty foot equivalent units (TEUs) of space on the other party’s vessels in the trade between the U.S. Pacific Coast and Asia. YML cargo activity from Hanjin vessels at the Nutter terminal are subject to the same wharfage compensation terms and economic benefits received by YML at Nutter Terminal. Hanjin cargo activity from YML vessels at Nutter Terminal are subject to the same wharfage

compensation terms and benefits received by Hanjin at the Nutter Terminal. The new modifications to the TUAs will only apply while both shipping lines; i.e., YML and Hanjin are operating at the Port under a TUA. Once Hanjin transfers to Berth 55 the modifications pertaining to the YML/Hanjin container slot allocation and sailing contract will not apply as the Port would want to re-evaluate the potential for any adverse economic impact. Although Hanjin's move to berth 55 is imminent it is felt the proposed amendments to the TUAs are necessary in order to facilitate operations between the two carriers at this time. It was recommended that the Board pass a resolution approving the proposed modifications to the Hanjin and Yang Ming Line Terminal Use Agreements and such other provisions deemed appropriate by the Executive Director which are Port revenue neutral, consistent with existing provisions of the Port's Yang Ming Line and Hanjin Terminal Use Agreements and will accommodate Yang Ming Line and Hanjin, and authorizing execution of appropriate agreements. The recommendation was approved on passage of Resolution No. 01190.

Authorization to Dispense with Formal Competitive Bidding and to Include the Demolition of Buildings D-405, D-511, D-511B, D-511D, D-511E and D-511F, in the Port's Small Business Program, Vision 2000 was the subject of a memo to the Board from the Director of Engineering notifying the Board of the demolition of the subject buildings required as part of the site preparation for the Vision 200 program. The work consists of cutting and capping building utilities, removing and disposing of hazardous materials and demolishing and disposing of the building, including foundations, down to 4 feet below adjacent grade. The project is located at the former Navy Fleet Industrial Supply Center, Oakland (FISCO). It was recommended that the demolition of the subject buildings be included in the Port's Small Business Program with the

described MAPLA exclusions, and that the Board dispense with the formal competitive bidding procedures. It was further recommended that the Executive Director be authorized to execute a contract for this work with a small local contractor who submits a responsive proposal and if no responsive proposals are received from small contractors, the Executive Director may execute a contract with any responsive contractor based on informal proposals. The estimated cost of the project is \$350,000.00. The recommendation was approved on passage of Resolution No. 01191.

Authorization to Execute a Grant Agreement with the Association of Bay Area Governments and to Include the Construction of Bay Trail Segment at Former Lew F. Galbraith Golf Course, 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 accepted grant funds from the San Francisco Bay Trail Regional Development Program for purposes of constructing two segments of the Bay Trail at the Oakland International Airport. The grant funding allows for completion of segments of the Bay Trail at the southwestern edge of the new Lew F. Galbraith golf course, the Galbraith segment of the Bay Trail; and portions along Airport Drive, the Airport Roadway segment of the Bay Trail. The scope of work for the Bay Trail consists of constructing a 10-foot wide asphalt concrete pedestrian pathway, including furnishing and installing site furnishings, striping and markings, fencing and plants. Drought tolerant native California plants will be planted for erosion control and for beautification purposes. The Port is currently negotiating a grant agreement with the Association of Bay Area Governments (ABAG) for \$250,000.00 for the construction of portions of the Bay Trail at the Oakland International Airport. Approximately \$130,000.00 will be applied to the construction of the Galbraith segment of the Bay Trail, and the remaining portion of \$120,000.00 will be applied to the construction of the Airport Roadway

segment of Bay Trail. The terms and conditions of the grant agreement include, but are not limited to, complete construction by December 31, 2002, provide liability and loss insurance through December 31, 2034, and provide operation and maintenance responsibilities through December 2034. It is also believed to be in the best interests of the Port to include the Galbraith segment of the Bay Trail in the Port's Small Business Program. This program allows small local contractors to attain experience in the public sector work. It was recommended that the Board approve the terms and conditions of the ABAG agreement in the Agenda Memo and as set forth and authorize the Executive Director to execute the agreement with the Association of Bay Area Governments for the amount of \$250,000.00; include the project in the Port's Small Business Program; and authorize the Executive Director to execute a contract for this work with any qualified contractor, based on informal bids, if the attempt to secure an acceptable bid from a small local contractor is not successful. The recommendation was approved on passage of Resolution No. 01192.

Approval of Two Professional Services Agreements for Energy Conservation at the Oakland International Airport, Marine Terminals Areas, and 530 Water Street was the subject of a memo to the Board from the Director of Engineering notifying the Board of the Port's use of large amounts of energy. The costs for this energy have risen significantly for the Commercial Real Estate (CRE) and Marine Terminals areas, at the Port's main office at 530 Water Street, and most significantly, at the Airport. Increased costs and unreliable supply have impacted the Port as well as its tenants. In order to reduce these impacts, staff has been considering the implementation of conservation measures and it was recommended that the board authorize the retention of two consulting firms to inspect existing facilities, determine electrical energy operational strategies in use, determine where modifications or replacement of facilities is

appropriate, propose new operational scenarios, calculate possible energy savings, and make written recommendations for conservation measures. One firm will perform these services at the Airport, where the Port is the primary power supplier. The other firm will furnish services for Port occupied spaces at 530 Water Street as well as for CRE and Marine Terminals tenants. Rumsey Engineers, an Oakland engineering firm, is recommended for the work at the Airport and KW Engineering, also an Oakland engineering firm, is recommended for the work at 530 Water Street and the CRE and Marine Terminals tenants. Each firm is very experienced in energy surveys and have completed numerous previous projects. The agreed billing rates paid will cover direct salaries of personnel performing work on the project, fringe benefits, overhead costs, profit and other direct costs for services required for the work and will not exceed \$80,000.00 for the work performed by Rumsey Engineers and \$30,000.00 for the work performed by KW Engineering. In addition, it was requested that the Executive Director be authorized to approve up to an additional amount of \$10,000.00 for each agreement for potential changes in scope. The recommendation was approved on passage of Resolution No. 01193 for Rumsey Engineers and Resolution No. 01194 for KW Engineering.

Approval to Enter into a Consultant Agreement with Hayhurst & Associates Professional Management and Human Resource Consulting Firm was the subject of a memo to the Board from the Director of Administration recommending approval to enter into a consultant agreement with L. B. Hayhurst & Associates, classification and compensation specialists, to conduct an organization, workflow and classification study and analysis for the Finance Division for a total of \$25,000.00, plus appropriate expenses. The recommendation was approved on passage of Resolution No. 01195.

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 regularly engages a consultant to supplement land surveying and mapping services, and currently has a professional services agreement with Towill, Inc., for this purpose. For the last four years, a consortium of East Bay land survey and mapping firms has provided employees and equipment to work in Port facilities, under the supervision and direction of Port staff. The program, by contract, includes a mentoring component and provides attractive opportunities for many local subconsultants. One of the strengths of the program is that a core group of professionals have acquired the experience and institutional memory to function in the organization as though they were full-time employees. It was recommended that the Board authorize a new agreement with Towill, Inc., so that they continue to provide the required services at an amount not to exceed \$2,000,000.00 over a one year period. Most of the survey work is extremely time sensitive and is both labor and management intensive, because work requests usually come in at the construction phase when production delays affect the most critical parts of the project budget. The recommendation was approved on passage of Resolution No. 01196.

Resolution Establishing Construction and Demolition Debris Waste Reduction and

Recycling Requirements was the subject of a memo to the Board from the Director of Engineering notifying the Board that the California Integrated Waste Management Act of 1989 requires that each city and county in the State reduce land filled material by 50% by the end of the year 2000. The Alameda County Waste Reduction and Recycling Act of 1990 (Measure D) also adopted a goal to reduce the weight of discarded materials generated in Alameda County by 75% by the year 2010. In order to meet these objectives, the City has promulgated an Ordinance known as

“Construction and Demolition Debris Waste Reduction and Recycling Requirements” as part of the Oakland Municipal Code. The Port fully supports the goal of waste reduction and the 50% diversion as required and concurs with the City’s determination that the public interest, health, safety and welfare is best served if C&D debris is diverted from landfill disposal. Reusing, salvaging, and recycling C&D debris conserves natural resources and reduces the need for landfill space. It was recommended that the Board pass a resolution that establishes program requirements for C&D debris waste reduction and recycling, similar to that adopted by the City. Copies of the proposed resolution, permit form, and report form are available under separate cover. The recommendation was approved on passage of Resolution No. 01197.

Personnel Items contained in a memo to the Board from the Director of Administration recommended approval for the creation of Salary Schedule 539.1, Rep. Unit E, for the position of Airport Noise Abatement/Environmental Affairs Supervisor. Also recommended was the creation of classifications/positions for Port Assistant Human Resource Analyst, Unit D, at Salary Schedule 232.2 and Media/Public Relations Manager, Unit E, at Salary Scheduled 543.7; and a title change from Junior Environmental Planner to Port Junior Environmental Planner. The recommendation was approved on passage of an ordinance to print.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

“RESOLUTION NO. 01177

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH PARAGON PROJECT RESOURCES, 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. 01178

AUTHORIZING PROVISION OF FUNDS TO THE METROPOLITAN TRANSPORTATION COMMISSION FOR COMPLETION OF THE 2001 AIRLINE PASSENGER SURVEY.”

“RESOLUTION NO. 01179

APPROVING AND AUTHORIZING EXECUTION OF A THIRD SUPPLEMENTAL AGREEMENT WITH FIRST METROPOLITAN CREDIT UNION.”

“RESOLUTION NO. 01180

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH ADSD, INC., DOING BUSINESS AS A.P. ENTERPRISES.”

“RESOLUTION NO. 01181

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR REPAINTING OF HANGAR 8 AND REPAINTING OF HANGAR 7, NORTH FIELD, 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. 01182

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH CAL-AIR AVIATION SERVICES, INC.”

“RESOLUTION NO. 01183

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

“RESOLUTION NO. 01184

APPROVING AND AUTHORIZING EXECUTION OF AN ACCESS AGREEMENT FOR SURVEY AND EXPLORATION WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF THE ARMY.”

“RESOLUTION NO. 01185

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH IL PESCATORE RESTAURANT.”

“RESOLUTION NO. 01186

APPROVING AND AUTHORIZING EXECUTION OF A TERMINATION LEASE AGREEMENT WITH OAKLAND PORTSIDE ASSOCIATES.”

“RESOLUTION NO. 01187

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH BERTHS 57/58 CONSTRUCTORS, A JOINT VENTURE, FOR CONSTRUCTION OF BERTHS 57/58 CONTAINER WHARF, FILL AND MIDDLE HARBOR SHORELINE MODIFICATIONS, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01188

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH HDR 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. 01189

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH THE UNITED STATES DEPARTMENT OF AGRICULTURAL WILDLIFE SERVICES TO PROVIDE AS-NEEDED PREDATOR ABATEMENT SERVICES AT THE BERTHS 55-58 CRANES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, AND THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTACT FOR SUCH SERVICES WITHOUT COMPETITIVE BIDDING, AND AUTHORIZING EXECUTION OF AGREEMENT.”

“RESOLUTION NO. 01190

AUTHORIZING AND APPROVING THE EXECUTION OF SUPPLEMENTAL AGREEMENTS WITH HANJIN SHIPPING COMPANY, LTD. AND YANG MING MARINE TRANSPORT CORPORATION.”

“RESOLUTION NO. 01191

GRANTING AUTHORIZATION TO INCLUDE DEMOLITION OF BUILDINGS D-405, D-511, D-511B, D-511D, D-511E AND D-511F, VISION 2000, 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. 01192

GRANTING AUTHORIZATION TO INCLUDE CONSTRUCTION OF BAY TRAIL SEGMENT AT FORMER LEW F. GALBRAITH GOLF COURSE, NORTH 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; AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS; AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A GRANT AGREEMENT WITH THE ASSOCIATION OF BAY AREA GOVERNMENTS (“ABAG”).”

“RESOLUTION NO. 01193

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH RUMSEY 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. 01194

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH KW 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. 01195

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH HAYHURST & 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. 01196

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH TOWILL, 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. 01197

ESTABLISHING CONSTRUCTION AND DEMOLITION DEBRIS WASTE REDUCTION AND RECYCLING REQUIREMENTS FOR PORT PUBLIC WORKS.”

Port Ordinance No. 3636 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE OF SUBPOENAS IN PROCEEDINGS BEFORE THE BOARD,” and Port Ordinance No. 3637 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF EASEMENT DOCUMENTS TO EAST BAY MUNICIPAL UTILITY

DISTRICT (EBMUD) FOR POTABLE AND RECLAIMED WATER PIPELINES ON THE AIRPORT,” and Port Ordinance No. 3638 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF AN AMENDMENT TO LEASE WITH EAST BAY REGIONAL PARK DISTRICT,” were read a second time and passed by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, “AN ORDINANCE AUTHORIZING AND APPROVING THE EXECUTION OF TERMINAL USE AGREEMENT WITH YANG MING MARINE TRANSPORT CORPORATION,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867, AMENDING SECTIONS 2.05, 8.144, 10.013 AND CREATING NEW POSITIONS,” were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

At the hour of 3:58 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 matters; conference with real property negotiator, (Government Code Section 54956.8) property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse

Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment and property – selected locations, Jack London Square, Oakland, California, negotiating parties – Port of Oakland and Oakland Portside Associates, under negotiation – price and terms of payment; and reconvened in open session at the hour of 4:48 p.m.

At the hour of 4:49 p.m. the meeting was adjourned on an motion duly made and seconded.

A handwritten signature in cursive script, reading "Christy C Marshall", is written above a horizontal line.

Secretary of the Board

Memoranda of Understanding with the eight rental car companies. The MOU outlines the terms under which a consortium would be formed to rent land, design, construct and operate an interim rental car facility on the North Airport. The existing rental car parking lot must relocate temporarily (5-6 years) to make room for building the Terminal Expansion's garage and roadway. After the new parking garage is constructed, the rental car facilities will relocate again to their long-term facilities in and adjacent to the new parking garage. For the interim period before the new garage is built, the Port has offered the use of a 14.5 acre North Airport-site for a consolidated facility to which renters will be taken by a common shuttle bus. The estimated total Port capital outlay for planning, site clearance and utility and infrastructure upgrades specifically related to this project is \$5.5 million. The rental car companies that elect to participate in constructing and using the new temporary rental car facilities have each executed a Memorandum of Understanding (MOU) setting forth the terms of financing and constructing the improvements, the ground lease and a license and concession agreement. The major elements of the MOU are: the rental car companies will form a consortium to manage design, construction and maintenance of the temporary rental car facilities; the facilities will include a common customer service building, approximately 830 parking stalls, a fuel storage and dispensing system and a car storage lot (estimated to cost \$9 million) and a "quick turn around" (QTA) facility for fueling, vacuuming and washing cars (estimated to cost \$3 million), the Port will contribute up to \$8 million to the facility construction costs; The 14.5 acres would be leased to the rental car companies in the consortium for eight years; the rent payable to the Port would be equivalent to the monthly debt service on the Port Funds amortized in equal principal installments over 10 years, the interest rate on this debt would be 275 basis points (2.75%) over the Port's commercial paper interest rate, the rent would be

approximately \$1.46 million per year; the rental car companies would pay 9.5% of their gross receipts to the Port as “percentage rent”; the consortium will, at its expense, undertake a common rental car bussing operation to shuttle customers between the Terminals and the temporary rental car facility on the North Airport; and to further reduce congestion at the airport curbs during terminal expansion, the Port will consider changing the Port Ordinance to require car rental courtesy vehicles, other than the common rental car bus, to use the temporary rental car facilities on the North Airport during such time as those temporary facilities are in operation. This would prohibit off-airport rental companies from picking up and dropping off customers at the Terminal curbs, companies that chose to remain off-airport would bring their customers to and pick up their customers from the North Airport common rental car facilities. The Port currently receives 9.5% of the rental car companies annual gross receipts. This percentage rent paid to the Port is approximately \$7.5 million annually. The companies also pay approximately \$.5 million rent annually for facilities at the Terminal. In lieu of the \$.5 million facility rent, the rental car companies would pay the Port \$1.46 million annual rent for the temporary replacement facilities on the North Airport. The project is reviewed in the Environmental Impact Report (EIR) and the Supplement to the EIR of the Airport Development Program (ADP). The recommendations was approved on passage of an Resolution No. 01144.

Ratification of Change Order to Contract for Improvement to Harbor Bay Parkway, Air Cargo Road, Airport Drive, and Construction of Taxiway B Bridge, OIA (Contract A) – Construct Bid Alternate A1 was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Gallagher & Burk-Brosamer, A Joint Venture, in the amount of \$40,508,176.58. The Bid for this project included Additive Alternate A1 which is

to construct a utility ductbank from Air Cargo Road to Harbor Bay Parkway for future tie-ins to utilities for a cost of \$500,000.00. At the time to award, Alternate A1 was not selected as it was viewed as an “elective” project and subject to budget constraints. The utility ductbank will include telecommunications, electrical, and control service conduit and provide the Airport with reliability, redundancy, and capacity in its utility provisions. The contractor informed the Port that the materials must be ordered by April 1, 2001, in order to meet their schedule for completion of the roadway section in which the ductbank will reside. The contractor was directed to order the materials and construct Alternate A1 and it was recommended that the Board ratify the change order in the amount of \$546,500.00 for the work. The recommendation was approved on passage of Resolution No. 01145.

Approval of Increase in Maximum Compensation Under the Agreement with The Allen Group/Sverdrup/Cooper Pugeda Management, Inc., for Construction Management Services for the Construction of the Airport Roadway Project, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the Airport Roadway Project which was approved by Alameda County Voters with the passage of Measure B in 1986. The project is comprised of three construction contracts as follows: Contract A – Improvements to Harbor Bay Parkway, Air Cargo Road, Airport Drive, and Construction of Taxiway B Bridge, the contact has just recently commenced; Contract B – Construction of Doolittle Drive and Airport Drive Interchange, this contact is approximately 40% complete; and Contract C – Widening of 98th Avenue West of I-880, this contract is substantially completed. The Port has a professional services agreement with The Allen Group/Sverdrup/Cooper Pugeda Management, Inc., (ASC) to provide construction management services for the Airport Roadway Project. The original

compensation was for \$6,250,000.00. In addition, the Board approved ASC increasing the maximum compensation to \$7,581,715.00 to provide Design Support Services during construction. These latter services were necessary due to the bankruptcy of the design consultant, Kaiser Engineers. To date, agreements for construction management services for Contract C (\$415,360.00) and Contract B (\$1,997,954.00) have been executed. After a delay of almost two years due to environmental issues, Contract A is now underway, and an increase in the maximum compensation under ASC's agreement is necessary in order to properly staff for the management services on Contact A in the amount of \$5,032,399.00. This figure represents approximately 12% of the bid price for Contract A. The recommended new total maximum compensation under the agreement is \$8,778,428.00 representing a net increase of \$1,196,713.00. It was recommended that the Board authorize an increase of \$1,196,713.00 in the maximum allowable compensation under the agreement with T Allen Group/Sverdup/Cooper Pugeda Management, In., a Joint Venture, to provide construction management services on the Airport Roadway Project. The recommendation was approved on passage of Resolution No. 01146.

ASCOM Parking Revenue Control System Upgrade – Amended for System Price Increase was the subject of a memo to Board from the Director of Aviation notifying the Board that the original quote from the vendor did not include certain equipment that are necessary for the Upgraded System to function properly. These additional costs total \$28,000.00. As the Port will be unable to add the additional Parking Overflow lot onto the current system due to the lack of capacity and risk for loss of revenue, it was recommended that the Board approve the amended increase to purchase an Upgraded ASCOM Parking Revenue Control System for \$28,000.00 in order to handle the increase volume of parking that the airport is experiencing and authority for an

additional \$4,200.00 for contingencies as necessary. The amended total price is \$105,950.00. The recommendation was approved on passage of Resolution No. 01147.

Professional Services Contract for Roberts, Roach & Associates, to Assist Oakland International Airport with its Air Service Development Opportunities was the subject of a memo to the Board from the Director of Aviation notifying the Board that for the past three years, the Aviation Division has retained Roberts, Roach & Association to help develop data and presentation materials for its air service marketing efforts using Professional Service Purchase Orders. It is currently utilizing Roberts, Roach & Associates under a Professional Service Purchase Order not to exceed \$15,000.00 for this current fiscal year. With the recovery of the Asian economy, Aviation has made two trips to Asia, including one most recently to China, to solicit and encourage interest in carriers from these countries to provide passenger and air cargo service at Oakland International Airport (OAK). Results of these visits have been very encouraging and several key carriers have requested additional data reflecting the market potential and route economics associated with serving OAK in the future. It was recommended that the Board authorize additional resources necessary to provide these services in a timely manner by increasing the current contract by \$45,000.00 from \$15,000.00 to \$60,000.00 for the current fiscal year and in anticipation of additional opportunities and follow-on into the future, it was further recommended that the contract be extended two additional fiscal years, FY2001-02 and FY2002-03 at the \$60,000.00 annual funding level, resulting in a three year contract for an amount not to exceed \$180,000.00. The recommendation was approved on passage of Resolution No. 01148.

Airport Vehicle Satellite Tracking System Pilot Program with Bridge Technology, Inc. was the subject of a memo to the Board from the Director of Aviation notifying the Board of the

original contract with ShuttlePort for the satellite tracking system for the buses. ShuttlePort was involved jointly with Bridge Technology in offering the GPS Satellite Pilot Program at the time of the Board approval. In December 1999, ShuttlePort declined to execute the contract and in January 2000, Bridge Technology agreed to solely execute the contract since their company is providing all of the technology for the GPS satellite tracking system. ShuttlePort was offering their experience in Ground Transportation management. ShuttlePort is the interim operator for the AirBart and the Parking Shuttle contract, and both companies will still continue to work together but under separate contracts. It was suggested that the Board amend the original Board Resolution No. 99193 to provide authorization for the Executive Director to enter into an agreement with Bridge Technology, Inc. and to provide a pilot GPS Satellite tracking program for the Airport Shuttle Bus fleet, and purchase the GPS System at a cost of \$65,800.00 plus annual software leasing costs of \$4,058.00. The recommendation was approved on passage of Resolution No. 01149.

Ratification of Submittal of Pre-Application and Application to Federal Aviation Administration (FAA) was the subject of a memo to the Board from the Director of Aviation notifying the Board of the Airport Improvement program (AIP) which is administered by the Federal Aviation Administration (FAA) and grants are made to public agencies, and in some cases, private owners or entities, for the planning and development of public-use airports. The FAA provides two funding sources to support the AIP: 1) entitlement funds; and 2) discretionary funds. Entitlement funds are allocated annually based on the number of enplaning passengers and air cargo traffic units per airport; and discretionary funds are made available above and beyond the entitlement funding levels for certain projects that the FAA regards as high priority in nature, principally involving improvements to airfield capacity and safety. The Port was recently notified

by the FAA that \$2 million in discretionary funds were available to fund the Aircraft Sound Insulation Program under the AIP for federal fiscal year 2001. In order to ensure that a grant pre-application and application (application) can be processed prior to May 31, 2001, the grant application had to be submitted as soon as possible. It was recommended that the Board ratify the submittal of the of the preapplication and application for the Sound Insulation Program. The estimated Total Project Cost is \$2,527,800.00, with the FAA Share at \$2,000,000.00, and the Port Share at \$527,800.00. The recommendation was approved on passage of Resolution No. 01150.

Approval of New License and Concession Agreement with I.S.B.A., Inc. dba Oakland Flyers, North Airport was the subject of a memo to the Board from the Director of Aviation recommending approval of a new agreement with I.S..A., Inc., dba Oakland Flyers for space in Building L-606 used as a flight and ground training school with aircraft rentals, and sale of pilot supplies. The agreement is effective January 28, 2000, and rent is at \$2,320.91 per month. The recommendation was approved on passage of Resolution No. 01151.

Approval of New License and Concession Agreement with Jack W. Ratliff Corporation, dba Astro-Aire Enterprises was the subject of a memo to the Board from the Director of Aviation recommending approval of a new agreement for approximately 941 square feet of storage space in Building L-820 (Hangar 9) on the North Airport at \$400.00 per month. Astro-Aire is being relocated to this space at the request of the Port, as its previous premises (Port Building L-643) are scheduled for demolition under the Airport Development Plan for the North Airport. The recommendation was approved on passage of Resolution No. 01152.

Approval of License and Concession Agreement with Bay Avionics, Inc., North Airport was the subject of a memo to the Board from the Director of Aviation recommending

approval to add an additional 3,310 square feet of office and apron space to their agreement for space in Building L-712 on the North Airport. The premises are used in support of aircraft avionics, instrument sales and services. The combined rent is \$3,150.26 per month. The recommendation was approved on passage of Resolution No. 01153.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with L.F.R., Inc., North Airport was the subject of a memo to the Board from the Director of Aviation recommending approval to extend the agreement for occupancy of approximately 237 square feet of office space in Building L-142 on the North Airport at \$419.76 per month. LFR is one of the contractors for the Dollar Rent A Car facility project on the North Airport and uses the premises for administrative support functions. The recommendation was approved on passage of Resolution No. 01154.

First Reading of an Ordinance Approving Three New Easements with East Bay Municipal Utility District, South Airport was the subject of a memo to the Board from the Director of Aviation recommending approval of three new easements with East Bay Municipal Utility District (EBMUD) for potable and reclaimed water pipelines on the Airport. Two easements cover relocated pipelines and one is for an extended pipeline. The lines are required to accommodate the Airport Roadway Project. EBMUD must relocate two existing underground water pipelines, a 20" potable water pipeline and a 16" reclaimed water pipeline; and extend a 20" potable water pipeline. EBMUD currently has easements along portions of Air Cargo Road. The relocation and the extension will be performed on Port property; and consequently, the Port is required to grant new easements to EBMUD to accommodate and maintain its facilities. The recommendation was approved on passage of an ordinance to print.

Approval of Sixth Supplemental Agreement to Lease and Concession Agreement (Newsstand and Gift Shop) with Air Terminal Services Incorporated, South Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that Air Terminal Services, Incorporated (ATS) requests approval of a Sixth Supplemental Agreement, which will modify its Lease and Concession Agreement. The modification will incorporate changes in the rental structure for premises subleased for the sale of duty free goods. ATS subleases space to Oakland Duty Free (ODF), a Disadvantaged/Minority Business Enterprise (DBE). Under the original terms of the sublease, ODF would not pay rent to ATS (and ATS would not pay rent to the Port) for duty free sales for the first twelve months of the term of the sublease. The Board extended this free rent period through March 31, 2001. It was anticipated that seasonal traffic would increase in Spring 2001 and ODF would begin to pay percentage rent. In the Summer of 2000, it was learned that the seasonal European flights by Martin Air would not continue in 2001 and the anticipated seasonal increase in international air traffic will not occur this year. Although ODF continues to believe that there is potential at OAK, it has requested that the free rent trial period be extended for an additional fifteen months. ODF reported gross revenues of approximately \$120,000.00 for calendar year 2000. This sales level does not support the operational costs, even with the waiver of rent. Offering duty free shopping is necessary to retain and attract international airlines and it is in the Port's best interest to accommodate ATS in this matter. It was recommended that the Board approve the supplemental agreement which provides for the waiver of rent. The recommendation was approved on passage of Resolution No. 01155.

Approval of Assignment and Sublease of License and Concession Agreement with San Ramon Carriage Company, Inc. dba Thrifty Car Rental to Thrifty Rent-A-Car System, Inc.

was the subject of a memo to the Board from the Director of Aviation notifying the Board of the License and Concession Agreements with San Ramon Carriage Company, Inc. (SRCC), dba Thrifty Car Rental for the operation of a rental car operation at the Oakland Airport. SRCC currently operates under three separate agreements at the Airport, as a licensee of Thrifty Rent-A-Car-System, Inc. SRCC has requested consent to assign all of its agreements to its Licensor, Thrifty Rent-A-Car System, Inc. (TRACS). TRACS proposes to subsequently sublease these agreements to its wholly owned operating subsidiary, TRAC Team, Inc. The Thrifty Car Rental brand captures approximately 5% of the rental car market and expands the choice of available options for passengers. It was recommended that the Board approve the assignment and sublease of the operating entity. The recommendation was approved on passage of Resolution No. 01156.

Authorization to Dispense with Formal Bids for Award to Information Station Specialists (ISS) for a Low Power AM Traffic and Parking Information Radio Station at

Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that as the Airport proceeds through its expansion effort, staff is to maintain the “ease of travel” reputation that has made the Airport a desired embarkation and destination point for its travelers. The current methodology for informing the public on parking availability and construction information is through several types of media. One method is the road “marquis” that are set along Airport Drive on the route in to the Airport. Another method is through the Marketing department team. Personnel within that team call various media agencies and inform them of parking availability and any construction related delays. The new proposed program recommends the purchase and installation of a low power AM traffic and information radio station to be installed at the outer boundaries of Airport property. Information Station Specialists (ISS) are

the sole purveyors of the Traffic and Information Systems in the U.S. It is the intention of staff to issue a purchase order to procure and install the Low Power station by September 2001. The sum of charges required for purchasing, installing and maintaining the Low Power AM Radio Station for the first 12 months is \$40,000.00. It was recommended that the Board find it to be in the best interest of the Port for the enhanced capability to disseminate accurate and timely Parking and Road condition information to the OAK traveler and the continued facilitation of Airport passenger ease of travel, that an agreement to purchase, install and maintain the Low Power AM Radio Station be executed with ISS for a sum up to \$40,000.00 with an additional sum of \$6,000.00 for contingencies as necessary. The recommendation was approved on passage of Resolution No. 01157.

Authorization to Extend the Current Agreement with the United States Department of Agriculture's Wildlife Services to Provide Wildlife Hazard Control Services for the Airport

was the subject of a memo to the Board from the Director of Aviation notifying the Board of the contract with the United States Department of Agriculture's Wildlife Services to conduct a Wildlife Assessment to prepare an update to the Airport's Wildlife Hazard Management Plan, and to provide wildlife hazard control services for the Airport. The contract was executed in March 2000 and will expire in April 2001. The services are needed for on-going wildlife hazard control. It was recommended that the Board authorize the extension of the contract with the United States Department of Agriculture's Wildlife Services on a month-to-month basis. The services would include two employees, vehicles, equipment and administrative support at a cost of approximately \$10,000.00 per month. The two employees would be available approximately 40 hours a week to respond to any immediate threats to aircraft safety, collect wildlife data, provide training to Airport

personnel on wildlife issues, and make recommendations to the Airport on wildlife hazard issues. The recommendation were approved on passage of Resolution No. 01158.

**Authorization to Execute an Agreement for Acquisition of Ground Lease Interests
Between the Port and Ellis Partners for Various Properties in the Jack London Square Area**

was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that on December 1, 2000, the Port entered into a 90 day Exclusive Negotiating Agreement (ENA) with Ellis Partners for various properties in the Jack London Square area, in response to the Jack London Master Development Request for Qualifications (RFQ) that was issued in 1999. The ENA period ended on March 1, 2001. The development has met the terms of the ENA and has submitted all required information indicated in the Schedule of Performance (Schedule) within the required timeframes. Pursuant to the terms of the ENA, the Port has 60 days from the end of the ENA period to consider a proposed Agreement to move the project forward beyond the ENA period and take any actions necessary to authorize the Port to execute such an Agreement. The proposed preliminary project concept envisions the ultimate construction of approximately 320,600 square feet of office space, 124,000 square feet of retail space, 34,000 square feet of restaurant space, 250 full service room hotel and conference facility, and 1,609 parking spaces. The proposed project concept reflects the vision of the Estuary Policy Plan and the desired development ideal expressed within the original RFQ released for the project. The proposed Agreement contains two major components: 1) the Due Diligence Period which terminates approximately 6 months after the effective date; and 2) the Approvals Period which begins on the effective date and ends on September 1, 2002. Upon execution of the proposed Agreement, an additional \$100,000.00 deposit is due from the developer. The purpose of the Due Diligence Period in the first few months of the

Agreement timeframe is to enable the developer to analyze site specific technical details of the proposed Phase II “parcels” and negotiate the potential operational and ground lease terms for both Phase I and Phase II of JLS with the Port, prior to encumbering significant predevelopment expenses. The proposed Agreement contemplates the negotiation of a potential sale by the Port of all the existing Oakland Portside Associates (OPA) assets and parking structures within this Due Diligence Period. Depending on the progress of the Due Diligence Period parcel specific investigations and negotiations, Board consideration of the potential transfer of the management operations of JLS Phase I and/or the sale of existing OPA assets within JLS Phase I may be requested within the next several months, prior to the termination of this Due Diligence Period. Once the Due Diligence Period of the Agreement is concluded, the Approvals Period of the Agreement continues through September 1, 2002. The Approvals Period is intended to provide the developer with adequate time to complete the environmental review and land use entitlement process through the City for the Phase II parcels, recognizing the extensive community outreach efforts that will undoubtedly be expected of a project of this scale and level of community interest. The Approvals period may be extended by the developer beyond the September 2002 timeframe for up to two periods of six months each, if the project land use entitlements for Phase II are approved by the City, Board consideration of the proposed ground leases for Phase II is required within 60 days thereafter. The Proposed project is exempt from the provisions of California Environmental Quality Act (CEQA), in that the proposed project is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is not a possibility that the activity in question may have a significant effect on the environment the activity is not subject to CEQA. In addition, the

proposed project is exempt pursuant to Section 15262 of the CEQA Guidelines, in that the proposed project entails an Agreement between the Port and the proposed developer to prepare and perform various development feasibility and planning studies to determine whether or not a future development project is financially feasible on the subject properties, subject to ultimate land use and environmental review procedures of the City of Oakland. It was recommended that the Board approve a resolution authorizing the execution of an Agreement for Acquisition of Ground Lease Interests between the Port of Oakland and Ellis Partners for various properties within the Jack London District. Included in the memo under separate attachments were two documents entitled: Preliminary Development Concept Plan Submitted by Development Team; and Key Terms of Proposed Agreement for Acquisition of Ground Lease Interests. The recommendation was approved on passage of Resolution No. 01159.

Mr. Hall Ellis of Ellis Partners, Mr. Steve Lowe, representing the West Oakland Commerce Association and Mr. Chuck Winn, representing its Community Commerce Bank, appeared before the Board to speak in favor of the proposed development.

Approval of License and Concession Agreement for Jack London Air was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that Mr. Glen Smith and Mr. Steve Cooper dba Jack London Air have made a proposal to the Port to operate point A to point A air tours from Jack London Square with a Vintage 1947 republic "Sea Bee" Flying Boat. Their proposal would be to operate the tour on weekends during the peak spring, summer and fall seasons and pick up passengers from a dock near the foot of Broadway in Oakland. The item was removed from the agenda for further study. Mr. Steve Cooper appeared before the Board to outline their proposal. There was no further action taken.

**Ratification of Change Order to Contract for Reconstruction of Embarcadero
Between 5th Avenue and 16th Avenue, Embarcadero Cove – Replacement of Deteriorated**

Storm Drains was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Gallagher and Burk, Inc. which became effective on November 15, 2000, at a lump sum and unit prices totaling \$1,562,230.00. The work consists of removing the existing pavement, widening the roadway for bike paths and planters; replacing and expanding the sidewalk; and some storm drain work. Prior to the improvements constructed under this contract, the stormwater runoff from the pavement along this segment of Embarcadero flowed to the unpaved edges of the roadway, and appears to have dissipated without flowing to and through the storm drain system. However, because of their proximity to the Estuary, the contract specified that the contract was to survey and videotape the existing storm drain lines to ensure their serviceability. The results of this survey and videotaping indicate that approximately 2,050 feet of existing lines are unserviceable. They are below standard size and are broken in numerous places and are clogged. As a result of the reconstruction work and expanded pavement area, the storm water runoff will be increased and it will be captured by the new curbing and directed to the storm drain system. The existing pipes, therefore, need to be replaced to avoid backups and flooding. In order to not delay the progress of the work, the Chief Engineer directed that the storm drain replacement work proceed immediately. It was recommended that the Board ratify a change order for an estimated amount of \$188,610.00 to Gallagher & Burk, Inc., for the storm drain work. The recommendation was approved on passage of Resolution No. 01166.

Approval of License and Concession Agreement for Fraser Mechanical was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that

Fraser Mechanical became a tenant of the Port at the time the Port acquired the property occupied by Fraser Mechanical at 1899 Dennison Street (the former Steam Valve Site). Prior to the acquisition of the site Fraser Mechanical had agreed to remain a tenant at the site and pay rent consistent with the rent they were paying to Steam Valve. The user has been a tenant of the property for three years. It was recommended that the Board approve a one-year License and Concession Agreement with Donald Fraser, an Individual, doing business as Fraser Mechanical for \$2,250.00 per month, effective January 1, 2001 for the 38,740 square feet of property on Dennison Street. The recommendation was approved on passage of Resolution No. 01160.

Approval of Amendment to Lease with East Bay Regional Parks for Addition of Damon Slough Bridge and Trail Links to Leased Premises was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that in April, 1976 the Board entered into a 25 year lease with the East Bay Regional Park District (EBRPD) for the development of approximately 560 acres of land and water area at San Leandro Bay for a Regional Shoreline Park. In February of this year EBRPD exercised their option to extend the term of the lease for another 25 years. EBRDP has now requested that Damon Slough Bridge, which was formerly part of an abandoned railroad bed, along with its corresponding north and south trail links containing 4,010 square feet, be added to the leased premises for development of the Damon Slough Trail. The bridge is in good condition and currently being used by hikers and bicyclists going from existing paved paths terminating at each end of the bridge. The lease will be amended to add the Damon Slough Bridge and corresponding north and south trail links to the premises covered by the existing lease between Port and EBRPD. The planned development and improvements will consist of asphalt paving for a new bike bath and brush repainting of the bridge,

attracting an increase in bridge pathway usage. EBRPD will be responsible of all maintenance of bridge and path for the entire term of the lease. It was recommended that the bridge and trail links be added to the existing lease and allow for the development and improvement of abandoned area for public access and enjoyment rails. The recommendation was approved on passage of an ordinance to print.

Authority to Exercise Option to Purchase Up to Three Container Cranes from ZPMC and Authority for the Executive Director to Make Any Necessary Contractual Amendments

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Shanghai Zhenhua Port Machinery Co., Ltd., (ZPMC) of Shanghai, China, for the four cranes including spare parts, for Berths 55-56. ZPMC was also the low bidder for up to nine additional option cranes. The six container cranes for Berth 57-58 are to be delivered in January 2002. The Maritime Division has determined that it needs three additional cranes. Two are needed for operations at Berth 26 and the third will be assigned after completion of ongoing negotiations with other tenants. In order to take advantage of the low option bid price and to meet project time schedules, it was recommended that the Board authorize the option to fabricate off-site and deliver three cranes to the Port for the amount of \$16,711,200. The recommendation was approved on passage of Resolution No. 01167.

Supplemental Agreement with International Transportation Service to Provide for Rental Provisions for Two New Gantry Cranes

was the subject of a memo to the Board from the Director of Maritime recommending approval of a supplemental agreement to provide for the two new cranes to be installed at Berth 25 no later than May, 2002. Based upon an annual revenue requirement of \$1,868,698.00 for acquisition, debt service and coverage the Port proposes a crane

rental rate of \$16.94 per loaded or empty container lifted up to a MAG/BP of 110,313 lifts. The proposed guarantee and rate level meets our financial requirements and is within the guide lines of the maritime feasibility plan. All loaded or empty containers lifted beyond the MAG/BP of 110,313 containers shall be assessed at the rate of \$8.47 rate for containers handled beyond the MAG/BP cranes. The recommendation was approved on passage of Resolution No. 01168.

Extension of Yang Ming Line 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 Yang Ming Line (Yang Ming) is a major Republic of China (Taiwan) flag carrier container shipping line that calls at the Ben E. Nutter Terminal under a Terminal Use Agreement (TUA) which is scheduled to expire April 30, 2001. Marine Terminals Corporation (MTC) provides stevedoring and terminal services at the facility. The Port recently proposed a new five-year TUA that has similar economic incentives, however, the proposal is for dockage and wharfage to be assessed as a single charge on a per loaded TEU basis as this would streamline billing procedures. Yang Ming would also continue to be eligible for additional year-end discounts from the per loaded TEU rate based upon cargo volume during each contract year. Although Yang Ming wants to remain in Oakland, their staff needs more time to evaluate the economics of the proposal and both Yang Ming and the Port desire that the term of the current TUA be extended until May 31, 2001. It was recommended that the Board approve the proposed term extension of Yang Ming Line's Terminal Use Agreement. The recommendation was approved on passage of Resolution No. 01169.

Modification to the Secondary Use Provisions in the American President Lines (APL)

Terminal Agreements to Accommodate Carriers in the U.S. Pacific Coast – Oceania

Agreement and Suspension of the Terminal Use Agreement with FESCO Ocean

Management, LTD (FESCO) was the subject of a memo to the Board from the Director of Maritime notifying the Board that American President Lines (APL) conducts operations under several Agreements with the Port for the Middle Harbor Terminal at Berths 60-63. The Agreements are scheduled to expire July 31, 2001 and provide APL two 7 year options to extend the term. The compensation terms are subject to re-negotiation upon APL exercising its options. By letter dated March 2, 2001, APL formally notified the Port that it is exercising one of its seven year options and Port maritime staff continues to meet with APL representatives to ascertain the extent of their terminal requirements and to commence negotiations of new compensation levels for the new term. The APL Agreements contain revenue sharing provisions with the Port for secondary users calling at Berths 60-63. APL and the Port share equally all charges published in the Port's marine terminal tariff for secondary users at the facility. However, the Agreement also provides that if the secondary use is for a shipping line which commits to use Berths 60-63 as a regularly published Northern California port of call for a period of five years, then APL and the Port will share the Port tariff charges on the basis of APL –60%/Port –40%. The APL/Port Agreements further stipulate that when a secondary user does not fulfill its 5 year commitment APL is required to promptly pay the Port the 10% tariff revenue sharing difference between the normal 50% Port tariff sharing and the 50% share APL received. This difference payment to the Port is for the entire operations period under 5 years by the secondary user. For almost 15 years, Australia – New Zealand Direct Line (ANZDL) has been a secondary user at the APL Terminal and the Port has been paid on the basis of 40% of its tariff for this activity. In January, 2001, ANZDL entered into a contract for cooperative arrangements with three other ocean carriers to discuss and agree on

a number of vessels deployed and to charter space to and from one another in the trades between the West Coast and Australia, New Zealand and the Pacific Islands; as well as between the West Coast/Canada and Mexico. In addition to ANZEL, the other shipping line parties in the Oceania Agreement include Columbus Line, P&O Nedlloyd and FESCO Ocean Management. In Oakland FESCO operates under a Terminal Use Agreement (TUA) at the Howard Terminal which is scheduled to expire December 31, 2002. Until last month, the Australian service provided by Columbus Line along with P&O Nedlloyd called at the Port of San Francisco. During the last three months the carriers which are party to the Oceania Agreement issued a request for proposal to various Oakland facilities and to the terminal operator at the Port of San Francisco in order to seek competitive bids for terminal and stevedoring services. The Oakland APL Terminal was the successful bidder and has secured the shipping lines in the Oceania Agreements for a two year commitment. APL now seeks an amendment to the secondary use provisions in their Agreements so that the APL-60%/Port-40% tariff revenue sharing applies for all parties in the Oceania Agreement for a two year period. In accordance with the current FESCO Agreement at Howard Terminal, it is proposed that this TUA be suspended during FESCO's use of the APL Terminal and that FESCO be designated a secondary user of the APL Terminal along with other parties of the Oceania Agreement. The proposed modification to the 60%-APL/40%-Port tariff sharing for a two year period in order to accommodate the Oceania shipping lines helps bring approximately 6.013 loaded TEUs of new business to the Port. Based upon current activity and the projected level of increased vessel and cargo activity, it is estimated that the Port will generate additional annual revenue of approximately \$153,013.00 for dockage and wharfage activity. However, when considering that FESCO's shift to the APL facility will result in decline in crane revenue because

APL owns the cranes at the Berths 60-63 Terminal the net gain to the Port on an annual basis will equate to approximately \$91,000.00. It was recommended that the Board approve the proposed Supplemental Agreements with APL, modifying the secondary use revenue sharing provisions for the shipping lines which are party to the U.S. Pacific Coast-Oceania Agreement and suspension of the FESCO Terminal Use Agreement at Howard Terminal. The recommendation was approved on passage of Resolution No. 01170.

Ratification of Addenda, Rejection of All Bids and Authorization to Advertise for Bids for Revised Contract for Construction of Berths 57-58 Container Yard and Gate, Vision 2000

was the subject of a memo to the Board from the Director of Engineering notifying the Board of the five bids received and that all bids exceeded the budget for this project. The bidders were Amelco Electrica S.F., Inc.; Gallagher & Burk, Inc.; Granite Rock Company; O.C. Jones & Sons, Inc.; and Bay Cities Paving & Grading, Inc. Addenda Nos. 1,2,3,4 and 5 were issued by the Chief Engineer to extend the bid date to March 30, 2001, to delete the electronic submittal of payroll information, to change certain bid quantities and milestone dates and specifications for interlocking paving stones, to add additional requirements for safety program and safety representatives, and to issue other minor changes to the Plans and Project Manual. The Addenda did not change the physical work of the contract. The budget for this work is \$49,200,000.00. The lowest bid received was \$59,015,382.00. The four lowest bids are within 1.5% of each other and are considered to be very competitive for the project. However, the Bids exceeded the budget by an amount larger than acceptable. One of the reasons the bids are higher is a reflection of the increase the bidders have seen in material and labor costs in the Bay Area. It was recommended that Addenda Nos. 1 through 5 be ratified, that all bids be rejected, that authorization be given to advertise the project for

new bids to be received on May 16, 2001, based on the revised plans and Project Manual, and that the bid securities be returned to the respective bidders.

Mr. Robert Macoon representing Amelco Electric S.F., Inc., appeared before the Board to note that his firm was the low bidder and that all the bids were competitive and he asked that his firm be awarded the contract.

After discussion, the recommendation was approved on passage of Resolution No. 01171.

Approval of First Supplemental Agreement with Parsons Brinkerhoff Construction Services, Inc. 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 of the contract with Parsons Brinkerhoff Construction Services, Inc. (PBCS), for the Construction Management services for JIT. The services to be provided included 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 and at a not to exceed fee of \$2,400,000.00. It is proposed that the agreement be modified to address certain needs. The existing construction contract is requiring a greater effort than originally anticipated and the work is taking longer than originally anticipated when the agreement was negotiated. Additional funds will be needed to complete the construction management work.

The estimated cost for these services is \$150,000.00. A construction item that was omitted from the original agreement because of an unknown scope of work at the time is the construction of the JIT tail tracks. These tracks will be built as part of the Realignment of Middle Harbor Road – Adeline Street Overcrossing to West of K Street and are integral to the JIT operations. The

estimated cost for these services is \$100,000.00. To expand the scope of services as described for the JIT to include the same services for the Construction of Knight Yard. The Knight Yard will be more complex than the JIT as there will be active rail traffic within the project site as the work is being done. The estimated cost for these services is \$850,000.00. It was recommended that the Board authorize a supplemental agreement with PBCS. It is estimated that the cost will be \$1,100,000.00 and it is recommended that an additional \$300,000.00 be authorized for the Executive Director's approval if future change in scope work occurs, for a total of \$1,400,000.00. The recommendation was approved on passage of Resolution No. 01172.

