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BUDGET SUMMARY

One-Year Operating and Capital Budget
Fiscal Year Ended June 30, 2026

Five-Year Operating Forecast and Capital Improvement Plan
Fiscal Years ending June 30, 2026 through 2030

PORT OF OAKLAND
Seaport. Airport. Everyone's Port.

Oakland, California
(A Component Unit of the City of Oakland)

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One-Year Operating and Capital Budget Fiscal Year 2025-26

and

Five-Year Operating Forecast and Capital Improvement Plan Fiscal Years 2025-26 Through 2027-30

PORT OF OAKLAND

Board of Port Commissioners of the City of Oakland
Michael Colbruno, President
Andreas Cluver, First Vice President
Barbara Leslie, Second Vice President
Stephanie Dominguez Walton, Commissioner
Arabella Martinez, Commissioner
Jahmese Myres, Commissioner

Executive Management
Kristi McKenney, Executive Director
Bryan Brandes, Director of Maritime
Craig Simon, Director of Aviation
Andre Basler, Director of Utilities
Jonathan Veach, Chief Commercial Real Estate Officer
Julie Lam, Chief Financial Officer
Mary Richardson, Port Attorney

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July 10, 2025

DISCLOSURE

This Budget Summary is disclosed publicly for general information relating to the Port of Oakland (Port) only and should not be construed as an offering document nor part of the Port's Annual Report pursuant to SEC Rule 15c2-12 for the Port's revenue bonds or commercial paper notes. The information and expressions of opinion in this Budget Summary are subject to change without notice after the date hereof, and future use of this Budget Summary shall not otherwise create any implication that there has been no change in the matters referred to in this Budget Summary since the date hereof. The goals and objectives of the Port set forth in this Budget Summary should not be construed as commitments by the Port that such goals and objectives will, in fact, be achieved or occur within such time frames. The goals and objectives are subject to change.

Certain statements included or incorporated by reference in this Budget Summary constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "assume," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward- looking statements are based upon certain assumptions and involve known and unknown risks, uncertainties and other factors, including business levels during the relevant periods, that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Actual results will vary and may vary materially. The Port does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based change.

The Port has not yet obtained funding for all the capital projects described in this Budget Summary, some of which may not ultimately be implemented by the Port. Furthermore, the overall cost of the 5-Year Capital Improvement Plan is subject to change, and the variance from the cost estimates described in this Budget Summary could be material. Failure to complete the projects may adversely affect the Port's ability to generate the currently anticipated revenues.

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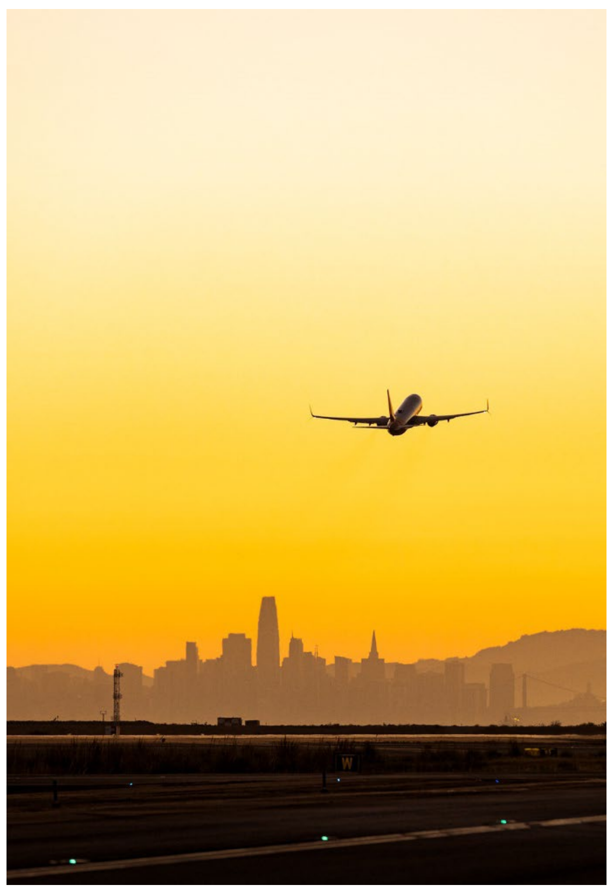

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OVERVIEW

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PORT OF OAKLAND COMMISSIONERS

Michael Colbruno
President

Stephanie Dominguez Walton
Commissioner

Andreas Cluver
First Vice-President

Arabella Martinez
Commissioner

Barbara Leslie
Second Vice-President

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Commissioner

Mission Statement

We are stewards of public assets. We lead our seaport, airport, utilities, and real estate businesses in a fiscally sound and socially beneficial way.

Vision Statement

The Port of Oakland is the preferred gateway for trade, travel and recreation.

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SAN FRANCISCO BAY AREA MAP

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Port of Oakland Overview

The Port of Oakland (Port) is an independent department of the City of Oakland, California (City). The Port manages four lines of business: Aviation, Maritime, Commercial Real Estate, and Utilities.

- The Aviation business line comprises Oakland Airport, including both commercial and general aviation facilities (**OAK; Airport**);
- The Maritime business line comprises the Oakland Seaport (**Seaport**), which includes marine terminals, rail yards, transloading facilities, facilities for truck staging, container storage and other maritime support services;
- The Commercial Real Estate business line comprises various commercial, industrial, and recreational properties (collectively, **CRE**); and
- The Utilities business line develops and manages the electrical distribution grid infrastructure and procures energy to serve all of OAK and most of the Seaport. (collectively, **Utilities**).

The Port is located in the City, along approximately 19 miles of waterfront on the Oakland Estuary and San Francisco Bay (Bay). The City is one of 14 cities in Alameda County, and one of the three major cities in the nine-county region known as the San Francisco Bay Area (Bay Area), a large metropolitan area with a population of about 7.6 million. The majority of the Port's land was granted by the State of California (State) in the early 20th century, subject to the State Tidelands Trust, which requires the land be used for statewide public purposes including commerce, navigation, fisheries, and other recognized uses. The Port acts as trustee on behalf of the State for all Port property.

GOVERNANCE

An amendment to the City Charter in 1927 delegates governance of the Port to a seven-member Board of Port Commissioners (Board). The Oakland Mayor nominates the Commissioners and the Oakland City Council appoints them. Port Commissioners serve staggered four-year terms without compensation and must be residents of the City.

