



AGENDA REPORT

PROPOSED ACTION: Ordinance: Approve and Authorize the Executive Director to Execute a Third Amendment to License and Concession Agreement with the Association for the Preservation of the Presidential Yacht Potomac, to Extend their Term for an Additional Five Years, at an Initial Monthly Rent of \$3,354.00 for the Extended Term; and Find that the Proposed Action is Exempt Under the California Environmental Quality Act (CRE)	
<u>Submitted By:</u> Dorin Tiutin, Acting Chief Real Estate Officer; Kristi McKenney, Executive Director	
<u>Parties Involved:</u> Association for the Preservation of the Presidential Yacht Potomac, Oakland, CA	<u>Amount:</u> \$3,354.00 per month, with annual increases of 3% (Operating Revenue)
EXECUTIVE SUMMARY: This proposed Third Amendment to License and Concession Agreement with the Association for the Preservation of the Presidential Yacht Potomac (Potomac) will extend their term for an additional five years.	

BACKGROUND & ANALYSIS

The Potomac is a non-profit 501(3)(c) organization dedicated to the preservation and operation of the Presidential Yacht U.S.S. Potomac, used by President Franklin Delano Roosevelt during his presidency. Opened to the public in 1995, the Potomac offers dockside tours, school field trips, public sailings, and corporate and special event charters. The vessel is listed on the National Register of Historic Places and has also been designated as a National Historic Landmark.

The Potomac occupies three Port of Oakland (Port)-owned real estate assets within Jack London Square: 1) a ground floor visitor’s center/administrative office space of approximately 1,200 sq. ft. located at 540 Water Street, 2) a berth located at the foot of Clay Street, and 3) a maintenance yard used for the storage of supplies and various vessel maintenance activities, located behind the Oakland Fire Station on Clay Street. Currently, the Potomac pays a monthly rent of \$3,256.00 and is in holdover status, occupying the premises on a month-to-month tenancy.

The Port and Potomac have negotiated a five-year lease extension, commencing July 1, 2026. Both parties have agreed to an early termination of the lease upon six months prior written notice. The initial rent will be \$3,354.00 per month and increase 3% annually. As part of the negotiated terms, the Port has agreed to replace the HVAC unit servicing the premises at a total cost of \$19,671.00. Potomac will reimburse the cost of the unit, which will be amortized over the five-year extension term and payable in equal monthly installments in addition to standard base rent. The proposed amendment would also provide short-term access to use the Exhibit Room located at 526 Water Street with adequate prior reservation at the greater of \$200 per day or the applicable target rental rate.

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:
15301 (Existing Facilities)
- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- Other/Notes:

BUDGET

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

Analysis: The revenue generated by this proposed action has been accounted for and is consistent with the proposed FY 2027 Commercial Real Estate Division operating revenue budget.

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 (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port’s Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (CRE) – proposed action entails tenancy outside of the Maritime or Aviation areas and therefore not subject to Living Wage requirements.

- Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? **No.**

GENERAL PLAN (City Charter § 727):

Conformity Determination:

Reason: Existing tenant with no intended modifications to leased premises.

CRE – proposed action is within City of Oakland’s planning jurisdiction and appears to conform to the General Plan.

STRATEGIC PLAN. 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