Authorization to Apply for and, if Successful, Accept a Grant from the San Francisco Bay Trail Regional Development Program for the Purpose of Improving Segments of the Bay Trail at the 7th Street Railroad Underpass and the 7th Street I-880 Freeway Underpass/On-Off Ramp, and to Authorize the Executive Director to Negotiate and Execute all Agreements Necessary to Comply with the Bay Trail's Grant Requirements was the subject of a memo to

the Board from the Director of Engineering notifying the Board that the nine countywide "Bay Trail Project" envisions a 400-mile trail surrounding the San Francisco and San Pablo Bays. As part of the Vision 2000 Program, the Port is constructing the 37-acre Middle Harbor Shoreline Park (MHSP), scheduled to open in winter of 2002. Located in the midst of an active marine terminal area, bicycle, pedestrian and transit access to the Park has been identified as a major issue to be addressed. Primary access to the Park will be provided by 7th Street and Middle Harbor Road. The construction of the realigned segment of 7th Street includes a Class 1 bicycle/pedestrian path totaling 4,000 linear feet which runs from the 7th Street Railroad underpass near Maritime Street to the intersection with new Road. The eastern terminus of the 7th Street realignment and Class 1

pathway requires bicyclists and pedestrians to negotiate the narrow and dark 7th Street railroad underpass as the Port's MHSP is scheduled to open in the winter of 2002, this obstacle to public access along 7th Street must be addressed in the near future. Through various avenues, the Port has committed to the San Francisco Bay Conservation and development Commission (BCDC) to pursue and implement public access improvements wherever feasible. BCDC was particularly interested in seeing improvements to MHSP access along 7th Street. The Port sought and received grant funding from the Coast Conservancy to hire a consultant to prepare the "Middle Harbor Shoreline Park Public Access Feasibility Study," this study is currently underway. Many options were evaluated for addressing 7th Street in general and the difficult railroad underpass in particular. As the Port envisions this underpass being demolished and rebuilt in seven to ten years, these million-plus dollar options were dropped from consideration and the consultant was directed to investigate short-term solutions for improving the safety of this structure. As a result, signage, striping, lighting, and signal phasing improvements in the 7th Street I-880 and railroad underpass areas have been identified as the most cost-effective alternatives. The 7th Street I-880 underpass/on-off ramp was rebuilt as part of the Cypress Freeway reconstruction and has ample room for a bicycle/pedestrian path, but is not currently signed or striped. The 7th Street railroad underpass is a narrow tunnel which provides a separated bore for westbound bicycles and pedestrians, but no such bore exists for non-motorized traffic in the eastbound direction. Those traveling eastbound on 7th Street must cross at the signalized intersection of Middle Harbor Road and 7th Street in order to use the separated railroad underpass tunnel which is dark, narrow, windy, uninviting, and often strewn with debris. The Port will submit a request for grant funding from the San Francisco Bay Trail Regional Development Program in the amount of \$100,000.00 in order to fund short-term

improvements to the 7th Street railroad underpass, and permanent improvements to the 7th Street I-880 freeway underpass. Oakland dedicated streets, staff believes it is in the Port's best interest to pursue public access improvements in this area. The estimated cost for all of the access elements discussed is between \$195,000.00 to \$200,000.00. Preliminary and final design, construction engineering and management, environmental review, contracting, and management of the grant would be approximately \$90,000.00. It was recommended that the Board approve a resolution authorizing the Executive Director, or his designee to accept a grant from the San Francisco Bay Trail Regional Development Program for the purpose of improving approximately 2,500 feet of Bay Trail on 7th Street at the I-880 and railroad underpasses. The recommendation was approved on passage of Resolution No. 01173.

Plans and Project Manual for Furnishing Labor, Materials, and Equipment for Reconditioning, Repairing, and Reconstructing Port of Oakland Railroad Tracks and Crane Rails for the Period Commencing July 1, 2001 and Ending June 30, 2002, 2003 or 2004 was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids for the annual contract. The work consists, of on-call furnishing of labor, materials, and equipment for reconditioning, repairing, and reconstructing Port of Oakland railroad tracks and crane rails, including raising tracks, replacing and installing railroad ties, and other track maintenance. The budget for the total work is estimated at \$100,000.00 per year and is included in the Operating Budget for Fiscal Year 2001-02. The recommendation was approved on passage of Resolution No. 01161.

Approval to Enter into an Agreement with Osaki Design, Inc. for Professional Services Relative to PortFest 2001 was the subject of a memo to the Board from the Director of

Communications notifying the Board that on May 19, 2001, the Port will again host PortFest. This annual event brings together the Region's colorful ethnic spectrum in a multicultural event to help raise public awareness of the economic vitality of the Port and its mission to build a strong community through strategic business activities and partnerships. Each year the event has been more successful, but professional promotion and advertising is necessary to maximize the event. It was recommended that the Board authorize a contract with Osaki Design to perform specific consulting services for the event. The amount of the contract is to be \$50,000.00 including a \$15,000.00 purchase order. The services would include branding the event, preparing banners, posters, and marketing collateral's as well as advertising and promotions. The consultant would also be responsible for the important activity of solicitation of corporate sponsorships of the event and specific PortFest activities. The recommendation was approved on passage of Resolution No. 01174.

Approval of Domestic Partnerships Coverage Program was the subject of a memo to the Board from the Director of Administration notifying the Board that Legislation has passed Assembly Bill 26 – Domestic Partnership Coverage, allowing people engaged in specified domestic partnerships to register with the Secretary of State in order to be eligible to enroll in a CalPers health plan effective, January 1, 2000. AB 26 covers same sex domestic partnerships between employees who are at least 18 years of age and involved in opposite sex domestic partnerships with employees who are 62 years of age and older and collecting a Social Security benefit, are eligible for coverage under this program. Public Agency employers may elect to make this benefit available to their employees and retirees. It was recommended that the Board authorize the Director of Administration to implement a Domestic Partnerships Coverage Program, allowing

eligible employees to enroll in a CalPers health plan and approve the appropriate resolution. The recommendation was approved on passage of Resolution No. 01175.

Progress Report on Port of Oakland Project Labor Agreement Social Justice Program

– Information Only was the subject of a memo to the Board from the Director of Communications, on the program. The “traditional” components of the PLA provide the Port Maritime an Aviation Capital Improvement Program with the provisions necessary to assist the Port in executing its maritime and aviation capital programs within budget and with the savings that can result from its protection. In addition to these and other traditional elements of a project agreement, the Port Commissioners and Port staff wanted to use the Maritime and Aviation Capital Improvement Programs and the PLA as vehicles for building the capacity of local residents and businesses to secure jobs and to receive contracting opportunities respectively. To that end “Social Justice” program components were successfully negotiated into the language of both PLAs. One important element of the “Social Justice” program is specific goals for the hiring of residents from the Port’s Local Impact Area (LIA) and the Local Business Area (LBA). The LIA includes the cities of Alameda, Emeryville, Oakland and San Leandro. The LBA includes all of Alameda County and all of Contra Costa County. A second element of the Social Justice program is to maximize the successful participation of small local businesses in the construction and construction service opportunities available at the Port’s covered projects. The PLA sets out to achieve this goal by seeking to secure work for such businesses both by exempting a small amount of work from PLA coverage and, more importantly, by securing the Unions’ commitment to work cooperatively with such businesses. The unions agreed to set aside certain portions of work up to a maximum of \$15,000,000.00 to be reserved for the development of small, local businesses. Mr. Jake Sloan,

Principal of Davillier-Sloan, Inc. presented a progress report on the activities and accomplishments to date relative to the Social Justice Component of the PLA. The report sets forth the remaining challenges and opportunities that exist relative to our development of an effective means of hiring local residents and utilizing small businesses in the Port's expansion programs. The information was noted and ordered filed.

Approval for Assignment of Contract Isys Idea Systems to 2PLUS2 Partners, Inc. was the subject of a memo to the Board from the Director of Communications notifying the Board of the contract with Isys Idea Systems for the Port of Oakland Website redesign and maintenance. Isys Idea Systems has recently undergone some organizational changes and they have transitioned one company into two with Cathy Dew, the Port's primary contact, heading up a new company "2Plus2 Partners, Inc." whose mission is to provide expert strategy, consulting, and development services for strategic websites. The current First Supplemental Agreement with the assignor (Isys Idea System) for \$35,000.00 was previously approved by the Board in January and no additional money is requested at this time. It was recommended that the Board approve the Assignment of Contract from Isys Idea Systems to 2Plus2 Partners, Inc. conditioned upon the assignee's assumption of all liabilities and obligations under the contract. The recommendation was approved on passage of Resolution No. 01162.

Authorization to Include Construction of Security Fencing for Port of Oakland Facilities for the Period Commencing July 1, 2001 and Ending June 30, 2002, or 2003 in the Port's Small Business Program was the subject of a memo to the Board from the Director of Engineering notifying the Board of the annual contract which consists of constructing security fencing for Port of Oakland facilities. The budget for the total work is estimated at \$150,000.00 per

year and included in the Operating Budget for Fiscal year 2001-02. It was recommended that the Board authorize the project to be included in the Port's Small Business Program, and that it be found to be in the best interests of the Port to dispense with formal competitive bidding procedures. It is also recommended that the Executive Director be authorized to execute a contract for this work with a small local contractor who submits an acceptable bid. In the event none acceptable bid is not submitted, it was further recommended that the Executive Director be authorized to execute a contract for this work with any qualified contractor, based on informal bids, if the attempt to secure an acceptable bid from a small local contractor is not successful. The recommendation was approve on passage of Resolution No. 01163.

Approval of Project Manual for Performing Emergency Spill Response and Handling Hazardous and Contaminated Materials at Port of Oakland Aviation and Maritime Construction Sites for the Period Commencing July 1, 2001 and Ending June 30, 2002, 2003 or 2004 was the subject of a memo to the Board from the Director of Engineering recommending its approval and authority to advertise for bids. This on-call Contract for Emergency Spill Response and Handling Hazardous and Contaminated Materials will be bid to cover all Port Maritime and Aviation construction projects where the Port is the contracting party. It will cover as-needed removal, hauling, and proper disposal of hazardous and contaminated materials found on such construction sites or generated by such construction work when requested by the prime contractor. The cost of spill response, abatement, environmental clean-up and handling hazardous and contaminated materials work is included in the Capital Projects Budget for Fiscal year 2001-02. The recommendation was approved on passage of Resolution No. 01164

Travel Authorization contained in a memo to the Board from the Secretary of the Board recommended approval for the travel of George Turner, Marketing Manager, and Deborah Ale Flint, Capital Program Administrator, to Paris, France, Luxembourg, and Amsterdam, Netherlands, on or about the period April 20 – 26, 2001, to meet with Corsair and other cargo air carriers. The recommendation was approved on passage of Resolution No. 01165.

APPEARANCES: Ms. Beth Aaron, representing Bay Area Black Contractors Associates, appeared before the Board to urge more contracts and subcontracts for the members of her organization.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami, and Vice President Uribe - 6

Noes: None

Absent: President Kramer - 1

“RESOLUTION NO. 01144

APPROVING AND AUTHORIZING THE EXECUTION OF MEMORANDA OF UNDERSTANDING INTERIM CONSOLIDATED RENTAL CAR FACILITY WITH CERTAIN RENTAL CAR COMPANIES.”

“RESOLUTION NO. 01145

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH GALLAGHER & BURK, INC. – BROSAMER, A JOINT VENTURE, 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.”

“RESOLUTION NO. 01146

FINDING AND DETERMINING THAT A SECOND SUPPLEMENTAL 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.”

“RESOLUTION NO. 01147

APPROVING ADDITIONAL MONIES FOR PURCHASE AND INSTALLATION OF ASCOM PARKING REVENUE CONTROL SYSTEM UPGRADE, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01148

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH ROBERTS, ROACH & 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. 01149

AUTHORIZING AND APPROVING PURCHASE OF A PILOT GPS SATELLITE TRACKING SYSTEM PROGRAM WITH BRIDGE TECHNOLOGY, INC.”

“RESOLUTION NO. 01150

RATIFYING AND APPROVING SUBMITTAL OF PRE-APPLICATION AND APPLICATION TO FEDERAL AVIATION ADMINISTRATION UNDER THE AIRPORT IMPROVEMENT PROGRAM.”

“RESOLUTION NO. 01151

APPROVING AND AUTHORIZING EXECUTION OF A LICENSE AND CONCESSION AGREEMENT WITH I.S.B.A., INC. DOING BUSINESS AS OAKLAND FLYERS.”

“RESOLUTION NO. 01152

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

“RESOLUTION NO. 01153

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH BAY AVIONICS, INC.”

“RESOLUTION NO. 01154

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

“RESOLUTION NO. 01155

AUTHORIZING THE EXECUTION OF A SIXTH SUPPLEMENTAL AGREEMENT TO LEASE AND CONCESSION AGREEMENT (NEWSSTAND AND GIFT SHOP) WITH AIR TERMINAL SERVICES, INCORPORATED.”

“RESOLUTION NO. 01156

CONSENTING TO ASSIGNMENT AND SUBLEASE OF LICENSE AND CONCESSION AGREEMENT WITH SAN RAMON CARRIAGE COMPANY, INC. DOING BUSINESS AS THRIFTY CAR RENTAL TO THRIFTY RENT-A-CAR SYSTEM, INC. AND TRAC TEAM, INC., SUBJECT TO CERTAIN CONDITIONS.”

“RESOLUTION NO. 01157

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE, INSTALLATION AND MAINTENANCE OF LOW POWER AM TRAFFIC AND PARKING INFORMATION RADIO STATION, 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. 01158

AUTHORIZING EXECUTION OF A SECOND AMENDMENT TO THAT CERTAIN AGREEMENT WITH THE UNITED STATES DEPARTMENT OF AGRICULTURE WILDLIFE SERVICES.”

“RESOLUTION NO. 01159

AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR ACQUISITION OF GROUND LEASE INTERESTS BETWEEN THE PORT OF OAKLAND AND JACK LONDON SQUARE PARTNERS, LLC FOR VARIOUS PROPERTIES IN THE JACK LONDON SQUARE AREA.”

“RESOLUTION NO. 01160

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH FRASER MECHANICAL.”

“RESOLUTION NO. 01161

APPROVING PLANS AND SPECIFICATIONS FOR FURNISHING LABOR, MATERIALS, AND EQUIPMENT FOR RECONDITIONING, REPAIRING, AND RECONSTRUCTING PORT OF OAKLAND RAILROAD TRACKS AND CRANE RAILS FOR THE PERIOD COMMENCING JULY 1, 2001 AND ENDING JUNE 30, 2002, 2003 OR 2004, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01162

APPROVING CONSENT TO ASSIGNMENT OF RIGHTS TO 2PLUS2 PARTNERS, INC. FOR CERTAIN EXISTING CONSULTANT AGREEMENTS.”

“RESOLUTION NO. 01163

GRANTING AUTHORIZATION TO INCLUDE CONSTRUCTION OF SECURITY FENCING FOR PORT OF OAKLAND FACILITIES FOR THE PERIOD COMMENCING JULY 1, 2001 AND ENDING JUNE 30, 2002, OR 2003, 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. 01164

APPROVING PLANS AND SPECIFICATIONS FOR PERFORMING EMERGENCY SPILL RESPONSE AND HANDLING HAZARDOUS AND CONTAMINATED MATERIALS AT PORT OF OAKLAND AVAITION AND MARITIME CONSTRUCITON SITES FOR THE PERIOD COMMENCING JULY 1, 2001 AND ENDING JUNE 30, 2002, 2003 OR 2004, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01165

CONCERNING CERTAIN TRAVEL.”

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates and Vice President Uribe - 5

Noes: None

Absent: Commissioner Tagami and President Kramer - 2

“RESOLUTION NO. 01166

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH GALLAGHER & BURK, INC., FOR RECONSTRUCTION OF EMBARCADERO BETWEEN 5TH AVENUE AND 16TH AVENUE, EMBARCADERO COVE, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01167

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, AND AUTHORIZING EXERCISE OF OPTION TO PURCHASE THREE CONTAINER CRANES.”

“RESOLUTION NO. 01168

APPROVING AND AUTHORIZING EXECUTION OF FIRST SUPPLEMENTAL AGREEMENT WITH INTERNATIONAL TRANSPORTATION SERVICE, INC.”

“RESOLUTION NO. 01169

AUTHORIZING EXECUTION OF SECOND SUPPLEMENTAL AGREEMENT WITH YANG MING MARINE TRANSPORT CORPORATION.”

“RESOLUTION NO. 01170

APPROVING AND AUTHORIZING EXECUTION OF SUPPLEMENTAL AGREEMENTS WITH AMERICAN PRESIDENT LINES, LTD. AND WITH OCEAN MANAGEMENT, INC., DBA FESCO AGENCIES NORTH AMERICA LINE.”

“RESOLUTION NO. 01171

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF BERTHS 57-59 CONTAINER YARD AND GATE, VISION 2000, OAKLAND, CALIFORNIA, REJECTING ALL BIDS, DIRECTING RETURN OF BID BONDS TO BIDDERS; APPROVING REVISED PLANS AND SPECIFICATIONS AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01172

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

“RESOLUTION NO. 01173

AUTHORIZING APPLICATION FOR AND, IF SUCCESSFUL, ACCEPTANCE OF A GRANT FROM THE SAN FRANCISCO BAY TRAIL REGIONAL DEVELOPMENT PROGRAM FOR THE PURPOSE OF IMPROVING SEGMENTS OF THE BAY TRAIL AT THE 7TH STREET RAILROAD UNDERPASS AND THE 7TH STREET I-880 FREEWAY UNDERPASS/ON-OFF RAMP.”

“RESOLUTION NO. 01174

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH OSAKI DESIGN, 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. 01175

APPROVING AND AUTHORIZING THE IMPLEMENTATION OF A DOMESTIC PARTNERSHIPS COVERAGE PROGRAM.”

“RESOLUTION NO. 01176

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH C. WILLIAM IBBS, PhD. AND THE COVELLO GROUP 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. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE OF SUBPOENAS IN PROCEEDINGS BEFORE THE BOARD,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF EASEMENT DOCUMENTS TO EAST BAY MUNICIPAL UTILITY DISTRICT (EBMUD) FOR POTABLE AND RECLAIMED WATER PIPELINES ON THE AIRPORT,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF AN AMENDMENT TO LEASE WITH EAST BAY REGIONAL PARK DISTRICT,” and were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates
Tagami and Vice President Uribe - 6

Noes: None

Absent: President Kramer - 1

At the hour of 4:50 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 matters; conference with real property negotiator (Government Code Section 54956.8) property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment, and property – selected locations, Jack London Square, Oakland, California, negotiating parties – Port of Oakland and Oakland Portside Associates, under negotiation – price and terms of payment; and reconvened in open session at the hour of 5:50 p.m.

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

Secretary of the Board

training based on assessment outcomes; facilitating roundtable customer service focus groups; designing training workbook and curriculum; and delivering training. Amistad Associates will continue to provide customer service training and on an ongoing basis assess internal customer needs. It was recommended that the Board approve a three-year contract with Amistad Associates to offer customer service training to staff at Oakland International Airport for a total amount of \$280,000.00. The on-going training process will include: effective relationship building, coordinated management, leadership skills, customer service culture, transition readiness, group interactions, teamwork, communication and integration of quality. Amistad and Associates will also work with Airport tenants, contractors, and concessions. The recommendations was approved on passage of an Resolution No. 01121.

Ratification of Addenda and Award of Contract for Construction of Overlay of Runway 11-29 and Conversion of Taxiway W to Temporary Runway 12-30, South Field, OIA

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., the low bidder, at \$16,938,383.00. It was noted that because of the great potential for disruption of regional air traffic if the work is not expeditiously completed, the Port took the unusual step of requiring each bidder to submit a detailed critical path method (CPM) Bidding Project Schedule with its bid. Therefore, the Port will pay each bidder submitting a responsive, responsible bid \$3,000.00 for the submitted schedule, for which the Port shall receive all ownership rights to the Bidding Project Schedules. The Bidding Project Schedule provides the day-by-day schedule of work tasks to be performed by the contractor. Completion and approval of the conversion of Taxiway W to temporary Runway 12-30 is a necessary prerequisite to the overlay of Runway 11-29. Any delay in

the commencement of this work leads to the possibility of the Runway 11-29 overlay project being cancelled due to the increased probability of negative weather conditions beginning in September. Addenda Nos. 1, 2 and 3 were issued by the bidder, to change certain factors for the calculation of the "B" quantity of the bid, to remove the Maritime and Aviation Project Labor Agreement (MAPLA) from the Project Manual pursuant to Presidential Executive Order No. 13202 banning such project labor agreements on Federally funded projects. The Board approved a Categorical Exemption on September 19, 2000 and filed a Notice of Exemption with the Alameda County Recorder on September 21, 2000. The recommendation was approved on passage of Resolution No. 01122.

Authorization to Dispense with Formal Competitive Bidding Procedures and to Execute a Change Order for Construction of In-Transit Lounge Expansion at Building M-102, Terminal 1, South Field, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the high passenger growth at the Airport and the need to provide continued international service which requires the expansion of the existing In-Transit Lounge (ITL). The existing ITL cannot accommodate the number of passengers on their flights. This low level of service for the passengers has caused Corsair to look for alternative airports that can provide the International Service Requirements. The expansion of the existing ITL is the most cost effective and immediate solution. The expansion would preserve a current revenue stream from Corsair's operations and would also provide additional revenue in the form of an In-Transit fee per passenger, and would provide an asset that other international carriers considering service from Oakland would consider. It was recommended that the Board find it to be in the best interests of the Port to dispense with formal competitive bidding procedures and authorize the Executive

Director to negotiate and execute a contract change order with the lowest proposing contractor, currently under contract with the Port, to perform the construction work. The Total Project Cost for the In-Transit Lounge expansion is estimated to be \$660,000.00. The recommendation was approved on passage of Resolution No. 01123.

Approval of Acquisition of Lease and Property from Airweld, Inc., North Airport was the subject of a memo to Board from the Director of Aviation notifying the Board that Airweld, Inc. overhauls and repairs aircraft components, has been a North Field tenant for over 32 years. Airweld built two, steel-framed, industrial structures: the first, approximately 12,500 square feet, in 1969; and the second, approximately 8,000 square feet in 1981. The term of Airweld's ground lease does not end until December 31, 2010. Airweld's ground rent is \$3,120.60 per month. The lease states that title to all improvements made to the premises shall revert to the Port upon termination of the lease. Due to the out-of-state relocation of its business, Airweld is receptive to the Port buying out the remainder of its lease term. Port staff has identified an immediate need for one of the two buildings: relocation of the Port's Utility Department parts and equipment and staff anticipates little difficulty leasing the second structure given the North Field's 100% occupied status. The Port staff has negotiated a \$145,000.00 price for acquisition of the two structures and termination of Airweld's ground lease. Laboratory analytical data received indicate the presence of soil and/or groundwater contaminants. Additional research is required before environmental contamination responsibilities can be determined. Airport Properties and Aviation Facilities Maintenance staff also have examined the structures and found them dated, but not in need of major repair or rehabilitation. It was recommended that the Board authorize and approve the Executive Director's entering into an Agreement for the Surrender and Termination of Lease with Airweld,

Inc. and such other documents shall include an allocation of environmental responsibilities between Airweld and the Port. The recommendation was approved on passage of Resolution No. 01124.

Approval of a Building Permit Application for Construction of Ramp and Building Modifications, FedEx Inc. was the subject of a memo to the Board from the Director of Engineering recommending approval for the construction of an expansion of the ramp and additional second floor space on FedEx Inc. leased premises at the Oakland Airport. The project will include pavement upgrades to the existing paved area, and a new pavement area of approximately 30,000 square feet. Office space will be expanded in the interior of the existing main sort building. This proposed work will include: construction of 273,000 square feet of asphalt concrete and portland cement concrete pavement; pavement striping to realign taxiway, eliminate 4 gate positions in a new location; installation of four gate tethers for relocated positions; installation of new lighting; construction of fuel and electrical supply facilities to the new gate positions; construction of 3,870 square feet of additional floor area within the existing envelope of Building M-141; and construction of interior improvements to office areas. The project has been determined to be Categorically Exempt and conforms to the transportation designation for the site in the Oakland General Plan. The estimated value of the work is \$6,800,000.00. The recommendation was approved on passage of Resolution No. 01125.

Ratification of Addendum and Award of Contract for Construction of 12.47 kV Circuit between SS-8 and SS-5A, South Airport, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the three bids received and recommending the contract to Rosendin Electric, Inc., the low bidder, at \$427,015.00. Addendum No. 1 was issued by the Chief Engineer to extend the bid opening to March 2, 2001 and to issue other minor

changes and clarifications to the Plans and Project Manual. The recommendation was approved on passage of Resolution No. 01126.

Approval of Plans and Project Manual for Procurement and Installation of Intellikey System, South Airport, OIA was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids. The Intellikey System is a computer controlled, door security of electronic keys and locks, that allows monitoring, identification and control of persons passing through doors that lead to high security areas. The Intellikey System was selected by Airport Operations since the units are modular and self-powered, and the locking assembly easily replaces the existing door hardware installed on doors in the terminal and matches the current geometry. The work consists of removing and replacing the existing door hardware from 51 doors with new Intellikey hardware and providing management and maintenance software and tools. Although the Intellikey equipment will be sole sourced, the installation work will be open to all contractors with a Class C-28 license. The recommendation was approved on passage of Resolution No. 01127.

Ratification of Payment to Dawson Mathis and Associates for Consulting Services Related to the Airport Development Program was the subject of a memo to the Board from the Director of Aviation notifying the Board that a serious impediment to the construction of Phase A of the Cross Airport Roadway Project was the lack of a completed Federal environmental document. Without such document completed by the end of calendar year 2000, over \$4.5 million in state funding would have been jeopardized as well as the risk of escalating construction costs due to significant extensions of the construction contract time period. The Roadway project is sponsored by the Port, City of Alameda and the Alameda County Transportation Authority. Under

the auspices of Senator Don Perata, a consultant was identified in Washington to assist the project sponsors in working with the Federal Aviation Administration (FAA) in securing the necessary environmental approvals. The total cost of this consultant effort was \$135,000.00 which would be split equally by the three agencies. On December 21, 2000 environmental approval was received from the FAA in the form of a Finding of No Significant Impact (FONSI) for the Airport Development Program which includes the Roadway project. The Port received an invoice for its share of the consultant cost, \$45,000.00, and it was recommended that the Board ratify paying the firm of Dawson Mathis and Associates \$45,000.00 for services rendered in association with gaining federal approval of the Airport Development Program. The recommendation was approved on passage of Resolution No. 01128.

Approving First Amendment to a Purchase and Sale Agreement with Warehouse Properties Inc. for the Property Located at Hegenberger Road and Pardee Drive was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board of the Purchase and Sale Agreement between the Port and Warehouse Properties, Inc. covering a 14-acre parcel in the Oakland Airport Business Park. The Agreement provided a 60-day due diligence period, which expired on February 7, 2001. The developers have requested a 120-day extension of the due diligence period, and an additional 180-day extension of the effective date of the Port's option to repurchase the property. Their extension request is based upon the recent discovery of a PG&E easement that was not on the original survey, and the time required to obtain CEQA and BCDC approvals. It was recommended that the Board approve the request. The recommendation was approved on passage of Resolution No. 01129.

Authorization to Negotiate Agreements with Design Teams to Provide Engineering Services for the Construction Modification, or Extension of Container Wharves at the Port of

Oakland was the subject of a memo to the Board from the Director of Engineering notifying the Board that in order for the Port to provide timely project turn-around to its tenants and to supplement the Port's expertise and present resources, the Port solicited proposals from engineering consultant firms to provide the services. The intention is to create a certified list of consultants to provide such services for the upcoming Berth 22 wharf replacement project, the Berths 32-33 wharf rehabilitation project, and other similar projects, for a period not to exceed three years. The work for Berth 22 includes replacing the existing wharf with a fully functional container wharf capable of accommodating the deeper draft ships and 100-foot gage cranes. The work also includes the replacement or retrofitting of the existing embankment system. At Berth 32-33, the proposed improvements include extending the Berths 32-33 face of wharf to align with the face of adjacent Berth 30, constructing new wharf structure to fill-in an existing 150-foot gap between Berth 32 and Berth 30, retrofitting the wharf to support 100-foot gage cranes, verifying adequacy of existing embankment for future deeper draft ships, and extending the west end of Berth 33 as much as possible while taking into consideration the existing BART tube structure. Proposals were received from 10 design teams on January 17, 2001 and a panel interviewed the 10 design teams and prepared a ranking based on each design team's oral presentations, qualifications, relevant experience of the firms, key project personnel, design teams technical abilities and project management abilities, answers to interview questions, as well as OEO scores. As a result of the evaluations Ben C. Gerwick, Inc., TranSystems, a Joint Venture; CH2MHill; F.E. Jordan Associates, Peratrovich, Nottingham & Drage, a Joint Venture; and Moffatt & Nichol Engineers

were recommended. It was recommended that staff be authorized to enter into negotiations with Parsons Brinckerhoff for the Berth 22 wharf replacement project and with Liftech Consultants for the Berths 32-33 wharf rehabilitation project. It was further recommended that, in addition to the Parsons Brinckerhoff and Liftech Consultants design teams, that the Board certify Ben C. Gerwick, Inc., TranSystems, a Joint Venture, CH2Mhill, F.E. Jordan Associates, Peratrovich, Nottingham & Drage, a Joint Venture, and Moffatt & Nichol Engineers to provide engineering design services for future work related to construction, modifications and extensions of fully functional container wharves and embankments at the Port for a period not to exceed three years. The recommendation was approved on passage of Resolution No. 01130.

Approval of Right-of-Entry with the State of California, Department of Transportation (Caltrans) for Construction of a Segment of the San Francisco/Oakland Bay Bridge was the subject of a memo to the Board from the Director of Maritime notifying the Board that it is necessary for the State of California, Department of Transportation (Caltrans) to secure real property for construction of a segment of the new San Francisco/Oakland Bay Bridge from the Oakland City limit line near Treasure Island to the Oakland Touchdown area. Caltrans has requested Right-of-Entry permission to provide for the commencement of construction contingent upon completion of the Environmental Impact Report, and subsequent approval of the Record of Decision by the Federal Highway Administration. Caltrans will subsequently conduct an appraisal and offer the Port the fair market value (FMV) plus interest commencing on the date of right-of-entry. The Property consists of a 73+/- acre parcel that is predominantly comprised of water. The area abuts the San Francisco boundary line in the North Bay, encompassing a portion of the Oakland "spit area" to the radio communication towers. It was recommended that the Board

approve the right-of-entry and delegate to the Executive Director the authority to grant subsequent related permits and rights-of-entry to facilitate the construction of the Bridge. The recommendation was approved on passage of Resolution 01131.

Plans and Project Manual for Construction of Point Arnold/Port View Park Connector, Middle Harbor Shoreline Park, Stage 1 was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids. The project is the first stage in the construction of the Middle Harbor Shoreline Park. The project is located along the Middle Harbor in the Western Harbor in the Western portions of the former Navy Fleet Industrial Supply Center, Oakland (FISCO) property. The work scheduled for this first stage consists generally of final grading of ground surfaces; constructing site utility systems for electrical power, lighting, telephone, gas, potable water, fire protection, landscape irrigation, and sanitary sewer; constructing interior roadways, parking facilities, paths, which include pavements of asphalt concrete, paving stone and decomposed granite; constructing water-side railing, retaining walls, a 5 acre skeletal-metal truss and post-trellis structure, an ornamental fountain; furnishing and installing benches, tables, barbecues, drinking fountains, entrance gate bars; installing two Port-furnished historical artifacts; repairing the concrete upper-deck slab of an existing wharf structure; installing soil amendment; furnishing and planting of grass, ground cover, shrubs, and trees. The area of improvement is approximately 17 acres. Final construction for this first stage in the park construction is projected to be February 2002. The recommendation was approved on passage of Resolution No. 01132.

Authorization to Include the Construction of Point Arnold Restrooms, Middle Harbor Shoreline Park, In the Small Business Park was the subject of a memo to the Board from the

Director of Engineering notifying the Board that the construction of the restrooms at Middle Harbor Shoreline Park is part of the Vision 2000 Program. The construction has been separated from the first stage of construction at Middle Harbor Shoreline Park so that the Port can provide small businesses with the opportunity to work with the Port. Design objectives include minimizing future maintenance, maximizing safety, and providing a functional office-restroom facility that reflects the character of the former Oakland Fleet Industrial Supply Center. The work will include the final grading of ground surfaces; installation of building utilities; electrical, telephone, potable water, sanitary sewer; installation of concrete paving stone; construction of a perimeter grade beam foundation; construction of a metal framed building with masonry walls and a saw-tooth metal roof to provide office space as well as a men and women's restroom facility and three mechanical storage rooms. The building is approximately 1,000 square feet. Construction is projected to be completed in December 2001. The Total Project Cost is estimated to be \$500,000.00. It was recommended that the Board find it to be in the best interest of the Port to dispense with competitive bidding procedures and include the work in the Port's Small Business Program. It was further recommended that the Executive Director be authorized to execute a contract for this work with any qualified contractor, based on informal bids, if the attempt to secure an acceptable bid from a small local contractor is not successful. The recommendation was approved on passage of Resolution No. 01133.

Authorization to Dispense with Formal Competitive Bidding and to Execute a Change Order for Demolition and Soil Stockpiling at the Area Located North of the Realigned 7th Street was the subject of a memo to the Board from Director of Engineering notifying the Board that the Port's Vision 2000 Program includes the realignment of that portion of the old 7th Street

adjacent to the TransBay Container Terminal and the TraPac Terminal located at Berth 25 and Berth 30, respectively. As a result of the road realignment, the area between the old 7th Street and the new 7th Street has become available to be used as a staging or stockpiling area. During the construction of the Berths 55/56 Wharf and Yard and Berths 57/58/59 Wharf Projects, demolition and excavation material has been stockpiled on various locations of the Vision 2000 Program area. As the construction of the Berths 55/56 Wharf and Yard is nearing completion, the area available for stockpiling material has become more and more limited. This area located to the north of the realigned 7th Street provides an immediate opportunity to economically recycle existing asphalt concrete pavements and concrete structures into the Vision 2000 pavements and to receive some of the stockpiled material at the Berths 57/58/59 Terminal area for use in the preliminary site work. To accomplish the work in the current window of opportunity, it was recommended that the informal competitive bids be solicited from contractors that currently have contracts with the Port on the Vision 2000 Program, and that a change order be issued to the lowest bidder for demolition and site preparation work for the area between old and new 7th Street. The change order is estimated to cost approximately \$500,000.00. The recommendation was approved on passage of Resolution No. 01134.

Recommendation to Concur in Memorandum of Intent with Oakland Base Reuse Authority, City of Oakland and Oakland Reuse Authority for Conveyance of Oakland Army Base, and to Authorize Negotiation of an MOA with those Parties and to Contract for Services to Carry Out the Memorandum of Intent was the subject of a memo to the Board from

the Deputy Executive Director notifying the Board that Port staff has worked with representatives of the Oakland Base Reuse Authority (OBRA), the City and the Oakland Redevelopment Agency

(ORA) on expediting the Army's conveyance of the Oakland Army Base (OARB) which officially closed on September 30, 1999. OBRA is a joint power agency of the City, ORA and the County. The majority (5 members) of OBRA are City representatives and the City Manager is OBRA's Executive Director (who has delegated his responsibilities to another). The City Council and City Manager are respectively the ORA's governing board and Agency Administrator. Under the ORA Joint Powers Agreement, ORA is to implement the OBRA-developed Reuse plan for OARB. OBRA on February 26, passed a motion authorizing the Port to represent OBRA in direct discussions and negotiations with the Army for early transfer of OARB under the authority of a Finding of Suitability to Early Transfer (FOSET) as provided for in CERCLA Section 120(h)(3)(C). The Port's proposal included the proposal for the Port to take the lead on the FOSET, and more importantly, a proposal that the Port, OBRA, City and ORA immediately negotiate an agreement to identify the master schedule milestones for the OARB disposal process, and the roles, responsibilities and authority to accomplish the milestones, and to establish each party's equitable share of relevant OARB-related costs and benefits. The agencies have selected representatives of a "Core Team" to meet to establish the framework for developing a comprehensive Conveyance Closing Plan, with a realistic schedule, and a Memorandum of Agreement among the Port, OBRA, the City and ORA to implement the conveyance program. The Agencies have prepared a "Memorandum of Intent for Conveyance of Oakland Army Base" (MOI). The MOI contemplates that the Port will manage the OARB conveyance program. The MOI contain provisions for Concurrence with MOI to authorize negotiations of a Memorandum of Agreement (MOA) among the Port, OBRA, the City and the ORA; and authorize expenditure of up to \$500,000.00 in order for the Port during development of the Plan and negotiation of the MOA, to

complete the necessary due diligence to develop a Conveyance Closing Plan. The Conveyance involves numerous public agencies and private parties, and many complex processes, including environmental clean-up, preparation of an Environmental Impact Report for the 1200-acre Redevelopment Project Area which includes the 425-acre OARB and most of the Port's harbor area and a state public trust exchange. The MOI also contains a Waiver of Port's Reversionary Rights to the 185.5 acres of OARB consisting of Maritime Street and areas westerly of Maritime Street, but to agree in the MOA to waive the reversionary rights, subject to conveyance to the Port through the BRAC closure process of mainly the water areas within the 185.5 reversionary acreage and approximately 159 upland acres of OARB easterly of Maritime Street, all as described in the joint OBRA/Port application to amend the Bay Conservation and Development Commission's (BCDC) San Francisco Bay Plan and Bay Area Seaport Plan (called "Port Parcel" in the MOI). The agreement also provides for Actions During Development of the MOA which include pursuant of an early transfer of OARB. The agreement also provides for Goals: Execution Date and Contents of MOA; Completion of Conveyance; Full Disclosure; Authorized Negotiators; FOSET; Trust Exchange provisions; and finally it provides for Successors and Assigns. Because of the complexities arising out of the multitude of issues and parties, completing the conveyance of OARB will be extremely difficult, and will require extraordinary effort, coordination and patience. The Port has approached its proposed increased level of involvement in the process on the basis that expert management, supported by adequate resources, and a comprehensive, thorough plan and schedule, is essential to completing the conveyance within a 2 to 3-year time frame. It was recommended that the Board pass a resolution in which the Board concurs with the MOI, authorizes negotiation of the MOA as described, and authorizes the Executive Director and Port

Attorney to contract for consultant, contractor and special counsel services to carry out the MOI in a cumulative amount of \$500,000.00. The recommendation was approved on passage of Resolution No. 01135.

Declaration of Port Revenue Fund Surplus for FY 1999-2000; 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 was a surplus of \$1,543,166.00 in the Port Revenue Fund at the close of the fiscal year on June 30, 2000. Such surplus is sufficient to reimburse the City for General Services payments of \$844,200.00 for Fiscal Year 1999-2000 and reimbursement for net City expenditures of local funds for Lake Merritt trust purposes up to \$698,966.00. In order to determine if there is a surplus, the Board should consider whether the Port's cash position at the end of FY 1999-2000, together with the cash flow forecasts and projected net income for FY 1999-2000, would provide sufficient funds to support the Port's operating budget for FY 2000-2001, the Capital Improvement Program, and any other Port's operating budget for FY 2000-2001, the Capital Improvement Program, and any other Port purposes stated in purposes First through Eighteen of Section 717(3) of the Charter of the City of Oakland. Under purpose Ninth, Section 717(93), 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 \$844,200.00 for General Services and \$698,966.00 for Lake Merritt would be made in accordance

with the Eleventh and Twelfth Supplemental Agreements to the Memorandum of Understanding Between Port of Oakland and City of Oakland. It was recommended that the Board make the appropriate finding and pass a resolution to that effect and authorize the transfer of the surplus to the General Fund of the City as payment for General Services and for reimbursement for the City's Lake Merritt trust purposes expenditures in accordance with the Eleventh and Twelfth Supplemental Agreements to the MOU. The recommendation was approved on passage of Resolution No. 01136.

Selection of Team Goldman, Sachs & Co., Salomon Smith Barney, A.G. Edwards, Samuel A. Ramirez & Co., Loop Capital Markets, LLC, Henderson Capital, and E-Bond Trade to Provide Underwriting Services to the Port for Three to Four Years was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Port's Underwriting Selection Committee has completed its efforts to select an underwriting team for the Port's CIP funding requirements. Twenty-five (25) firms responded to the Port's Request for Qualifications which was then short-listed to 11 firms. During the interviews, the selection committee focused on the respondent's marketing strategy, team members' experience and value to the team, firm commitment, structuring, investor relations and sales, and working relationships. It was recommended that the Board approve the following firms to serve on the underwriting team for a three to four-year term: Goldman, Sachs & Co.; Salomon Smith Barney; A.G. Edwards; Samuel A. Ramirez & Co.; Loop Capital markets, LLC; Henderson Capital Partners; and E-Bond Trade. The recommendation was approved on passage of Resolution No. 01137.

Approval of Professional Services Contract with Lance R. Bateman to Provide Financial Planning Services Relating to the Port of Oakland's Next Several Revenue Bond

Issues the subject of a memo to the Board from the Chief Financial Director notifying the Board that Lance Bateman has been working at the Port as a temporary employee since December 1, 1999 in the capacity of Financial Planning Manager. His role during this period has been to provide strategic financial planning for the Port's 2000 Series K revenue bond issue and commercial paper program. During the next two to three years, the Port is faced with at least two possible bond issues to fund the current CIP. These services are needed to complete the Vision 2000, dredging, and to fund the airport expansion through both revenue bonds and bonds secured by passenger facility charges. It was recommended that the Board authorize the execution of a contract with Lance Bateman for financial services. This contract will be paid on an as-needed basis over the next two to three-year period when work is performed and will not exceed \$300,000.00. Approximately, one-half of this cost, or \$150,000.00 is expected to be paid from bond proceeds a cost of issuance will be charged to financing costs. The recommendation was approved on passage of Resolution No. 01138.

Approval of Contract with William M. Mercer, Inc. to Review the Current Administrator in the Port Employees' Deferred Compensation Plan was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the contract with the Port Employee's Deferred Compensation Plan Administrator, Great West, will expire December 31, 2001. The Request for Proposal process to select a new plan administrator is very time-consuming. The Port Employees' Deferred Compensation Advisory Committee feels that time and money can be saved by reviewing the current administrator and benchmarking agreements with other providers. The Advisory Committee used the RFQ process to select William M. Mercer, Inc. one of only two respondents, to perform a review of the plan administration. The committee believes

that it is possible to improve and renew the contract with Great West and avoid the costly RFP process, as well as maximize the return for plan participants. It was recommended that the Board approve the contract with William M. Mercer, Inc. not to exceed \$35,000.00 to review the Port Employees' Deferred Compensation Plan. The recommendation was approved on passage of Resolution No. 01139.

Approval of an Agreement with Reidinger Consulting for Construction Audit Consulting Services was the subject of a memo to the Board from the Port Internal Auditor notifying the Board that the Internal Audit Department's audit plan calls for retaining specialized construction audit services to perform audits of major construction activities underway at the Port. The Audit Services Department staff does not have the engineering and construction management expertise to perform audits of this nature. The cost of this work is estimated not to exceed \$185,000.00 over the next six months. The work will be billed hourly on an "as used basis." It was recommended that the Board waive competitive bidding and authorize the Executive Director to enter into an agreement with Reidinger Consulting to provide construction audit consulting for an amount not to exceed \$185,000.00. The recommendation was approved on passage of Resolution No. 01140.

Travel Authorization contained in a memo to the Board from the Secretary of the Board recommending approval for the travel of Jane Keegan, Risk Manager, to London, England, on or about the period February 28, 2001 – March 7, 2001, to meet with London brokers concerning Owner Controlled Insurance Program, cranes and maritime liability and review previous liability insurance regarding coverage through the California Association of Port Authorities. Also recommended that the Board authorize the travel of President of the Board, David Kramer, Vice

President Peter Uribe, Commissioners Darlene Ayers-Johnson, Frank Kiang and Patricia Scates, Deputy Executive Director, Tay Yoshitani, Senior Manager, Marketing and Business Development, Clement Chin and Manager Strategic Marketing, Dan Westerlin, to Shanghai, China, Seoul, Korea, Tokyo, Japan, Taipei, Taiwan, and Hong, China, on or about the period April 7 – April 22, 2001, to call on various shipping lines; and further recommended is the travel of Yale Yee, and Mohammad Hakim, Electrical/Mechanical Engineers, to join the delegation for the Seoul, Korea and Tokyo, Japan portion of the trip. The recommendation was approved on passage of Resolution No. 01141.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

“RESOLUTION NO. 01121

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH AMISTAD 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. 01122

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF OVERLAY OF RUNWAY 11-29 AND CONVERSION OF TAXIWAY W TO TEMPORARY RUNWAY 12-30, SOUTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, A.I.P. 3-06-0170-24; AWARDING CONTRACT TO GALLAGHER & BURK, INC., FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01123

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR CONSTRUCTION OF IN-TRANSIT LOUNGE EXPANSION AT BUILDING M-102, TERMINAL 1, SOUTH FIELD, 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. 01124

APPROVING AND AUTHORIZING EXECUTION OF AMENDMENT TO LEASE WITH AIRWELD, INC. FOR THE ACQUISITION OF LEASE AND PROPERTY.”

“RESOLUTION NO. 01125

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

“RESOLUTION NO. 01126

RATIFYING AND APPROVING ADDENDUM TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF 12.47kV CIRCUIT BETWEEN SS-8 AND SS-5A, SOUTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, EXTENDING DATE SET FOR RECEIVING BIDS THEREFOR; AND AWARDED CONTRACT TO ROSENDIN ELECTRIC, INC. FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01127

APPROVING PLANS AND SPECIFICATIONS FOR INSTALLATION OF INTELLIKEY SYSTEM, SOUTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01128

RATIFYING PAYMENT TO DAWSON MATHIS AND ASSOCIATES FOR CONSULTING SERVICES RELATED TO THE AIRPORT DEVELOPMENT PROGRAM.”

“RESOLUTION NO. 01129

APPROVING AND AUTHORIZING EXECUTION OF AN AMENDMENT TO THE PURCHASE AND SALE AGREEMENT WITH WAREHOUSE PROPERTIES, INC., FOR THE PORT OF OAKLAND’S SALE OF A PARCEL OF LAND LOCATED AT HEGENBERGER AND PARDEE ROADS.”

“RESOLUTION NO. 01130

FINDING AND DETERMINING THAT PROPOSED AGREEMENTS WITH PARSONS BRINCKERHOFF AND LIFTECH CONSULTANTS FOR ENGINEERING CONSULTANT SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING.”

“RESOLUTION NO. 01131

APPROVING AND AUTHORIZING EXTENSION OF RIGHT-OF-ENTRY AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (“CALTRANS”) FOR IMPROVEMENTS TO THE BAY BRIDGE.”

“RESOLUTION NO. 01132

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF POINT ARNOLD/PORT VIEW PARK CONNECTOR, MIDDLE HARBOR SHORELINE PARK, STAGE 1, VISION 2000, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01133

GRANTING AUTHORIZATION TO INCLUDE CONSTRUCTION OF POINT ARNOLD RESTROOMS, MIDDLE HARBOR SHORELINE PARK, VISION 2000, 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. 01134

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR DEMOLITION AND SOIL STOCKPILING AT THE AREA LOCATED NORTH OF ROAD REALIGNMENT BETWEEN OLD 7TH STREET AND NEW 7TH STREET, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 01135

CONCURRING IN MEMORANDUM OF INTENT WITH OAKLAND BASE REUSE AUTHORITY, CITY OF OAKLAND AND OAKLAND REUSE AUTHORITY FOR CONVEYANCE OF OAKLAND ARMY BASE, AND AUTHORIZING NEGOTIATION OF AN MOA WITH THOSE PARTIES AND EXECUTION OF CONTRACTS FOR SERVICES TO CARRY OUT THE MEMORANDUM OF INTENT.”

