



AGENDA REPORT

PROPOSED ACTION: Resolution: Certify the San Francisco Bay Oakland International Airport Terminal Modernization and Development Project Environmental Impact Report; Adopt California Environmental Quality Act Findings and Statement of Overriding Considerations; and Adopt a Mitigation Monitoring and Reporting Program. **(Environmental/Aviation)**

Resolution: Approve and Authorize the Executive Director to: (1) Award and Execute a Contract with Swinerton Builders for the Demolition of Building J (Quonset Hut) and Modular Building as Project Components of the San Francisco Bay Oakland International Airport Terminal Modernization and Development Project in an Amount Not to Exceed \$233,813; and (2) Execute Contract Change Orders to the Extent Necessary in an Amount Not to Exceed \$47,000. **(Engineering/Aviation)**

Submitted By: Colleen Liang, Director of Environmental Programs and Planning; Emilia Sanchez, Director of Engineering; Craig Simon, Director of Aviation; Danny Wan, Executive Director

Parties Involved: Swinerton Builders, Concord, CA

Amount: \$280,813 (Non-operating expense; part of a total project budget of \$533,813)

EXECUTIVE SUMMARY: Pursuant to the California Environmental Quality Act (CEQA), the Port of Oakland (Port) completed a Final Environmental Impact Report (EIR) that evaluated the potential environmental significant effects from the potential modernization of existing Terminals 1 and 2 and construction of a new terminal to address facility safety, efficiency, and modernization needs under the San Francisco Bay Oakland International Airport (OAK or Airport) Terminal Modernization and Development Project (Proposed Project). The EIR process, which began in May 2021, included significant public engagement, publication of a Draft EIR with a long public review and comment period, an extensive review of, and responses to, public comment and preparation of the Final EIR published on October 17, 2024. The Final EIR identified mitigation measures to reduce the potentially significant effects and responded to the comments received during the public comment period for the Draft EIR. Before the EIR may be relied upon for approval of any element contained in the Proposed Project the EIR must first be certified as adequately meeting the requirements of CEQA. This is the first proposed Resolution.

The second proposed resolution is to approve two early phase elements of the Proposed Project: demolition of 1) Building J (Quonset Hut) and 2) a nearby modular building. Removal of these buildings, identified as Project Components D12 and a small portion of D11 identified in the Final EIR, is required to allow for future project components in this area.

BACKGROUND & ANALYSIS

Environmental Process and EIR (First Resolution)

The Port published the CEQA Notice of Preparation of the Draft EIR for the Proposed Project and initiated the public scoping period on May 7, 2021. The Port conducted four virtual public scoping meetings on May 25, 2021, and May 26, 2021, and received comments on the scoping of the Draft EIR from the public during the scoping period from May 7, 2021, through June 7, 2021. A summary scoping report was prepared to categorize and respond to general comments received and was posted on the Port's website in January 2022. A more detailed scoping report that includes the comments received during the public scoping period and responses to these comments are provided in Appendix B of the Final EIR.

The Draft EIR was posted for public review and comment on July 17, 2023. Following publication of the Draft EIR, the Port elected to further extend the comment period to 90 days, twice the 45-day review period required under CEQA. The Port conducted four public meetings, two virtual and two in-person. The comment period on the Draft EIR ended on October 16, 2023. The Port received comments from 1,206 separate commentors on the Draft EIR. The Final EIR consists of comments received by the Port on the Draft EIR during the public review period, responses to those comments, and necessary revisions to the text of the Draft EIR included as Appendix P of the Final EIR.

Public Notification and Engagement

For both the release of the Draft and Final EIR, the Port conducted the following notification:

- Posted on www.oaklandairport.com/terminaldevelopment, (the Proposed Project website)
- Advertised in nine newspapers and six online publications
- Delivered hard copies of the EIRs to 11 libraries (with the exception of two that were closed for renovation for the Final EIR)
- Mailed over 150,000 postcards to over 15 zip codes in Oakland, Alameda, and San Leandro
- Notified approximately 1,600 individuals who subscribed to receive updates on the Proposed Project website
- Issued press releases

In addition to the public meetings held during the public scoping period and Draft EIR public comment period, the Port also:

- Engaged directly with over ten government/public agency officials,
- Engaged directly with eight non-profit and community-based organizations, and

- Conducted five extensive airport tours with community-based organizations and public agencies.

Additional Measures Committed to in Response to Comments

In response to comments, the Port included additional measures in the Final EIR that are **not required** under CEQA but are incorporated to address public concerns. A summary of the measures is included in Table 1.

