



**AGENDA REPORT**

**PROPOSED ACTION: Resolution:** Authorize the Executive Director to Execute a Grant Agreement with the United States Department of Transportation Maritime Administration for \$36.6 Million of Fiscal Year 2022 Port Infrastructure Development Program Funding, which Requires \$12.2 Million in Matching Funds, to Implement the Outer Harbor Redevelopment Project; and Adopt an Initial Study/Negative Declaration for Said Project.

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

Parties Involved:

United States Department of Transportation Maritime Administration; Sean Duffy, Secretary of Transportation

Amount:

\$36.6 Million (Fiscal Year 2022 Port Infrastructure Development Program Federal Grant)

\$12.2 Million (Matching funds from Port Freight and Infrastructure Program State Grant; previously awarded/accepted)

\$0 (Port Matching Funds)

**EXECUTIVE SUMMARY:** In November 2022, the United States Department of Transportation Maritime Administration (MARAD) awarded the Port of Oakland (Port) a Federal Fiscal Year 2022 (FY22) Port Infrastructure Development Program (PIDP) grant in the amount of \$36.6 million to redevelop and modernize twenty-five (25) acres of the Outer Harbor Terminal (the Outer Harbor Redevelopment Project, or Project). This grant award is matched with \$12.2 Million in funding from a California Port Freight and Infrastructure Program (PFIP) grant, which the Port previously accepted. The Project includes pavement, refrigerated container racks, electric vehicle (EV) chargers, and a battery energy storage system. Construction is expected to start in 2026 and be completed in 2028.

**BACKGROUND & ANALYSIS**

The MARAD PIDP is a discretionary grant program funded by the Bipartisan Infrastructure Law. PIDP funds are awarded on a competitive basis to projects that improve the safety, efficiency, or reliability of the movement of goods into, out of, around, or within a port. In November 2022, MARAD awarded the Port a FY22 PIDP grant in the amount of \$36.6 million for the Project.

Key features of the Project include:

- Renovation of 25 acres of pavement
- Installation of a refrigeration rack system capable of plugging in at least 192 refrigerated containers
- Installation of two EV chargers
- Installation of a battery energy storage system (BESS)
- Installation of new perimeter fencing
- Replacement of existing high mast lighting with light-emitting diode (LED) bulbs
- Installation of related electrical substation and infrastructure upgrades

The proposed improvements would rehabilitate a portion (approximately 25 acres) of the Outer Harbor Terminal to enable modernized and more efficient container terminal operations. Port Staff expects the Outer Harbor Redevelopment Project to be completed in 2028.

The total estimated Project cost is \$48.8 million. The Project would be funded by the FY22 PIDP grant of \$36.6 million and matching funds of \$12.2 million. The match is fully funded by a separate grant - a California PFIP grant that the Port previously accepted by Board Resolution 24-40. Therefore, the Project is fully funded by grant monies as currently estimated. The Port is responsible to cover any cost overruns.

Port Staff is experienced with the MARAD PIDP grant program, having successfully been awarded FY21 PIDP and FY24 PIDP grants. Since award of the FY22 grant, Port Staff have been working diligently with MARAD on pre-award administrative steps needed to obligate the funds and execute the grant agreement. The pre-award administrative steps have been completed and the Port is now able to execute the Grant Agreement.

**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.
- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).

X Other/Notes: In accordance with the requirements of CEQA, the Port prepared an Initial Study for the proposed Outer Harbor Redevelopment Project and determined that the proposed project would have no potential for significant environmental effects. Therefore, a Negative Declaration was prepared.

**BUDGET**

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

Analysis: There is no impact to the FY 2025 Operating Expense or Capital Budget.

**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: Execution of this agreement does not require MAPLA, however MAPLA will apply to the future construction contracts.

**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.**

Reason: The proposed action supports the Port's advancement towards zero emission operations, the project includes EV chargers, a BESS for resiliency, energy efficient LED lighting, and improvements to Port electrical infrastructure.

**GENERAL PLAN** (City Charter § 727):

Conformity Determination:

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