



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Execute Project Supplement No. 4 and Project Supplement No. 5 with the California State Transportation Agency to (a) Consolidate Funding and Delivery for Certain Roadway Projects on 3rd Street and Adeline Street With the Port and Freight Infrastructure Program, and (b) Create a New Marine Terminal Modernization Subproject; and Find that the Proposed Action is Exempt Under the California Environmental Quality Act.

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

Parties Involved: California State Transportation Agency, Sacramento, CA
City of Oakland

Amount: \$17,343,000 in PFIP funds

EXECUTIVE SUMMARY: The 2021 State Budget Act (AB 128) allocated \$279.5 million (CalSTA Earmark) to the Port of Oakland (Port) for improvements that (a) improve freight and passenger access in and around the Port’s maritime facilities (Seaport) and waterfront, and (b) promote the efficient and safe movement of goods and people. The California State Transportation Agency (CalSTA) was designated by the State legislature to administer this funding and the Port and CalSTA entered into a Baseline Agreement to manage the funding. The CalSTA Earmark has 15 Subprojects, all for roadway improvements. The City of Oakland (City) is delivering the majority of the work with the Port acting as a passthrough for the money. The proposed Project Supplement No. 4 consolidates funding for two of the roadway subprojects (Adeline Street Corridor and 3rd Street Corridor) under the CalSTA Earmark by accepting \$17,343,000 in funding from the CalSTA 2023 Port and Freight Infrastructure Program (PFIP) for the same two projects. This would allow the City to deliver the construction phase of the projects. Proposed Project Supplement No. 5, to be approved concurrently with Project Supplement No. 4, creates new Subproject 16 for Marine Terminal Modernization and approves a revised Overall Funding Plan that reflects the revised funding figures for all Subprojects.

BACKGROUND & ANALYSIS

The Adeline Street Corridor and 3rd Street Corridor projects (Roadway Projects) involve engineering design and construction to improve efficiency for truck movements into and out of the Port’s Seaport while making the two roadways safer for all users. In general, the work consists of improving sidewalks, adding sidewalks where they are missing, improving sidewalk ramps and crosswalks, re-aligning travel lanes and parking, converting two-way stops to four-way as needed, improving signalization, and re-surfacing and re-striping the roadway. These assets (the roadways and related infrastructure) are owned by the City, not the Port.

The Roadway Projects are currently funded by the following two separate sources:

1. PFIP: Under PFIP, \$17,343,000 was awarded to the Port for the Adeline Street Corridor and 3rd Street Corridor work (referred to as Segments 1 and 2, respectively, of the Arterial Roadways projects). This work includes both engineering design and construction, and it is slated to be performed by the Port on City assets. These funds constitute approximately 80% of the total cost of the Roadway Projects, to be matched by the funds from the CalSTA Earmark (see next). PFIP funds are only available to ports, so the City is not eligible to deliver the Roadway Projects under PFIP.
2. CalSTA Earmark: Under the agreement with CalSTA (Baseline Agreement), Project Supplement Nos. 2 and 3 provide a total of \$2.352 million for the Adeline Street Corridor (referred to as Subproject 5) and \$1.984 million for the 3rd Street Corridor (referred to as Subproject 8). The funds for the Roadway Projects cover the 20% matching requirement for the PFIP grant and all the City's staff time to coordinate with the Port's engineering design team, including outreach and engineering reviews. The City receives passthrough reimbursement from the Port upon adequate completion of such work pursuant to an existing City-Port MOU.

The Baseline Agreement currently contains 15 Subprojects which are outlined in an Overall Funding Plan, the latest of which was approved in April 2024.

The engineering design work for the two projects is complete and was led by Port staff.

Proposed Supplement No. 4 would streamline the construction phase of the Roadway Projects by consolidating the funding under the CalSTA Earmark. Because PFIP is only available to ports, the bifurcated funding scheme means that the Port must deliver the projects. However, this arrangement introduces inefficiencies and extra cost since the Roadway Projects are located on City property and will be City assets. This means both Port and City staff oversee the project, and both agencies would need to hire third party construction management companies, incurring additional costs. Further, it adds an extra layer of complexity to the permitting process to have the Port construct the projects.

Project Supplement No. 4 would transfer the \$17,343,000 of PFIP Arterial Roadway funding into the CalSTA Earmark to cover the costs for the Roadway Projects, and said Projects would be delivered by the City, rather than the Port.

Proposed Supplement No. 5 would create a new Subproject 16 for Marine Terminal Modernization which is funded through savings associated with the other subprojects, and would be delivered by the Port. This project provides an interrelated series of upgrades to Port infrastructure to ensure:

- The long-term efficiency and productivity of Seaport operations
- The Port's ongoing commitment to zero-emission technology and reductions in greenhouse gas and diesel particulate emissions
- Solutions that address infrastructure needs within the existing Seaport footprint
- Maintenance of the Port's role as an important export gateway for California producers, including agriculture

- Support of a key economic engine for surrounding municipalities with over 25 percent of Seaport jobs held by Oakland residents
- Continued Port role as a primary port of call on the U.S. West Coast, crucial for goods movement resiliency

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.

“Common Sense” exemption under CEQA Guidelines Section 15061(b)(3).

Other/Notes: The proposed action is limited to funding allocation only. Each named project has or will undergo CEQA review prior to approval.

BUDGET

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

Operating

Non-Operating

Capital

Analysis: The proposed action is included in the FY 2027 Maritime Division Capital Budget and the 5-year Capital Improvement Plan (FY 2027-2031) proposed for adoption by the Board on June 25, 2026.

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: Proposed action does not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of MAPLA do not apply.

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:

SUSTAINABLE OPPORTUNITIES:

Applies? Yes.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> The proposed action provides funding for future infrastructure improvements in the local community and also supports the long-term efficiency and productivity of Port operations.</p>	<p>Not Required – 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>STRATEGIC PLAN. 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 checked="" type="checkbox"/> Capture Our Market and Grow the Economic Base<input checked="" type="checkbox"/> Modernize and Upgrade Infrastructure<input checked="" 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 type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development	