



PORT OF OAKLAND

6/8/2023

AGENDA REPORT

PROPOSED ACTION: **Resolution:** Approve and Authorize the Executive Director to Execute a Project Supplement No. 2 with the California State Transportation Agency, Authorizing \$17,969,402 in State Funding to be Distributed to the Port of Oakland for Design and Engineering of Transportation Projects, and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act (**Executive Office**)

Submitted By: Kristi McKenney, Chief Operations Officer; Danny Wan, Executive Director

Parties Involved:

California State Transportation Agency
Sacramento, CA

Amount: \$17,969,402 (grant funding)

EXECUTIVE SUMMARY:

The 2021 State Budget Act allocated \$279,500,000 for the Port of Oakland (Port) for improvements that facilitate enhanced freight and passenger access in and around the seaport and waterfront and to promote the efficient and safe movement of goods and people. The California State Transportation Agency (CalSTA) was designated by the Legislature to administer this State funding. The proposed Project Supplement No. 2 (Second Supplement) between CalSTA and the Port authorizes the disbursement of up to \$17,969,402 in funding to the Port for design and engineering of transportation projects. The Second Supplement also describes the general terms and conditions of this funding, which the City of Oakland (City) will formally agree to comply with on the Port's behalf via a future agreement, to be executed separately between the City and the Port, that will distribute funding on a reimbursement basis to the City for work that will be performed by the City.

BACKGROUND & ANALYSIS

The Port of Oakland, City of Oakland, and related transportation stakeholders have initiated and/or completed a number of improvements that have facilitated enhanced freight and visitor access in and around the seaport and waterfront with additional investments planned for major capital infrastructure projects and intelligent transportation system initiatives that promote the efficient and safe movement of goods and people and seek to reduce transportation conflicts.

Several infrastructure programs and project areas of focus have been identified which could accelerate these initiatives and provide additional benefits to both residents and freight stakeholders. The 2021 State Act Budget Act (A.B. 128) included a budget allocation for the Port for transportation funding targeted for enhanced seaport and waterfront access and the design and potential construction of related infrastructure improvements and programs to reduce transportation conflicts in the seaport and waterfront areas. CalSTA was designated by the State Legislature to administer this State funding.

On July 21, 2022, the Board of Port Commissioners (Board) approved a Baseline Agreement (Baseline) between the Port and CalSTA which outlined the terms and conditions for the use of these funds as well as the programmatic areas of investment focus that the state funding could potentially support.

The Baseline contemplated that some project improvements and/or design efforts would need to be undertaken by third parties, as several of the proposed infrastructure improvements have direct benefits to the Port but are not located on Port-controlled property or within Port-owned right of way. In such cases, third parties such as the Alameda County Transportation Commission (Alameda CTC), City, and/or private entities (as it relates to certain potential rail improvements, for example) could be deemed eligible to serve as the primary design and/or implementing agency, consistent with the purposes of the Baseline.

In those cases, the Port would still serve as the lead agency for the purposes of the CalSTA grant and would sub-grant the funding, along with the related compliance terms and conditions, to the implementing third-party. For example, on March 23, 2023, the Board approved the First Project Supplement with CalSTA that authorized \$20 million to be distributed on a pass-through basis to the Alameda CTC for right-of-way acquisition related to the 7th Street Grade Separation, for which Alameda CTC will be required to assume all grant compliance terms and conditions.

The Baseline outlined several programmatic categories of potential state partnership and investment support, subject to further augmentation and refinement with supplementary project descriptions and approvals by the Board and CalSTA. These programmatic categories are consistent with specific infrastructure funding requests the Port's Executive Director identified to the State Legislature to secure this legislatively directed funding. The Baseline outlines that approval for the actual disbursement of funding to support specific phases for any of the elements of these potential projects must be separately approved by the Board via a Project Supplement agreement. The major programmatic areas of focus for the proposed use of the State funding in this proposed Second Supplement, as consistent with the Baseline, are described below:

- West Oakland & Jack London Square Rail Safety Enhancements: Advance the planning, engineering, cost-estimating, design, environmental review, and/or project management tasks associated with potential improvements to safety on the rail corridor mainline tracks accessing the Port of Oakland and the West Oakland/Jack London Square Districts of the City of Oakland.
- Local Road, Intersection, and Congestion Management Improvements: Advance the planning, engineering, cost-estimating, design, environmental review, and/or project management tasks associated with potential improvements and programs to relieve congestion and reduce conflicts on local roadways that serve as major access routes for trucks, vehicles, pedestrians, and bicyclists accessing the Oakland seaport area & waterfront from the local highway and roadway network and nearby transit nodes.
- Grade Separation Improvements: Advance the planning, engineering, cost-estimating, design, environmental review, and/or project management tasks associated with potential grade separation improvements for trucks, cars, pedestrians, and/or bicycles at

one or more new and/or existing rail crossing structures providing access to the Oakland seaport area & waterfront.