“RESOLUTION NO. 01136

PROVIDING FOR THE PAYMENT TO THE CITY OF GENERAL SERVICES PROVIDED TO THE PORT IN FISCAL YEAR 1999-2001 AND FOR THE REIMBURSEMENT OF CERTAIN CITY EXPENDITURES FOR LAKE MERRITT TIDELAND TRUST PURPOSES IN FISCAL YEAR 1999-2001, AND MAKING CERTAIN DETERMINATIONS IN CONNECTION THEREWITH.”

“RESOLUTION NO. 01137

APPROVING THE UNDERWRITING TEAM OF GOLDMAN, SACHS & CO., SALOMON SMITH BARNEY, A.G. EDWARDS, SAMUEL A. RAMIREZ & CO., LOOP CAPITAL MARKETS, LLC., HENDERSON CAPITAL PARTNERS AND E-BOND TRADE.”

“RESOLUTION NO. 01138

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

“RESOLUTION NO. 01139

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

“RESOLUTION NO. 01140

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH REIDINGER 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. 01141

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 01142

GRANTING AMERICAN AIRLINES, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01143

AUTHORIZING COMPROMISE AND SETTLEMENT OF CLAIMS ARISING OUT OF DEMOLITION OF BUILDING D-542.”

Port Ordinance No. 3631 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF EASEMENT DOCUMENTS TO PACIFIC GAS & ELECTRIC COMPANY,” and Port Ordinance No. 3632 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF EASEMENT DOCUMENTS TO ALAMEDA POWER AND TELECOM,” and Port Ordinance No. 3633 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION AND DELIEVERY OF EASEMENT DOCUMENTS TO EAST BAY MUNICIPAL UTILITY DISTRICT (EBMUD) FOR April 3, 2001

UTILITY FACILITIES ADJACENT TO MIDDLE HARBOR ROAD,” and Port Ordinance No. 3634 being, “AN ORDINANCE ESTABLISHING CHARGES FOR USE OF FACILITIES AND THE PROVISION OF AVIATION FUEL AT METROPOLITAN INTERNATIONAL AIRPORT, PROVIDING CERTAIN REGULATIONS IN CONNECTION THEREWITH AND REPEALING PORT ORDINANCE NO. 1149,” and Port Ordinance No. 3635 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF AN EASEMENT AGREEMENT WITH THE UNITED STATES COAST GUARD,” and were read a second time and passed by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas, Scates,
Tagami, Uribe and President Kramer - 7

Noes: None

Absent: None

At the hour of 4:25 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: 1 matter; personnel matters, as provided under Government Code Section 54957: 1 matter; conference with real property negotiator, (Government Code Section 54956.8), property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment, property – Selected Locations, Jack London Square, Oakland, California, negotiating parties – Port of Oakland and Oakland Portside Associates, under negotiation – price and terms of payment; and reconvened in open session at the hour of 5:32 p.m.

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

A handwritten signature in cursive script, reading "Christy C. Marshall", is written over a horizontal line.

Secretary of the Board

Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment, property – selected locations Jack London Square, negotiating parties – Port of Oakland, Jack London Square Partners, under negotiations – price and terms of payment; Personnel matters – as provided under Code Section 54957: 1 matter; and reconvened in open session at the hour of 4:01 p.m.

The minutes of the regular meeting of September 18, 2001; adjourned meeting of September 20, 2001; and regular meeting of October 2, 2001 was approved as submitted and ordered filed.

Reaffirmation of 1980 Settlement Agreement was the subject of a memo to the Board from the Director of Aviation notifying the Board that in 1976, the Port entered into a settlement agreement with the Harbor Bay Isle Associates and the City of Alameda as it related to the development of property located in the City of Alameda on the area known as Bay Farm Island. This agreement was subsequently modified in 1980. The Agreement, among other things, covered the types of land uses that would be allowable in this area and detailed the easements that would be granted the Port with regard to aircraft noise and operations. Essentially, homeowners in this area cannot sue the Port over aircraft noise nor can other landowners in the Business Park. The agreement does not preclude these individuals from suing the Port over environmental documents as evidenced by the recent litigation against the Pot related to the Airport Development Program. In this agreement, the Port agreed to not object to projects within this area that were not expressly precluded. While public schools were precluded, the agreement was silent on private schools. A proposal has been made to establish a Chinese Christian School in this area. This project would consist of a 900 family church and 1,000 student school. This development is within the 65CNEL-

noise contour and federal and state guidelines recommend against such use unless adequate mitigation is adopted. The administrators of the proposed development have offered a number of mitigation measures which would permit the school and church to operate in the noise environment created by its location near the end of the runway 11/29. These mitigations include: insulating the buildings to the appropriate state standard; acknowledge the aviation easement that runs with the land; the parents of each student would sign an agreement, which would bind them to the terms of the aviation easement; and as part of the 1980 Agreement, the Port also received immunity from liability for all uses associated with the Airport. It was recommended that the Board adopt a motion reaffirming its support of the 1980 Agreement with Harbor Bay Isle Associates and the City of Alameda and withdrawing its objection to the proposed Chinese Christian School Project. The recommendation was approved on a motion by Commissioner Kramer, seconded and passed unanimously.

Re-Approval and Re-Authorization to Dispense with Standard Bidding Procedures to Solicit Design-Build Proposals for the Pardee Parking Lot, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport Development Program (ADP) for the Oakland International Airport includes, as a project component, the construction and operation of temporary replacement parking lots to compensate for parking spaces lost due to ADP construction, and to provide additional temporary parking to accommodate growth in passenger activity during construction of the ADP. The Aviation Division has identified the 34-acre parcel at Swan Way and Pardee Drive for alternative construction-phase replacement parking. The site would be called the Pardee Parking Lot and would be used for parking on an interim basis during the Terminal Expansion construction. Passengers parking in the lot will ride shuttle buses

between the lot and the terminal. At the end of the Terminal Expansion, the site will be returned to CRE use. This matter was considered and approved by the Board on August 7, 2001. At that same meeting, the Board approved an Addendum to the ADP Final EIR and the first reading of a proposed ordinance amending Ordinance No. 2832, as amended, "Establishing Standards and Restrictions ... in the Oakland Airport Business Park. The purpose of the proposed Ordinance amendment was to authorize the Pardee Parking Lot and related facilities. However, based on the adverse decision by the Court of Appeals that was received on August 30th, the revised ruling of September 26th, and the phase one Settlement Agreement of November 14th, it is necessary for the Board to reconsider the above Ordinance and re-approve this project. Since the Final reading of the proposed Ordinance takes place on December 18, 2001, the Board, pursuant to the terms set forth in the August 7, 2001, Agenda Sheet for Item No. 2, is requested to re-approve its August 7, 2001, Agenda Sheet, finding it to be in the best interests of the Port to dispense with standard bidding procedures, and authorizing the Executive Director to execute a contract for the Pardee Parking Lot Project with a design-build team based on a best-value evaluation of competitive proposals. The Board's re-approval and re-authorization will resolve the argument that the Board's initial authorization of the design-build Pardee Parking Lot project should have awaited the Board's final action on the Ordinance amending the Standards and Restrictions for the Oakland Airport Business Park. The President of the United States issued Proclamation 7463 of September 14, 2001, Declaration of National Emergency by Reason of Certain Terrorist Attacks. The new security requirements were put in place to prevent, and or mitigate, the occurrence of an emergency. These requirements include establishing a 300-foot perimeter around terminals where parked vehicles (particularly unattended ones) are explicitly prohibited, as a security precaution. The proposed

project is required pursuant to Proclamation 7463. Pursuant to the California Environmental Quality Act (CEQ), the proposed project is exempt pursuant to Public Resources Code, Section 21080 (b)(4) and CEQA Guidelines, Article 18, Statutory Exemptions, Section 15269(c) for emergency projects. It was recommended that based on the revised environmental determination and the Board's final action on the Ordinance amending the Standards and Restrictions for the Oakland Airport Business Park, the Board re-approve its August 7, 2001, Agenda Report for Item No. 2", which is incorporated herein by this reference, finding it to be in the best interests of the Port to dispense with standard bidding procedures, and authorizing the Executive Director to execute a contract for the Pardee Parking Lot Project with a design-build team based on a best-value evaluation of competitive proposals. It was also recommended that the Board re-approve and re-confirm Resolution No. 01324, finding and determining that it in the best interests of the Port to solicit design-build proposals for construction of the Pardee Parking Lot in the Oakland Airport Business Park. The recommendation was approved on passage of Resolution No. 01467.

Ratification of Increase to Purchase Order Contract for Construction of Security and Badging Offices, Terminal I, Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that a Purchase Order contract for \$40,632.00 was issued to Apex Construction of San Leandro for improvements to the "brick area" in Building M-102, the 2,700 square foot "brick area" on the second floor once housed a bar and restaurant, but had been vacant for several years and was used for storage following removal of the business fixtures and furnishings. After the work had begun, a single bid of \$280,000.00 was received by Engineering on another project to furnish and install trailers on the Airport apron for the relocation of the security and badging offices. Since this bid was in excess of the project

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budget, Aviation developed a plan to locate the security and badging offices in the “brick area” as well. A Change Order was issued to Apex Construction of \$37,593.00 to modify the original scope of work in the “brick area” to construct four additional private offices for security personnel, a badging office with counters, and a storage room. It was recommended that the Board ratify the addition of construction of new security and badging offices in Building M-102 to the Purchase Order contract to Apex Construction for a total of \$78,225.00. The recommendation was approved on passage of Resolution No. 01468.

Approval of Seventh Supplemental Agreement to Lease and Concession Agreement (Newsstand and Gift Shop) with Air Terminal Services Incorporated, South Airport, OIA

was the subject of a memo to Board from the Director of Aviation notifying the Board that Air Terminal Services, Inc. (ATS) requests approval of a Seventh Supplemental Agreement, which will modify its Agreement to incorporate changes in the rent structure for premises subleased or sublicensed to the operator of the Terminal 2 specialty gift shop. ATS generates approximately \$5,275,000.00 in newsstand and gift shop annual gross receipts and pays the Port \$64,292.00 minimum monthly guaranteed rent plus 20% of gross receipts exceeding \$337,349.00 per month. ATS is required to provide through subtenancies DBE participation equal to 30% of ATS gross receipts. ATS subleases space to Adela M. Bashain dba The Gifted Traveler (TGT). TGT operates a specialty retail shop selling fragrances, cosmetics and travel related items in Terminal II at the Airport. Under the original terms of the sublease, TGT pays the greater of a minimum monthly rent of \$5,000.00 or 15% of gross sales. TGT opened for business in February 2001. Monthly gross sales have been below the projected amount of \$33,333.00/mo., thus TGT has been paying rent at the minimum of \$5,000.00 per month. The owner of the business took steps to improve sales,

including taking over direct management of the store in July 2001. Sales began to improve and increased 26% from July to August. The events of September 11, 2001, however, have had a substantial negative impact on this business, and TGT has requested assistance in the form of rent relief with respect to the payment of the minimum monthly guaranty of \$5,000.00 for a period of six months, commencing retroactively on September 1, 2001. TGT would continue to pay monthly rent in an amount equal to 15% of its gross sales. Due to the nature of its product mix and pricing, TGT derived a significant portion of its sales from non-ticketed airport visitors. Since TGT is located past the security checkpoint, it has lost a portion of its customer base. TGT had gross sales of \$25,624.00 for the month of September 2001 increasing to \$27,850.00 for the month of October. Using the percentage only formula, the monthly rent due for September would be \$3,844.36; and for October, \$4,177.50. Assuming gross sales remained flat for the six-month period, the total recommended that the Board approve the 7th Supplemental Agreement to the ATS Lease and Concession Agreement (Newsstand & Gift). The recommendation was approved on passage of Resolution No. 01469.

Approval of License and Concession Agreement with JR Lester & Associates, LLC dba See's Candies, South Airport, OIA was the subject of a memo to the Board from the Director of Aviation notifying the Board that JR Lester & Associates, LLC dba See's Candies (See's), operates two specialty retail shops in the Airport pursuant to a sublease agreement with the Airport's Master Concessionaire, CA One Services, Inc., and utilizes a portion of CA One's space for storage. In order to meet increased air service demands, the Port is constructing ticket counters in the area now occupied by CA One's storage and CA One and See's storage must be relocated.

The Port has identified approximately 103 square feet of storage in Building M-102 formerly issued for a rear-loading ATM. It is proposed that the space be rented at a newly established “Concession Storage Rate” of \$2.35 psf/mo. (\$242.05/mo.). The term of the agreement with See’s will be for one year. It was recommended that the Board approve the Agreement with JR Lester & Associates, LLC. The recommendation was approved on passage of Resolution No. 01470.

Request for Board Action for a Supplemental Agreement to the Existing Agreement with ARINC Inc. was the subject of a memo to the Board from the Director of Aviation notifying the Board that on January 19, 1999, the Board approved the resolution to award ARINC a contract for the Design, Installation and Maintenance of a Common Use system called MUSE (Multi-User System Equipment). Although the system is now fully installed as specified in the contract, the installation was protracted for several reasons. One of the key factors underlying those reasons has been a resistance of the Airline carriers to accept the common use environment. The implementation of MUSE has been through several delays and change order enhancements to insure that the Airline carriers would be functioning in a “same or better” operational environment once their positional workspaces (Ticket and Gate Holdroom counter positions) were converted to the MUSE application environment. The implementation of MUSE has been through several delays and change order enhancements to insure that the Airline carriers would be functioning in a “same or better” operational environment once their positional workspaces (Ticket and Gate Holdroom counter positions) were converted to the MUSE application environment. In the same sense of the material expense for the “ease of transition” for the carriers, project implementations were delayed at Port expense to accommodate special external circumstances that would add onerous burden to the carriers if the schedule timeline were maintained. The current contract with

ARINC provided for funding up to \$1.5 million; and \$1.3 million plus \$200,000.00 for contingency spending upon approval from the Executive Director. It was recommended that it be found to be in the best interest of the Port, to provide a supplemental agreement for the additional costs of \$44,154.00 to the current ARINC contract. The recommendation was approved on passage of Resolution No. 01471.

Award of Contract for Printing of Oakland Airport's Flight Schedule to George Lithograph was the subject of a memo to the Board from the Director of Aviation notifying the Board that Aviation Marketing distributes 28-page Oakland Airport Travel Planner airline flight timetable five times per year with two 3-month issues and three 2-month issues. Due to a rapid increase in demand from frequent flyers, corporate travel managers, and passengers at Oakland International, the quantity of Travel Planners demanded increased 35% in FY00/01. This increase in production pushed the cost of printing over \$50,000.00 per year. The airline schedule information in this publication is extremely time-sensitive. The quality and complexity of the production process requires a publisher to use a web press high-capacity printing machine to fulfill the order in a reasonable period of time. There are a very limited number of firms in the Bay Area that have this equipment. Bids were requested from printing firms and it was recommended that the Board authorize award of the annual contract to George Lithograph, at a total price of \$71,936.00. The recommendation was approved on passage of Resolution No. 01472.

Plans and Project Manual for Construction of Third Curbside Improvements, South Airport, OIA was the subject of a memo to the Board from the Director of Engineering recommending their approval and authority to advertise for bids. The Third Curbside project includes construction of the Third Curbside sidewalk, reconstruction of existing pavement, striping

to create four lanes, separate new entrance and exit for the third curbside traffic, bus shelters, light poles and signage. This area was previously occupied by rental car circulation and parking. As public parking and rental car activities were moved further from the terminal buildings, additional shuttle busing will be required. The third curbside is needed to accommodate the shuttle buses between the terminals and the North Field Consolidated Rental Car Facility and the Pardee/Swan Public Parking Lot. The Third Curbside would be temporary because the new two-level roadway would be constructed over it as well as the other existing curbsides as part of the Airport Development Program. The recommendation was approved on passage of Resolution No. 01473.

Approval of a Second Amendment to the Purchase and Sale Agreement with Hensel Phelps Construction Company for the Property Located at Hegenberger and Pardee Roads

was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Port entered into a Purchase and Sale Agreement with Hensel Phelps Construction Company for the 2.6-acre parcel with dual frontage on Hegenberger and Pardee Roads on September 20, 2001. Hensel Phelps will be relocating its Northern California headquarters from San Jose to Oakland, bringing a minimum of 20 full-time positions to the City of Oakland's economy. They had originally intended to construct a signature "Class A" office building of approximately 40-48,000 square feet on the site. Hensel Phelps has asked that the Port approve some minor modifications to the agreement to provide for the following: the flexibility to build a larger building than the structure that was contemplated in the original agreement, which limits them to "up to 48,000 square feet," and they are considering a 60,000 square foot building; the ability to subdivide the site to provide for a sale of a portion of the property no less than one acre in size, Hensel Phelps would construct its headquarters building on the portion of the parcel fronting

on Hegenberger Road, and the ability to sell the remaining parcel would be triggered by the start of the construction of the foundations of their parcel; and that the close of escrow be moved to January 8, 2002. The recommendation was approved on passage of Resolution No. 01474.

Authorization to Execute Exclusive Negotiating Agreement with Oakland Harbor Partners LLP for the Oak to Ninth District Properties was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Port issued a Request for Developer Qualifications, Oak to Ninth District Properties (RFQ) on September 4, 2001. After considering responses from two development teams, the Board directed staff to enter into discussions with Oakland Harbor Partners (Signature Properties and Reynolds & Brown) to complete an Exclusive Negotiating Agreement (ENA) for the Oak and Ninth District development project. The major tasks to be covered by the ENA include the preparation of a Specific Plan and the redevelopment of the Port's Oak to Ninth District properties. The Form ENA that was included in the RFQ has been modified after extensive discussion with the development team. The key elements of the new document include: due diligence period – the parties agreed to work together for the first 90 days after ENA execution to determine whether such issues as the environmental condition of the property, the State Tidelands Trust restrictions, infrastructure costs, or other challenges associated with development of the site could adversely affect the project's overall economic feasibility, the ENA provides that the developer will complete and submit a Preliminary Environmental and Economic Feasibility Report by April 2002, prior to commencing the Specific Plan; ENA term and conditions of extension – the ENA term is 17 months, during the ENA period, the Port and developer will negotiate a letter of intent and an agreement (the "Option") which will provide the developer with an option to enter into a lease and/or purchase agreement covering the December 18, 2001

related sites (collectively called the “Disposition and Development Agreement”), the Option will be granted subject to the Port’s completion of its Responsible Agency role under the California Environmental Quality Act, after the City has acted on the environmental document, the developer can extend the ENA period for 90 days with a \$50,000.00 extension payment, the Port will approve the extension only if the developer has made substantial progress toward accomplishing the Schedule of Performance; Security deposits – at the time the developer submits the Option to the Port, the developer shall submit a \$250,000.00 security deposit, the developer’s previous \$100,000.00 good faith deposit will be credited against the security deposit, if the Board has not approved the Option within 60 days the expiration of the ENA period, the agreement will terminate and \$150,000.00 of the deposit shall be returned to the developer; option term and extension – the initial term of the Option shall be 18 months, provided that in the event the Environmental Impact Report (EIR) is challenged, the term shall automatically be extended until the date which is 24 months after the EIR is certified; cost sharing for Specific Plan – the Port agrees to contribute one-half of the cost of the Specific Plan, up to a maximum of \$200,000.00, on a cost-sharing basis; potential redevelopment area – the ENA includes discussion of a potential Redevelopment Project Area to include the Oak to Ninth District properties; residential as principle use – language is included reflecting the developer’s intention to develop residential as the principle use, including an intention to seek a General Plan Amendment; site remediation responsibilities – under the ENA, the Port assumes no specific obligations pertaining to site environmental remediation; and performance schedule – the schedule provides for deliverables at certain milestones in the project phase. The future environmental consideration will include the action of entering into an Exclusive Negotiating Agreement with the developer is exempt from the provisions of CEQA, in that the proposed project

is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. The City of Oakland as local agency responsible for the review and issuance of any applicable land use permits, including a General Plan amendment or conformity determination, for any ultimate development project or land use activity proposed on the site(s). It was recommended that the Board authorize the execution of the Exclusive Negotiating Agreement with Oakland Harbor Partners LLP for the Oak to Ninth District Properties. The recommendation was approved on passage of Resolution No. 01484.

Approval of an Ordinance Authorizing the Sale of Certain Improvements Located in Jack London Square to a JLSP Entity, Authorizing Ground Leases Relating to Such Assets, and Authorizing Execution of an Amendment to the Agreement for Acquisition of Ground Lease Interests, an Operating and Easement Agreement and Related Documents was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that on May 1, 2001, the Port executed an Agreement for Acquisition of Ground Lease Interests (Agreement) with Jack London Square Partners (JLSP) for various properties in the Jack London Square (JLS) area, in response to the Jack London Master Development Request for Qualifications that was issued in 1999. The Agreement contemplates the potential future development of the Phase II properties within Jack London Square, once the land use entitlement process is completed, as well as the potential sale of certain existing Phase I assets within the early months of the Agreement timeframe. The developer has been working with CRE staff to develop an offer for acquisition of certain existing assets within Phase 1 of JLS as well as for assumption of the management and maintenance component of JLS. The proposed offer includes acquisition of four of the existing assets within JLS Phase 1 currently owned by Oakland Portside Associates (OPA),

including: 70 Washington Street; Water Street 1; the Pavilion Building; and 66 Franklin Street. The offered purchase price is \$17.2 million. The transferred assets would be subject to a Purchase and Sale Agreement as well as a ground lease between the Port and the developer, pursuant to the Standard Ground Lease terms proposed as part of this transaction. The Ground Lease terms establish the minimum base rents and participating rent formulas which would be allocated to the Port for the duration of the ground lease term (66 years) upon transfer of these assets. The development team is also proposing to assume the management and maintenance obligations of the Square which are currently provided by both OPA employees and the Facilities Maintenance Division of the Port. The facilities maintenance division employees currently maintaining Jack London Square will be reassigned to the Aviation Division. The management and maintenance component includes management/maintenance of the common areas of the Square, the management of the parking and security operations of the Square, the management of the Port Office Building as well as the overall marketing and promotion of JLS. The management duties would be provided subject to an Asset Management Agreement between the Port and the developer, and would entail payment of fee for provision of these services on an annual basis. The Port and the developer would also be parties to an Operation and Easement Agreement which establishes regulations for easements, uses and individual tenant rights to the common areas of the Square, and also establishes a formula for tenant contribution to common area maintenance and marketing. The proposed transfer of the ground lease interests for the Phase I assets is an appropriate financial transaction for the Port, and one which promotes the future development potential of the Phase II properties within JLS; and is consistent with the CRE Restructure and Development Strategy adopted by the Board in that the transaction is an effort to reduce the long

term operating expenses of the CRE Division, and responds to the recent State of California audit of Port operations. The proposed existing asset transfer was originally addressed as part of the exemption determination made by the Board when the Agreement for Acquisition of Ground Lease Interests was authorized for execution on April 24, 2001. At that time the execution of the Agreement, including the potential sale of existing Phase I assets, was determined by the Board to be exempt from the State of California Environmental Quality Act (CEQA). As the proposed assets to be transferred to the developer are those currently leased by OPA, and the proposed ground lease transfer does not entail any expansion of use or premises beyond that currently in existence, the exemption also applies. Under the existing economic structure, the net cash flow from the assets in Jack London Square for the most recent 12-month period is \$1.7 million. This includes taking into account the cost to the Port and OPA for the operation of common areas which is approximately \$3.1 million. Under the proposed transfer of existing assets the net cash flow for the Jack London Square operations increases to approximately \$2.5 million per year. The following individual appeared before the Board concerning the proposed transfer: Charles M. Collins, representing WDG Ventures, Inc.; Sanjiv Handa, representing East Bay News Service; Mr. Swan, representing Cushman Wakefield; Hal Ellis, representing Ellis Partners; Thordie Ashley, representing NAACP; Wilson Riles, representing Riles for Mayor; Dorothy King, representing Everett and Jones; George W. Alston, Jr., representing Local 790; Al Loera, representing Local 790; Keith Miller, representing California Canoe; Velma Chavis, representing Oakland Branch NAACP; Jeff Starkovich, representing BT Commercial Real Estate; Aiphonso Galloway, representing NAACP; Sandra Threifall; Karega Hart, representing Local 790; Larry Hendel, representing Local 790; C. Diane Howell, representing Black Business Listings; Todd Willis,

representing Oakland Metropolitan Chamber of Commerce; and Shannon Reeves, representing NAACP. It was recommended that the Board approve the Ordinance authorizing the Sale of Certain Improvements Located in Jack London Square to a JLSP Entity, Authorizing Ground Leases Relating to Such Assets, and authorizing execution of an amendment to the Agreement for Acquisition of Ground Lease Interests, an Operating and Easement Agreement and related documents. After discussion, the recommendation was approved on passage of an ordinance to print with Commissioner Kramer voting NO.

Authorization to Execute an Agreement with Caltrans to Purchase Excess Property

was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that in January of 2001, the Board authorized execution of a Purchase and Sale Agreement (Agreement) with SIMEON Commercial Properties to sell an approximately 22 acre property located at Hegenberger and I-880 (the formerly Ramada Hotel/Century Theaters site) for construction of an office campus and hotel. The Agreement, which was executed in March of 2001, identifies a purchase price for the total site of approximately \$14.8 million dollars due upon close of escrow. The Agreement requires that the Port enter into an agreement with Caltrans to purchase an approximately 37,000 square foot excess property segment currently owned by Caltrans, which is a remnant left over from the Caltrans I-880-Hegenberger interchange project completed in 1999, adjacent to the subject Port owned property. Once acquired by the Port, the Agreement further requires that the Port subsequently transfer the Caltrans property to the developer at a previously agreed upon price upon close of escrow on the entire project in order to incorporate this excess Caltrans property into the total development site. The Port is required to enter into an agreement with Caltrans to purchase this excess property by February 5, 2002 as per

the terms of the existing Agreement with SIMEON. The proposed property acquisition will require payment of \$666,180.00 to Caltrans in approximately March of 2002, once the actual agreement between the Port and Caltrans is executed and the necessary due diligence work completed. It was recommended that the Board authorize the Executive Director to enter into an Agreement to purchase the subject excess property from Caltrans for an amount of \$666,180.00. The recommendation was approved on passage of an ordinance to print.

Recommendation for First Reading of Ordinance Approving and Authorizing a Lease with Burlington Northern Santa Fe Railway for the Joint Intermodal Terminal and Adoption of Related Resolutions was the subject of a memo to the Board from the Director of Maritime notifying the Board that the Port began planning the development of the Joint Intermodal Terminal (JIT) in March of 1992. The JIT was developed to provide: a new site for Union Pacific Railroad (UPRR) activities in order to free up Inner Harbor waterfront land for new marine terminals; provide a near-dock terminal for Burlington Northern Santa Fe Railway (BNSF) international customers; and make Oakland more attractive as an intermodal gateway by offering more competitive rail services through increased capacity and efficiencies. In the 1998 the Port acquired UPRR's Inner Harbor waterfront leasehold and fee-owned properties and has converted those properties and the former FISCO Navy facilities to new marine terminal use as a part of the Vision 2000 Program. However, as a result of the 1996 merger of the Southern Pacific (SP) into the UPRR, UPRR relocated to the existing terminal and, using money provided by the Port for acquisition of UPRR's waterfront real estate rights, UPRR substantially improved the terminal to replace UPRR's waterfront facilities. Developing a near-dock terminal for BNSF has become even more critical because the merger of UPRR and SP has left Oakland effectively served by only one

railroad. Ensuring competitive rail rates and services for Port customers is essential to attracting new intermodal business. More importantly, the ability of BNSF to provide rail services directly into the Port eliminates the need to move containers by truck over Interstate-90 between the BNSF terminal in Richmond and the Port. Because of the potential to reduce vehicle traffic on the highway and the related reductions in vehicle emissions, the JIT was chosen as a project for federal funding through the Intermodal Transportation Efficiency Act (ISTEA) and subsequent Transportation Efficiency Act (TEA-21). To date the project has been authorized a total of \$22.15 million in federal funding for planning and construction. The initial phase of the JIT has been substantially completed and Port staff has been negotiating with BNSF for a lease to occupy and operate the JIT. The Port proposes to lease to BNSF approximately 85 acres of the JIT facilities. The improvements include 13,152 lineal feet of loading/unloading track, capable of holding 41 double-stack railcars at a time. The terminal provides 14,000 lineal feet of storage and support tracks and 62-acres of asphalt pavement with 1245 parking stalls for containers. The entire terminal is fenced and lighted and full utilities are provided. The terminal has the capacity to handle over a thousand trains a year and can move over 150,000 containers through the facility each year. The lease term would be for ten years with either party that may terminate the lease without cause after the fifth year of the lease. The BNSF will pay the Port \$25.00 per container for all BNSF units moving through the facility during any contract year. The charge will be reduced to \$10.00 per container for all BNSF containers in excess of 75,000 units (revenue of \$1.9 million) in any contract year. BNSF will be subject to a Minimum Annual Guarantee (MAG) of 20,000 BNSF units per year, which represents a minimum payment of \$500,000.00 per year. BNSF will maintain the facility except for pavement, which will be maintained by the Port. To meet the business

requirements of the Port and to assure the tax-exemption status of the interest on the Port's bond financing for construction of the JIT, non-intermodal (domestic) container movements at the JIT will be restricted to 5% or less of the total number of containers handled in each contract year. The UPRR, and any other railroad, will have access to the JIT for its intermodal business. UPRR and other railroads will be able to use the facility under the same economic terms as apply to BNSF traffic, but their business will not be aggregated with BNSF business for the purpose of meeting the MAG or volume-discounted rate. The Port will agree to provide for additional improvements, up to a total cost not to exceed \$6 million as follows: the Port will pay for certain improvements or modifications required so that UPRR's lead-track can provide the BNSF access to the JIT (currently estimated to cost approximately \$1 million); the Port will make certain modifications to the JIT premises (currently estimated to cost approximately \$1.2 million); and as increasing JIT operations require, the Port will pay for construction of support and storage tracks at a cost not to exceed the remainder of the Port's budget. The Port will also enter into a joint-use railroad operating agreement for the use of the tracks with both the BNSF and UPRR, and any other railroad desiring to use these Port-owned access tracks for purposes of access to the JIT and other Port facilities. It was recommended that the Board give first reading to an ordinance approving and authorizing a lease agreement with BNSF to occupy and operate the JIT in accordance with the provisions set forth; pass a resolution authorizing the Executive Director to enter into an interim occupancy agreement with BNSF to occupy and operate the JIT prior to the effective date of the lease agreement with BNSF in accordance with the provisions; pass a resolution authorizing the Executive Director to enter into railroad operating agreements with BNSF, UPRR and other railroads for use of Port-owned JIT support tracks; and pass a resolution authorizing the Executive

Director to enter into an agreement with UPRR, and with any other necessary party, for the Port to pay for modifications or improvements required so that the BNSF can use the UPRR lead track for access to and from the JIT. The following individual appeared before the Board to comment on the proposed agreement: Barry Loboviski, representing Building Trades Council; Joe Ibarra, representing ILWU; Clarence Thomas, representing ILWU; Trent Willis, representing ILWU; Keith Sanklin, representing ILWU; Lawrence Thibeaux, representing ILWU; Willie Keyes, representing West Oakland Neighbors; Joe Silva, representing Teamster Local 70; and Charles Collins, representing WDG Ventives, Inc. The recommendation were approved on passage of Resolution No. 01475 for Burlington Northern Santa Fe Railway Company; Resolution No. 01476 for BNSFRC, Union Pacific Railroad Company, and other necessary parties; and on an ordinance to print.

Renewal of Korean Agency Contract was the subject of a memo to the Board for the Director of Maritime notifying the Board that Global Enterprises, Ltd. as represented by Mr. P.S. Chung, has served as the Port's agent in Korea since 1984, and currently serves under a one-year term Professional Services Agreement dated January 1, 2001. Compensation for Global Enterprises, Ltd. is USD \$18,000.00 per year plus allowable expenses of up to USD \$6,000.00. It was recommended that the contract be renewed for an additional year. The recommendation was approved on passage of Resolution No. 01477.

Adoption of New Electric Rate Schedules for Sale of Electric Power at the Former FISCO Facilities was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has completed the initial phases of its Vision 2000 project at the former Fleet Industrial Supply Center-Oakland (FISCO) facilities. The cost of electrical

infrastructure improvements for the entire project is about \$4,500,000.00. The electric power for the former FISCO area and surrounding areas is supplied by Western Area Power Administration (WAPA). The Port's tariffs for electric service to tenants at these facilities are based on PG&E rates of several years ago. Since then, the Port has invested substantially in infrastructure development at FISCO and surrounding areas and, as an aftermath of California's electricity crisis, the cost of power supplied by the Western Area Power Administration (WAPA) for use at the former FISCO facilities and surrounding areas has risen from an average of \$22/MWh to \$38/MWh. Currently, tenants at the FISCO facilities and surrounding areas, who have electric services served by the Port, pay for electricity at the old lower PG&E rates. Now that PG&E's rates have increased at the same time that the Port's costs to serve tenants at the former FISCO facilities and surrounding areas have increased, it is appropriate to bring the Port's rates in line again with those of PG&E. It was recommended that the Board give the first reading to an ordinance amending Port Ordinance No. 3439 which changes electric energy rates and charges for customers at the former FISCO facilities and surrounding areas so that they are substantially the same as present PG&E rates. The recommendation was approved on passage of an ordinance to print.

Approval to Enter into an Agreement with Osaki Design, Inc. for Professional Services Relative to PortFest 2002 was the subject of a memo to the Board from the Director of Communications notifying the Board that on May 18, 2002 the Port will again host PortFest. This annual event brings together the Region's colorful ethnic spectrum in a multicultural event to help raise public awareness of the economic vitality of the Port and its mission to build a strong community through strategic business activities and partnerships. This year's PortFest event will

also be used to celebrate the Port's 75th Anniversary. It was recommended that the Board approve a contract with Osaki Design to provide professional services relative to PortFest 2002. Osaki Design services will include design and branding of the event design and preparation of banners, posters, and marketing collaterals as well as advertising and promotions. The amount of the contract is to be \$30,000.00 including a \$15,000.00 purchase order. The recommendation was approved on passage of Resolution No. 01485.

Approval of Group Incentive Compensation 2001-2002 Fiscal Year Goals was the subject of a memo to the Board from the Deputy Executive Director notifying the Board that the Board has established by ordinance a group incentive pay program to reward employees in participating representation units with a modest incentive based upon the Port's achievements of Board-approved fiscal performance targets and goals. The group incentive pay program approved by the Board for Western Council of Engineers and International Brotherhood of Electrical Workers is based on an Operating Ratio target, which if achieved results in premium pay of 1.5%. Last year's target was an operating ratio at or below 53%, and the Port's actual performance was 53%, so qualified employees in these representation will receive the premium pay in the current fiscal year. The goal approved for employees in Representation Units D and E is based on an Operating Income target (including the cost for funding the incentive pay-out), with a premium of 1.5%. Last year's target was \$64,400,000.00, and the Port's actual Operating Income was \$70,297,000.00. Therefore qualified employees in units D and E will receive the premium pay in the current fiscal year. For employees in Representation Unit H the Board approved an incentive pay range from 1% to 5% of base salary depending on Operating Income results. Last year the top of this target range was \$70,800,000.00, resulting in premium pay equal to 4% of salary for

qualified employees in Representation Unit H in the current fiscal year. It was recommended that the goals on file be established for fiscal year 01-02 as the qualifying criteria for awarding incentive pay premiums during fiscal year 02-03. The recommendation was approved on passage of Resolution No. 01486.

Personnel Items contained in a memo to the Board from the Deputy Executive Director recommending approval for the creation of two positions of Airport Ground Transportation & Parking Operations Coordinator at Salary Schedule 230.43; the creation of an extra position (#2) of the Secretary of the Board; and one position of Assistant to the Executive Director. Also recommended was the appointment of Chris Marshall to the Limited Duration Secretary of the Board, effective January 5, 2002; and approve the appointment to the Secretary of the Board, John T. Betterton, at Salary Schedule 529. The recommendation was approved on passage of Resolution No. 01478 and of an ordinance to print.

Approval of Consultant Agreement with Fitzgerald, Abbott, & Beardsley LLP to Conduct Prevention of Sexual Harassment Training was the subject of a memo to the Board from the Director of Equal Opportunity recommending approval to retain the firm of Fitzgerald, Abbott, & Beardsley LLP as management consulting firm providing training services in Prevention of Sexual Harassment for Port staff, for an amount not to exceed \$15,000.00. The recommendation was approved on passage of Resolution No. 01479.

Approval of Consultant Agreement with Century Corporate Counsel, P.C. to Conduct Investigation of Discrimination Complaints was the subject of a memo to the Board from the Director of Equal Opportunity recommending approval to enter Century Corporate Counsel, P.C. as a management consulting firm providing services such as discrimination complaint investigation

and mediation, for an amount not to exceed \$35,000.00. The recommendation was approved on passage of Resolution No. 01480.

Amendment to P.O. 1606; Exemption of Port from Public Contract Code was the subject of a letter from the Port Attorney notifying the Board that the California Public Contract Code is a compilation of statutes that regulate the manner in which cities, counties, special districts and state agencies solicit, award and administer public works contracts. The home rule provision of the California Constitution exempts charter cities, such as the City of Oakland, from the provisions of the Public Contract Code. On October 12, 2001m Governor Davis signed Senate Bill 974 to add Section 1100.7 to the Public Contract Code. The new provision declares in relevant part that the Public Contract Code is “the basis of contracts between most public entities in this state and their contractors and subcontractors.” With respect to charter cities, Section 1100.7 provides that the Public Contract Code applies to public works contracts in the absence of an express exemption or a city charter provision or ordinance that conflicts with the relevant provision of the code. The public Contract Code establishes a mode of contracting that is suited to small to medium-sized municipalities and special districts engaged in traditional non-revenue generating public works construction. While the Legislature does update the Public Contract Code, it is still the case that its provisions present obstacles to the use of modern project delivery methods, such as design-build or construction manager at risk. The Port’s best interest require that it maintain modes of contracting tailored to the unique character of large, complex and competitive maritime and aviation enterprises. It was recommended that the Board amend P.O. 1606 confirm that it is exempt from the mandatory imposition of the Public Contract Code. The recommended action serves the Port’s best interest by explicitly stating its intent to operate according to its long-established procurement

ordinance. Notwithstanding its constitutional exemption, the Port often elects to comply with various provisions of the Public Contract Code that state a common sense rule that is widely understood in the construction industry. The draft ordinance preserves the authority of the Port to stipulate to the application of specific provisions of the Public Contract Code through its contracts and resolutions. The recommendation was approved on passage of an ordinance to print.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

“RESOLUTION NO. 01467

RE-APPROVING AND RE-AUTHORIZING SOLICITATION OF DESIGN-BUILD PROPOSALS FOR CONSTRUCTION OF PARDEE PARKING LOT, OAKLAND AIRPORT BUSINESS PARK, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS FROM PRE-QUALIFIED CONTRACTORS.”

“RESOLUTION NO. 01468

APPROVING AND RATIFYING AMOUNT EXCEEDING THE PURCHASE ORDER CONTRACT LIMIT FOR CONSTRUCTION OF SECURITY BADGING OFFICES, TERMINAL 1, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01469

APPROVING AND AUTHORIZING EXECUTION OF SEVENTH SUPPLEMENTAL AGREEMENT WITH AIR TERMINAL SERVICES, INCORPORATED.”

“RESOLUTION NO. 01470

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH JR LESTER & ASSOCIATES, LLC, DOING BUSINESS AS SEE’S CANDIES.”

“RESOLUTION NO. 01471

APPROVING AND AUTHORIZING EXECUTION OF SEVENTH SUPPLEMENTAL AGREEMENT WITH AIR TERMINAL SERVICES, INCORPORATED.”

“RESOLUTION NO. 01472

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PRINTING OF THE OAKLAND AIRPORT TRAVEL PLANNER WITHOUT COMPETITIVE BIDDING, AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 01473

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF THIRD CURBSIDE IMPROVEMENTS, SOUTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01474

APPROVING AND AUTHORIZING EXECUTION OF A SECOND AMENDMENT TO THE PURCHASE AND SALE AGREEMENT WITH HENSEL PHELPS CONSTRUCTION COMPANY FOR THE PORT OF OAKLAND’S SALE OF A PARCEL OF LAND LOCATED AT HEGENBERGER AND PARDEE ROADS.”

“RESOLUTION NO. 01475

APPROVING AND AUTHORIZING EXECUTION OF INTERIM OCCUPANCY AGREEMENT WITH BURLINGTON NORTHERN SANTA FE RAILWAY COMPANY FOR OPERATION OF THE JOINT INTERMODAL TERMINAL.”

“RESOLUTION NO. 01476

APPROVING AND AUTHORIZING EXECUTION OF 1) RAILROAD OPERATING AGREEMENTS WITH BURLINGTON NORTHERN SANTA FE RAILWAY COMPANY, UNION PACIFIC RAILROAD COMPANY AND OTHER RAILROADS, AND 2) AGREEMENTS WITH UNION PACIFIC RAILROAD COMPANY AND ANY OTHER NECESSARY PARTY FOR RAIL ACCESS TO THE JOINT INTERMODAL TERMINAL.”

“RESOLUTION NO. 01477

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

“RESOLUTION NO. 01478

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 01479

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

“RESOLUTION NO. 01480

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

“RESOLUTION NO. 01481

GRANTING CROWN CASTLE GT COMPANY LLC, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01482

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

“RESOLUTION NO. 01483

DETERMINING THE APPROPRIATE REPRESENTATION BY INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS OF CERTAIN POSITIONS.”

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

Ayes: Commissioners Ayers-Johnson, Kramer, Protopappas,
Scates, Uribe and President Tagami - 6

Noes: None

Abstained: Commissioner Kiang - 1

Absent: None

“RESOLUTION NO. 01484

APPROVING AND AUTHORIZING EXECUTION OF EXCLUSIVE NEGOTIATING AGREEMENT WITH OAKLAND HARBOR PARTNERS LLP.”

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, and Uribe - 6

Noes: None

Absent: President Tagami - 1

“RESOLUTION NO. 01485

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH OSAKI DESIGN, 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. 01486

APPROVING GROUP INCENTIVE COMPENSATION 2001-2002 FISCAL YEAR GOALS.”

“RESOLUTION NO. 01487

APPROVING SETTLEMENT AND AUTHORIZING EXECUTION OF A SETTLEMENT AGREEMENT AND RELEASE WITH NESTLE USA, INC., ALBERS MILLING COMPANY, AND ITS PREDECESSORS, CONCERNING CITY OF OAKLAND, A MUNICIPAL CORPORATION, ACTING BY AND THROUGH ITS BOARD OF PORT COMMISSIONERS V. NESTLE USA, INC., ALBERS MILLING COMPANY, AND DOES 1 THROUGH 50, INCLUSIVE, UNITED STATES DISTRICT COURT OF THE STATE OF CALIFORNIA, CASE NO. C-98-3963 SC (“BERTH 30 LITIGATION”).”

“RESOLUTION NO. 01488

APPROVING AND AUTHORIZING EXECUTION OF LITIGATION SETTLEMENT AGREEMENT BETWEEN ROBERTA PALM BRADLEY AND THE PORT.”

Port Ordinance No. 3670 being, “AN ORDINANCE AMENDING SECTION 2.1 OF PORT ORDINANCE NO. 2832, AS AMENDED, RELATING TO STANDARDS AND RESTRICTIONS REGULATING THE USE OF LAND AND THE DESIGN AND CONSTRUCTION STRUCTURES AND OTHER IMPROVEMENTS IN THE OAKLAND AIRPORT BUSINESS PARK, AND APPROVING A CEQA EXEMPTION PURSUANT TO CEQA GUIDELINES SECTION 15269(C).” and Port Ordinance No. 3671 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO CREATE NEW POSITIONS OF DIRECTOR, SOCIAL RESPONSIBILITY AND MARITIME PROJECTS ADMINISTRATOR-TRAFFIC REPRESENTATIVE III,” were read a second time and passed by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION ("CALTRANS") FOR THE PORT OF OAKLAND'S PURCHASE OF APPROXIMATELY 37,000 SQUARE FEET OF EXCESS CALTRANS PROPERTY," and Port Ordinance No. ____ being, "AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF LEASE AGREEMENT WITH DUBLINGTON NORTHERN SANTA FE RAILWAY" and Port Ordinance No. ____ being "AN ORDINANCE AMENDING PORT ORDINANCE NO. 3439 AND ESTABLISHING RATES AND CHARGES FOR ELECTRICAL POWER FOR CERTAIN PARTS OF THE PORT AREA," and Port Ordinance No. ____ being, "AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO CREATE THE NEW POSITION OF AIRPORT GROUND TRANSPORTATION & PARKING OPERATIONS COORDINATOR," were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, “AN ORDINANCE MAKING CERTAIN FINDINGS AND DETERMINATIONS IN SUPPORT OF, AND AUTHORIZING THE SALE OF CERTAIN IMPROVEMENTS LOCATED IN JACK LONDON SQUARE TO A JACK LONDON SQUARE PARTNERS (“JLSP”) ENTITY, AUTHORIZING GROUND LEASES RELATED TO SUCH ASSETS, APPROVING EXECUTION OF AN AMENDMENT TO THE AGREEMENT FOR ACQUISITION OF GROUND LEASE INTERESTS, AND AUTHORIZING AN OPERATIONS AGREEMENT, WITH RELATED DOCUMENTS,” was read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates, Uribe and President Tagami - 6

Noes: Commissioner Kramer - 1

Absent: None

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 1606 TO CONFIRM THAT THE PORT OF OAKLAND IS EXEMPT FROM THE CALIFORNIA PUBLIC CONTRACT CODE,” was read a first time and passed to print by the following vote:

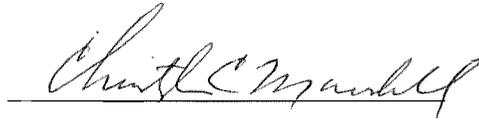
Ayes: Commissioners Ayers-Johnson, Kiang, Kramer,
Protopappas, Scates and Uribe - 6

Noes: None

Absent: President Tagami - 1

At the hour of 6:30 p.m. the Board continued its closed session as previously announced; 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 an motion duly made and seconded.

A handwritten signature in cursive script, reading "Cheryl C. Marshall", is written above a horizontal line.

Secretary of the Board

The minutes of the regular meeting of September 4, 2001 was approved as submitted and ordered filed.

