



**AGENDA REPORT**

<b>PROPOSED ACTION: Ordinance:</b> Approve and Authorize the Executive Director to Execute a Second Amendment to the Temporary License Agreement with Pacific Crane Maintenance Company, LLC, for Land and Office Space at Howard Terminal, to Extend the Maximum Term by Six Months through July 12, 2025, Resulting in Additional Revenue of Approximately \$85,170, and Find that the Proposed Action is Exempt Under the California Environmental Quality Act ( <b>Maritime</b> )	
<u>Submitted By:</u> Bryan Brandes, Director of Maritime; Kristi McKenney, Executive Director	
<u>Parties Involved:</u> Pacific Crane Maintenance Company, LLC, Long Beach, CA Joe Gregorio, Jr.; Managing Member	<u>Amount:</u> \$76,675 FY 2025 and \$5,495 FY 2026 (operating revenue)
<b>EXECUTIVE SUMMARY:</b> The Port of Oakland (Port) currently leases yard and office space on Howard Terminal to Pacific Crane Maintenance Company, LLC (PCMC) by way of a Temporary License Agreement (TLA). The proposed Second Amendment will extend the term of the TLA by six months, or through July 12, 2025.	

**BACKGROUND & ANALYSIS**

PCMC operated a pop-up container storage yard on Howard Terminal from October 2022 through mid-January 2024 in response to the surge in containers at the Port during the Pandemic. PCMC operated the pop-up container storage yard on Howard Terminal to help manage the backlog of containers transiting through the Port. On January 12, 2024, PCMC ceased operations because container volume had decreased. However, PCMC requested to store terminal equipment and leave its information technology gate infrastructure in place, in the event PCMC needed to re-open the container storage yard in the future.

Based on authority delegated to the Executive Director by Port of Oakland Administrative Code (POAC) Section 2.01.100, the Port and PCMC executed a TLA effective January 13, 2024, for 1.5 acres (66,875 square feet) of land and 720 square feet of office space at Howard Terminal. Monthly rent under the TLA was set at a negotiated rate of \$14,195, or approximately 29 percent lower than then-current rates in Tariff No. 2-A (Tariff). Port Staff supported the negotiated rate because the facility was idle but ready to “go live” if the need arose. All other key terms of the TLA were standard, including a three-month security deposit. The term of the TLA was six months, or through July 15, 2024. The Executive Director subsequently approved the First Amendment to the TLA, dated July 16, 2024, which extended the term of the TLA by an additional six months, or through January 12, 2025.

Although the facility continues to sit idle, PCMC has requested a Second Amendment to the TLA which would (1) extend the term an additional six months through July 12, 2025; and (2) hold the monthly rent at \$14,195, which is approximately 32% lower than current Tariff rates. This would allow PCMC to “go live” immediately if its services are once again needed. All other terms and conditions of the TLA would remain unchanged. This proposed Second Amendment to the TLA would result in approximately \$85,170 of revenue, assuming neither party terminates the TLA prior to July 12, 2025.

Board of Port Commissioners’ approval of the proposed Second Amendment is required because the term of the TLA would now exceed 12 months, which exceeds the Executive Director’s authority under POAC.

### **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: Amending a lease for an existing tenant to continue their business operations meets the criteria for this exemption.

#### **BUDGET**

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

Analysis: The proposed Second Amendment to the TLA would generate approximately \$85,170 during the term of the agreement, of which \$79,675 would be in FY 2025 and \$5,495 would be in FY 2026. The FY 2025 revenue is included in the current Maritime Division operating revenue budget; if approved, the FY 2026 revenue would be incorporated into the Maritime Divisions’ operating revenue budget currently under development.

#### **STAFFING**

- No Anticipated Staffing Impact.
- Anticipated Change to Budgeted Headcount.  
Reason:
- Other Anticipated Staffing Impact (e.g., Temp Help).  
Reason:

<p><b><u>MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):</u></b></p> <p><u>Applies?</u> 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.</p> <p><input type="checkbox"/> <u>Additional Notes:</u></p>	<p><b><u>LIVING WAGE</u></b> (City Charter § 728):</p> <p><u>Applies?</u></p> <p>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.</p> <p><input type="checkbox"/> <u>Additional Notes:</u></p>								
<p><b><u>SUSTAINABLE OPPORTUNITIES:</u></b></p> <p><u>Applies?</u> <b>No.</b></p> <p><u>Reason:</u> As mentioned in the report, the PCMC facility is not operational. In the event the facility returns operational, the Port and PCMC will explore sustainable opportunities and incorporate into a future, subsequent agreement.</p>	<p><b><u>GENERAL PLAN</u></b> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.</p>								
<p><b><u>STRATEGIC PLAN.</u></b> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:</p> <table border="0" style="width: 100%;"> <tr> <td><input checked="" type="checkbox"/> Grow Net Revenues</td> <td><input type="checkbox"/> Modernize and Maintain Infrastructure</td> </tr> <tr> <td><input checked="" type="checkbox"/> Improve Customer Service</td> <td><input type="checkbox"/> Pursue Employee Excellence</td> </tr> <tr> <td><input type="checkbox"/> Strengthen Safety and Security</td> <td><input type="checkbox"/> Serve Our Community</td> </tr> <tr> <td><input type="checkbox"/> Care for Our Environment</td> <td></td> </tr> </table>		<input checked="" type="checkbox"/> Grow Net Revenues	<input type="checkbox"/> Modernize and Maintain Infrastructure	<input checked="" type="checkbox"/> Improve Customer Service	<input type="checkbox"/> Pursue Employee Excellence	<input type="checkbox"/> Strengthen Safety and Security	<input type="checkbox"/> Serve Our Community	<input type="checkbox"/> Care for Our Environment	
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