



**PORT OF OAKLAND**

**6/8/2023**

## **AGENDA REPORT**

**PROPOSED ACTION: Resolution:** Approve and Authorize the Executive Director to Enter into an Agreement with Pacific Crane Maintenance Company, LLC to Subgrant up to \$1,484,557 of Funds Received from the United States Department of Agriculture to Create and Operate a Pop-Up Yard on Howard Terminal **(Maritime)**

**Submitted By:** Bryan Brandes, Director of Maritime; Danny Wan, Executive Director

**Parties Involved:** Pacific Crane Maintenance Company, LLC (PCMC)  
Long Beach, CA  
Porter Travis, CFO

**Amount:** \$1,484,557 (Non-operating revenue and expense)

**EXECUTIVE SUMMARY:** In early 2022, the Port of Oakland (Port), United States Department of Agriculture (USDA), and Pacific Crane Maintenance Company, LLC (PCMC) collaborated to open a pop-up container yard (Pop-Up Yard) to help U.S. agriculture exporters ship their products through the Seaport amidst the unprecedented supply chain congestion and the resulting obstacles to agriculture exporters. In December 2022, the Board of Port Commissioners (Board) approved a Cooperative Agreement with the USDA that provides the Port with \$1,777,557 of funding to help offset set up costs for the Pop-Up Yard. As indicated in December 2022 the Port intends to subgrant \$1,484,557 of the USDA funding to PCMC to offset equipment and supply purchases and engine emission reduction upgrade costs relating to the set up. This agenda reports seeks the Board's approval to execute an agreement with PCMC to subgrant these funds.

## **BACKGROUND & ANALYSIS**

On December 15, 2022, by Resolution 22-113, the Board approved the execution of a Cooperative Agreement with the Agricultural Marketing Service of the USDA to receive \$1,777,557 for the start-up costs of a Pop-Up Yard in the Seaport.

As reported on December 15, 2022, the Port partnered with PCMC to open the Pop-Up Yard to help U.S. agriculture exporters ship their products through the Seaport amid unprecedented supply chain congestion and resulting obstacles to agricultural exporters. The Pop-Up Yard, which is still in operation, serves to store stacked empty shipping containers outside of marine terminals, so that they can be quickly accessed by exporters. Additionally, the Pop-Up Yard serves as a staging location for loaded export containers that cannot enter the marine terminals due to vessel cut-off changes resulting from shipping line schedule changes. Indirectly, by accepting containers for stacking, the Pop-Up Yard frees up chassis to be put back into circulation to move cargo. The overall cost incurred by PCMC and the Port combined was approximately \$2,962,595.

Also as reported on December 15, 2022, the Port's intent was and remains to pass on \$1,484,557 of the USDA funding to PCMC to offset its cargo handling equipment and supply purchases and engine emission reduction upgrades. PCMC purchased primarily used equipment such as container sidehandlers and tophandlers and upgraded equipment to Tier 4 engines which produce lower emissions. PCMC also purchased supplies such as traffic cones and signs and office necessities. As of the date of this agenda report, the Port has not yet received the grant funds from the USDA. In anticipation of receipt of \$1,777,557, staff seeks the Board's approval of an agreement with PCMC to subgrant \$1,484,557 to PCMC, to cover PCMC's purchases.

Before obtaining reimbursement, PCMC must submit a final invoice to the Port and the Port's reimbursement shall not exceed \$1,484,557. Title to the equipment is and will remain with PCMC. Upon closure of the Pop-Up Yard, the equipment would be required to be used in container handling operations. If the equipment is not actively used, then PCMC will be required to reimburse the USDA the amount equal to the residual value of the equipment. PCMC will own the equipment when the residual value falls below 10 percent of the purchase value.

## **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.

☒ Not a "Project" under CEQA as defined in Public Resources Code § 21065.

☐ Other/Notes:

### **BUDGET**

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

☐ Operating

☒ Non-Operating

☐ Capital

Analysis: The USDA funding will fully cover the subgrant to PCMC. This is a non-operating expense because PCMC owns the equipment that is being funded. There is no net budgetary impact to the Port.

### **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?

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:

<p><b><u>SUSTAINABLE OPPORTUNITIES:</u></b></p> <p><u>Applies?</u> <b>No.</b></p> <p><u>Reason:</u></p>	<p><b><u>GENERAL PLAN</u></b> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility or create a new facility.</p>
<p><b><u>STRATEGIC PLAN.</u></b> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port’s Strategic Business Plan:</p> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"><input type="checkbox"/> Grow Net Revenues</div> <div style="width: 50%;"><input type="checkbox"/> Modernize and Maintain Infrastructure</div> <div style="width: 50%;"><input checked="" type="checkbox"/> Improve Customer Service</div> <div style="width: 50%;"><input type="checkbox"/> Pursue Employee Excellence</div> <div style="width: 50%;"><input type="checkbox"/> Strengthen Safety and Security</div> <div style="width: 50%;"><input type="checkbox"/> Serve Our Community</div> <div style="width: 50%;"><input type="checkbox"/> Care for Our Environment</div> </div>	