AGENDA

Special Meeting of the Board of Port Commissioners
Thursday January 24, 2013 – 1:00 p.m.
Board Room – 2nd Floor

ROLL CALL

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

1. CLOSED SESSION

CLOSED SESSION DISCUSSION AND MATERIALS
MAY NOT BE DISCLOSED TO UNAUTHORIZED PERSONS

Under Government Code Section 54963.
(a) A person may not disclose confidential information that has been acquired by being present in a closed session to a person not entitled to receive it, unless the Board authorizes disclosure of that confidential information.
(b) "Confidential information" means a communication made in a closed session that is specifically related to the basis for the Board to meet lawfully in closed session under this chapter.
(c) Violation of the confidentiality requirement is cause for the Board or the Port to take remedial action as are currently available by law, including, but not limited to:

(1) Injunctive relief to prevent the disclosure of confidential information prohibited by this section.
(2) Disciplinary action against an employee who has willfully disclosed confidential information in violation of this section.
(3) Referral of a member of the Board who has willfully disclosed confidential information in violation of this section to the grand jury.

1.1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION. Pursuant to Subdivision (a) of California Government Code Section 54956.9.

SSA Terminals, LLC and SSA Terminals (Oakland), LLC v. the City of Oakland, Acting by and Through its Board of Port Commissioners Docket No. 09-08
1.2 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION. Significant Exposure to Litigation Pursuant to Subdivision (b) of California Government Code Section 54956.9: 1 matter

1.3 PUBLIC EMPLOYEE APPOINTMENT

Title: Executive Director

1.4 CONFERENCE WITH REAL PROPERTY NEGOTIATOR - As provided under California Government Code Section 54956.8:

Property: Former Oakland Army Base – Buildings 803-808 and Adjacent Yards


Agency Negotiator: Acting Director of Maritime, Deputy Executive Director, Jean Banker

Under Negotiation: Price and Terms of Tenancy

1.5 CONFERENCE WITH LABOR NEGOTIATORS. Pursuant to Subdivision (a) of California Government Code Section 54957.6.

Employee: International Brotherhood of Electrical Workers (IBEW Local Organizations: 1245),

1.6 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Secretary of the Board

ROLL CALL/OPEN SESSION (approximately 3:00 p.m.)

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

CLOSED SESSION REPORT

The Port Attorney or Board Secretary will report on any final actions taken in Closed Session.

2. MAJOR PROJECTS

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

2.1 Budget Approval and Other Related Authorizations for the South Field Runway Safety Area (RSA) Project, Oakland International Airport (Aviation)
2.2 **Report:** Summary Recap of the Port’s Oracle ERP Implementation Project and Status Update (Information Technologies)

3. **BUDGET & FINANCE**

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

4. **STRATEGY & POLICY**

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

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

   4.2 **Report:** Finalized Team Reports on Four Key Governance Issues from January 11th Workshop

   4.3 **Report:** Resolution Authorizing the Port of Oakland to Implement a Vesting Schedule for Employees in Units A and B (Service Employees International Union, Local 1021) and Unit F (International Brotherhood of Electrical Workers, Local 1245) hired on or after the effective date of the resolution (Administration)

   **Note:** This Item is informational only and does not require action by the Board at this meeting. In order to provide additional opportunity for public comment, Item 4.3 will be brought to the Board for adoption at the Regular Board Meeting of February 14, 2013.

5. **CONSENT ITEMS**

   *Action by the Board under “Consent Items” means that all matters listed below have been summarized and will be adopted by one motion and appropriate vote. Consent Items may be removed for further discussion by the Board at the request of any member of the Board.*

   5.1 Approval of the Minutes of the Regular Meetings of January 10, 2012 and the Special Meeting of January 11, 2012. *(Board Secretary)*

   5.2 Authorization to 1) Accept FY12 Department of Homeland Security/Federal Emergency Management Agency Port Security Grant Program Funding, 2) Authorize the Executive Director to Take All Actions Necessary to Implement the Approved Security Projects, and 3) Authorization to Reprogram Residual California Proposition 1B Port Security Grant Funding *(Maritime)*

   5.3 Authorization for Executive Director to Extend an Existing Right of Entry and Indemnity Agreement with San Francisco Bay Area Rapid Transit District (BART) for Seismic Retrofit improvements to the BART Column Structure at 7th and Maritime Streets. *(Maritime)*
5.4 Approval of Right of Entry and Easement Agreements for the Construction, Operation and Maintenance of Improvements to Embarcadero Bridge in Oakland California (CRE)

5.5 Ordinance Number 4217, Second Reading of an Ordinance Amending Port Ordinance No. 867 Ratifying And Setting The Compensation Of Certain Employees Of The Port Department Belonging To Employee Representation Unit H.

6. REMAINING ACTION ITEMS

Remaining Action Items are items not previously addressed in this Agenda that may require staff presentation and/or discussion and information prior to action by the Board.

7. UPDATES/ANNOUNCEMENTS

The President, Members of the Board and the Executive Director will report on noteworthy events occurring since the last Board Meeting.

8. SCHEDULING

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

8.1 Resolution Adopting A Schedule For Regular Meetings of the Board of Port Commissioners for the Calendar Year 2013 (Board Secretary)

OPEN FORUM

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

ADJOURNMENT

The next Regular Meeting of the Board will be held on February 14th at 1:00 PM
PUBLIC PARTICIPATION

Disability Related Modifications
Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting, may submit a written request, electronic request, or telephone request [via the California Relay Service (telephone) for the hearing impaired at (800) 735-2922], to the Secretary of the Board no later than five working days prior to the scheduled meeting date.

John Betterton, Secretary of the Board
530 Water Street, Oakland, CA 94607
jbetterton@portoakland.com
(510) 627-1696

Language & Interpretive Services
As a grantee of federal aid grant funds from the US Department of Transportation, the Port is responsible for ensuring equal access to its programs, services, and benefits. To request bilingual interpreters or materials in alternate formats, please contact the Assistant Secretary of the Board no later than five working days prior to the scheduled meeting date.

Daria Edgerly, Assistant Secretary of the Board
530 Water Street, Oakland, CA 94607
dedgerly@portoakland.com
(510) 627-1337

Scented Products
Please refrain from wearing scented products to this meeting so attendees who experience chemical sensitivities may attend.

To Speak on an Agenda Item
You may speak on any item appearing on the Agenda. Please fill out a Speaker’s Card and give it to the Board Secretary before the start of the meeting or immediately after conclusion of Closed Session. Cards received after the start of the meeting will be treated as a single request to speak in Open Forum. All speakers will be allotted a minimum of one minute.

Agenda & Related Materials
Should you have questions or concerns regarding this Agenda, or wish to review any of the Agenda Related Materials, please contact the Board Secretary, John Betterton, at (510) 627-1696, or visit our web page at www.portoakland.com

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

This segment of the meeting is reserved for action and discussions regarding the status of Major Projects and issues of special importance.
AGENDA REPORT

TITLE: Budget Approval and Other Related Authorizations for the South Field Runway Safety Area (RSA) Project, Oakland International Airport

AMOUNT: Capital Budget Authorization: $39.7 million

PARTIES INVOLVED:

<table>
<thead>
<tr>
<th>Corporate Name/Principal</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>URS Corporation Americas</td>
<td>Oakland, CA</td>
</tr>
<tr>
<td>Marty Czarnecki, Senior Vice President</td>
<td></td>
</tr>
<tr>
<td>Federal Aviation Administration (FAA)</td>
<td>Brisbane, CA and Seattle, WA</td>
</tr>
<tr>
<td>Construction Contractor</td>
<td>To be determined</td>
</tr>
</tbody>
</table>

TYPE OF ACTION: Resolution

SUBMITTED BY: Kristi McKenney, Acting Director of Aviation
              Chris Chan, Director of Engineering

SCHEDULED FOR BOARD: January 24, 2013

APPROVED BY: Deborah Ale Flint, Acting Executive Director

SUMMARY

The purpose of this Agenda Report is to outline and recommend to the Board of Port Commissioners (Board) several actions associated with continued implementation of the ongoing Runway Safety Area (RSA) Project at Oakland International Airport (OAK), approximately 80% of which is expected to be funded by Federal Aviation Administration (FAA) Airport Improvement Program (AIP) existing and future grants. Port staff has brought several previous requests and approvals before the Board for planning, environmental, design and construction management work. The RSA Project is shown within the current 5-year Capital Needs Assessment (CNA) with an estimated budget of $102.6 million going forward.

Consistent with the Board’s prior approvals, Port staff is seeking project budget authorization to construct the RSA project for OAK’s South Field (Runway 11/29). Specifically, the eight (8) Board actions requested in this Agenda Report are to:

1. Authorize additional budget of $39.7 million for South Field RSA construction;
2. Authorize the Director of Engineering to approve the Plans and Project Manual;
3. Authorize the Executive Director to advertise for bids;
4. Authorize the Executive Director to award the contract for RSA South Field construction to the lowest responsible responsive bidder in the amount not to exceed $28 million;
5. Approve the Second Supplemental Agreement with URS Corporation and authorize the increase of URS Corporation’s contract by an amount not to exceed $1.8 million for construction management services;
6. Authorize the Executive Director to enter into Reimbursable Agreement(s) with the FAA for construction of navigational aids (NAVAIDS), and oversight of RSA construction in the amount not to exceed $100,000;
7. Authorize the Executive Director to resolve any bid protests in accordance with Port Ordinance No. 1606; and
8. Authorize the submission and acceptance of FAA AIP grants for all eligible work not currently covered by existing grants for an amount not to exceed $20 million.

FACTUAL BACKGROUND

The ongoing RSA Project at OAK is a Congressionally-mandated aviation safety project and is one of the implementing actions in the Port Strategic Plan. Congress mandated (Public Law [PL] 109-115) that all Part 139-certificated airports (which includes OAK) must improve RSAs to meet FAA standards by December 31, 2015. While no specific penalties are included in the law, non-compliance could jeopardize future federal funding and operating authority at OAK. The approvals requested in this Agenda Report are critical to meeting the Port’s schedule to break ground on the Runway 11-29 RSA improvements by April 2013 in order to meet the grant required deadline for all of OAK’s runways.

The RSA Project is comprised of several interrelated major tasks that must be accomplished in collaboration with FAA, regulatory agencies, and other stakeholders. Major tasks that have been completed include planning; environmental review under the National Environmental Policy Act (“NEPA”, August 2012) and the California Environmental Quality Act (“CEQA”, September 2012), and design of the South Field (Runway 11/29) RSA improvements. The design process included extensive stakeholder engagement and input. Regulatory permitting, including the provision for mitigation for impacts to wetlands and endangered species habitat is substantially complete with the Port awaiting final permits from various agencies. The next step in the RSA Program is construction of South Field RSA improvements and associated FAA NAVAIDS work. In final design of the North Field RSA elements will begin in summer of 2013 and construction of the North Field RSA improvements will begin after completion of Runway 11-29 and will be subject to future Board approvals.

As reported to the Board during previous meetings, in order to complete the project the Port must obtain several regulatory permits and purchase credits for off-site mitigation for impacts to wetlands and endangered species habitat. Purchase of an option agreement for wetlands mitigation credits, and funding of separate off-site mitigation for endangered
species habitat, were approved by the Board on March 15, 2012 and have been executed by staff. During this same meeting, the Board approved contracts for North and South Field RSA final design and construction management.

On June 21, 2012, the Board authorized the Port to enter a Reimbursable Agreement with the FAA for construction and testing of FAA NAVAIDs in an amount not to exceed $2.8 million, and authorized Port staff to apply for and accept AIP funding to pay for approximately 80% of those costs.

**Scope of Work**

In general, the scope of work consists of displacing the threshold at Runway 29 by 115' and relocating the threshold of Runway 11 by 525' to create compliant RSAs; constructing new temporary and permanent taxiway connectors; installing new airfield markings and signage for the taxiway connector system and magnetic variation (MAGVAR) changes to Runways 11-29, 9R-27L and 9L-27R\(^1\), and conducting extensive infrastructure work for airfield lighting, power, and NAVAIDs. Through the use of declared distances, Runway 11-29 will retain an effective length of 10,000 feet in both directions.

To minimize operational impacts of construction, a detailed construction phasing plan was developed in collaboration with airlines, fixed-base operators, and the FAA during operational impact reviews and the collaborative Safety Risk Management (SRM) process. This process identifies, evaluates, and mitigates hazards during design. OAK is

\(^1\) The FAA establishes runway names based on the magnetic heading of each end. Since the magnetic fields surrounding the earth are constantly changing, runways may need to be re-named over time to correct for magnetic variation. All of the runways at OAK, except for Runway 15/33, are currently out of FAA specifications and require re-naming. This effort will be combined with the RSA project improvements.
the first airport in the Western-Pacific Region to complete an airport-lead SRM in conjunction with the FAA Airports Division.

To reduce operational impacts and provide maximum flexibility to the airlines, the following design elements have been included in the project:

1. Near-elimination of runway closures for RSA construction outside the currently-scheduled early Monday morning maintenance window
2. Elimination of back-taxi operations to achieve maximum runway takeoff distance
3. Greater runway lengths during construction
4. Construction of a temporary ILS glide-slope to provide nearly uninterrupted instrument procedure capability
5. A two-season (16 month) construction window to complete the South Field construction activities

**Small Business Enterprise (SBE) Set asides**

In an effort to achieve greater inclusion of small contractors on large federally-funded contracts and in order to comply with U.S. Department of Transportation’s (DOT) guidelines for incorporating a small business element within its Disadvantaged Business Enterprise (DBE) programs, the Port is implementing a pilot program to prequalify firms for set-aside work elements.

Port staff implemented global and specific outreach efforts to prequalify small businesses. The consulting firm A Squared Ventures was retained to assist with this effort which included targeted emails and advertising of the aforementioned small business set aside RSA opportunities. An extensive database of Port certified small/local businesses, City of Oakland, Community Based Organizations, California Unified Certification Program and California Department of General Services Small and Micro Businesses was created for specific outreach (over 2,100 contacts). The outreach effort resulted in over 50 individuals representing 47 firms, attending the Small Subcontractor Outreach and Information Meeting conducted on November 29, 2012. At the meeting, Port staff and A-Squared Ventures provided an overview of the SBE-DBE Pilot Program, RSA project and Small Business set aside, and detailed prequalification package information.

A total of 19 firms submitted applications to be considered for the pilot program. Of these submittals, only 9 were complete as many of the firms did not provide the required documentation to demonstrate small-business status. Of the 9 complete applications, only two firms indicated they could perform all the components of a bid item, the other firms indicated they could perform only a portion of an item.

The overall small-business response did not produce an adequate pool of qualified firms to proceed as originally envisioned. The challenges for small business fell into two major categories: 1) some firms did not possess the requisite experience or license to provide all the services requested in a single subcontractor package; and, 2) firms were not able to provide audited or reviewed financial documentation that met the Port’s minimum standards. Port staff will continue working with the small business community to refine our bids and financial documentation requirements to enable a greater number of firms to
qualify. Specifically, Port staff is working with A Squared Ventures to conduct follow-up workshops with the small business subcontracting community to address the financial documentation and subcontractor package issues.

Port staff plans to continue this pilot program for the North Field component of the RSA program which is expected to go out for bids within approximately 18 months. With this additional time and further outreach to the small business community, the pilot program will have a greater chance of producing an adequate pool of qualified firms for specified bid packages.

**ANALYSIS**

**Action Item 1: South Field RSA Project Budget**

The South Field RSA project cost is estimated at $57.4 million, including additional authority sought and described, herein. To move the project into construction, Port staff is requesting the Board increase the South Field RSA budget by $39.7 million for construction of the project. Amounts previously approved by the Board, include North and South Field RSA authorizations for planning, environmental, design and construction management costs.

<table>
<thead>
<tr>
<th>Element</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental and Preliminary Design NF/SF</td>
<td>$11,013</td>
</tr>
<tr>
<td>Final Design NF/SF</td>
<td>9,371</td>
</tr>
<tr>
<td>Construction of South Field</td>
<td>46,660</td>
</tr>
<tr>
<td>Construction of North Field</td>
<td>48,841</td>
</tr>
<tr>
<td>Total</td>
<td>$115,885</td>
</tr>
</tbody>
</table>

**Action Items 2 through 4: South Field RSA Construction Phase**

Port staff recommends that the Board authorize the Director of Engineering to approve the Final Plans and Project Manual. The final Plans and Project Manual will also require approval by the FAA prior to solicitation for bids. It is anticipated that construction would start in April 2013. In addition, staff is requesting authorization for the Executive Director to advertise for bids and to award the contract to the lowest responsible responsive bidder in an amount not to exceed $28 million.

**Action Item No. 5: Supplemental budget for construction management services**

Additional project budget is sought for Port staff and its consultants to accommodate the collaborative decision of construct over two seasons to reduce risk and minimize
operational impacts. Port staff and consultants will need to coordinate and manage the construction phase. Construction management is key to the success of this project due to the complex nature of construction on our main air carrier runway with potential for substantial operational impacts.

The initial URS contract for design and construction management contract was negotiated at $5,132,085, of which $2,760,833 and $2,371,252 were allocated for design and construction management services, respectively. Subsequently, the URS contract was increased $909,737 to $6,041,822 through the First Supplemental Agreement covering design-related scope changes. The negotiated fee of $6,041,822 includes construction management service originally assumed to cover one construction season. Authority is sought to approve the Second Supplemental Agreement with URS Corporation to provide additional construction management services, covering two construction seasons, in an amount not to exceed $1.8 million for an overall contract design and construction management amount not to exceed $7,841,822.

If authorized by the Board, Port staff will seek AIP funding to pay for approximately 80% of the Port staff and consultant costs for the approximately 16 month construction phase, estimated at $2.6 million ($1.8 million for consultant costs and $808,000 for Port staff) as shown in TABLE 2 in the Budget and Financial Impact section.

Action Item No. 6: Reimbursable Agreement with the FAA for navigational aids (NAVAIDS)

As noted above, the FAA will construct NAVAIDS as part of the RSA Project. These systems are proprietary to the FAA and will be owned and maintained by the FAA at the conclusion of construction. This will be the third Reimbursable Agreement with the FAA, with this one focused on the acquisition of NAVAID equipment and construction services for the commissioning of a temporary Instrument Landing System (ILS) glide slope system. These necessary NAVAID improvements were not known at the time of the last Reimbursable Agreement. Port staff recommends authorizing the Executive Director to enter into a Reimbursable Agreement for an amount not to exceed $100,000.

Action Item No. 7: Resolve Bid Protests

Bids are expected to be opened on February 28, 2013. Authority is sought for the Executive Director to resolve bid protests in accordance with Port Ordinance No. 1606.

Action Item No. 8: Authority to apply for and accept AIP Grant application(s)

Port staff requests authorization to apply for and accept AIP grants to fund approximately 80% of items one through six described above: Reimbursable Agreement with FAA; additional budget for Port staff and consultant costs; and construction costs.

Existing AIP grant awards for RSA South Field Construction are shown in the Budget and Financial Impact section of this Agenda Report. Port staff request authorization for
the Executive Director to request and accept AIP grant(s) for all additional eligible RSA project costs for an amount not to exceed $20 million.

