



AGENDA REPORT

PROPOSED ACTION: **Ordinance:** Approval of Amendments to Tariff No. 2-A, Effective July 1, 2025, to (a) Modify Space Assignment Rates, (b) Modify Wharfage Rates for Containerized Cargo Not Otherwise Specified, and (c) Make Various Minor Administrative Updates; and Find that the Proposed Action is Exempt under the California Environmental Quality Act (**Maritime**)

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

Parties Involved:

Various tenants, customers, and users of the Seaport

Amount: Approximately \$376,000 FY 2026 (revenue)

EXECUTIVE SUMMARY: Port of Oakland (Port) Staff recommends various amendments to Tariff No. 2-A effective July 1, 2025, to (a) increase the rental rates for Space Assignments and similar short-term rentals by 3.5%; (b) increase the wharfage rates for Containerized Cargo Not Otherwise Specified (N.O.S.) by 10%; and (c) make various administrative updates. Port Staff recommends these amendments to ensure appropriate pricing of the Port's Maritime area (Seaport) facilities. Rate changes are anticipated to result in incremental revenue of approximately \$376,000 in FY 2026.

BACKGROUND & ANALYSIS

Port Tariff No. 2-A (Tariff) sets forth rates, charges, and general rules and requirements for Port Maritime (Seaport) facilities. From time to time (typically, annually), Port Staff recommends amending the Tariff to reflect changes in Seaport facilities, remain consistent with Port policies and laws, ensure our land and facilities are properly valued, and update requirements based on best practices and experience.

It is important that the Tariff reflect current market rates because it is the Port's published rules and schedule of rates and charges for the Seaport. For example, in the absence of negotiated terms with a tenant or user, Tariff rates and terms govern. Even under negotiated agreements, the Tariff remains applicable and rent negotiations typically consider Tariff rates as one of many inputs. Further, increases to Tariff rates are the primary mechanism by which the Port can keep pace with inflation and market conditions. Rent adjustments of some long-term leases are also tied to changes to these rates.

The Tariff was last amended effective July 1, 2024, to (a) increase most Tariff rates by approximately 5% with limited exceptions (lower and higher) and (b) modify various rules and procedures across all categories of the Tariff. Specific to the currently proposed action, which is further detailed below, Space Assignment and Containerized Cargo

N.O.S. rates were most recently increased by approximately 4%¹ and 5%, respectively, on July 1, 2024.

Proposed Changes

The proposed rate changes for July 1, 2025, are consistent with several financial metrics, including rates at comparable ports; industrial property rates outside ports; local and “West Region” consumer price indices (CPI); and Seaport-specific factors. Based on its analysis, Port Staff has determined that while some Tariff rates remain below relevant comparables to varying degrees, the limited proposed rate increases are prudent and appropriate; they are as follows:

- 3.5% increase to Space Assignment rates (Tariff Item 10155(b) and 10160; see Exhibit 1 of this Report for rate details)
- 10% increase to Containerized Cargo N.O.S. rates (Tariff Item 06400)

Port Staff will also make various administrative updates such as Port Staff contacts and Board of Port Commissioners officer titles.

Based on the current and anticipated FY 2026 tenant portfolio, the proposed Space Assignment rate increases are expected to generate at least \$376,000 of incremental revenue in FY 2026. The proposed rate changes for Containerized Cargo N.O.S are not currently expected to generate incremental revenue based on the current tenant/user portfolio. Port Staff does not anticipate any tenants to vacate Seaport property in response to the proposed rate increases.

Changes to the Tariff are typically submitted to the California Association of Port Authorities (CAPA), which reviews changes to port tariffs. Although not required, CAPA approval of changes to the Port Tariff is desirable. Port Staff will seek approval from CAPA at its regularly scheduled meeting of the Tariffs and Practices Committee on May 20, 2025. Port Staff currently anticipates receiving unanimous approval from CAPA.

¹ Exception: the food vendor rate was increased 40% because it had not been increased for several years prior.

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 proposed action is statutorily exempt under CEQA Guidelines Section 15273, Rates, Tolls, Fares, and Charges.

BUDGET

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

☒ Operating

☐ Non-Operating

☐ Capital

Analysis: Port Staff estimates approximately \$376,000 million of incremental annual revenue from the proposed changes to Tariff No. 2-A. This revenue is included in the FY 2026 Maritime Division operating revenue budget currently under development.

PORT STAFFING

- ☒ No Anticipated Port Staffing Impact.

- ☐ Anticipated Change to Budgeted Headcount.

Reason:

- ☐ Other Anticipated Port 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 (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:

<p><u>SUSTAINABLE OPPORTUNITIES:</u></p> <p><u>Applies?</u> No.</p> <p><u>Reason:</u> The proposed action does not involve projects or development activities.</p>	<p><u>GENERAL PLAN</u> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port’s Strategic Plan:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Capture Our Market and Grow the Economic Base <input type="checkbox"/> Modernize and Upgrade Infrastructure <input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input checked="" type="checkbox"/> Maximize Land Use Value and Revenues <input type="checkbox"/> Workforce Training and Jobs Development <input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development 	

EXHIBIT 1

Proposed Space Assignment Rate Changes Effective 7/1/2025

Space Assignment Type	Current	Proposed ²
Land	\$ per sq ft per mo	\$ per sq ft per mo
Unpaved	\$0.190	\$0.197
Rocked no light/fence	\$0.231	\$0.239
Rocked light or fence	\$0.237	\$0.245
Rocked light and fence	\$0.265	\$0.274
Paved no light/fence	\$0.276	\$0.286
Paved light or fence	\$0.282	\$0.292
Paved light and fence	\$0.349	\$0.361
Submerged land	\$0.265	\$0.274
Buildings/Office	\$ per sq ft per mo	\$ per sq ft per mo
Warehouse	\$0.555	\$0.574
Warehouse in bond storage	\$0.595	\$0.616
Office space no air conditioning	\$1.850	\$1.915
Office space air conditioning	\$2.075	\$2.148
Other		
Mobile food vendor (per mo)	\$350	\$362
Dredged Material Rehandling Tipping Fee (per cy)	\$27.748	\$28.719
Dredged Material Rehandling Facility Rate (per sf/mo)	\$0.282	\$0.292
Minimum Charge (per mo)	\$575	\$595

Sq ft = square foot; mo = month; cy = cubic yard

² Due to rounding, the increase to the rate may not be exactly 3.5%.