



AGENDA REPORT

PROPOSED ACTION: Ordinance: Approve and Authorize the Executive Director to Execute the Third Amendment to Space/Use Permit with Clean Energy Fuels Corporation Operating in the North Field of Oakland San Francisco Bay Airport for an Additional Five-Year Term from June 22, 2026 to June 21, 2031, and Find 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: Clean Energy Fuels Corporation; Newport Beach, CA; Andrew Littlefair, CEO

Amount: \$64,446.54, FY 2027 (Operating Revenue)

EXECUTIVE SUMMARY: Clean Energy Fuels Corporation (Clean Energy) operates a Compressed Natural Gas (CNG) fueling station at the North Field of Oakland San Francisco Bay Airport (OAK). Approval of the Third Amendment to Space/Use Permit (SUP) with Clean Energy to extend the term of the SUP for an additional five years at the current fair market rental rate with no other changes to the agreement will allow the CNG station to remain operational for the public and OAK ground transportation providers.

BACKGROUND & ANALYSIS

The Space/Use Permit with Clean Energy provides for the use of Port of Oakland (Port)-owned real property for the operation of a CNG fueling station at OAK. The station is located off Earhart Road as depicted in Exhibit 1. The station provides CNG fuel for Port-owned vehicles, the public, and OAK ground transportation providers.

Exhibit 1

Location of Clean Energy Fueling Station



On June 10, 2021, the Board adopted Ordinance No. 4602, approving the execution of the Second Amendment to SUP with Clean Energy, extending the term of the SUP for an additional five-year period through June 21, 2026, and including a five-year option thereafter.

Clean Energy notified the Port of its intent to exercise its option to extend the term of the SUP and all conditions of the option have been met. The extended term is for five years, and would commence on June 22, 2026, and expire on June 21, 2031. The base rent at the commencement of the extended term shall be \$5,370.55 per month. This represents a per-square feet rate of \$0.83, which is consistent with the rate currently charged to Clean Energy for their use of Port Maritime Division property to support a CNG fueling station at the Seaport. Port Staff have determined this to be a fair market rental rate. After the commencement of the extended term, the base rent will escalate annually by the change in the Consumer Price Index. All other agreement terms and conditions remain the same.

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 \$793 compared to the adopted FY 2026 Revenue Budget. Revenues of at least \$64,446.54 are estimated to be received in FY 2027 as a result of this action.

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 (Not Covered Entity) – proposed action involves entity not covered by Living Wage requirements because it is not a covered service provider or tenant, does not employ at least 21 employees, or receive from or pay to Port at least \$50,000.

Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? Yes.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> The proposed action will continue to provide CNG as an alternative fuel option to diesel and gasoline, which enhances air quality and reduces greenhouse gas emissions.</p>	<p>Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.</p>
---	---

STRATEGIC PLAN. 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