**Table 1
Final EIR Additional Measures**

Environmental Resource	Additional Measure
General	As a demonstration of the Port’s commitment to engaging with the community, the Port will include the development of a Community Benefits Agreement (CBA) as part of the Proposed Project.
General	The Port is committed to engaging the community throughout the Proposed Project including seeking funding opportunities that will improve air quality and provide environmental benefits to the community.
Air Quality	<p>The Port will:</p> <ul style="list-style-type: none"> • Conduct energy audits to identify energy conservation measures in airport facilities. • Continue installation and upgrades to more energy efficient controls related to lighting, HVAC, and other large building loads. • Develop energy/building systems management protocols and provide training to staff to maintain high levels of building energy performance. • Evaluate opportunities to develop additional onsite renewable energy production by leveraging available funding sources, building partnerships, or implementing battery energy storage to overcome current capacity constraints. • Develop a transition plan to convert natural gas consumption to all-electric building systems. • Use LEED, Envision, or other third-party rating systems to guide the development of OAK-specific toolkits that would

Environmental Resource	Additional Measure
	<p>help integrate operational carbon reduction measures into airport planning, design, and construction practices.</p> <ul style="list-style-type: none"> • Eliminate chlorofluorocarbon-based refrigerants. • Incorporate green/living or white roofs (high solar reflectance index materials) to combat heat island effect. • Monitor and promote continued success of the airport concessions composting program and ban single-use plastics in the terminals. • Install efficient fixtures and fittings within restroom facilities and consider installing recycled water systems to reduce the amount of potable water used in toilets and basins and to reduce the amount of wastewater. • Continue engaging with airlines and regional partnerships to promote additional Sustainable Aviation Fuel (SAF) use at OAK. • Continue to work with airlines to encourage transition to all-electric GSE. • Procure alternative fuel/low-emission Port-owned vehicles where technologically feasible (and install necessary charging infrastructure). • Evaluate and provide, as feasible, additional electric vehicle charging infrastructure for passengers, airport employees, tenants, and ground transportation providers.
Human Health Risk Assessment	To address health impact concerns to on-Airport workers, the Port commits to developing an environmental awareness training for on-Airport workers who work in the vicinity of aircraft operational areas and will evaluate provisioning options for PPE that may be deemed appropriate.
Greenhouse Gases	The Port will continue to engage with communities on the Port's efforts regarding sustainability opportunities and climate resilience initiatives, including SLR and GWI.
Noise	The Port will document compliance with the obligations under the 1976, 2001, and 2002 Airport Settlement Agreements and its continued commitment to the noise abatement program.
Noise	Sound levels will be monitored prior to the start of construction to establish a baseline to compare against for the 5 db increase threshold.

Environmental Resource	Additional Measure
Transportation	The Port will assess Transportation Demand Management (TDM) strategies during the design of the Proposed Project and incorporate measures as feasible.
Transportation	Additional opportunities to improve safety will be considered in the design phase of the Proposed Project.
Transportation	To address concerns regarding traffic through Alameda to access Upland Lot the Port will use wayfinding and signage to direct vehicle traffic to access the Airport through the primary access routes (98th Avenue and Hegenberger Road).
Utilities	The Port will install electrical infrastructure for use by commercial and cargo airlines to power ground support equipment and aircraft systems in the new terminal and relocated cargo area.

In addition to the measures identified above, the Port also conducted additional technical studies to further support the findings determined in the Draft EIR:

- San Francisco Bay Oakland International Airport – Terminal Modernization and Development Project – Burrowing Owl Habitat Assessment Technical Memorandum, prepared by Jacobs Engineering Group Inc and dated September 23, 2024, (Appendix G)
- Phase I Environmental Site Assessment, prepared by Northgate Environmental Management, Inc. and dated March 20, 2024 (Appendix J)
- San Francisco Bay Oakland International Airport Terminal Modernization and Development Project – Environmental Impact Report, Results of Evaluation of the Potential for Sleep Disturbance, prepared by HMMH and dated October 14, 2024 (Appendix M)
- San Francisco Bay Oakland International Airport Terminal Modernization and Development Project – Environmental Impact Report, Single Event Noise Level Analysis, prepared by HMMH and dated February 2, 2024 (Appendix Q)

With the additional measures and technical studies, the Port concludes that there are no new significant environmental impacts.

In conformance with CEQA and the CEQA Guidelines, the Final EIR provides objective information regarding the environmental consequences of the Proposed Project. The Final EIR is intended to be used by the Port and any Responsible Agencies in making decisions regarding the Proposed Project. The CEQA Guidelines advise that, while the information in the Final EIR does not control the agency’s ultimate discretion on project, the agency must respond to each significant effect identified in the Draft EIR by making written findings for each of those significant effects.