The Board has complete and exclusive power over the Port. The Board has a duty for and on behalf of the City to oversee all Port facilities and property, real and personal, all income and revenues, and all bond proceeds for Seaport, Airport, Commercial Real Estate, and Utilities improvements, and for any other purpose. The Board has the power under the City Charter to fix, alter, change, or modify the rates, tolls, fees, rentals, and other charges for the use of the Port's facilities and any services provided in connection with the Port's facilities. The Board appoints an Executive Director to administer operations.

Unlike some ports, the Port does not receive funding from local tax revenues and, as an independent department of the City, must generate sufficient revenues to support its day-to-day operations. However, the City does provide a variety of services to the Port, such as fire, police, and treasury services. The Port anticipates paying the City approximately $22.4 million in fiscal year (FY) 2026 for these services, as well as for maintenance of Tidelands Trust property (including approximately $1.5 million for Lake Merritt), and for parking and utility taxes collected on the City's behalf.

PORT STRATEGIC PLAN

The Port's 5-year strategic plan (Strategic Plan) is centered on investing in both its people and its infrastructure assets, with the goal of leveraging these strengths to drive job creation, economic prosperity, and business and environmental sustainability in the communities the Port serves. It recognizes that the Port engages in enterprises that compete with other ports, airports and attractions for cargo, passengers, and visitors. To compete successfully, the Port must continuously evolve. Maintaining a modern infrastructure, a well-prepared workforce to take advantage of job opportunities, and a deliberate strategy to maximize the value of the Port-managed real estate is essential to sustaining long-term success.

To achieve these outcomes, the Strategic Plan identifies five key goals for the next five years:

Capture the Port's Market and Grow the Economic Base. This goal focuses on enhancing Seaport and Airport performance. At the seaport, this involves optimizing Maritime operations, increasing cargo visibility, reshaping market and marketing strategies, solidifying Seaport market advantages, and establishing off-Port logistics linkages. At the Airport, the focus will be expanding flight services to top 10 underserved domestic and international destinations (as supported by market area demographics) and improving the overall passenger experience.

Modernize and Upgrade Infrastructure. This objective prioritizes the completion of deferred maintenance and regulatory compliance projects, investments in roadway, rail efficiency and safety projects, completion of environmental review work for port efficiency and capacity enhancing projects, and funding and implementation of major capital improvement projects.

Transition to Zero-Emissions and Build Climate Resilience. The Port will draft and adopt a comprehensive Port wide zero-emissions plan supported by measurable outcomes, invest in clean energy infrastructure and equipment, expand energy capacity, and integrate climate resilience into the design and construction of future projects.

Maximize Land Use Value and Revenues. This includes completing a market study of real assets, updating and adopting a land use plan, and identifying and pursuing development opportunities. Additionally, the Port is committed to revitalizing Jack London Square as a secure, inclusive space for celebrations and public gatherings, as well as partnering with the surrounding community to better activate Jack London Square and the Oakland waterfront.

Workforce Training and Jobs Development. The Port will strengthen opportunities for local contractors and suppliers and implement the "Everyone's Port" community engagement initiative to ensure residents are informed and connected to the Port's programs, workforce pathways, and economic opportunities.

PORT OF OAKLAND PROPERTIES MAP

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Port Business Lines and Operations

The Port's major business lines generate and support economic activity locally, regionally, nationally, and globally.

AVIATION

OAK is one of three major commercial airports serving the San Francisco Bay Area, comprising approximately 2,600 acres of aviation-related facilities. It is the top airport in the region for air cargo, second busiest by aircraft movements and third busiest by number of passengers. In calendar year (CY) 2024, OAK welcomed 10.8 million passengers, a 3.7% decrease from CY 2023. In July 2025, OAK will see 260 peak day passenger flights between OAK and 41 destinations in the United States (U.S.), Mexico and El Salvador. In addition to serving passengers, OAK provides air cargo services; in CY 2024, total air cargo transported was 1.1 billion pounds of cargo (freight and mail), a decrease of 0.6% from CY 2023 air cargo totals.

In FY 2024, Aviation generated approximately 50.2% of the Port's total operating revenues.[1] Aviation operating revenues come from three primary sources: landing fees and terminal rents paid by airlines; parking and ground access charges; and leases and concessions.

MARITIME

The Seaport is comprised of approximately 1,300 acres of maritime-related facilities, including approximately 780 acres of marine terminals. The Seaport is one of the 10 busiest container ports in the U.S., and one of four major gateways for containerized shipments on the West Coast of the U.S. It serves as the principal ocean gateway for international containerized cargo shipments to and from Northern California, California's agricultural Central Valley, and western Nevada. The Seaport is also a key gateway for the "Intermountain States" including Colorado and Utah and serves as one of several gateways for cargo destined for the continental United States. In CY 2024, approximately 2.26 million twenty-foot equivalent units (TEUs) moved through the Seaport; approximately 93% of this activity was associated with international trade, while the remaining seven percent represented domestic trade within the U.S.

The Seaport generated approximately 39.2% of the Port's total operating revenues in FY 2024.[2] Most of these operating revenues are derived from lease agreements with marine terminal operators. In FY 2024, total cargo throughput was 3.4% higher than FY 2023 due to recovery in import volumes supported by higher consumer spending in the U.S. (imports) and Asia (exports). Based on the first seven months of FY 2025, total cargo throughput for the whole year is projected to be flat compared to FY 2024 Actuals. Looking ahead to FY 2026, the Port expects sustained cargo activity, with anticipated annual growth of 1.6% in FY 2026, 1.4% in FY 2027, and 1.0% in each of FY 2028 through FY 2030. These growth assumptions are in line with long-term historical averages.

[1] Based on FY 2024 audited comprehensive financial statements
[2] Ibid.

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COMMERCIAL REAL ESTATE

CRE includes all Port properties not used for maritime or aviation purposes. These properties total about 837 acres of land along the Oakland Estuary and include warehouses, public parking, hotels, offices, shops, restaurants, public parks and open space.

