



AGENDA REPORT

PROPOSED ACTION: **Ordinance:** Approve and Authorize the Executive Director to Execute a *Twenty-Year Ground Lease with the Federal Aviation Administration to Operate the Air Traffic Control Tower* from October 1, 2024, through September 30, 2044, to Include a Total of Approximately 11.47 Acres at No Rent at Oakland Airport and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Aviation)**

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

Parties Involved: United States of America Department of Transportation Federal Aviation Administration

Amount: No Monetary Consideration

EXECUTIVE SUMMARY: The United States of America, Department of Transportation, Federal Aviation Administration (FAA), currently maintains and operates the Air Traffic Control Tower (ATCT) at Oakland Airport (OAK) under an existing twenty-year lease, that expired September 30, 2024. FAA rules limit leases to twenty-year terms, thus a new lease is required to provide the FAA additional term. The new Lease with the FAA for a Twenty-Year Ground Lease to Operate the ATCT continues the lease on substantively similar terms and conditions.

BACKGROUND & ANALYSIS

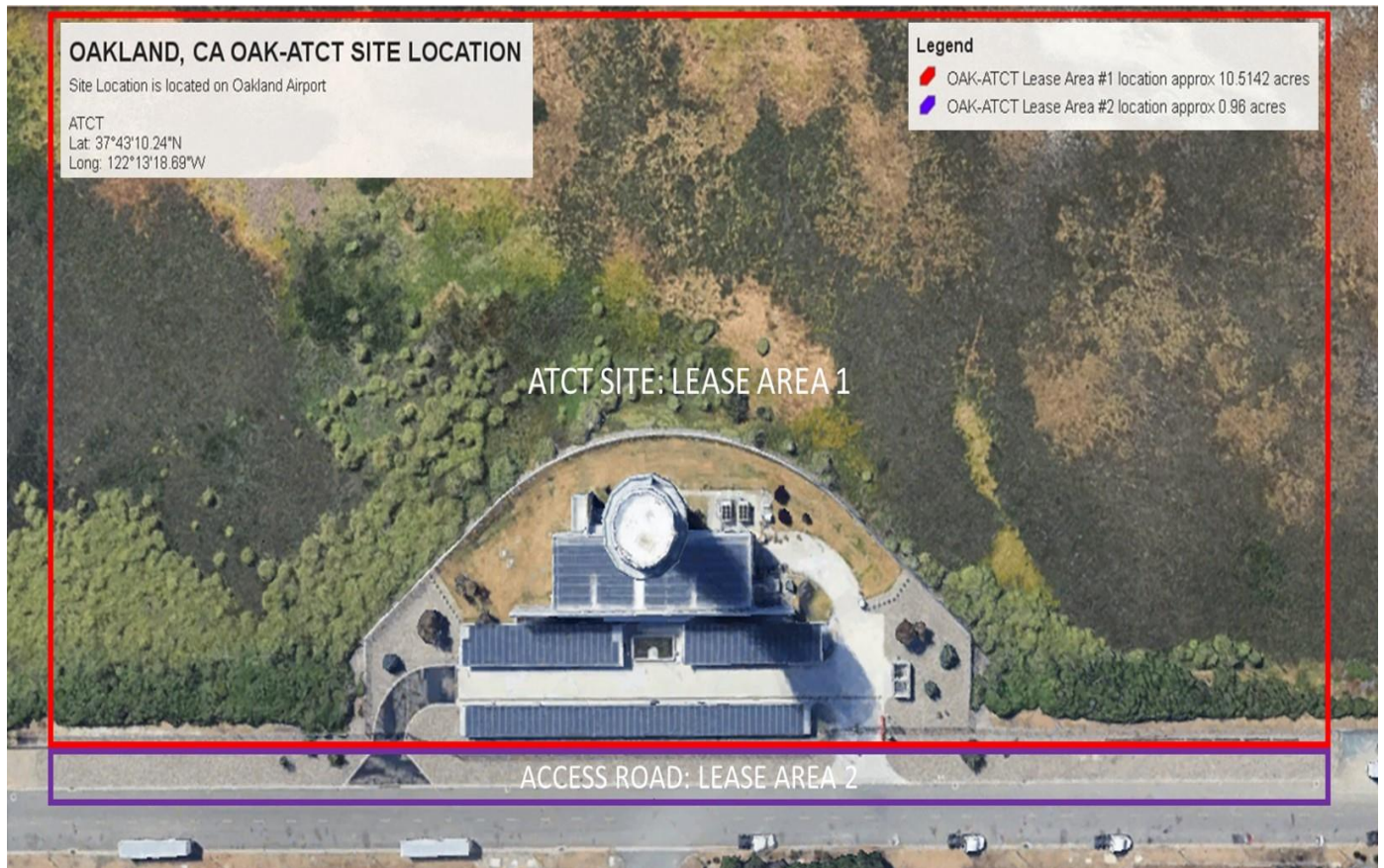
The FAA manages flight operations at OAK from an ATCT located at the Airport. An existing lease between FAA and the Port of Oakland (Port) expired on September 30, 2024. Continued operation of the ATCT at OAK critical to support on-going flight operations.

Within the 11.47 acres of lease area, approximately three acres have been developed with a 236-foot ATCT structure, an administrative office, parking, and miscellaneous infrastructure, with the remainder vacant land as shown on Figure 1. The lease also includes non-exclusive space for FAA owned and maintained airfield navigation and illumination infrastructure at OAK. The FAA is responsible for all maintenance within this lease area except for the vacant land, which will be maintained by the Port. The vacant land areas of the lease are required by FAA as an added security buffer around ATCTs.

Based on existing federal grant assurances between the FAA and the Port, the Port will furnish land for the FAA's use for air traffic control and air navigation activities at zero cost to the FAA, however the FAA will reimburse the Port for utility usage associated with the ATCT.

The new lease continues in substantively similar terms to the previous lease provisions between the FAA and the Port.

Figure 1
ATCT Lease Map



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: This action will not impact the budget as the zero revenue on the ATCT site ground lease remains consistent with the assumption used in the FY 2025 Aviation Operating 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 (Service Provider) – proposed action entails at least \$50,000 in payments to service provider (and/or its subcontractor) employing at least 21 employees who spend at least 25% of their time on Port-related work on premises owned or managed by the Port

- ☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

GENERAL PLAN (City Charter § 727):

<p><u>Applies?</u> Yes.</p> <p><u>Reason:</u> The FAA ATCT is a LEED Gold certified facility that includes Solar Panels for renewable energy, a geothermal heating and cooling system, rainwater containment for irrigation and stormwater management, and low flow plumbing fixtures. These features support ongoing sustainable operations of the ATCT.</p>	<p><u>Conformity Determination:</u></p> <p>Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.</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 “A”
Terms and Conditions of FAA Ground Lease

<u>TERMS</u>	
Tenant:	FAA
Lease Premises:	Land – 11.47 Acres
Permitted Use:	Operate and Maintain 236-foot Air Traffic Control Tower, and miscellaneous Air Navigation Infrastructure.
Term:	20 Years - October 1, 2024 – September 30, 2044
Monthly Rent:	No Rent.
Rent Adjustments:	N/A
Performance Deposit:	N/A