Out of 18 environmental categories in the Final EIR 15 were determined to have no impacts, less than significant impacts, or less than significant impacts with mitigation measures. The significant and unavoidable impacts are in the following three categories:

- Air Quality a) *Emissions* – reactive organic gases and nitrogen oxides from aircraft emissions generally in the runway vicinity, and b) *Human Health Risk Assessment* – non-cancer health impacts from toxic air contaminants from aircraft emissions on Airport (no significant impacts off Airport) (Note these impacts occur regardless of whether or not the Proposed Project is implemented)
- Greenhouse Gas Emissions (Note impacts occur regardless of whether or not the Proposed Project is implemented)
- Cultural Resources from the demolition of Terminal 1 ticketing and bag claim (Note these impacts occur only if the Proposed Project is implemented)

These impacts cannot be adequately mitigated through the adoption and implementation of feasible mitigation measures. As discussed in Table 1, additional measures will be implemented that could reduce the Human Health Risk impacts, but outcomes will, in part, be dependent on individual's actions. The impacts remain significant and unavoidable for purposes of the Final EIR. All impacts, along with mitigation measures to mitigate them to the extent feasible, are outlined in the Final EIR.

A Mitigation Monitoring and Reporting Program can be found in Appendix R of the Final EIR. Port Staff recommends the Board certify the EIR, including adopting a statement of overriding considerations and the mitigation and monitoring reporting program.

Proposed Project Studied in the EIR

OAK has established itself as a reliable, convenient, easily accessible airport serving passengers, air cargo, and business aviation in the San Francisco Bay Area. OAK is geographically well located relative to population centers and will grow as overall San Francisco Bay Area air traffic grows, especially as other area airports (San Francisco International Airport and San Jose International Airport) experience constraints over the long-term.

The existing terminal facilities (gates, check-in areas, and hold rooms) at OAK have operated at capacity in previous years, particularly during the morning peak periods. Additionally, Terminal 1 check-in and baggage claim building (opened in 1962) does not satisfy current seismic and fire protection requirements and has outdated operating systems. Terminal 2 is experiencing operational constraints because it was not designed to accommodate the larger aircraft fleet and associated passenger loads. These changes in the aircraft fleet are impacting operational efficiencies of aircraft parking positions, hold room areas, inbound and outbound baggage systems, concession space, and airline support space. As passenger traffic has grown since 2013, and existing facilities have become more congested, the Port recognized the need to forecast OAK's future activity levels and to assess the timing and need for new terminal facilities.

Passenger forecasts were developed to establish baseline and future passenger levels based on the Bay Area airport system, socio-economic factors, air carrier networks, and market trends. OAK is projected to reach 24.7 million annual passengers (MAP) by 2038. This growth is forecast to occur regardless of improvements to OAK facilities. These forecasts are aligned with forecast national and global forecasts and are approved by the Federal Aviation Administration.

The passenger forecasts were used to develop facilities requirements and identify deficiencies. Deficiencies to be addressed in modernization and new terminal development include: check-in lobbies that consider new technologies and passenger behavior, baggage systems that are configured for efficient operations, hold rooms that are properly sized to accommodate passenger loads and concessions areas, as well as security checkpoints facilities that address updated operations and technologies.

Without new facilities, continued growth will result in severe congestion including gate delays, overcrowding in the hold rooms, crowding in the check-in lobbies, and long security and concession lines. Ultimately additional activity will not be able to be accommodated at acceptable levels of service, leading to delays and poor customer experience. Additionally, the Terminal 1 check-in and baggage claim building will need to be replaced to meet seismic and fire protection codes.

The Proposed Project includes replacing Terminal 1 check-in, baggage screening, and baggage claim to meet code and current industry standard. The Proposed Project provides new passenger terminal facilities (buildings, gates and apron area) and new reconfigured airside facilities (taxiway, taxilanes, and off-gate remain overnight aircraft parking positions). The enabling projects (required to clear the new terminal development area) include demolition of certain structures; relocating UPS cargo facilities, belly cargo warehousing and processing, airline provisioning and catering, employee and public surface parking, other airport and airline support; as well as modifying utility and roadway systems to support the upgraded facilities.

**Figure 1
Proposed Project Area**



Demolition Project (Second Resolution)

The Building J (Quonset Hut) and nearby modular building to be demolished are within the South Field of the Airport in an Airport Employee Secured Parking Area as shown in Figure 2. Demolition of these buildings have been identified as project components to in the EIR to begin clearing space for development.