**STRATEGIC PLAN**

The RSA Project as a whole, and the projects recommended in this Agenda Report, help the Port achieve the following Strategic Plan Goals and Objectives:

<table>
<thead>
<tr>
<th>STRATEGIC PRIORITY AREAS</th>
<th>GOAL</th>
<th>OBJECTIVE</th>
<th>HOW PROJECT IMPLEMENTS</th>
<th>WHEN PROJECT IMPLEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Economic and Business Development</td>
<td>Goal A: Create Sustainable Economic Growth for the Port and Beyond</td>
<td>1. Maximize the use of existing assets.</td>
<td>The RSA Project ensures continued airfield compliance of existing runways with FAA safety standards. Failure to implement this project poses unknown risks to the FAA certification of OAK.</td>
<td>South Field slated for construction in spring 2013, North Field in 2014 and 2015.</td>
</tr>
<tr>
<td></td>
<td>3. Increase revenue, job creation and small business growth.</td>
<td>Overall project expected to generate approximately $102 million in expenditures. Pilot small business set-aside program was will be tested.</td>
<td>At construction contract award - 2013</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Goal B: Maintain And Aggressively Grow Core Businesses</td>
<td>1. Retain existing customers and tenants.</td>
<td>The RSA Project is necessary to continue to operate existing tenant-serving airfield facilities within the airport complex.</td>
<td>Throughout design and construction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Price Port services to provide a highly competitive value.</td>
<td>The necessary RSA airfield improvements will be leveraged with federal grants to the extent possible, thereby reducing airline rates and changes costs.</td>
<td>Throughout design, construction and ongoing facility operations</td>
</tr>
<tr>
<td>STRATEGIC PRIORITY AREAS</td>
<td>GOAL</td>
<td>OBJECTIVE</td>
<td>HOW PROJECT IMPLEMENTS</td>
<td>WHEN PROJECT IMPLEMENTS</td>
</tr>
<tr>
<td>--------------------------</td>
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<td>-------------------------</td>
</tr>
<tr>
<td>Sustainable Economic and Business Development</td>
<td>Goal C: Promote Equitable Community Access to Employment and Business Opportunities</td>
<td>2. Conduct comprehensive communication and outreach to stakeholders and strategic partners to improve workforce and small business opportunities.</td>
<td>Pilot small business set aside program will be launched and tested with this project.</td>
<td>Throughout design and construction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Integrate workforce mandates into all Port agreements, policies and processes at the front end.</td>
<td>The RSA Project will ultimately include an estimated $102 million of spending in the region. No project specific goals are established.</td>
<td>Throughout design and construction</td>
</tr>
<tr>
<td>Stewardship and Accountability</td>
<td>Goal F: Obtain Maximum External Grants and Government Funding</td>
<td>2. Partner with other agencies to create joint grant strategies.</td>
<td>The RSA Project is a top priority of the FAA and the Port has worked closely with the Agency to obtain federal grants for 80% of project costs.</td>
<td>Throughout design and construction</td>
</tr>
<tr>
<td></td>
<td>Goal G: Sustain Healthy Communities Through Leading Edge Environmental Stewardship</td>
<td>4. Continue to provide quality public access and open space at a financially-sustainable level.</td>
<td>RSA Project will relocate inaccessible fragmented wetlands on Airport property with contiguous high-value off-site mitigation that will be available to the public.</td>
<td>Beginning in 2013</td>
</tr>
</tbody>
</table>

**BUDGET & FINANCIAL IMPACT**

South Field RSA construction costs have been included in the Port’s proposed 5-year CNA as part of the overall RSA Project and consequently, have been included in the
Port’s financial planning forecast. Total budgeted funding in the current CNA is $102 million of which approximately $57 million is proposed for South Field. Future Board approvals will be required for implementation of the North Field portion of the RSA project and future CNAs will be updated if changes to costs estimates for future work are needed.

The estimated expenditure schedule for South Field RSA is shown TABLE 1:

<table>
<thead>
<tr>
<th>Field</th>
<th>FY 12-13</th>
<th>FY 13-14</th>
<th>FY 14-15</th>
<th>FY 15-16</th>
<th>Total Needs</th>
<th>Board Approved</th>
<th>Current Ask</th>
<th>Total for Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>South</td>
<td>$14,066</td>
<td>$31,724</td>
<td>$11,595</td>
<td>$ -</td>
<td>$57,385</td>
<td>$17,680</td>
<td>$39,706</td>
<td>$57,385</td>
</tr>
</tbody>
</table>

*Note: Final design spending immediately prior to FY 2013 amounts to approximately $1 million for consultant and Port Staff costs. This prior spending is included in the amount shown above.

For the actions recommended in this Agenda Report, Port staff is requesting a total South Field RSA budget of $57.4 million based on the current engineer’s estimate. Of this amount $17.7 million is already approved requiring $39.7 million in new authorizations.

The RSA Program is being funded approximately 80% from federal AIP grants. The remaining 20% (local Port share) is anticipated to be funded with Port cash. However, to the extent cash is unavailable; the Port share would be funded with Port debt. Port share costs are 100% Airline Rates and Charges eligible. These costs are also Passenger Facility Charge (PFC) eligible and could be reimbursed by a future PFC approval if determined in the Port’s best interest.

Since the last Board approval on September 6, 2012, Port Staff have been aggressively pursuing AIP grants to cover the majority of these costs. These efforts have been successful and the Port now is in possession of grants covering $40.12 million of project costs with $37.6 million allocated for South Field construction and environmental mitigation.

These grants in-hand are critical to provide the Port funding during the first season of construction. Additional grants will be sought in this year’s grant cycle (Summer 2013) for the remaining South Field construction costs based on actual bids received.

Port staff has been working closely with our stakeholders and the FAA to value engineer the South Field construction program to keep costs reasonable. The overall RSA project costs have been estimated to be approximately $100 - $110 million for both North and South Field final design and construction elements of the project. The FAA has indicated that approximately $100 million in AIP discretionary funds will be provided for the project, however future grants are always dependent on future congressional authorizations. Depending on final actual costs and actual grants received the Port may apply future AIP entitlement grants to cover any gap in AIP discretionary funding. Based on current FAA estimates of available discretionary grant funding it is estimated that up to $7 million may
be funded through future entitlement grants. These costs would also be eligible for PFC funding or Port cash reimbursed by airline Rates and Charges funding.

The budget and grant authority in the current request is summarized in TABLE 2.

TABLE 2
Budget and Grant Authority Requests for RSA South Field Construction ($000s)

<table>
<thead>
<tr>
<th>Item</th>
<th>Budget Not-to-Exceed</th>
<th>Amount Previously Approved</th>
<th>Notes:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractor Cost 1</td>
<td>32,044</td>
<td>3,050</td>
<td>FAA RA #1&amp;2</td>
</tr>
<tr>
<td>Consultant Cost 2</td>
<td>8,251</td>
<td>6,050</td>
<td>South Field Final Design &amp; CM</td>
</tr>
<tr>
<td>Port Labor and Labor Overhead Cost</td>
<td>5,297</td>
<td>3,025</td>
<td>Port Oversight</td>
</tr>
<tr>
<td>Wetland and Species Mitigation Cost</td>
<td>5,555</td>
<td>5,555</td>
<td>Mitigation agreements executed</td>
</tr>
<tr>
<td>Project Overhead 3</td>
<td>2,874</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Other 4</td>
<td>3,265</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>FAA RA Agreement #3</td>
<td>100</td>
<td>0</td>
<td>NAVAID construction of temp. ILS: 6/21/12</td>
</tr>
<tr>
<td>Total</td>
<td>$57,386</td>
<td>$17,680</td>
<td></td>
</tr>
</tbody>
</table>

Note: Other than the contractor bid, the figures presented are based on estimates. Staff recommends that the total amount shown be adhered to, but that there be flexibility within the items in terms of balancing overages with under-runs.

1 Includes the contractor bid, a 10% change order allowance per Port Ordinance 1606, and other miscellaneous costs.
2 Includes Consultant non-labor overhead.
3 Includes permit fees, OCIP, non-labor overhead.
4 Includes FAA Reimbursable Agreement for design review, equipment, and construction support.

STAFFING IMPACT

It is anticipated that the work described in this Agenda Report can be accomplished with a combination of consultant and Port staffing.

SUSTAINABILITY

Port staff anticipates opportunities for implementing energy efficient measures with respect to the design of the project. These measures will include demolition materials reuse, and use of materials with recycled content. In addition, any excess clean material (i.e. asphalt/concrete waste) generated from the paving activities will be transported and disposed of at the airport’s Materials Management Program (MMP) Site to be re-used for future projects.
The wetland and species mitigation options recommended in this report, present the most efficient long-term alternatives for the Port to meet its environmental mitigation requirements. These options will minimize future Port resource needs for long-term monitoring and maintenance of the environmental mitigation.

**ENVIRONMENTAL**

CEQA Determination: As authorized by the Board of Port Commissioners, the Port’s Executive Director approved the Initial Study/Mitigated Negative Declaration at a special public hearing for the RSA project on September 7, 2012. A Notice of Decision was circulated for 14 days, and the decision became final on September 21, 2012. Following this, a Notice of Determination was filed with the Alameda County’s Recorder’s office.

NEPA Determination: Due to the use of federal funds, the Port prepared an Environmental Assessment in coordination with the FAA. The Final Environmental Assessment and associated Finding of No Significant Impact/Record of Decision was signed by the FAA on August 17, 2012. Furthermore, the Army Corps of Engineers (ACOE) was a cooperating agency.

Permits: This project requires permits from the ACOE, the SF Bay Regional Water Quality Control Board, the SF Bay Conservation and Development Commission (BCDC); and formal consultation with the U.S. Fish and Wildlife Service (USFWS). A Biological Opinion was issued by the USFWS on June 29, 2012. Port staff submitted a Section 404 Clean Water Act permit application to the ACOE in March 2012. A Public Notice was prepared and posted by the ACOE, and one comment was received from the USEPA. Port staff responded to USEPA’s comments to the satisfaction of the ACOE. Port staff submitted a Section 401 Clean Water Act water quality certification application to the RWQCB staff in August 2012. RWQCB staff posted the application for public comment, and one letter was received from San Francisco Baykeeper (Baykeeper). Port staff responded to Baykeeper's comments to the satisfaction of the RWQCB staff. In September 2012, BCDC staff agreed in writing that the minor RSA work within their jurisdiction is covered by BCDC’s Permit No. M1989.075 for shoreline maintenance. Port staff anticipates that the ACOE and RWQCB Clean Water Act permits will be received in early 2013 (prior to issuance of the contractor’s notice to proceed).

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

The provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) apply to the RSA construction project funded by the FAA, an agency of the U.S. Department of Transportation (DOT), with the following exception: For the purposes of DOT funded projects, the provisions of MAPLA permitting the possible imposition of sanctions and/or binding arbitration for failure to demonstrate “good faith” efforts to meet local hiring goals do not apply.

Regarding approval of the Second Supplement Agreement with URS Corporation, this contract is for professional services that do not include construction testing and inspection; and, therefore, the provisions of the MAPLA do not apply to this work.
Regarding acceptance of federal grant funds and authorization of a Reimbursable Agreement with the FAA, these matters are not within the scope of the MAPLA, and the provisions of the MAPLA do not apply.

**OWNER CONTROLLED INSURANCE PROGRAM (OCIP)**

As the project and scope is funded under the CIP, the applicable Owner Controlled Insurance Program (OCIP) coverages and provisions apply to the construction phase and the Professional Liability Insurance Program (PLIP) coverages and provisions apply to the design and construction management phases.

**GENERAL PLAN**

Pursuant to Section 727 of the City of Oakland Charter, the RSA project authorized by the actions recommended herein has been determined to conform to the policies for the transportation designation of the Oakland General Plan.

**LIVING WAGE**

Living wage requirements, in accordance with the Port’s Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the “Living Wage Regulations”), do not apply to the construction portion of this report, because the contract is a construction contract covered by the federal prevailing wage rules and the prevailing rate of wage is higher than the wage required by the Living Wage Regulations. However, living wage requirements will apply to the construction management services if the service provider employs 21 or more employees working on Port-related work.

**OPTIONS**

1. Approve all budget items and authorize plans and specs and acceptance of bids, and approve the reimbursable agreement with FAA for RSA construction and AIP funding for all of the above as well as for construction costs.

2. Do not proceed with the project work requested in this Agenda Report. This is not recommended because the RSA Project is required to be completed by December 31, 2015 per Public Law (PL) 109-115.

3. Approve part of the recommended budget items, plans and specs, and acceptance of bids.

**RECOMMENDATIONS**

It is recommended that the Board adopt a resolution to:
1. Authorize additional budget of $39.7 million for South Field RSA construction;

2. Authorize the Director of Engineering to approve the Plans and Project Manual;
3. Authorize the Executive Director to advertise for bids;
4. Authorize the Executive Director to award the contract for RSA South Field construction to the lowest responsible responsive bidder in the amount not to exceed $28 million;
5. Approve the Second Supplement Agreement with URS Corporation and authorize the increase of URS Corporation’s contract by an amount not to exceed $1.8 million for construction management services;
6. Authorize the Executive Director to enter into Reimbursable Agreement(s) with the FAA for construction of navigational aids (NAVAIDS), and oversight of RSA construction in the amount not to exceed $100,000;
7. Authorize the Executive Director to resolve any bid protests in accordance with Port Ordinance No. 1606; and
8. Authorize the submission and acceptance of FAA AIP grants for all eligible work not currently covered by existing grants for an amount not to exceed $20 million.
RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A
PROPOSED SECOND SUPPLEMENTAL AGREEMENT WITH URS CORPORATION
TO COMPLETE FINAL DESIGN AND CONSTRUCTION MANAGEMENT
SERVICES AT AN ADDITIONAL MAXIMUM COMPENSATION OF
$1,800,000 FOR CONSULTING SERVICES WHICH CONSTITUTES
PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE
TEMPORARY IN NATURE, WAIVING STANDARD BIDDING PROCEDURES.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed
and evaluated Board Agenda Report Item No. 2.1, dated January 24, 2013
(the "Agenda Report") and related agenda materials, has received the
expert testimony of Port of Oakland ("Port") staff, and has provided
opportunities for and taken public comment; and

WHEREAS, by Resolution No. 12-27, adopted by the Board on March
15, 2012, and amended by the First Supplemental Agreement, the Board
authorized an Agreement with URS CORPORATION for consulting services
on the Runway Safety Area Project at the Oakland International Airport
("RSA Project"); and

RESOLVED, that in acting upon this matter, the Board has
exercised its independent judgment based on substantial evidence in
the record and adopts and relies upon the facts, data, analysis, and
findings set forth in the Agenda Report and in related agenda
materials and in testimony received; and be it

FURTHER RESOLVED, that the Board hereby approves and authorizes
the Executive Director to execute for and on behalf of the Board a
Second Supplemental agreement with URS CORPORATION for consulting
services on the RSA Project, upon terms and conditions consistent with
the Agenda Report and providing that URS CORPORATION shall be
compensated for such services, including costs of miscellaneous
reimbursable expenses, at an additional maximum compensation that
shall not exceed $1,800,000; and be it
RESOLUTION APPROVING AND AUTHORIZING A BUDGET INCREASE OF $39,700,000 FOR THE SOUTH FIELD RUNWAY SAFETY AREA ("RSA") PROJECT, OAKLAND INTERNATIONAL AIRPORT ("OIA"); AUTHORIZING THE EXECUTIVE DIRECTOR TO: 1) EXECUTE A REIMBURSEMENT AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION ("FAA") FOR NAVIGATIONAL AID ("NAVAID") EQUIPMENT AND CONSTRUCTION SERVICES RELATED TO THE RSA IN AN AMOUNT NOT TO EXCEED $100,000, AND 2) SUBMIT AND ACCEPT FAA AIP GRANTS FOR ALL UNCOVERED WORK IN AN AMOUNT NOT TO EXCEED $20,000,000.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report Item 2.1 dated January 24, 2013 ("Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; and

RESOLVED, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report, and in related agenda materials and in testimony received; and be it

FURTHER RESOLVED, that based upon the information contained in the Agenda Report, the Board hereby finds and determines that it is in the best interest of the Port to approve an increase of $39,700,000 to the budget authorization for fiscal year 2012-13, for the South Field RSA Project at OIA for a total project budget authorization amount not to exceed $57,385,000; and
FURTHER RESOLVED, that the Executive Director of the Port be and he hereby is authorized to execute for and on behalf of the Board a Reimbursable Agreement with the FAA for NAVAID equipment acquisition and construction services as part of the RSA project, in an amount not to exceed $100,000, containing the terms and conditions as more fully set forth in the Agenda Report and that said Reimbursable Agreement shall not be binding or enforceable against the Port unless and until it has been approved as to form and legality by the Port Attorney; and be it

FURTHER RESOLVED, that the Board hereby finds and determines it is in the best interest of the Port to approve the submittal of grant applications to the FAA for all eligible work for the RSA project not currently covered by existing grants, in an amount not to exceed $20,000,000; and be it

FURTHER RESOLVED, that the Board authorizes the Executive Director to accept grants on behalf of said Board, and to execute and submit all documents which may be necessary or convenient to complete said applications, in accordance with the Agenda Report, and the Secretary is hereby authorized and directed to attest to the execution of such grant agreements, if deemed necessary, when said Grant Offers are released by the FAA, up to the amount of $20,000,000; and be it

FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of an agreement(s) in accordance with the terms of this resolution. Unless and until a separate written agreement(s) is duly executed on behalf of the Board as authorized by this resolution, is signed and approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement(s).
RESOLUTION AUTHORIZING THE PROJECT FOR CONSTRUCTION OF RUNWAY SAFETY AREA IMPROVEMENTS, SOUTH FIELD OAKLAND INTERNATIONAL AIRPORT; AUTHORIZING THE DIRECTOR OF ENGINEERING OF THE PORT OF OAKLAND ("DIRECTOR OF ENGINEERING") TO APPROVE THE PROJECT MANUAL AND PLANS; CALLING FOR BIDS THEREOF; AND AUTHORIZING THE EXECUTIVE DIRECTOR OF THE PORT OF OAKLAND ("EXECUTIVE DIRECTOR") TO AWARD A CONTRACT TO THE LOWEST RESPONSIBLE RESPONSIVE BIDDER IN TOTAL AGGREGATE AMOUNT NOT TO EXCEED $28,000,000.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Board Agenda Report Item No. 2.1, dated January 24, 2013 ("Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore, be it

RESOLVED, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report, and in related agenda materials and in testimony received; and be it

FURTHER RESOLVED, that based upon the information contained in the Agenda Report, the Board hereby finds and determines that it is in the best interest of the Port to authorize the project for Construction of Runway Safety Area Improvements, South Field, Oakland International Airport ("OIA"), Oakland, California AIP 3-06-0170-63, AIP 3-06-0170-64, AND AIP 3-06-0170-(FUTURE) ("RSA"); and be it

FURTHER RESOLVED, that the Director of Engineering or his designee is authorized to approve the project manual and plans for the RSA in advance of construction, pursuant to Government Code Section 830.6; and be it
FURTHER RESOLVED, that the Secretary of the Board is hereby authorized to advertise for four consecutive days in the official newspaper of the City of Oakland for sealed bids for the project not less than ten calendar days prior to the date set for receiving said bids; and be it

FURTHER RESOLVED, that the provisions of the Maritime and Aviation Project Labor Agreement ("MAPLA") apply to this project. However, for purposes of this project, which is funded through an agency or agencies of the United States Department of Transportation, the provisions of the MAPLA permitting the possible imposition of sanctions and/or binding arbitration for failure to demonstrate "good faith" efforts to meet local hiring goals have been deemed inapplicable; and be it

FURTHER RESOLVED, that the Board hereby approves and authorizes the Executive Director to award a contract to the lowest responsible, responsive bidder, based upon the receipt of formal sealed bids, for the RSA project, in a total aggregate amount not to exceed $28,000,000; and be it

FURTHER RESOLVED, that based upon the information contained in the Agenda Report the Board hereby authorizes the rejection of all other bids received for the RSA project, and directs that securities accompanying said bids shall be returned to the respective bidders; and be it

FURTHER RESOLVED, that the proposed actions have been fully evaluated pursuant to CEQA and NEPA by the Initial Study/Mitigated Negative Declaration, and the NEPA determination, in coordination with the FAA, as more fully outlined in the Agenda Report; and be it

FURTHER RESOLVED, that pursuant to Port Ordinance 1606, Section 22, the Board finds and determines it to be in the Port's best interest to delegate to the Executive Director, and hereby delegates to the Executive Director, the authority to finally resolve bid protests in connection with this project; and be it

FURTHER RESOLVED, that a bond for the faithful performance of the work, and a bond to guarantee the payment of all claims for labor and materials furnished and for amounts due under the Unemployment Insurance Code, each in the amount of one hundred percent (100%) of the contract price shall be provided by the Contractor as prescribed by applicable laws and regulations and the contract specifications; and be it

FURTHER RESOLVED, that the procedure prescribed by applicable laws, regulations and the contract specifications shall be taken for the execution of said contract; and be it
FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of a contract in accordance with the terms of this resolution. Unless and until a separate written contract is duly executed on behalf of the Board as authorized by this resolution, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective contract.
Summary Recap of the Port’s Oracle ERP Implementation Project and Status Update

January 2013
History - Why did we do this project
Project expectations
What happened
What we learned
What we have done
Where are we now
Where do we go from here
(Phase 1) What has the Port spent and how much more?
What are the benefits
Port of Oakland – ERP Implementation Experience

May 2009
Port selected and purchased Oracle’s ERP software

Port CIO developed project rationale, plan, scope and budget

Former CIO decided to resign from the Port

The Port moved forward with project despite having lost 30% of staff due to downsizing

Implementation of ERP led by external Project manager with oversight by former Port Controller

2009

2010

2011

2012

2013

Implemented these ERP modules: Finance, Human Resources, Projects, Procurement, Enterprise Asset Management, and Property Manager

October 2010 Go-Live

March 2011 Project team was reshuffled and reassigned to Director of Engineering

May 2009

Sept 2011 Principal Programmer Analyst with Oracle ERP experience hired

June 2012 Board authorized hiring of additional ERP staffing

Dec 2012 3 of 4 new positions filled to provide key ERP staffing
History - Why did we do this project

• The original system (HP-3000 mainframe) that ran the Port’s key operational business software was discontinued and no longer supported by the manufacturer, and the Port faced the risk of operational interruptions once the system became obsolete. The HP-3000 was over 25 years old at the time.

