



AGENDA REPORT

PROPOSED ACTION: Ordinance: Approve and Authorize the Executive Director to Execute a *Construction Ramp Storage and Staging Space/Use Permit* with Western Construction, Inc. at Oakland Airport to Include a Total of Approximately 2,700 Square Feet of Ramp Space for Up To \$48,600 in Total Rent from January 1, 2024 through December 31, 2026 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:

Western Construction, Inc., Castro Valley, CA

Amount: \$8,100 for FY23/24, \$16,200 for FY24/25, \$16,200 for FY25/26, \$8,100, for FY26/27 (Operating Revenue)

EXECUTIVE SUMMARY: Western Construction, Inc. (Western) is contracted with multiple concessionaire operators at Oakland Airport (OAK or Airport) to develop retail concession units. Western has been occupying staging space outdoors on the ramp to support these construction services since January 1, 2024. Board of Port Commissioners approval is needed to extend the *Construction Ramp Storage and Staging Space/Use Permit* (SUP) through December 31, 2026. The SUP has been executed by Western.

BACKGROUND & ANALYSIS

The Airport's retail concessions program is spread throughout the Airport and various concessionaires remain engaged in various stages of constructing their concession units and updating their storage locations. This Space/Use Permit provides Western with an outdoor construction staging area conveniently located between both terminals to support construction services and operations at various concession units throughout the Airport. They began renting the space on January 1, 2024, and the extended term requires Board approval.

Projected rent to the Port over the term of the agreement is \$48,600 and is calculated at \$0.50 per square foot per month, the annual rent is detailed in Table 1.

**Table 1
Projected Rent**

FY23/24	FY24/25	FY25/26	FY26/27
1/1/24-6/30/24	7/1/24-6/30/25	7/1/25-6/30/26	7/1/26-12/31/26
\$8,100	\$16,200	\$16,200	\$8,100

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 \$24,300 in incremental revenue 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 (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:

Applies? Yes.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

Reason: Compliance with the Port's Green Halo initiatives in performing tenant improvements.

Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.

STRATEGIC PLAN. The proposed action would help the Port achieve the following goal(s) in the Port's Strategic Plan:

- ☐ Capture Our Market and Grow the Economic Base
- ☒ Modernize and Upgrade Infrastructure
- ☐ Transition to Zero-Emissions and Build Climate Resilience
- ☐ Maximize Land Use Value and Revenues
- ☐ Workforce Training and Jobs Development
- ☒ Create Opportunities for Local Businesses and Community Economic Development