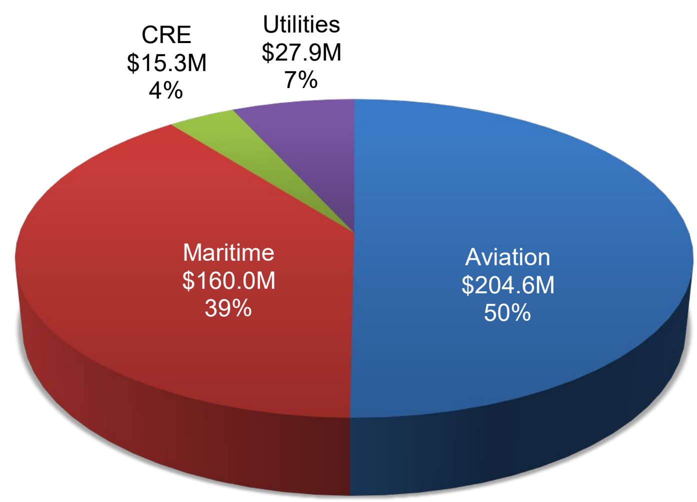
In FY 2024, CRE generated approximately 3.8% of the Port's total operating revenues[1]. CRE revenues are derived primarily from lease agreements and parking revenues. In FY 2024, the revenues generated from public parking facilities operated by CRE were approximately $1.9 million, compared to the FY 2023 parking revenues of $2.0 million and FY 2019 parking revenues of $2.7 million[2]. Parking revenues are a reflection of the number of visitors coming to dine in local restaurants and attend public events, as well as the number of office employees working on-site an in the vicinity of Jack London Square.

UTILITIES

The Port provides electric utility services to Port facilities (both tenant-operated and Port-operated) in support of the Port's Aviation and Maritime business lines. The Port is the only major seaport and airport in California that operates a publicly owned electric utility (POU). Water, sewer, and gas services are provided through retail transactions with the East Bay Municipal Utility District (EBMUD) and Pacific Gas & Electric (PG&E) on a pass-through basis.

In FY 2024, utility sales, including pass-through revenues, across all services generated approximately $27.9 million or 6.8% of the Port's total operating revenue.[3]

FY 2024 Port Revenues: $407.7 million



[1] Based on FY 2024 audited comprehensive financial statements
[2] Ibid.
[3] Ibid.

Aviation

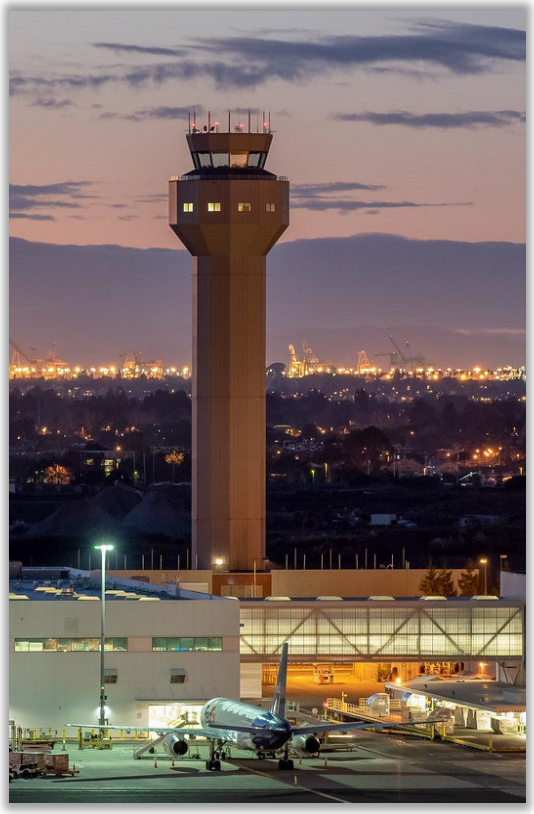
OAK has served the air travel and air cargo needs of the Bay Area for nearly a century. In 1927, work crews constructed what was then the world's longest runway, a 7,020-foot-long strip that served as the takeoff point for the first trans-Pacific flight from the U.S. mainland to the State of Hawaii. It also was the departure point for Australian World War I ace Sir Charles Kingsford-Smith, who made the first flight between North America and Australia in 1928.

Famous aviators frequented OAK, including Albert Hegenberger, Amelia Earhart, Bessie Coleman, and Lester Maitland. OAK was also the West Coast terminus for United Airlines’ newly introduced service to New York in 1937. In 1962, Terminal 1 and Runway 12/30 were opened to accommodate growth and technological advancements in the aviation industry. A second eight-gate terminal (Terminal 2) was opened in 1985 and expanded to 13 passenger gates in 2007.

RANKINGS

OAK airport is designated by the Federal Aviation Administration (FAA) as a Medium Hub Airport within the National Plan of Integration Airports Systems and appears in various rankings of air traffic and capacity:

- According to the most recent U.S. Bureau of Transportation Statistics, in CY 2023, by passenger traffic, OAK is the 36th busiest U.S. airport, ranked between San Antonio, TX (SAT) and Raleigh-Durham, NC (RDU). It rose from the 38th busiest in 2022.
- According to the most recent Airports Council International statistics for North America, in CY 2023, by passenger traffic, OAK ranked 46th between Kansas City, MO (MCI) and San Antonio, TX (SAT).
- According to the most recent Airports Council International statistics, in CY 2023 OAK ranked 14th between Atlanta and Honolulu for air cargo tonnage.



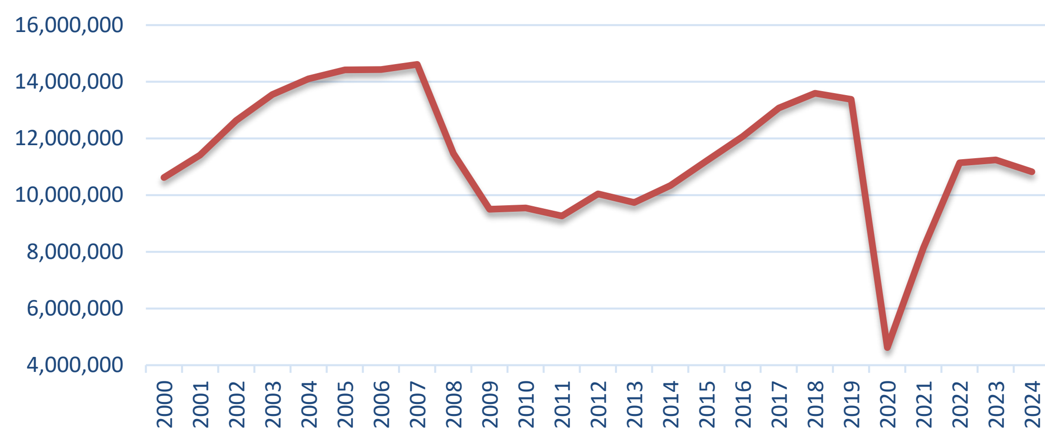
Control Tower, OAK Airport

The OAK facilities are located on approximately 2,600 acres of land and include terminals, airfields, a consolidated rental car center, parking, air cargo, corporate and general aviation, a municipal golf course, and airport support and maintenance facilities. The Airport’s commercial passenger terminals, Terminal 1 and Terminal 2, collectively have 29 gates and include the International Arrivals Building. The main commercial runway, Runway 12/30, is 10,000 feet in length and primarily serves commercial air carrier operations and corporate jet departures. There are three additional runways used primarily for corporate and general aviation purposes.