• Other key operational business software were obsolete or near end-of-life (e.g. SmartStream & MP2).
Project Expectations

- Oracle ERP was touted as state-of-the-art software that would transform the organization
- An off-the-shelf implementation approach would be sufficient
- Oracle ERP would be fully operational on Phase 1 “go-live date”
- Oracle would provide one-stop-shop operations
  - One point of entry for data and improved ability to retrieve data for reporting
What happened

• The former CIO left at the onset of the project
• The Port went through a 30% staff reduction
• The Port proceeded with project despite the above; project was placed under leadership of the former Port Controller as an added responsibility
• Port relied upon external project manager to lead the project
• After “go-live date”, Port staff experienced significant loss of functionality/efficiency in comparison to legacy system
• Process re-engineering & change management were poorly executed
• Project was reassigned to Director of Engineering post go-live
What we learned

• Oracle ERP is not a fully integrated system, and significant gaps exist between modules
• A few of the Oracle modules have very limited or no deployments in a port setting (eAM, Property Manager, Projects/Grants)
• The “off-the-shelf” implementation approach was ill-conceived
• Original project scope made very little plans for post “go-live” support
• The “Big-Bang” approach (6 functional areas and a fully integrated system) was too aggressive; the Port is not aware of any other organization who has taken this approach
What we learned (cont’d)

• The performance of the external project manager was subpar - disconnected from the operational needs of the Port
• The Port lacked the necessary internal resources (staffing levels as well as expertise) to support the transition to the new system
• Port staff was not well prepared for the transition
• Many Port procedures and policies were outdated, did not follow best practices or lacked the right leadership in certain operational functions; these outdated policies and procedures did not get addressed in advance of the system change which caused problems after the implementation
What we have done

• Hired CSS International, a third party independent consultant, to assess scale of issues and to provide input on resolution strategy
• Re-formulated project team’s roles and responsibilities; allowed internal Process Owners to lead efforts to integrate user input on priorities
• Established system to comprehensively track issues as well as prioritizing each issue for resolution
• Established tighter control of consultant work scope and transition plan to roll-off consultants where appropriate
• Authorized hiring of CTO and 4 additional Oracle ERP experienced IT staff
• Initiated effort to assemble an internal team of experts for the long term sustainability of supporting the system
  – Hired team lead with Oracle eBusiness experience 15 months ago
  – Filled 3 of 4 new staffing positions in the past 2 months
• Established and continue to refine a training plan to improve staff proficiency in utilizing the system
Where we are now

- Significant progress has been made in the overall performance of the system and many of the initial goals for Phase 1 implementation have been achieved; however, the system still needs much work to reach optimal state
  - Staff proficiency
  - Software related issues (e.g. ERP related issues)
  - Process related issues (e.g. system independent issues)
  - Opportunities for refinement (productivity enhancements); improve reporting capabilities in particular
### Where we are now (cont’d)

<table>
<thead>
<tr>
<th>Key Outstanding Issues</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Find solution to Tenant Revenue System</td>
<td>Investigating alternative solutions – no viable Oracle tenant revenue system solution found to date</td>
</tr>
<tr>
<td>Provide better interoperability (functional bridge”) between Projects and Grants modules</td>
<td>In progress – target completion by March 2013</td>
</tr>
<tr>
<td>Hiring of CTO and remaining staff</td>
<td>Ongoing – CTO in Jan 2013 and remaining by June 2013</td>
</tr>
<tr>
<td>Continue to improve its controls</td>
<td>Ongoing with assistance from Port Auditor’s office</td>
</tr>
</tbody>
</table>
Where do we go from here

• Continue on path to reach “steady state”
  – “Steady State” means internal resources can resolve user needs in a reasonable amount of time as issues arise

• Issues will always arise for many reasons:
  – Process/control improvements (per best practices)
  – Changes to HR benefits, tax codes, MOU’s etc.
  – New functionalities will be rolled-out
  – Bugs in the system will be discovered as the features of the system get fully utilized

• Planning for next Phase (Phase 2) of IT modernization (business analytics and intelligence)
## What has the Port spent and how much more?

<table>
<thead>
<tr>
<th>Pre Steady State</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Go Live (Mid 2009 – October 3, 2010)</td>
<td>$9,100,000</td>
</tr>
<tr>
<td>October 2010 – December 2012</td>
<td>$6,500,000</td>
</tr>
<tr>
<td><strong>Total Spent to Date</strong></td>
<td><strong>$15.6M</strong></td>
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<tr>
<td>January 2013 – June 2013</td>
<td>$890,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Post Steady State</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Annual Maintenance Cost (software licensing, hosting, software patch and maintenance)</td>
<td>$650,000</td>
</tr>
<tr>
<td>Annual Estimated Capital Costs for Ongoing System Improvements</td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>Phase 2 Implementation</strong></td>
<td><strong>$1,350,000</strong></td>
</tr>
</tbody>
</table>

1. Excludes Port staff costs.
2. Includes approximately $3.7 million for consulting costs associated with staff augmentation due to lack of permanent staffing resources and $1.2 million for licensing and hosting costs.
3. Includes $240K for licensing and hosting costs.
4. Based upon 2010 estimate.
What are the benefits

• No reliance on unsupported/obsolete HP-3000 system other than the tenant revenue system and historical data
• Highlighted areas for process and control improvements
• Incorporates best business practices, improved controls and allows transparency on certain operational aspects
• New system is now capturing all of the Port’s operational data
• New system meets disaster recovery requirements to ensure uninterrupted Port business operations
• The Phase 1 implementation of the new system provides the foundation for Phase 2 implementation (using the data for better business decisions)
• System is fully scalable to meet current & future technology/operational needs (e.g. business intelligence/analytics and the i-modules)
Questions?
BUDGET & FINANCE

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

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

| TITLE: | Informational Report on the Status of the Coliseum Area Specific Plan |
| AMOUNT: | N/A |
| PARTIES INVOLVED: |

<table>
<thead>
<tr>
<th>Corporate Name/Principal</th>
<th>Location</th>
</tr>
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<tbody>
<tr>
<td>City of Oakland</td>
<td>Oakland, CA</td>
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<tr>
<td>Deanna Santana, City Administrator</td>
<td></td>
</tr>
</tbody>
</table>

| TYPE OF ACTION: | Informational Report only, no action requested |
| SUBMITTED BY: | Pamela Kershaw, Director of Commercial Real Estate |
| APPROVED BY: | Deborah Ale Flint, Executive Director (Acting) |

BACKGROUND AND ANALYSIS:

In March of 2012 the City of Oakland (“City”) authorized commencement of work on a Coliseum Area Specific Plan by hiring the consulting team of JRDV Architects, Forest City, and HKS Architects to lead the Specific Plan effort, and the consulting team of Lamphier Gregory to prepare the Environmental Impact Report for the Specific Plan. Both tasks are currently underway and are anticipated to take another 12-18 months to complete. The study area includes the Coliseum Stadium and Arena complex site on the north side of I-880 as well as the Oakland Airport Business Park site from the I-880 freeway up to Doolittle Road.

While most of the property impacted by the Specific Plan area is privately owned, the Port still owns a few properties within the Plan area, all of which are managed by the Commercial Real Estate Division. The Port exercises land use jurisdiction for all properties in the Business Park area, which is administered through the Port’s Engineering Division, with the necessary environmental review for all development permits administered through the Port’s Environmental Programs and Planning Division. The Specific Plan boundary also immediately abuts the Aviation Division’s property holdings on the southern side of Doolittle Road, thus making the Specific Plan effort one of interest to multiple Divisions at the Port, and one which affects multiple facets of Port operations.

Representatives from the City of Oakland as well as their consulting team will provide an informational status update on the Specific Plan effort to date, and a copy of the presentation is attached as Exhibit A to this report.
COLISEUM CITY and Bay Area Innovation Gateway

Coliseum City Specific Plan and EIR

December 2012
### Coliseum City Master Plan Area

**Area A** 229 Acres
- Main Site 198 Acres
- Transit Village 31 Acres

**Area B** 123 Acres

**Area C** 193 Acres

**Area D** 141 Acres

**Area E** 110 Acres

**Area F** 19 Acres

**Area G** 101 Acres

**Area H** 120 Acres

**Total** 1,005 Acres
### Schedule and Milestones

#### Coliseum Area Specific Plan and EIR Schedule

<table>
<thead>
<tr>
<th>Event Description</th>
<th>8/31/2012</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
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#### Notes
- **City of Oakland**: HKS, Forest City, AMP, JRDV Urban International, December 2012
- **Schedule and Milestones**: The schedule and milestones for the Coliseum Area Specific Plan and EIR are outlined with dates for various activities such as market research, project marketing report, market assessment, etc. The schedule is represented graphically with timelines for each phase.
Project Goals
Retain the sports teams - and maximize economic value recapture for Oakland and Alameda County
2

Create a regionally significant Science and Technology District - that can act as a catalyst to expand Oakland’s participation in innovation economy
Leverage and enhance the existing transit infrastructure - create a model transit development consistent with SB 375 Regional Policies.
4 Create an **Vibrant Urban Mixed Use District** - with 7x24 activity and provides an enhanced pedestrian experience, site security and high quality of place.
Create new Open Space, Bay Access, and Natural Habitat - opportunities through a significant environmental reclamation that is functional, educational and accessible.
Create an innovative link to workforce training - that will enhance Oakland citizens’ access to the innovation economy.
Sports Entertainment District
• **World-Class Sports venues** – New facilities are designed to be next-generation event venues that will maximize game-day and non-game-day events – up to 250 days per year.

• Bring *International quality sports/entertainment experience* to the Bay Area.

• **Next-generation sports environment** - enhanced fan experience that extends beyond the venues and links to the larger urban place including: “LA-Live” entertainment-retail, restaurant and club environment that links to the new Stadium and Arena.

• **Enhanced Transit Accessibility** - Stadium and arena have a direct connection to BART from a new concourse level that will create a connected sports and urban development.
• **Connect new venues to a sustainable Urban Place:** retail-entertainment zone, event plaza, ballpark mixed-use district – that are integral to the larger master plan.

Program includes:

• 65k-75k seat stadium
• 18k-25k seat new area
• 35k-40k seat new ballpark
• 75,000-150,000 SF of retail entertainment
• Plaza, park and event spaces
COLISEUM CITY

Sports Entertainment District

LA Live, Los Angeles, CA

LA Live, Los Angeles, CA
Ballpark Mixed-Use and TOD District
• **New active urban mixed-use district** – San Diego Ballpark District, Denver’s LODO District, LA Live’s South Park District, San Francisco’s SOMA Ballpark District.

• **District will have ground floor retail with residential, hotel, or office above** – programed with complex and diverse uses that will create a strong sense of place and urban character.

• Plan focus is a **Public Plaza that creates a strong Urban Place** and provides an urban park for residents and tenants - creates a pedestrian link from transit to the new Ballpark; and creates an urban center with a 7x24 active presence.

• **District will be a Transit Accessible Community** - that takes advantage of its location on BART, AC Transit, Amtrak, and the Airport.
• **District will be built out in Phased Increments** that respond to market demands.

Development Program:

- 3500-4500 new residential units
- 1-2 new hotel locations
- Ground floor retail program – neighborhood serving.
COLISEUM CITY

Ballpark Mixed-Use District

Santana Row, San Jose, CA
• **Coliseum city is an opportunity to leverage significant development value from its existing Transit Assets** - This unique combination of transportation systems presents an opportunity to create an intermodal transit-hub.

• **Transit Hub is designed to increase the Use and Utility of:** BART, Airport Connector, Capitol Corridor Amtrak, AC transit, airport shuttles, and future streetcar connectors to bay front development.

• **Transit Hub can create a dramatically improved passenger experience** - provides an array of passenger amenities and services, and assures a safe, pleasant, and efficient passenger transfer capability, between all transit services.
• *Transit-hub is fully integrated, in terms of design and function, with the larger Master Planned development* – creates a gateway and efficient linkage element to the master plan components.

• Transit-hub presents a *unique opportunity for Joint Development* which can include: airport conference hotel, retail, new streetcar linkage, and other residential uses.
Concourse Park Connector
**Concourse Connector provides a world-class pedestrian link to:**
BART, Stadium, Arena, and across to the Bay - Provides a connection to the main pedestrian levels to each of these venues.

**Connector also provides a Transit Link to each of the development districts,** and is critical to realize the integrated Master Plan vision.

**Provides a direct path across I-880,** allowing pedestrian and transit connections to the Bayfront land uses.

**Provides connection that is safe, secure, and activated** - park-link that ties the master plan elements together back to regional transit.

**Connector is developed above the event parking garage** - serves all 3 sports venues. This ‘landscaped-lid’ provides a cost effective development platform.
COLISEUM CITY

Concourse Park Connector - ‘Highline’

High Line Park, Manhattan

High Line Park, Manhattan

High Line Park, Manhattan
Waterfront Science and Technology District - Innovation Gateway
COLISEUM CITY

Waterfront Science and Technology District - Innovation Gateway

Legend:
- Streetcar
- BART
- Amtrak/Caltrain
- District
- Sports
- Open Space
- Corridor
- "Highline"

TOD District
Hegenberger Corridor
Estuary Park
Highline Park
Streetcar Extension
Waterfront District
Science & Technology District
MLB
NFL
NBA
Ballpark District
BART
• **Unique opportunity to create a world-class master planned Science and Technology District** - capable of attracting 21st century knowledge-based companies to Oakland.

• **Address the critical Jobs-Housing imbalance in Oakland** – Particularly around Innovation Economy jobs with sustainable higher value employment jobs.

• Innovation Gateway represents an opportunity to create a next-generation *Science and Technology District that integrates Oakland to the highest growth segment of the Bay Area Economy.*
  - Access to East Bay’s highly skilled work
  - Access to Regional transit
  - High amenity location and Quality of Place—Active Sports center, waterfront-shoreline, regional parks, etc.
• **District is big enough to allow a partner ‘ecosystem’** - and provide long term co-location opportunities to develop over time.

• **District designed to supplement and not compete with Downtown Oakland** - as the major office district in the East Bay

• **Key Science and Technology Business Sectors**
  - Clean/Green Technology
  - Life Science / Biotechnology
  - Digital Media and Information Technology
  - Advanced Manufacturing
  - Other Associated Research and Development
  - Airport Associated Logistics
### Draft Development Program

- **Science and Technology tenants**: 2.3M - 3.3M SF
- **Mixed-Use and Waterfront Residential**: 1,500 units
COLISEUM CITY

Waterfront Science and Technology District - Innovation Gateway

Dockside Green, Victoria, BC

The Yards Foundry Lofts, DC
Coliseum City

Estuary and Damon Slough Habitat Zone
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<th>\textbf{COLISEUM CITY}</th>
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<tbody>
<tr>
<td>Estuary and Damon Slough Habitat Zone</td>
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- **San Leandro Bay Estuary has been the focus of considerable long term environmental restoration** – Martin Luther King Shoreline Park and extensive Bay Trail network.

- **Opportunity to restore Damon Slough as a significant functional tidal habitat** – Linked to the Bay with expanded and sustainable habitat.

- **Unprecedented potential to link this environmental habitat directly to regional transit** – and the larger master planned development.

- **Unique opportunity for accessible environmental education** - connecting 10M visitors to education and learning centers.
COLISEUM CITY

Estuary and Damon Slough Habitat Zone

Heron Bay, San Leandro, CA

Shoreline Regional Park, CA

Lewis Avenue, Las Vegas, NV

Google Campus, Mountain View, CA

Mahon Creek Reclamation, San Rafael, CA

Richardson Bay Regional Park, CA

Katy Trail, Dallas, TX
Finalized Team Reports On Four Key Governance Issues from January 11th

At the Board Workshop on December 10\textsuperscript{th}, the Board and Sr. Staff were given an assignment by the Facilitator, Mark Levine, to consider four key governance questions.

Working in teams, four groups provide draft answers to those questions, which were then presented for discussion and agreement at the second Workshop on January 11\textsuperscript{th}.

At the Board Workshop on January 10\textsuperscript{th}, the entire Board and Sr. Staff discussed the work of the teams and in some cases revised or quantified that work.

What follows are the final agreements reached at the workshop.
Focus On Key Governance Questions

**Topic #1** - How can we increase trust among Commissioners and between Board and senior staff? And, how can we address the perception of “agonasl”?

*Team: Alan Yee, Ces Butner, Pamela Kershaw, Denyce Holsey, Danny Wan*

**Topic #2** - What is our “statement of intention” for how we do our governance work? (Using the “menu” derived from interviews)

*Team: Gilda Gonzales, Earl Hamlin, Mark Levine, Richard Sinkoff, John Betterton*

**Topic #3** – Is there agreement that the President and other Officers have a leadership role as contrasted with a ceremonial role? *(Consensus was reached at the December 10th Board Workshop that the Vice-Presidents have a leadership role)* If yes, how can the Officers best share important information from Ad Hoc Executive Team discussions with the full Commission?

*Team: Gilda Gonzales, Victor Uno, Mark Levine, Danny Wan, John Betterton*

**Topic #4** - Should the Board keep (or keep and modify) the Committee as a Whole structure, or establish Committees? And, what are the boundaries of the role of individual Commissioners in relating to important topics or issues within business lines?