Approval for Comprehensive Transportation Information Program to Provide Centralized Services for Oakland International Airport via a National Toll Free Phone

Number was the subject of a memo to the Board from the Director of Aviation notifying the Board that RIDES for Bay Area Commuters, Inc. (RIDES) was established as a private non-profit corporation. The original purpose was to provide comprehensive ridesharing and vanpooling services to major employers and employees in the nine counties which comprise the San Francisco Bay Area region. RIDES provides a full range of transportation demand management services (TDM) that enhance commuter mobility, reduce congestion, save energy and improve air quality. A proposal was solicited from RIDES for Bay Area Commuters, Inc. to provide a comprehensive transportation information program to Oakland International Airport. This program would provide regional and national access to ground transportation and parking services at Oakland International Airport. RIDES is uniquely qualified to provide this service, as they currently host similar operations for San Francisco International Airport and Pacific Bell Park. This project is a critical mitigation element of the Port's Vision 2000 Airport Development Program. The ability to successfully mitigate traffic congestion by re-directing auto traffic to mass transit or to remote or off-site parking facilities will be critical to the efficient structure of the new airport roadway and parking garage. Once in place, the program will provide callers with comprehensive information on public transit options, on-demand shuttles, taxis, rental cars, parking, driving instructions and other information essential for reaching and departing the Oakland International Airport. A special 800 phone number will be developed specifically for Oakland International Airport. RIDES' staff

will provide callers with comprehensive personalized information on public transit options, on-demand shuttles, taxis, rental cars, parking driving instructions and other information essential for reaching the Oakland International Airport. Service will be provided 24 hours per day, 7 days per week using a mix of live information specialists, phone messages, call-backs and an automated phone tree. The cost of the basic program is \$61,290.00 with \$13,710.00 included for necessary holiday overtime. The program budget totals \$75,000.00. It was recommended that the proposal be approved and authorization given to implement the service with RIDES for Bay Area Commuters, Inc. The recommendations was approved on passage of Resolution No. 01466.

Approval of First Supplemental Agreement with AGS, Inc. for Engineering Services for Overlay of Taxiway B (Between Runways 27L and 27R) and Taxiway C, North Field OIA

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 AGS, Inc. to provide engineering services to prepare Plans and Project Manual for overlay of Taxiway B. The original intent of this work was to improve these sections of taxiways for the anticipated increase in use by air carrier aircraft due to the diversion of South Field traffic to the North Field during the overlay of Runway 11-29 this past summer. During the design phase of this project, staff determined that the condition of the section of Taxiway C from Runway 27R to Taxiway D was adequate to withstand the increased traffic during the Runway 11-29 overlay project, and that the improvements could wait until the year 2002. This deferral allowed staff to concentrate on the necessary improvements to Taxiway B so that they would be completed prior to the Runway 11-29 overlay work. The improvement to Taxiway B was completed before the Runway 11-29 overlay project and the subject section of Taxiway C held up well. It is now time to complete the design of this section of

Taxiway C so that construction can take place in summer/fall of 2002. It is proposed that both sections of Taxiway C be designed by one consultant team and constructed under one contract. This will reduce the time and cost to design, bid, award, and construct the project. AGS, Inc. will proceed with completing the design of Taxiway C from Runway 27R to Taxiway D and it was recommended that their scope be increased and a supplemental agreement be prepared to include the design of Taxiway C from Taxiway D to Taxiway Q. The supplemental agreement would also include the additional services required to complete the design and provide construction support for Taxiway C from Runway 27R to Taxiway D. The Board authorized the original agreement for \$400,000.00 with an additional \$100,000.00 available for Executive Director's approval. The amount of the requested first supplemental agreement to perform the changes in scope is estimated to be \$300,000.00. The Total Maximum Allowable Compensation upon approval will be \$700,000.00. The original \$100,000.00 Executive Director approval amount will still remain available with this request. The recommendation was approved on passage of Resolution No. 01449.

Approval of Reimbursement to Southwest Airlines Co. for the Cost of Making Various Security Checkpoint Improvements at Oakland International Airport, South

Airport was the subject of a memo to the Board from the Director of Aviation recommending approval to provide full reimbursement expenditures for certain needed security checkpoint improvements and purchases made by Southwest Airlines Co. Southwest principally operates from Terminal 2 at the Airport, however, its passengers do use the Terminal 1 security checkpoint, especially following September 11th. Staff recommends approval of actual reimbursement costs expended by Southwest to add a fourth security checkpoint station within both Terminals 1 and 2,

including a new magnetometer and X-ray machine, in an amount not to exceed \$150,000.00. The recommendation was approved on passage of Resolution No. 01450.

Approval of Project Manual for Furnishing Service and Maintenance for Passenger Loading Bridges for the Period Commencing January 1, 2002, and Ending June 30, 2004, 2005, or 2006, South Field, OIA was the subject of a memo to Board from the Director of Engineering recommending their approval and authority to advertise for bids for the maintenance work. The work consists of regular inspection and maintenance, and of performing routine and emergency repairs of the passenger loading bridges. The recommendation was approved on passage of Resolution No. 01451.

Approval and Authorization for Execution of an Amendment to the Reimbursable Agreement with the Federal Aviation Administration for Airport Roadway Project, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport Roadway Project is an Alameda County Measure B tax-funded project to build an arterial roadway from I-880 at 98th Avenue to Oakland International Airport and through the Airport to Bay Farm Island, Alameda. As a part of this project, a concrete bridge will be constructed at Taxiway “Bravo” with vehicular traffic to Bay Farm Island being routed under the bridge. The Federal Aviation Administration (FAA) owns and maintains communication and control cables along Taxiway “Bravo” to connect to North Field with South Field. The existing FAA cables must be relocated because of the construction of the Taxiway “Bravo” bridge. The Board approved and authorized the execution of a Reimbursable Agreement with the FAA for the relocation of the cables. Under this agreement, the FAA reviews the design, provides a systems inspector during construction, and certifies the construction work for acceptance by the FAA. The Port is

reimbursing the FAA for its costs incurred while relocating the cables. During construction, the Port's Contractor severed FAA communication and navigation cables to existing facilities. The current Agreement does not include scope for emergency repairs. To continue FAA services under the original Agreement, the FAA seeks to amend the original Agreement to include reimbursement of costs for FAA personnel to perform emergency site visits and inspection necessary to re-establish critical facilities due to construction, coordinate facility outages, and inspect the splicing of cables; statement of work from the Port to take precautions to prevent damage to FAA facilities during airport construction and, in the event that cables are damaged during construction, provide materials and labor for splicing cables as approved by the FAA; and terms of the amendment and the original agreement to be in effect for one year following execution of the amended agreement. The estimated reimbursable cost from the Port to the FAA under the original Agreement is \$75,000.00. To date, a total of \$41,082.18 has been incurred by the FAA. The remaining budget for this Agreement is \$33,017.82 and staff anticipates completing the work under this Agreement within the established budget. It was recommended that the Board approve and authorize the execution of the proposed amendment to the Reimbursable Agreement WPM-002-99-L with the FAA. The recommendation was approved on passage of Resolution No. 01452.

Approval of Professional Services Contract with Jai Jennifer d.b.a. Northern Real Estate for Financial Analysis Services of the CRE Portfolio in Support of the Port's Bond Feasibility Report was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board of the contract with LaSalle Partners to do an overall analysis of Commercial Real Estate's assets and cash flows along with recommendations for ongoing management of the Commercial Real Estate assets. In a concerted effort to update the information

and perform strategic and project oriented analysis, Commercial Real Estate staff contracted with Northern Real Estate, an Oakland-based real estate firm, for a limited period to perform cash flow projection relative to Commercial Real Estate Assets, including the proposed new cash flow to be generated by the Jack London Square Master Developer project. Working with the Finance Division, Commercial Real Estate now needs to refund its cash flow projections for all of its new projects, including Jack London Square, Oak to 9th, the marinas, the Business Park and other projects in development or planned. It was recommended that the Board authorize a longer-term consultant agreement with Northern Real Estate to update the Commercial Real Estate Division's cash flow projections. This development analysis will include 10-year cash flows for the entire Commercial Real Estate portfolio and perform analysis of each development opportunity or project. The principles at Northern Real Estate charge \$125.00 per hour and the cost of this analysis will not exceed \$40,000.00. The cost of this analysis will be borne under the respective CIP budgets for the development projects, approximately 85% of the effort. The remaining 15% will be paid from Commercial Real Estate's consultant line item budget. The recommendation was approved on passage of Resolution No. 01453.

Approval of an Ordinance Revision of the Oakland Airport Business Park Standards and Restrictions was the subject of a memo to the Board from the Director of Engineering notifying the Board of the project to compensate for parking spaces lost due to the Port's compliance with FAA policies and regulations that are aimed at preventing an emergency and to provide additional temporary parking to accommodate growth in passenger activity during construction of the ADP. Originally, when the Board approved the ADP, and when the EIR for the ADP was prepared, Port staff had identified construction-phase replacement parking areas at Air

Cargo Road (the “overflow lot”), Neil Armstrong Way, the New Inside Terminal Loop, and Swan Way. The EIR concludes that replacement parking will be needed to ensure that a significant parking shortfall does not occur during ADP construction. The Port has constructed the Air Cargo Road (“overflow”) and Swan Way replacement parking lots. The Air Cargo Road overflow lot is in use now, and the Swan Way lot is being used for employee parking. The area originally proposed for the Neil Armstrong Way and New Inside Terminal Loop lots will be needed for terminal expansion construction staging, therefore these two lots have not been constructed. The Aviation Division has identified the preferred site for alternative construction-phase replacement parking as the 34-acre parcel at Swan Way and Pardee Drive. The site is known as the Arrowtech Site and the construction phase replacement parking lot would be called the Pardee Parking Lot. The site is under Commercial Real Estate Division (CRE) control. Passengers parking in the lot will ride shuttle buses between the lot and the terminal. At the end of the Aviation use, the site will be returned to CRE. The site is located in the Oakland Airport Business Park, under Port planning jurisdiction. The Business Park Standards and Restrictions (Port Ordinance 2832) prohibit fee parking as a use in the area. It has been determined that operation a fee parking lot at this site will not significantly impact other tenants of the Business Park given the proximity to Doolittle Drive and Hegenberger Road. It was recommended that Section 2.1 of Ordinance No. 2832, as amended, be amended to read as to provide for the temporary airport parking lot use. The project that is the subject of this approval is necessary for airport security purposes. It responds to the President’s declaration of emergency and the FAA’s heightened security requirements. Based upon the Government’s facts and findings, the project is categorically exempt and does not require additional environmental findings. As part of the process the appropriate public hearing was advertised and

opened for discussion at the hour of 5:01 p.m., with no speakers appearing. The hearing was closed at the hour of 5:02 p.m. and the recommendation was approved on passage of an ordinance to print.

Approval of Change Order to Contract for Replacement of Domestic Ships Water Supply at Berths 20, 21 and 22, Outer Harbor Terminal – Replace Domestic Water Line

Under Wharf at Berth 20 was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Beliveau Engineering Contractors, Inc., for the replacement of domestic ships water supply at Berths 20, 21 and 22, at a lump sum and unit price totaling \$304,200.00. The purpose of the project was to replace existing underground transit pipe believed to be the cause for contaminating the domestic water supply to the buildings and ships domestic water supply hydrants at Berths 20, 21 and 22. After the underground pipes were installed and the water system was reactivated, it was noted that the water continued to emanate a petroleum odor. The Port's Environmental Department ran tests on the water quality from a number of locations and determined that the pipe under the wharf at Berth 20, which serves the ships potable water supply hydrants and Building B-319, is contaminated. The scope of this change order is to replace the domestic water pipe under the wharf at Berth 20, to provide one new ship's domestic water supply hydrant and to provide a new domestic water source to Building B-319. It was recommended that the Chief Engineer be authorized to issue a change order in the amount of \$128,902.00 to Beliveau Engineering Contractors, Inc., for the work. The recommendation was approved on passage of Resolution No. 01454.

Authorization to Dispense with Standard Bidding Procedures to Provide Additional Improvements to the Joint Intermodal Terminal to Meet Tenant Operational Needs and Requirements was the subject of a memo to the Board from the Director of Engineering notifying

the Board that the construction of the Joint Intermodal Terminal (JIT) as required under the existing construction contract is nearly complete. The Burlington Northern and Santa Fe Railway (BNSF) and the Port are negotiating final lease terms for the facility. It will be necessary for the Port to provide additional on-site infrastructure before BNSF commences operations. The JIT was designed as a generic facility with no tenant involvement since the tenant was unknown in 1998 when the plans and specifications were being prepared. BNSF operations representatives have provided the Port with a list of improvements and implementation schedule that will allow them to operate at the JIT. Improvements needed by the BNSF include features such as an administration building, employee parking, maintenance and repair facilities for equipment used at the facility, detailed security and access control, installation of an air compressor facility that will be used to test trains prior to departure, and miscellaneous infrastructure features. It was recommended that the Board find it to be in the best interests of the Port to dispense with standard bidding procedures and authorize the Executive Director, and his designees, where permitted, to enter into multiple purchase orders, change orders, and construction contracts in an aggregate amount up to \$1,500,000.00, based on the receipt of proposals, to ensure that the JIT improvements are provided as needed to best meet the tenant's implementation schedule. Contracting for all work is conditioned on BNSF first signing its lease with the Port. The recommendation was approved on passage of Resolution No. 01455.

Request for Additional Funds for Change Order to Contract for Construction of Marine Operations Building 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 contract with West Bay Builders, Inc., for construction of marine operations building at Berths 55/56, at a lump sum

price of \$2,037,094.00. The work consists of constructing a low-rise, steel-framed and masonry building. The 10% limit for change orders for this contact is \$203,709.40. As of this date, change orders totaling \$189,371.14 have been written and approved under the Executive Director's authority, and one change order in the amount of \$56,900.00 was approved by the Board on November 6, 2001. Additional change orders in the amount of \$70,144.79 have been negotiated to resolve remaining outstanding issues pending an increase order authority. It was recommended that the Board find it to be in the Port's best interest to increase the change order approval authority by the Executive Director by \$71,000.00 for the above-described project. The recommendation was approved on passage of Resolution No. 01456.

Ratification of Addenda and Award of Contract for Modification of Building D-851 at Berths 57-59, Vision 2000 was the subject of a memo to the Board from the Director of Engineering notifying the Board of the seven bids received and recommending award of the contract to BBI Construction, the low bidder, at \$412,963.00. The recommendation was approved on passage of Resolution No. 01457.

Ratification of Addendum and Award of Contract for Construction of Chassis Maintenance and Power Shop Buildings D-135 & D-136 at Berths 47-49, Vision 2000 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 West Bay Builders, Inc., the low proper bidder, at \$3,302,348.50. It was noted that the apparent low bid of Arntz Builders at \$3,217,720.50 contained a bidding error and was withdrawn. Addendum No. 1 was issued by the Chief Engineer to make minor changes to the Plans and Project Manual. The Addendum did not significantly

change the physical work of the contract. The recommendation was approved on passage of Resolution No. 01458.

Approval of First Supplemental Agreements with Consultant Teams to Provide As-Needed Environmental Planning Consultant Services was the subject of a memo to the Board from the Director of Engineering notifying the Board of the three-month evaluation and recommendation process to select consultant teams who could provide environmental analysis, planning, documentation, and permitting consultant services on an as-needed basis. At the December 19, 2000 meeting of the Board, the Board passed resolutions authorizing execution of agreements with all four recommended teams: g. borchard & associates; EVS Environment Consultants; URS Corporation; and Weiss Associates. Each team would be compensated at agreed billing rates on a time-and-materials basis for a total amount not to exceed \$750,000.00 per firm. For all four contracts, a \$3 million aggregate maximum amount was recommended, based upon the projecting of projects and efforts within the Environmental Planning Department work program. EVS Environment Consultants has withdrawn from their As-Needed Environmental Planning Consultant Services contract and are requesting that the Port consider adding their listed subconsultants to one or more of the remaining three As-Needed consultant teams. It was recommended that the Port execute Supplemental Agreements with g. borchard & associates, URS Corporation, and Weiss Associates that would increase their compensation under the As-Needed Environmental Planning Consulting Services agreements by \$250,000.00 each, for a total amount not to exceed \$1 million per firm. This would not increase the \$3 million aggregate maximum amount already authorized by the Board for the As-needed Environmental Planning Consulting Services contracts and would meet the projected needs of projects and efforts within the

environmental work program. In order to avoid losing the specific technical expertise offered by subconsultants on the EVS team, staff also recommends that the three Supplemental Agreements allow for EVS subconsultants to be added to one or more of the remaining consultant teams. The recommendation were approved on passage of Resolution No. 01459 for Weiss Associates, Resolution No. 01460 for URS Corporation and Resolution No. 01461 for G. Borchard & Associates.

Authorization to Execute a First Supplemental Agreement with Gail Goldman (Gail M. Goldman Associates) to Provide Communications Consulting Services (Public Art Policy)

was the subject of a memo to the Board for the Director of Communications notifying the Board of the agreement with Gail Goldman of Gail M. Goldman Associates for the development of the Port's Public Art Policy. During the development of the arts policy, a number of unexpected yet key issues arose that were outside the art consultant's original scope of work. Numerous works of art have been gifted to the Port, such as the Cheema monument, the Stupa, and others. It was also discovered during the course of working on the development of our arts policy, that the Port does not have a comprehensive plan to catalogue and assess its extensive existing art collection. The additional time and costs incurred in pursuing these activities are estimated to cost approximately \$10,000.00. It was recommended that the Board approve a supplemental agreement with Gail Goldman and Associates to provide additional consulting services for the Port Communications Division in the siting, preparation and installation of gifts of artwork, and recommendation on procedures to assess and catalogue the Port's existing collection of artwork. The recommendation was approved on passage of Resolution No. 01462.

Adoption of Various Amendments to Deferred Compensation Plan was the subject of a memo to the Board from the Chief Financial Officer notifying the Board of the contract with Great West Life to administer the Port's Deferred Compensation Plan. This program is operated under IRS Code Section 457 and allows employees to defer part of their income and direct investment into a number of options such as stock or bond funds. The Port currently holds, on behalf of the employees, approximately \$33,563,243.16 in the Deferred Compensation Plan. The Advisory Committee to the Port's Deferred Compensation Plan (Plan) recommends that the Board take the following actions with respect to the Plan: extend the administration contract for a period of three years, the fee to participants for three year extension will be dropped from a maximum of \$360.00/year to zero, as the Port agrees to use the Great-West Guaranteed Portfolio Fund; as part of the extension the Washington Mutual FDIC investment option would be terminated, and the Great-West Guaranteed Fixed fund, together with the moneys in the current FDIC option will be replaced; and amend and restate the Deferred Compensation Plan to comply with the new Economic Growth and Tax Relief and Reconciliation Act of 3001 (EGTRRA) tax law changes required for 457 Plan. The recommendation was approved on passage of Resolution No. 01463.

Personnel Items contained in a memo to the Board from the Deputy Executive Director recommended approval for the creation of the following new classification: Director, Special Responsibility, the salary is to be placed at \$8,750.00 monthly; and one classification: Maritime Projects Administrator – Traffic Representative III, the salary is to be placed at Salary Schedule 244.18. The recommendation was approved on passage of an ordinance to print.

Approval of a Supplemental Agreement for CorVel to Provide Workers' Compensation Medical Bill Review Services was the subject of a memo to the Board from the

Deputy Executive Director notifying the Board that the Port is self-insured and self-administered for workers' compensation. Part of the program is to provide cost containment services whenever possible. The Port began contracting with a bill review service provider in January, 1994. The concept of bill review means that our provider reviews all changes as applicable: physician, chiropractor, therapists, pharmacy (drugs and supplies) and hospitals according to the Official Fee Schedule set by the State. The Port also gets to utilize the provider's Preferred Provider Organization (PPO) to achieve further discounted rates for medical services. The Port has contracted with CorVel Corporation since 1999, and they have provided an average of 33% cost savings on medical bills and 48% PPO penetration. CorVel is a national, independent provider of managed care services for workers' compensation, accident & health and auto insurance markets. It was recommended that the Board approve a supplemental agreement for CorVel to provide workers' compensation medical bill review services for a fee not to exceed \$55,000.00. The recommendation was approved on passage of Resolution No. 01464.

Approval to Establish a Catastrophic Leave Program was the subject of a memo to the Board from the Deputy Executive Director recommending approval to establish a Catastrophic Leave Program to assist employees who have exhausted accrued leave time for a catastrophic (prolonged) illness, injury or condition. A Catastrophic Illness is defined as any life threatening or debilitating illness, injury or condition, which requires confirmation by a physician. The Catastrophic Leave Program will allow employees to donate leave to affected employees so that they can remain on paid status for a longer period of time, helping to partially ameliorate the financial impact of the illness, injury or condition. The eligibility for donating leave credits include any regular full time employee, who has completed his/her Port probationary period, may donate

leave; accrued leave, which may be donated, includes vacation, compensatory time off, and sick leave; and employee time donations must be minimum of four hours and shall not exceed forty hours for any one incident, with all donations of time being in four-hour increments, an employee shall not donate leave hours which would reduce the donating employee's accruals to less than the following: vacation: one week, compensatory time-off, no minimum accrual required, and sick leave, 21 days. To be eligible for this benefit, the receiving employee must be a regular full time employee who has passed his/her probationary period; have sustained a life threatening or debilitating illness, injury or condition, which requires confirmation by a physician, and consent to the release of all information needed by the Human Resources Manager to verify eligibility for the benefit; have exhausted all accumulated paid leave including vacation, floating and protected holiday, sick leave and compensatory time off; be unable to return to work for at least 30 days from the time of eligibility; and have applied for Family Medical Leave Act (without pay) for medical reasons. The recommendation was approved on passage of Resolution No. 01465.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates, Uribe and President Tagami - 6

Noes: None

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 01449

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH AGS, 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. 01450

APPROVING AND AUTHORIZING EXECUTION OF A REIMBURSABLE AGREEMENT WITH SOUTHWEST AIRLINES CO.”

“RESOLUTION NO. 01451

APPROVING PLANS AND SPECIFICATIONS FOR FURNISHING SERVICE AND MAINTENANCE FOR PASSENGER LOADING BRIDGES FOR THE PERIOD COMMENCING JANUARY 1, 2002, AND ENDING JUNE 30, 2004, 2005, OR 2006, SOUTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01452

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

“RESOLUTION NO. 01453

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH JAI JENNIFER, DOING BUSINESS AS NORTHERN REAL ESTATE 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. 01454

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH BELIVEAU ENGINEERING CONTRACTORS, INC., FOR REPLACEMENT OF DOMESTIC SHIPS WATER SUPPLY AT BERTHS 20, 21 AND 22, OUTER HARBOR TERMINAL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01455

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO SOLICIT PROPOSALS FOR CONSTRUCTION OF ADDITIONAL IMPROVEMENTS TO JOINT INTERMODAL TERMINAL, MIDDLE HARBOR, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF CONTRACT(S) FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 01456

APPROVING AND AUTHORIZING ADDITIONAL FUNDS FOR CHANGE ORDERS UNDER CONTRACT WITH WEST BAY BUILDERS, INC. FOR CONSTRUCTION OF MARINE OPERATIONS BUILDING AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01457

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR MODIFICATION OF BUILDING D-851 AT BERTHS 57-59, VISION 2000, OAKLAND, CALIFORNIA; AND AWARDED CONTRACT TO BBI-CON, INC., DOING BUSINESS AS BBI CONSTRUCTION, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01458

RATIFYING AND APPROVING ADDENDUM TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF CHASSIS MAINTENANCE AND POWER SHOP BUILDINGS D-135 & D-136 AT BERTHS 57-59, VISION 2000. OAKLAND, CALIFORNIA; AND AWARDED CONTRACT TO WEST BAY BUILDERS, INC., FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01459

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH WEISS 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. 01460

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH URS CORPORATION 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. 01461

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH G. BORCHARD & 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. 01462

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH GAIL M. GOLDMAN 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. 01463

APPROVING AND AUTHORIZING EXECUTION OF VARIOUS AMENDMENTS TO THE GREAT WEST LIFE ADMINISTRATIVE AND RELATED AGREEMENTS REGARDING THE PORT’S DEFERRED COMPENSATION PLAN AND ADOPTION OF THE RESTATED DEFERRED COMPENSATION PLAN.”

“RESOLUTION NO. 01464

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH CORVEL 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. 01465

APPROVING AND ESTABLISHING A CATASTROPHIC LEAVE PROGRAM.”

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,

Scates and Uribe - 6

Noes: None

Abstained: President Tagami - 1

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 01466

APPROVING AND AUTHORIZING THE IMPLEMENTATION OF THE RIDES FOR BAY AREA COMMUTERS, INC. INFORMATION PROGRAM.”

Port Ordinance No. 3668 being, “AN ORDINANCE AUTHORIZING EXECUTION OF LICENSE AND CONCESSION AGREEMENTS AND GROUND LEASES FOR INTERIM CONSOLIDATED RENTAL CAR FACILITY WITH AVIS RENT A CAR SYSTEM, INC., FOX RENT A CAR, INC., BUDGET RENT A CAR SYSTEMS, INC., ENTERPRISE RENT A CAR COMPANY OF SAN FRANCISCO, DOLLAR RENT A CAR SYSTEMS, INC., THE HERTZ CORPORATION, NATIONAL CAR RENTAL SYSTEM, INC. AND THRIFTY RENT-A-CAR SYSTEM, INC. AND AUTHORIZING CERTAIN EXPENDITURES FOR CERTAIN INSURANCE EXPENSES ASSOCIATED WITH SAID GROUND LEASES,” and Port Ordinance No. 3669 being, “AN ORDINANCE ESTABLISHING A PASSENGER FACILITY CHARGE AND AMENDING SECTION 21 TO PORT ORDINANCE NO. 3634 RELATING TO CHARGES FOR USE OF FACILITIES AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH,” were read a second time and passed

by the following vote:

December 4, 2001

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates, Uribe and President Tagami - 6

Noes: None

Absent: Commissioner Kramer - 1

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING SECTION 2.1 OF PORT ORDINANCE NO. 2832, AS AMENDED, RELATING TO STANDARDS AND RESTRICTIONS REGULATING THE USE OF LAND AND THE DESIGN AND CONSTRUCTION STRUCTURES AND OTHER IMPROVEMENTS IN THE OAKLAND AIRPORT BUSINESS PARK, AND APPROVING A CEQA EXEMPTION PURSUANT TO CEQA GUIDELINES SECTION 15269(C),” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO CREATE NEW POSITIONS OF DIRECTOR, SOCIAL RESPONSIBILITY AND MARITIME PROJECTS ADMINISTRATOR-TRAFFIC REPRESENTATIVE III,” were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates, Uribe and President Tagami - 6

Noes: None

Absent: Commissioner Kramer - 1

At the hour of 5:15 p.m. the Board continued its closed session as previously announced; and reconvened in open session at the hour of 6:20 p.m.

At the hour of 6:21 p.m. the meeting was adjourned on an motion duly made and seconded.



Secretary of the Board

Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment, and property – Selected Locations Jack London Square, negotiating parties – Port of Oakland, Jack London Square Partners, under negotiation – price and terms of payment; conference with labor negotiator: agency negotiator: Robert Martinez, employee organization: Western Council of Engineers; and reconvened in open session at the hour of 4:15 p.m.

The minutes of the regular meeting of June 24, 2001 was approved as submitted and ordered filed.

Approval of Change Order to Contract for Construction of Doolittle Drive and Airport Drive Interchange, Airport Roadway Project (Contract B), OIA – Compensation Associated with Time Extension of 107 Days was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Oliver DeSilva, Inc., (dba Gallagher & Burk, Inc.) and R & L Brosamer, Inc., doing business as Gallagher & Burk – Brosamer, a Joint Venture, for the construction of Doolittle Drive and Airport Drive Interchange, Oakland International Airport, Oakland, California. The contract became effective on June 29, 1999, with a contract sum of \$13,646,262.50. The work consists of construction of the Airport Drive undercrossing, including construction of a bridge span at Doolittle Drive. Due to various utility relocation work; adverse weather delays; unforeseen conditions – renewal of extra asphalt; unforeseen conditions – contaminated soil; and bridge construction delays, the contractor and the Port have negotiated a 107 day contract extension and compensation in the amount of \$382,306.01 for the additional work. It was recommended that the Board approve the appropriate change order. The recommendation was approved on passage of Resolution No. 01409.

Approval of Lease Amendment with United States Postal Service was the subject of a memo to the Board from the Director of Aviation notifying the Board that the United States Postal Service (USPS) currently occupies property under a three-year Lease and a one-year Lease Amendment. The agreements provide for occupancy of approximately 4,400 square feet of warehouse space in Building M-106 on the South Airport for the purpose of handling priority, first-class and express mail, with rent at \$4,720.00 per month. It was recommended that the Board approve Lease Amendment No. 2 which would extend USPS' occupancy of the same premises, commencing November 1, 2001 through October 31, 2002, with rent increasing to \$4,956.00. The recommendation was approved on passage of Resolution No. 01410.

Approval of License and Concession Agreement with AVSEC Services, L.L.C. was the subject of a memo to the Board from the Director of Aviation notifying the Board that AVSEC Services, L.L.C. (AVSEC) was granted access to the South Airport under an Agreement to Extend Right-of-Entry and Indemnity Agreement to provide aircraft grooming and facilities janitorial services to airline tenants including Southwest Airlines. No premises are occupied by AVSEC and the monthly rent is \$250.00 or 10% of gross revenues, whichever is greater. It was recommended that the Board approve a one-year agreement commencing October 1, 2001 with a mutual 30-day termination provision and authorize continued access to the South Airport to provide aircraft grooming and facilities janitorial services to airline tenants. AVSEC has just received a 30-day termination of its agreement with Southwest and this one-year extension agreement will not extend beyond November 2001, unless AVSEC secures another contact with another airline. The recommendation was approved on passage of Resolution No. 01411.

Approval of New License and Concession Agreement with Next Century Aviation to Occupy Office/Storage Space was the subject of a memo to Board from the Director of Aviation recommending approval of a new agreement for Next Century Aviation to continue to occupy approximately 1,275 square feet in Building L-820, Room 139 of Hangar 9, on the North Airport in support of its corporate aviation operation. The monthly rent is \$1,050.28. The recommendation was approved on passage of Resolution No. 01412.

Authorization to Execute a Professional Services Agreement with TransSolutions to Provide Consulting Services to Evaluate Airline Passenger Flows in Building M-102 (Including the Security checkpoint, Proposed Airline Ticketing/Check-In Counters, and Arrivals Hall) was the subject of a memo to the Board from the Director of Aviation notifying the Board that Building M-102 serves as a lobby for Terminal 1, connecting the airline ticket counters and aircraft boarding areas. Prior to the terrorist attacks on September 11, 2001, M-102 was largely underutilized. In order to more efficiently use available area in M-102 and meet requirements for additional airline ticket counters, the Port planned to construction 20 airline ticket counters (and associated outbound baggage belts). The ticket counters are currently at the 90% design level with plans, specifications, and the construction cost estimate nearly finalized. Due to the terrorist attacks on September 11, 2001, the Federal Aviation Administration (FAA) has required the Port and airlines to implement heightened security measures at the Airport, including allowing only ticketed airline passengers beyond the security checkpoint in M-102. This requirement results in significant queues at the security checkpoint as passengers must present airline tickets (or ticketless travel itineraries), as well as appropriate identification; and meeters/greeters congregating in M-102. As such, M-102, which was generally underutilized, is now and will continue to be more congested,

especially with the addition of the proposed airline ticket counters. In order to better understanding passenger flows and potential congestion, it was recommended that the Board authorize the retention of TransSolutions to develop a micro-simulation model of passenger flows in M-102. The passenger flow simulation model will allow staff to better manage interactions between the various functions in M-102, including the security checkpoint, meeter/greeter waiting areas, the proposed 20 ticket counters, and general passenger circulation. The simulation model will allow staff to evaluate alternative queuing strategies and security checkpoint operations. The proposed agreement with TransSolution for consulting services will be on a time-and-materials basis not to exceed \$55,000.00, with an additional \$10,000.00 available at the discretion of the Executive Director. The recommendation was approved on passage of Resolution No. 01413.

Authorization to Execute Supplemental Agreements with Leigh Fisher Associates and Ricondo & Associates to Provide As-Needed Aviation Planning Consulting Services was the subject of a memo to the Board from the Director of Aviation notifying the Board that previously the Board authorized the execution of Professional Services Agreements with Leigh Fisher Associates and Ricondo & Associates to provide as-needed aviation planning consulting services in an amount not to exceed \$200,000.00 for each team. Staff anticipated that these funds would be sufficient for about 18 months of aviation planning activities. To date, approximately 78% and 39% of these funds have been expended on tasks performed by the Leigh Fisher Associates and Ricondo & Associates teams, respectively. Due to the terrorist attacks on September 11, 2001, and ensuing heightened security measures mandated by the FAA; and the appellate court ruling on Airport Development Program (ADP) Environmental Impact Report (EIR), staff anticipates the needs to use most of the remaining funds to undertake immediate aviation planning tasks. Staff

estimates that over 90% and 70% of the available funds will be expended with these additional, immediate tasks to be performed. Staff anticipates the need for additional aviation planning assistance for unforeseen analyses as a result of the September terrorist activities and ADP EIR litigation. It was recommended that the Board authorize the Executive Director to execute Supplemental Agreements with Leigh Fisher Associates and Ricondo & Associates for as-needed aviation planning consulting services on a task order/time-and-materials basis, in a total amount not to exceed \$200,000.00 for each team, with an additional \$25,000.00 for each team for additional, unforeseen aviation planning tasks. The recommendation was approved on passage of Resolution No. 01414 and Resolution No. 01415.

Ratification of Addendum and Award of Contract for Construction of Additional Restrooms at Building M-103 Passenger Level, South Airport, OIA 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 West Coast Contractors, Inc., the low bidder, with a total bid price of \$2,013,000.00. Addendum No. 1 was issued by the Chief Engineer to make minor changes to the Plans and Project Manual and change the Bid due to September 14, 2001. The Addendum did not significantly change the physical work of the contract. The recommendation was approved on passage of Resolution No. 01416.

Ratification of Addendum and Award of Contract for Construction of Power Infrastructure to Building L-815, North Airport, OIA 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 Blocka Construction, Inc, the low bidder, at \$236,320.00. Addendum No. 1 was issued to reduce the scope of work by excluding all work that had been proposed for Rent-A-
November 6, 2001

Car (RAC) Site B. Due to the recent court decision on the Airport Development Program (ADP) EIR, all work identified as work related to the ADP was to cease immediately and even though these improvements would be improvements constructed for any other potential non-ADP development, it was believed to be in the best interests of the Port to exclude the work originally identified as work for RAC Site B. All references to this work in the Project Manual and Plans were removed. It was noted that Blocka Construction, Inc. (Blocka), appeared to be non-responsive as the bid package was missing certain items. It was noted that Blocka furnished the missing material on October 23, 2001, stating that these items had no direct or indirect bearing on time, money or quality of work. Because this project primarily involves installation of underground utilities in a trench, it is not anticipated to generate significant construction debris. For these and other reasons, Port staff recommended that the late submission of information by Blocka be deemed an inconsequential error and minor irregularity which may be waived as stated in Documents 00100 and 00200. The recommendation was approved on passage of Resolution No. 01417.

Approval of First Supplemental Agreement with CCS Planning and Engineering, Inc. for Engineering Services for Realignment of Langley Street and Widening of Doolittle Drive, North Airport, OIA 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 CCS Planning and Engineering, Inc. (CCS) to provide engineering services to prepare portions of the Plans and Project Manual for the realignment of Langley Street and widening of Doolittle Drive, North Airport, Oakland International Airport project. Initially, the Langley Street improvements were intended to be designed in-house by Port staff. However, the results of a North Field Traffic Study indicated that significant improvements were also required on Doolittle Drive, which is a State

Highway. Because of the added improvements on Doolittle Drive, the Port required assistance with Caltrans coordination and traffic design issues and CCS was hired to provide that assistance. During the design phase, the Port was provided the opportunity, and was eventually successful, in transferring \$500,000.00 in federal funds to the project. The obligation process involved submitting a funding request package entitled "Request for Authorization to Proceed with Construction" to Caltrans, which administers the federal funds. Before the funding request package could be submitted, the Port also had to obtain an environmental clearance from the Federal Highway Administration (FHWA) for the project. To meet the September 28, 2001 obligation deadline, the project schedule was accelerated to obtain these items necessary for completing the funding request package. CCS performed additional work outside the original scope in order to meet the accelerated project schedule. These extra scope items include additional coordination with Caltrans Local Assistance to streamline the preparation and submission of the funding request package; designing and preparing construction documents for a video detection system; revising the stage construction design to accelerate the construction schedule; preparing CAD drawings for signing, striping, and stage construction that were originally to be prepared by the Port; and additional traffic engineering support for the Interim Rental Car Facility. The staff has negotiated the first supplemental agreement with CCS Planning and Engineering Inc., which was agreed to a fee increase of \$70,000.00. It was recommended that the Board authorize the first supplemental agreement with CCS Planning and Engineering, Inc., for the additional engineering services at a cost of \$70,000.00, with an additional \$15,000.00 available at the discretion of the Executive Director. The recommendation was approved on passage of Resolution No. 01418.

Approval and Authorization for Execution of an Agreement to the Reimbursable Agreement with the Federal Aviation Administration for Airport Roadway Project, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Federal Aviation Administration (FAA) is developing a new Airport Traffic Control Tower (ATCT) that will consolidate the North and South Airport Tower operations. The new tower will be north of FedEx, and adjacent to Air Cargo Road. Utility services and connections to existing communication facilities are required as part of the development and a new duct bank crossing Air Cargo Road is needed by the FAA to reconnect the new ATCT with existing communications infrastructure in the North Airport. The Port entered into a Reimbursable Agreement in September 1998 with the FAA to relocation of cables within the Airport Roadway Project. In February 2000, the agreement was amended to have the Port's contractor construct additional spare conduits in conjunction with the work performed. Now, the FAA is seeking to amend the agreement to have the Port's contractor install additional conduit duct banks that will be used to provide communications and power services for the new ATCT. Additionally, the FAA also proposes to amend the agreement to reimburse the Port for obtaining the services of an Environmental Consultant, with expertise in the Salt Marsh Harvest Mouse habitat, to conduct trapping studies within the vicinity of the new ATCT. The estimated cost to be reimbursed to the Port, for the work is \$110,200.00. It was recommended that the Board approve and authorize the execution of the proposed amendment to the Reimbursable Agreement WPM-002-99-L with the FAA. The recommendation was approved on passage of Resolution No. 01419.

Recommendation to Pass a Resolution Approving and Authorizing the Executive Director to Execute a Voluntary Cleanup Agreement with the California Environmental

Protection Agency, Department of Toxic Substances Control (DTSC) Concerning the EZBH

Site, North Airport, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the approximate 11-acre EZBH site is located at the OIA and is bounded by Doolittle Drive to the east, separated by a Levee and a roadside ditch; an undeveloped site to the south; Old Earhart Road to the west; and Fan Marsh to the north. The site was originally diked, drained and partially filled in 1933. The site includes over seven acres of jurisdictional wetlands and is currently vacant. In 1999, Port consultants conducted soil quality investigations to characterize levee soils designated for off-site disposal as part of a planned wetland enhancement project. That investigation revealed that the upper portion of the levee contained metal slag and elevated lead levels that would exceed federal and state hazardous waste criteria if the soil were excavated. The Port submitted the results of the soil quality investigation to DTSC. DTSC requested that the Port enter into a Voluntary Cleanup Agreement (VCA) with DTSC, which would provide for the Port's investigation and potential remediation of the EZBH Site under the oversight of DTSC. Port staff has negotiated the terms of a proposed VCA with DTSC which provides that the Port prepare certain environmental-related documents, including a Preliminary Assessment, a Removal Action Workplan, a draft Initial Study pursuant to the California Environmental Quality Act, a Health and Safety Plan, Implementation Report, and public participation-related documents. The work will cost \$350,000.00 - \$400,000.00, and the source of funds will be the liability account set up for this project. It was recommended that the Board approve and authorize the Executive Director to enter into a Voluntary Cleanup Agreement with DTSC concerning the EZBH site as described. The recommendation was approved on passage of Resolution No. 01420.

Approval of a Building Permit Application by the City of Oakland CourseCo Inc., to Construct a Golf Course, Club House, Cart Barn and Maintenance Building was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has leased the property formerly known as Galbraith Golf Course to the City of Oakland. The City and CourseCo Inc., the proposed developer of the property, are proposing to rebuild the golf course and rename it as Metropolitan Golf Links. In addition to the 18-hole championship golf course, there will be a new clubhouse, a cart barn, and a maintenance building and yard. The project, except for the driving range and fence, has been reviewed and approved by the staff of the Alameda County Airport Land Use Commission. It was recommended that the Board approve the construction permit to include 18-hole links type championship golf course constructed on a 165-acre site; 6,500 square feet clubhouse consisting of pro-shop, restaurant and banquet facility; 4,000 square feet of cart barn for the storage and re-charging of 80 electric golf carts; 5,000 square feet of maintenance building located in the maintenance yard; paved parking lot with 200 parking spaces and an unpaved over-flow area with 70 spaces; daily monitoring of the newly-constructed landfill cap according to the Construction Quality Assurance Plan; and ongoing maintenance of the landfill cap as required by the State of California and the Port. Pursuant to the Agreements between the Port, the City and CourseCo Inc. relating to construction and operation of the golf course, CourseCo Inc. is required to obtain the City's approval of the design and plans and specifications. The Port's permit will not be issued until CourseCo Inc. or its architect submits evidence to the Port that the City has approved the project. The estimated value of the work is approximately \$12 million, and is the responsibility of the City of Oakland and/or CourseCo Inc. The recommendation was approved on passage of Resolution No. 01421.

November 6, 2001

Authorization to Dispense with Standard Bidding Procedures for Construction of a Transload Warehouse Building D-516, Maritime Support Center, Vision 2000 was the subject of a memo to the Board from the Director of Engineering notifying the Board that the plans and project manual are being finalized for relocation of the existing Unicold Corporation railroad served warehouse from the Berth 59 area. The project will construct a new temperature-controlled warehouse for the Unicold Corporation in the area previously referred to as the Joint Intermodal Terminal Phase 2 area and currently designated the Maritime Support Center. The work associated with this project has been split into two design components, the warehouse and the railroad track and associated facilities, to permit timely completion of the design and construction of the warehouse. The railroad access and container yard will be constructed either through a separate construction contract or combination of change orders and construction contract. The relocation of the Unicold transload warehouse is necessary for the following reasons: the existing facility is located in the Berth 59 area of the Vision 2000 Program site, the warehouse and railroad tracks interfere with the Port's ability to construct all improvements at the Berth 59 site and also with expansion of the American President Lines (APL) terminal, at the eastern border of Berth 59; the railroad track that leads to the existing Unicold warehouse runs parallel to Middle Harbor Road, in front of the APL terminal and must be demolished to allow complete development of that corridor; and the Maritime Support Center, as currently planned, includes up to three rail-served transload facilities. The consolidation of the transload facilities will allow optimal land use for marine terminals and is consistent with redevelopment plans at the Oakland Army Base. It was recommended that the Board find it to be in the best interest of the Port to dispense with standard bidding procedures and authorize the Executive Director to execute a construction contract for this

work based on the receipt of proposals. The recommendation was approved on passage of Resolution No. 01422.

Authorization for the Executive Director to Enter into an Agreement with Montezuma Wetlands, LLC, Regarding the Disposal of Dredged Material at the Montezuma Wetlands

Restoration Project Site was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Federally authorized Project to deepen the Port's navigation channels, turning basins, and berths is a key component of the Port's Strategic Plan. Depths of -50 feet, Mean Lower Low Water (MLLW), are required to accommodate the latest generation of larger, more efficient container ships. The Oakland Harbor Navigation Improvement (-50 Foot) Project (Project), a \$287.7 million project, was authorized by Congress in the Water Resources Development Act (WRDA) of 1999. The Federal share of costs is currently estimated to be \$142.7

U.S. Army Corps of Engineers (CoE). The CoE continues work on the Project, operating under a Continuing Resolution Authority, anticipating a minimum of \$10 million in Federal funds to be appropriated in FY 2002. Approximately 12 million cubic yards (MCY) of material will need to be dredged material as an environmentally sustainable project. Approximately 5.8 mcy of clean dredged material will be placed in the Middle Harbor for environmental restoration as shallow water habitat. Approximately 2.5 mcy of dredged material will be placed at the Federally authorized Hamilton Wetlands Restoration Project at the closed Hamilton Army Airfield in northern San Francisco Bay. Approximately 2.9 mcy of dredged material will be placed at the Montezuma Wetlands Restoration Project (MWRP) site located near Collinsville in the West Delta. Approximately 0.8 mcy of dredged material will be used for upland construction and as daily fill

and cover for landfills. The Port and Montezuma Wetlands, LLC, a limited liability company formed under the laws of the State of California (Montezuma), have negotiated the terms of a proposed Agreement that will help assure that the MWRP site will have, on a timely basis, the required facilities necessary for the disposal and re-use of dredged materials from the -50 Foot Project. Among other things, the Agreement sets a maximum tipping fee, and expedites and reduces the cost to prepare the site to receive dredged materials which therefore reduces the overall cost of the Project to the Port and Corps of Engineers. In order to accomplish this, the Port would agree, under certain conditions, to advance \$4 million of funding to Montezuma for preparation of the MWRP site to receive Project dredged material. The proposed Agreement reflects the terms of WRDA 1999 which authorizes a Project that provides for disposal of approximately 2.9 mcy of dredged at the MWRP site is available. Under the proposed Agreement, once the Port determines that the necessary permits have been, or likely will be, secured, that delivery to the MWRP site will be financially feasible, and that certain other conditions are satisfied, the Port would agree to provide Montezuma up to \$4 million as follows: \$600,000.00 for a portion of the past costs Montezuma has paid to consultants for final permitting and design for the MWRP site; approximately \$400,000.00 which Montezuma will pay to PG&E in order for PG&E to install electric facilities necessary to operate the MWRP site; and the remainder of approximately \$3 million for certain other site mobilization work, which includes such things as mooring barges, dolphins, spare parts for the Liberty offloader and other site preparation and infrastructure items. The Agreement refers to all of the items above as "New Work". It is intended that Montezuma will repay the \$4 million in funds provided by the Port, together with interest at 6% per annum, by paying to the Port \$2.00 of the per cubic yard Tipping Fee collected by Montezuma from

contractors delivering Project dredged material to the MWRP site. In consideration for the Port's agreements referenced Montezuma agrees: to have the MWRP site ready to receive dredged material within a specified period of time from the Port's notice to prepare the site; not to seek to hold the Port responsible for damages from delivery of material unless the damages arise out of the Port's testing or characterization of the material or other negligent or wrongful conduct; to assume all responsibility in perpetuity for dredged material delivered to the site which meets established criteria and for the MWRP site; and to cap the Tipping Fee it charges the dredging contractor at \$12.00 per cubic yard plus a 6% annual increase commencing January 1, 2003, subject to larger increases if authorized by the Corps, but Montezuma would pay the Port's share under the Port-Corps Project Cooperation Agreement (PCA) of any Tipping Fee that might exceed the \$12.00 per cubic yard with 6% annual increases. There are several major potential benefits to the Port in entering into the proposed Agreement, and, likewise, potential adverse consequences in not entering into the Agreement: the Project schedule is dependent upon Federal funding, it is important for the MWRP site to be available and prepared to receive dredged materials if funding becomes available in Fiscal Year 2002, the MWRP site is programmed to accept sediment from the early phases of the Project and having the site available and ready may help attract federal monies through appropriations and reprogramming; the proposed Agreement will help stabilize and reduce costs associated with the re-use of dredged material at the MWRP site, without this Agreement, Montezuma will have much more difficulty in obtaining construction financing and will have to use non-traditional sources to finance site improvements, Montezuma estimates that it will be able to save \$3 to 6 million in finance costs alone by having Port mobilization monies and the Port's contract for disposal; and the Port's many permits and approvals for the Project were based on the

Port's commitment to beneficially re-use almost 100% of Project sediment for habitat enhancement projects, including the MWRP site, since Montezuma is the only fully permitted wetlands restoration site in the Port's approved plans and the only site available to take "non-cover" (minimally contaminated) sediment, it is important for the Port to help initiate mobilization of the site so it is ready when the Project needs it. There are also risks to the Port in entering into the Agreement. The earlier that the Port provides the proposed funding to Montezuma, the greater the risks. Some of the more likely risks include: Litigation – separate pending litigation challenges Montezuma's Solano County MWRP site use permit, the Federal government's compliance with NEPA and the Endangered Species Act for the Project, and the Regional Water Quality Board's issuance of permits for the Project, and additional litigation challenging Montezuma's permits may be filed; Funding – Congress has not yet appropriated sufficient funds to finance the part of the Project that requires environmental restoration at the MWRP site, and there are no existing proposals to provide such funding for Fiscal Year 2002; Permits – subject to the potential litigation, almost all permits have been secured which are necessary for the Project and the MWRP site; and Montezuma's Non-Performance – Montezuma is a limited liability company, it has invested millions of dollars (it claims an investment of \$12 million) to date in the planning, design, permitting and development of the MWRP site and it has successfully secured and defended a multitude of local, state and federal permits for improving the MWRP site and for accepting and reusing the Project's, and other projects' dredged material, under the proposed Agreement, Montezuma would invest an additional \$6 million, together with the Port's funding, to prepare the MWRP site, nevertheless, there will always be a possibility that if key individuals are no longer available, or if certain other unexpected events occur, Montezuma will be unable to comply with its

obligations under the Agreement to unload and reuse the Project dredged material. The proposed Agreement provides for the following primary risk mitigation measures: a first lien in favor of the Port against Montezuma offloader, the "Liberty", together with casualty insurance on the Liberty, the value of the Liberty is somewhat speculative, the value of interest to the Port is the future value of the Liberty when and if the Port enforces its lien, and for this purpose we believe it is prudent to assume a value in the range of \$1-2 million; the Port reserves the right in the proposed Agreement to determine when it will provide funding to Montezuma, for the purpose of balancing the desire to achieve the benefit listed, against the risks also listed; and if for some reason the Project fails to proceed, or it proceeds without disposal at the MWRP site, Montezuma still agrees to repay the Port's funding, with 6% annual interest, within 4 years, or to allow the Port or the Port's assignee to use the MWRP site for the same Tipping Fee that would apply to the Project. The MWRP site is subject to an existing for deed trust and the lender will not agree to honor the proposed Port-Montezuma Agreement in the event of foreclosure. It was recommended that the Board pass a resolution which approves and authorizes the Executive Director, on behalf of the Board, to sign the proposed Agreement with Montezuma Wetlands, LLC, regarding the disposal of dredged material at the Montezuma Wetlands Restoration Project Site; and authorizes the Executive Director to provide up to \$4 million in Port funding to Montezuma, in accordance with the proposed Agreement, and subject to the following: before any funding is provided, Montezuma must submit to the Port the items required by the proposed Agreement, including the first lien on the Liberty offloader in favor of the Port in a form acceptable to the Port Attorney, casualty insurance on the Liberty and the "New Work" improvements to be constructed with Port and Montezuma funding, liability insurance naming the Port an additional insured, the limited

guarantee from Levine Fricke Restoration Corp., reasonable written evidence that Montezuma has available the remaining funding necessary to complete the New Work, and performance and payment bonds for the New Work; and the Executive Director determines, in consultation with the Port Attorney, that it is in the best interests of the Port to provide the Port funding to Montezuma in view of the prospects for Federal funding. After considerable discussion, the recommendation was approved on passage of Resolution No. 01423.