PASSENGER TRAFFIC AND AIR SERVICE

OAK provides easy-to-use airport facilities and convenient access to the entire Bay Area. In CY 2024, the Airport served 10.8 million passengers, a decrease of 3.7% from CY 2023. Based upon current schedules, the Airport will serve 41 nonstop destinations in July 2025. Southwest Airlines remains OAK's dominant carrier with a 77.5% market share at OAK.[1]

Aviation Passenger Statistics CY 2000 – CY 2024



AIR SERVICE BUSINESS DEVELOPMENT

The Airport is continuously looking to attract new carriers and destinations to better serve the region, while maintaining and strengthening its current portfolio:

- OAK continues to be a major North American gateway to the State of Hawaii for passengers via Southwest and Hawaiian Airlines as well as for air cargo via FedEx and UPS.
- In March 2025, Volaris Airlines commenced daily service between OAK and Los Cabos, MX. In July, the airline will add three times weekly service to Zacetecas City, capital of the Mexican state of Zacetecas. Volaris serves seven destinations in Mexico and one in El Salvador from OAK.

I OAK

Fly the East Bay Way

[1] Market share calculated as the proportion of OAK passenger traffic flown by Southwest Airlines in April 2025

CORPORATE AVIATION

OAK has two fixed-base operators (FBOs) that serve local, national, and international corporate and dignitary customers with full-service facilities. FBOs provide fueling, maintenance, charter aircraft passenger services, and aircraft parking and storage on OAK's airfield and in Port-owned hangars. The two FBOs are: KaiserAir, Inc. (KaiserAir) which has operated at OAK since 1954; and Signature Flight Support (Signature), which commenced operations in late 2011 and acquired the holdings of Business Jet Center in 2013. Along with handling general aviation and corporate clients, KaiserAir also operates its proprietary (Part 121) aircraft with weekly scheduled flights to the State of Hawaii. Signature brings its expertise from operations at almost 200 airports across the world. In addition to these two FBOs, JSX operates its unique, all-premium air service to Hollywood-Burbank, CA and Las Vegas, NV.

AIR CARGO

In addition to its status as a major passenger airport, OAK serves the top two global air cargo leaders, Federal Express (FedEx) and United Parcel Services (UPS). OAK is the North American West Coast hub for FedEx. FedEx performs intermodal sorting and distribution of freight and overnight packages around the world. OAK also serves as the primary Northern California air cargo facility for UPS with a major off-Airport sort facility on land leased from the Port and on-Airport transfer and loading facilities. In CY 2024, OAK handled approximately 1.1 billion pounds of air cargo (freight and mail), a 0.6% decrease from CY 2023. FedEx is the major operator of freight aircraft with an average of 17 departures per day and 883 million pounds of cargo handled in CY 2024. UPS operated an average of five departures a day and handled 227 million pounds of cargo in CY 2024. Passenger airlines, general aviation aircraft, and a small number of charter aircraft carry the remaining cargo at OAK.

OAK airport promotional image announcing direct service to Los Cabos starting March 2025

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Aviation Operations At -A-Glance	
Major All-Cargo Carriers:	FedEx UPS
Commercial Daily Departures: (passenger and cargo)	160 average (CY 2024) 166 peak (July 2024)
Acreage:	2,600 acres (approximate)
Passenger Facilities:	Two terminals (556,000 sq ft) 29 boarding gates
Runways:	10,000 feet 5,458 feet 6,212 feet 3,376 feet
Number of Employees:	8,500 Port and tenant employees (approximate) About one-third of tenant employees are in cargo-related jobs
Largest Airport Employers:	Southwest Airlines (2,785 incl. crew base) FedEx (1,300) UPS (350) Port of Oakland (261)
Public Parking:	7,000 vehicle capacity
Cargo Sort Facilities:	FedEx UPS
U.S. Customs:	International Arrivals Building (42,000 sq ft)

Domestic Airlines (Marketing Carriers)		International-Only Airlines
Advanced Air Alaska Airlines Allegiant Air Delta Air Lines Hawaiian Airlines JSX	KaiserAir Southwest Airlines *(serves primarily domestic routes with Los Cabos, Mexico, as a seasonal international destination)* Spirit Airlines Sun Country Airlines	Viva (Mexico) Volaris (Mexico and El Salvador)

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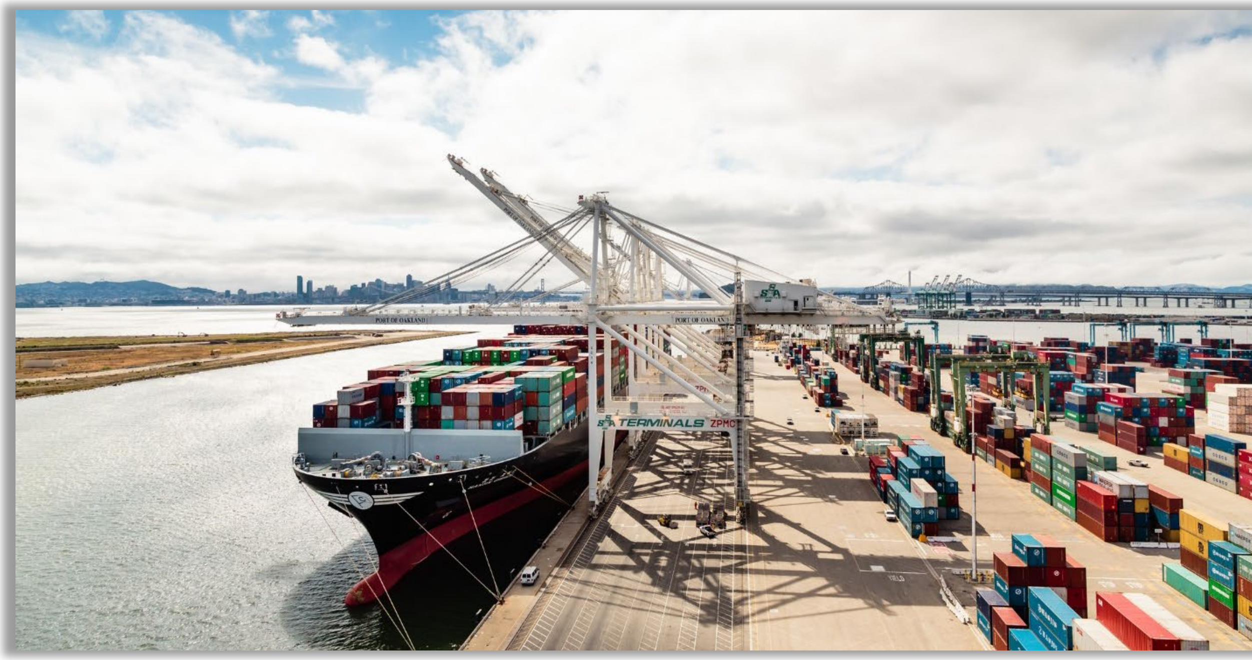
MARITIME