*Team: James Head, Bryan Parker, Deborah Ale-Flint, Jean Banker, John Betterton*
Topic One

Suggested Actions/Ideas to Promote Trust among Commissioners:

1. This topic is related to Executive Committee discussion assigned to separate Working Group on Topic #3;
2. Executive Committee should primarily be for scheduling of discussion items. Substantive discussions of the issues should be for full commission;
3. In the case of emergency, when action is needed right away, Executive committee should act and inform all commissioners via ED or Port Attorney;
4. Individual Commissioners should direct their policy concerns through the President/ED, while their informational concerns can go directly to the Division directors with notification to the President/ED;
5. Commissioners should refrain from giving individual directions to staff unless directed by the entire Board;
6. Communication among Commissioners and with staff should be shared with and/or channeled through the President of the Board; Commissioner’s request for items to be placed on the Board’s agenda should be directed through the President;
7. Commissioners should communicate questions/concerns regarding legal matters or issues to the Port Attorney himself;
8. Disclose Commissioners are encouraged to share communications with outside parties material to an item on the Board agenda when such item is considered at the Board meeting to provide more transparency;

Suggested Actions/Ideas to Promote Trust between Commissioners and Senior Staff:

1. Establish clear accountability on part of “direct reports” to the Board to complete tasks directed by the entire Board;
2. Implement more robust orientations/briefings of new commissioners, perhaps including a more senior Commissioner in briefings along with staff;
3. Commissioners should communicate questions or concerns regarding the staff recommendation or staff position on a matter through the Executive Director;
4. Commissioners should feel free to direct technical questions on a particular project or item to the appropriate Division Director in order to get information and questions answered quickly, if so desired, and Division Directors must then keep the Executive Director informed of these discussions;
5. Reserve special Board meetings on the second Thursday of each month to provide Commissioners with more in-depth information on focused topics or projects, and allow for a more detailed discussion between Commissioners and staff on these topics;
In addition, for all parties concerned, at each Closed Session, staff and Commissioners to be reminded that all discussions and materials in Closed Session must remain confidential among Commissioners and staff.
Topic Two

Statement of Intention

We are a governing Board whose authority lies with the entirety of the Board.

We are governed by govern in accordance with our fiduciary duty to the Port of Oakland.

We govern conduct ourselves with clarity and transparency grounded in the principles of integrity, trust, and respect.

Our intentions manifest through candid, open and deliberative policy-setting and then holding staff accountable for execution on these mutual agreements.

We reach our decisions through candid, open, and deliberative debate, and hold both staff and ourselves accountable for implementing them.

We recommend that this statement be read at the beginning of every meeting, by a different Commissioner the Board Secretary.
Topic Three

A. Is there agreement that the President and other Officers have a leadership role as contrasted with a ceremonial role? (consensus was reached at the December 10th meeting that they have a leadership role)

B. If yes, how can the Officers best share important information from Ad Hoc Executive Team discussions with the full Commission?

The Board President and Vice-Presidents meet with certain senior staff members from time to time primarily to provide direction on Board meeting agendas and to track follow-ups to requests from the full Board. These consultations are held primarily at the Port and usually are attended by the President, Vice Presidents, Executive Director, Deputy Executive Director, Port Attorney and other appropriate staff (informally referred to as the “Executive Team”)

The assembly of the Executive Team does not constitute a “meeting” under the Brown Act, since it is not a gathering of a quorum of the Board (less than 4 members). It is not established by an action of the Board. In this context, it is neither an official committee of the Board nor a Regular Meeting (see Port Attorney memorandum on ad hoc committees), but rather an administrative process to facilitate the functioning of the Board. The team takes no final actions and does not attempt to (and may not) form a consensus with a quorum of the Board.

The principal activity of the meeting is to review the upcoming Agenda (both Open and Closed Session). They review both posted and prospective Agendas, and the schedule of upcoming Regular and Special Meetings.

Additionally, the Executive Team serves as a vehicle for tracking items the Board has assigned to staff (e.g. follow-up to questions raised at Board meetings, implementation of items passed by the Board, Reorganization Study, etc.) The principle mechanism for this work is causing the items in question to be placed on the agenda or removed from the agenda.

The meeting often provides a single-source for the Executive Director to get, real-time, feedback, advice and direction from the Board’s leadership. It is a means for time-sensitive, emergency or crisis direction from the Board to the Executive Director (e.g. Occupy, work stoppage, etc.) Any urgent or emergency actions taken are subject to reporting back, at the
earliest opportunity, to the full Board and ratification when appropriate under applicable rules and regulations.

This Team also provides advice and support for the unique duties of the Board President (approving Commissioner's travel, calling Special Meetings, removing items from the Agenda, coordinating the annual review of Direct Reports by the full Board, creating and assigning members to Ad Hoc committees, assuring appropriate Board participation at civic, ceremonial and business events, etc.)

Because the Executive Team is an administrative function of the Port and is not an official body of the Board, no minutes are taken. The Team takes care so that it does not discuss or take action on substantive policy or approvals that are the jurisdiction of the whole Board.
TO: Board of Port Commissioners  
Executive Director  
Board Secretary  

FROM: Danny Wan, Port Attorney  

DATE: January 3, 2013  

RE: What Is An “Ad Hoc” Committee? How Does It Function?  

Temporary, Single Purpose Committee  

The term “ad hoc committee” does not appear in the Brown Act, but is commonly used to refer to a temporary committee (as opposed to a “standing committee”) that is not subject to the requirements of the Brown Act. The League of California Cities offers a good definition:  

“A temporary advisory committee, composed solely of less than a quorum of the legislative body that serves a limited or single purpose, that is not perpetual, and that will be dissolved once its specific task is completed, is not subject to the Brown Act.”

Legislative bodies, like the Port Commission, may designate a subset of Commissioners of less than a quorum (3 or fewer Commissioners) to research, solicit input or study a defined topic and report back to the Board for possible action. For example, an ad hoc committee of the Board may be tasked with interviewing candidates for an open position in order to recommend to the Board on their qualifications or selection.

An “ad hoc” committee is different from a standing committee, in that a standing committee is continuing, meets regularly and must follow the notice and public meeting requirements under the Brown Act. Any committee becomes a standing committee, and therefore subject to the Brown Act, if:  

1. it has a continuing subject matter jurisdiction, OR  

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2. its schedule is fixed by charter, ordinance, resolution, or form action of a legislative body.

Therefore, any committee that the Board creates by official action becomes a standing committee if it is a continuous committee (not temporary) or if it has a fixed schedule, regardless of whether the Board labels it standing or ad hoc.

Creating an Ad Hoc Committee

While only the whole Board may create standing committees, Article VI, Section 1 of the Board's Bylaws and Administrative Rules (Revised October 18, 2012) allows either the Board or the President to create ad hoc committees:

"...the President or Board may from time-to-time appoint such other ad hoc committees to assist in the transaction of the business of the Board. . . ."

Such a committee remains an "ad hoc" committee (and not subject to the Brown Act) as long as it is temporary and its jurisdiction is limited to a single or limited purpose or topic. The ad hoc committee would limit its discussions to the topic or matter referred to it by the Board, would report its findings or recommendations to the Board, and would terminate once its task is completed.

Examples of the ad hoc committees that the Board or President has created in the recent past includes those to:

- screen Port Attorney applications;
- assist in labor negotiations.

Functions An Ad Hoc Committee Serves

By its nature as a Brown-Act legislative body, the Board as a whole may only meet under the constraints of noticing requirements, open meeting and venue rules, limited time availabilities of all seven Board members and multiple agenda items. The ad hoc committee structure allows a small group of Commissioners to meet on a particular matter that requires time-intensive study, scheduling and location flexibility, and candid and in-depth discussions. The Board of the whole may then have the benefit of the information that an ad hoc working group can gather in a more timely and efficient matter than possible working as a whole board or as a standing committee.

Informal Consultations

Not all conversations among Board members or between staff and Board members constitute "meetings" subject to the Brown Act. And there is no rule that requires that the whole Board must sanction all informal meeting of a group of Commissioner. The Brown Act does apply when a quorum of the Board meets regarding Port business or when a quorum of the Board members forms
consensus regarding a Board matter through a series of smaller meetings or communications (serial meetings).

An ad hoc committee is a way for the Board or President to designate an informal working or study group to help the Board do its business; however, not all informal discussions among less than a quorum of Commissioners must be so designated. Currently, informal consultations take place between staff and the President and Vice Presidents from time to time (informally referred to as the "Executive Team") in order to establish and review Board meeting agendas even though such informal meetings are neither designated by the Board nor subject to the Brown act. This type of informal consultation process between staff and governing board representatives is a common and necessary practice in day to day operations of most municipal and local agencies. The Board Secretary has prepared a separate memorandum on the nature and administrative functions of the informal Executive Team consultation process.
Topic 4

COMMITTEE OF THE WHOLE vs. COMMITTEES

There was consensus reached at the Workshop of December 10th that we should not return to Committees, and should instead build on the positive aspects of the Committee as a Whole approach and mitigate the problems experienced with this approach to date.

Meeting Frequency

Staff favors a reduction in the frequency of Regular Board Meetings from three times a month to twice a month. This essentially eliminates the Second Thursday meeting that had been devoted to single topic business discussions ("deep dives"). Under a new schedule the Regular Meetings would be held on the 1st and 3rd Thursday of every month at 1:30 p.m. (see attached schedule – to be adopted on January 10th)

Our current schedule requires that we post the next scheduled meeting in the same week we have a meeting. This is extremely inefficient. Obviously, we loose some Commissioner time with Staff, but we believe that we can take a number of steps to help the Commissioners use their time (as well as staff time) more wisely:

Revise the Agenda Report Template

Assemble a staff team with Ad Hoc Committee supervision to streamline the Agenda Report. (Due by January 31st) We anticipate that the new Agenda report would present information more concisely.

Create A One Year Agenda Calendar

Staff would prepare a Calendar of “Major Actions” for the coming year including Strategy and Policy Discussions on major business lines and projects. The Calendar would also Agendize generative discussion questions similar to the one we will discuss at the next workshop - “what will the Port look like in five years”. (See attached sample for 1st Quarter)
Reach Concurrence with the Board on Items They Want To Spend Their Time On

Using the staff and Ad Hoc Team approach develop a clear understanding of the issues that Board should or desires to hear and benchmark this with the Strategic Plan. Once Commissioners and Staff have a clear understanding of agreed upon priorities (due by January 31st) then Staff’s time, Commissioner’s time and Meeting time will reflect the proportionality of the Item to the agreed upon standards. Consider also what the Board desires not to do. (E.g. terminations?)

Revise the Consent Calendar Rules

The current Consent Calendar is under-utilized. The rules for placing items on the Consent Calendar are not written and are poorly understood. Items on the Consent Calendar, with the exception of Building Permits and Minutes, require the same amount of time and documentation as other major business items on the Agenda. New rules would expand the number of items on the Consent Calendar, but would set clear written guidelines approved by Commissioners. We may consider for the sake of continuity adopting the same procedures used by the City Council. (Due by January 31st)

ROLE OF INDIVIDUAL COMMISSIONERS

The authority of Commissioners is corporate (equal parts of seven). Over the past several years the Port has of necessity done much of its work by teams. Commissioners have been a large part of this effort. One of the best examples is the current Ad Hoc Labor Team. While the current Commissioners Code of Conduct precludes Commissioners from serving on staff teams, it does not preclude those teams from reporting to or receiving direction from Ad Hoc Committees.

Issue Specific Ad Hoc Teams

We recommend that Ad Hoc Committees (teams) be assigned to specific projects (e.g. Oakland Army Base, Internal/External Audits, Lease Negotiations, etc.). In all cases this is work currently underway and the best example of the type of work we do.

Majors

To strengthen the operational knowledge of Commissioners, they could at their own election choose an area to concentrate their understanding of a particular business line or major project. Staff would assist in this endeavor by coordinating information, conference opportunities, etc.
Audit, Budget & Finance

After consultation with Sara Lee, we recommend an Ad Hoc Audit Committee be appointed by the Board to focus specifically on audit issues—work and findings of external auditors and internal auditor.

The former Audit, Budget & Finance Committee traditionally dealt with issues related almost exclusively to Finance and the adoption of the Budget and was inferior in most respects to the Chief Financial Officers involvement in all questions brought to the Committee of the whole.

"From time to time, the Board may appoint ad hoc committees to study specific issues raised by an audit or that may appropriately be subject to an audit by the Port Auditor or external auditor. In appointing such an ad hoc committee, the Board will specify the topic(s) to be studied by the committee and a designated time for the committee to finish its work and report its recommendations to the full Board."
AGENDA REPORT

TITLE: Resolution Authorizing the Port of Oakland to Implement a Vesting Schedule for Employees in Units A and B (Service Employees International Union, Local 1021) and Unit F (International Brotherhood of Electrical Workers, Local 1245) hired on or after the effective date of the resolution

AMOUNT: Anticipated Savings of $8,624,000 over a 10 year period

PARTIES INVOLVED:

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<thead>
<tr>
<th>Corporate Name/Principal</th>
<th>Location</th>
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<tbody>
<tr>
<td>Service Employees International Union, Local 1021</td>
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<tr>
<td>International Brotherhood of Electrical Workers</td>
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TYPE OF ACTION: Resolution

SUBMITTED BY: Denyce L. Holsey, Director of Administration

APPROVED BY: Deborah Ale Flint, Acting Executive Director

FACTUAL BACKGROUND

Medical benefits for the Port of Oakland employees and retirees are provided through the California Public Employees’ Retirement System (CalPERS) under the contract between CalPERS and the City of Oakland. CalPERS is funded by contributions from both the employer (Port of Oakland) and the participating employees/retirees.

On December 20, 2012, the Board approved the memoranda of understanding between the Port and Service Employees International Union, Local 1021 (“SEIU”) and International Brotherhood of Electrical Workers, Local 1245 (“IBEW”). The following language is included for retiree medical benefits:

With respect to employees hired by the Port on or after the effective date of the adoption of this resolution (herein referred to as the “Retirees”), the Port shall pay a percentage of employer contributions for retiree medical coverage for a Retiree and his or her eligible dependents based on the provisions of Section 22893 of the California Government Code. Under these rules, a Retiree must have at least 10 years of credited service with a CalPERS agency, at least five of which are with the City/Port. Except as otherwise required by Section 22893(b) of the California Government Code (providing for 100% of employer contributions for a Retiree who retired for disability or retired for service with 20 or more years of service credit), if the Retiree meets such requirements, the Port will pay a percentage of employer contributions for the Retiree based on the following:
The employer contribution will be adjusted by the Port each year but cannot be less than the amount required by California Government Code Section 22892(b) plus Administrative fees and Contingency Reserve Fund assessments.

In addition, it was also agreed that employees hired on or after January 1, 2013 will no longer qualify for dental, vision or employee assistance program benefits upon ceasing to be an eligible employee of the Port except to the extent required under the Consolidated Omnibus Budget Reconciliation Act (“COBRA”).

The parties have met and conferred and memorialized the terms and conditions of the agreement into a Memorandum of Understanding between the Port and SEIU and the Port and IBEW.

**ANALYSIS**

In order for the new vesting period for retiree medical coverage to be effective, as agreed to by the Port, SEIU and IBEW, the Board must be provided an actuarial study calculating the cost (and, in this case, benefit) in advance of implementing the change. An actuarial study was conducted by Milliman and completed in January 2013 using data as of June 30, 2011 (see Attachment A). The actuarial study estimates that the Port can save $8,624,000 over the next 10 years by implementing the new vesting period for retiree medical coverage for SEIU and IBEW.

The change in retiree benefits related to vision, dental and the employee assistance program for new employees hired as of January 1, 2013 was approved by the Board on December 20, 2012 and is already in effect, and, therefore does not require any additional Board action.
STRATEGIC PLAN

Adopting the vesting schedule supports the following goal and objective of the Port’s FY 2011-2015 Strategic Plan:

Strategic Priority Area: **Port Workforce and Operations**

<table>
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<tr>
<th>Strategic Priority Area</th>
<th>Goal</th>
<th>Objective</th>
<th>How the Adoption Implements</th>
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| **Sustainable Economic and Business Development** | Goal D: Improve the Port’s financial position. | 2. Minimize expenditures and focus on core services. | The adoption of the Vesting Schedule:  
- Helps reduce retiree medical cost by an estimated $8,624,000 over the next 10 year period.
- Provides parity with other public agencies. |

BUDGET & FINANCIAL IMPACT

Based on the actuarial study by Milliman (see Attachment A), the new vesting period for retiree medical coverage for SEIU and IBEW new employees hired on or after the effective date of the board resolution would result in an estimated savings of $54,000 during FY 2013 and $8,624,000 over the next 10 year period compared to the current retiree medical plan vesting schedule.

STAFFING IMPACT

There is no staffing impact.

SUSTAINABILITY

No sustainability opportunities are identified.

ENVIRONMENTAL

The approval of the setting of certain benefits for employees represented by SEIU and IBEW is not a project under the California Environmental Quality Act Guidelines, and no environmental review is required.

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The matters contained in this agenda report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.
OWNER CONTROLLED INSURANCE PROGRAM (OCIP)

N/A

GENERAL PLAN

This action does not meet the definition of “project” under the City of Oakland General Plan, and no conformity determination is required.

LIVING WAGE

Neither the Port’s Living Wage Ordinance (Port Ordinance No. 3666) nor the living wage requirements set forth in Section 728 of the Charter of the City of Oakland apply to this Section because the action requested is not for a “Port Contract” as defined by the Port Ordinance No. 3666 and Charter 728.

OPTIONS

1. Adopt a resolution implementing a retiree medical coverage vesting schedule for Port of Oakland employees represented by SEIU and IBEW pursuant to the memoranda of understanding agreed to between the Port and SEIU and the Port and IBEW.

2. Not adopt a resolution implementing a retiree medical coverage vesting schedule for Port of Oakland employees represented by SEIU and IBEW pursuant to the memoranda of understanding agreed to between the Port and SEIU and the Port and IBEW.

RECOMMENDATION

It is recommended that the Board of Port Commissioners adopt a resolution authorizing the retiree medical coverage vesting schedule to be implemented for Port of Oakland employees represented by SEIU and IBEW pursuant to the memoranda of understanding agreed to between the Port and SEIU and the Port and IBEW.

Attachment: Actuarial Report
January 10, 2013

Sent via e-mail

Mr. David Kikugawa
Port of Oakland
530 Water Street
Oakland, California 94607

Port of Oakland – 10 Year Projection of Health Plan Costs

Dear David:

As requested, we have estimated the cost to the Port for the next 10 years under the existing plan design and under the following proposed plan design changes for new SEIU and IBEW employees hired on or after the effective date of a board resolution to change the benefits. For purposes of this study, we have assumed an effective date of January 1, 2013.

- For new SEIU and IBEW employees hired on or after the effective date of the board resolution, the Port will pay for their medical premiums during retirement up to an amount equal to the basic (non-Medicare) Northern California Kaiser Family Plan rate. The Port’s contribution is subject to a 20 year vesting schedule shown in the table below. The Port will also reimburse retirees with at least 10 years of Port service for Medicare Part B premiums. The graded vesting schedule shown below does not apply to Medicare Part B premium reimbursements. The Port will not pay for retiree dental and vision coverage for new hires on or after the effective date of the board resolution.

