



AGENDA REPORT

PROPOSED ACTION: Ordinance: Approve and Authorize the Executive Director to Execute *Amendment No. 2 to Space/Use Permit* with Swissport Fueling, Inc., to Extend the Term of the Agreement for an Additional Five Years and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Aviation)**

Submitted By: Craig Simon, Interim Director of Aviation; Danny Wan, Executive Director

Parties Involved:

Swissport Fueling, Inc., Dulles, VA, Mark Norris, Senior Vice President

Amount: \$396,000 in anticipated FY 2024 Revenue

EXECUTIVE SUMMARY:

Swissport Fueling, Inc. (Swissport Fueling) is contracted with by the Oakland Fuel Facilities Corporation (OFFC), the airline run fuel consortium at Oakland International Airport (OAK), to provide into-plane refueling at OAK. This service includes refueling for cargo and passenger airlines operating at OAK. This action would allow Swissport to continue providing those services at OAK through June 30, 2028, with no other changes to the Space/Use Permit (*SUP*).

BACKGROUND & ANALYSIS

The airlines at OAK run the hydrant aircraft refueling system and tank farm under a consortium, the OFFC. The Port of Oakland (Port) has a lease with OFFC for all related facilities and the OFFC separately contracts with Swissport Fueling to operate and manage OFFC leased facilities and operations. Swissport Fueling provides into-plane refueling services for the airlines operating at OAK under their contract with OFFC. While the parent company Swissport International has other aircraft and airline service companies, none of those are currently operating at OAK. Swissport Fueling has over 50 employees at OAK in the refueling business. Since July 1, 2014, Swissport Fueling has been operating under an existing SUP. Most airlines utilize Swissport's services for into-plane fueling. The SUP is a separate Port and Swissport agreement allowing them to perform the into-plane refueling services on Airport property.

The *Amendment No. 2 to SUP* will extend the term of the agreement for an additional five years expiring on June 30, 2028, with no other changes. No premises are provided for Swissport's fueling services under this *SUP*. Pursuant to the Airport Rates and Charges (Port of Oakland Administrative Code, Title 5, Chapter 5.02), consideration is a minimum monthly fee of \$250.00 or 10% of gross revenues, whichever is greater; the 10% of gross is applicable in this case. The current Performance Deposit held by the Port of \$75,000 will be increased to \$98,000 and will escalate during the extended term according to Port Administrative Policy and the terms of the Permit.

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 \(Existing Facilities\)](#)

- ☐ 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: Anticipated revenues of \$396,000 have been budgeted for FY 2024.

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:

Reason: Development is not permitted under the *SUP*. Any site development would have to comply with the 2000 Sustainability Policy and complete the Sustainability Opportunities Assessment Form.

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.

STRATEGIC PLAN. The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port's Strategic Business Plan:

- | | |
|--------------------------------------------------------------|----------------------------------------------------------------|
| <input checked="" type="checkbox"/> Grow Net Revenues | <input type="checkbox"/> Modernize and Maintain Infrastructure |
| <input checked="" type="checkbox"/> Improve Customer Service | <input type="checkbox"/> Pursue Employee Excellence |
| <input type="checkbox"/> Strengthen Safety and Security | <input type="checkbox"/> Serve Our Community |
| <input type="checkbox"/> Care for Our Environment | |