Authorization to Ratify and Negotiate Change Orders and Contract Time Extension with Harding ESE for the Closure of the Landfill at the Former Lew F. Galbraith Golf

Course was the subject of a memo from the Director of Engineering notifying the Board of the contract with Harding ESE for closure of landfill at the Former Lew F. Galbraith Golf Course. The Contract became effective in May 2000, with lump sum and unit prices totaling \$5,896,429.00. The work consists of moisture conditioning the dredged material previously placed on the site as part of the -42 foot deepening project, using the material to construct a clay cap over the existing landfill areas, and providing rough grading and drainage for the future golf course. The dredged material placed on the site met or exceeded expectations with respect to its performance as a capping material (compaction and permeability). However, the underlying landfill continues to pose significant, unanticipated problems. The “two to five-foot thick layer of soil” (fill), placed over the old landfill according to historical records, turned out to be much thinner than expected. The area of the landfill was also greater than expected, extending well beyond the limits of the area diked to receive dredged material. Since the anticipated two to five-foot thick layer of soil (fill), over the original golf course was not encountered, the contractor was forced to excavate into and install subsurface drainage within the former landfill itself. The contractor encountered debris

during the excavation of the lakes that will form a significant feature of the new golf course. The lakes were purposely sited in the area of an old slough that previously bisected the site. Debris was not anticipated in this area, based on aerial photography and geotechnical investigation. This, in turn, resulted in problems with unanticipated amounts of refuse and the underlying water (leachate). Progress on the final stages of landfill capping was delayed by cooler than normal temperatures in July, 2001, which impacted moisture conditioning (drying) of the dredged material before it could be placed as clay cap. Approximately 100,000 cys of additional fill was imported to the site from the Port's Airport Roadway Project. As of October, Harding ESE has completed placing and compacting the clay landfill cap for the entire site. Remaining work includes the geosynthetic liner for the lake system and driving range. Over 95% of the golf course area, less the excavated lakes and driving range, has been turned over to CourseCo, Inc., the developer, to construct the new golf course. After careful analysis, the Port concurred with the contractor's proposal that additional effort was required to moisture condition and place 100,000 cubic yards of soil imported from the Port's Airport Roadway Project to cover refuse generated during the excavation for the site's modified subsurface drainage system. In addition, additional time and effort, including the use of personal safety, equipment is required continue construction in the area of Basin 16 (the practice (driving) range for the new golf course), where noxious fumes were encountered during excavation work for site drainage. Port staff also concurred that the impact of the cooler than normal weather on the project resulted in 10% additional effort on the part of the contractor for the month, in order to achieve specified standards for moisture conditioning. Finally, the Port also concurred with the contractor that an additional time extension to November 30, 2001 is required to complete remaining work on the project. The cost for the additional effort required to moisture condition and

place the imported fill; mechanical screening of concrete/debris/and soil; and for the use of the safety equipment is estimated by Port staff to be \$539,000.00. It was recommended that the Board authorize the ratification of the change order to Harding ESE, for a not-to-exceed total amount of \$539,000.00 for the additional work necessary to moisture condition and install existing and imported site fill, as well as for the use of personal safety equipment at the Galbraith site with a time extension for the contract to November 30, 2001, to complete the remaining work. The recommendation was approved on passage of Resolution No. 01424.

Plans and Project Manual for Construction of Crane Maintenance Building D137, at Berths 57-59, Vision 2000 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 building. The Crane Maintenance Building is essential to the maintenance of the newly ordered cranes that will be used at Berths 57-59. This building will also house a training module for operational training on the new cranes. This building will also house a training module for operational training on the new cranes. The recommendation was approved on passage of Resolution No. 01425.

Ratification of Change Orders to Contracts for Construction of Marine Operations Building and Construction of Administration Building and Maintenance and Repair Facility at Berths 55/56, Inner Harbor Channel – Paint Buildings was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with West Bay Builders, Inc., for the construction of Administration Building and Maintenance and Repair Facility at Berths 55/56 and for the construction of Marine Operations Building at Berths 55/56. The work consists of constructing low-rise, steel-framed and masonry buildings and associated landscaping. Portions of the buildings were designed and constructed with concrete masonry unit (CMU) walls.

According to the Project Manuals, these walls were to be sealed for water resistance. The specified sealant was applied but failed. The Port is investigating the means and methods of the application. It is unknown at this time if the failure is related to a design or construction error. However, to protect the Port's and the tenants' assets, it is necessary to immediately paint the buildings with a protective coating. The Port is proposing to front the cost to paint the buildings with the elastomeric coating in order to expedite the painting before the rainy season commences. If it is determined that the failure of the originally specified sealant was either a design error or an error on the part of either the Contractor or the manufacturer, or any combination, the Port will seek reimbursement of its costs as appropriate. The Chief Engineer was issued a change order to the Contractor to paint the buildings with elastomeric coating. The cost for painting the Administration Building/Maintenance and Repair Facility is \$101,825.00. The cost for painting the Marine Office Building is \$56,900.00. Total cost is \$158,725.00. The Port is requesting the Board to ratify the change orders for an amount not to exceed \$158,725.00 to West Bay Builders, Inc., for the work. The recommendation was approved on passage of Resolution No. 01426.

Approval of Professional Services Agreement with Liftech, Inc., for the Design of Berths 32/33 Wharf Rehabilitation was the subject of a memo to the Board from the Director of Engineering notifying the Board that the existing Berths 32/33 wharf is 100 feet wide, a combined total of 1,532 feet long, with 34-foot gage crane rails. In its present condition, it is not capable of handling the current generation of container ships and the Maritime Division of the Port has requested that appropriate improvements be constructed. The proposed improvements include extending the Berths 32/33 wharf to align with the face of the adjacent Berth 30, construction a new wharf structure to fill-in the existing 240-foot gap between Berth 32 and Berth 30, embankment

improvements to facilitate dredging for future deeper draft ships, retrofitting the wharf to support 100-foot gage cranes, and relocating associated utilities. Matson Terminal, which currently occupies Berths 32/33, may vacate the terminal as early as July 2002, which will provide the ideal opportunity to rehabilitate the wharf. In order to take advantage of this opportunity, the Port Engineering staff determined that it would be best to hire professional design consultant services to perform the necessary design work. Previously the Board authorized staff to negotiate with Liftech and prepare a Professional Services Agreement for the project. Negotiations are nearing completion and it is anticipated that the amount of the agreement will not exceed \$1,770,000.00, with additional \$230,000.00 available for potential changes in scope. It was recommended that the Board authorize the preparation and execution of an agreement with Liftech, Inc., for the professional services. The recommendation was approved on passage of Resolution No. 01427.

Approving and Authorizing Execution of Amendments to Agreements with Holmes and Narver and Consenting to Assignment of Agreements to DMJM+Harris, Inc. was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port has two professional services agreements with Holmes and Narver, Inc. One, to provide engineering design services for the construction of the Joint Intermodal Terminal and the other to provide engineering design services for the construction of the Remain Overnight (RON) aircraft parking apron at the South Field, OIA. Holmes and Narver, Inc., is an AECOM Technology Corporation Company. They have recently informed staff that they and Daniel, Mann, Johnson, & Mendenhall (DMJM) are combining their infrastructure divisions with their sister company, Fredrick R. Harris, Inc. As of October 1, 2001, this group of companies changed their corporate name to DMJM+Harris, Inc., and has requested the Port's concurrence in assigning the two

agreements to DMJM+Harris, Inc.; and it was recommended that the Board approve the assignment of the agreements as requested. The recommendation was approved on passage of Resolution No. 01428.

Approval of an Administrative Policy to Establish Guidelines and Procedures Relating to the Application of Names to Port Facilities was the subject of a memo to the Board from the Acting Director of Strategic and Policy Planning notifying the Board that Development of new facilities in all three lines of Port business offers the opportunity to name areas, streets, plazas, terminals, or other features of the Port as a means of commemorating individuals and events that have influenced development of the Port and Oakland. Experience in other cities indicates that naming public facilities is an excellent way to promote cultural, geographic and historic awareness in the community, and to reinforce civic identity. The separate draft policy was thoroughly researched, and represents best practices of public agencies that have addressed this issue, tailored to meeting the needs of the Port. It establishes policy guidance in the following aspects of the naming issue: an overall policy that articulates the Port's intention to name facilities (where appropriate) as a means of commemorating individuals, events, and historic activities associated with the development of the Port and the City of Oakland; guidelines and criteria for use of Place Names, Functional Names, and Historic Names; additional criteria for use of Personal names (i.e., *naming facilities for deserving individuals*); a *process for choosing a name*; *considerations for implementing name changes while avoiding confusion and amortizing costs*; and conditions governing the use of Corporate Sponsorship in facility naming. It was recommended that the Board approve the Administrative Policy and Procedures relating to the Naming of Port Facilities. The recommendation was approved on passage of Resolution No. 01429.

**Third Supplemental Agreement Between the Port of Oakland and Patton Boggs, LLP
for Federal Advocacy Services for \$198,000.00 Plus an Additional Amount up to \$75,000.00 if**

Needed was the subject of a memo to the Board from the Director of Communications recommending approval to renew the Agreement with the Port's federal legislative lobbyist in Washington, D.C., Patton Boggs, LLP represented by Phil Bangert. Although the Scope of Work for the new agreement is essentially the same as in previous years, the Port expects that there will be a significant increase in federal legislative activity. This increased effort is contemplated relative to support of the Port's major expansions in maritime and aviation. The proposed annual compensation would be \$198,000.00, plus an additional amount not to exceed \$75,000, to be charged on an hourly rate as services, if any, are requested by the Port. It was recommended that the Board authorize the Executive Director to enter into a Third Supplement Agreement with Patton Boggs, LLP for an amount not to exceed \$263,000.00 for the coming year, with an option for the Port to extend for an additional year with a cost-of-living adjustment. The recommendation was approved on passage of Resolution No. 01430.

Approval of Extension of RGH Group Consulting Professional Services Agreement

was the subject of a memo to the Board from the Director of Administration notifying the Board of the extension contract with the RGH Group that provides on-going professional consulting services to the Port of Oakland in the areas of recruitment, test development and administration. They have and still continue to provide services in the selection process for the Aviation, Engineering, Communications, Corporate Administrative Services Division and the Office of Equal Opportunity. The contract originally called for ten projects to be completed at approximately \$8,000.00 per recruitment. It was recommended that the Board approve an extension contract with the RGH

Group in the amount of \$75,000.00, including payment for all services rendered to date from the expiration of the current contract. The recommendation was approved on passage of Resolution No. 01431.

Personnel Items was the subject of a memo to the Board from the Director of Administration recommending approval for the appointment of John Glover to the position of Deputy Executive Director (Interim Appointment) at the salary rate of \$13,750.00 per month, retroactive to October 8, 2001 and the appointment of Rick Weiderhorn to the position of Director, Office of Strategic & Policy Planning (Interim Appointment) at the salary rate of \$11,135.00 per month, retroactive to October 8, 2001. The recommendation was approved on passage of Resolution No. 01432.

Travel Authorization was the subject of a memo to the Board from the Secretary of the Board recommending the travel of George Turner, Manager, Aviation Marketing & Communications, to Guangzhou and Hong Kong, China and Manila, Philippines, on or about the period November 10 – 22, 2001, to meet with cargo representatives concerning all-cargo service between Oakland and China; and to meet with potential air carriers in Hong Kong, and Manila. Also recommended is approval for the travel of Jerry Bridges, Director of Maritime and Sal DiGrande, Manager, Contracts Pricing and Insurance Service, to Taipei, Taiwan, on or about the period November 17 – 21, 2001, to call on Evergreen Line. The recommendation was approved on passage of Resolution No. 01433.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Uribe and President Tagami - 6

Noes: None

Absent: Commissioner Scates - 1

“RESOLUTION NO. 01409

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH GALLAGHER & BURK, INC. – BROSAMER, A JOINT VENTURE, FOR CONSTRUCTION OF DOOLITTLE DRIVE AND AIRPORT DRIVE INTERCHANGE, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01410

APPROVING LEASE AMENDMENT WITH UNITED STATES POSTAL SERVICE.”

“RESOLUTION NO. 01411

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH AVSEC SERVICES, LLC.”

“RESOLUTION NO. 01412

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH NEXT CENTURY AVIATION.”

RESOLUTION NO. 01413

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

“RESOLUTION NO. 01414

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH RICONDO & 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. 01415

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH LEIGH FISHER 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. 01416

RATIFYING AND APPROVING ADDENDUM TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF ADDITIONAL RESTROOMS AT BUILDING M-103, PASSENGER LEVEL, SOUTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA; EXTENDING DATE SET FOR RECEIVING BIDS THEREFORE; AND AWARDING CONTRACT TO WEST COAST CONTRACTORS, INC., FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01417

RATIFYING AND APPROVING ADDENDUM TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF POWER INFRASTRUCTURE TO BUILDING L-815, NORTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA; AND AWARDING CONTRACT TO BLOCKA CONSTRUCTION, INC., FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01418

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH CCS PLANNING AND ENGINEERING, 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. 01419

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

“RESOLUTION NO. 01420

APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A VOLUNTARY CLEANUP AGREEMENT WITH THE CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY, DEPARTMENT OF TOXIC SUBSTANCES CONTROL (“DTSC”) CONCERNING THE EZBH SITE, NORTH FIELD, METROPOLITAN OAKLAND INTERNATIONAL AIRPORT (“MOIA”), OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01421

GRANTING COURSECO INC. PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01422

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO SOLICIT PROPOSALS FOR CONSTRUCTION OF A TRANSLOAD WAREHOUSE BUILDING D-516, MARITIME SUPPORTER CENTER, VISION 2000, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 01423

APPROVING AND AUTHORIZING EXECUTION OF AGREEMENT WITH MONTEZUMA WETLANDS, LLC (DISPOSAL OF DREDGED MATERIAL AT THE MONTEZUMA WETLANDS RESTORATION PROJECT SITE).”

“RESOLUTION NO. 01424

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH HARDING LAWSON ASSOCIATES, FOR CLOSURE OF LANDFILL AT THE FORMER LEW F. GALBRAITH GOLF COURSE, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01425

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF CRANE MAINTENANCE BUILDING D-137, AT BERTHS 57-59, VISION 2000, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFORE.”

“RESOLUTION NO. 01426

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDERS FOR CONTRACTS WITH WEST BAY BUILDERS, INC., FOR CONSTRUCTION OF ADMINISTRATION BUILDING AND MAINTENANCE AND REPAIR FACILITY AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA AND CONSTRUCTION OF MARINE OPERATIONS BUILDING AT BERTHS 55/56, INNER HARBOR CHANNEL, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01427

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

“RESOLUTION NO. 01428

APPROVING CONSENT TO ASSIGNMENT OF RIGHTS FROM HOLMES AND NARVER, INC. TO DMJM+HARRIS, INC. FOR CERTAIN EXISTING CONSULTANT AGREEMENTS.”

“RESOLUTION NO. 01429

APPROVING AND ADOPTING AN ADMINISTRATIVE POLICY TO ESTABLISH GUIDELINES AND PROCEDURES FOR NAMING PORT FACILITIES AND LOCATIONS.”

“RESOLUTION NO. 01430

FINDING AND DETERMINING THAT A PROPOSED THIRD SUPPLEMENTAL AGREEMENT WITH PATTON BOGGS, LLP 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. 01431

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH RGH CONSULTING 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. 01432

CONCERNING CERTAIN APPOINTMENTS.”

“RESOLUTION NO. 01433

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 01434

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS IN THE MATTER OF PORT OF OAKLAND V. RGW CONSTRUCTION, INC. (ALAMEDA NO. 821319-4).”

“RESOLUTION NO. 01435

SETTLING CLAIMS AND AUTHORIZING EXECUTION OF STIPULATED AGREEMENT.”

“RESOLUTION NO. 01436

(Closed Session) (In the Custody of Secretary of the Board)”

At the hour of 5:16 p.m. the Board continued its closed session as previously announced; and reconvened in open session at the hour of 6:20 p.m.

At the hour of 6:25 p.m. the meeting was adjourned on an motion duly made and seconded.



Secretary of the Board

November 6, 2001

the next Aviation Committee and returned to the Board as soon as possible. The motion was seconded and passed unanimously.

Authorization to Enter into Contract with Conley Consulting Group to Support Negotiations and Execution of the Exclusive Negotiating Agreement (ENA) for the Oak-to-

Ninth District (O29) Development Project was the subject of a memo to the Board from the

Director of Commercial Real Estate notifying the Board that on September 4, 2001, the Board selected Oakland Harbor Partners, LLC (Signature Properties/Reynolds & Brown/Bay Area Smart Growth Fund I) as the preferred master developer for 029. The development feasibility analysis, with emphasis on financing of the required infrastructure, will be included in the ENA as a deliverable that must be completed and agreed to before the Specific Plan is started. Since the development mix and density will evolve from the Specific Plan process, this analysis will be based on a reasonable range of development scenarios that will be prepared by the developer in consultation and agreement with the Port and the City. The modeling will also incorporate assumptions regarding key issues including Tax Increment Financing, Tidelands Trust restrictions, and site remediation costs. It is important to establish conceptual feasibility of the development before proceeding with significant expenditure of Port, City and Developers funds and resources for the Specific Plan phase of the 029 development project. Port and Developer pre-development costs alone are estimated in excess of \$7,000,000.00. To expedite the due diligence process and establish basic economic feasibility criteria before initiating work on the Specific Plan, CRE requires the assistance of a consulting firm that is experienced in development economics and has thorough knowledge of the Port's Oak-to-Ninth District Project, public/private development, and the economic and development goals of the Port and City of Oakland. Conley Consulting Group

(CCG) assisted with the preparation of the developer solicitation for the Oak-to-Ninth District Properties, and prepared preliminary land value analysis as part of that effort. The firm is Oakland based and has detailed knowledge of City of Oakland planning and redevelopment processes, infrastructure finance and other local issues affecting project feasibility. It was recommended that the Board authorize the Director of Commercial Real Estate to enter into a contract with Conley Consulting Group for \$22,000.00 and authorize the Executive Director to extend the contract amount by up to \$28,000.00, for a total contract limit of \$50,000.00. The specific tasks include: review of Conceptual Development Program; Infrastructure Improvement Requirements; Infrastructure Financing Mechanisms; Development Feasibility Model feasibility; identification of issues for Future Resolution; consult on Matters related to Use of Redevelopment; and ongoing support to Port Staff in Negotiations and the Specific Plan process. The recommendations was approved on passage of Resolution No. 01400.

Recommend Approval of One New and the Renewal of Various License and Concession Agreements was the subject of a memo to the Board from the Director of Engineering recommending approval of the following one-year License and Concession Agreements with Golden State Diesel, 351 Embarcadero, 6,022.5 square feet of warehouse/office space, at \$2,023.04 per month, effective, November 1, 2001; Jal-Vue Window Corp., 295 – 6th Avenue, 17,700 square feet of warehouse, 5,600 square feet vacant land, at \$5,825.30, effective November 1, 2001; OFD Historical Society, 2400 Embarcadero, 7,000 square feet of warehouse space, at \$487.03, effective November 1, 2001; Park Tilden Corporation, 2400 Embarcadero, 5,782 square feet of warehouse and adjacent parking, at \$2,057.33, effective November 1, 2001; R. Donovan DBA Philbrick Boatworks, 603 Embarcadero, 3,867 square feet of warehouse and adjacent unpaved land, at October 16, 2001

\$1,150.41, effective November 1, 2001; Seabreeze Café, 280 – 6th Avenue, 1,170 square feet of restaurant space in trailer, at \$1,236.50, effective November 1, 2001; Ship Shape Marine, near 280 – 6th Avenue, 1,600 square feet of warehouse space, at \$398.44, effective November 1, 2001; J.W. Silveira Company, One Fifth Avenue, 149,387 square feet of land and water, at \$6,355.82, effective November 1, 2001; Thunderbird Properties, 280 – 6th Avenue, 8,000 square feet of warehouse space, at \$2,510.54, effective November 1, 2001; and Van Matre Lumber Co., 251 – 5th Avenue, 14,916 square feet of warehouse space, at \$6,756.39, effective November 1, 2001. The recommendation was approved on passage of Resolution No. 01401.

Plans and Project Manual for Landscaping of Union Pacific Mole, Promenade and Berth 40, Middle Harbor Shoreline Park, Stage 2, Vision 2000 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 project. This project is a critical mitigation element of the Port’s Vision 2000 Maritime Development Program. This landscaping contract is one of the three planned improvement contracts at Middle Harbor Shoreline Park. The landscaping at the mole will include significant areas of native plant landscaping and habitat restoration, as well as areas of more traditional urban park landscaping. The recommendation was approved on passage of Resolution No. 01402.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

“RESOLUTION NO. 01400

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH CONLEY 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. 01401

APPROVING AND AUTHORIZING EXECUTION OF CERTAIN LICENSE AND CONCESSION AGREEMENTS.”

“RESOLUTION NO. 01402

APPROVING PLANS AND SPECIFICATIONS FOR LANDSCAPING OF UNION PACIFIC MOLE, PROMENADE AND BERTH 40, MIDDLE HARBOR SHORELINE PARK, STAGE 2, VISION 2000, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01403

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

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer,

Scates, Uribe and President Tagami - 6

Noes: None

Absent: Commissioner Protopappas - 1

“RESOLUTION NO. 01404

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

“RESOLUTION NO. 01405

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

“RESOLUTION NO. 01406
APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

“RESOLUTION NO. 01407

AUTHORIZING AND APPROVING RETENTION OF SPECIAL COUNSEL.”

“RESOLUTION NO. 01408

APPROVING AND AUTHORIZING EXECUTION OF A SETTLEMENT AGREEMENT AND RELEASE WITH CONTINENTAL INSURANCE COMPANY (“MOAC”), CONCERNING SAN FRANCISCO BAYKEEPER, A PROJECT OF WATERKEEPERS NORTHERN CALIFORNIA V. PORT OF OAKLAND, ET AL., USDC CASE NO. C-00-2184 SC, AND CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD (“RWQCB”) ADMINISTRATIVE CIVIL LIABILITY COMPLAINT NO. 00-040, RELATED TO THE MOBY DICK VESSEL MATTER.”

Port Ordinance No. 3663 being, “AN ORDINANCE APPROVING ADDITIONAL SIGNATORIES TO THE AIRLINE OPERATING AGREEMENT AND SPACE/USE PERMIT AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. 3664 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3549 RELATING TO ESTABLISHING RULES AND REGULATIONS FOR THE USE OF METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, AND FOR THE PROTECTION OF PERSONS AND PROPERTY; PRESCRIBING PENALTIES,” and Port Ordinance No. 3665 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO CREATE NEW POSITIONS,”

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,

Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

Port Ordinance No. 3666 being, "AN ORDINANCE ESTABLISHING A LIVING WAGE REQUIREMENT," was read a second time and passed by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates, Uribe and President Tagami - 6

Noes: None

Abstained: Commissioner Kramer - 1

Absent: None

Port Ordinance No. 3667 being, "AN ORDINANCE FORMULATING AND ESTABLISHING CONDITIONS AND PROCEDURES FOR CONTRACTS WITH EMPLOYMENT OF FORMER MEMBERS OF THE BOARD," was read a second time and passed by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

At the hour of 4:34 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: 4 matters; conference with legal counsel – existing litigation, pursuant to subdivision (a) of Section 54956.9, name of case: San Francisco BayKeeper, a Project of WaterKeepers Northern California v. Port of Oakland, et al., USDC Case No. C 00 2184 SC, filed June 20, 2000 (Moby Dick matter), RWQB Administrative Civil Liability Complaint No. 00-040, Dated July 28, 2000 (Moby Dick matter); conference with real property negotiator, (Government October 16, 2001

Code Section 54956.8) property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment, and property – Selected Locations Jack London Square, negotiating parties – Port of Oakland, Jack London Square Partners, under negotiation – price and terms of payment; and reconvened in open session at the hour of 6:40 p.m. during which period Commissioner Protopappas was excused from the meeting.

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

A handwritten signature in cursive script, reading "Christl C. Mandell". The signature is written in black ink and is positioned above a horizontal line.

Secretary of the Board

other levels of quality standards. After discussion the proposal was approved on passage of an ordinance to print.

Ordinance Enacting the Board's Living Wage Policy Adopted June 6, 2001 was the subject of a letter to the Board from the Port Attorney notifying the Board of the Board's previous directions to prepare a Living Wage Ordinance that reflects the Port's policy of promoting an employment environment in which employees of firms contracting with the Port are paid nothing less than a prescribed minimum level of compensation. Over the past year staff has met with proponents of the living wage in an attempt to work out as many technical language issues as possible, while staying consistent with the policy articulated in the Board resolution. There is agreement on many issues, however, differences remain. The key elements of the Living Wage Ordinance are: the required level of compensation tracks that in the City of Oakland's Living Wage Ordinance, currently \$9.13 per hour with benefits and \$10.50 per hour without benefits; Port tenants, licensees and concessionaires are exempted; subcontractors and subconsultants are covered; enforcement of the policy will be accomplished by including implementation provisions in all applicable Port contracts, and by authorizing employees to lodge complaints with the Port or to file court actions against noncompliant employers; and the applicability of the Ordinance can be suspended under certain circumstances: the Executive Director is authorized to suspend the Ordinance in case of emergency for a limited period of time; and the Board reserves the right to suspend the Ordinance if the Board finds it is in the best interest of the Port to do so. The following speakers appeared before the Board to state their concerns regarding the policy: Jamie Henderson, Oakland Chamber of Commerce; Linda Brewer, Presidential Yacht Potomac; Amaha Kassa, East Bay Alliance for a Sustainable Economy; Sinforoso Porcayo, Hotel Employees & Restaurant

Employees, Union Local 2850; Karega Heart, SEIU 790; Judy Goff, Alameda County Central Labor Council; and Barry Luboriski, Building Trades. After discussion, the recommendation was approved on passage of an ordinance to print.

Discussion and Possible Action Regarding “Code of Conduct” for Board of Port Commissioners Over Board Action was calendared for the Board consideration.

President Tagami introduced the item as a supplement to the conduct of the Board. After considerable discussion concerning the need or necessity for the “Code”, Commissioner Kiang moved approval subject to the item being discussed, reviewed, and written by the Executive Committee which would be delegated to perform the preparation of the draft. Several previously prepared drafts would be reviewed. The motion was seconded by Commissioner Scates and Resolution No. 01397 was introduced and passed separately with Commissioner Uribe voting No. Included in the discussion was a recommendation prescribing certain time requirements, normally 60 days, for staff implementation of Board introduced directives. The proposal was moved and seconded with Resolution No. 01398 introduced and passed separately with Commissioner Uribe voting No.

Discussion and Possible Action Regarding Potential Influence of Former Commissioners over Board Action (Revolving Door Policy). President Tagami introduced the item as a continuation of the Board’s proposed Code of Conduct which would limit certain activities of former Commissioners over current or expected Board actions. After discussion the proposal was approved on passage of an ordinance to print with Commissioner Uribe voting No.

Approval Authorizing the Executive Director to Negotiate and Execute an Energy Purchase Agreement with Rolls-Royce Engine Services-Oakland, Inc. was the subject of a

memo to the Board from the Director of Aviation notifying the Board that Rolls-Royce Engine Services-Oakland, Inc. (Rolls), is the successor company to National Airmotive Corporation (a North Field tenant for thirty-five years). Rolls overhauls and repairs gas turbine engines for the aerospace and industrial market. As a result of the recent California energy crisis, Rolls' monthly electricity costs have more than tripled. In response, Rolls desires to enter into an agreement under which the Port, as the airport's exclusive electricity distributor, would purchase electricity on Rolls' behalf pursuant to long-term agreements on mutually acceptable terms. Rolls would like to fix the electric energy (commodity) portion of its future Energy Charges for its Oakland Airport facilities. It would like to do this by entering into a 1 MW fixed-price electricity supply contract with the Port for a 7x24 block of electric energy at NP15 (which is the point at which the Port takes delivery of physical power from the wholesale market). Rolls-Royce is prepared to purchase the 1 MW 7x24 block from the Port on a take-or-pay basis. Rolls understands and agrees that all non-commodity Energy Charges, Demand and Distribution Charges and any other charges in the Port's applicable tariff(s) will also apply to hourly consumption up to 1 MW and that the applicable tariff charges in their entirety will apply to hourly consumption above 1 MW. Rolls further understands that during hours when it consumes less than the 1MW of power the Port has bought on its behalf, the Port may use this excess power or sell it back into the wholesale market as Imbalance Energy. To achieve the risk management objectives of Rolls, the Port will purchase a 1 MW 7x24 block of fixed-price power for delivery at NP15 over a multi-year period from a wholesale supplier of power or from an Energy Trading Company and flow the benefits and cost of this purchase through to Rolls in a "back-to-back" transaction. It was recommended that the Board authorize the Executive Director to negotiate and execute an energy purchase agreement, consistent with the terms

contained in the proposed agreement, with Rolls Royce Engine Services-Oakland Inc., or a related entity, satisfying the Port's credit and net worth requirements, and such related agreements as shall be required to carry out the terms negotiated. The recommendation was approved on passage of Resolution No. 01378.

Authorization to Purchase Wholesale Electric Power for Airport Facilities from January 1, 2003 through December 31, 2007 was the subject of a memo to the Board from the Director of Engineering notifying the Board that Port staff is negotiating a power sales contract with Rolls-Royce that contemplates that the Port would purchase power at fixed prices for up to five years beginning January 1, 2003 and then resell such power to Rolls-Royce, United Airlines and other tenants who have expressed an interest in similar arrangements and/or have urged the Port to buy power to meet part or all of the tariff energy requirements of tenants for the next five or so years at fixed rates to take advantage of the relatively low power prices in the current market. It was recommended that the Board authorize staff to purchase power at fixed prices for up to five years beginning January 1, 2003 as a supplement to the authorization the Board granted on February 6, 2001 to purchase power at fixed prices through December 31, 2002. The widely predicted power emergencies and rolling blackouts for California have failed to materialize this summer due to conservation, cooperative weather and an economy moving into recession. With new electric generation now on line and scheduled to come on line to serve California needs, the price for future delivery of wholesale power has fallen dramatically from levels seen this past winter and spring. Then, a 5 year 7x24 block of power sold for over \$70/MWh. The wholesale market price for that same block of power is now less than \$40/MWh. While the future price for this product could go even lower, perhaps as low as \$25-\$30/MWh, some of the Port's tenants

believe that today's prices represent a buying opportunity. The proposed purchase would include blocks of wholesale power for delivery to the Airport facilities: over a time period beginning January 1, 2003 and extending not later than December 31, 2007; at an aggregate delivery rate of not more than 8MWh in any given hour; and for an aggregate dollar amount not to exceed \$15,000,000.00. The recommendation was approved on passage of Resolution No. 01379.

Amendment to Special Services Agreement with City of Oakland for Additional Oakland Police Services at Oakland International Airport was the subject of a memo to the Board and at the request of the Director of Aviation, was held over to allow for further negotiations.

Authorization to Dispense with Standard Bidding Procedures for Procurement of Two Trailers for the Relocation of CA-ONE was the subject of a memo to the Board from the Director of Engineering recommending approval to dispense with standard bidding procedures for the purchase and installation of two trailers. The trailers are needed for the relocation of CA-One Services. To allow for better utilization of Building M-102, CA-One is requesting the installation of two trailers to provide for their backup storage space for food service at the Airport. The total cost for the design, fabrication, delivery, and installation of the two trailers is estimated to be approximately \$240,000.00 and is included in the Airport budget. The recommendation was approved on passage of Resolution No. 01380.

First Reading of Ordinance Approving Additional Signatories to the Airline Operating Agreement and Space/Use Permit at Oakland International Airport was the subject of a memo to Board from the Director of Aviation recommending approval for the addition of new signatories to the Port's standardized Airline Operating Agreement and Space/Use Permit for commercial and cargo air carriers. Last year, staff and representatives of the major carriers serving

the Airport negotiated the final terms and conditions of a new standardized Airline Operating Agreement and Space/Use Permit. Since that time, additional carriers and operators have started service or are expected to soon. The additional carriers are: SkyWest Airlines, SunAir Express, Spirit Airlines and ABX Air. The additional operators are: Airport Terminal Services, American Building Service and Ogden Ground Services. 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 was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Federal Aviation Administration (FAA) currently occupies a total of 46,000 square feet of land in the South Airport airfield northwest of the intersection of Taxiways Bravo, Tango and Victor, for the construction, maintenance, and operation of a remote transmitter used in air traffic control and aircraft navigation. This occupancy is governed by the terms and conditions of twenty-year Lease dated June 1, 1981, which expires September 30, 2001. The FAA proposes to amend this Lease via a Lease Modification/Supplement which would extend the Lease term for an additional one-year from October 1, 2001 through September 30, 2002. Since the FAA is continuing to provide air traffic control services to the Airport, no monetary consideration will be paid for this extended Lease term. It was recommended that the Board approve the Lease Modification/Supplement with the United States of America, Department of Transportation, Federal Aviation Administration and authorize its execution of the Lease Modification/Supplement by the Port's Executive Director. The recommendation was approved on passage of Resolution No. 01381.

Professional Services Contract with Indoswiss Consultants for Consulting Services to Assist in Attracting Asian Passenger and Air Cargo Carriers to Oakland International

Airport was the subject of a memo to the Board from the Aviation notifying the Board that earlier this year, Aviation Marketing entered a Professional Services agreement with Hong Kong-based Indoswiss Consulting to provide assistance to Oakland International Airport (OAK) with its international air service development program, particularly as it relates to added passenger and air cargo service to and from Asia (PS 1156). Pursuant to its agreement, Indoswiss has assisted OAK in monitoring and reporting on the aviation situation in Asia as well as arranging and attending meetings between Oakland airport officials and representatives of various Asian passenger and cargo carriers, particularly in Hong Kong and China. It has also assisted in arranging and attending meetings between the airport and US and foreign governmental aviation and trade officials. The agreement called for consulting fees of \$1,500.00 per month for eight months (January-August), plus expenses not to exceed \$2,500.00, for an overall maximum not to exceed \$14,500.00. This Professional Services Contract with Indoswiss Consultants has now expired. Studies have shown that a daily international wide-body flight between the US and Asia can generate nearly \$750 million in local economic activity. Because the commitment to international services by an airline can exceed \$250 million, these decisions are not made quickly and require a lot of individual contact. Because these decisions take time and work, allowing the contract to terminate without renewal would result in a lost investment in relationship building to date. Having to find another consulting firm with the contacts that Indoswiss has, as well as rebuilding the relationships that Indoswiss has developed over its past 20+ years in Asia, would cause a loss of momentum. It was recommended that the Port enter a 10-month agreement (September 1, 2001 through June 30, 2002)

with Indoswiss Consultants to provide assistance to the Airport with its Asia air service development program at a cost not to exceed \$20,000.00. This would include fees of \$1,500.00 per month, or \$15,000.00 for the 10-month period, plus reimbursement of reasonable expenses not to exceed \$5,000.00 for the same period, for a total obligation not to exceed \$20,000.00. The recommendation was approved on passage of Resolution No. 01382.

Approval of License and Concession Agreement with Fuel Facilities Corporation was the subject of a memo to the Board from the Director of Aviation notifying the Board that Oakland Fuel Facilities Corporation (OFFC) currently occupies property under a 45-day Right-of-Entry and Indemnity Agreement (Right of Entry) and a second Agreement to Extend Right of Entry and Indemnity Agreement (Extension Agreement). The Agreements provide for occupancy of approximately 684 square feet of vacant land adjacent to Gate "A", South Airport. OFFC uses the property for parking of a mobile office trailer and supporting vehicles. The Extension Agreement commenced December 1, 2000 and expires on October 31, 2001. Rental is \$342.00 per month. It was recommended that the Board approve the new License and Concession Agreement with Oakland Fuel Facilities Corporation for their continued occupancy. The recommendation was approved on passage of Resolution No. 01383.

Supplemental Agreement with Evergreen Marine Corp. (Taiwan) Ltd. to Accommodate Operations of its Shipping Company Subsidiary, Lloyd Triestino Di Navigazione S.P.A., at the Ben E. Nutter Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board that Evergreen Marine Corp. (Taiwan) Ltd. (Evergreen) has a five year Terminal Use Agreement (TUA) with the Port that expires July 31, 2005. Evergreen is also the owner of shipping line Lloyd Triestino Di Navigazione S.P.A. (LT)

which is managed separately from Evergreen. In July, 2001, Evergreen and LT entered into a Federal Maritime Commission approved alliance agreement authorizing each carrier to charter space from each other. More recently, LT has launched a new service known as the China Pacific Express (CPX). The CPX service operates with five 1,800 twenty foot equivalent unit (TEU) capacity ships calling Shanghai, Ningbo, Los Angeles, Oakland and back to Shanghai. The Port has been asked by Evergreen to incorporate LT into the present TUA with Evergreen with the additional provision that the applicable TUA charges for LT relate back to September 14, 2001. The new CPX service with Evergreen will result in a cargo volume gain over Evergreen's current level of activity. Indications are that approximately 8,400 more loaded TEUs, or an estimated \$482,980.00 in additional annual net Port revenue from dockage and wharfage activity will be generated during the first year of the LT service. As the service grows, additional volumes are anticipated. It was recommended that the Board authorize the sharing arrangement as requested by Evergreen. The recommendation was approved on passage of Resolution No. 01384.

Approval of Change Order to Contract for Construction of 7th Street Realignment and the New Road, Vision 2000 – Transformer and Cable Replacement was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Gallagher & Burke for the construction of 7th Street realignment and the New Road, at a lump sum and unit prices totaling \$12,513,874.00. The project consists of constructing new roadway; asphalt concrete overlay of existing roadway; new railroad tracks and circuitry; street light poles with foundations and lamps; sanitary sewer system; storm drainage system; utility trenches; traffic signal systems; signage; pavement markings and striping; destroying monitoring wells; landscaping and irrigation. During Construction a pad-mounted transformer and associated switchgear located along New

Road at station "M" 72-50, was struck by an errant driver. The damage was severe, completely disabling the transformer. The Port has requested the Contractor to replace the damaged transformer and appurtenant equipment and restore the power system to its original configuration at an agreed lump sum amount of \$36,570.00. Subsequent to the rerouting of power due to the damaged transformer, approximately 15,000 linear foot of 15kV conductor cable and 3,000 linear foot of #4/0 lighting cable was stolen from the duct bank power system between the electrical vaults along the New Road. The vaults were also damaged during the theft and require repair. The Port has requested the Contractor to replace the stolen conductor cable and restore the power system to its original configuration, at an agreed lump sum of \$252,000.00. It was recommended that the Board approve a change order for an amount not to exceed \$288,570.00 to Gallagher & Burke for the work. The recommendation was approved on passage of Resolution No. 01385.

Ratification of Addendum and Award of Contract for Construction of Berth 25 Yard Expansion, Outer Harbor was the subject of a memo to the Board from the Director of Engineering notifying the Board of the four bids received and that the apparent low bid of Harding ESE, Inc., at \$1,255,279.95, has been rejected as non-responsive, due to omitting unit prices, not listing an electrical subcontractor, and other defects, for the purposes of this Contract. It was recommended that Harding ESE, Inc.'s bid be deemed non-responsive and rejected for the purposes of this contract, and that McGuire and Hester, the low proper bidder, at the bid amount of \$1,395,300.00, be found to be the lowest responsive and responsible bidder and that Addendum No. 1 be ratified. The recommendation was approved on passage of Resolution No. 01386.

Ratification of Addendum and Award of Contract for Construction of Berths 55-56 Container Yard, Phase 2 was the subject of a memo to the Board from the Director of

Engineering notifying the Board of the four bids received. The Project consists generally of constructing a 20-acre container yard, including the installation of lights, storm drainage, and other support infrastructure. The container yard itself will be paved with approximately 18 acres of interlocking concrete paving stones (Pavers). The surface of the container yard is designed to last 15 years under the punishment of large stacks of steel shipping containers, unremitting truck traffic and the pounding seven-story tall container cranes. Therefore, Section 00450 of the Project Manual set forth strict requirements for the experience and qualifications of the Paver installer. These requirements ensure that the Pavers are installed only by a contractor with experience installing pavers for heavy-duty industrial uses. Because of the critical importance of the pavers to the construction and operation of the container yard, the Port established rigorous qualification requirements for the paver installer. The Port required each bidder to submit with its bid a comprehensive Statement of Qualifications. The apparent low bid of Pave Construction at \$5,257,153.00 is recommended to be considered non-responsive as the paver subcontractor did not meet the Port's qualifications. It was recommended that O.C. Jones & Sons, Inc., the low proper bidder, at \$5,468,410.00, be found to be the lowest responsive and responsible bidder, that Addendum No. 1 be ratified, and that the Contract for the project be awarded to O.C. Jones & Sons, Inc. for the amount of its bid. The recommendation was approved on passage of Resolution No. 01399.

