



**AGENDA REPORT**

**PROPOSED ACTION: Ordinance:** Approve and Authorize the Executive Director to Execute a Space Assignment Agreement with Pacific Crane Maintenance Company, LLC For Land and Office Space at Howard Terminal, for a Maximum Term of One year through July 12, 2026, Resulting in Revenue of Approximately \$170,340; and Find that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Maritime)**

**Submitted By:** Bryan Brandes, Director of Maritime; Kristi McKenney, Executive Director

**Parties Involved:**

Pacific Crane Maintenance Company, LLC, Long Beach, CA  
Joe Gregorio, Jr.; Managing Member

**Amount:**

\$170,340 (FY 2026-FY 2027)  
(Operating Revenue)

**EXECUTIVE SUMMARY:**

The Port of Oakland (Port) currently leases yard and office space on Howard Terminal to Pacific Crane Maintenance Company, LLC (PCMC) by way of Temporary License Agreement, as amended (TLA). The Proposed Space Assignment Agreement will replace the TLA and extend PCMC's tenancy up to one year, or through July 12, 2026.

**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 Covid-19 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 the 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). 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. In March 2025, the Board approved a Second

Amendment to the TLA, which (1) extended the term of the TLA through July 12, 2025; and (2) held the monthly rent at \$14,195, which was approximately 32 percent lower than then-current Tariff rates.

Although the facility continues to sit idle, PCMC has requested an additional term extension. Key terms of the agreement include:

- **Form of Agreement:** A new Space Assignment Agreement;
- **Effective Date:** July 13, 2025;
- **Term:** Six-month initial term, with one, six-month option to extend subject to mutual agreement;
- **Termination:** Either party can terminate with 30-days' advance written notice; and,
- **Rent:** Will remain at \$14,195 per month, which is approximately 44 percent below current Tariff rates.

Staff supports a Space Assignment because it allows PCMC to “go live” immediately if its services are once again needed. In the event this should occur, the Port and PCMC would enter into a new agreement to add additional land and adjust rates, which would supersede this Space Assignment.

The Board of Port Commissioners' (Board's) approval of the proposed Space Assignment Agreement is required because the term of PCMC's tenancy (without consideration to the form of agreement) has exceeded 12 months, which exceeds the Executive Director's authority under the 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:

### **BUDGET**

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

Analysis: The proposed new Space Assignment Agreement, inclusive of the option would generate approximately \$170,340 during the term of the agreement, of which \$164,845 would be in FY 2026. This revenue was not included in the Maritime Division FY 2026 operating revenue budget and therefore is incremental.

### **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:

<p><u>Reason:</u> As mentioned in this 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>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) in the Port’s Strategic Plan:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Capture Our Market and Grow the Economic Base</li> <li><input type="checkbox"/> Modernize and Upgrade Infrastructure</li> <li><input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience</li> <li><input checked="" type="checkbox"/> Maximize Land Use Value and Revenues</li> <li><input type="checkbox"/> Workforce Training and Jobs Development</li> <li><input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development</li> </ul>	