<table>
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<th>Year of Service</th>
<th>% Port’s Contribution</th>
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<tr>
<td>Less than 10</td>
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<tr>
<td>10</td>
<td>50%</td>
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Our projections are based on the employee census and enrollment data provided to us for the latest actuarial valuation (as of June 30, 2011) of retiree health benefits. We projected the
employee population assuming that employees would terminate employment and retire with the Port at the same demographic rates as those described in our actuarial valuation. As employees terminate or retire, new employees are assumed to be hired such that the employee population increases to 451 employees in 2012, 465 employees in 2013, 479 employees in 2014, and 492 employees in 2015. Thereafter, new employees are assumed to be hired at a rate such that terminating and retiring employees are replaced and the employee population remains at 492 in 2015 and beyond. The age and gender distribution of new employees is assumed to be approximately the same as that of current Port employees hired between June 30, 2008 and June 29, 2011. If actual employee turnover and retirement patterns are different than assumed, then our projections may differ significantly as well.

Our projections are also based on a 7.61% discount rate, the expected long term rate of return assumed by CalPERS for assets invested in the CERBT, and based on the Port’s intention to fully fund the Annual Required Contribution (ARC) for its OPEB liability. This is the same rate that was used in the June 30, 2011 actuarial valuation. The actual liability and ARC in future valuations may be based on a lower discount rate if the Port elects not to fully fund its ARC or if CalPERS revises its estimated long term expected return assumption on assets invested in the CERBT. Note that the CalPERS Board earlier this year voted to reduce its discount rate by 0.25%.

We have assumed medical costs will increase in accordance with the medical trend assumption stated in our latest actuarial valuation report. Actual increases will be different and may vary significantly from our assumed increases. An analysis of the impact of the potential variation in future health trend and future employee turnover on projected costs was beyond the scope of this report. At your request, we would be happy to prepare such an analysis for you.

The results contained in this letter are estimates only. Except as otherwise described in this letter, they are based on the plan provisions, actuarial assumptions, and cost methods stated in our GASB 45 Actuarial Valuation for the Port as of June 30, 2011. All costs, liabilities, rates of interest, and other factors under the Plan have been determined on the basis of actuarial assumptions and methods which are reasonable and consistent with our understanding of GASB 45. All assumptions should represent a best estimate of anticipated experience under the Plan. Nevertheless, the emerging costs will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions. Some plan changes may also impact future assumptions and experience. For instance, a significant reduction in the Port’s contribution toward health premiums could affect retiree coverage elections. An analysis of the potential impact of plan design changes on future assumptions was beyond the scope of this analysis.

Our results are based on financial and census data provided to us by the Port for the June 30, 2011 GASB 45 Actuarial Valuation Report. While Milliman has not audited the financial and census data, they have been reviewed for reasonableness and are, in our opinion, sufficient and reliable for the purposes of our estimates. If any of this information provided to us is inaccurate or incomplete, the results shown could be materially affected and this report may need to be revised. The results shown in this report are estimates only for purposes of comparing the relative cost changes due to alternative plan designs. They do not reflect any plan experience such as changes in demographics or asset fund values since the last valuation date. Therefore, they should not be used for reporting of GASB 45 liabilities and costs on the Port’s financial statements.
The analysis is intended to be used only by the Port of Oakland for the specific purposes described herein. Milliman’s work is prepared solely for Port of Oakland’s internal business use. To the extent that Milliman’s work is not subject to disclosure under applicable public records laws, Milliman’s work may not be provided to third parties without Milliman’s prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman’s consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

(a) Port of Oakland may provide a copy of Milliman’s work, in its entirety, to Port of Oakland’s professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman’s work for any purpose other than to benefit the Port of Oakland.

(b) Port of Oakland may provide a copy of Milliman’s work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs. Reliance on information contained in this report by anyone for anything other than the intended purpose puts the relying entity at risk of being misled.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, the report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the applicable Actuarial Standards of Practice of the American Academy of Actuaries. The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

We have not explored any legal issues with respect to the proposed plan changes. We are not attorneys and cannot give legal advice on such issues. We suggest that you review the proposal with Port’s counsel. If you have any questions or wish to discuss the report with me, please give me a call at (415) 394-3740.

Sincerely,

John R. Botsford, FSA, MAAA

JRB:dyu
enc.
cc: Oliviér Flewellen
    Sara Lee
    Stacie Chestnut
Port of Oakland – 10 Year Projections of Health Plan Costs

The following table contains a 10 year projection of the Port’s GASB 45 Actuarial Accrued Liability (AAL) and Annual Required Contribution (ARC) based on the current plan and proposed plan changes for non-SEIU and non-IBEW new employees hired on or after the effective date of a board resolution to change the benefits (assumed to be June 30, 2011 for purposes of this study). The projections assume that the ARC will be contributed to the OPEB Trust each year, and the Trust assets will earn the assumed rate of return in the CERBT (7.61%) each year.

For new employees hired on or after the effective date of the board resolution, the Port will pay for their medical premiums during retirement up to an amount equal to the non-Medicare Kaiser Family Plan rate. The Port’s contribution is subject to the following vesting schedule: 0% with less than 10 years, 50% with 10 years of service, and increasing in 5% increments up to 100% at 20 years of service. The Port will also reimburse retirees with at least 10 years of Port service for Medicare Part B premiums. The 20 year graded vesting schedule does not apply to Medicare Part B premium reimbursements. The Port will not pay for retiree dental and vision coverage for new hires on or after the effective date of the board resolution.

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>Current Plan AAL</th>
<th>Proposed Plan AAL</th>
<th>Savings AAL</th>
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<tr>
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<tr>
<td>2021</td>
<td>213,298,000</td>
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<td>(5,130,000)</td>
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<table>
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<td>2022</td>
<td>14,227,000</td>
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### 10 Year Savings of IBEW and SEIU Reitree Medical Vesting Change

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<thead>
<tr>
<th>FY</th>
<th>Savings AAL</th>
<th>Savings ARC</th>
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<td>(5,130,000)</td>
<td>(1,644,000)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>(19,132,000)</td>
<td>(8,624,000)</td>
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</tbody>
</table>

*From Milliman Progression Report 1/10/13*
BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND

RESOLUTION ELECTING TO ESTABLISH A HEALTH BENEFIT
VESTING REQUIREMENT FOR FUTURE RETIREES UNDER THE
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT.

WHEREAS, Government Code 22893 provides that a local agency
contracting under the Public Employees' Medical and Hospital Care Act
(the "Act") may amend its resolution to provide a post retirement
vesting requirement to employees who retire for service; and

WHEREAS, the City of Oakland, acting by and through its Board of
Port Commissioners, is a local agency contracting under the Act for
participation by members of Medical Group 7 (PORT, Service Employees
International Union Local 1021 [Units A and B]); and

WHEREAS, the City of Oakland, acting by and through its Board of
Port Commissioners, certifies that these employees are represented by
a bargaining unit and are subject to a memorandum of understanding;
and

WHEREAS, the credited service for purposes of determining the
percentage of employer contributions shall mean service as defined in
Section 20059, except that not less than five years of that service
shall be performed entirely with the City of Oakland; and

WHEREAS, the contribution for active employees cannot be less
than what is defined in Section 22892(b); and

WHEREAS, the City of Oakland, acting by and through its Board of
Port Commissioners, has reviewed and evaluated the Agenda Report dated
______, 2013, Item ___ ("Agenda Report") and related materials,
has received the expert testimony of Port staff, and has provided
opportunities for and taken public comment.

NOW, THEREFORE BE IT RESOLVED that the employer’s contribution
for each retired employee first hired on or after the effective date
of this resolution shall be the amount necessary to pay the full cost
of his/her enrollment, including the enrollment of eligible family
members, in the Kaiser Foundation Health Plan, Inc. for the Northern California region, at the family rate, plus Administrative fees and Contingency Reserve Fund, but not more than 100 percent of the premium applicable to him or her, nor less than 100 percent of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus 90 percent of the weighted average of the additional premiums required for enrollment of family members in the four health benefits plans that have the largest number of enrollments; and be it

FURTHER RESOLVED that the percentage of employer contribution payable for post retirement health benefits for each retired employee shall be based on the employee’s completed years of credited service based upon Government Code Section 22893; plus administrative fees and Contingency Reserve Fund assessments; and be it

FURTHER RESOLVED, that the City of Oakland, acting by and through its Board of Port Commissioners, has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it

FURTHER RESOLVED, that these resolutions shall be effective on the first day of any month it date stamped as received in the office of the Board of Administration, Public Employees' Retirement System, 400 Q Street, P.O. Box 942714, Sacramento, CA 94229-2714, by no later than the 10th of the prior month (assuming receipt by February 10, 2013, the resolutions will be effective March 1, 2013); and be it

FURTHER RESOLVED that in acting upon the matters contained herein, the City of Oakland, acting by and through its Board of Port Commissioners, has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related materials and in testimony received.
RESOLUTION ELECTING TO ESTABLISH A HEALTH BENEFIT VESTING REQUIREMENT FOR FUTURE RETIREES UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT.

WHEREAS, Government Code 22893 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act (the "Act") may amend its resolution to provide a post retirement vesting requirement to employees who retire for service; and

WHEREAS, the City of Oakland, acting by and through its Board of Port Commissioners, is a local agency contracting under the Act for participation by members of Medical Group 10 (PORT, International Brotherhood of Electrical Workers Local 1245 (Unit F)); and

WHEREAS, the City of Oakland, acting by and through its Board of Port Commissioners, certifies that these employees are represented by a bargaining unit and are subject to a memorandum of understanding; and

WHEREAS, the credited service for purposes of determining the percentage of employer contributions shall mean service as defined in Section 20069, except that not less than five years of that service shall be performed entirely with the City of Oakland; and

WHEREAS, the contribution for active employees cannot be less than what is defined in Section 22892(b); and

WHEREAS, the City of Oakland, acting by and through its Board of Port Commissioners, has reviewed and evaluated the Agenda Report dated ___, 2013, Item __ ("Agenda Report") and related materials, has received the expert testimony of Port staff, and has provided opportunities for and taken public comment.

NOW, THEREFORE BE IT RESOLVED that the employer's contribution for each retired employee first hired on or after the effective date of this resolution shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of eligible family
members, in the Kaiser Foundation Health Plan, Inc. for the Northern California region, at the family rate, plus Administrative fees and Contingency Reserve Fund, but not more than 100 percent of the premium applicable to him or her, nor less than 100 percent of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus 90 percent of the weighted average of the additional premiums required for enrollment of family members in the four health benefits plans that have the largest number of enrollments; and be it

FURTHER RESOLVED that the percentage of employer contribution payable for post retirement health benefits for each retired employee shall be based on the employee's completed years of credited service based upon Government Code Section 22893; plus administrative fees and Contingency Reserve Fund assessments; and be it

FURTHER RESOLVED, that the City of Oakland, acting by and through its Board of Port Commissioners, has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it

FURTHER RESOLVED, that these resolutions shall be effective on the first day of any month if date stamped as received in the office of the Board of Administration, Public Employees' Retirement System, 400 Q Street, P.O. Box 942714, Sacramento, CA 94229-2714, by no later than the 10th of the prior month (assuming receipt by February 10, 2013, the resolutions will be effective March 1, 2013); and be it

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CONSENT ITEMS

Action by the Board under “Consent Items” means that all matters listed below have been summarized, and are considered to be perfunctory in nature, and will be adopted by one motion and appropriate vote. Consent Items may be removed for further discussion by the Board at the request of any member of the Board.
Special Meeting of the Board of Port Commissioners
Thursday January 10, 2013 – 1:00 p.m.

ROLL CALL

President Gonzales called a Special Meeting of the Board for January 10, 2013 at 1:03 p.m.

In attendance were: 2nd Vice-President Yee, Commissioner Butner, Commissioner Hamlin, Commissioner Parker, Commissioner Uno and President Gonzales.

1st Vice President Head arrived at 2:19 p.m.

1. CLOSED SESSION

President Gonzales convened the Board in Closed Session at 1:04 p.m. to hear the following:

1.1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION. Pursuant to Subdivision (a) of California Government Code Section 54956.9.

SSA Terminals, LLC and SSA Terminals (Oakland), LLC v. the City of Oakland, Acting by and Through its Board of Port Commissioners Docket No. 09-08

Commissioner Butner recused himself on one of the matters in Item 1.2 and was out of the room during discussion and deliberation on that Item.

1.2 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION. Significant Exposure to Litigation Pursuant to Subdivision (b) of California Government Code Section 54956.9: 2 matter(s)

1.3 PUBLIC EMPLOYEE APPOINTMENT

Titles: Executive Director & Director of Maritime
1.4 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Titles: Acting Executive Director

1.5 CONFERENCE WITH REAL PROPERTY NEGOTIATOR - As provided under California Government Code Section 54956.8:

Property: 1 Airport Drive, Oakland, CA
Negotiating Parties: Port of Oakland, and Various Parties
Agency Negotiator: Acting Director of Aviation, Kristi McKenney
Under Negotiation: Price and Terms of Tenancy

Property: Sally Ride Way, Oakland, CA
Negotiating Parties: Port of Oakland and FedEx Corporation
Agency Negotiator: Acting Director of Aviation, Kristi McKenney
Under Negotiation: Price and Terms of Tenancy

ROLL CALL/OPEN SESSION

President Gonzales reconvened the Open Session of the Special Meeting of the Board at 3:25 p.m., and the following Commissioners were in attendance:

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

President Gonzales asked for a personal privilege to request a Moment of Silence to mark the passing of Kiku Uno, mother of our colleague Victor Uno.

FIRST CLOSED SESSION REPORT

The Port Attorney reported that there were no Items to report out of Closed Session, but that it would be necessary to hold a second Close Session, after Open Forum, to finish the Agenda.

2. MAJOR PROJECTS

Senior Maritime Projects Administrator, Delphine Prevost, reported on Item 2.1.

Mike Villeggiante addressed the Board on the Shore Power Report.

2.1 Report: Shore Power Program Update (Maritime)
Port Facilities Security Officer, Mike O’Brien, reported on Items 2.2.

2.2 **Report:** Port of Oakland Maritime Security System – Status Report – January 2013 (Maritime)

Maritime Security Project Administrator, Eric Napralla, reported on Item 2.3. And demonstrated the Geospatial Security Mapping System.

2.3 **Report:** Project Report and Demonstration of Geospatial Security Mapping System (Maritime)

Senior Maritime Projects Administrator, Mark Erickson, presented Item 2.4. Peter Gilbertson, Chief Executive Officer, of Anacostia also addressed the Board.

A Motion to approve the Item 2.4 was made by Vice-President Head and seconded by Vice-President Yee.

A friendly amendment to require Anacostia to accept the City’s local hire requirements for the Oakland Army Base was rejected by the makers of the Motion.

The following members of the public addressed the Board on Item 2.3: Michael Stolarczyk, Chris Stolka, Mark McClure, Bill Elmore, Dexter Vizinau, Ron Canallis, Adam Mendez, Mike Villeggiante, Kate O’Hara, Servant - Brian K. Woodson, Reverend Ken Chambers and Pat Cashman.

2.4 **Authorize the Executive Director to Enter into the Preliminary Operating Agreement for the Intermodal Rail Terminal, Phase 1 at the former Oakland Army Base with the highest ranked proposer (Maritime)**

The Motion to approve Item 2.4 passed by the following votes: (4) Ayes: 1st Vice President Head, 2nd Vice-President Yee, Commissioner Hamlin, and President Gonzales; (3) Noes: Commissioner Butner, Commissioner Parker and Commissioner Uno

3. **BUDGET & FINANCE**

Chief Financial Officer, Sara Lee, Reported on Item 3.1.

3.1 **Report:** Unaudited Financial Results for 3 Months Ended October 31, 2012

At 5:28 p.m. Commissioner Uno left the meeting.

4. **STRATEGY & POLICY**

Anne Landstrom, Principal Advisor for the Moffatt & Nichol Commercial Group, addressed the Board on Item 4.1.

4.1 **Report:** Port of Oakland Export Market Study (Maritime)
5. CONSENT ITEMS

A Motion to approve the Consent Items was made by Commissioner Parker and seconded by Vice-President Yee.

5.1 Approval of the Minutes of the Regular Meetings of December 6, 2012, December 20, 2012 and the Special Meeting of December 10, 2012. (Board Secretary)

5.2 Ordinance No. 4210, 2nd Reading of Ordinance Approving And Authorizing Execution Of A Second Amendment To The Agreement For Purchase And Sale And Ground Lease Of Real Property And Escrow Instructions For The Oak To Ninth District.

5.3 Ordinance No. 4211, 2nd Reading of Ordinance Amending Section 1.303 Of Port Ordinance No. 867 Relating To Payment Of Public Employees’ Retirement System Contributions By Port Employees.

5.4 Ordinance No. 4212, 2nd Reading of Ordinance Amending Section 2.01 Of Port Ordinance No. 867 Ratifying And Setting The Compensation Of Certain Employees Of The Port Department Belonging To Service Employees International Union, Local 1021 And Amending Section 1.191 Providing Professional Development Benefits For Certain Officers And Employees.

5.5 Ordinance No. 4213, 2nd Reading of Ordinance Amending Section 2.03 Of Port Ordinance No. 867 Ratifying And Setting The Compensation Of Certain Employees Of The Port Department Belonging To International Federation Of Professional And Technical Engineers, Local 21 And Amending Section 1.191 Providing Professional Development Benefits For Certain Officers And Employees.

5.6 Ordinance No. 4214, 2nd Reading Of Ordinance Amending Section 2.06 Of Port Ordinance No. 867 Ratifying And Setting The Compensation Of Certain Employees Of The Port Department Belonging To International Brotherhood Of Electrical Workers, Local 1245 And Amending Section 1.191 Providing Professional Development Benefits For Certain Officers And Employees.

5.7 Ordinance No. 4215, 2nd Reading Of Ordinance Amending Port Ordinance No. 867 Ratifying And Setting The Compensation Of Certain Employees Of The Port Department Belonging To Western Council Of Engineers And Amending Section 1.191 Providing Professional Development Benefits For Certain Officers And Employees.

5.8 Ordinance No. 4216, 2nd Reading Of Ordinance Amending Port Ordinance No. 867 Ratifying And Setting The Compensation Of Certain Employees Of The Port Department Belonging To Employee Representation Units J And M And Amending Section 1.191 Providing Professional Development Benefits For Certain Officers And Employees.
The Motion to approve the Consent Items 5.1 through 5.3 passed by the following votes: (6) Ayes: 1st Vice President Head, 2nd Vice-President Yee, Commissioner Butner, Commissioner Hamlin, Commissioner Parker, and President Gonzales; (1) Excused: Commissioner Uno

The Motion to approve the Consent Items 5.4 through 5.8 passed by the following votes: (6) Ayes: 1st Vice President Head, 2nd Vice-President Yee, Commissioner Butner, Commissioner Hamlin and Commissioner Parker; (1) No: President Gonzales; (1) Excused: Commissioner Uno

6. REMAINING ACTION ITEMS

A Motion to raise the salary of the Acting Executive Director to $247,508 annually, net of the raise already provide, and effective October 19, 2012, was made by Commissioner Parker and seconded by Vice-President Yee.

6.1 Salary Adjustment for Acting Executive Director (Administration)

The Motion to approve Item 6.1 passed by the following votes: (6) Ayes: 1st Vice President Head, 2nd Vice-President Yee, Commissioner Butner, Commissioner Hamlin, Commissioner Parker, and President Gonzales; (1) Excused: Commissioner Uno

7. UPDATES/ANNOUNCEMENTS

There were no Updates or Announcements.

8. SCHEDULING

The Board President, Gilda Gonzales, announced the part 2 of the Board’s Workshop on Governance would take place on January 11th at 1:00.

OPEN FORUM

Ron Canallis and Bill Elmore addressed the Board in Open Forum.

SECOND CLOSED SESSION

President Gonzales convened the Board back into Closed Session at 6:09 p.m. to finish the Closed Session Agenda.