Retention of Consultants to Provide Environmental Services to Facilitate Transfer and Cleanup of Army-Owned Lands at the Oakland Army Base was the subject of a memo to the Board from the Deputy Executive Director notifying the Board that the Defense Base Closure and Realignment Commission (BRAC) recommended the 411-acre Oakland Army Base (OAB) for

closure in 1995. Since that time, the Army has retained contractors to environmentally characterize portions, but not all, of OAB with lead regulatory oversight provided by the California Environmental Protection Agency, Department of Toxic Substances Control (DTSC). Similar to the Navy's "early" transfer of most of the former Fleet and Industrial Supply Center Oakland to the Port under a "Finding of Suitability to Early Transfer" (or FOSET) process, the Army plans to employ a FOSET transfer mechanism to facilitate an early transfer of the majority of government-owned lands at OAB. The present plan is for the Army to convey most of OAB to the Oakland Bay Reuse Authority (OBRA) under a "no-cost" Economic Development Conveyance (EDC) and to assign to the U.S. Department of Transportation, Maritime Administration (MARAD) for MARAD to convey to the Port under the Port Development Public Benefit Conveyance (PBC), a 76 acre portion of OAB submerged and upland areas. The understanding has been that OBRA would convey approximately 165 acres of the EDC parcel to the Port simultaneously upon the Army's conveyance of the parcel to OBRA. A total of approximately 26.2 acres of the OAB was removed from the BRAC program in 1998 and transferred to the U.S. Army Reserve (Army Reserve), including the Subaru Lot, the Building 762 Parcel and the Building 780 Parcel located east of Maritime Street. In addition, the Army Reserve currently owns and operates the 63rd Reserve Support Command at the 16.6-acre Heroic War Dead Site Adjacent to OAB, a portion of which the East Bay Municipal Utility District (EBMUD) desires to use for future expansion of its existing wastewater treatment facility. The Port, OBRA and EBMUD are collaborating with the Army Reserve to relocate its current OAB and Heroic Ware Dead Site activities to Camp parks in Dublin, CA. Four Port-owned parcels adjacent to the OAB parcels may be transferred to OBRA and/or other agencies to enhance the City's overall Gateway Development plans. Characterization and

remediation of potential contamination of these Port-Owned parcels prior to transfer is requested by the receiving agencies. Furthermore, other nearby parcels potentially associated with the OAB program and needed by the Port for truck parking or other ancillary maritime purposes may also need to be characterized and remediated. Other related Board actions include that respectively the Board and the OBRA Governing Body unanimously approved a memorandum of Intent (MOI) which was signed by the Port's Executive Director, OBRA's Executive Director, the City Manager and the Oakland Redevelopment Agency's (ORA) Agency Administrator relating to the conveyance of Army-owned lands, and authorized negotiation of a Memorandum of Agreement (MOA) among the governing bodies. The MOI states that the Port will pursue a FOSET transfer of the OAB on behalf of the Port and OBRA. Concurrently, the Board authorized the Executive Director to enter into a new contracts, in addition to contracts previously authorized by the Board, involving obtaining professional and specialized services by engineers and other specialized professional consultants up to a total combined expenditure of \$500,000.00. The Board authorized the Executive Director to negotiate and execute agreements among the Port, OBRA, and EBMUD (Joint Agencies) and the Army Reserve to relocate the Army Reserve, and authorizing the spending up to \$100,000.00 for studies to facilitate the relocation. The Board authorized the execution of a First Supplemental Agreement with Subsurface Consultants Inc. (for \$550,000.00 with an additional \$110,000.00 if approved by the Executive Director); a First Supplemental Agreement with Javaherian Consulting Inc. (JCI) for \$275,000.00 with an additional \$70,000.00 if approved by the Executive Director; and a Professional Services Agreement with Nordhav, Inc. dba Baseline Environmental Consulting (for \$500,000.00 with an additional \$110,000.00 if approved by the Executive Director), conditioned upon the Port and OBRA executing a Cost Sharing Agreement;

and the Board authorized the execution of a Professional Services Agreement with Environmental Risk Services, Inc. (ERS) (for \$250,000.00 for a one-year period, and \$250,000.00 for each of the second and third years) conditioned upon execution of the Cost Sharing Agreement. The MOI stipulated that the parties would endeavor to complete their respective due diligence, develop a Conveyance Closing Plan and conclude other discussions with the goal of executing an MOA by July 2001. Under the MOI, the Port was to take the lead on the FOSET actions while coordinating with the City. The parties have not met the goal in the MOI to develop, negotiate, and execute an MOA by July 2001. Accordingly, in concurrent Board actions, Port staff on July 24 and August 7 recommended the retention of the above environmental consultants conditioned upon execution of a Cost Sharing Agreement between the Port and OBRA. The proposed Cost Sharing Agreement was intended to cover approximately \$400,000.00 in environmental services over a 90-day period commencing July 24, 2001, and costs were to be split on a 50-50 basis between the Port and OBRA. In late August, OBRA and City staff informed the Port that OBRA was no longer interested in a cost sharing approach; and OBRA would take the lead on the FOSET (and that the Port would function in a “partnering” or “co-management” relationship). Due to OBRA’s decision not to enter into a Cost Sharing Agreement virtually no FOSET activities by the Port took place over the summer months since the consultants could not be retained as originally contemplated. OBRA’s FOSET Workplan includes a schedule which provides for execution of the FOSET in February 2002 and completion of conveyance of OAB in May 2002 and provides that the City/OBRA team will take the lead role in FOSET negotiations with the Army and DTSC. In addition to the FOSET Workplan’s inconsistency with the MOI, the Workplan does not include the property the Port will receive through the MARAD PBC, it does not provide any effective means

for the Port to assure that the FOSET negotiations will adequately address the Port's interests in remediating the EDC lands earmarked for the Port, and it does not address several other important technical issues. Very importantly, the FOSET execution and OAB conveyance dates (February and May 2002 respectively), which are used to justify greatly accelerated time frames for completing the investigation, analysis and negotiation to complete FOSET process, are extremely unlikely to be met. In early September OBRA/City/ORAs staff also advised Port staff that OBRA/City/ORAs were no longer authorized to proceed in accordance with the MOI with respect to the FOSET or any other matter, and that practically all business issues that have previously been discussed have been "elevated". After the staff review of the basic alternatives to be considered in moving forward with the OAB conveyance program, the recommended approach is to accept abandonment of the MOI and proceed under this alternative, which OBRA/City/ORAs staff is now pursuing, the Port would minimize its leadership role in the OAB Conveyance Program while OBRA would maximize its closure efforts. Specifically, the Port would minimize its outside consultant and staff support during the early phases of the program as well as minimize its risk with respect to project delivery and associated obligations. It will remain unclear how certain program components will be handled, but the Port would still seek to cooperate with OBRA/City/ORAs in expediting completion of the OAB conveyance program. Also, under this alternative, the Port would be in a less effective position than under the MOI to represent its interests; and would probably face much higher overall costs and greater delays to complete the program. Because OBRA/City/ORAs have abandoned the previously agreed upon MOI, there presently is no mutually accepted or understood program or plan for completing the OAB conveyance. The roles and responsibilities of the parties and their respective staffs are very unclear.

This has all led to significant disagreements and misunderstandings which are expected to continue and increase in the future so long as there is no clear guidance. It was recommended that the Board: accept abandonment of the MOI and Proceed, as described; amend Port Resolution No. 01290 by deleting the authorization to amend the JCI contract and by deleting the provision that conditions approval and authority to execute agreements with SCI and Nordhav, Inc. dba Baseline Environmental Consulting upon the Port and OBRA executing the above described Cost Sharing Agreement; amend Port Resolution No. 01311 by deleting the provision that conditions approval and authority to execute an agreement with ERS upon the Port and OBRA executing the above described Cost Sharing Agreement; determine that the proposed engineering and environmental services of ETIC Engineering are professional services; and authorize preparation and execution of an agreement with ETIC, for environmental services and provide compensation not to exceed contract maximum of \$350,000.00, and that the Executive Director be authorized to approve increases of up to 20% of the contract maximum or \$70,000.00. The recommendation was approved on passage of Resolution No. 01377.

Authorization to Additional Funds for Contract for Construction of Crane Spare Parts Storage Building, Oakland, California was the subject of a memo to the Board from the Director of Engineering notifying the Board that previously the Board dispensed with formal competitive bidding procedures for the project and authorized the Executive Director to contact for the work by receiving informal bids from Small Business Enterprises for a contract cost not to exceed \$300,000.00. The original \$300,000.00 budget requests was predicated on the construction of a simple 30' x 50' storage building. During the period between the Board's authorization and the original bid date, the scope of work to be defined in the Project Manual was increased from that

specified at the time that the original estimate was given, including an increased building size that is approximately twice that of the originally planned building, as well as various furnishings, utilities and other appurtenances not previously considered. The Work of the project consists of generally of designing and building a 60' x 60' metal storage building, including a reinforced concrete slab foundation, in compliance with the City of Oakland Building Code, and providing facilities for storing replacement spare parts for Port container cranes. One bid was received from W.E. Lyons Construction Company for \$533,787.00. A representative of W.E. Lyons Construction Company met with Port staff to explain in detail how the bid items in their Bid were calculated. Port staff agreed the cost is justified by the changes in the scope of work, and that is in the best interests of the Port to increase the budget for this project. It was recommended that additional funds be authorized for project, Construction of Crane Spare Parts Storage Building, to accommodate the \$533,787.00 bid amount submitted by W.E. Lyons Construction Company. The recommendation was approved on passage of Resolution No. 01387.

Plans and Project Manual for Construction of Chassis Maintenance and Power Shop Buildings D-135 and D-136 at Berths 57-59, Vision 2000 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 chassis maintenance and power shop, Buildings D-135 and D-136. The maintenance and power shop buildings will provide facilities for the Berths 57-59 tenants to maintain the various vehicles and equipment as well as cargo containers and chassis needed to operate the container yard. The recommendation was approved on passage of Resolution No. 01388.

Plans and Project Manual for Modification of Building D-851 at Berths 57-59, Vision

2000 was the subject of a memo from the Director of Engineering recommending their approval and authority to advertise for bids for the modification of Building D-851 at Berths 57-59. The 1717 Middle Harbor Road Building D-851 which currently houses various Construction Managers involved in Vision 2000 projects, is within the Berths 57-59 Yard project area. Modifications to this building is being undertaken in accordance with terms of the agreement between the Port and the future tenant at Berths 57-59, Stevedoring Services of America (SSA), to provide a temporary administration facility. The modified building is intended to serve SSA until a permanent administration building is in place. The recommendation was approved on passage of Resolution No. 01389.

Personnel Items was the subject of a memo to the Board from the Director of Administration recommending creation of classification/position for the position of Maritime Public Works/Rail Safety Specialist, in the Engineering Division, at Salary Schedule 103; and creation of the classification Lead Painter, and assignment to Salary Schedule 101. Also recommended was the appointment of Charles W. Foster to Extra Position No. 1, effective October 6, 2001, together with salary and benefits as provided during his appointment to the position of Executive Director, authorizing his use of all leave balance accruals, without limitation of restriction, until fully exhausted. The recommendation was approved on passage of Resolution No. 01390 and an ordinance to print.

Approval of an Extension of an Agreement with Reidinger Consulting for Internal Construction Audit Consulting Services was the subject of a memo to the Board from the Port Auditor notifying the Board of the existing professional services agreement in the amount of

\$185,000.00 with Reidinger Consulting to provide internal audit consulting services in the area of the Port's construction program. The current contract will expire on approximately October 30, 2001. It is anticipated that work finalizing all the audits in progress and will take approximately an additional 240 to 270 hours of the consultants time. It was recommended that the Board authorize an increase in compensation of \$40,000.00 under the current contract so that the total compensation is an amount not to exceed \$225,000.00 including the present contract amount of \$185,000.00. The recommendation was approved on passage of Resolution No. 01391.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates, Uribe and President Tagami - 6

Noes: None

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 01377

AMENDING RESOLUTIONS NOS. 01290 AND 01311, FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH ETIC dba ETIC ENGINEERING, INC. FOR PROFESSIONAL ENVIRONMENTAL SERVICES REGARDING THE OAKLAND AIRPORT BASE (“OAB”) AND RELATING PROPERTIES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

“RESOLUTION NO. 01378

APPROVING AND AUTHORIZING NEGOTIATION AND EXECUTION OF AN ENERGY PURCHASE AGREEMENT WITH ROLLS-ROYCE ENGINE SERVICES-OAKLAND, INC.”

“RESOLUTION NO. 01379

APPROVING AND AUTHORIZING PURCHASE OF ELECTRIC POWER FOR OAKLAND AIRPORT FOR THE PERIOD 2003-2007.”

“RESOLUTION NO. 01380

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR THE PURCHASE OF TWO TRAILERS FOR THE RELOCATION OF CA-ONE SERVICES, SOUTH FIELD, 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. 01381

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

“RESOLUTION NO. 01382

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH INDOSWISS 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. 01383

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH OAKLAND FUEL FACILITIES CORPORATION.”

“RESOLUTION NO. 01384

APPROVING AND AUTHORIZING EXECUTION OF SUPPLEMENTAL AGREEMENT WITH EVERGREEN MARINE CORP. (TAIWAN) LTD.”

“RESOLUTION NO. 01385

APPROVING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH GALLAGHER & BURK, INC., FOR CONSTRUCTION OF 7TH STREET REALIGNMENT AND THE NEW ROAD, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01386

RATIFYING AND APPROVING ADDENDUM TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF BERTH 25 YARD EXPANSION, OUTER HARBOR, OAKLAND, CALIFORNIA; EXTENDING DATE SET FOR RECEIVING BIDS THEREFOR; AND AWARDED CONTRACT TO McGUIRE AND HESTER, FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01387

APPROVING AND AUTHORIZING ADDITIONAL FUNDS FOR CONTRACT FOR CONSTRUCTION OF REPLACEMENT CRANE SPARE PARTS STORAGE BUILDING, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01388

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF CHASSIS MAINTENANCE AND POWER SHOP BUILDINGS D-135 & D-136 AT BERTHS 57-59, VISION 2000, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01389

APPROVING PLANS AND SPECIFICATIONS FOR MODIFICATION OF BUILDING D-851 AT BERTHS 57-59, VISION 2000, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01390

APPOINTING CHARLES W. FOSTER TO THE EXTRA POSITION NO. 1.”

“RESOLUTION NO. 01391

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH REIDINGER 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. 01392

GRANTING AIR TERMINAL SERVICES AND McGUIRE CONCESSIONS LLC DOING BUSINESS AS FRESHENS, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01393

APPROVING AND AUTHORIZING THE EXECUTION OF A WAIVER OF HEARING FORM AND AUTHORIZING PAYMENT OF \$107,200 TO THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD CONCERNING THE GALBRAITH DREDGED DISPOSAL SITE, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01394

DELEGATING TO THE EXECUTIVE DIRECTOR AUTHORITY TO IDENTIFY CONTRACTS AFFECTED BY THE COURT OF APPEAL’S DECISION IN BERKELEY KEEP JETS OVER THE BAY V. BOARD OF PORT COMMISSIONERS, AND TO AMEND, SUSPEND OR TERMINATE CONTRACTS SUBJECT TO CERTAIN LIMITS.”

“RESOLUTION NO. 01395

GRANTING AUTHORITY TO THE PORT’S EXECUTIVE DIRECTOR TO PURCHASE COMMERCIAL AVIATION INSURANCE TO INSURE PORT ASSETS AGAINST THE PERILS OF WAR/TERRORISM.”

“RESOLUTION NO. 01396

AUTHORIZING THE PORT ATTORNEY TO FILE A PETITION FOR REVIEW WITH THE CALIFORNIA SUPREME COURT REGARDING THE PENDING APPEALS AND CROSS-APPEALS (APPEAL NOS. A086708, A089660 AND A087959) AFFECTING THE AIRPORT DEVELOPMENT PROGRAM ENVIRONMENTAL IMPACT REPORT AND SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT.”

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,

Scates and President Tagami - 5

Noes: Commissioner Uribe - 1

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 01397

APPROVING AND ADOPTING A CODE OF CONDUCT FOR MEMBERS OF THE BOARD OF PORT COMMISSIONERS.”

“RESOLUTION NO. 01398

PRESCRIBING TIME REQUIREMENTS FOR STAFF IMPLEMENTATION OF BOARD RESOLUTIONS AND OTHER DIRECTIVES.”

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,

Scates and Uribe - 5

Noes: None

Absent: Commissioner Kramer and President Tagami - 2

“RESOLUTION NO. 01399

RATIFYING AND APPROVING ADDENDUM TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF BERTHS 55/56 CONTAINER YARD, PHASE 2, VISION 2000, 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.”

Port Ordinance No. 3662 being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO ADD ADDITIONAL POSITIONS WITHIN EXISTING

PORT CLASSIFICATIONS AND AMENDING PORT ORDINANCE NO. 3661,” was read a second time and passed by the following vote:

Ayers: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates, Uribe and President Tagami - 6

Noes: None

Absent: Commissioner Kramer - 1

Port Ordinance No. ____ being, “AN ORDINANCE APPROVING ADDITIONAL SIGNATORIES TO THE AIRLINE OPERATING AGREEMENT AND SPACE/USE PERMIT AT METROPOLITAN OAKLAND INTERNATIONAL AIRPORT,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3549 RELATING TO ESTABLISHING RULES AND REGULATIONS FOR THE USE OF METROPOLITAN OAKLAND INTERNATIONAL AIRPORT, AND FOR THE PROTECTION OF PERSONS AND PROPERTY; PRESCRIBING PENALTIES,” Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO CREATE NEW POSITIONS,” and Port Ordinance No. ____ being, “AN ORDINANCE ESTABLISHING A LIVING WAGE REQUIREMENT,” were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates, Uribe and President Tagami - 6

Noes: None

Absent: Commissioner Kramer - 1

Port Ordinance No. ____ being, "AN ORDINANCE FORMULATING AND ESTABLISHING CONDITIONS AND PROCEDURES FOR CONTRACTS WITH EMPLOYMENT OF FORMER MEMBERS OF THE BOARD," was read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates and President Tagami - 5

Noes: Commissioner Uribe - 1

Absent: Commissioner Kramer - 1

At the hour of 5:37 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: 5 matters; conference with legal counsel – existing litigation, pursuant to subdivision (a) of Section 54956.9, name of case: City of Alameda et al v. Port of Oakland, et al., California Court of Appeal Case Nos. A086708/A087959/A089660, Port of Oakland v. RGW Construction, Inc. Alameda County No. 821319-4; conference with real property negotiator, (Government Code Section 54956.8) property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment, and property – Selected Locations Jack London Square, negotiating parties – Port of Oakland, Jack London Square Partners, under negotiation – price and terms of payment; and reconvened in open session at the hour of 6:33 p.m.

At the hour of 6:36 p.m. the meeting was adjourned on an motion duly made and seconded.



Secretary of the Board

October 2, 2001

agenda being posted as provided for under Section 54954.2 (b-2) of the Government Code. Such finding was approved on a motion by Commissioner Ayers-Johnson, second and passed unanimously.

President Tagami moved that staff be directed to prepare a contract with the Oakland Police Department to increase its compliment of officers at the airport to enhance the safety and security of the public and employees with the document to be submitted to the Board for review and approval. The motion was seconded and passed unanimously.

President Tagami further introduced Resolution No. 01376 which “establishing Port Policy for Enhanced Safety and Quality Standards for Airport Security Personnel and directing staff to prepare an Ordinance reflecting said Policy.” The resolution was introduced and passed separately.

Ms. Andrea Dehlendoff representing SEIU Local 1877 appeared before the Board to thank them for their effort to improve standards for the security personnel.

At the hour of 3:45 p.m., President Tagami excused himself from the meeting and returned to the chair at the hour of 4:00 p.m.

Authorization to Accept Federal Aviation Administration (FAA) Grant Offer for AIP-25 and AIP-26 was the subject of a memo to the Board from the Director of Engineering notifying the Board of the Airport Improvement Program (AIP) which was established by the Airport and Airway Improvement Act of 1982, and amended by the Airport and Airway Safety and Capacity Expansion Act of 1987. Under this program, which is administered by the Federal Aviation Administration (FAA), grants are made to public agencies, and in some cases, private owners or entities, for the planning and development of public-use airports. The FAA provides two funding sources to support the AIP: entitlement funds; and discretionary funds. Entitlement funds

are allocated annually based on the number of enplaning passengers and air cargo traffic units per airport; discretionary funds are made available above and beyond the entitlement funding levels for certain projects that the FAA regards as high priority in nature, principally involving improvements to airfield capacity and safety. The Port was notified by the FAA that the entitlement funds were available to the Port under the AIP for federal fiscal year 2001. Generally, the Port receives approximately \$3 million in entitlement funds per year. The Board approved submittal of an AIP grant application to the FAA to fund the Sound Insulation Program projects, and approved the submittal of an AIP grant application to the FAA to fund the remaining portion of the Overlay of Runway 11-29 project and a portion of the Construction of Infield Roadway project. It was recommended that the Board authorize the Executive Director to accept the Federal Aviation Administration's Grant Offer for AIP-25 and AIP-26 when finally released which cover Sound Insulation program, estimated total project cost at \$2,527,800.00, FAA share is \$2,000,000.00 (FY-01), Port share, \$527,800.00 (FY-01); Overlay Runway 11-29, South Field, OIA, estimated total project cost at \$10,764,600.00, FAA Share \$1,978,041.00 (AIP-24) and \$6,697,150 (FY-01), Port share \$476,409.00 (AIP-24) and \$1,613,000.00 (FY-01); and Construction of Infield Roadway, North Field, OIA, estimated total project cost at \$14,000,000.00, FAA share \$1,334,400.00 (FY-01) and \$9,948,200.00 (Future), Port share \$321,389.00 (FY-01) and \$2,396,011.00 (Future). The recommendations was approved on passage of Resolution No. 01361.

Ratification of Submittal of Pre-Application to Federal Aviation Administration (FAA) and Authorization to Accept FAA Grant Offer for AIP-27 was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport Improvement Program (AIP) was established by the Airport and Airway Improvement Act of 1982, and amended September 20, 2001

by the Airport and Airway Safety and Capacity Expansion Act of 1987. Under this program, which is administered by the Federal Aviation Administration (FAA), grants are made to public agencies, and in some cases, private owners or entities, for the planning and development of public-use airports. The Port was recently notified by the FAA that \$10 million in discretionary funds were available to fund the North Field Pavement Program under the AIP for federal fiscal year 2001. The total estimated cost of the North Field Pavement Program is \$14,233,000.00. The FAA intends to offer a grant offer in the amount of \$10,000,000.00 of the discretionary funds for fiscal year 2001 to fund the project with the Port providing \$4,233,000.00 for the project. It was recommended that the Board ratify the submittal of the application to the Federal Aviation Administration and Authorize the Executive Director to accept the Federal Aviation Administration's Grant Offer for AIP-27 when finally released. The recommendation was approved on passage of Resolution No. 01362.

Approval of the Doolittle Drive and North Field Traffic Circulation Improvement Project and a Mitigated Negative Declaration was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Doolittle Drive and North Field Traffic Circulation Improvement Project would: realign the northern parking lot entrance to the Martin Luther King Jr. Regional Shoreline Park (Park) within the existing Park lease area; construction a 4-way intersection on Doolittle Drive within the Caltrans right-of-way; and construct a new roadway segment between Old Earhart Road and Doolittle Drive and extend the northern end of Earhart Road at Oakland International Airport. The project was subject to an Initial Study under the California Environmental Quality Act (CEQA) and the Port's CEQA Guidelines. Because the project would result in a small (450 square foot) wetland impact, the Port's Environmental Planning

Department prepared and circulated an Initial Study with a Mitigated Negative Declaration. The project will mitigate impacts on 450 square feet of tidal marsh by creating 900 square feet of tidal marsh within the Martin Luther King Jr. Regional Shoreline Park (Park) along the shoreline. It was recommended that the Board adopt a resolution that the Board: considered the Initial Study and Mitigated Negative Declaration and the comments received during the public review process; adopts the mitigation measures identified, and further defined in the Initial Study, as conditions of project approval in order to avoid significant effects on the environment; on the basis of whole record before the Board, including the initial study and the comments received and responses to the comments, considers that there is no substantial evidence that the project will have a significant effect on the environment; considered whether the project will result in safety hazard or noise problem for persons using Oakland International Airport or for persons residing or working in the project area; adopts and approves the Mitigated Negative Declaration; acknowledges that the Mitigated Negative Declaration reflects the independent judgement and analysis of the Board; adopts the mitigation monitoring and reporting program for the project; approve the Doolittle Drive and North Field Traffic Circulation Improvement Project; and, further, authorize the Director of Engineering to apply for permits from Caltrans, the East Bay Regional Park District, Regional Water Quality Control Board, and the San Francisco Bay Conservation and Development Commission, and to enter into agreements with those agencies to implement the project. The recommendation was approved on passage of Resolution No. 01363.

Ratification of Extension of Reimbursable Agreement with the Federal Administration for Airport Roadway Project, OIA was the subject of a memo to Board from the Director of Engineering notifying the Board that the Federal Aviation Administration (FAA) owns, September 20, 2001

operates, and maintains the Medium Intensity Approach Light System/Runway Approach Indicator Light (MALS/RAIL) for Runway 27R at the North Field. One of the existing light towers, currently outside of the existing Airport Drive, would fall within the new, widened roadway and therefore, must be relocated onto the median of the proposed Airport Drive. In order to keep the spacing between the towers to 200 feet plus/minus 20 feet as required by the FAA, three additional towers also require relocation. The Board previously approved and authorized the execution of a Reimbursable Agreement with the FAA. The Reimbursable Agreement with the FAA will provide for the relocation of the MALS/RAIL towers. Under this agreement, the FAA reviewed the design, and will provide a systems inspector during construction and certify the construction work for acceptance by the FAA. The Port is reimbursing the FAA for its costs incurred in relocating the towers. The estimated cost is \$52,000.00, but the final reimbursement amount will be the actual costs incurred by the FAA under the Agreement and all costs will be charged to the County Measure B funded Airport Roadway Project. At the time the agreement was prepared, it was anticipated that the work would be completed by the agreement's expiration date of September 17, 2001. However, due to the delay in the start of the Airport Roadway Project, Contract A, the work under this agreement will not be completed by the expiration date. It was recommended that the Board ratify the extension of the Reimbursable Agreement with the FAA for a period of one year. The recommendation was approved on passage of Resolution No. 01364.

Authorization to Execute a Memorandum of Understanding Between the Port of Oakland and Artship Foundation 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 has been moored at the Port's Ninth Avenue
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Terminal under a short-term, free-rent lease since August 1999. The ship is owned by the nonprofit Artship Foundation, which proposes to convert the ship into a multi-cultural center for the arts. The Foundation estimates that the renovation project will require five to seven years to complete, and cost several million dollars. The Board previously requested that staff prepare a Memorandum of Understanding (MOU) between Artship Foundation and the Port to set forth the parties' understanding of actions required to minimize the potential for the Vessel to: create financial burdens; to become a BCDC compliance issue, or present risks of liability. The MOU has been executed by Artship Foundation. Mr. Slobodan Dan Paich, of the Artship foundation, appeared before the Board to concur with the negotiations that have taken place. It was recommended that the Board authorize the Executive Director to execute the MOU. The recommendation was approved on passage of Resolution No. 01370.

Recommended Approval of Fiscal Year 01-02 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 that the Board at closed session, under instructions to negotiators, considers the recommendations as to the annual renewal rental rate for each tenant. The target rents for the Commercial Real Estate Division tenants contained in a separate confidential letter are recommending for approval when the item is current. At the present time, there are 19 tenants covered by this procedure. The recommendation was approved on passage of Resolution No. 01371.

Recommend Approval of the Renewal of License and Concession Agreement with Oakland Telecards, LLC was the subject of a memo to the Board from the Director of

Commercial Real Estate recommending approval of a new agreement with Oakland Telecards, LLC, for two locations at Port Building F-111 & Port Building F-601, to provide vending machines for phone cards at \$120.00 per unit vs. 15% gross. The recommendation was approved on passage of Resolution No. 01365.

Recommend Approval of License and Concession Agreement with Telemedia Communication Systems, Inc. was the subject of a memo to the Board from the Director of Commercial Real Estate recommending approval of a new agreement with Telemedia Communication Systems, Inc., for 2,776 square feet of warehouse and office space, at 351 Embarcadero, at \$2,232.13, effective September 1, 2001. The premises are used for general office and warehouse space for telecommunications equipment sales. The recommendation was approved on passage of Resolution No. 01366.

Ratification of Change Orders with Harding ESE for the Closure of the Landfill at the Former Lew F. Galbraith Golf Course was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Harding ESE for closure of landfill at the Former Lew F. Galbraith Golf Course, Oakland, California, with lump sum and unit prices totaling \$5,896,429.00. The work consists of moisture conditioning the dredged material previously placed on the site as part of the -42 foot deepening project, using the material to construct a clay cap over the existing landfill areas, and providing rough grading and drainage for the future golf course. The dredged material placed on the site continues to meet or exceed expectations with respect to its performance as a capping material (compaction and permeability). However, the underlying landfill continues to pose significant unanticipated problems. The “two to five-foot thick layer of soil,” placed over the old landfill, according to historical records, turned out to be much thinner

than expected. The contractor was not able to use the fill layer and was forced to excavate into and install subsurface drainage within the former landfill itself. The contractor also encountered debris during the excavation of the lakes that will form a significant feature of the new golf course. The lakes were purposely sited in the area of an old slough that previously bisected the site. The unexpected debris required the contractor to deal with both the debris and the associated water (leachate). As of August 2001, Harding ESE has completed placing and compacting the landfill cap for 95% of the site, including geosynthetic liner and storm drain pipe for the ornamental ponds and basin areas associated with the replacement golf course. Over 90% of the golf course area, less the excavated lakes, and driving range, has been turned over to CourseCo., the developer, to construct, the new golf course. This will allow sufficient time for CourseCo to install a sand layer, irrigation, additional drainage, vegetation, and other golf course amenities, and reopen the golf course by the fall of 2002. It was recommended that the Board ratify the change order, for a not-to-exceed total amount of \$106,698.00 for the additional work necessary to install the lake subdrain system at the Galbraith site. The recommendation was approved on passage of Resolution No. 01372.

Authorization to Execute an Agreement with Gail Goldman (Gail M. Goldman Associates) to Provide Communications Consulting Services was the subject of a memo to the Board from the Director of Communications notifying the Board of the comprehensive public art policy to be developed. The art policy will not only provide overarching guidelines for the Port, but will also address the unique needs and characteristics of each division within the Port. The initial phase of this effort included researching art policies and art programs of public entities, both locally and nationally located. It also included concluding meetings with representatives from the

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Maritime, Commercial Real Estate and Aviation Divisions and the City of Oakland to discuss their specific concerns and issues regarding the implementation of a public art program. The findings from this research determined that a comprehensive funding methodology will need to be developed taking into account each division's unique funding considerations and it will need to be appropriate for each division's program and strategies and budgetary constraints. The following activities and time frame will enable production and implement an effective and comprehensive plan: August/September 2001 – planning and assessment, which will include, but is not limited to, a visioning workshop, and review of capital improvement projects and facilities; September/October 2001 – information collection and review, which will include, but is not limited to, interviews with key individual stakeholders; and October/November 2001 – development of public art policy, which will include, but is not limited to developing funding methodologies and sources. developing an implementation schedule and developing budget and staffing recommendations for implementation of the plan. It was recommended that the Board approve an agreement with Gail Goldman and Associates to provide consulting services for the Port Communications Division in the development of the Port's public art policy and master plan for the implementation of a public art program. The recommendation was approved on passage of Resolution No. 01373.

Authorization to Purchase and Install New Network Servers, Routing Equipment, and Backup Devices at Port Administrative Offices was the subject of a memo to the Board from the Director of Corporate Administrative Services notifying the Board that over the past five years the Port's network infrastructure has been undergoing tremendous change and expansion as Port users have expanded their use of the Internet and more applications have come on-line. The past three

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years have been the implementation of a new financial system (GEAC), a new HRIS system and upgrades to the network cabling and building wiring at 530 Water Street. Upgrades and equipment replacement is an on-going process. To further keep pace with under demand and replace older, slower aging network equipment, it is proposed to replace several key network components. These components fall into three areas: network infrastructure upgrades; network server upgrades; and backup device replacement and enhancements. To accomplish the improvements, 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 as identified. It was also recommended that the Board find it in the best interests of the Port to proceed with informal quotations for the purchases through open market procurement, GSA or other cooperative arrangement and that the Executive Director be authorized to make these purchases for an aggregate amount not to exceed \$314,000.00. The recommendation was approved on passage of Resolution No. 01374.

Authorization to Advertise for Bids for Construction of Security Fencing for Port of Oakland Facilities for the Period Commencing December 1, 2001 and Ending June 30, 2003,

2004 or 2005 was the subject of a memo to the Board from the Director of Engineering recommending approval of the plans and project manual for construction of security fencing for the Port of Oakland facilities and authorization to advertise for bids. The work of this annual Contract consists, in general, of constructing security fencing for Port facilities. An earlier version of this contract provided, under the Small Business Enterprise Program, two bidders. The bid of GK Construction/US Metals was above the budget for this project and, therefore, the bid was rejected by the Chief Engineer. The other bidder, Golden Bay Fence Plus Iron Works, Inc., did not qualify

under the Port's SBE program. It was recommended that the plans and project manual for the project be approved and authorization be granted to advertise for bids to be received October 24, 2001. The recommendation was approved on passage of Resolution No. 01367.

Personnel Items was the subject of a memo to the Board from the Director of Administration recommended the creation of classifications/positions of Senior Typist Clerk; Equipment Systems Engineer; Port Equipment Driver; Carpenter; Gardener; Painter; Plumber; Custodian; A/P Security/ID Specialist; Relief Telephone Operator; Senior Typist Clerk; Senior Engineer Assistant; and Port Maintenance Foreman. The recommendation was approved on passage of an ordinance to print.

Travel Authorization was the subject of a memo to the Board from the Secretary of the Board recommending approval for the travel of Charles Foster, Executive Director, to Hong Kong and Shanghai, China, to meet with corporate officials of ZPMC, Port customers and tenants, on or about the period September 26 – October 3, 2001. The recommendation was approved on passage of Resolution No. 01368.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,

Scates and Uribe - 5

Noes: None

Absent: Commissioner Kramer and President Tagami - 2

“RESOLUTION NO. 01361

ACCEPTING FEDERAL AVIATION ADMINISTRATION GRANT OFFER
UNDER THE AIRPORT IMPROVEMENT PROGRAM (“AIP”) FOR PROJECT
NOS. 25 AND 26.”

“RESOLUTION NO. 01362

RATIFYING AND APPROVING SUBMITTAL OF PRE-APPLICATION AND APPLICATION TO FEDERAL AVIATION ADMINISTRATION UNDER THE AIRPORT IMPROVEMENT PROGRAM.”

“RESOLUTION NO. 01363

CERTIFYING CONSIDERATION OF INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION FOR THE DOOLITTLE DRIVE AND NORTH FIELD TRAFFIC CIRCULATION IMPROVEMENT PROJECT, FINDING NO SUBSTANTIAL EVIDENCE OF SIGNIFICANT EFFECT ON THE ENVIRONMENT, APPROVING THE MITIGATED NEGATIVE DECLARATION PROJECT AND MITIGATION MONITORING AND REPORTING PROGRAM AND AUTHORIZING CERTAIN RELATED PERMIT APPLICATIONS AND AGREEMENTS.”

“RESOLUTION NO. 01364

RATIFYING THE APPROVAL AND EXECUTION OF AN EXTENSION OF THE REIMBURSABLE AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION FOR THE AIRPORT ROADWAY PROJECT.”

“RESOLUTION NO. 01365

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

“RESOLUTION NO. 01366

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH TELEMEDIA COMMUNICATION SYSTEMS, INC.”

“RESOLUTION NO. 01367

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF SECURITY FENCING FOR PORT OF OAKLAND FACILITIES FOR THE PERIOD COMMENCING DECEMBER 1, 2001 AND ENDING JUNE 30, 2003, 2004 OR 2005, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01368

CONCERNING CERTAIN TRAVEL.”

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“RESOLUTION NO. 01369

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

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

Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,

Scates, Uribe and President Tagami - 6

Noes: None

Absent: Commissioner Kramer - 1

“RESOLUTION NO. 01370

APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH ARTSHIP FOUNDATION, INC.”

“RESOLUTION NO. 01371

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

“RESOLUTION NO. 01372

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH HARDING LAWSON ASSOCIATES, FOR CLOSURE OF LANDFILL AT THE FORMER LEW F. GALBRAITH GOLF COURSE, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01373

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

“RESOLUTION NO. 01374

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE AND INSTALLATION OF NEW NETWORK SERVERS, ROUTING EQUIPMENT AND BACKUP DEVICES 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. 01375

APPROVING APPOINTMENT OF MCCUTHCHEN, DOYLE, BROWN & ENERSEN, LLP AS PART-TIME SPECIAL COUNSEL TO THE PORT ATTORNEY CONCERNING ENVIRONMENTAL COMPLIANCE MATTERS.”

“RESOLUTION NO. 01376

ESTABLISHING PORT POLICY FOR ENHANCED SAFETY AND QUALITY STANDARDS FOR AIRPORT SECURITY PERSONNEL AND DIRECTING STAFF TO PREPARE AN ORDINANCE REFLECTING SAID POLICY.”

Port Ordinance No. 3658 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A WIRELESS TELECOMMUNICATIONS AGREEMENT WITH SPRINT SPECTREUM REALTY COMPANY, L.P, and Port Ordinance No. 3659 being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A WIRELESS TELECOMMUNICATIONS AGREEMENT WITH AT&T WIRELESS,” and Port Ordinance No. 3660 being, “AN ORDINANCE MAKING CERTAIN FINDINGS AND DETERMINATIONS IN SUPPORT OF, AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH HANSEL PHELPS CONSTRUCTION, FOR THE PORT OF OAKLAND’S SALE OF AN APPROXIMATELY 2.6 ACRE PARCEL OF LAND LOCATED AT HEGENBERGER AND PARDEE ROADS,” Port Ordinance No. 3661 being, “AN

ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO ESTABLISH CERTAIN NEW SALARY SCHEDULES TO CREATE CERTAIN NEW POSITIONS, TO ADD ADDITIONAL POSITIONS WITHIN EXISTING PORT CLASSIFICATIONS, TO APPROVE TITLE CHANGES OF EXISTING POSITIONS AND TO REVERSE SALARY SCHEDULE FOR A CERTAIN POSITION,” was read a second time and passed by the following vote:

- Ayers: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates and Uribe - 5
- Noes: None
- Absent: Commissioner Kramer and President Tagami - 2

Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO ADD ADDITIONAL POSITIONS WITHIN EXISTING PORT CLASSIFICATIONS AND AMENDING PORT ORDINANCE NO. 3661,” was read a first time and passed to print by the following vote:

- Ayes: Commissioners Ayers-Johnson, Kiang, Protopappas,
Scates and Uribe - 5
- Noes: None
- Absent: Commissioner Kramer and President Tagami - 2

At the hour of 4:35 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 matters; conference with legal counsel – existing litigation, pursuant to

subdivision (a) of Section 54956.9, name of case: City of Alameda et al v. Port of Oakland, et al., California Court of Appeal Case Nos. A086708/A087959/A089660; conference with real property negotiator, (Government Code Section 54956.8) property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment, and property – site at Ninth Avenue Terminal for the Vessel Known as The Art Ship (USS Golden Bear), negotiating parties – Port and Artship Foundation, under negotiation – price and terms of payment, property – 19 properties located in the Port Area, negotiating parties – Port and Various Tenants, under negotiation – price and terms of payment; and reconvened in open session at the hour of 5:20 p.m.

At the hour of 5:25 p.m. the meeting was adjourned on an motion duly made and seconded.

A handwritten signature in cursive script, reading "Christl C Reynolds", is written over a horizontal line.

Secretary of the Board

California Department of Transportation/California Transportation Commission) to secure grants for the construction of improvements to State Route 61 (Doolittle Drive) and Langley Street at Oakland International Airport North Field. The project includes realigning Langley Street, widening State Route 61, and installing a new traffic signal at the intersection of State Route 61/Langley Street. The project will improve access to North Field, including the proposed consolidated rental car facility. The design for this project is almost complete, and construction is expected to start late this year or in early 2002. The Port may be eligible to receive approximately \$1,000,000.00 in external funding to support the construction of improvements to State Route 61 and Langley Street. To be eligible to receive this external funding, the Port must execute and file an application with the Metropolitan Transportation Commission (MTC) to program Regional Improvement Program funds into the Regional Transportation Improvement Program. The Port must submit a project application and certify, among other things, that the Port and project are eligible to receive funding and that it has sufficient resources to deliver and complete the project within the schedule proposed in the application. It was recommended that the Board pass a resolution authorizing the Executive Director to execute and file an application with the MTC to program Regional Improvement Program funds into the Regional Transportation Improvement Program for construction of improvements to State Route 61 (realignment of Langley Street, widen State Route 61, and install a traffic signal), and authorizing the Port Attorney to prepare an Opinion of Legal Counsel and Certification of Assurances. The recommendations was approved on passage of Resolution No. 01329.

Approval of Lease Modification/Supplement with the United States of America, Department of Transportation, Federal Aviation Administration was the subject of a memo to September 4, 2001

the Board from the Director of Aviation notifying the Board that the Federal Aviation Administration (FAA) currently occupies a total of 3,622 square feet of space in Terminal 1 (Building M-102 and Building M-104) for its operation of the South Airport's Air Traffic Control Tower (ATCT). The present rental rate is \$2,143.64 per month. The FAA proposes to amend this Lease via a Lease Modification/Supplement (No. 004) which would extend the Lease term for an additional one year from October 1, 2001 through September 30, 2002 with the monthly rent to remain at \$2,143.64. This extension is requested in order to allow the FAA adequate time to complete feasibility studies for its new ATCT facility proposed for a site near FedEx on Air Cargo Drive. This proposed facility would consolidate the activities of ATCTs located at both the South and North Airports under a long-term ground lease agreement. It was recommended that the Board pass a resolution approving the Lease Modification/Supplement with the United States of America, Department of Transportation, Federal Aviation Administration and authorize execution of the Lease Modification/Supplement by the Port's Executive Director. The recommendation was approved on passage of Resolution No. 01330.

Approval of License and Concession Agreement with Nighthawk Air Systems, Inc. to Occupy Building and Paved Area was the subject of a memo to the Board from the Director of Aviation recommending approval of an agreement with Nighthawk Air Systems, Inc. (Nighthawk) to occupy approximately 3,800 square feet of shop and unpaved land in and adjacent to Building 1-629 on the North Airport for storage of aircraft parts at a monthly rent of \$450.00. The recommendation was approved on passage of Resolution No. 01331.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement with Greenick, Inc. dba AirWorks, Inc. was the subject of a memo to Board from the Director of

Aviation recommending approval to extend the Right-of-Entry and Indemnity Agreement with Greenick, Inc. dba AirWorks, Inc., which provides for access to the South Airport to perform overhead bin modifications to aircraft. No premises are occupied by AirWorks under the Right-of-Entry. The rent is \$250.00 per month or 10% of gross revenues, whichever is greater. The recommendation was approved on passage of Resolution No. 01332.

First Reading of an Ordinance Approving the Terms and Conditions of a Wireless Telecommunications Agreement with Sprint Spectrum Realty Company, L.P. was the subject of a memo to the Board from the Director of Aviation recommending approval for the execution of a Wireless Telecommunications Agreement (WTA) with Sprint Spectrum Realty Company, L.P. (Sprint) covering approximately 75 square feet of telecommunications room space in Building M-102 plus several antenna locations throughout the South Airport in the ticketing area (Building M-101), in Terminal 1 (Building M-103) and in Terminal 2 (Building M-130). Spring has agreed to a monthly rental structure of the WTA, Spring plans on operating up to twenty-five antenna locations; therefore, initial monthly rental structure of \$3,000.00 plus \$25.00 per antenna (total monthly rental subject to annual increases in the CPI). At the inception of the WTA, Sprint plans on operating up to twenty-five antenna locations; therefore, initial monthly rental will be \$3,625.00. The recommendation was approved on passage of an ordinance to print.

First Reading of an Ordinance Approving Terms and Conditions of a Wireless Telecommunications Agreement with AT&T Wireless was the subject of a memo to the Board from the Director of Aviation recommending approval for the execution of a Wireless Telecommunications Agreement (WTA) with AT&T Wireless covering approximately 75 square feet of telecommunications room space in Building M-102 plus several antenna locations

throughout the South Airport in the ticketing area (Building M-101), in Terminal 1 (Building M-103) and in Terminal 2 (Building M-130). AT&T has agreed to a monthly rental structure of \$3,000.00 plus \$25.00 per antenna (total monthly rental subject to annual increase in the CPI). At the inception of the WTA, AT&T plans on operating with five antenna locations; therefore, initial monthly rental will be \$3,125.00. The recommendation was approved on passage of an ordinance to print.

Approval of Building Permit Application by United Airlines on Behalf of Terminal 1 Tenants to Install a Raytheon CTX 2500 Baggage Scanner in Terminal 1, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that Raytheon is the Federal Aviation Administration's (FAA) Technical Support Services Contractor (TSSC) and has been contracted by the FAA to install a CTX2500 scanner at the Oakland International Airport. This installation is to be located in Terminal 1 at the curb near United Airlines' curbside podium. The existing ticketing lobby will be expanded onto the existing sidewalk by approximately 120 square feet to accommodate the new scanner. It was recommended that the Board approve the building permit for the construction of the improvements. The estimated value of the work is approximately \$300,000.00 and all costs are the responsibility of the FAA. The recommendation was approved on passage of Resolution No. 01333.

Ratification of Change Order to Contract 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 of the contract with McGuire and Hester for the overlay of Taxiway D (South of Taxiway M) and Taxiway J, North Field, for a lump sum and unit prices totaling \$4,463,223.00. The project consists of a partial overlay of Taxiway D and an

overlay of Taxiway J, including drainage and utility relocations, electrical lighting modifications, and installation of new pavement markings. During the overlay of Taxiways D and J, Runway 15-33 was used intermittently as a by-pass taxiway for heavier air cargo aircraft. This permitted the D and J overlay project to take place, and allowed air cargo aircraft to taxi to and from the South Field and their designated parking apron in the North Field without disruption. However, during this project, the Runway 15-33 pavement began to fail due to the increase heavier traffic, thus requiring emergency pavement improvements. The original plan was to not repair Runway 15-33 since the future use of this area was expected to change. Due to the timing of the Runway 11-29 overlay project, use of Runway 15-33 would need to continue for operational reasons. In order to separate the large commercial aircraft from the smaller general aviation aircraft, Runway 15-33 would need to be available for general aviation during the Runway 11-29 overlay project. This necessitated immediate action for the emergency pavement improvements to Runway 15-33. In early August, prior to the Runway 11-29 closure, McGuire and Hester, the Contractor for the overlay of Taxiways D and J, completed the emergency pavement improvement work. It was recommended that the Board ratify the Change Order for \$255,000.00 to McGuire and Hester for the emergency paving work on Runway 15-33. The recommendation was approved on passage of Resolution No. 01334.

Authorization to Negotiate on the Open Market to Replace the Hydraulic Systems on Eight Safegate Passenger Loading Bridges was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Airport has nine Safegate passenger loading bridges, which are approximately 17 years old. The hydraulic systems on those bridges are obsolete, they are leaking and malfunctioning and replacement parts are not available. Aviation Facilities had one bridge retrofitted with a new hydraulic system as a prototype and the bridge is

operating properly. The contract to retrofit that bridge was \$11,000.00 and parts are readily available for all the components of the new system. The estimate to retrofit the remaining eight bridges is approximately \$90,000.00. The staff has researched the availability of vendors for this type of work and found it was limited and it was recommended that the Board authorize the open market procurement of new hydraulic systems for the eight remaining Safegate passenger loading bridges. The recommendation was approved on passage of Resolution No. 01335.

Approval of the Potomac Association Operating Budget for FY 2001/02 was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the Association for the Preservation of the Presidential Yacht Potomac (Association) is a nonprofit corporation established to raise funds for the operation and preservation of the Presidential Yacht Potomac as a museum and memorial to President Franklin Delano Roosevelt and his era. Revenue contributions are raised through private donations and fund-raising events. In addition, revenues are raised through fees charged for dockside tours, educational cruises, and private charters. Under the terms of a 25-year agreement that began in 1983, the Association receives significant support, both cash and in-kind from the Port. The Port is obligated to provide financial support to the Association under the terms of the agreement, including the assumption of a significant portion of the vessel-related and administrative expenses of the Association. During FY 2000/2001, the Port incurred approximately \$215,000.00 in expenses on behalf of the Association. As per the agreement with the Potomac Association, the annual operating budget, prepared by the Association, is to be approved by Resolution of the Board. The total amount projected for Port of Oakland support is \$215,000.00, which is equal to the support given last fiscal year. As provided in the Potomac Agreement the Port is responsible for the payment of the following expenses: Port funds

50% of promotion/advertising and exhibit cost (approx. \$1,500/yr.); Port funds 100% of hull/machinery insurance and protection indemnity insurance (approx. \$60,000/yr.); Port funds 50% of vessel related operating expenses (approx. \$81,000/yr.); Port funds 100% of bookkeeping and audit services (approx. \$22,400/yr.); Port Pays \$50,000/yr. toward administrative services; and the Port provides free berthing and pays all utility costs (approx. value \$22,000/yr). The staff has had a chance to review the strategic plan and finds that it adequately addresses the issue of future self-sufficiency for the Potomac Association. The 5-year plan contains funds-raising strategies that, if achieved, would substantially increase non-earned revenue over the next five-year period. Last fiscal year, contributed income accounted for only 8.75% of the total Potomac revenue. The Potomac Association's goal is to increase contributed income to at least 50% of total income. It was recommended that the Board approve the FY 01-02 operating budget for the Potomac Association. The recommendation was approved on passage of Resolution No. 01336.

Authorization to Fund Interior Improvements to the Jack London Aquatic Center in the Amount of \$75,000.00 was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that the newly built Jack London Aquatic Center building was dedicated in October last year. The 15,600 square foot, two story building, was built on approximately 7,000 square feet of Port land in Estuary Park. Estuary Park is currently leased by the Port to the City of Oakland Parks and Recreation Department.. When the Aquatic Center officially opens, it will offer a wide range of rowing, kayaking and sailing activities to help serve the recreational and educational needs of the Oakland community. The Board approved an ordinance No. 3496 authorizing the expenditure of \$500,000.00 toward the construction of the Aquatic Center, and up to another \$150,000 for the removal of hazardous materials on the premises.