The Second Supplement, which is substantially in the form included as **Attachment A**, proposes up to \$17,969,402 in State funding support for various planning, engineering, design, reimbursement, and project management tasks related to 13 separate transportation subprojects that have the potential to improve efficiencies through the historical rail and roadway bottlenecks that currently negatively impact freight and passenger rail and freight operations in the seaport and waterfront; leverage current and future federal transportation funding opportunities; support the reduction of greenhouse gas and other air emissions; and support increased multimodal access to recreational opportunities, jobs and the Oakland seaport and waterfront. The subprojects are summarized below in Table 1:

Table 1: Second Supplement Transportation Subprojects

1. Designs for Reconstructing Embarcadero West Rail/Street Corridor between Oak Street to Clay Street
2. Designs for Reconstructing Embarcadero West Rail/Street Corridor between Clay Street to Market Street
3. Feasibility Study/Conceptual Designs Associated with Installing a New Vehicle Bridge and/or a Pedestrian and Bicycle Bridge Crossing Over the Embarcadero West Roadway and Railroad Corridor, Including Investigations of Improvements to Existing Grade Separated Structures
4. Designs for a Permitted Heavy Weight Vehicle Route Connecting Middle Harbor Road to Embarcadero West
5. Designs for Improvements to the Adeline Street Corridor, between 3 rd Street and 7 th Street, and 5 th Street, between Union Street and Adeline Street
6. Traffic Signal Modification Designs (Brush/17th, Brush/18th, Castro/5th, MLK/17th)
7. Designs for the Market Street Corridor between Embarcadero West and 7 th Street
8. Designs for the 3rd Street Truck Route Corridor between Adeline Street and Broadway
9. Designs for the Martin Luther King, Jr. Way Corridor
10. Designs, Planning and Environmental (NEPA) for the 7th Street Corridor
11. Designs for the Broadway Transit Corridor
12. Conceptual Design Development for the Washington Street Corridor
13. Conceptual Design Development for Parking and Traffic Management

The State funding authorized by the Second Supplement is organized into five separate work tasks which support the following activities: Preliminary designs for all 13 subprojects (Task 1);

NEPA technical studies for specific subprojects that are candidates for potential federal funding (Task 2); Preparation of preliminary geometric designs for certain subprojects (Task 3); Reimbursement to the Union Pacific Railroad (UPRR) for diagnostic reviews and consultation on certain subprojects (Task 4) and; Project management and staff reviews (Task 5). These tasks and related funding allocations are summarized in Table 2:

Table 2: Project Funding Plan

Task 1 (Global)	Task 2 (NEPA)	Task 3 (Geometric Design)	Task 4 (UPRR Reimbursement)	Task 5 (Project Management)	Total
\$6,542,062	\$1,699,271	\$6,616,215	\$900,000	\$2,211,854	\$17,969,402

The Second Supplement for additional planning, engineering, reimbursement, and design as generally described does not constitute a commitment by the Port or the Board to initiate and/or construct these projects. Additional funding for any future phase(s) must be considered and approved independently by resolution by the Board via a separate Project Supplement and must be mutually executed by CalSTA. Project Supplements must be executed prior to the commencement of work, and a financial commitment of State funds will only occur in each separate Project Supplement.

The proposed Second Project Supplement between the Port and CalSTA is substantially in the form included as **Attachment A**.

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.

- ☒ Exempt from CEQA because it is not a "Project" under CEQA Guidelines Section 15061(b)(3).

BUDGET

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

☐ Operating

☒ Non-Operating

☐ Capital

Analysis: There is no direct budgetary impact as the CalSTA funding will be directed to the City of Oakland, via a future agreement to be executed separately.

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: Proposed action does not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of MAPLA do not apply.

LIVING WAGE (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? **No.**

Reason:

GENERAL PLAN (City Charter § 727):

Conformity Determination:

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) and objective(s) in the Port's Strategic Business Plan:

- | | |
|--|---|
| <input type="checkbox"/> Grow Net Revenues | <input checked="" type="checkbox"/> Modernize and Maintain Infrastructure |
| <input checked="" type="checkbox"/> Improve Customer Service | <input type="checkbox"/> Pursue Employee Excellence |
| <input checked="" type="checkbox"/> Strengthen Safety and Security | <input type="checkbox"/> Serve Our Community |
| <input type="checkbox"/> Care for Our Environment | |