To accommodate growing international shipping demand in the first part of the 20th century, Oakland voters approved bonds in 1925 to finance the construction and development of a municipal port overseen by an autonomous Board of Port Commissioners. Two years later, the Port was officially established as an independent department of the City. The maritime facilities would serve the Port for the next 40 years with relatively few changes, until containerized shipping dramatically changed maritime operations in the 1960s. The Port became one of the pioneers of large-scale containerization in the U.S. by becoming the first major port on the U.S. West Coast to build marine terminals for container ships. Since then, the Port has been growing sustainably and modernizing to meet regional, national, and global cargo transport needs for the 21st century and beyond.



OICT Container Terminal at the Port of Oakland Seaport

INTERNATIONAL GATEWAY

The Seaport serves as a major gateway for international containerized trade, connecting U.S. markets with Asia, Central and South America, Europe, Australia/New Zealand, Indian Subcontinent, and Africa. Among other California container ports, the Seaport offers some of the shortest transit times to and from Asia, its primary regional trading partner. All major ocean container carriers serve the Port, linking the Bay Area with direct all-water service routes to most of the world's major producing, consuming, and trading economies.

In addition to Asia, other major trading partners (with direct service routes) include Europe, the Mediterranean, Australia/New Zealand, and Central America. The Seaport is primarily a second port of call, which, combined with its proximity to Asia and California's primary growing region, makes it a strong export gateway, moving California agricultural products and other U.S. goods overseas to foreign markets.

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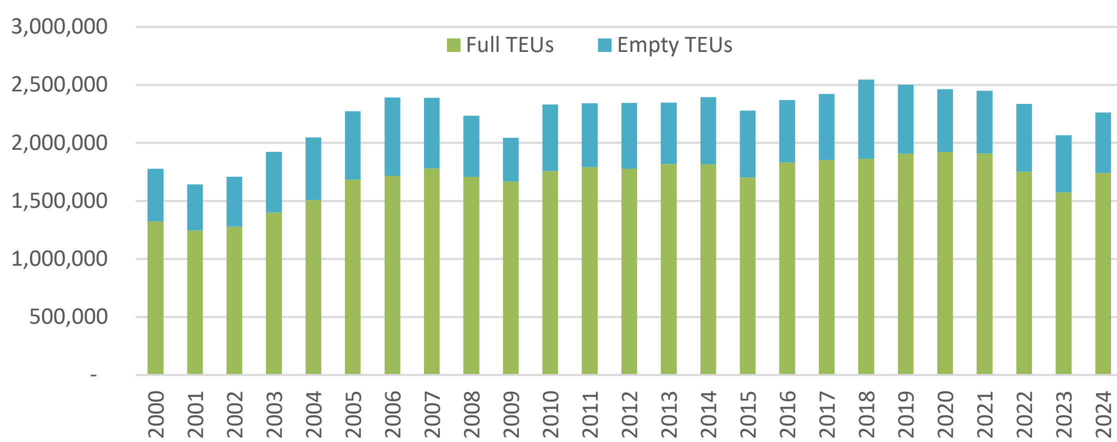
As a second port of call, the Seaport experiences import cargo growth primarily in direct relation to the strength of the local and regional economies, while export cargo varies primarily with global economic factors such as the strength of the U.S. currency and consumer demand in foreign markets. In CY 2024, containerized cargo throughput at the Seaport increased 9.5% from CY 2023. This was primarily a rebound from unfavorable conditions experienced in CY 2023. Consumer demand remained generally strong in CY 2024. Demand in Asian markets for agricultural goods remained strong and boosted the Seaport's exports. In summary, in CY 2024:

- Approximately 2.26 million TEUs, or about 1.24 million containers, moved through the Seaport – an increase of approximately 9.5% from CY 2023.
- Imports accounted for approximately 55% of all full TEU activity, while exports represented 45%. On the U.S. West Coast, this "balance" of full imports and exports is unique to the Oakland Seaport.
- Approximately 93% of the Port's total trade was with international regions/partners and approximately 7% was domestic. Asia is the Port's largest trading partner; in CY 2024, about 78% of the full TEUs that moved through the Port either originated from or were destined for Asia.
- Full imports and full exports increased 15.0% and 5.4%, respectively; empty containers increased 6.4%.

Maritime Cargo Statistics (Total TEUs) CY 2000 – CY 2024[1]



[1] Although de minimis, TEUs include restows and shifts in CY 2000 through CY 2011. Starting in CY 2012, restows and shifts are no longer counted.

