



AGENDA REPORT

PROPOSED ACTION: Ordinance: Approve and Authorize the Executive Director to Execute a *Lounge Storage and Support Space/Use Permit* with CAVU Experiences, LLC at Oakland Airport to Include a Total of Approximately 420 Square Feet of Concession Storage Support Space for up to \$51,442.75 in Total Rent from January 22, 2024, through December 31, 2025, 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:

CAVU Experiences (AMER), LLC,
Delaware

Amount: \$11,210.95 FY23/24,
\$26,724.60 FY24/25, \$13,507.20
FY25/26 (Estimated) (Operating
Revenue)

EXECUTIVE SUMMARY: CAVU Experiences, LLC operates Escape Lounges at airports. The Escape Lounge at Oakland Airport (OAK or Airport), called “Escape Lounge, the Centurion Studio Partner” is a pay for entry or card holder access lounge located in Terminal 1 at OAK. To support their operations, the Escape Lounge seeks additional storage and support space. The Lounge Storage and Support Space/Use Permit has been executed by CAVU Experiences, LLC.

BACKGROUND & ANALYSIS

The Escape Lounge is in Terminal 1 at Oakland Airport and provides passengers with lounge access on a fee or participating cardholder basis. The Escape Lounge provides a place to relax, work, and offers refreshments and meals. Given its popularity, CAVU Experiences, LLC seeks additional storage and support space to meet its operational needs. Projected rent to the Port over the term of the agreement is \$51,442.75 as shown in Table 1.

**Table 1
Projected Rent**

Room No.	SF	FY23/24	FY24/25	FY25/26 (Estimated)
		1/22/24-6/30/24	7/1/24-6/30/25	7/1/25-12/31/25
BM103-F01-1341	220	\$5,872.4	\$13,998.60	\$7,075.20
BM102-F01-1032C-A	200	\$5,338.55	\$12,726.00	\$6,432.20
Total	420	\$11,210.95	\$26,724.60	\$13,507.20

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: This action will generate approximately \$37,935.55 in incremental revenue in FY 2025.

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 (Other) - see explanation below.

- 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? Yes.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> Compliance with the Port's Green Halo initiatives in performing tenant improvements.</p>	<p>Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.</p>
<p><u>STRATEGIC PLAN.</u> 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"><input type="checkbox"/> Capture Our Market and Grow the Economic Base<input checked="" type="checkbox"/> Modernize and Upgrade Infrastructure<input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience<input type="checkbox"/> Maximize Land Use Value and Revenues<input type="checkbox"/> Workforce Training and Jobs Development<input checked="" type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development	