SECOND CLOSED SESSION REPORT

There were no items to report from the Second Closed Session.
ADJOURNMENT

There being no additional business the Board adjourned at 6:55 p.m.

____________________________ _________________
John Betterton, Secretary Date
Board of Port Commissioners
Special Meeting of the Board of Port Commissioners  
Friday 1/11/13 (1:00 p.m. – 5:00 p.m.)

President Gonzales called a Special Meeting for the purpose of holding a two day workshop on “Highly Effective Board Governance”. This, the second Workshop, was held in the Board Room on January 11th and was facilitated by Mark Levine of Mark Levine Associates.

ROLL CALL

President Gonzales called the Special Meeting of the Board to order at 1:00 p.m., and the following Commissioners were in attendance:

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

Commissioner Uno was excused.

WORKSHOP

President Gonzales introduced the facilitator Mark Levine, who led the Board and staff through the second day’s Agenda (see attached)

Theme: “Elevating our Game”: Highly Effective Board Governance

OPEN FORUM

Sandy Threlfall participated in various aspects of the Workshop.

ADJOURNMENT

There being no additional business the Board adjourned at 4:52 p.m.

____________________________ _________________
John Betterton, Secretary Date
WORKSHOP AGENDA

Theme: “Elevating Our Game”: Highly Effective Board Governance

DAY ONE
Monday 12/10/12
(8:00 a.m. – 12:30 p.m.)

DAY TWO
Thursday, 12/20/12
(1:00 p.m. – 5:00 p.m.)

Outcomes for the Workshop:

• Agree on specific steps to strengthen the governance practices of the Board

• Build cohesion and trust among Commissioners

• Identify next steps in preparation for the December 20th workshop

DAY TWO
THURSDAY (December 20th)

1:00 Opening
• Overview

• Ground Rules

• Reflect back on 12/10 Workshop

1:15 Focus on Key Governance Questions
  ▪ Team Report on Topic 1 – Increasing Trust
    o Discuss, reach agreement and articulate next steps

  ▪ Team Report on Topic 2 – Statement of Intention
    o Discuss/reach agreement and articulate next steps

  ▪ Team Report on Topic 3 – Officer Role and Information Sharing
    o Discuss, reach agreement and articulate next steps

  ▪ Team Report on Topic 4 – Committee structure and Individual Commissioner Roles
    o Discuss, reach agreement and articulate next steps

2:30 BREAK
2:45 Generative Discussion and Debrief
3:45 Work on Remaining Key Governance Questions
- How can we adapt meeting procedures to support more focus on strategic and big picture/generative questions, and, ideally, greater transparency?

- How can the Board give clearer direction to staff, and how can information presented to the Board succinctly show progress against key measures and indicators?

4:30 Recap Next Steps
- Evaluate

- Final Comments by Commissioners – “what difference will the changes we have agreed to make for the Board and the Port?

5:00 Adjourn
AGENDA REPORT

TITLE: Authorization to 1) Accept FY12 Department of Homeland Security/Federal Emergency Management Agency Port Security Grant Program Funding, 2) Authorize the Executive Director to Take All Actions Necessary to Implement the Approved Security Projects, and 3) Authorization to Reprogram Residual California Proposition 1B Port Security Grant Funding

AMOUNT: $3,543,750 (PSGP12 Grant Amount) 
$1,700,000 (CA PROP1B Grant Amount)

PARTIES INVOLVED:

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<th>Location</th>
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<td>California Emergency Management Agency (CAL-EMA)</td>
<td>Sacramento, CA</td>
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<tr>
<td>URS Corporation Americas</td>
<td>Oakland, CA</td>
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TYPE OF ACTION: Resolution

SUBMITTED BY: Jean Banker, Director of Maritime (Acting)

APPROVED BY: Deborah Ale Flint, Executive Director (Acting)

Summary

Earlier this year, the Port applied for, and was awarded, an FY12 DHS/FEMA Port Security Grant to implement three projects. In order to implement these important projects, staff is seeking the Board’s authorization to accept the grant and take various related actions.

FACTUAL BACKGROUND

In a letter dated September 1, 2012, DHS notified the Port of Oakland that three projects had been approved for FY12 DHS/FEMA Port Security Grant funding. The total cost of the projects, less Port staff costs, is $4,725,000; the grant will fund 75% of the cost. The Port of Oakland is responsible for funding the 25% as a cost share. A portion of the cost share can be met by contribution of state grant funding i.e., CA PROP1B funding.

<table>
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ANALYSIS

Project 1: Maritime Domain Awareness Enhancement Project Objectives:
A) Replace hand-held radios used by Port and Maritime Tenants for emergency communications to meet federal regulations. The Port of Oakland and Maritime Tenants currently utilize a mobile hand-held radio system for emergency communications. The frequency utilized by the existing radios will be decommissioned in 2013 and must be replaced.
B) Install strategically located pan-tilt-zoom cameras (see Exhibit A) to provide better visibility of critical areas and infrastructure in the Maritime Area. The desired area of new surveillance coverage has been determined based on lessons learned from recent security/emergency events.
C) Install turn-key access and display capability to security and domain awareness systems at Port of Oakland facilities. Multiple locations to rapidly access and display such information is critical to enhance and streamline response to security/emergency events.

Project 2: Security Fiber Optic Network Expansion/Redundancy Project Objectives:
A) Install fiber optic network cable and make any necessary Port system network improvements on Maritime St (connecting 7th St and Middle Harbor Rd) to provide security communications network capability (supports CCTV cameras, etc.) where it does not currently exist and to create a fiber network system “loop” for the purposes of network redundancy; see Exhibit B.
B) Install fiber optic network cable and make any necessary network improvements between City of Oakland – City Hall and City of Oakland Emergency Operations Center (EOC); see Exhibit C. Fiber optic network cable currently connects the Port (530 Water St) to City Hall. The EOC is the location for the City/Port Domain Awareness Center and it is necessary to have a dedicated network to/from the Port directly to the EOC for reliable, security/emergency related data communications.

Project 3: Geospatial Security Mapping System Enhancement Project Objectives:
A) Focus on the development of utility system data, development of access to external users (marine terminals, public safety, etc.) system resiliency (back up server), and development of an emergency notification solution. In June 2012, the Port launched the Geospatial Security Mapping System (GSMS) which was funded by Federal and State Port Security Grants. The initial deployment included approximately 70 data layers ranging from locations of marine terminal fence lines to inclusion of current aerial imagery. The GSMS also provides real-time ship tracking, weather, live views of CCTV camera systems, etc.

Sole Source Justification

In mid-2012, URS Corporation completed, and delivered to the Port of Oakland, the first phase of the Geospatial Security Mapping System; URS was selected from a competitive bidding process. Port staff requests waiver of standard bidding procedures to contract with
URS Corporation in the amount not to exceed $2,723,750 (PSGP 12 and Residual CA PROP1B funds) for this project: 1) URS collected/reviewed a significant amount of Port data that can be leveraged for the additional phase of the system development, 2) URS staff have established strong relationships with Port staff and external stakeholders, and 3) the current system is in its infancy, but growing as URS is providing two years of support and maintenance. Due to the system’s current state and management/growth strategy, it is in the best interest of the Port to have continued development and expansion performed by a team that already possesses security and business familiarity and expertise with the mapping system, Port infrastructure, the Port organization and related processes.

Reprogram Residual CA PROP1B Port Security Grant Funding

The 2007 California Port and Maritime Security Grant Program authorized the Port of Oakland $3,800,000 to develop and implement a Wireless Truck Tracking and Reporting System in the Maritime Area. Through two phases, the Port established the Port Drayage Truck Registry and Database, Customer Service Center, Truck Management System, and integrated live truck identification and location data from the Marine Terminal Operators' Radio Frequency Identification (RFID) systems located at the entrance of each terminal. The goals of the program have been met with an expenditure of approximately $2,100,000, leaving $1,700,000 in grant funding available for re-investment. With current truck identification and tracking infrastructure in place and operational, it is recommended to be in the best interests of the Port that the residual funding be re-allocated to provide additional capability to the Geospatial Security Management System (GSMS). As described in the previous section (Project 3), the initial phase Geospatial Security Management System provides a number of tools to the users, but can be developed further to provide greater benefit. Phase 2 of the GSMS will further expand and enhance the system and make it more functional by accelerating the development of the strategic initiatives (data layers, system resiliency, etc.).

The residual funding from the CA PROP1B security grant must be expended prior to June 30, 2013. Re-programming this CA PROP1B funding, which has been approved by the California Emergency Management Agency, to add to the funds available via Port Security Grant Program (PSGP) Round 12 for the project will cover both the Port's cost share of $341,250 for PSGP12 Project 3, but also add additional $1,358,750 in development to Phase 2 of the project, allowing for earlier completion of tasks that would normally have to be deferred to a later phase of the overall enterprise GIS implementation. The accelerated development of utility mapping will greatly enhance the systems overall usability and enhance the Port's ability to recover from an incident or natural disaster impacting the Maritime Area.

Strategic Plan Alignment

<table>
<thead>
<tr>
<th>STRATEGIC PRIORITY AREAS</th>
<th>GOAL</th>
<th>OBJECTIVE</th>
<th>HOW THESE PROJECTS IMPLEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Economic and Business Development</td>
<td>Goal A: Create Sustainable Economic Growth for the Port and Beyond</td>
<td>2. Affirm Port identity as a public enterprise</td>
<td>The Port is in a unique position, as both a public agency and as the landlord for the Maritime Area, to be the focal point for the collection, consolidation, and management of information and data related to critical maritime infrastructure. These projects provide enhanced tools for the Port</td>
</tr>
</tbody>
</table>

Item 5.2 3
to more efficiently, effectively, and reliably serve its security/emergency response role. These projects will significantly improve the communication and working relationships between participating agencies, first responders, and the private owners of critical infrastructure in our region.

All of the Security Projects are between 75-100% grant funded with the exception of Port staff and overhead costs.

BUDGET & FINANCIAL IMPACT

Project 1 - Maritime Domain Awareness Enhancement and Project 2 – Security Fiber Optic Network Expansion/Redundancy will be implemented via design-bid-build method. The design plans and specifications will be developed via Professional Services Agreements. Upon completion of design, the projects will be placed out to competitive bid.

Project 3 – Geospatial Security Mapping System Enhancement will be implemented via Professional Services Agreement.

All three projects are included in the Fiscal Year 2012-13 Capital Needs Assessment (CNA) as “pipeline” projects. Staff is requesting authorization of $2,268,000 in FY 2012-13; $568,000 is currently in the FY 2012-13 Pipeline and the balance of $1,700,000 is already in the approved capital budget for another project but being reallocated as discussed in the Analysis Section of this Agenda Report. The Port will be reimbursed for the grant funded portion of the projects directly from DHS/FEMA and the State of California.

Projects 1 and 2 are being funded primarily (approximately 75%) with the DHS/FEMA and CA Prop 1B Grants; the remaining 25% (Port match) is anticipated to be funded with Port cash or debt to the extent sufficient cash is not available. Project 3 is being funded, in its entirety, by DHS/FEMA and CA Prop 1B Grants.

Below is the project cost estimate and anticipated funding:

<table>
<thead>
<tr>
<th>Project</th>
<th>FY12/13</th>
<th>FY13/14</th>
<th>FY14/15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Maritime Domain Awareness Enhancement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Grant Funded</td>
<td>$110,250</td>
<td>$441,000</td>
<td>$551,250</td>
<td>$1,102,500</td>
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<td>Port Match</td>
<td>$ 36,750</td>
<td>$147,000</td>
<td>$183,750</td>
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<tr>
<td>Port Labor</td>
<td>$ 42,000</td>
<td>$168,000</td>
<td>$210,000</td>
<td>$ 420,000</td>
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<tr>
<td>Total Cost</td>
<td>$189,000</td>
<td>$756,000</td>
<td>$945,000</td>
<td>$1,890,000</td>
</tr>
<tr>
<td>2) Security Fiber Optic Network Expansion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Grant Funded</td>
<td>$141,750</td>
<td>$567,000</td>
<td>$708,750</td>
<td>$1,417,500</td>
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<td>Port Match</td>
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<tr>
<td>Port Labor</td>
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<td>$54,000</td>
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<tr>
<td>Total Cost</td>
<td>$203,000</td>
<td>$810,000</td>
<td>$1,013,000</td>
<td>$2,026,000</td>
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</tbody>
</table>
**STAFFING IMPACT**

It is anticipated that Project 1 – Maritime Domain Awareness Enhancement and Project 2 – Security Fiber Optic Network Expansion/Redundancy will require staff support from the Engineering Department for development of request for proposal, oversight of project specification design, and oversight of project construction.

Project 3 – Geospatial Security Mapping System Enhancement will require staff support from the Engineering Department for development of project scope of work and implementation oversight. It is also anticipated that support will be provided by current Information Technology staff.

Maritime will fully support Projects 1-3 via the Maritime Security Project Administrator who will serve as the Project Manager for the projects.

**SUSTAINABILITY**

As part of value engineering, the Port will be reusing existing infrastructure and facilities to the greatest extent possible, thereby reducing the need for production of new equipment such as conduit, cabling, etc.

**ENVIRONMENTAL**

The proposals to: (i) accept federal Port security grant program funds from DHS/FEMA, (ii) authorize the Executive Director to take all actions necessary to implement the approved security projects, and 3) reprogram residual California Proposition 1B Port security grant funding, were reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), and the Port CEQA Guidelines.

The general rule in Section 15061(b)(3) of the CEQA Guidelines states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. It can be seen with certainty that there is no possibility that either, authorizing the Executive Director to enter into grant agreements or reprogramming residual grant funding, will result in a physical change in the environment, and therefore this action is exempt from CEQA. In addition, accepting grant funds is not a project pursuant to Section 15378(b)(4) of the CEQA Guidelines.
Two of the three security projects in this agenda report: (i) Maritime Domain Awareness Enhancement, and (ii) Security Fiber Optic Network Expansion Redundancy, are described and reviewed for environmental impacts in the Initial Study/Negative Declaration (IS/ND) for the Maritime Utilities Upgrade Project, adopted by the Board on May 18, 2010. A link to the adopted Maritime Utilities Upgrade Project IS/ND is available at http://portofoakland.com/pdf/MUUP_03-25-2010.pdf.

The third security project, Geospatial Security Mapping System Enhancement, consists of computer, software, and data upgrades, and it would not be considered a project pursuant to Section 15061(b)(3) of the CEQA Guidelines.

Therefore, no further environmental review or documentation is necessary in order for the Board to take the actions recommended in this Agenda Report.

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The professional services agreements required to implement the security projects are for professional services that do not include construction testing and inspection; and, therefore, the provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) do not apply to this work. However, MAPLA will apply to the subsequent construction contracts for these projects.

Regarding acceptance of federal grant funds and authorization of project funding, these matters are not within the scope of the MAPLA, and the provisions of the MAPLA do not apply.

OWNER CONTROLLED INSURANCE PROGRAM (OCIP)

As these projects are capital expenditures, the Port’s Owner Controlled Insurance Program (OCIP) applies to the construction work and the Port’s Professional Liability Insurance Program (PLIP) applies to the consulting services.

GENERAL PLAN

Pursuant to Section 727 of the City of Oakland Charter, the actions described in this Agenda Report have been determined to conform to the policies for the transportation designation of the Oakland General Plan.

LIVING WAGE

Living Wage requirements, in accordance with the Port’s Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the “Living Wage Regulations”), do not apply as projects deal with authorization for professional services agreements with consultants selected from multiple formal competitive bidding process, therefore at this time, Living Wage does not apply. Should any of the contracts be awarded to a business with 21 or more employees and with a
contract value of $50,000 or more, Living Wage will apply. In addition, the installation and construction portion of the contract will be subject to prevailing wage requirements.

OPTIONS

Option A

1) Accept port security grant from DHS/FEMA, in the total amount of $3,543,750;
2) Authorize Capital Needs Assessment pipeline funding in the amount of $568,000 for the three projects for expenditure in the 2012-2013 fiscal year budget;
3) Authorize the Executive Director to implement three security projects in their entirety:
   a. Project 1 – Maritime Domain Awareness Enhancement
      i. Authorize Executive Director to enter into a professional services agreement with a consultant selected from a formal competitive bidding process for project design/engineering services to complete plans and specifications (Port Project Manual) for an amount not to exceed $190,000.
      ii. Authorize the Director of Engineering to approve the Plans and Project Manual.
      iii. Authorize the Executive Director to advertise for bids.
      iv. Authorize the Executive Director to award the contract for Construction of the Maritime Domain Awareness Enhancement Project to the lowest responsible responsive bidder in an amount not to exceed $1,210,000.
   b. Project 2 – Security Fiber Optic Network Expansion/Redundancy
      i. Authorize Executive Director to enter into a professional services agreement with a consultant selected from a formal competitive bidding process for project design/engineering services to complete plans and specifications (Port Project Manual) for an amount not to exceed $240,000.
      ii. Authorize the Director of Engineering to approve the Plans and Project Manual.
      iii. Authorize the Executive Director to advertise for bids.
      iv. Authorize the Executive Director to award the contract for construction of the Security Fiber Optic Network Expansion/Redundancy Project to the lowest responsible responsive bidder in an amount not to exceed $1,560,000.
   c. Project 3 – Geospatial Security Mapping System Enhancement
      i. Find and determine that it is in the best interest of the Port to waive standard bidding procedures for the award of contract to implement project.
      ii. Authorize the Executive Director to enter into a professional services agreement with URS Corporation for delivery of project for an amount not to exceed $2,723,750.
      iii. Authorize the Executive Director to terminate negotiations with URS Corporation if unable to reach agreement, and thereafter enter into a contract or contracts with any other qualified and
responsible contractor for delivery of the project based on the receipt of informal proposals.

iv. Authorize reprogramming of up to $1,700,000 of CA PROP1B grant funds, previously accepted by the Port, to be used for this project.

4) Authorize the Executive Director to resolve any bid protests in accordance with Port Ordinance No. 1606.

Option B
1) Do not accept the Grant Award because of insufficient Port Funds to apply to match requirement and overhead costs to complete the security projects. Do not allow reprogramming of CA PROP1B funds which will result in loss of funds upon expiration of the performance period on June 30, 2013. However, in view of the importance of security and the criticality of Port assets and infrastructure, we believe it is in the best interests of the Port to accept the Grants as awarded, authorize the CA PROP1B security fund reprogramming, and seek to keep engineering and administration overhead costs as low as possible.

RECOMMENDATION

It is recommended that the Board pass a resolution authorizing the following actions:

1) Accept port security grant from DHS/FEMA, in the total amount of $3,543,750;
2) Authorize Capital Needs Assessment pipeline funding in the amount of $568,000 for the three projects for expenditure in the 2012-2013 fiscal year budget;
3) Authorize the Executive Director to implement three security projects in their entirety:
   a. Project 1 – Maritime Domain Awareness Enhancement
      i. Authorize Executive Director to enter into a professional services agreement with a consultant selected from a formal competitive bidding process for project design/engineering services to complete plans and specifications (Port Project Manual) for an amount not to exceed $190,000.
      ii. Authorize the Director of Engineering to approve the Plans and Project Manual.
      iii. Authorize the Executive Director to advertise for bids.
      iv. Authorize the Executive Director to award the contract for Construction of the Maritime Domain Awareness Enhancement Project to the lowest responsible responsive bidder in an amount not to exceed $1,210,000.
   b. Project 2 – Security Fiber Optic Network Expansion/Redundancy
      i. Authorize Executive Director to enter into a professional services agreement with a consultant selected from a formal competitive bidding process for project design/engineering services to complete plans and specifications (Port Project Manual) for an amount not to exceed $240,000.
ii. Authorize the Director of Engineering to approve the Plans and Project Manual.

iii. Authorize the Executive Director to advertise for bids.

iv. Authorize the Executive Director to award the contract for construction of the Security Fiber Optic Network Expansion/Redundancy Project to the lowest responsible responsive bidder in an amount not to exceed $1,560,000.

c. Project 3 – Geospatial Security Mapping System Enhancement

i. Find and determine that it is in the best interest of the Port to waive standard bidding procedures for the award of contract to implement project.

ii. Authorize the Executive Director to enter into a professional services agreement with URS Corporation for delivery of project for an amount not to exceed $2,723,750.

iii. Authorize the Executive Director to terminate negotiations with URS Corporation if unable to reach agreement, and thereafter enter into a contract or contracts with any other qualified and responsible contractor for delivery of the project based on the receipt of informal proposals.

iv. Authorize reprogramming of up to $1,700,000 of CA PROP1B grant funds, previously accepted by the Port, to be used for this project.