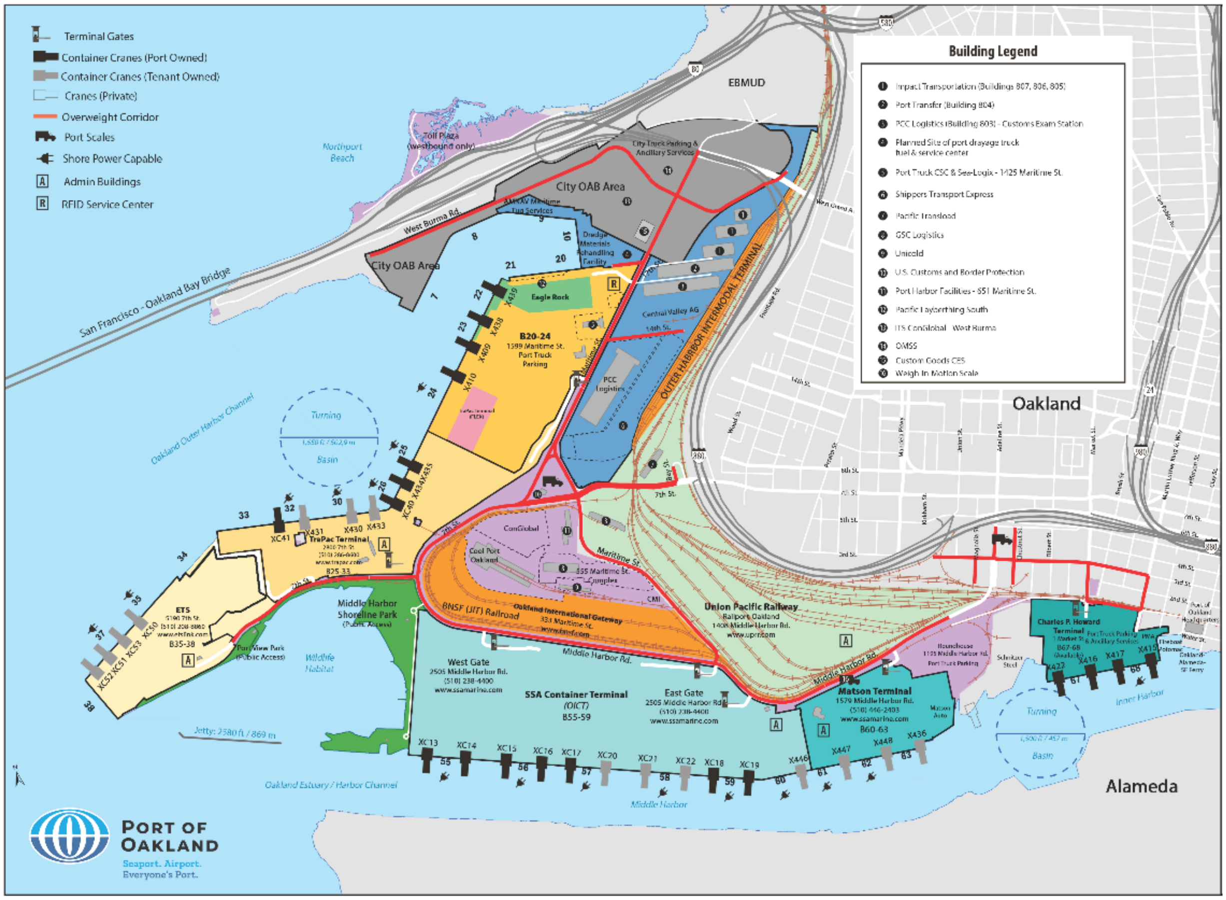
SEAPORT FACILITIES

The Seaport is served by the Oakland Harbor federal navigation waterway, which generally consists of the Entrance Channel, the Outer Harbor, and the Inner Harbor. Directly alongside this waterway, the Port offers deep-water berths (most with 50 feet/15 meters of water depth) and container cranes along approximately 21,000 linear feet of wharf. Currently, the Port has four active container marine terminals, and a bulk terminal under development.

The Seaport is backed by a network of local roads and interstate freeways, warehouses, and two Class I railroads – Burlington Northern Sante Fe Railway Company (BNSF) and Union Pacific Railroad (UP) – that collectively link the Seaport to national markets, including the Midwestern U.S.

Aerial view of Seaport Facilities at the Port of Oakland

SEAPORT FACILITIES



Three areas of the Seaport are currently leased for varied and interim purposes, and are under review for long-term development:

- The Outer Harbor Terminal (Berths 20-24; OHT), which has historically been a container terminal, is currently being used for a variety of purposes, including container terminal operations, logistics tenants, container staging, and a new 18-acre bulk terminal for sand and aggregates located at Berths 20-22, which is expected to be under construction in FY 2026 and begin operating in FY 2027. Long-term, the whole OHT will be modernized for bulk and container operations.
- In the 2000s, the Port acquired approximately 241 acres of land and water of the former Oakland Army Base (OAB), located adjacent to then-existing Seaport facilities. While the property is currently fully leased for maritime-related uses, the Port is developing the former OAB into new maritime facilities, including a state-of-the-art logistics center known as the Seaport Logistics Complex.

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Maritime Operations At-A-Glance

CY 2024 Cargo Vessel Arrivals:	1,056
Deepwater Ship Berths:	18 (approximate, depending on vessel size)
Container Gantry Cranes:	33 (19 Port-owned)
Container Terminals Acreage:	780 acres (approximate)
Railroads:	BNSF Railway Company Union Pacific Railroad
Freeways Serving Port:	Interstate 80 (north & eastbound) 880 (southbound) 580 (eastbound) 980 (eastbound)

Marine Terminals[1]	Operator	Berths
Ben E. Nutter Terminal	Everport Terminal Services, Inc.	34-38
Charles P. Howard Terminal	Various ancillary uses	67-68
Matson Terminal	SSA Terminals, LLC	61-63
Oakland Int'l Container Terminal	SSA Terminals (Oakland), LLC	55-60
Outer Harbor Terminal	TraPac, LLC (short-term); Eagle Rock Aggregates, Inc.; various ancillary uses	20-24
TraPac Terminal	TraPac, LLC	25-33

Shipping Lines[2]

American President Lines (APL)
ANL
CMA-CGM
COSCO SHIPPING Lines
Evergreen Line
Hapag-Lloyd
Hyundai Merchant Marine
Maersk Line
Matson
Mediterranean Shipping Company (MSC)
Neptune Pacific Direct Line
Ocean Network Express (ONE)
Orient Overseas Container Line (OOCL)
Pasha
Polynesia Line
SM Line
Wan Hai Lines
Yang Ming Line

Major Exports[3]

Beverages
Cereals
Dairy Products
Edible Fruits/Nuts
Iron/Steel
Meats
Oil Seeds/Oleaginous Fruits
Prepared Fruits and Vegetables
Sugars and Candy
Waste Paper
Wood Pulp

Major Imports[4]

Articles of Iron/Steel
Beverages
Clothing
Consumer Electronics
Electrical Machinery
Furniture
Glass/Glassware
Industrial Machinery
Iron and Steel Products
Plastic and Articles of Plastic
Toys, Games, Sporting Goods
Vehicles and Parts
Wood Products

[1] Container terminals, unless indicated otherwise.
[2] Does not include bulk carriers scheduled to commence operations in FY 2027.
[3] Port of Oakland and U.S. Department of Commerce, Bureau of Census.
[4] Ibid.

COMMERCIAL REAL ESTATE

Commercial Real Estate (CRE) includes approximately 837 acres of land along the Oakland Estuary that is not used for aviation or maritime purposes. Much of this land, particularly land located between the ferry terminal at Jack London Square (JLS) and Hegenberger Road, was historically used for industrial purposes. Over time, it is being transformed with new development, including entertainment uses, hotels, offices, shops, restaurants, industrial developments, as well as public recreational areas and open space.

Most of CRE's properties are leased to developers or tenants under long-term agreements, wherein the developer or tenant is responsible for the development, subleasing, operation, and maintenance of the improvements on the properties. The primary challenge for CRE is to enhance profitability of the Port's real estate portfolio in an environment of intense competition and complex regulatory oversight.

