



AGENDA REPORT

PROPOSED ACTION: Ordinance: Approve and Authorize the Executive Director to Execute Separate *Retail Storage and Support Space/Use Permits* with Paradies Lagardere @ OAK, LLC and MRG Oakland, LLC at Oakland Airport to Include a Total of Approximately 985 Square Feet of Concession Storage Support Space for Up to \$656,575.97 in Total Rent from July 17, 2024 through February 28, 2035 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:

Paradies Lagardere @ OAK, LLC;
MRG Oakland, LLC; a Nevada LLC

Amount: \$54,701.57 for FY24/25

\$601,874.40 for FY25/26 -
FY34/35 (operating expense)

EXECUTIVE SUMMARY: The Retail program at Oakland Airport (OAK or Airport) has a number of concessionaires that operate various retail concession units, including Paradies Lagardere@ OAK LLC (Paradies) and MRG Oakland, LLC (MRG) who are currently under Space Use Permits for their retail units. Both concessionaires require additional storage and support space to support their operations in the Terminals. Paradies and MRG have executed The *Retail Storage and Support Space/Use Permit* agreements for the additional storage and support spaces.

BACKGROUND & ANALYSIS

The Airport’s retail program is spread throughout the Airport and is currently under development to create new options to meet passengers’ needs. On November 26, 2024, East Bay Trails, the first retail unit under the new retail program, opened. The remaining units are in the development process and are expected to be completed near the end of 2025.

Paradies and MRG will operate throughout the terminal complex and require storage and support space to augment operation of their retail units. The respective retail storage and support spaces for Paradies and MRG are shown in *Table 1: Summary of Retail Storage and Support Spaces*.

Table 1
Summary of Retail Storage and Support Spaces

Tenant	Room No.	Square Feet	Effective Date
MRG	M367-F01-1109A	297	01/08/2025
MRG	M367-F01-1109C	147	01/08/2025
Paradies	BM367-F01-1152A/B	541	7/17/2024

Projected rent to the Port of Oakland (Port) over the term of these agreements is \$656,575.97 and is detailed in *Table 2: Projected Rent*.

Table 2
Projected Rent

Retail Concessionaire	FY24/25	FY25/26- FY34/35
MRG	\$18,501.34	\$271,301.76
Paradies	\$36,200.23	\$330,572.64
Total	\$54,701.57	\$601,874.40

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 generate approximately \$54,701.57 in budgeted terminal rent in FY 2025.

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>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) and objective(s) in the Port's Strategic Business Plan:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Grow Net Revenues <input checked="" type="checkbox"/> Improve Customer Service <input type="checkbox"/> Strengthen Safety and Security <input type="checkbox"/> Care for Our Environment <input type="checkbox"/> Modernize and Maintain Infrastructure <input type="checkbox"/> Pursue Employee Excellence <input type="checkbox"/> Serve Our Community 	