



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Execute a Design Agreement with the U.S. Army Corps of Engineers to Design the Oakland Harbor Turning Basins Widening Project in the Amount of \$2,700,000 and Find that the Proposed Action Complies with the California Environmental Quality Act as Analyzed in the Final Environmental Impact Report for the Oakland Harbor Turning Basins Project (Maritime)	
Submitted By: Bryan Brandes, Maritime Director; Kristi McKenney, Executive Director	
Parties Involved: U.S. Army Corps of Engineers, Virginia Brickner, Lieutenant Colonel	Amount: \$2,700,000 (Capital Expense)
EXECUTIVE SUMMARY: Port of Oakland (Port) Staff recommends executing an agreement with the U.S. Army Corps of Engineers (USACE) to complete the pre-construction engineering and design for the initial construction documents for the Oakland Harbor Turning Basins Widening Project (Design Agreement). The Design Agreement requires the Port to pay a cost share of \$2.7 million; however, the Port will receive credit for work it has already completed under the previously approved In-Kind Memorandum with USACE dated August 2025. Therefore, executing the Design Agreement does not require the Port to expend additional funds to fulfill its cost share.	

BACKGROUND & ANALYSIS

Since 2017, Port Staff have been planning for the potential widening the Inner Harbor and Outer Harbor Turning Basins (Project). Starting in 2020, the Board of Port Commissioners (Board) has approved certain actions to advance the Project, including a Feasibility Cost Sharing Agreement with the USACE, an In-Kind Memorandum of Understanding (MOU) with the USACE for the Port to lead certain design-related work, certifying the Final Environmental Impact Report, and approving the Project in the Port’s Capital Improvement Plan. In parallel, the USACE has taken certain actions in support of the Project, including a USACE Chief’s Report recommending Congress authorize the Project. Additionally, Congress included the Project in the Water Resources Development Act of 2024, which was signed into law on January 4, 2025, and in January 2026, appropriated \$8.1 million for the Project.

In September 2025, the Port commenced design-related work in accordance with the terms of the MOU at an approximate out-of-pocket cost of \$4.7 million. It is anticipated that the Port-led design-related work will be complete by September 2026. The MOU provides that the Port’s eligible design-related expenditure under the MOU will be applied to the Port’s cost share under the proposed Design Agreement.

To advance the Project, the Parties must enter into a cost-sharing agreement to complete pre-construction engineering and design (PED) necessary to prepare construction

documents for the Project (Design Agreement). The Design Agreement is for a total projected PED cost of \$10.8 million, to be cost-shared 75% Federal and 25% non-Federal (Port), or approximately \$8.1 million Federal and \$2.7 million Port. The Port intends to satisfy its \$2.7 million cost through creditable in-kind contributions previously expended under the MOU, as discussed above. Therefore, executing the Design Agreement does not require the Port to expend additional funds to fulfill its cost share.

The proposed Design Agreement is a necessary step to advance the Project, but it does not authorize construction of the Project; construction remains subject to future Congressional appropriations and execution of a separate Project Partnership Agreement between the Parties. The Port cannot submit for in-kind contribution credit until the Design Agreement is executed by the Parties. If the Parties do not enter into a Design Agreement, the Port would not recover the Port-led design expenses incurred under the MOU and the Project would not advance. If the Design Agreement is executed, Port Staff anticipates the USACE will approve the Port's in-kind credit of \$2.7 million, but such approval is not guaranteed.

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.

- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- Other/Notes: The Proposed Action is in accordance with the Oakland Harbor Turning Basins Widening Final Environmental Impact Report (EIR) (State Clearinghouse No. 2022020647). On July 10, 2025, the Board of Port Commissioners certified the EIR and adopted: CEQA findings, Mitigation Monitoring and Reporting Program, and Statement of Overriding Considerations for the proposed action (Resolution 25-59).

BUDGET

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

Analysis: The Maritime Division's approved FY 2026 Capital Budget includes \$4.7 million for the Port-led design activities that are in progress, which are anticipated to satisfy the Port's \$2.7 million share of the Design Agreement cost; thus, no additional expenditure and no budget impact is anticipated in FY 2026 or FY 2027 from execution of the Design Agreement. However, should the USACE not approve the use of in-kind contributions, the Port would be required to incur an additional (up to) \$2.7 million to fulfill its share of the Design Agreement cost. If such additional expenditure were required, Staff anticipates it could be absorbed within the Maritime Division's FY 2027 Capital Budget currently being finalized for the Board's consideration.

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.

LIVING WAGE (City Charter § 728):

Applies?

<input checked="" type="checkbox"/> <u>Additional Notes</u> : Agreement is not a contract for services.	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. <input type="checkbox"/> <u>Additional Notes</u> :
<p><u>SUSTAINABLE OPPORTUNITIES:</u></p> <p><u>Applies?</u> Yes.</p> <p><u>Reason:</u> Design of the Project includes infrastructure for electrified dredging.</p>	<p><u>GENERAL PLAN</u> (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><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 checked="" type="checkbox"/> Modernize and Upgrade Infrastructure <input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input 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 	