CRE properties are categorized into four distinct geographic areas – JLS, Embarcadero Cove, Oakland Airport Business Park/Distribution Center, and Brooklyn Basin. Within each of these areas, there are a number of public parks and open space areas which, in total acreage, comprise approximately 75% of the total land area within the CRE portfolio. The most significant new development activity is occurring at JLS and Brooklyn Basin, as summarized on the following page.

Jack London Square at Night

JACK LONDON SQUARE

The Port property that likely has the greatest direct visibility and familiarity to most Bay Area residents and visitors is JLS, a mixed-use, waterfront commercial development located along the Oakland Estuary at the foot of Broadway, approximately one-half mile from the City's downtown. The history of JLS dates back to the Gold Rush when ships carrying cargo and ferry boats serving San Francisco and Oakland, docked at the foot of Broadway. In 1852, when the State Legislature incorporated the Town of Oakland, the first meeting of the board of Town Trustees was held in this location. JLS is named for American author Jack London, who wrote "The Sea Wolf" and many other popular books. Jack London spent much of his boyhood on the Oakland waterfront.

The JLS area is steeped in a rich history of maritime activity. Over the last 20 years, the Port has worked to strengthen JLS's traditional reputation as a restaurant, administration, and entertainment center with the addition of complementary retail and abundant access to transportation options and public recreation spaces along the waterfront. The Port has assigned numerous long-term ground leases in JLS to CIM Group, a prominent, nationally recognized, real estate investment company with substantial experience in developing and operating mixed-use complexes in urban areas throughout the U.S. The Port and CIM Group continue to work together to attract tenants to JLS and, more specifically, to advance the Jack London Square Phase II (JLS Phase II Project) development.

Outdoor Festival at Jack London Square

Recently, CIM Group secured new land-use entitlement approvals for two multi-family residential buildings adjacent to JLS on privately owned land: the first of these two buildings, Channel House (a 333-unit apartment building) was completed and is currently leasing units to new waterfront residents; the second residential building has been approved by the City Planning Division, but permits are pending. CIM Group also has secured final design review approvals and approval of the City Planning Division for a hotel on the last remaining parcel within the JLS Phase II Project. Once operational, the JLS Phase II Project is expected to provide important public benefits, including 650 jobs during the construction phase, up to 2,000 permanent jobs, and an additional $2.9 million in annual taxes for the City.

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Despite a competitive real estate market, over 80% of the Port-owned space at JLS is leased and new tenants have recently opened or plan to open soon, including:

- Dragon Gate, a new restaurant and karaoke venue at 1 Franklin Street, the former Kincaid's space, opened in 2024;
- Mia, a Mexican taqueria, is now open adjacent to Scott's Seafood;
- Kuidaore, a Japanese handroll bar, located at 431 Water Street adjacent to Mia is now open; and
- Dave & Buster's, a restaurant and entertainment venue, located on the first floor of the Market Hall, is planning to open in late 2025.

BROOKLYN BASIN

Rendering of Future Brooklyn Basin Project

The Brooklyn Basin waterfront district is a former industrial area centrally located on the Oakland Estuary minutes from JLS and downtown Oakland, comprised of approximately 64 acres of waterfront property bounded by Embarcadero Road, Oak Street, Tenth Avenue, and the Oakland Estuary. The district is under redevelopment by a private developer, Zarsion-OHPI, LLC (ZOHP), to create a revitalized, mixed-use waterfront community known as Brooklyn Basin. Approximately one half of the property is owned by ZOHP and the other half is still owned by the Port and leased to ZOHP.

When completely built out, the Brooklyn Basin Project will provide up to 3,100 housing units, up to 200,000 square feet of neighborhood serving retail space, approximately 32 acres of public open space and parks, and two renovated recreational marinas. ZOHP estimates that the Brooklyn Basin Project will be a $1.5 billion investment. Former California Governor Edmund G. Brown Jr. estimated that the Brooklyn Basin Project, when complete, would have the potential to deliver 10,000 short and long-term jobs. Redevelopment is on-going and expected to last several years. Some residential units and open space are already complete.

PARKS AND PUBLIC ACCESS

The Port's waterfront has evolved through the decades to include industrial, commercial, and recreational uses as well as significant public access areas. Approximately 630 acres of public parks and public access are located within CRE's portfolio of properties, comprising over 75% of the CRE portfolio of holdings. While these open space properties do not generate revenue for the Port, they provide an important waterfront recreational amenity for the public throughout the region.

In 1999, the Port and the City approved The Oakland Estuary Policy Plan, which established public access policies for 5.5 miles of urban waterfront located between the Seaport and Airport. See *Parks and Open Spaces* section under Environmental Stewardship for more information.

Several years ago, the Port executed agreements with the City to enable the City to construct the last few waterfront Bay Trail segments located on CRE properties. To date, all but one of these pending new trail segments have been constructed by the City. Once the last segment is finished, the Bay Trail will be open on all Port-owned waterfront CRE properties.

Middle Harbor Shoreline Park

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Commercial Real Estate Operations At-A-Glance

Land Area Managed:	837 acres (approximate)
Public Parking:	1,309 Port-owned spaces in Jack London Square
Gross Sales (CY 2024):[1]	$91.2 million
Public Access and Open Space:	630 acres (approximate; 75% of total CRE land acreage)

Major Developments Planned or Constructed by Private Developer

Jack London Square Phase II Project:

Retail/Entertainment/Office Space	300,000 sq ft	completed
Public Parking Garage	1,100 spaces	completed
Full-Service Hotel	150 rooms	planned
Public Access Improvements throughout JLS		completed

Brooklyn Basin:

Residential Units	3,100 units	under construction in phases
Commercial Space	200,000 sq ft	under construction by phase
Marinas	2	planned
Open Space	32 acres	under construction in phases

Current Tenant Mix

Office Agreements	15
Restaurant Agreements	9
Retail Agreements	10
Warehouse Agreements	11
Hotel Agreements	3
Various Other Agreements	37 (Parking, Billboards, Radio Towers, Land, etc.)