4) Authorize the Executive Director to resolve any bid protests in accordance with Port Ordinance No. 1606.
Exhibit B - Security Fiber Optic Network Expansion/Redundancy

Maritime Street
Exhibit C – Security Fiber Optic Network Expansion/Redundancy City of Oakland
BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND

RESOLUTION FINDING AND DETERMINING THAT A PROPOSED AGREEMENT FOR
MARITIME DOMAIN AWARENESS ENHANCEMENT CONSULTING SERVICES AT A
MAXIMUM COMPENSATION OF $190,000 CONSTITUTES PROFESSIONAL,
TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and
evaluated Agenda Report Item No. 5.2, dated January 24, 2013 ("Agenda
Report") and related agenda materials, has received the expert testimony of
Port of Oakland ("Port") staff, and has provided opportunities for and taken
public comment; now, therefore, be it

RESOLVED, that in acting upon this matter, the Board has exercised its
independent judgment based on substantial evidence in the record and adopts
and relies upon the facts, data, analysis, and findings set forth in the
Agenda Report and in related agenda materials and in testimony received; and
be it

FURTHER RESOLVED, that based upon the information contained in the
Agenda Report, the Board hereby finds and determines that the proposed
agreement for Maritime Domain Awareness Enhancement consulting services will
constitute an agreement for obtaining professional, technical and specialized
services that are temporary in nature; and be it

FURTHER RESOLVED, that the Board hereby approves and authorizes the
Executive Director of the Port ("Executive Director") to execute for and on
behalf of the Board an agreement with a consultant selected from a formal
competitive bidding process to perform such services, upon terms and
conditions consistent with the Agenda Report and providing that the selected
Consultant shall be compensated for such services, including costs of
miscellaneous reimbursable expenses, at a maximum compensation that shall not
exceed $190,000; and be it
FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of an agreement in accordance with the terms of this resolution. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed and approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement.
BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND

RESOLUTION FINDING AND DETERMINING THAT A PROPOSED AGREEMENT FOR SECURITY FIBER OPTIC NETWORK EXPANSION/REDUNDANCY CONSULTING SERVICES AT A MAXIMUM COMPENSATION OF $240,000 CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated Agenda Report Item No. 5.2, dated January 24, 2013 ("Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore, be it

RESOLVED, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received; and be it

FURTHER RESOLVED, that based upon the information contained in the Agenda Report, the Board hereby finds and determines that the proposed agreement for Security Fiber Optic Network Expansion/Redundancy consulting services will constitute an agreement for obtaining professional, technical and specialized services that are temporary in nature; and be it

FURTHER RESOLVED, that the Board hereby approves and authorizes the Executive Director of the Port ("Executive Director") to execute for and on behalf of the Board of an agreement with a consultant selected from a formal competitive bidding process to perform such services, upon terms and conditions consistent with the Agenda Report and providing that the selected Consultant shall be compensated for such services, including costs of miscellaneous reimbursable expenses, at a maximum compensation that shall not exceed $240,000; and be it
FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of an agreement in accordance with the terms of this resolution. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed and approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement.
RESOLUTION FINDING AND DETERMINING THAT A PROPOSED AGREEMENT WITH
URS CORPORATION AT A MAXIMUM COMPENSATION OF $1,365,000 FOR
CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND
SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE, WAIVING
STANDARD BIDDING PROCEDURES AND AUTHORIZING EXECUTION OF
AGREEMENT.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and
evaluated Agenda Report Item No.5.2, dated January 24, 2013 ("Agenda Report")
and related agenda materials, has received the expert testimony of Port of
Oakland ("Port") staff, and has provided opportunities for and taken public
comment; now, therefore, be it

RESOLVED, that in acting upon this matter, the Board has exercised its
independent judgment based on substantial evidence in the record and adopts
and relies upon the facts, data, analysis, and findings set forth in the
Agenda Report and in related agenda materials and in testimony received; and
be it

FURTHER RESOLVED, that based upon the information contained in the
Agenda Report, the Board hereby finds and determines that the proposed
agreement with URS CORPORATION for Geospatial Security Mapping System
Enhancement will constitute an agreement for obtaining professional,
technical and specialized services that are temporary in nature and that it
is in the best interest of the Port to secure such services from URS
CORPORATION without standard bidding and standard competitive bidding
procedures are waived; and be it
FURTHER RESOLVED, that the Board hereby approves and authorizes the Executive Director of the Port ("Executive Director") to execute for and on behalf of the Board said agreement, upon terms and conditions consistent with the Agenda Report and providing that URS CORPORATION shall be compensated for such services, including costs of miscellaneous reimbursable expenses, at a maximum compensation that shall not exceed $2,723,750; and be it

FURTHER RESOLVED, that if the Port is unable to reach an agreement with URS CORPORATION, the Executive Director is authorized to terminate negotiations with URS CORPORATION and enter into a professional services agreement with the consultant selected through receipt of informal proposal at a maximum compensation that shall not exceed $2,723,750 and that such services will constitute an agreement for obtaining professional, technical and specialized services that are temporary in nature and that it is in the best interest of the Port to secure such services without competitive bidding; and be it

FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of an agreement in accordance with the terms of this resolution. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed and approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement.
RESOLUTION AUTHORIZING THE PROJECT FOR CONSTRUCTION OF MARITIME DOMAIN AWARENESS ENHANCEMENT PROJECT; AUTHORIZING THE DIRECTOR OF ENGINEERING OF THE PORT OF OAKLAND (“DIRECTOR OF ENGINEERING”) TO APPROVE THE PROJECT MANUAL AND PLANS; CALLING FOR BIDS THEREFOR; AND AUTHORIZING THE EXECUTIVE DIRECTOR OF THE PORT OF OAKLAND (“EXECUTIVE DIRECTOR”) TO AWARDB A CONTRACT TO THE LOWEST RESPONSIBLE RESPONSIVE BIDDER IN TOTAL AGGREGATE AMOUNT NOT TO EXCEED $1,210,800.

WHEREAS, the Board of Port Commissioners (“Board”) has reviewed and evaluated the Board Agenda Report Item No. 5.2, dated January 24, 2013 (“Agenda Report”) and related agenda materials, has received the expert testimony of Port of Oakland (“Port”) staff, and has provided opportunities for and taken public comment; now, therefore, be it

RESOLVED, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report, and in related agenda materials and in testimony received; and be it

FURTHER RESOLVED, that based upon the information contained in the Agenda Report, the Board hereby finds and determines that it is in the best interest of the Port to authorize the project for Construction of Maritime Domain Awareness Enhancement Project (“Domain Awareness”), Oakland, California; and be it

FURTHER RESOLVED, that the Director of Engineering or his designee is authorized to approve the project manual and plans for the Domain Awareness in advance of construction, pursuant to Government Code Section 830.6; and be it
FURTHER RESOLVED, that the Secretary of the Board is hereby authorized to advertise for four consecutive days in the official newspaper of the City of Oakland for sealed bids for the project not less than ten calendar days prior to the date set for receiving said bids; and be it

FURTHER RESOLVED, that the provisions of the Maritime and Aviation Project Labor Agreement ("MAFLA") apply to this project; and be it

FURTHER RESOLVED, that the Board hereby approves and authorizes the Executive Director to award a contract to the lowest responsible, responsive bidder, based upon the receipt of formal sealed bids, for the Domain Awareness project, in a total aggregate amount not to exceed $1,210,000; and be it

FURTHER RESOLVED, that based upon the information contained in the Agenda Report the Board hereby authorizes the rejection of all other bids received for the Domain Awareness project, and directs that securities accompanying said bids shall be returned to the respective bidders; and be it

FURTHER RESOLVED, that the Board hereby finds and determines that in accordance with the requirements of the California Environmental Quality Act (CEQA) and the Port CEQA Guidelines, Section 15061(b)(3), it can be seen that there is no possibility that taking the recommended actions will result in a physical change to the environment, and therefore no further environmental review is required time whether additional CEQA review and clearance is needed; and be it

FURTHER RESOLVED, that pursuant to Port Ordinance 1606, Section 22, the Board finds and determines it to be in the Port’s best interest to delegate to the Executive Director, and hereby delegates to the Executive Director, the authority to finally resolve bid protests in connection with this project; and be it

FURTHER RESOLVED, that a bond for the faithful performance of the work, and a bond to guarantee the payment of all claims for labor and materials furnished and for amounts due under the Unemployment Insurance Code, each in the amount of one hundred percent (100%) of the contract price shall be provided by the Contractor as prescribed by applicable laws and regulations and the contract specifications; and be it

FURTHER RESOLVED, that the procedure prescribed by applicable laws, regulations and the contract specifications shall be taken for the execution of said contract; and be it

FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or
liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of a contract in accordance with the terms of this resolution. Unless and until a separate written contract is duly executed on behalf of the Board as authorized by this resolution, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective contract.
RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ACCEPT FISCAL YEAR ("FY") 2012 FEDERAL DEPARTMENT OF HOMELAND SECURITY/FEDERAL EMERGENCY MANAGEMENT AGENCY ("DHS/FEMA") PORT SECURITY GRANT FUNDING IN THE AMOUNT OF $3,543,750.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Board Agenda Report Item No. 5.2, dated January 24, 2013 ("Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore, be it

RESOLVED, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report, and in related agenda materials and in testimony received; and be it

FURTHER RESOLVED that the Board hereby authorizes and directs the Executive Director to accept federal port security grant funds from the DHS/FEMA FY 2012, on behalf of said Board, and to execute and submit all documents which may be necessary or convenient to complete said application(s), in accordance with the Agenda Report, and the Secretary of the Board is hereby authorized and directed to attest to the execution of such grant agreements, if deemed necessary, when said Grant Offers are released, up to the amount of $3,543,750, provided, however, that such grant agreement shall not be binding or enforceable against the Port unless and until approved in writing as to form and legality by the Port Attorney; and be it

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FURTHER RESOLVED that the Board hereby finds that the three projects described in the Agenda Report are included in the FY 2012-13 Capital Needs Assessment ("CNA") and authorizes a pipeline funding expenditure in the amount of $568,000, as more fully outlined in the Agenda Report; and be it

FURTHER RESOLVED that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of an agreement in accordance with the terms of this resolution. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed and approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement.
RESOLUTION AUTHORIZING THE PROJECT FOR CONSTRUCTION OF SECURITY FIBER OPTIC NETWORK EXPANSION/REDUNDANCY PROJECT; AUTHORIZING THE DIRECTOR OF ENGINEERING OF THE PORT OF OAKLAND ("DIRECTOR OF ENGINEERING") TO APPROVE THE PROJECT MANUAL AND PLANS; CALLING FOR BIDS THEREFOR; AND AUTHORIZING THE EXECUTIVE DIRECTOR OF THE PORT OF OAKLAND ("EXECUTIVE DIRECTOR") TO AWARD A CONTRACT TO THE LOWEST RESPONSIBLE RESPONSIVE BIDDER IN TOTAL AGGREGATE AMOUNT NOT TO EXCEED $1,560,000.

WHEREAS, the Board of Port Commissioners ("Board") has reviewed and evaluated the Board Agenda Report Item No. 5.2, dated January 24, 2013 ("Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore, be it

RESOLVED, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report, and in related agenda materials and in testimony received; and be it

FURTHER RESOLVED, that based upon the information contained in the Agenda Report, the Board hereby finds and determines that it is in the best interest of the Port to authorize the project for Construction of Security Fiber Optic Network Expansion/Redundancy Project ("Fiber Optic Network Expansion"), Oakland, California; and be it

FURTHER RESOLVED, that the Director of Engineering or his designee is authorized to approve the project manual and plans for the Fiber Optic Network Expansion in advance of construction, pursuant to Government Code, Section 830.6; and be it
FURTHER RESOLVED, that the Secretary of the Board is hereby authorized to advertise for four consecutive days in the official newspaper of the City of Oakland for sealed bids for the project not less than ten calendar days prior to the date set for receiving said bids; and be it

FURTHER RESOLVED, that the provisions of the Maritime and Aviation Project Labor Agreement ("MAFLA") apply to this project; and be it

FURTHER RESOLVED, that the Board hereby approves and authorizes the Executive Director to award a contract to the lowest responsible, responsive bidder, based upon the receipt of formal sealed bids, for the Domain Awareness project, in a total aggregate amount not to exceed $1,560,000; and be it

FURTHER RESOLVED, that based upon the information contained in the Agenda Report the Board hereby authorizes the rejection of all other bids received for the Fiber Optic Network Expansion project, and directs that securities accompanying said bids shall be returned to the respective bidders; and be it

FURTHER RESOLVED, that the Board hereby finds and determines that in accordance with the requirements of the California Environmental Quality Act (CEQA) and the Port CEQA Guidelines, Section 15061(b)(3), it can be seen that there is no possibility that taking the recommended actions will result in a physical change to the environment, and therefore no further environmental review is required time whether additional CEQA review and clearance is needed; and be it

FURTHER RESOLVED, that pursuant to Port Ordinance 1606, Section 22, the Board finds and determines it to be in the Port’s best interest to delegate to the Executive Director, and hereby delegates to the Executive Director, the authority to finally resolve bid protests in connection with this project; and be it

FURTHER RESOLVED, that a bond for the faithful performance of the work, and a bond to guarantee the payment of all claims for labor and materials furnished and for amounts due under the Unemployment Insurance Code, each in the amount of one hundred percent (100%) of the contract price shall be provided by the Contractor as prescribed by applicable laws and regulations and the contract specifications; and be it

FURTHER RESOLVED, that the procedure prescribed by applicable laws, regulations and the contract specifications shall be taken for the execution of said contract; and be it

FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or
liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of a contract in accordance with the terms of this resolution. Unless and until a separate written contract is duly executed on behalf of the Board as authorized by this resolution, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective contract.
AGENDA REPORT

TITLE: Authorization for Executive Director to Extend an Existing Right of Entry and Indemnity Agreement with San Francisco Bay Area Rapid Transit District (BART) for Seismic Retrofit improvements to the BART Column Structure at 7th and Maritime Streets.

AMOUNT: $0 (No Financial Impact)

PARTIES INVOLVED:

<table>
<thead>
<tr>
<th>Corporate Name/Principal</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco Bay Area Rapid Transit District (BART)</td>
<td>Oakland, CA</td>
</tr>
</tbody>
</table>

TYPE OF ACTION: Resolution

SUBMITTED BY: Jean Banker, Director of Maritime (Acting)

APPROVED BY: Deborah Ale-Flint, Executive Director (Acting)

FACTUAL BACKGROUND

The San Francisco Bay Area Rapid Transit District (BART) has initiated an earthquake safety program to upgrade vulnerable portions of the BART system to ensure that they can be returned into operation after a major seismic event. This program includes upgrading the aerial structure foundations that run along BART’s 7th Street easement and includes aerial structure piers P-136 through P-140. A portion of the work associated with the upgrade of piers P-136 through P-140 will need to be performed on Port of Oakland property and include: staging of construction equipment; removing landscaping, walkways, curbs and gutters; trenching; and construction of the pier seismic upgrades. Upon completion of the project, BART will replace all removed landscaping, walkways, pavements, curbs and gutters. Prior to and during the work, BART will install and maintain all appropriate construction and detour signage to detour traffic and avoid accidents.

ANALYSIS

During BART’s design process Port staff reviewed and commented on the portions of BART’s Earthquake Safety Program Contract Drawings (Contract No. 15SU-130) that include work that is being performed on Port property and the proposed re-routing of Port maritime traffic through detours and lane closures. BART has incorporated Port staff’s comments into the final contract drawings and continues to work with the Port to minimize impacts to our tenants and customers.

Port staff had negotiated acceptable terms and conditions for a Right of Entry Agreement with BART. Due to outstanding issues within the construction process, BART is seeking to extend
their current Right of Entry (ROE) time period for an additional 6 months through June 1, 2013. They expect to complete all related work by April but are requesting additional time for any contingencies and to avoid returning to the Board of Commissioners for additional time.

**BUDGET & FINANCIAL IMPACT**

There is no fiscal impact to the Port associated with this action.

**STAFFING IMPACT**

This project will have no impact on current or future Port staffing.

**SUSTAINABILITY**

The Work affected by this action complies with the latest editions of applicable codes and regulations and incorporates and adheres to the Port’s Sustainability Policy STRATEGIC PLAN

The applicable goals/objectives of the Strategic Plan include:

<table>
<thead>
<tr>
<th>Strategic Priority Area</th>
<th>Goal</th>
<th>Objective</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stewardship and Accountability</td>
<td><strong>Goal E:</strong> Improve the processes for evaluating and managing capital expenditures and for long term management of Port property and infrastructure.</td>
<td><strong>Objective 5:</strong> Prepare plans for long-term use, development and management of Port property and infrastructure.</td>
<td>Coordinating with BART in retrofitting their structures within Port property ensures future safety and helps the Port in planning around the area for future long term use.</td>
</tr>
<tr>
<td></td>
<td><strong>Goal G</strong> Sustain healthy communities through leading edge environmental stewardship</td>
<td><strong>Objective 2:</strong> Partner to share risk, accountability, benefits and improve environmental and safety compliance.</td>
<td>This BART project ensures the safety and compliance of the structures and rail tracks within the Port property area. This also protects Port tenants and customers who must travel under and around the BART structures also.</td>
</tr>
</tbody>
</table>
ENVIRONMENTAL

The proposal to authorize the Executive Director to execute an extension of the existing ROE and indemnification agreement between the Port and BART for completion of seismic retrofit improvements to BART aerial structure foundations on Port property, as part of BART’s Seismic Retrofit Project, was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA) and the Port CEQA Guidelines. Execution of the ROE and indemnity agreement extensions is categorically exempt from CEQA pursuant to Port CEQA Guidelines Section 15301(p), 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.

Furthermore, the California Legislature enacted a Statutory Exemption from CEQA for the BART Seismic Retrofit Project, of which the aerial structure foundation work is a component. Therefore, no further environmental analysis is required for the Board to take the action recommended in this agenda report.

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA)

Extension of ROE and Indemnification Agreement does not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply to this project.

OWNER CONTROLLED INSURANCE PROGRAM (OCIP)

This right of entry will not be insured by the Port's Owner Controlled Insurance Program.

GENERAL PLAN

Pursuant to Section 727 of the City of Oakland Charter, this project has been determined to conform to the policies for the transportation designation of the Oakland General Plan.

LIVING WAGE

Living wage requirements, in accordance with the Port’s Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements, do not apply to this agreement because San Francisco Bay Area Rapid Transit District (BART) is a government agency.

