



**AGENDA REPORT**

**PROPOSED ACTION: Ordinance:** Approve and Authorize the Executive Director to Execute Separate *Retail and Food & Beverage Storage and Support Space/Use Permits* with HG OAK Retail Concessionaires JV and HG OAK F&B Concessionaires JV at Oakland San Francisco Bay Airport to Include a Total of Approximately 1779 Square Feet of Concession Storage Support Space for Up To \$1,075,814 in Total Rent from March 1, 2026 through February 28, 2035 (Retail) and through March 31, 2035 (Food & Beverage) and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Aviation)**

**Submitted By:** Craig Simon, Director of Aviation; Kristi McKenney, Executive Director

**Parties Involved:**

HG OAK Retail Concessionaires JV and  
HG OAK F&B Concessionaires JV

**Amount:** \$39,800 for FY2026, \$1,036,014 for FY2027-FY2035 (operating revenue)

**EXECUTIVE SUMMARY:** HG OAK Retail Concessionaires JV (Hudson Retail) and HG OAK F&B Concessionaires JV (Hudson F&B) operate various retail and one food & beverage unit at Oakland San Francisco Bay Airport (OAK or Airport) under Space/Use Permits. To support the operations of their concession’s units, Hudson Retail and Hudson F&B require additional storage and support space. The *Retail and Food and Beverage Storage and Support Space/Use Permit* agreements have been executed by HG OAK Retail Concessionaires JV and HG OAK F&B Concessionaires JV.

**BACKGROUND & ANALYSIS**

The Airport’s Retail and Food & Beverage (F&B) programs encompass a variety of concession units strategically located throughout the terminals to enhance the passenger experience and generate non-aeronautical revenue. As these programs transition from the development phase into full operations, concessionaires require dedicated storage and support spaces to efficiently manage inventory, streamline operations, and maintain service quality.

To address this operational need, Port of Oakland Staff have collaborated closely with Hudson Retail and Hudson F&B to identify suitable storage locations that are in close proximity to their respective concession units. This proximity is essential to ensure timely restocking, minimize operational disruptions, and support compliance with health and safety standards.

The proposed storage and support spaces for Hudson Retail and Hudson F&B have been carefully evaluated and are detailed in Tables 1 and 2. These spaces are critical to the successful and sustainable operation of the Airport’s concessions program.

Table 1  
Summary of Retail Storage and Support Spaces

<b>Tenant</b>	<b>Room No.</b>	<b>Square Feet</b>	<b>Effective Date</b>
Hudson	BM102-F01-CSS4	846	03/01/2026
Hudson	BM103-F01-1052A	591	03/01/2026
Hudson	BM367-F01-1109D	124	03/01/2026

Table 2  
Summary of Food & Beverage Storage and Support Space

<b>Tenant</b>	<b>Room No.</b>	<b>Square Feet</b>	<b>Effective Date</b>
Hudson	BM130-F01-1037A	218	03/01/2026

Projected rent to the Port over the term of these agreements is \$1,075,814 and is detailed in Table 3.

Table 3  
Projected Rent<sup>1</sup>

<b>Hudson Retail Storage</b>	<b>FY2026</b>	<b>FY2027- FY2035</b>
3 Storage Units	\$34,923	\$907,990

<b>Hudson Food and Beverage Storage</b>	<b>FY2026</b>	<b>FY2027- FY2035</b>
1 Storage Unit	\$4,877	\$128,024

<sup>1</sup> FY2027-FY2035 rent projected based on FY2026 airline rates and charges. Actual rent will be based on future airline rates and charges fees.

**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 proposed action does not affect Aviation's FY2206 operating revenue budget, as revenue from this item was already incorporated into the 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 (Other) - see explanation below.

- Additional Notes:

**LIVING WAGE** (City Charter § 728):

Applies?

Yes (Tenant) – proposed action entails at least \$50,000 in payments from a Maritime or Aviation tenant, licensee, and/or its subtenant/sublicensee employing at least 21 employees who spend at least 25% of their time on Port-related work.

- Additional Notes:

**SUSTAINABLE OPPORTUNITIES:**

Applies? **Yes.**

**GENERAL PLAN** (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> Compliance with the Port's Green Halo initiatives in performing tenant improvements.</p>	<p>Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.</p>
<p><b>STRATEGIC PLAN.</b> 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"><li><input type="checkbox"/> Capture Our Market and Grow the Economic Base</li><li><input type="checkbox"/> Modernize and Upgrade Infrastructure</li><li><input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience</li><li><input checked="" type="checkbox"/> Maximize Land Use Value and Revenues</li><li><input type="checkbox"/> Workforce Training and Jobs Development</li><li><input checked="" type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development</li></ul>	