The actual amount transmitted to the City of Oakland for construction an hazardous material disposal costs was \$520,493.00. Another \$37,574.00 of the Port cash was expended on CEQA documentation costs. While the majority of the exterior construction work on the Aquatic Center building has been completed, some interior improvements have not been finished, due to a shortage of project funding. The City of Oakland has requested that the Port contribute \$75,000.00 in additional funds to facilitate the completion of kitchen improvements within the Building. The funds would be used primarily for the purchase of kitchen equipment (\$65,000.00 estimate), but would also pay for preliminary design and other contract document costs related to plumbing, electrical and mechanical requirements, as well as construction/installation costs. The Port would have the right to use the Aquatic Center conference/banquet facilities, as will other city departments, depending upon availability. It was recommended that the Board approve the proposed First Supplemental Agreement to the Estuary Park Lease authorizing the expenditure of up to \$75,000.00 in Port cash to fund the kitchen improvements at the Jack London Aquatic Center. The recommendation was approved on passage of Resolution No. 01337.

Recommendation to Enter into Negotiations with a Developer Team for Specific Planning and Master Development of the Oak-to-Ninth District Properties was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that on March 15, 2001, the Port Commercial Real Estate (CRE) Division released a “Request for Developer Qualifications, Oak-to-Ninth District Properties” (RFQ). Two written submittals (Statements of Qualifications) were received as of the May 28 deadline: one from Oakland Harbor Partners, LLC (Signature Properties – Reynolds & Brown); and the other from Oakland Harborwalk Partners, LLC (Interland-Shorenstein). The two teams of developers presented their qualifications and were

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interviewed by a special Port-City Advisory Panel in a public meeting on Tuesday, July 31, 2001. The CRE Division, has facilitated the developer evaluation process in close consultation with the Commercial Real Estate Committee, and has undertaken preliminary due diligence on developer financial capabilities, references and other strategic issues. The March 15 RFQ identified 11 development objectives for the Oak-to-Ninth District, and criteria the Port would apply in evaluating and selecting a development partner. The development objectives are as follows: working with the City of Oakland, the community, and the development team, create a vision for the Oak-to-Ninth District through a Specific Plan that incorporates the objectives of the Estuary Policy Plan, with the goal of generating economic benefits and creating new waterfront amenities for the citizens of Oakland; create a financing strategy for the redevelopment of the Port-owned parcels that incorporates a broad mix of uses, is financially feasible, and generates jobs for the community and revenue for both the Port and the City; develop a financing strategy to create a significant amount of quality public open space and public access to the waterfront; create a financing structure for the basic infrastructure needed to support development, including sewer lines, storm drainage, utility lines, roadways, etc.; create a planning process that provides for substantive participation by neighbors, interested community groups and other stakeholders; integrate site clean up cost-effectively and to standards appropriate for proposed new uses; incorporate preservation and adaptive reuse of historic structures where feasible and desirable; create a phased implementation strategy that accommodates interim continuation of maritime, warehousing and related uses where feasible, in order to preserve revenue streams and support maintenance activities during the development process; expedite and consolidate the Specific Plan process, master development plan(s), environmental documents, regulatory permits and other

development entitlements; provide a plan for the long-term operation and maintenance of public spaces and facilities created throughout the master development process; and create and implement a development plan that takes into consideration City and Port sustainable development guidelines. It was recommended that the Port staff be authorized to enter into negotiations with a developer selected by the Board based upon staff evaluation and due diligence and the recommendation of the Commercial Real Estate Committee. Mr. Barry Lubovisky, representing The Building Trades Council, and Mr. Sanji Handa, representing East Bay News, appeared before the Board to note the importance of the projection and personal views. Commissioner Protopappas moved that the proposal of Oakland Harbor Partners, LLC (Signature Properties-Reynolds & Brown) be selected for the project. The motion was seconded and Resolution No. 01359 was introduced and passed authorizing negotiations.

First Reading of an Ordinance Authorizing the Execution of a Purchase and Sale Agreement with Hensel Phelps Construction Company for the Property Located at Hegenberger and Pardee Roads was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board of the proposal received from Hensel Phelps Construction Company for a 2.6-acre parcel with dual frontage on Hegenberger and Pardee Roads with a bid of \$2,000,000.00 for the parcel. Hensel Phelps will be relocating its Northern California headquarters from San Jose to Oakland, bringing a minimum of 20 full-time positions to the City of Oakland's economy. They intend to construct a signature "Class A" office building of approximately 40-48,000 square feet on the site. It was recommended that the Board authorize the appropriate purchase and sale agreement for the site. Included in the recommendation was a finding that the Property has become unnecessary for Port purposes or harbor development; and

that the proposed sale of the Property complies with the provisions of Section 5.13 (b) of the Port's Master Trust Indenture, dated as of April 1, 1989, as amended (the "indenture"), and does not, together with other transfers referred to therein, constitute a Significant Portion of the Port's revenue. The Board also directs that the proceeds of such sale shall be deposited in the Port Revenue Fund and shall be used in accordance with the provisions of Section 5.13 of the Indenture. The recommendation was approved on passage of an ordinance to print.

Recommend Approval of a License and Concession Agreement with Concept Marine Associates, Inc. for Office Space at 1851 Embarcadero was the subject of a memo to the Board from the Director of Commercial Real Estate recommending approval of the agreement for 3,240 square feet of office space in Port Building J-120, at 1853 Embarcadero, at \$4,050.00, effective September 1, 2001. Concept Marine Associates, Inc. (CMA) has been a tenant at 1853 Embarcadero (Port Building J-120) since March 1, 1996. The three-year lease contained two 1-year renewal options. Concept failed to exercise the final option but wish to remain at their current location under a License and Concession Agreement. The premises are used for offices for Licensee's construction management and harbor planning business. The recommendation was approved on passage of Resolution No. 01338.

Approval of the Renewal of License and Concession Agreement with Dockside Boat and Breakfast was the subject of a memo to the Board from the Director of Commercial Real Estate recommending approval of an agreement to cover their operation at the Jack London Square Marinas, for 4% of Gross Receipts, effective September 15, 2001. Dockside Boat and Breakfast conducts a bed and breakfast type operation utilizing up to 10 privately owned vessels in the Jack London Square marinas. The vessel owners obtain a berth in the usual manner and contract
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individually with Dockside to participate in the program. The recommendation was approved on passage of Resolution No. 01339.

Renewal of License and Concession Agreement with Intigre Marine, LLC was the subject of a memo to the Board from the Director of Commercial Real Estate recommending approval of an agreement with Intigre Marine, LLC, at 1211 Embarcadero, to cover 696 square feet of parking lot area, at \$984.00 per month, effective September 15, 2001. Intigre Marine was displaced as a tenant to accommodate the Homewood Suites Hotel project. Intigre Marine was granted a License and Concession to use a portion of a vacant parking lot for installation of temporary, modular sales office. That agreement has been on a month-to-month holdover status since January 21, 2000. The recommendation was approved on passage of Resolution No. 01340.

Ratification of Addenda and Award of Contract for Construction of Berthing Facilities for Former U.S.S. Potomac and Lightship Relief, Jack London Square, Federal Project No. STPLE-6057 (003) 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 Seaworks, Inc., at \$739,000.00. The original bids for the subject project were opened on October 4, 2000. Because all the bids were significantly higher than the Engineer's Estimate, staff recommended that all bids be rejected and that staff be authorized to value-engineer the project and negotiate with all Bidders. Caltrans, the Administration Agency for federal TEA funding for this project, initially concurred with the recommended approach on October 20, 2000. Following negotiations, two of the original three Bidders submitted proposals on January 9, 2001, for the value-engineered scope of work. The Port sent Caltrans the mandated Award Package, justifying award to the apparent low proposer. Caltrans responded with a letter dated March 13, 2001, that
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their opinion was that the Port's actions following the rejection of bids were in conflict with federal contracting guidelines. Caltrans maintained that their concurrence had been an oversight on the part of the Local Assistance Engineer who had been advising the Port staff. It was concluded that the Port must re-advertise the project than to pursue an exemption from a higher level of authority. The project was re-advertised on June 24, 2001. Addenda Nos. 1, 2, and 3 were issued by the Chief Engineer to make minor corrections in the Project Manual. The apparent low bid from Bamer Construction did not include the required Federal Certification/Disclosure Forms, or the Certification of Nonsegregated Facilities, and it contained several irregularities. Staff has deemed Bamer Construction to be non-responsive, and recommends award to the second low bidder, Seaworks, Inc., which submitted a complete and fully responsive bid package. The recommendation was approved on passage of Resolution No. 01341.

Approval to Award Contract to Jones Lang LaSalle to Update the 2002 Feasibility Financial Projections for the Commercial Real Estate Division Relating 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 of the previously awarded contracts to Ricondo & Associates, Inc. and Bozz-Allen & Hamilton, Inc. to prepare feasibility studies for the Airport and Maritime divisions to support the issuance of the 2001/02 Port Revenue Bond issue. Due to the timing of the Port's next financing and their familiarity with Port operations, it was recommended Jones Lang LaSalle be retained to perform the Commercial Real Estate Division feasibility report for the next financing. The fees for the feasibility study and projections are expected not to exceed \$85,000.00 including out-of-pocket expenses. It is also 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 deems necessary. The recommendation was approved on passage of Resolution No. 01342.

Approval to Declare Cranes X411 and X412 Surplus and Authorization to Sell was the subject of a memo to the Board from the Director of Maritime notifying the Board that two new cranes will replace container cranes presently designated as X411 and X412 at Berths 25-26. Cranes X411 and X412 were initially installed in 1977, but over the years several modifications were made, including an increase in lifting height. Next year “K” Line will deploy larger ships which will require faster cranes with a post-Panamax design that can accommodate vessels that carry containers 20-wide. Cranes X411 and X412 were initially financed and partially upgraded with proceeds from Port Revenue Bonds and Port cash. In order to sell the cranes, the Port must comply with the requirements of Section 5.13 of the Master Board Indenture which requires that the Board find that the cranes are inadequate, obsolete or worn out. Under the Charter, the Board must also find the cranes to be surplus to the needs of the Port. The Board must also have received a tax opinion of bond counsel that the disposition of the cranes will not cause the interest on the Revenue Bonds to become included in gross income for federal income purposes. The Port Attorney, has received such an opinion and authorization is being sought to permit Maritime staff and the Executive Director to sell or dispose the above 2 cranes as the appropriate opportunities may arise. It was recommended that the Board pass a resolution finding that the two cranes are surplus, inadequate, obsolete and worn out; and authorizing the Executive Director to enter into one or more contracts of sale or disposal for Port Cranes X411 and X412 and that such authority for removal of any of the above named cranes shall not be in an amount exceeding \$100,000.00 per crane cost to the Port. The recommendation was approved on passage of Resolution No. 01343.

Ratification of Change Order to Contract for Construction of Berths 57/58 Container Wharf, Fill, and Middle Harbor Shoreline Modifications – Dredge Additional Areas to –50’

to Construct Surcharge was a subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Berths 57/58 Constructors, a Joint Venture, for the construction of Berths 57/58 container wharf, fill and Middle Harbor Shoreline modifications at a lump sum and unit prices totaling \$61,701,177.00. The project consists of site demolitions; mass excavation and dredging; placement of fill on land and in water; shoreline stabilization; construction of a concrete-pile supported wharf; and grading areas for the Middle Harbor Shoreline Park and a portion of the Berths 57/58 container yard. For the Berths 57/59 Wharf project, dredged material is placed in the Middle Harbor to create land for construction of Phase 3 of the Berths 55/56 container yard and Stage 2 of the Middle Harbor Shoreline Park. Mud was placed first and sand is now being pumped to complete the fill and to surcharge the mud. This surcharge, in combination with wick drains, will consolidate the mud to reduce settlement under the container terminal and the park. The surcharge was designed to an elevation of +33 feet, which would induce the consolidation within six to eight months. The design was based on an estimate of the amount of mud and sand to be dredged – determined by the geotechnical investigation performed for the project. The amount of mud dredged was greater than estimated while the amount of sand was less and there was insufficient sand to construct the surcharge as designed. The lower surcharge would result in longer consolidation time and increased probability of long-term settlement problems for the container terminal and park. Additional material was necessary to construct a sufficient surcharge to address these issues. Within the project limits of the Vision 2000 dredging, portions of the future –50 foot channel will be deepened to –42 feet, in order to create an interconnect between

the new berths and the existing -42 foot channel. Deepening a portion of this area to -50 feet will provide additional sand necessary to accomplish the surcharge for the project. Approximately 220,000 cubic yards of additional material can be dredged by the Berths 57/59 contractor at the contract unit price of \$4.00 per cubic yard, totaling \$880,000.00, plus an estimated \$10,000.00 for anticipated delays while dredging near the Berth 55 area, for a total cost of \$890,000.00. The amount dredged will be sufficient to create the needed additional surcharge. The contractor was scheduled to complete the contract dredging the week of August 20, 2001, and begin demobilization of the dredge equipment. In order to be able to meet the project schedule and retain the lowest cost, the contractor was already directed to commence the work. It was recommended that the Board ratify the change order to Berths 57/58 Contractors to dredge an extra 220,000 cubic yards of sand to increase the surcharge on the fill area in the Middle Harbor at an approximate cost of \$890,000.00. The recommendation was approved on passage of Resolution No. 01344.

Approval of Professional Services Contract with Martin Associates to Update the Maritime Economic Impact Model was the subject of a memo to the Board from the Director of Strategic & Policy Planning notifying the Board that previously the Board approved the execution of an agreement with Martin Associates to prepare a maritime economic impact report and model for the Port. The same firm has also been used to prepare aviation and commercial real estate economic impact models. The results of the economic impact models have been used to demonstrate the range of economic benefits, including jobs, industry sales, income and taxes, generated by the Port's business activities. An update of the maritime economic impact model is now needed to assist in maintaining broad-based political and community support for the Port's maritime activities. Martin Associates can provide an economic impact report on the Port's

maritime activities, with place of residency of employees, along with a computer model that can be used to test the economic impacts of changes in such factors as tonnage or container levels, bulk commodity mix, new terminal development, and inland modal distribution. The estimated cost of the proposed study is \$40,000.00 and is expected to take approximately five months to complete. It was recommended that the Board authorize the Executive Director to enter into a contract with Martin Associates for professional services to update the maritime economic impact model, at a cost not to exceed \$40,000.00, with an additional \$10,000.00, if the Executive Director determines that additional compensation is necessary to complete the project. The recommendation was approved on passage of Resolution No. 01345.

Recommendation for Further Implementation of the Port Sustainability Policy was the subject of a memo to the Board from the Deputy Executive Director notifying the Board that on November 21, 2000, the Board adopted the Port Sustainability Policy and three initial action items. The Port's Sustainability Task Force has prepared a status report which is under separate cover entitled "Implementation of the Port of Oakland's Sustainability Policy". The Sustainability Task Force has determined that better compliance with the policy could be obtained by requiring a Sustainable Opportunities section in Board agenda sheets, similar to the Environmental Opportunities section in Oakland City Council reports. The Sustainable Opportunities section would be based on a Sustainability Checklist that focuses on environmentally, socially and economically sustainable practices targeted to Port operations and projects. It was recommended that the Board accept the Sustainability Task Force status report dated September 4, 2001; and require Board agenda sheets dated January 1, 2002 or later to include a Sustainable Opportunities

section that reports the environmentally, socially and economically sustainable benefits of the proposed Board action. The recommendation was approved on passage of Resolution No. 01346.

Authorization of Purchase Office Furniture was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Environmental Health and Safety Department is moving to 70 Washington Street from its current location on the second floor at 530 Water Street, in order to provide additional contiguous space for engineering staff. There is a requirement for office furniture at the new location and, consistent with past practices, the Port's architect is recommending furniture manufactured by Teknion. The space at 70 Washington is approximately 3,000 square feet and will accommodate a 15-person staff. Build-out of the space is expected to take 10 weeks and be completed the first of November. The lead-time for Teknion furniture is approximately 8 weeks and the goal is to have the furniture on hand shortly before build-out is accomplished. The Port has previously negotiated a price agreement with Teknion, which provides for a 62% discount from list price and this arrangement is still available to the Port. Staff is recommending that SideMark, a dealer with offices in San Francisco be utilized. They have sufficient experience and have previously worked with the Port's architect, thereby minimizing the possibility of a project delay. It was recommended that the Board authorize the purchase of Teknion furniture at a cost of approximately \$115,000.00 through open market procurement. The recommendation was approved on passage of Resolution No. 01347.

Authorization to Sell Surplus Equipment was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the Port has recently purchased new Oshkosh fire trucks and two 1975 Chubb Pathfinder fire trucks are no longer required by the Port for fire fighting operations. It was recommended that the Board declare the two Chubb fire trucks, vehicle

numbers X283 and X284, and related spare parts and accessories as surplus equipment. The intent is to sell the two Chubb fire trucks and spare parts, if possible, or to recycle them as scrap metal. The recommendation was approved on passage of Resolution No. 01348.

Personnel Items contained in a memo to the Board from the Director of Administration recommending approval for the creation of classifications/positions of one position of Business Systems Analyst, at Salary Schedule 238.76; position of one Graphic Artist, at Salary Schedule 77.6; and one position of Community Affairs Manager, at Salary Schedule 543.7. Also recommended was the creation of the following additional positions implemented in the FY 2001-2002 Staffing Plan: Commercial Representative I (North Field); Commercial Representative III (North Field); Associate Port Transportation Planner; Port Technical Support Analyst II; Commercial Representative II; A/P Ground Transportation & Parking Operations Specialist I; A/P Landside Services Coordinator (Training Coordinator); Commercial Representative IV; Commercial Representative 1A; Workers Compensation Analyst; Port Senior Human Resource Analyst; Port Field Representative I; Port Junior Engineer; Port Maintenance Foreman; Manager Port Dredging Program; Electrical/ Mechanical Engineer; Supervising Civil Engineer; Contract Compliance Officer; Contract Compliance Supervisor; Port Field Representative I; and GIS/LIS Administrator (Geographic Information Systems (GIS) and Land Information System (LIS), at Salary Schedule 506. Further recommended was title changes from Personnel Technician to Port Human Resource Technician; from Port Personnel Analyst to Port Human Resource Analyst; from Senior Port Personnel Analyst to Port Senior Human Resource Analyst; from Secretary to Secretary of the Board; from Payroll/Benefits Analyst to Port Human Resource Analyst; amendment of Salary Schedule Assignment for Port Permit Coordinator from Salary Schedule 477 to Salary

Schedule 483.5; approval of the appointment of Jerry Bridges to the position of Director of Maritime at salary rate \$12,083.00 per month and vacation accrual negotiated at time of hire, effective September 5, 2001; approval of a proposed employment agreement for Tay Yoshitani, effective at the time of the appointment to the position of Executive Director; and approve amendments to the benefits package for the Port Attorney, David Alexander, as Board will pay deferred compensation benefits up to the limit allowed by law; and vacation accrual will be increased from three weeks to four weeks. The recommendations were approved on passage of Resolution No. 01349 for the Executive Director, Resolution No. 01350 for the Port Attorney, Resolution No. 01351 for the Director of Maritime, and on an ordinance to print for the creation of classifications/positions.

Travel Authorization contained in a memo to the Board from the Secretary of the Board ratification of recommended approval for the travel of George Turner, Manager, Aviation Marketing & Communications, to Tokyo, Japan, Hong Kong, Beijing, Shanghai, China and other Asian cities to meet with cargo and passenger carriers regarding opportunities for Oakland services, on or about the period August 15 – 28, 2001; and the travel of George Turner, Manager, Aviation Marketing & Communications, to Dublin, Ireland, and other European cities to attend the Routes 2001 Airline Conference and to meet with other carriers and airports concerning Oakland service, on or about September 15 – 20, 2001. The recommendation was approved on passage of Resolution No. 01352.

Approval of Consultant Agreement with Marvin Smith and Associates to Conduct Investigation of Discrimination Complaints was the subject of a memo to the Board from the Director of Equal Opportunity recommending approval to retain Mr. Marvin Smith for September 4, 2001

investigating internal and business discrimination complaints, for an amount not to exceed \$35,000.00. The recommendation was approved on passage of Resolution No. 01353.

Approval to Enter into an Agreement with 2PLUS2 Partners, Inc. for Port of Oakland Internet Website Enhancements was the subject of a memo to the Board from the Director of Communications notifying the Board that previously the Board approve a consultant contract with Isys Idea Systems for the Port's Internet Website redesign. The project was completed and a First Supplemental Agreement was approved in January of 2001 for ongoing maintenance services. In April of 2001, the Isys contract was assigned to 2PLUS2 Inc. owned by one of the partners of the original Isys Idea Systems firm. The website has been a useful tool by making a number of Port documents readily available to the public, including bids, RFPs, RFQs, job announcement, press releases, the Board Calendar and other Port materials. The Communications Division is seeking to further expand the website as part of the overall Port Communication Strategy. In addition to enhancement to the divisions/departments currently featured on the site, major additions are planned for Human Resources and Environmental Services in addition to other enhancements. The cost of these enhancements plus ongoing site maintenance is \$150,000.00 over the next two years. It is anticipated that \$60,000.00 would be spent during the next four months as the enhancement work is finalized and implemented, and a remaining \$36,000.00 through the remainder of the fiscal year for ongoing maintenance. An anticipated \$54,000.00 would be spent in the following year for ongoing maintenance and minor enhancements. It was recommended that the Board approve a contract with 2PLUS2 Partners, Inc. to perform internet website enhancements to the Port's program. The recommendation was approved on passage of Resolution No. 01354.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,

Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

“RESOLUTION NO. 01329

AUTHORIZING EXECUTION AND FILING OF AN APPLICATION WITH THE METROPOLITAN TRANSPORTATION COMMISSION.”

“RESOLUTION NO. 01330

APPROVING LEASE MODIFICATION/SUPPLEMENT WITH THE UNITED STATES OF AMERICA, DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION.”

“RESOLUTION NO. 01331

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

“RESOLUTION NO. 01332

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN AGREEMENT TO EXTEND RIGHT-OF-ENTRY AND INDEMNITY AGREEMENT WITH GREENWICK, INC., DBA AIRWORKS, INC.”

“RESOLUTION NO. 01333

GRANTING UNITED AIRLINES PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01334

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH MCGUIRE AND HESTER, FOR OVERLAY OF TAXIWAY D (SOUTH OF TAXIWAY J), NORTH FIELD, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01335

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE OF REPLACEMENT HYDRAULIC SYSTEMS FOR EIGHT SAFEGATE PASSENGER LOADING BRIDGES, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING, AND AUTHORIZING EXECUTON OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 01336

APPROVING THE BUDGET OF THE ASSOCIATION FOR THE PRESIDENTIAL YACHT POTOMAC FOR FISCAL YEAR 2001/2002.”

“RESOLUTION NO. 01337

APPROVING AND AUTHORIZING EXECUTION OF FIRST SUPPLEMENTAL AGREEMENT WITH JACK LONDON AQUATIC CENTER AND APPROVING AND AUTHORIZING EXPENDITURES OF PORT FUNDS FOR CONSTRUCTION OF KITCHEN IMPROVEMENTS.”

“RESOLUTION NO. 01338

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN LICENSE AND CONCESSION AGREEMENT WITH CONCEPT MARINE ASSOCIATES, INC.”

“RESOLUTION NO. 01339

APPROVING AND AUTHORIZING EXECUTION OF A CERTAIN AGREEMENT TO RENEW LICENSE AND CONCESSION AGREEMENT FOR TERM OF ONE YEAR OR LESS WITH DOCKSIDE BOAT AND BREAKFAST.”

“RESOLUTION NO. 01340

APPROVING AND AUTHORIZING EXEUCITON OF A CERTAIN AGREEMENT TO RENEW LICENSE AND CONCESSION AGREEMENT FOR TERM OF ONE YEAR OR LESS WITH INTEGREGRE MARINE, LLC.”

“RESOLUTION NO. 01341

RATIFYING AND APPROVING ADDENDA TO PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF BERTHING FACILITIES FOR FORMER U.S.S. POTOMAC AND LIGHTSHIP RELIEF, JACK LONDON SQUARE, OAKLAND, CALIFORNIA, FEDERAL PROJECT NO. STPLE-6057 (003); EXTENDING DATE SET FOR RECEIVING BIDS THEREFOR; AND AWARDING CONTRACT TO SEAWORKS, INC., FIXING THE AMOUNT OF BONDS, REJECTING ALL OTHER BIDS AND DIRECTING RETURN OF BID BONDS TO BIDDERS.”

“RESOLUTION NO. 01342

FINDING AND DETERMINING THAT A PROPOSED 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 AGREEMENT.”

“RESOLUTION NO. 01343

FINDING AND DETERMINING THAT CERTAIN CRANES OWNED BY THE PORT ARE NO LONGER REQUIRED FOR PORT USE AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SELL SURPLUS CRANES.”

“RESOLUTION NO. 01344

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH BERTHS 57/58 CONSTRUCTORS, A JOINT VENTURE, FOR CONSTRUCTION OF THE BERTHS 57/58 CONTAINER WHARF, FILL AND MIDDLE HARBOR SHORELINE MODIFICATIONS, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01345

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH MARTIN 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. 01346

FURTHER IMPLEMENTING PORT SUSTAINABILITY POLICY AND ACCEPTING TASK FORCE STATUS REPORT.”

“RESOLUTION NO. 01347

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR THE PURCHASE OF WORKSTATIONS, STORAGE AND FILE CABINETS, CONFERENCE ROOM FURNITURE AND RELATED ELECTRICAL AND MOUNTING HARDWARE FOR THE ENVIRONMENTAL HEALTH AND SAFETY DEPARTMENT WITHOUT COMPETITIVE BIDDING FOR SUCH WORK BASED ON THE RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 01348

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. 01349

APPROVING AND AUTHORIZING THE EXECUTION OF AN EMPLOYMENT AGREEMENT FOR THE EXECUTIVE DIRECTOR.”

“RESOLUTION NO. 01350

APPROVING AND AUTHORIZING AMENDMENT OF VACATION AND DEFERRED COMPENSATION OF PORT ATTORNEY.”

“RESOLUTION NO. 01351

APPOINTING JERRY BRIDGES TO THE POSITION OF DIRECTOR OF MARITIME.”

“RESOLUTION NO. 01352

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 01353

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

“RESOLUTION NO. 01354

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH 2PLUS2 PARTNERS, 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. 01355

GRANTING ATT WIRELESS SERVICES, INC., PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01356

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

“RESOLUTION NO. 01357

AUTHORIZING AND APPROVING RETENTION OF SPECIAL COUNSEL.”

“RESOLUTION NO. 01358

APPROVING APPOINTMENT OF SPECIAL COUNSEL.”

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

Ayes: Commissioners Ayers-Johnson, Kramer, Protopappas,
Scates, Uribe and President Tagami - 6

Noes: None

Abstained: Commissioner Kiang - 1

Absent: None

“RESOLUTION NO. 01359

SELECTING MASTER DEVELOPER FOR THE OAK-TO-NINTH DISTRICT
PROPERTIES AND AUTHORIZING PORT AND DEVELOPER
NEGOTIATIONS.”

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates and President Tagami - 6

Noes: None

Abstained: Commissioner Uribe - 1

Absent: None

“RESOLUTION NO. 01360

AUTHORIZING THE FILING OF A PROOF OF CLAIM IN THE PACIFIC
GAS & ELECTRIC COMPANY MATTER, UNITED STATES
BANKRUPTCY COURT, NORTHERN DISTRICT OF CALIFORNIA, SAN
FRANCISCO DIVISION, CASE NO. 01-30923 DM, OAKLAND,
CALIFORNIA.”

Port Ordinance No. 3654 being, “AN ORDINANCE APPROVING AND
AUTHORIZING THE EXECUTION OF LEASE WITH PACIFIC BELL WIRELESS
LLP,” and Port Ordinance No. 3655 being, “AN ORDINANCE AMENDING PORT

ORDINANCE NO. 3634 ESTABLISHING A FEE FOR AIRLINE SELF-SERVICE CHECK-IN UNITS,” and Port Ordinance No. 3657 being, “AN ORDINANCE AMENDING SECTION 11.001 OF PORT ORDINANCE NO. 867,” were read a second time and passed by the following vote:

Ayers: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A WIRELESS TELECOMMUNICATIONS AGREEMENT WITH SPRINT SPECTREUM REALTY COMPANY, L.P.,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A WIRELESS TELECOMMUNICATIONS AGREEMENT WITH AT&T WIRELESS,” and Port Ordinance No. ____ being, “AN ORDINANCE MAKING CERTAIN FINDINGS AND DETERMINATIONS IN SUPPORT OF, AND AUTHORIZING EXECUTION OF A PURCHASE AND SALE AGREEMENT WITH HANSEL PHELPS CON- STRUCTION, FOR THE PORT OF OAKLAND’S SALE OF AN APPROXIMATELY 2.6 ACRE PARCEL OF LAND LOCATED AT HEGENBERGER AND PARDEE ROADS,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 867 TO ESTABLISH CERTAIN NEW SALARY SCHEDULES TO CREATE CERTAIN NEW POSITIONS, TO ADD ADDITIONAL POSITIONS WITHIN EXISTING PORT

CLASSIFICATIONS, TO APPROVE TITLE CHANGES OF EXISTING POSITIONS AND TO REVERSE SALARY SCHEDULE FOR A CERTAIN POSITION,” were read a first time and passed to print by the following vote:

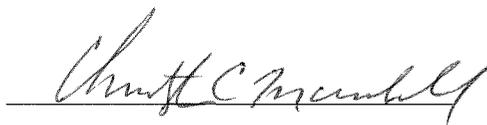
Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas, Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

At the hour of 4:54 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: 4 matters; conference with real property negotiator, (Government Code Section 54956.8) property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment, and property – Oak to Ninth District Locations, Oakland, negotiating parties – Signature Properties and/or Interland Shorenstein, under negotiation – price and terms of payment; conference with legal counsel – existing litigation, pursuant to subdivision (a) of Section 54956.9, name of case: Oakland Village Corporation v. The City of Oakland, et al., Alameda County Superior Court Case No. 835511-1, KaiserAir, Inc. v. The City of Oakland, et al., Alameda County Superior Court Case No. 842354-0; personnel matter, Executive Director compensation and employment agreement; and reconvened in open session at the hour of 6:25 p.m.

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

A handwritten signature in cursive script, reading "Christy C. Mendenhall", is written over a horizontal line.

Secretary of the Board

originating passengers and inbound originating passengers. Research is showing an increasing awareness by Bay Area residents of the reasons to use OAK, which is being translated into increased usage of OAK, and increased market share. It is estimated that OAK's Bay Area market share will have increased to about 17.5% this fiscal year. The inbound marketing budget is approximately \$250,000.00, which is spent on education of airline reservations agents and travel agency consortia about OAK, as well as representing OAK at various business and leisure travel trade shows in key cities throughout the U.S. Because of the high cost of attending these travel trade shows, both in terms of personnel, travel and registration expenses, OAK is very limited in the number of shows it can attend and is resource-challenged in its ability to effectively increase its inbound market share. The Oakland Convention and Visitors Bureau (OCVB) is actively engaged in attracting visitors to Oakland the East Bay also works with a coalition of other East Bay and North Bay Destination Marketing Organization's to attract visitors to the region. Because OCVB tends to target large markets some distances from the East Bay, most of the visitors it attracts tend to travel by air. To take advantage of the marketing position of the OCVB, it was recommended that the Port enter a one year agreement with OCVB for \$62,500.00, to represent Oakland International Airport in its inbound visitor marketing programs. Further it was recommended that the Executive Director be authorized to grant four annual options to extend the agreement, for a total contract amount not to exceed \$312,500.00 over the five year period. The recommendations was approved on passage of Resolution No. 01323.

Authorization to Dispense with Standard Bidding Procedures to Solicit Design-Build Proposals for the Pardee Parking Lot, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport Development Program (ADP) for the

Airport includes, as a project component, the construction and operation of temporary replacement parking lots to compensate for parking spaces lost due to ADP construction, and to provide additional temporary parking to accommodate growth in passenger activity during construction of the ADP. Originally, when the Board approved the ADP, and when the EIR for the ADP was prepared, Port staff had identified construction-phase replacement parking areas at Air Cargo Road (the “overflow lot”), Neil Armstrong Way, the New Inside Terminal Loop, and Swan Way. The EIR concludes that replacement parking will be needed to ensure that a significant parking shortfall does not occur during ADP construction. The Port has constructed the Air Cargo Road (“overflow”) and Swan Way replacement parking lots. The Air Cargo Road overflow lot is in use now for public parking, and the Swan way lot is being used for employee parking which is not intended to change. The area originally proposed for the Neil Armstrong Way and New Inside Terminal Loop lots will be needed for terminal expansion construction staging; therefore these two lots have not been constructed. The Aviation Division has identified the preferred site for alternative construction-phase replacement parking as the 34-acre parcel at Swan Way and Pardee Drive. The site is known as the Arrowtech Site and the construction phase replacement parking lot would be called the Pardee Parking Lot. The Pardee Parking Lot will be used for parking on an interim basis during the Terminal Expansion construction. The design and construction of the proposed 34-acre Pardee Parking Lot project includes: up to 4,500 full-sized parking stalls (approximately 52 ADA-compliant stalls, 6 dedicated electric car parking stations), 2 automatic entry gates, 5 cashier booths at the passenger vehicle exists, automatic shuttle bus entry/exit gates, 12 bus shelters, security cameras, biofiltration areas for primary treatment of storm water, security lighting, perimeter fencing, and landscaping along Swan Way and Pardee Drive. The proposed

schedule for the Port's Terminal Expansion Program shows the construction of a new parking garage beginning in the fall of 2002. A design-build approach allows the Port to compress the design and construction schedule for the Pardee Lot, and improve coordination efficiencies between the designer and the constructor. Design-Build refers to a process where the Public agency awards a single master contract to a private firm for the design, construction and start up of a public works project. An addendum is the appropriate level of environmental review recommended for changing the location of proposed project B.4 Replacement Parking Lots. The results of the analysis contained in the addendum are that replacement air passenger parking at Swan Way/Pardee Drive rather than the lots listed in Table 3.1 in the ADP EIR will not substantially increase or contribute to any new environmental impacts from those identified in the ADP EIR, and therefore, a subsequent or supplemental EIR is not necessary. It was recommended that the Board find it to be in the best interests of the Port to dispense with standard bidding procedures, and authorize the Executive Director to execute a contract for the work with a design-build team based on a best-value evaluation of competitive proposals. This authorization will allow for solicitation of proposals, and staff will return to the Board for award of the design-build contract. The recommendation was approved on passage of Resolution No. 01324.

Award of Contract for Security Guard Services at Oakland International Airport was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Airport's contractual agreement for Security Guard services expired in February 1998 and ABC Security has continued its operation on a month-to-month basis without a contractual agreement. The Security Guard personnel are tasked with the responsibility of providing traffic control in front of the airport terminals, providing guard services at Bravo Gate and Charlie Gate, security guard

rovers in both terminals during the evening hours, and roving patrols in the parking lots. Proposal packages to provide professional Security Guard services at Oakland Airport were made available during November 2000. A four-person panel committee convened in May 2001 to select a Security Guard company to award the contract. In response to the Port's Request for Proposals (RFP) for the Airport Security Guard services, six proposals were received: ABC Security Services; Alameda County Sheriff; Inter-Con Security; Paige's Security; Sentinel Security; and Universal Distributors. Each company was evaluated on the following criteria for Oakland Airport: proposal performance bond; annual operating a budget; financial ability to perform; equal employment opportunity; proposed management plan; customer services; employee relations; experience; and Site-Tour. The contractual agreement shall be for one year and shall have up to four extension options of one year each. Based upon the process and the evaluation criteria, the rankings by the panel of the companies are: Universal Distributors; Sentinel Security; Paige's Security; Alameda Sheriff; Inter-Cone Security; and ABC Security Services. The total dollar amount of the contract is approximately \$3.3 million. The amount of the annual operating budget may vary year-to-year due to an increase or decrease in Security Guard operations during the airport construction period. It was recommended that the Board authorize the Executive Director to execute a contract with Universal Distributors for Security Guard Services for \$3,308,058.00, subject to change as negotiated. Ms. Fateemah Bey, representing Universal Distributors, appeared before the Board to note that the firm would be a good addition to the Airport. Ms. Ana Chretien, President of ABC Security, appeared before the Board to note that the selection panel made several errors in the evaluation and her firm was not rated accurately. After considerable discussion concerning the selection panel and its process, Commissioner Kramer moved that the ABC Security be selected for

the contract. The motion was seconded by Commissioner Protopappas and passed on the following vote: Ayes - Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas, Scates and Uribe; Noes – President Tagami. An appropriate Resolution No. 01328 was introduced and passed on the same vote directing the Executive Director to negotiate a contract with ABC Security at an estimated budget of \$3,308,058.00 per year. Mr. Mustapo Bey, of Universal Distributors, appeared before the Board to ask that his firm be given a part of the contract to show their ability to perform.

Authorization to Sign a 3-Year Agreement with the United States Department of Agriculture's Wildlife Services to Provide Wildlife Hazard Control Services for the Airport

was the subject of a memo to Board from the Director of Aviation notifying the Board that the Oakland airport is located adjacent to the San Francisco Bay and attracts a large diversity of bird species, including gulls, geese, waterfowl, wading birds, pigeons, raptors, as well as endangered and other protected species in the area. This variety offers challenges to both Airport Operations, including limited the effects of wildlife on aircraft safety. For the past year the United States Department of Agriculture's Wildlife Services (USDA-WA) has been assisting the Airport in conducting a Wildlife Assessment, and subsequently preparing an update to the Airport's Wildlife Hazard Management Plan. This revised Plan will consist of a host of techniques for minimizing wildlife strike hazards, including a variety of habitat modification and methods for repelling wildlife from critical safety areas. Currently, the Port does not have the staff or expertise to provide the wildlife services as required, which includes wildlife biology, and knowledge of wildlife control and predator abatement techniques. It was recommended that the Board authorize the Executive Director to enter into an Agreement with the United States Department of Agriculture's Wildlife Services to provide a wildlife hazard control services at the Airport for a 3-year period, not to

exceed \$682,592.00.00 USDA-WS would provide three employees, vehicles, equipment and administrative support for a period of three years at a cost of \$682,592.00. The three employees would be available approximately 40 hours a week to respond to any immediate recommendations to the Airport on wildlife hazard issues. The recommendation was approved on passage of Resolution No. 01294.

Ratification of Change Order to Contract for Overlay of Taxiway B (Between Runways 27L and 27R), North Field, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Gallagher & Burk, Inc., for the overlay of Taxiway B, at a lump sum and unit prices totaling \$647,450.00. The project consists of constructing asphalt concrete overlay, installation of pavement striping and markings, and removal and replacement of existing taxiway lights. A part of this project involves the asphalt concrete overlay of the intersection of Taxiway B and Runway 9L-27R. This work requires the asphalt concrete overlay on Taxiway B to conform to Runway 9L-27R with a smooth transition that meets the Federal Aviation Administration's (FAA) longitudinal profile requirements for runways. During the work on this intersection, both Taxiway B and Runway 9L-27R were out of service and taxiing aircraft were required to use less direct and more time consuming routes to taxi to and from North and South Fields. After approval of the Plans and Project Manual for this project, it was decided to construct an asphalt concrete overlay for Runway 9L-27R during the 2002 construction season. The project to overlay Runway 9L-27R would also affect the intersection of Taxiway B and Runway 9L-27R and, therefore, present similar inconvenience and disruptions to aircraft operations. It was decided that it was in the best interests of the Port to construct the portion of Runway 9L-27R overlay adjacent to Taxiway B now, as a Change Order to the Taxiway B overlay

project, to avoid another disruption to Taxiway B during the Runway 9L-27R overlay project. It was necessary for the Chief Engineer to authorize the work prior to bringing the item to the Board to keep the project on schedule. It was recommended that the Board ratify the change order for \$265,000.00 to Gallagher & Burk, Inc. for the overlay of Taxiway B. The recommendation was approved on passage of Resolution No. 01395.

Approval to Proceed with Further Development of the Airport Terminal Expansion

Program was the subject of a memo to the Board from the Director of Aviation notifying the Board that the Concept Development Phase of the Oakland Airport Terminal Expansion (TEEx) Program is complete and the staff recommends that the Board approve proceeding with implementation of the recommended program. Specifically, the Port staff recommends the Board: (1) approve the recommended terminal expansion concept and authorize proceeding with further development of that concept including schematic design and preparation of a design build procurement for the parking garage package; (2) acknowledge that a TEEx program budget of \$1.387 billion is affordable based on the current Affordability Analysis and should be the maximum budget for the TEEx program; and (3) approve further evaluation of alternative program delivery methods to include consideration of a single master developer to implement all or a majority of the expansion program. To possibly help achieve \$100 million in savings, the staff also recommends evaluating additional alternative delivery methods for the program including one that would contract for the majority or all of the design and construction of the TEEx program with a single master developer while still retaining the needed Port control over the program. The major elements of each recommendation are as follows. Terminal Expansion Concept Plan – the program requirements were developed using accepted airport terminal planning methodology to determine

the planning day schedule, traffic volumes and operations requirements. Industry standards for passenger levels of service, as established by the International Air Transport Association (IATA), and other appropriate planning factors and standards were applied to the planning day volumes to determine the gross program facility requirements. The program elements are sized as required to support 13.8 MAP activity levels with a desired Level of Service (LOS) of Excellent (A). The main features of the program designed is to accommodate the 13.8 MAP. The new L-shaped Main Terminal Building will accommodate baggage handling activities on the first level, aircraft concourse and hold rooms on the second level, ticket counters and ticketing lobby on the third level, and a fourth level for the mechanical equipment. The new concourses will provide twelve additional gates, and the existing Terminal 1 will be demolished. Existing Terminal 2 and its adjacent concourse may be remodeled for international arrivals processing and wide body aircraft. Access to the new and existing concourses will be through a centralized security checkpoint area and a new consolidated Concessions Hall. A new, two-level, terminal roadway will be constructed to expand the curb capacity and to provide access to both levels of the terminal building. The existing Terminal 2 may be renovated. Aircraft gates on the Terminal 2 concourse will be configured for use either as domestic gates or for international arrivals. The Federal Inspection Services (FIS) Facility may be relocated to the renovated Terminal 2 building. The existing FIS facility at Building M-114 will be demolished. A parking structure with approximately 6,000 parking spaces will be built. A covered, enclosed pedestrian bridge will be provided to connect the parking structure with the departures level of the terminal frontage roadway. Another, enclosed pedestrian bridge will connect the fifth level of the garage and the BART Connector station with the mezzanine level of the terminal building. The first level of parking will be dedicated to rental

cars, with the remaining levels designated for public parking. Adjacent to the garage will be a three-story building designed to accommodate the rental car operators on the first level and the Port administrative offices on the second and third levels. Surface parking areas are conveniently provided adjacent to the garage and terminal building. A revised access roadway between the airport entrance and I-880 is currently under construction. This revised access roadway will be connected to a new terminal loop system to be constructed as part of this program. New roadways will connect to the two-level terminal frontage road, parking structure and surface parking lots. A right-of-way for the BART Connector between the terminal and the coliseum station will be provided, although it is not part of the TEx Program. The existing central utility plant is not adequate to meet the future needs of the new expanded terminal and additional facilities. The construction of the new terminal will also require demolition of the existing plant. A replacement plant incorporating all required mechanical and electrical equipment for emergency power generation, electrical distribution, chillers, boilers, and fire protection will be constructed northeast of the existing Terminal 2. Terminals ramps and aircraft parking areas serving the proposed new terminal concourse and existing concourses will include new apron areas and associated airside utility improvements to accommodate new gates at the Main Terminal. The design concept for the new airport terminal complex at OAK will be in keeping with the TEx Program Policy Statement and the Guiding Principles previously adopted. The concept will draw equally from the character of Oakland and the Greater East Bay Region. The TEx program is recommending a regional orientation for the terminal. The North Terminal concourse will reflect the character of the North Bay Area including the Napa Valley. Likewise, the South and East concourses will reflect the character of the South and East Bay Areas, respectively. In the future, if the West and East

Concourse is built, it is anticipated to reflect the character of the San Francisco Peninsula. The art to be incorporated into the terminal complex should support the specific themes of the areas in which the art will be located. Affordability Analysis and Budget - the \$1.487 billion budget for the program using the recommended delivery methods and management approach is sound. The staff recommends that the Board acknowledge that a TEx budget of \$1.387 billion is affordable based on the preliminary Affordability Analysis and should be the maximum budget for the TEx program. Program Delivery Strategy – the proposed delivery methods and management approach is sound and reflects a low risk strategy whereby the Port retains adequate control of the program to assure the Port receives the quality terminal concept it desires within the required budget and schedule and with minimal impact on airport operations and the travelling public. The staff has started to develop and evaluate alternative delivery strategies for the program that would contract for all or the majority of the design and construction of the TEx program with a single master developer while still retaining the needed Port control over the program. It was recommended that the Board approve the recommended terminal expansion concept described above and approve proceeding with further development of that concept including schematic design and preparation of a design build procurement for the parking garage package; acknowledge that a TEx program of \$1.387 billion is affordable based on the current affordability analysis and should be the maximum budget for the TEx program, continuous efforts to further reduce the program cost will be made, to put incentives on achieving cost reductions, the staff will consider appropriate measures to reward consultants and contractors for success in reducing costs or to penalize them for causing avoidable cost increases; and approve further evaluation of alternative program delivery methods to include consideration of a single master developer to implement the design and construction of all or a

majority of the expansion program. Each recommendation was approved on a roll call motion vote of 7 ayes and Resolution No. 01296 was passed reflecting the intent of the Board.

First Reading of an Ordinance to Amend Port Ordinance No. 3580 to Increase the Premises and the Monthly Rent for a Wireless Telecommunications Agreement with Pacific Bell Wireless LLC was the subject of a memo to the Board from the Director of Aviation notifying the Board that Pacific Bell Wireless LLC (PBW) has a lease for approximately 10 square feet of ceiling space located in Terminal 2 at the South Airport at a monthly rental of \$3,000.00. PBW currently occupies the premises pursuant to an Agreement to Extend Right-of-Entry and Indemnity Agreement pending finalization of the Lease. During these negotiations, PBW has determined that to better service its wireless telecommunications customers throughout the South Airport, it needs to install additional antennae at locations in the ticketing area (Building M-101), in Terminal 1 (Building M-103) and in the terminal connector (Building M-150). The proposed amendment included establishing rent at \$3,000.00 plus \$25.00 per antenna per month with annual CPI increases; and premises of multiple sites in the terminal buildings and concourses. It was recommended that the Board give first reading to an ordinance approving the amendment of Port Ordinance No. 3580 to provide for the recommended changes to this occupancy. The recommendation was approved on passage of an ordinance to print.

Approval of Agreement to Extend Right-of-Entry and Indemnity Agreement for Office Space with L.F.R., Inc. was the subject of a memo to the Board from the Director of Aviation notifying the Board that L.F.R., Inc. (LFR), a contractor working for Dollar Rent A Car facility project on the North Airport, is currently under an Agreement to Extend Right-of-Entry and Indemnity Agreement which provides for continued occupancy of approximately 237 square feet of

office space in Building L-142 on the North Airport, at \$419.76 per month. It was recommended that the agreement be extended to cover its premises from July 1, 2001 and ending December 31, 2001. The recommendation was approved on passage of Resolution No. 01297.

