



AGENDA REPORT

PROPOSED ACTION: **Resolution:** Approve and Authorize the Executive Director to Execute: (1) a Memorandum of Understanding with the City of Oakland Outlining Roles and Responsibilities for Engineering Design of Two Arterial Roadway Improvement Projects Funded by the Port and Freight Infrastructure Program Grant; and (2) a Cooperative Agreement with California Department of Transportation; and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Maritime).**

Submitted By: Bryan Brandes, Director of Maritime; Kristi McKenney, Executive Director

Parties Involved: City of Oakland
Oakland, CA
California Department of Transportation

Amount: \$0

EXECUTIVE SUMMARY: Execution of this Memorandum of Understanding (MOU) between the Port of Oakland (Port) and the City of Oakland (City) will outline the roles and responsibilities of the two agencies as the Port undertakes the engineering design of two roadway improvement projects located on City-owned streets. The two projects are funded by a Port and Freight Infrastructure Program (PFIP) grant. One of the projects includes an intersection located in California's Department of Transportation's (Caltrans) right of way, necessitating a Cooperative Agreement with that agency.

BACKGROUND & ANALYSIS

On June 13, 2024, the Board of Port Commissioners (Board) accepted a PFIP grant from the California State Transportation Agency (CalSTA) totaling \$119,678,000. PFIP was established under Governor Newsom's Executive Order N19-21 to address disruptions to California's goods movement supply chain caused by the COVID-19 pandemic. The program's goal is to enhance the capacity, safety, efficiency, and resilience of California's ports, while supporting climate and sustainability objectives.

The Port's PFIP grant funds two categories of projects: Terminal Modernization and Arterial Roadway Improvements. This item focuses on the Arterial Roadway Improvements component, which includes two segments - the 3rd Street Corridor and Adeline Street Corridor. The Terminal Modernization component has five segments, but they are all entirely on Port property and therefore do not require agreements with the City.

The 3rd Street Corridor project extends along 3rd Street from Market Street to Broadway. It received \$7,937,000 in grant funds, matched with \$1,984,000 in CalSTA funds authorized under AB 128, for a total of \$9,921,000. The Adeline Street Corridor project runs along Adeline Street from 3rd Street to 7th Street including 5th Street from Adeline to

the I-880 Broadway offramp at Union Street. This project received \$9,406,000 in PFIP grant funds and \$2,352,000 in CalSTA funds authorized under AB 128, for a total of \$11,758,000. The I-880 Broadway offramp at Union Street is located in Caltrans's right of way, which requires a Cooperative Agreement with Caltrans to complete the design and construction work for the portion of the Adeline Street Corridor project near 5th Street and Union Street. The Cooperative Agreement defines the Port as the implementing agency responsible for managing scope, cost, schedule, and quality of work. It also outlines the funding responsibilities, documentation requirements, standards, quality management to be performed by Caltrans, and cooperation for obtaining encroachment permits.

Under the PFIP grant schedule, design must be completed by May 2026, and construction contracts must be awarded by December 2026. Construction is expected to begin in early 2027 and conclude by early 2028.

The roadway improvements are intended to enhance safety for all users and improve efficiency of trucks accessing the Port. Planned work includes re-paving and re-striping roadways, modifying lane alignments, installing new stop signs and crosswalks, constructing missing sidewalks, and reconfiguring parking stalls where needed.

Although the Port is responsible for project design and construction as the PFIP grant recipient, the roadways are owned by the City. Upon completion, the improved roadways will continue to be City assets. To guide collaboration during the engineering design phase, Port Staff recommend executing an MOU with the City. The MOU addresses design standards, change order and cost management processes, and responsibilities related to public outreach, permitting, and conflict resolution. It also outlines a reimbursement mechanism, allowing the City to recover costs for staff time dedicated to the segments – up to \$236,443 for the 3rd Street Corridor segment and up to \$264,752 for the Adeline Street Corridor segment. These recovery amounts are based on the original PFIP grant application estimates.

The Port and City have already been coordinating successfully in accordance with the spirit of the draft MOU. Both projects have reached the 35% design level. The MOU is recommended as the projects advance toward final design, particularly to authorize reimbursement for City staff time and formalize Port and City responsibilities.

Further, the Port is responsible for any cost overruns on the two roadway projects. The MOU states that the Port and City will work together to reduce scope in the event of a cost overrun during the design stage.

A separate MOU will be developed to address the construction phase at a later date, which will be informed by the design. The construction MOU will need to have similar language regarding cost overruns so that the Port has a way to control costs.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☐ Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

- ☐ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).

- ☒ Other/Notes: The 3rd Street Corridor Project and the Adeline Corridor Street Project were determined to be exempt from CEQA pursuant to 15301(c) Existing Facilities and 15332 In-Fill Development Projects, respectively. On May 28, 2024, a Notice of Exemption was filed with the County for each project (File No: 24-187 and 24-185).

BUDGET

- ☒ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR

☐ Operating

☐ Non-Operating

☐ Capital

Analysis: There is no direct budgetary impact.

STAFFING

- ☒ No Anticipated Staffing Impact.

- ☐ Anticipated Change to Budgeted Headcount.

Reason:

- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).

Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Other) - see explanation below.

- ☒ Additional Notes: Proposed action does not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of MAPLA do not apply.

LIVING WAGE (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? Yes.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<u>Reason:</u> The proposed action includes improvements to existing infrastructure to increase multimodal mobility and safety in the City of Oakland.	The proposed action is within City of Oakland's planning jurisdiction and appears to conform to the General Plan.
<u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port's Strategic Plan: ☐ Capture Our Market and Grow the Economic Base ☒ Modernize and Upgrade Infrastructure ☐ Transition to Zero-Emissions and Build Climate Resilience ☐ Maximize Land Use Value and Revenues ☐ Workforce Training and Jobs Development ☒ Create Opportunities for Local Businesses and Community Economic Development	