Figure 2
Building J (Quonset Hut) and Modular Building to be Demolished



The Quonset Hut was originally erected by United Airlines, a former Airport tenant, around 1995, but has been vacated since 2003. Currently, the Airport uses the Quonset Hut for storage. The modular building is a prefabricated structure supported on blocks. The structure is deteriorated rendering the building unusable and should be demolished to eliminate on-going costs to secure the building from the public and animals entering the building.

Hazardous material surveys were completed for both structures and the results of the surveys were included with the demolition bid documents. The identified hazardous building materials will be abated by the contractor prior to demolition of the building.

The demolition project plans and specifications were completed by Port. The demolition project was posted for bid on September 30, 2024. On September 26, 2024, the Social Responsibility Division notified all relevant certified disadvantage business enterprises, Port certified businesses, California certified small businesses, local chambers of commerce (including the Oakland Ethnic Chambers of Commerce), and Oakland Business Improvement Districts to encourage small local business participation. The pre-bid meeting included a site visit with 13 companies attending. Port staff anticipate starting demolition in late Winter 2025 with the buildings fully demolished by May 2025.

On November 6, 2024, three (3) bids were received and opened for the Demolition of Building J (Quonset Hut). The bids are listed in Table 2.

**Table 2
Demolition of Building J (Quonset Hut) Bid Summary**

Bidder	Location	LIA/LBA/ SBE/VSBE	Total Base Bid²	Bid Discount¹	Adjusted Bid for Award¹
Swinerton Builders	Concord, CA	LBA	\$ 233,813	\$4,232	\$229,580
Silverado Contractors, Inc.	Emeryville, CA	LIA	\$316,780	\$5,068	\$311,712
S&H Construction Inc.	Fremont, CA	-	\$ 418,600	\$0	\$418,600

¹The bid discount and adjusted bid price is based on the Port's Non-Discrimination and Small Local Business Utilization Policy and used for determining the apparent low bidder.

²The construction contract will be awarded for the Total Base Bid of \$233,813.

Swinerton Builders and Silverado Contractors, Inc. are both appropriately licensed and in good standing with the Contractors State License Board; their bids demonstrate that they can perform the work as specified in the contract documents; they have submitted all required documentation; and they have submitted an unconditional offer to provide the work as specified in the contract documents. S&H Construction, Inc. was determined to be non-responsive for not meeting the project licensing requirements. Port Staff determined that Swinerton Builders is the lowest responsive and responsible bidder and recommend awarding the demolition project to Swinerton Builders in the amount of \$233,813. Staff is also requesting \$47,000 in change order authority (about 20% of the contract value) to address the potential of unforeseen conditions occurring during demolition of these buildings.

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.
- Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- Other/Notes: The Port prepared the San Francisco Bay Oakland International Airport Terminal Modernization and Development Project Environmental Impact Report (State Clearinghouse No. 2021050164).

BUDGET

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

Analysis: The certification of the San Francisco Bay Oakland International Airport Terminal Modernization and Development Project Environmental Impact Report does not affect the Board adopted FY 2024 budget. However, project components outlined in the EIR will require additional Board approval before advancing to the design or construction phases.

A portion of the building demolition cost associated with the Terminal Modernization and Development Project is included in the Port’s 5-year non-operating budget starting in FY 2026. The Demolition of Building J (Quonset Hut) is estimated to cost approximately \$533,813 (Port labor: \$175,000, consultant: \$78,000. Contractor: \$233,813, contingency: \$47,000, advertising, permitting, etc.: \$33,687). Any demolition expenses incurred in FY 2025 will be covered by reallocating funds within the Aviation Operating/Non-Operating Budgets from other planned expenditures.

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 (Public Works) – proposed action is a construction contract covered by state or federal prevailing wages that are higher than those under the Living Wage requirements.

- Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? **Yes.**

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> As identified above, the Proposed Project will implement sustainable measures. It is anticipated that the Quonset Hut, a metal building, will be recycled or reused offsite.</p>	<p>Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.</p>
<p>STRATEGIC PLAN. The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Grow Net Revenues <input checked="" type="checkbox"/> Improve Customer Service <input checked="" type="checkbox"/> Strengthen Safety and Security <input checked="" type="checkbox"/> Care for Our Environment <input checked="" type="checkbox"/> Modernize and Maintain Infrastructure <input type="checkbox"/> Pursue Employee Excellence <input type="checkbox"/> Serve Our Community 	