Authorization to Sign a 5-Year Maintenance Agreement with the Lochard Corporation to Provide Maintenance for the Airport Noise and Operation Monitoring System was the subject of a memo to the Board from the Director of Aviation notifying the Board that in 1994, the Airport installed a permanent Airport Noise and Operation Monitoring System (ANOMS) for an approximate cost of \$750,000.00. The system components include three Sun computer worker stations, thirteen noise monitoring terminals installed in the community, four portable terminals, a flight data connection with FAA Tracon, a 24-track recording unit and spare parts. The Port entered into a comprehensive 5-year maintenance agreement with Lochard Corporation for the system. That agreement will expire on September 30, 2001, and is now necessary to enter into an agreement to continue maintenance of the system. Under the proposed Maintenance Agreement, Lochard will continue to supply software and hardware support for all system components listed. The total annual cost for maintenance service is approximately \$60,000.00, with yearly adjustments for inflation. It was recommended that the Board waive competitive bidding for the maintenance agreement; and authorize the Executive Director to enter into an Agreement with the Lochard Corporation for the services for five years, with an option to renew annually after the original five-year term at an annual cost of approximately \$60,000.00, with adjustment for inflation. The recommendation was approved on passage of Resolution No. 01298.

First Reading of an Ordinance to Amend Port Ordinance No. 3634 Establishing a Fee for Airline Self-Service Check-In Units was the subject of a memo to the Board from the Director

of Aviation recommending approval to establish a \$50 monthly fee per device for the installation of proprietary airline self-service units (SSUs) that permit passengers to obtain an airline boarding pass at Oakland International Airport. Over the last 18 months, a number of U.S. airlines have developed automated self-service check-in units, which dispense a boarding pass to a passenger who already has an airline flight reservation. Anticipating requests to deploy a large number of SSUs at the Airport over the next several months, staff developed an internal policy to regulate the number and location of such units. That policy operates under the direct purview of the Airport General Manager. The \$50.00 monthly fee approximately equals the rent that would be charged for using about eight square feet of space under the Airport's already established rates and charges. As the \$50.00 per unit charge is a fee, it requires an amendment to the Airport's annual rates and charges Ordinance No. 3634. The recommendation was approved on passage of an ordinance to print.

Approval of Development Permit Application for Improvements to the North Airport Fuel Facility by Chevron Products Company was the subject of a memo to the Board from the Director of Engineering recommending approval to make certain improvements at their existing fuel facility at their leased premises at North Airport. The work includes replacing old and unsafe walkways in the tank containment area; replacing and upgrading electrical distribution equipment; and replacing gas piping/upgrading pumps. The cost of the project is estimated to be \$300,000.00. The recommendation was approved on passage of Resolution No. 01299.

Plans and Project Manual for the Construction of Additional Restrooms at Building M-103, Passenger Level, South Airport, OIA 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

restrooms. There is an immediate need for additional men's and women's restroom facilities in the Terminal 1 concourse area abased on current and anticipated passenger growth. The work of this project will include the design and construction of four new restrooms on the passenger level of Building M-103 (Terminal1) at Gates 5, 7, 12 and 15. The new women's restroom adjacent to Gate 5 will consist of a pile-supported structure extending outside the current building footprint. The work at Gate 7 will occur within the current building and will convert the existing men's women's restroom. The work at Gates 12 and 15 will expand the existing men's and women's restrooms by extending beyond the current building footprint on pile-supported structures. The recommendation was approved on passage of Resolution No. 01300.

Plans and Project Manual for the Construction of Power Infrastructure to Building L-815 and RAC Site B, North Field, OIA 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 power infrastructure. The project will provide the required additional power to Rolls Royce, and the power infrastructure to feed the Consolidated Rental car Facilities. The work consists of installation of 25 kV submersible switches, manholes, and feeder cables in existing and new conduits. The recommendation was approved on passage of Resolution No. 01301.

Approval of Consultant Agreement with CCS Planning and Engineering, Inc. for Engineering Design Services for Construction of Infield Roadway, North Field, OIA was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Port plans to develop multi-tenant air cargo facilities at the North Field of the Airport. A proposed roadway connecting Doolittle Drive and extending into the North Field will provide vehicle access to the new air cargo facilities. This project also includes a new signalized intersection at Doolittle

Drive, improvements along Doolittle Drive, extension of Earhart Road, a new driveway entrance into the Martin Luther King, Jr. Shoreline Park and wetland mitigation improvements within the park. The consultants work will consist of providing engineering services to prepare the Plans and Project Manual suitable for bidding and constructing the new Infield Roadway. The Port received proposals from seven design teams and it was recommended that CCS Planning and Engineering, Inc. be selected for the Engineering Design Services for Construction of Infield Roadway project. The amount of the agreement will not exceed \$1,800,000.00 based on the agreed upon scope of work and terms of the contract. It was also 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. 01302.

Approval of Consultant Agreement with Dinter Engineering Company to Provide Engineering and Architectural Design Services for the New Airfield Lighting Facility, OIA

was the subject of a memo to the Board from the Director of Engineering notifying the Board that there are two existing remote airfield lighting facilities, one for the North Field and another for the South Field. The remote airfield lighting facilities operate all centerline and edge lighting for all runways and taxiways at the Airport. A new facility is needed due to limited space in both facilities, as well as the need to upgrade old infrastructure and consolidate equipment into one new facility for more efficient maintenance. This proposed new facility will house these new regulators and the airfield lighting back-up generators and distribution equipment for both the North and South Fields. In addition, the high voltage switchgear and transformers in the existing North Field Lighting Vault (NFLV) will be replaced and installed in the new facility. The new Airfield Lighting Facility will be located adjacent to the existing NFLV. The consultant's work will consist

of providing engineering and architectural services to prepare the Plans and Project Manual suitable for bidding and constructing the new Airfield Lighting Facility. The work will include developing construction cost estimates, review and report on opportunities to construct and equip the facility in accordance with the Port's Sustainability Policy, conceptual studies, design calculations, geotechnical investigations, design and construction phasing to minimize power disruption, and construction support. The Port received seven design proposals and it was recommended that Dinter Engineering Company be selected for the Engineering and Architectural Design Services for the New Airfield Lighting Facility project. The cost of consulting services will be paid at the agreed lump sum price of \$550,000.00, with \$75,000.00 available at the discretion of the Executive Director. The recommendation was approved on passage of Resolution No. 01303.

Approval for the Solicitation of Request for Qualification, Proposals and Bid for the Assets and Private Operation of the Port Owned and Operated Marinas was the subject of a memo to the Board from the Director of Commercial Real Estate notifying the Board that over the last 23 years the Port has redeveloped portions of its waterfront, particularly in the Embarcadero Cove Area, though the development of marinas and shoreline improvements and the creation of landside development pads. In improving the shoreline, the Port utilized financing from the State of California, through the Department of Boating and Waterways (DBW). Along the east shore of the Oakland Estuary the Port has constructed and now operates the following Marinas: Embarcadero Cove Union Point Basin, 92 Berths; Embarcadero Cove Central Basin, 151 Berths; Embarcadero Cove North Basins 1 and 2, 114 Berths; and Jack London Square Marina, 160 Berths with a total number of Berths at 517. Under the various DBW loan documents and the requirements of the Harbor and Navigation Code the marinas must be publicly operated. Financial

analysis performed by Commercial Real Estate, and previously by LaSalle Partners, confirms that the marinas do not produce a positive cash flow. With maintenance cost at approximately \$500,000.00 last year, and other operating costs equating to an additional \$500,000.00, the cash flow (prior to finance cost) is break even. However, finance cost (the servicing of the DBW loans) adds an additional \$1.0 million, making the cash flow for the marina operations in excess of a \$1.0 million loss annually. Several public agencies throughout the state and in the bay area have elected to privatize their publicly financed marinas using a method permitted by the Department of Boating and Waterways. This requires that the public agency retire a portion or all of the outstanding loans from DBW. Under rules established by DBW a public agency may, through a public RFP-bid process, solicit a qualified operator to manage DBW financed marinas. This process requires that a minimum of one third of the outstanding loan balance be paid off by the public agency. The port's outstanding loans, currently, are approximately \$11 million and a 1/3 payoff would be approximately \$3.6 million. The RFP-bid process would solicit an operator which would pay to the Port an up front cash payment at least equal to the minimum DBW loan payoff. The Port would then transfer the pay off sum to DBW. Any proposed operator wishing to make an additional payoff would enhance their opportunity for selection as it would reduce the Port's future loan costs. The selected operator would take over all maintenance and operations of the marina. The operator would enter into a lease with the Port for the operation of the marinas, pay the Port a minimum rent, depending on the outstanding loans to be serviced and pay the Port a percentage rent equating to 20% of the gross receipts or as negotiated by the Port staff and approved by the Board. The selected marina operator would provide all maintenance to the marinas themselves, the related shore side facilities and the Jack London Square marine fueling operation. It was recommended

that the Board authorize the staff to issue a Request for Proposal – Bid for the privatization of the Port operated marinas. It was also requested that the Board authorize staff to negotiate a lease with the proposed operator covering the operation of the marina in accordance with the RFP and that Port staff be authorized to negotiate with DBW for loan payment purposes. Mr. John Gueldner, Mr. John Sanders and Mr. Sandy Jacobson, all existing tenants at the Port’s marinas appeared before the Board to state personal positive comments concerning the proposal. The recommendation was approved on passage of Resolution No. 01304.

Approval of Addendum to the ADP Final EIR and Approval of an Ordinance Revision of the Oakland Airport Business Park Standards and Restrictions was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Airport Development Program includes, as a project component, the construction and operation of temporary replacement parking lots to compensate for parking spaces lost due to ADP construction, and to provide additional temporary parking to accommodate growth in passenger activity during construction of the ADP. To provide substitute parking in place of the originally proposed lots and to accommodate increased passenger activity during ADP construction, substantial additional construction-phase parking will be needed and the Aviation Division has identified the preferred site for alternative construction-phase replacement parking as the 34-acre parcel at Swan Way and Pardee Drive. The site is known as the Arrowtech Site and the construction phase replacement parking lot would be called the Pardee Parking Lot. The site is under Commercial Real Estate Division (CRE) control. The site is located in the Oakland Airport Business Park, under Port of Oakland planning jurisdiction. The Business Park Standards and Restrictions (Port Ordinance No. 2832) prohibit fee parking as a use in the area. It has been determined that a operation of a fee

parking lot at this site will not significantly impact other tenants of the Business Park given the proximity to Doolittle Drive and Hegenberger Road. It was recommended that Section 2.1 of Ordinance No. 2832, as amended, be amended to include that a fee parking lot may be developed by the Port of Oakland to serve the Oakland International Airport during the Terminal Expansion Program. This lot is to be located on the 34-acre parcel north of Swan Way at the intersection with Pardee Drive, between Arrowhead Marsh and the UPS sorting facility. No more than 4500 parking spaces will be constructed with several prefabricated structures allowed to service the needs of workers and passengers. This exception will expire at such time that the parking upgrades included under the Terminal Expansion Program are completed. An addendum to the ADP Final EIR has been prepared by the Port in support of this project. It was recommended that the Board approve the Addendum to the ADP Final EIR; and approve an ordinance amending Ordinance No. 2832, as amended, "Establishing Standards and Restrictions ... in the Oakland Airport Business Park," to provide for the fee parking at the site. The recommendation was approved on passage of an ordinance to print.

Authorization to Renew the Potomac Hull and Machinery and Protection and Indemnity Insurance was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the agreement between the Port of Oakland and the Association for the President Yacht Potomac requires the Port to provide Hull and Machinery and Protection and Indemnity Insurance on the vessel, USS Potomac. It was recommended that the Board authorize the renewal of the Potomac's Hull and Liability Policy and Pollution Policy for a premium of \$41,887.24 to be placed through Commercial Union Insurance. The recommendation was approved on passage of Resolution No. 01305.

Revision to Compensation Terms with Marina Terminals Corporation to Accommodate Steel Shipments at the Burma Road Terminal was the subject of a memo to the Board from the Director of Maritime notifying the Board of the Management Agreement with Marine Terminals Corporation (MTC) for operations at the Burma Road Terminal (BRT). The Port had previously entered into a no cost sublease with the Oakland Base Reuse Authority (OBRA) for BRT at Berth 7. The OBRA sublease west of Maritime Street includes Berth 9. BRT offers an on-dock transit shed and is presently used as a break-bulk facility where import steel commodities are discharged. MTC has several new steel business accounts that can be handled at the Burma Road Terminal. Conservative estimates of MTC's potential for new steel business is between 10 to 15 thousand tons per month. This cargo would be shifted from other Bay Area Ports, such as Richmond. Geographically, the consignee of steel coils is almost twice as far from BRT than from Richmond. Consequently, the trucking cost differential between Richmond and Oakland to the ultimate destination is such that MTC needs a competitive rate to handle this new found business. This drayage is almost \$2.00 per ton more from BRT. MTC will also have to purchase specialized forklifts to handle the steel coils, which cost \$125,000.00 each. The current Port tariff rate is \$4.50 per 1,000 kilograms. Since movement of this cargo is imminent, the proposal to the Board is that a new contract specific wharfage rate be established. The amendment to the Agreement will provide that the Port's tariff wharfage rates will be superceded at BRT, to \$3.40 per 1,000 kilograms. In accordance with the existing revenue sharing provisions in the Agreement, MTC will pay 55% of the above proposed wharfage rate. MTC will pay 45% of the above proposed rate once the existing annual breakpoint of \$1.7 million is exceeded. Any steel coil activity on Star Shipping vessels will not be subject to the proposed new rate of \$3.40 per 1,000 kilograms but MTC will continue to

receive 30% of Port net revenues from Star Shipping steel activity as is provided for in the existing Agreement. It is also proposed that on an as needed basis, the contiguous facility at Berth 9 be used to dock vessels. This will allow MTC to berth vessels at Berth 9 when a vessel is already discharging cargo at the Burma Road Terminal. Vessels worked by MTC at Berth 9 and cargo discharged at Berth 9 that flows to the BRT yard will be credited towards MTC's Minimum Annual Guarantee (MAG) levels and Breakpoints at the Burma Road Terminal. It was recommended that the proposed Supplemental Agreement with Marine Terminals Corporation for an incentive steel coils wharfage rate and usage of the adjacent Berth 9 facility be approved. The recommendation was approved on passage of Resolution No. 01306.

Adjustment to Current Maintenance Dredging Charges Assessed TransPacific 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 for Berth 30 which is presently assigned to their terminal subsidiary, TransPacific Container Service (TraPac). The Agreement provides that the Port will, at the cost and expense of TraPac, maintain berthing space dredged to a depth or not less than -42 feet. TraPac is therefore required to pay the Port the cost for maintenance dredging, including testing and permit cost, upon receiving the Port's billing for such work. The Port has billed TraPac a total of \$515,093.11 for maintenance dredging work which occurred from 1994 through 1999. TraPac repeatedly has reminded Maritime staff of their concerns, dating back to when the facility opened, that Berth 30 might be disadvantaged by higher than normal dredging requirements due to its location. TraPac had therefore requested that the assessed charges be validated before remitting payment. Port staff has spent several months analyzing the historical siltation rates at Berth 30 and

it is now proposed to settle the maintenance dredging charges that have been assessed TraPac. TraPac's issue has been that the shape of the channel and wharves, coupled with the proximity of the turning basin and the ocean current flows might result in higher than normal accumulation rates. Another line of reasoning by TraPac has been that when Berth 30 opened its berth was deeper than the adjacent Outer Harbor Channel and the "catch basin" effect for siltation was therefore amplified. In order to ensure a thorough analysis, an outside consultant familiar with the Port's dredging program was employed to study all Port records pertaining to the dredging conducted at TraPac over the 5 year period in question. The main scope of the study was to ascertain whether there was higher than normal siltation at Berth 30 for all periods dredged because of geographical location and to determine whether any incremental increase in siltation was caused by the -42 feet channel deepening project or other unusual shoaling. The findings of the Port's consultant indicate a slight variation in the siltation rate. It was estimated that from August, 1994 through August 1997, the annual siltation rate was approximately 16,394 cubic yards. Subsequently, through December 2000, the annual siltation and shoaling rate was about 11,955 cubic yards. Therefore, the difference or incremental annual siltation rate equated to 4,439 cubic yards. Indications are that the lower siltation rate corresponds to the new channel depth which, after August 1997, is consistent with the berth depth. In the Agreement between the Port and TraPac, Paragraph 8 states that the Outer Harbor Channel adjacent to Berth 30 was anticipated to be deepened in 1995. The deepening was actually completed in August 1997. Since maintenance dredging was performed in October, 1995, the period under consideration for settlement is taken between October 1995 and August 1997. The Port's contract for maintenance dredging during this period was \$3.50 per cubic yard. Therefore, in lieu of the \$515,093.11 assessment, it is proposed TraPac pay the Port

\$486,620.00 which is based upon an incremental deduction of \$28,483.00. In consideration for the proposed settlement, TraPac will agree that both the channel and berth depths are consistent with the -42 feet deepening project that was previously completed and TraPac waives its right to further claims pertaining to charges assessed for maintenance dredging relating to the depth of the channel and claims relating to the location of the Berth 30 facility, from the time operations initially commenced at Berth 30 in 1994 through August, 1997 which is when the channel was deepened to the same depth as Berth 30. It was recommended that the Board approve the proposed settlement. The recommendation was approved on passage of Resolution No. 01307.

Authorization to Dispense with Standard Bidding Procedures to Purchase Aggregate Base for the Berths 57/59 Terminal Projects, Vision 2000 was the subject of a memo to the Board from the Director of Engineering notifying the Board of the contract with Berths 57/58 Constructors, a Joint Venture, for the construction of Berths 57/58 container wharf, at a lump sum and unit prices totaling \$61,701,177.00. The project consists of site demolition, mass excavation and dredging, placement of fill on land and in the water, shoreline stabilization, construction of a concrete pile supported wharf, grading areas for the Middle Harbor Shoreline Park and a portion of the Berth 57/58 container yard. The Port also has a contract with Gallagher and Burk, Inc. for the construction of Berths 57/59 container yard and gate, at a lump sum and unit prices totaling \$52,280,620.00. The berths 57/58 wharf contract called for the contractor to place and compact port-supplied aggregate base (AB) on a portion of the Berth 57/59 container yard. This AB was to be supplied from demolition material generated within the Vision 2000 area and crushed by the Berths 57/59 container yard contractor; who was then to utilize the remaining rubble to create AB for use in the container yard project. After the rubble is exhausted, the Yard Contractor is required

to furnish additional material. As a cost-saving measure for the Berths 57/59 Terminal, the pavement was redesigned shortly before the container yard project went to bid, but after the award of the wharf project. The use of the less expensive pavement design, however, requires the use of more AB than the original design. Therefore more AB will have to be imported to cover the shortfall in the amount of rubble available for crushing into AB for these two projects. Due to various delays in awarding the container yard contract, the material to be supplied to the wharf contractor has not been crushed and is therefore not available in time to meet that contract schedule. The least expensive option has been determined to be to purchase AB from one to two optional sources that have quoted similar prices. The cost of importing the additional AB (approximately \$4,500,000.00) would be partially offset by credits to the two existing contracts for reductions (approximately \$2,700,000.00) in bid quantities for those projects. Even though there is an increase to the pavement costs on the wharf portion of the terminal, the redesign still saves the terminal project over \$5,000,000.00. It was recommended that the Board authorize dispensing with standard bidding procedures to purchase aggregate base for the Berths 57/59 container wharf and Berths 57/59 container yard projects at a cost not to exceed \$4,500,000.00, resulting in a total cost increase to the two projects of approximately \$1,752,000.00. The recommendation was approved on passage of Resolution No. 01308.

Authorization to Dispense with Standard Bidding Procedures and to Execute a Change Order for Paving Portions of the Phase 2, Joint Intermodal Terminal (JIT) and Approval of Second Addendum to the JIT Environmental Impact Report was the subject of a memo to the Board from the Director of Engineering notifying the Board that the Joint Intermodal Terminal (JIT) is a part of the Port's Vision 200 Program. Construction of the JIT included placing

fill soils excavated as a part of the Vision 2000 wharf construction contracts. This fill soil was placed both on the site of the Phase 1 JIT and on remaining areas of the former Navy Fleet Industrial Supply Center Oakland (FISCO), that will become Phase 2 of the JIT. Current plans for truck parking and refrigerated container maintenance on the Phase 2 JIT site require preparing a paved surface. The JIT construction contract was intentionally prepared to leave the Phase 2 JIT as an aggregate base surface. This was done so that no pre-determined use was assigned to the Phase 2 JIT area that would have resulted in a need to change the terms of the JIT construction contract. This was also done to allow the Maritime Division to determine the appropriate level of spending for the JIT Phase 2 area when the JIT construction neared completion. Construction of pavement at this site will allow the relocation of the West Oakland Truck Drop Yard currently occurring on the Round house property (located between APL and Schnitzer Steel) and potential subsequent expansion of APL. The proposed change order would result in paving portions of the JIT Phase 2 area to accommodate truck parking, container parking, a transload warehouse, and refrigerated container maintenance. These uses at the JIT Phase 2 area are consistent with the operation of the JIT Phase 2 facility. An Addendum was prepared for revisions to and the interim use of the JIT Phase 2 area for transload facilities and a Harbor Transportation Center project. The change order may cost approximately \$2,000,000.00 based on current bid prices for AC pavement. It was recommended that the Board adopt a resolution certifying that it has reviewed and considered the information contained in the JIT Project EIR and the Addendum; that the Addendum has been prepared in compliance with CEQA, the State CEQA Guidelines, and the Port CEQA Guidelines; that the Addendum adequately evaluates construction and operation of Harbor Transportation Center including transload facilities at the Phase 2 JIT area; and that the Board find it to be in the

best interest of the Port to dispense with standard bidding procedure for the work. It was also recommended that the Board authorize the negotiation and execution of a contract change order with the lowest proposing contractor currently under contract with the Port to perform paving or equivalent surfacing for unpaved portions of the JIT Phase 2 area that have been prepared under the JIT construction contract. The recommendation was approved on passage of Resolution No. 01309.

Approval of an Additional Supplemental Agreement with Jordan Woodman Dobson for Engineering Design Services for the Construction of Container Yard and Gate for Berths

55/56, Vision 2000 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 Jordan Woodman Dobson (JWD) to provide final design, including preparation of construction plans and specifications for the Berths 55/56 Marine Terminal Container Yard and associated buildings. The Board authorized a maximum compensation of \$4,000,000.00 with the provision for an additional amount of up to \$750,000.00 to be spent with the approval of the Executive Director for additional scope changes. On January 4, 2000, the Board authorized an additional \$780,500.00 to the maximum compensation for change-in-scope funds. The amount of maximum compensation authorized by the Board is \$5,530,500.00. The large number and complexity of contractor-generated Requests for Information (RFI) have resulted in more time being spent by JWD for analyses and recommendations and have nearly exhausted the approved Executive Director funds. An additional Supplemental Agreement is necessary to cover the costs of numerous unforeseen on-call support services during the construction of the Berths 55/56 Container Yard; the construction of the Marine Operations Building; the Administration Building; the Maintenance and Repair

Building; the Trouble Kiosk; the Guard House and the Marine Restroom. Other examples of the unforeseen on-call support services during construction include: review and recommendation of soil and paving stone issues; evaluation of construction tolerance and construction quality control issues; and review and recommendations on a much greater than anticipated number of Requests for Information, particularly regarding the construction of the buildings. It is estimated that \$322,000.00 is needed to complete the above work. It was recommended that the Board authorize the preparation and execution of an additional Supplemental Agreement for the additional \$322,000.00 with Jordan Woodman Dobson for design services, setting the total maximum compensation under the agreement at \$5,852,000.00. The recommendation was approved on passage of Resolution No. 01327.

Approval of First Supplemental Agreement with Parsons CMT, a Joint Venture, for Construction Management Services During Construction of Container Yard Phase 1B at Berths 55/56, Vision 2000 was the subject of a memo to the Board from the Director of Engineering notifying the Board of the agreement with Parsons CMT, a Joint Venture, to provide construction management services for the construction of container yard Phase 1B at Berths 55/56. Subsequent to the agreement with Parsons CMT, the scope of work was increased in four areas: management of the five instead of three general construction contracts, the original contract provided for the management of the Yard 1B and Administration/Maintenance and Repair Buildings construction projects, the Marine Operation Building, Marine Restroom and Guard House/Trouble Kiosk contracts were added; the period of Construction Management Services was extended by approximately five months; and management of two new major change orders, Construction of the Intermodal Gate and Placement of Port-Supplied Fill at Berth 30. The

increases in scope will total approximately \$360,000.00. It was recommended that the Board approve the execution of a First Supplemental Agreement with Parsons CMT, a Joint Venture, for Construction Management services covering the additional services. The recommendation was approved on passage of Resolution No. 01310.

Retention of Consultant to Provide Environmental Services to Facilitate Transfer and Cleanup of Army-Owned Lands and Associated Parcels at and in the Vicinity of the Army

Base was the subject of a memo to the Board from the Deputy Executive Director notifying the Board that previously the Board approved and authorized an agreement with the National Economic Research Association (NERA), a wholly owned subsidiary of Marsh USA, Inc. (Marsh) to provide professional services by Mark O'Brien to "facilitate an early transfer program to convey Army-owned lands at the Oakland Army Base to the Port of Oakland and City of Oakland". While the Board approved and authorized execution of the agreement and the services have in fact been provided by Mark O'Brien, the agreement has not been executed and no money has been paid to NERA/Marsh due to the inability of the Port and NERA/Marsh to agree upon the terms and conditions of the agreement especially with respect to insurance requirements. The Board's original approval of the above-referenced agreement was based on land use planning and assumptions set forth in the Oakland Base Reuse Authority" (OBRA) original Draft Final Reuse Plan (original Reuse Plan) dated July 27, 1998, for Oakland Army Base (OAB). Since the Board action, the Bay Conservation and Development Commission (BCDC) found the original Reuse Plan to be inconsistent with BCDC's San Francisco Bay and Seaport Plans and with the federal Coast Zone Management Act. To address this problem, the Port, OBRA and City worked cooperatively to "reconfigure" the original land use and parcelization strategy. Because of many

pre-existing conditions including the need for the Port to conditionally release its contract reversionary rights over Army-owned lands lying west of and including Maritime Street and the City's desire to implement an accompanying exchange of the State's public trust over certain tideland areas, the overall conveyance process for both the City and Port has become much more complicated. This change in approach and strategy requires an expansion of the consultant's original scope of work. Other related Port and OBRA Board actions now include a Port/OBRA Cost Sharing Agreement to split the expenditure of up to \$400,000.00 over the summer months to keep the OAB Early Transfer Program on track. The Board also approved a number of professional service agreements to provide environmental characterization, environmental documentation (CEQA) , and economic analysis to support conveyance of OAB to the Port and City and related actions subject to the Port and OBRA entering into a Cost Sharing Agreement for a portion of this work, the Board was advised that Port staff would return to the Board for further approval to amend the scopes for other professional services agreements. The scope of work delineated under the proposed professional services agreement with Environment Risk Services, Inc. (ERS) includes, but not limited to the following: Manage the FOSET program for AOB; lead the FOSET team and consultants; develop and manage conveyance schedule; coordinate with Senior Army officials, Governor's Office and state and federal regulators; lead environment-related community outreach; lead City/Port negotiations with Army and regulators; assisting in negotiation of ESCA, consent, and related agreements; advise on and evaluate environmental insurance strategies; review engineering cost to complete estimates; review and advise on remediation alternatives including Institutional Controls. The OBRA, City and Port staff are pleased with Mr. O'Brien's performance to date and mutually desire the continuation of his services on this program. The professional

environmental services to be provided by Mark O'Brien through ERS will cover both BRAC and non-BRAC work on Army-owned parcels, Army Reserve-owned parcels, Port-owned parcels and other associated parcels. The work does not include the actual cost to remediate the parcels, but is expected to extend to periods "during" the remediation period. It was recommended that the Board authorize and approve a Professional Services Agreement (PSA) with ERS, Inc. provided that the Port and OBRA execute the above-referenced Cost Sharing Agreement. The PSA would include a cap of \$250,000.00 for the first year. In addition, the PSA would also authorize the Executive Director to approve two one year extensions with caps of \$250,000.00 for each of the two years. The recommendation was approved on passage of Resolution No. 01311.

Authorization to Include the Construction of the Clerk/Cashier Building at Berths 57-59 Inner Harbor Channel, Vision 2000, in the Port's Small Business Program was the subject of a memo to the Board from the Director of Engineering recommending approval of the plans and project manual for the construction of the Clerk/Cashier Building at Berths 57-59, Inner Harbor Channel, Oakland, California, and authorization to advertise for bids with the project to be included in the Port's Small Business Program. The Clerk/Cashier Building will provide a facility, including a restroom, for the Berths 57-59 tenant to process both import and export cargo either entering or departing the terminal. The bidding documents are structured to allow prospective bidders to bid on either a single building or any combination of the three buildings. Initially, only bids from eligible, Port-certified Small Business Enterprises (SEBs) will be accepted. If one or more certified SBEs submit a bid that is acceptable to the Port, it is the Port's intention to award the contract under the SBE program. If no qualified bids are received from eligible SBEs, new bids will be solicited

from all qualified contractors. The recommendation was approved on passage of Resolution No. 01312.

Approval to Award Contracts to Ricondo & Associates, Inc. and Booz-Allen & Hamilton, Inc. to Update 2002 Feasibility Financial Projections 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 previously approved awarding feasibility study contracts to both Ricondo & Associates, Inc. and Booz-Allen & Hamilton, Inc. to prepare feasibility studies to support the issuance of the 2000 Port Revenue Bond issue. Continuing with these firms will take advantage of their prior knowledge and experience of the Port as well as being efficient and cost effective. Integral to the success of the Port's next Revenue Bond issues in late 2002 or early 2003 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 original statement and will allow the Port to market our bonds more effectively. Recondo will again serve as the lead consultant and complete the Aviation projections 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 & Associates, Inc. in an amount not to exceed \$200,000.00 including out-of-pocket expenses and Booz-Allen & Hamilton, Inc. in an amount not to exceed \$200,000.00 including out-of-pocket expenses. The recommendation was approved on passage of Resolution No. 01313.

Approval to Exercise and Extend Contract Options with Port's Financial Advisors, Fullerton & Friar, Inc. and Montague DeRose and Associates was the subject of a memo to the Board from the Chief Financial Officer notifying the Board that the two firms are the Port's current financial advisors, and provide the Port with a high level of service over the past several years. The

financial advisors will be providing the Port with services covering the development of a long-term strategic financial plan and financial and business analysis of major capital projects. The Board approved the current financial advisor contracts for two years plus two one-year extensions. The contract called for an annual retainer fee of \$120,000.00 split between the firms – 60% for Fullerton and 40% for Montague DeRose. Also included is a revenue bond fee of up to \$1.10/\$1,000.00 of bonds similarly split between the firms and expenses of \$20,000.00 per firm. It was recommended that the board authorize a new contract for three years (two original option years plus one), with the complexity and timing of the Port’s capital financing requirements, at an annual retainer fee of \$140,000.00 split 50/50 between the firms and a revenue bond fee of up to \$1.15/\$1,000.00 of bonds similarly split with expenses per firm of \$25,000.00. The recommendation was approved on passage of Resolution No. 01314.

Approval of a Second Supplemental Agreement with Franklin Covey was the subject of a memo to the Board from the Director of Administration notifying the Board of the Agreement between the Port and Franklin Covey to provide workshops on-site for Port employees. The workshops have been custom-tailored to support the Port’s mission, goals and objectives, with direct application to improving planning, efficiency, innovation and teamwork in day-to-day operations. Franklin Covey courses at the Port have received commendable evaluations, with an overwhelming majority rating them as “very good” to “excellent”. It was recommended that the Board approve a Second Agreement with Franklin Covey, up to a maximum of \$70,000.00 plus an additional \$25,000.00 for related services, additional participants and/or special courses to be authorized by the Executive Director for continuous workshops. The recommendation was approved on passage of Resolution No. 01315.

Approval of Professional Services Agreement with SM Consulting was the subject of a memo to the Board from the Director of Administration recommending approval to enter into a contract with SM Consulting (Santalynda Marrero, Ed.D.) for \$75,000.00. Since 1996, Dr. Marrero has provided on-going professional consulting services to the Port. Ms. Marrero is currently working with Port staff designing departmental training, providing coaching and conflict resolution and team building skills through out the Port organization. SM Consulting's scope of services includes: Conflict Resolution, Coaching and Interventions, Assessments, Training Design and Delivery, Organizational Development, Retreats, Special Projects for the Administration and Team Development. The recommendation was approved on passage of Resolution No. 01316.

Recommended Approval of Port of Oakland Disadvantaged Business Enterprise Program and FY 00-01 Federal Aviation Administration Goals & Methodology and Federal Highway Administration Goals & Methodology Reports was the subject of a memo to the Board from the Director of Equal Opportunity notifying the Board that the Port is a recipient of federal funds from the Department of Transportation for both construction and consulting projects. These funds are administered by the Port on behalf of the Federal Aviation Administration and the Federal Highway Administration/Caltrans. In the past, to be eligible to receive the federal funds, the Port developed and implemented a Disadvantaged Business Enterprise (DBE) Program that met the federal guidelines as set forth in 49 Code of Federal Regulations Part 23. In March of 1999, the Department of Transportation (DOT) set forth new regulations for federal recipients' DBE programs in 49 Code of Federal Regulations Part 26. Each recipient agency received instructions to revise their agency's DBE program for compliance with the new regulations, to be approved by one of the DOT agencies, such as FAA. The Office of Equal Opportunity revised its DBE Program in August 7, 2001

accordance with the new regulations and submitted it to FAA for approval. Once the FAA approved the Port's revised DBE program, the Office of Equal Opportunity then submitted reports for Fiscal Year 00-01 to FAA and FHWA/Caltrans, setting goals for projects funded by the respective agencies and advertised within their fiscal year. The Port has received approvals from both FAA and FHWA/Caltrans for its FY 00-01 Goals & Methodology Reports for construction and consulting projects that were advertised between October 1, 2000 and September 30, 2001 and it was recommended that the Board approve the revised DBE Program and the FY 00-01 Goals and Methodology Reports. The recommendation was approved on passage of Resolution No. 01317.

Personnel Items contained in a memo from the Director of Administration recommending approval to establish salary schedule 586.2 for the classification of General Manager, Maritime Operations. The recommendation was approved on passage of an ordinance to print.

Approval of an Extension of an Agreement with Kevin Harper CPA for Internal Audit Consulting Services was the subject of a memo to the Board from the Port Internal Auditor notifying the Board of the professional services agreement in the amount of \$300,000.00 with Kevin Harper CPA a sole practitioner doing business in the Local Business Area to provide internal audit consulting services. The current contract will expire on approximately August 15, 2001. It is anticipated that work finalizing all the audits in progress and allowing for some transition to the newly hired audit manager will take approximately an additional 80 to 90 hours of Mr. Harper's time. It was recommended that the Board authorize an increase in compensation of \$15,000.00 under the current contract so that the total compensation is an amount not to exceed \$315,000.00 including the present contract amount of \$300,000.00 to complete the audit. The recommendation was approved on passage of Resolution No. 01318.

Authorization to Include the Contracts for Furnishing Labor, Materials and Equipment for Emergency and Major Roof Repairs for Port of Oakland Facilities for the Period Commencing September 1, 2001, and Ending June 30, 2002, or 2003, in the Port's Small Business Program was the subject of a memo to the Board from the Director of Engineering recommending approval of the Project Manual for furnishing labor, materials and equipment for emergency and major roof repairs and authorization to advertise for bids. The work of this annual Contract consists of emergency roof repair, investigation and repairs of persistent leak problems, and replacement of identified sections of roof on selected Port buildings for the period indicated. To encourage small local contractor participation in this work, it was recommended that the Port dispense with standard bidding procedures and engage in an outreach program by soliciting bids from only small local contractors, SBEs, competing amongst themselves for one of the contracting opportunities. In addition, it is proposed that another contracting opportunity be given to a non-SBE, competing within their own non-SBE pool. The budget for the total work is estimated at \$140,000.00 per year. The recommendation was approved on passage of Resolution No. 01325.

Authorization to Include the Contracts for Furnishing Labor, Materials, and Equipment for General Building Contractor Services for Port of Oakland Facilities for the Period Commencing September 1, 2001, and Ending June 30, 2002, 2003, or 2004, in the Port's Small Business Program was the subject of a memo to the Board from the Director of Engineering recommending approval of the Project Manual for furnishing labor, materials, and equipment for General Building Contractor Services and authorization to advertise for bids. The work of this annual Contract consists, of furnishing both scheduled and on-call general construction

services for repairing, remodeling, and constructing building related improvements for the period indicated. It is believed to be in the best interest of the Port to execute a contract with more than one contractor, in case one contractor is busy during emergency situations. It is further believed to be in the best interests of the Port for one of those contractors to be a Small Business Enterprise (SBE) selected through the Port's Small Business Program. To encourage small local contractor participation in this work, it is recommended that the Port dispense with standard bidding procedures and engage in an outreach program by soliciting bids from only small local contractors, SBEs, competing amongst themselves for one of the contracting opportunities. In addition, it is proposed that another one or two contracting opportunities be given to non-SBEs, competing within their own non-SBE pool. The budget for the total work is estimated at \$500,000.00 per year. The contract value for the SBE contractor will be \$100,000.00 per year. The contract for each of the remaining two non-SBE contractors, if two non-SBEs are selected, will each be set at \$400,000.00 per year. The recommendation was approved on passage of Resolution No. 01326.

Travel Authorization contained in a memo to the Board from the Secretary of the Board recommending the travel of Joe Klein, Electrical/Mechanical Engineer, to Frankfurt, Germany, to attend and participate in manufacturing meetings with Siemens, producer of new switchgear for the Airport, on or about the period August 12 – 19, 2001. The recommendation was approved on passage of Resolution No. 01319.

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

“RESOLUTION NO. 01294

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

“RESOLUTION NO. 01295

APPROVING AND RATIFYING ISSUANCE OF CHANGE ORDER FOR CONTRACT WITH GALLAGHER & BURK, INC., FOR OVERLAY OF TAXIWAY B (BETWEEN RUNWAYS 27L AND 27R), NORTH FIELD, OAKLAND, CALIFORNIA.”

“RESOLUTION NO. 01296

ACKNOWLEDGING AND APPROVING FURTHER DEVELOPMENT OF THE OAKLAND INTERNATIONAL AIRPORT TERMINAL EXPANSION PROGRAM.”

“RESOLUTION NO. 01297

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

“RESOLUTION NO. 01298

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH THE LOCHARD CORPORATION FOR MAINTENANCE FOR THE OAKLAND INTERNATIONAL AIRPORT NOISE AND OPERATION MONITORING SYSTEM CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

“RESOLUTION NO. 01299

GRANTING CHEVRON PRODUCTS COMPANY, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01300

APPROVING PLANS AND SPECIFICATIONS OF ADDITIONAL RESTROOMS AT BUILDING M-103, PASSENGER LEVEL, SOUTH FIELD, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01301

APPROVING PLANS AND SPECIFICATIONS FOR CONSTRUCTION OF POWER INFRASTRUCTURE TO BUILDING L-815 AND RAC SITE B, NORTH FIELD, OAKLAND INTERNATIONAL AIRPORT, OAKLAND, CALIFORNIA, AND CALLING FOR BIDS THEREFOR.”

“RESOLUTION NO. 01302

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

“RESOLUITON NO. 01303

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH DINTER ENGINEERING 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. 01304

APPROVING THE SOLICITATION OF REQUEST FOR QUALIFICATION, PROPOSALS AND BID FOR THE ASSETS AND PRIVATE OPERATION OF THE PORT OWNED AND OPERATED MARINAS.”

“RESOLUTION NO. 01305

AUTHORIZING RENEWAL OF POTOMAC HULL AND MACHINERY, PROTECTION AND INDEMNITY, AND POLLUTION LIABILITY INSURANCE.”

“RESOLUTION NO. 01306

APPROVING AND AUTHORIZING EXECUTION OF A FIRST SUPPLEMENTAL AGREEMENT TO LICENSE AND CONCESSION AGREEMENT WITH MARINE TERMINALS CORPORATION (BURMA ROAD TERMINAL) FOR MODIFICATION OF COMPENSATION PROVISIONS AND USAGE OF ADJACENT BERTH 9 FACILITY.”

“RESOLUTION NO. 01307

APPROVING AND AUTHORIZING ADJUSTMENT OF CURRENT MAINTENANCE DREDGING CHARGES ASSESSED TRANSPACIFIC CONTAINER SERVICE CORPORATION (BERTH 30).”

“RESOLUTION NO. 01308

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR PURCHASE OF AGGREGATE BASE FOR THE BERTHS 57-59 TERMINAL PROJECTS WITHOUT COMPETITIVE BIDDING, AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 01309

CERTIFYING REVIEW AND CONSIDERATION OF ADDENDUM TO ENVIRONMENTAL IMPACT REPORT FOR JOINT INTERMODAL TERMINAL PROJECT, FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO CONTRACT FOR, PAVING OR EQUIVALENT SURFACING FOR UNPAVED PORTIONS OF THE JIT PHASE 2 AREA, OAKLAND OUTER HARBOR, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS.”

“RESOLUTION NO. 01310

FINDING AND DETERMINING THAT A PROPOSED FIRST SUPPLEMENTAL AGREEMENT WITH PARSONS CMT, A JOINT VENTURE, 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. 01311

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH ENVIRONMENT RISK SERVICES, INC. FOR PROFESSIONAL ENVIRONMENTAL SERVICES REGARDING THE OAKLAND ARMY BASE CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

“RESOLUTION NO. 01312

GRANTING AUTHORIZATION TO INCLUDE CONSTRUCTION OF THE CLERK/CASHIER BUILDING AT BERTHS 57-59, INNER HARBOR CHANNEL, VISION 2000, 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. 01313

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT 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. 01314

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

“RESOLUTION NO. 01315

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH FRANKLIN COVEY 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. 01316

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH 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. 01317

APPROVING THE PORT’S DISADVANTAGED BUSINESS ENTERPRISE POLICY AND PROGRAM DATED MARCH 22, 2001, FISCAL YEAR 2000-2001 REVISED OVERALL ANNUAL GOAL REPORT TO THE FEDERAL AVIATION ADMINISTRATION AND FISCAL YEAR 2000-2001 REVISED OVERALL ANNUAL GOAL REPORT TO THE FEDERAL HIGHWAY ADMINISTRATION/CALTRANS.”

“RESOLUTION NO. 01318

FINDING AND DETERMINING THAT A PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH KEVIN HARPER, CPA 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. 01319

CONCERNING CERTAIN TRAVEL.”

“RESOLUTION NO. 01320

GRANTING PACIFIC BELL WIRELESS, LLC, PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01321

GRANTING PEGASUS AVIATION, INC., PERMISSION TO PERFORM CERTAIN WORK.”

“RESOLUTION NO. 01322

RATIFYING, CONFIRMING AND APPROVING THE RETENTION OF WASHBURN, BRISCOE & MCCARTHY AS SPECIAL COUNSEL TO THE PORT ATTORNEY CONCERNING ENVIRONMENTAL MATTERS.”

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

Ayes: Commissioners Ayers-Johnson, Kramer, Protopappas,
Scates, Uribe and Vice President Kiang - 6

Noes: None

Absent: President Tagami - 1

“RESOLUTION NO. 01323

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

“RESOLUTION NO. 01324

FINDING AND DETERMINING THAT IT IS IN THE BEST INTEREST OF THE PORT TO SOLICIT DESIGN-BUILD PROPOSALS FOR CONSTRUCTION OF THE PARDEE PARKING LOT, OAKLAND AIRPORT BUSINESS PARK, OAKLAND, CALIFORNIA, WITHOUT COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF A CONTRACT FOR SUCH WORK BASED ON RECEIPT OF INFORMAL PROPOSALS FROM PRE-QUALIFIED CONTRACTORS.”

“RESOLUTION NO. 01325

GRANTING AUTHORIZATION TO INCLUDE CONTRACTS FOR FURNISHING LABOR, MATERIALS AND EQUIPMENT FOR EMERGENCY AND MAJOR ROOF REPAIRS FOR PORT OF OAKLAND FACILITIES FOR THE PERIOD COMMENCING SEPTEMBER 1, 2001 AND ENDING JUNE 30, 2002, OR 2003, OAKLAND, CALIFORNIA, IN THE SMALL BUSINESS PROGRAM, FINDING AND DETERMINING THAT 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. 01326

GRANTING AUTHORIZATION TO INCLUDE CONTRACTS FOR FURNISHING LABOR, MATERIALS AND EQUIPMENT FOR GENERAL BUILDING CONTRACTOR SERVICES FOR PORT OF OAKLAND FACILITIES FOR THE PERIOD COMMENCING SEPTEMBER 1, 2001 AND ENDING JUNE 30, 2002, OR 2003, OAKLAND, CALIFORNIA, IN THE SMALL BUSINESS PROGRAM, FINDING AND DETERMINING THAT 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.”

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,

Scates and President Tagami - 6

Noes: None

Abstained: Commissioner Uribe - 1

Absent: None

“RESOLUTION NO. 01327

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

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

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer,
Protopappas, Scates and Uribe - 6

Noes: President Tagami - 1

Absent: None

“RESOLUTION NO. 01328

FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH ABC SECURITY SERVICES FOR SECURITY GUARD SERVICES AT OAKLAND INTERNATIONAL AIRPORT CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING COMPETITIVE BIDDING AND AUTHORIZING EXECUTION OF SAID AGREEMENT.”

Port Ordinance No. 3653 being, “AN ORDINANCE APPROVING AND AUTHORIZING EXECUTION OF LEASE WITH UNICOLD CORPORATION,” was read a second time and passed by the following vote:

Ayers: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF LEASE WITH PACIFIC BELL WIRELESS LLP,” and Port Ordinance No. ____ being, “AN ORDINANCE AMENDING PORT ORDINANCE NO. 3634 ESTABLISHING A FEE FOR AIRLINE SELF-SERVICE CHECK-IN UNITS,” and Port Ordinance No. ____ being, “AN ORDINANCE APPROVING AN ADDENDUM TO THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED AIRPORT DEVELOPMENT PROGRAM METROPOLITAN OAKLAND INTERNATIONAL AIRPORT AND AMENDING SECTION 2.1 OF PORT ORDINANCE 2832, AS AMENDED, RELATING TO STANDARDS AND RESTRICTIONS REGULATING THE USE OF LAND AND THE DESIGN AND CONSTRUCTION STRUCTURES AND OTHER IMPROVEMENTS IN THE OAKLAND AIRPORT BUSINESS PARK,” and Port Ordinance No. ____ being, AN ORDINANCE AMENDING SECTION 11.001 OF PORT ORDINANCE NO. 867,” were read a first time and passed to print by the following vote:

Ayes: Commissioners Ayers-Johnson, Kiang, Kramer, Protopappas,
Scates, Uribe and President Tagami - 7

Noes: None

Absent: None

At the hour of 6:18 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: 4 matters; conference with real property negotiator, (Government Code August 7, 2001

Section 54956.8) property – Oakland Army Base, negotiating parties – Port, Oakland Base Reuse Authority, City of Oakland, Oakland Redevelopment Agency, under negotiation – price and terms of payment, and property – Marina RFP, negotiating parties – Port of Oakland, under negotiation – price and terms of payment; conference with labor negotiator, agency negotiator – Robert Martinez, employee organization – Western Council of Engineers; conference with legal counsel – existing litigation, pursuant to subdivision (a) of Section 54956.9, name of case: City of Alameda, et al. v. United States Department of Transportation, et al. United States Court of Appeals Case No. 01-70169; and reconvened in open session at the hour of 6:39 p.m.

At the hour of 6:40 p.m. the meeting was adjourned on an motion duly made and seconded.

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

Secretary of the Board