OPTIONS

1. Authorize the Executive Director to Extend the Existing Right of Entry and Indemnification Agreement between the Port of Oakland and (BART) through June 1, 2013.

2. Take no action. This could result in potential litigation.
RECOMMENDATION

It is recommended that the Board of Port Commissioners authorize the Executive Director to extend the existing ROE and Indemnity Agreement with BART for completion of BART's Seismic Retrofit Project through June 1, 2013.
RESOLUTION APPROVING AND AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND RIGHT OF ENTRY AND INDEMNITY AGREEMENT ("ROE") WITH THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT ("BART") FOR SEISMIC RETROFIT IMPROVEMENTS TO THE BART COLUMN STRUCTURE AT 7TH AND MARITIME STREETS.

WHEREAS, the Board of Port Commissioners (the "Board") has reviewed and evaluated Board Agenda Report Item 5.3 ("Agenda Report"), dated January 24, 2013 and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore, be it

RESOLVED, that the Board hereby approves and authorizes the Executive Director to extend the term of the ROE with BART through June 1, 2013 for seismic retrofit improvements to the BART columns supporting the aerial structure at 7th and Maritime Streets; and be it

FURTHER RESOLVED, that the Board hereby finds and determines that this project is categorically exempt from requirements of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301(p), 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; and be it

FURTHER RESOLVED, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This
resolution approves and authorizes the execution of an ROE agreement in accordance with the terms of this resolution. Unless and until a separate written ROE agreement is duly executed on behalf of the Board as authorized by this resolution, is signed and approved as to form and legality by the Port Attorney, and is delivered to the other contracting party, there shall be no valid or effective ROE agreement.
AGENDA REPORT

TITLE: Approval of a Right of Entry and Easement Agreement for the Construction, Operation and Maintenance of Improvements to Embarcadero Bridge in Oakland, California

AMOUNT: N/A

PARTIES INVOLVED:

<table>
<thead>
<tr>
<th>Corporate Name/Principal</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Oakland</td>
<td>Oakland, CA</td>
</tr>
<tr>
<td>Deanna Santana, City Administrator</td>
<td></td>
</tr>
<tr>
<td>Oakland Harbor Partners, LLC</td>
<td>Oakland, CA</td>
</tr>
<tr>
<td>Michael J. Ghielmetti</td>
<td></td>
</tr>
<tr>
<td>Dana G. Parry</td>
<td></td>
</tr>
</tbody>
</table>

TYPE OF ACTION: Ordinance

SUBMITTED BY: Pamela Kershaw, Commercial Real Estate Director

APPROVED BY: Deborah Ale Flint, Executive Director (Acting)

FACTUAL BACKGROUND

In 2001 the City of Oakland ("City") applied for and was selected by the California Department of Transportation ("Caltrans") as a recipient of Seismic Safety Retrofit Program funds in the amount of $18.6 million to replace the Embarcadero Bridge over the Lake Merritt Channel. The project consists of the removal and replacement of the existing bridge, including reconstruction of approaches, bridge abutments, pavement, bike facilities, concrete sidewalk, curb and gutter, street lighting, minor landscaping, and installation of bio-swales at both ends. Ultimately the bridge will be widened from 37 feet to 59 feet to accommodate one 12-foot travel lane in each direction, one 6-foot bike lane/shoulder in each direction, a 5-foot sidewalk on the north side, and a 12-foot multi-use path on the south side to connect to the waterfront trail. The widening of the bridge will provide for the continuity of public access facilities along the waterfront on the Embarcadero. In addition, the new bridge will be raised approximately 6 feet to allow for small boats to pass underneath the bridge in the future. The total project construction cost is estimated to be $16.6 million.

The Embarcadero Roadway immediately abuts Port owned property within the Oak to Ninth District project site, specifically the Estuary Park leasehold, the water in Lake Merritt Channel, and a small portion of vacant land owned by the Port on the eastern end of the bridge. This same property is also subject to a Purchase and Sale Agreement between Oakland Harbor Partners ("Developer") and the Port of Oakland. In May of 2012 the Board of Port Commissioners approved the execution of a Temporary Construction Easement for the City of Oakland to construct the bridge improvements. The City subsequently indicated
that the Temporary Construction Easement is not sufficient to secure grant funding for this project, and that Caltrans has requested a Right of Entry Agreement as well as a non-exclusive permanent Operations and Maintenance Easement from the Port to provide the City with necessary rights to perform the subject construction, operation and maintenance of the improvements. The amount of property needed from the Port is fairly small, totaling approximately 1.8 acres, which primarily consists of water area in Lake Merritt Channel below and adjacent to the proposed bridge as well as property within the Estuary Park leasehold and a small segment on the opposing shoreline. The duration of the construction work is anticipated to take approximately 36 months and work on the project is anticipated to begin in April of 2014. The City has requested that the Port grant the Right of Entry as well as the permanent Easement rights as soon as possible so they can submit these documents to Caltrans to secure this funding by March of 2013.

ANALYSIS

The City of Oakland has been working on securing project funding, developing the necessary engineering design plans, and obtaining the regulatory permits for the proposed seismic improvement project for the Embarcadero Bridge for the past 10 years. The Port has been aware of this impending project and the proposed improvements to the Bridge were contemplated and incorporated into the site planning and traffic study work performed by the Developer in the entitlement process for the Oak to Ninth project. All costs associated with the Bridge project will be paid for by the City and Caltrans, no Port funds are being requested to construct or maintain any of the proposed improvements.

As the site is encumbered by the Purchase and Sale Agreement between the Port and the Developer, any property rights granted on the site must include all three parties in order to be effective since the proposed duration of the project will run past the anticipated close of escrow date of May 1, 2013. Complicating the situation is the fact that portions of the affected property are also subject to the Oak Street to 9th Avenue District Boundary Line and Tidelands Trust Exchange Agreement ("Exchange Agreement") between the Port of Oakland, the Developer, and the State Lands Commission, which limits the parties' ability to encumber the property until close of escrow occurs or until the Exchange Agreement terminates due to expiration of the Purchase and Sale Agreement. Thus, in order to comply with this limitation, the requested Right of Entry and Easement Agreement can only be granted by the Port subject to the caveat that the permanent rights there under do not become effective until after close of escrow occurs or upon termination of the Oak to Ninth Exchange Agreement. City staff is aware of this limitation and has been provided with a copy of the relevant portion of the Exchange Agreement.

Reconstruction of the Embarcadero Bridge will improve the seismic safety of the structure while also providing enhanced pedestrian, bicycle and boater access connections to this portion of the Oakland waterfront. The timing of this project is also critical to the future construction timeline for the planned Oak to Ninth development, which will need to utilize the completed Bridge structure once the residential development is underway. As the Port-owned property impacted by this request is very small in size and either non-revenue generating unimproved land along the shoreline, existing park space already subject to a long term lease to the City, or submerged property, the appraisal prepared for the impacted
property indicated that the fair market value of the proposed permanent Easement area is zero, so no compensation is required to grant these rights to the City. Furthermore, the proposed improvement project will not have any impact on the Port’s existing revenue from the property as none is currently generated from this subject site, and the prospective buyer for the property will be a signatory to the Agreement to ensure their concurrence.

Based on the proposed terms and conditions stated within this Agenda Report, staff believes that approval of the requested Right of Entry and Easement Agreement is appropriate to allow the City to construct the contemplated seismic improvements to the Embarcadero Bridge and operate and maintain the proposed pedestrian, vehicle, and bicycle access improvements to this section of the Embarcadero Roadway.

**STRATEGIC PLAN**

The proposed Right of Entry and Easement Agreement request is consistent with the following goals and objectives of the Strategic Plan:

<table>
<thead>
<tr>
<th>Strategic Priority Areas</th>
<th>Goals</th>
<th>Objective</th>
<th>How the requested action will implement the subject goal/objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Economic and Business Employment</td>
<td>Goal A: Create sustainable economic growth for the Port and beyond.</td>
<td>Objective 4. Pursue strategic partnerships at all levels: local, regional, national and international.</td>
<td>The proposed Agreements will enable the City to perform necessary seismic improvements, as well as bicycle, pedestrian, and vehicular access improvements to a public bridge that provides access to both City and Port properties, better connecting the existing access network that runs along the Oakland waterfront.</td>
</tr>
<tr>
<td>Stewardship and Accountability</td>
<td>Goal F: Aggressively obtain maximum amount of external grant and government funding and regulatory relief.</td>
<td>Objective 2. Partner with other agencies to create joint grant strategies.</td>
<td>Execution of the proposed Agreements will allow the City to enter Port property to perform roadway/bridge improvements using Federal and State funds, representing a successful example of Port, City and State resources combining to complete a public infrastructure improvement and enhancement project.</td>
</tr>
<tr>
<td></td>
<td>Goal G: Sustain healthy communities through leading edge environmental stewardship.</td>
<td>Objective 4. Continue to provide quality public access and open space at a financially-sustainable level.</td>
<td>Approval of the Agreements will enable the City to gain access to Port property to construct improvements to bicycle, pedestrian, vehicular and boater access across and along the Oakland waterfront, for the benefit of the general public without utilizing any Port funds.</td>
</tr>
</tbody>
</table>
BUDGET & FINANCIAL IMPACT

There will be no budget or financial impact from the proposed action for the Port as the subject work to improve and maintain this bridge will be performed by the City of Oakland and will not utilize any Port funds. Furthermore, as the location of the proposed work is within the existing leasehold boundaries of the City of Oakland Estuary Park lease, over the Lake Merritt Channel water, or over a portion of vacant unimproved land along the shoreline within the Oak to Ninth area, the proposed Agreement will not have any impact on the Port’s revenue, and no compensation will be necessary to grant the City these Agreement rights based upon the appraisal of the impacted area.

STAFFING IMPACT

The proposed Right of Entry and Easement Agreement will have no impact on staffing as the subject property impacted by the Agreement is already managed by existing CRE Division staff.

SUSTAINABILITY

While the proposed action does not directly address the Port’s goals and objectives of our Sustainability Policy, the City routinely incorporates waste reduction and sustainable practices into City construction bid packages and it is anticipated that those same policies and practices will be utilized by the City with the subject construction work performed under this Agreement.

ENVIRONMENTAL

The City of Oakland is the Lead Agency for the project for purposes of CEQA. In December of 2010, the City issued a Notice of Exemption for the project, pursuant to Sections 15183 (Projects consistent with a Community Plan or zoning) and 15302 (Replacement or Reconstruction) of the California Environmental Quality Act. As a Responsible Agency, the Port is required to consider the City’s environmental determination and then reach its own conclusions on whether and how to approve the real estate transaction agreement needed for the project. The Port’s actions in granting the requested Right of Entry and Easement Agreement to perform the bridge reconstruction work would not create any additional or substantially increased environmental impacts, as compared with the impacts for the project that the City has already evaluated in determining the CEQA exemption. The proposed Agreement will provide the City with the necessary access to the property to perform the construction work, as well as operate and maintain the improvements but will not change the nature or scale of the improvements contemplated by the City, acting in its capacity as Lead Agency in issuing the Notice of Exemption.

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA)

MAPLA does not apply to Commercial Real Estate projects.
OWNER CONTROLLED INSURANCE PROGRAM (OCIP)

OCIP does not apply to the proposed action.

GENERAL PLAN

The proposed Agreement has been requested by the City of Oakland as the entity to perform the Bridge reconstruction work. The City of Oakland also has land use planning jurisdiction over the subject property, thus the actions contemplated by the Agreement conform to the policies of the City of Oakland General Plan.

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations") do not apply to this matter because tenancies outside of the Aviation and Maritime areas with entities that do not principally provide aviation or maritime services are excluded from the Living Wage regulations. However, the construction and maintenance services portion of this contract will be subject to prevailing wage requirements under the City of Oakland’s regulations.

OPTIONS

1. Approve the proposed Right of Entry and Easement Agreement with the City of Oakland to provide the City with access to Port owned property to reconstruct, operate and maintain the Embarcadero Bridge, subject to the terms described in this agenda report;
2. Do not approve the proposed Right of Entry and Easement Agreement with the City of Oakland for reconstruction of the Embarcadero Bridge, which will likely result in a delay or cancellation of the project funding application from Caltrans and may jeopardize the ability of the City to perform the seismic strengthening and enhancements to the Bridge; or
3. Direct staff to negotiate alternative terms for the proposed Right of Entry and Easement Agreement with the City of Oakland for the Embarcadero Bridge, which depending on the nature of those alternative terms, the City may or may not be able to comply with, which may jeopardize the Caltrans funding for this project.

RECOMMENDATION

It is recommended that the Board approve the terms and conditions set forth in this Agenda Report and authorize the Executive Director, or her designee, to approve and execute a Right of Entry Agreement and Easement Agreement with the City of Oakland, and Oakland Harbor Partners if applicable, to allow the City to reconstruct, operate and maintain the Embarcadero Bridge located over the Lake Merritt Channel, in Oakland, California, subject to approval by the Port Attorney as to form and legality. It is further recommended that the subject approval be valid for no longer than 90 days from the date of Board authorization,
and that if the subject Agreement is not fully executed by that date such approval shall be null and void unless further extended at the sole and absolute discretion of the Executive Director or her designee.

Attachments:
   Exhibit A – Site Map
FOUND MONUMENT STAMPED "EBMUD CONTROL" IN MONUMENT WELL AT THE INTERSECTION OF EMBARCADERO ROAD AND OAK STREET PER R3.

BASIS OF BEARINGS STATEMENT

THE BASIS OF BEARINGS FOR THIS PLAT IS BASED UPON TWO FOUND MONUMENTS SHOWN ON THAT CERTAIN RECORD OF SURVEY PER R3. HAVING A BEARING OF N73°54'12"W.

FOUND MONUMENT STAMPED "SHIP" IN MONUMENT WELL AT EMBARCADERO ROAD PER R3.

LAKE MERRITT CHANNEL

PROPOSED OPERATIONS & MAINTENANCE EASEMENT

AREA: 79,403 SF±

MAP REFERENCES

R1 - UNION PACIFIC RAILWAY R/W: 100 FEET GROUND DISTANCE (RECORD OF SURVEY 1847 BOOK 29 PAGE 24)

R2 - JOINT SURVEY OF PROPERTY LINES NEAR NORTH ARM OF SAN ANTONIO ESTUARY ON FILE WITH THE PORT OF OAKLAND NO. 7-37

R3 - RECORD OF SURVEY R/S NO. 990 FILED IN BOOK 18 OF RECORD SURVEY AT PAGES 50-60 AT ALAMEDA COUNTY RECORDER'S OFFICE.

EXHIBIT "B"

PLAT TO ACCOMPANY EXHIBIT "A", A LEGAL DESCRIPTION FOR OPERATION AND MAINTENANCE EASEMENT EMBARCADERO BRIDGE OVER LAKE MERRITT CHANNEL CITY OF OAKLAND ALAMEDA COUNTY
BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND

ORDINANCE APPROVING A RIGHT OF ENTRY AND EASEMENT AGREEMENT FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF IMPROVEMENTS TO EMBARCADERO BRIDGE IN OAKLAND, CALIFORNIA.

WHEREAS the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the Agenda Report for Agenda Item 5.4, dated January 24, 2013 (the "Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received.

Section 2. The Board approves the terms and conditions of and authorizes the Executive Director, or her designee, to approve and execute a Right of Entry and Easement Agreement with the City of Oakland and Oakland Harbor Partners for the construction, operation and maintenance of improvement to the Embarcadero Bridge located over the Lake Merritt Channel, in Oakland, California as further detailed and explained in the Agenda Report and as approved by the Port Attorney as to form and legality.
Section 3. The approvals set forth in this ordinance shall be valid for no longer than three months from the date of Board authorization. If the requested agreement is not fully executed by that date such approval shall be null and void unless further extended at the sole and absolute discretion of the Executive Director or her designee.

President.

Attest: ________________________________ Secretary.

Approved as to form and legality:

______________________________
Port Attorney
PORT ORDINANCE NO. 4217

ORDINANCE AMENDING PORT ORDINANCE NO. 867 RATIFYING AND SETTING THE COMPENSATION OF CERTAIN EMPLOYEES OF THE PORT DEPARTMENT BELONGING TO EMPLOYEE REPRESENTATION UNIT H.

WHEREAS, the Board of the Port Commissioners (“Board”) has reviewed and evaluated the Agenda Report dated December 20, 2012, Item 6.10 (“Agenda Report”) and related materials, has received the expert testimony of Port of Oakland (“Port”) staff, and has provided opportunities for and taken public comment; now, therefore,

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. The salary schedules set forth in Port Ordinance No. 867 for employees of the Port Department belonging to Employee Representation Unit H shall be and the same are hereby amended by increasing the rates of compensation (base wages) set forth on said salary schedules by an additional two and one-half percent (2.5%) effective in the pay period containing July 1, 2013.

Section 2. The salary schedules set forth in Port Ordinance No. 867 for employees of the Port Department belonging to Employee Representation Unit H shall be and the same are hereby amended by increasing the rates of compensation (base wages) set forth on said salary schedules by an additional eight percent (8%) effective in the pay period containing July 1, 2013 in exchange for and to offset the payment of eight percent (8%) of base wages on a pre tax basis by employees towards their pensions (otherwise known as the “member contribution”).

Section 3. In acting upon the matters contained herein, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, findings and conditions set forth in the Agenda Report and in related materials and in testimony received.

The Board of Port Commissioners, Oakland, California, December 20, 2012. Passed to print for one day by the following vote: Ayes: Commissioners Butner, Hamlin, Head, Parker, Uno, and Yee – 6. Noes: President Gonzales – 1.

John T. Betterton
Secretary of the Board
REMAINING ACTION ITEMS

Remaining Action Items are items not previously addressed in this Agenda that may require staff presentation and/or discussion and information prior to action by the Board.
The President, Members of the Board and the Executive Director will report on noteworthy events occurring since the last Board Meeting.
SCHEDULING

This segment of the meeting is reserved for scheduling items for future Agendas and/or scheduling Special Meetings.
### Regular Board Meeting Schedule for 2013

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday, February 14</td>
<td>1:00 PM</td>
</tr>
<tr>
<td>Thursday, February 28</td>
<td>1:00 PM</td>
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<tr>
<td>Thursday, March 14</td>
<td>1:00 PM</td>
</tr>
<tr>
<td>Thursday, March 28</td>
<td>1:00 PM</td>
</tr>
<tr>
<td>Thursday, April 11</td>
<td>1:00 PM</td>
</tr>
<tr>
<td>Thursday, April 25</td>
<td>1:00 PM</td>
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<tr>
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<tr>
<td>Thursday, May 23</td>
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</tr>
<tr>
<td>Thursday, June 13</td>
<td>1:00 PM</td>
</tr>
<tr>
<td>Thursday, June 27</td>
<td>1:00 PM</td>
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<tr>
<td>Thursday, July 11</td>
<td>1:00 PM</td>
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<tr>
<td>Thursday, July 25</td>
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### August Recess

<table>
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<tbody>
<tr>
<td>Thursday, September 12</td>
<td>1:00 PM</td>
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<tr>
<td>Thursday, September 26</td>
<td>1:00 PM</td>
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<tr>
<td>Thursday, October 10</td>
<td>1:00 PM</td>
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<tr>
<td>Thursday, October 24</td>
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<tr>
<td>Thursday, November 14</td>
<td>1:00 PM</td>
</tr>
<tr>
<td><strong>Thursday, November 28, 2013</strong></td>
<td><strong>HOLIDAY</strong></td>
</tr>
<tr>
<td>Thursday, December 12</td>
<td>1:00 PM</td>
</tr>
<tr>
<td><strong>Thursday, December 26, 2013</strong></td>
<td><strong>HOLIDAY</strong></td>
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