



AGENDA REPORT

PROPOSED ACTION: Ordinance: Approve and Authorize the Executive Director to Execute a Space/Use Permit with the City of Oakland Operating in Port Building L-815 of the North Field of Oakland San Francisco Bay Airport for Six Years Six Months from January 1, 2026, to June 30, 2032, 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: Tracy Irvin, City of Oakland, Oakland CA

Amount: \$118,560 (Operating Budget Fiscal Year 2026)

EXECUTIVE SUMMARY: The City of Oakland's (City) Oakland Fire Department (OFD) Urban Search and Rescue (US&R) program is requesting space at Oakland San Francisco Bay Airport (OAK). Port of Oakland (Port) Staff has reviewed a proposal from the City and determined that it is in the best interest of the Port to execute a *Space/Use Permit (SUP)* with the City to take over the space known as Port Building L-815 (L815) at the North Field of OAK. The proposed rental amount would increase FY26 Operating Revenues by \$118,560 and would provide for revenues of at least \$355,000 annually.

BACKGROUND & ANALYSIS

Following Rolls Royce's departure in 2020, Building L815 has remained unoccupied. Recognizing its distinctive structure and specialized use, the Port has made concerted efforts to identify a suitable tenant. Recently, the Port was approached by the City with interest in space at OAK.

There are 28 Federal Emergency Management Agency (FEMA) funded US&R task forces in the United States, and eight in California. US&R task forces are responsible for coordinating, developing, and maintaining an emergency response capability to locate, extricate, and provide immediate medical treatment to victims trapped in collapsed or compromised structures and to conduct water operations and rescues occurring in chemical, biological, radiological or nuclear-contaminated areas.

Grant Funding

The City is the sponsoring agency for California Task Force Four (CA-TF4 or Task Force), which includes participation from 16 other fire agencies in and around the Bay Area. The City receives funding from FEMA to cover costs of the CA-TF4 program and must apply each year for this funding. This funding has been consistent for three decades with increases in the amount over time. The City supplements this federal funding with \$150,000 annually from the General Fund.

Most recently, the City Council adopted Resolution No. 89175 C.M.S. on May 17, 2022, authorizing the execution of a grant agreement with FEMA in the amount of \$1,238,878

annually with additional supplemental annual funding not to exceed 50% of the original grant award per year for Fiscal Years 2021-2026 to fund CA-TF4. The City anticipates the Fiscal Year 2025-2026 FEMA grant award amount for CA-TF4 will be \$1,378,000.

The *SUP* Term is set to expire with the end of the current funding cycle on June 30, 2032. An Amendment would be requested if the funding were to continue past the current funding cycle.

Terms

The *SUP* will have a total term of six years and six months commencing on January 1, 2026, and terminating on June 30, 2032. The *SUP* is terminable by either party upon 30-day's written notice. The monthly rent is \$29,640. Due to the Grant Funding not allowing a Security Deposit, the Security Deposit is set at \$0. Port staff requests the Board to waive the three-month security deposit requirement set forth in AP509 (Collection of Delinquent Accounts – Policies and Guidelines) for this *SUP*. Rental increases in the amount of two percent annually would be effective every January 1st. The Port has agreed to a two-month rent concession for the months of January and February 2026 which will allow the City to make repairs to L815 and move in. Monthly rent will commence on March 1, 2026. The specific terms and conditions of the *SUP* are shown in detail on Exhibit 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.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 result in additional revenues of \$118,560 compared to the adopted FY 2026 Revenue Budget.

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 (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.

- ☐ 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? No.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<u>Reason:</u> There are no sustainability opportunities related to this proposed action because it does not involve a development project, purchasing of equipment, or operations that presents sustainability opportunities.	Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.
<u>STRATEGIC PLAN.</u> 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	

EXHIBIT A

TERMS AND CONDITIONS OF SUP WITH CITY OF OAKLAND

Tenant:	City of Oakland
Permitted Use:	Storage for City of Oakland's Fire Department's Urban Search and Rescue equipment, including the maintenance and storage of vehicles and parts and uses reasonably incidental thereto.
Lease Premises:	Building L-815 (L815): 52,000 SF
Initial Term:	6 Years, 6 Months
Commencement:	January 1, 2026
Expiration:	June 30, 2032
Monthly Rent:	\$29,640
1st Year Rent:	\$355,680 (Monthly Rent x 12 Months)
Rent Adjustments:	Two percent (2%) annual increase effective on January 1 st of each year.
Rent Concessions:	Two (2) months, January & February 2026, monthly rent commencement is March 1, 2026.
Early Termination:	<i>SUP</i> can be terminated unilaterally by either party with thirty (30) days' notice.
Security Deposit:	None
Maintenance Requirements:	1. Port and City have maintenance, repair, and operations responsibilities as described in Exhibit B. 2. City must allow Port access to Electrical Substation. 3. City accepts the leasehold in an "as-is" condition. 4. Port will provide the following repairs/corrections prior to February 1, 2026: 4.1 Roof and gutters/drainage 4.2 Water damage to insulation in various areas 4.3 Damage to windows on the first and second floor offices 4.4 Certification/inspection of fire extinguishers

EXHIBIT B
MAINTENANCE RESPONSIBILITIES

Maintenance Items	Division of Responsibility	
	City	The Port
BUILDING EXTERIOR		X
Walls		X
Windows in exterior walls		X
Roof (leaks, flashing, gutters & downspouts, vents)		X
Doors (roll-up, swing, sliding) "Hardware"		X
Insulation & Weather stripping		X
BUILDING INTERIOR	X	
Walls / Partitions	X	
Interior wall windows	X	
Doors (swing, roll-up, sliding)	X – All interior	X – All exterior
Floors (carpet, tile, other)	X	
Ceiling tile	X	
Insulation & Weather stripping	X	
Furnishings	X	
Restrooms (Fixture repair / replacement, cleaning)	X	
COMMUNICATIONS	X	
Telephone Lines/Conduit	X	
COMPUTER SPECIALTY SYSTEMS	X	
CUSTODIAL / HOUSEKEEPING SERVICES	X	
Trash removal	X	
DOORS / FRAMES (Interior & Exterior)		
Jambs, operators, hardware, locks, weather stripping	X – Interior	X - Exterior
Door Locks / Systems		X
ELECTRICITY		X
ELECTRICAL OUTLETS & WIRING IN WALLS	X	
FENCES / GATES		X
FIRE ALARMS		X
Emergency equipment		X
Sprinklers		X
Fire hoses		X
Fire Extinguishers / Portable Protection		X
HVAC		X

Maintenance Items	Division of Responsibility	
	City	The Port
LIGHTING MAINTENANCE		X
Security Lighting & Obstruction Lights		X
Fixtures (Interior / Exterior)		X
Ballasts (Interior / Exterior)		X
Lenses / Diffusers (Interior / Exterior)		X
Bulbs / Lamps (Interior / Exterior)	X	
PEST CONTROL	X	
Mosquito Abatement	X	
Vector (Rodents) Control	X	
Insects	X	
PLUMBING		
Incoming Water Lines from common use to fixture		X
Sanitary Sewer Lines from common use to fixture		X
Gas Lines from common use to fixture	X	
REMODELING	X	
WINDOW CLEANING	X	
Interior	X	
Exterior	X	
FENCES / GATES		X
PARKING LOTS		X
SIDEWALKS		X
LANDSCAPE / IRRIGATION		X