Land Use Standards

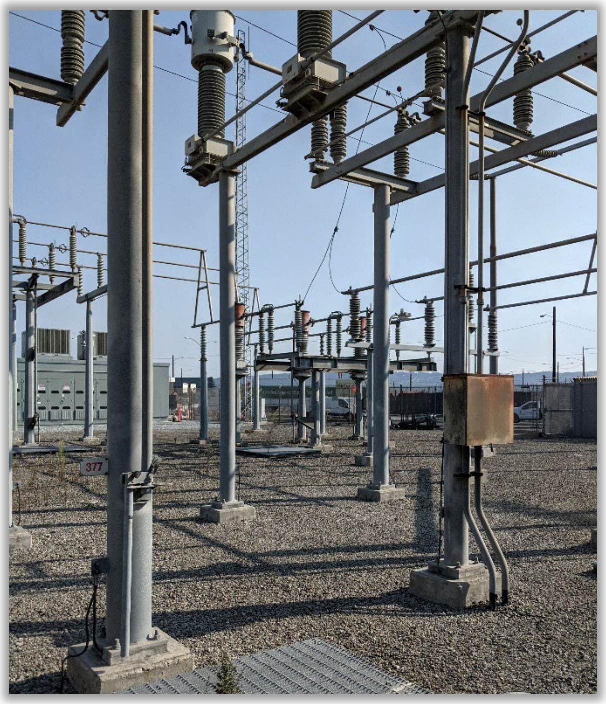
The majority of CRE properties are subject to City land use jurisdiction, which is unique to the CRE holdings, as well as Tidelands Trust restrictions. The properties in the Oakland Airport Business Park are subject to Port land use jurisdiction and authority.

[1] Sales generated by Port tenants and sub-tenants for CY 2024.

UTILITIES

The Port is the only major seaport and airport in California that operates a publicly owned electric utility. All Aviation customers and approximately 80% of Maritime customers are served by the Port Utilities. The balance of Maritime customers and all CRE customers are served by PG&E. In total, Port Utilities serves approximately 600 meters.

Port Utilities procures energy through ownership in generation assets, long term power purchase agreements and market purchases (as needed), and provides safe, reliable, affordable and sustainable power to its local customers. As a publicly owned utility, Port Utilities does not have shareholders and is governed locally by its Board. Our customers enjoy rates significantly lower than those of investor-owned and other energy providers in the region.



Port of Oakland Electrical Substation

In 2018, the California state legislature passed Senate Bill 100, which aims to achieve 100% clean electricity by 2045. It includes interim targets of 60% renewable energy by 2030 and requires regular reporting on progress and challenges in meeting these goals. Port Utilities is in full compliance with its Renewables Portfolio Standard (RPS) mandate.

The Port provides natural gas on a very limited, pass-through basis from the local investor-owned utility, PG&E. The Port also provides water distribution and sanitary sewer collection infrastructure, through which EBMUD provides water and sewer treatment services. Since FY 2025, all transactions associated with providing natural gas, water and sanitary sewer services to Port and Port tenants on a pass-through basis will be recorded as revenues and expenses of Aviation, Maritime, or CRE.

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SECURITY

Airport and Seaport security continues to be a national and local concern. The Federal Bureau of Investigation (FBI) and U.S. Department of Homeland Security (DHS) have assessed that U.S. commercial aviation continues to be a key target for certain foreign terrorist organizations. Current focus areas at U.S. commercial airports are perimeter security and insider threats (those posed by airport employees with access to sensitive areas at airports). The Port continues to work with the Transportation Security Administration (TSA) to introduce risk-based screening and security initiatives to OAK.

Looking ahead at the Seaport, the Port will continue to monitor and mitigate cybersecurity threats and vulnerabilities in accordance with updated federal regulations and best practices; incorporate additional technologies; and expand law enforcement partnerships. The overall goal of these efforts is to improve safety, security, resilience, and promote better information sharing among stakeholders during security breaches or other security-related events.

The Port works with local, regional, State, and federal law enforcement agencies, as well as the private sector, to maintain a secure operating environment as outlined below:

- At OAK, the Port works with the TSA, U.S. Customs and Border Protection (CBP), and the Alameda County Sheriff's Office (ASCO) to implement TSA and other security-related regulations and best practices, and to evaluate and address law enforcement and security-related issues. The Airport also uses a private security firm for additional security needs.

- At the Seaport, the Port works primarily with the U.S. Coast Guard, CBP, California Highway Patrol (CHP), Oakland Police Department (OPD), private security firms, maritime tenants and customers to enhance and enforce security measures.

- For areas within the CRE portfolio, including public areas such as JLS, the Port relies on private security firms to help ensure safety of the public and security of Port facilities, in cooperation with the OPD.

- In the Port's Technology & Innovation Division (T&I), Port staff continuously elevate the Port's cybersecurity posture. T&I performs regular vulnerability assessments and continuously updates its readiness roadmap to strengthen its defenses. Employees are regularly trained on being alert to new attack methods in both their business and personal lives.

- Port Utilities utilizes the Port's security to protect critical utility infrastructure from both physical and cyber threats. Additionally, Port Utilities participates in the Electricity Information Sharing and Analysis Center (E-ISAC), part of the North American Electric Reliability Corporation (NERC), to prepare for and respond to cyber and physical threats.

Security requirements and regulations continue to evolve as various agencies, such as DHS, respond to and learn from anticipated threats and security events. The cost of meeting security guidelines is rising as more requirements are put into place and as newly installed infrastructure must be operated and maintained at direct cost to the Port. Where applicable, the Port will continue to apply for federal and State grants to fund security enhancements and to operate existing infrastructure protections.

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PUBLIC ENGAGEMENT

SOCIAL RESPONSIBILITY

The Port embraces its role as a socially responsible enterprise and recognizes that its business and operations impact its community and the environment. To that end, the Port takes special care to promote the economic, social, and environmental well-being of Oakland and its neighboring communities. The Port is constantly seeking to improve its community and public engagement, building on the policies, programs and best practices listed below:

- Promote the Port's social responsibility goals, which includes local hiring, utilizing local and small businesses in Port developments, and supporting the equitable workforce development of our community members, trades, and business communities to maximize their economic opportunities.
- Provide community investments through a variety of contributions or sponsorships for non-profit and community-based organizations, in three primary program areas: (1) Economic Vitality; (2) Environmental Sustainability; and (3) Workforce Development and Education.
- Since 2000, the Port has provided summer jobs and work experience, including internships for college students. An internship can be a student's very first job or a stepping-stone in a career path, opening doors and opportunities in the future.
- Port staff regularly engage with the community at internship fairs, business expos, community festivals, and community meetings. The Port holds meetings throughout the region and online to obtain community input on various Port projects, job opportunities, and stakeholder needs. For example, the agreement with Centerpoint-Oakland Development I, LLC to develop a logistics facility on Port property includes a groundbreaking jobs program benefiting the local workforce.

Summer Interns at the Port of Oakland in 2024

- The Port works with its stakeholders, including business partners, customers, regulatory agencies, environmental organizations, and the local community, to develop and implement environmental stewardship programs. These programs reduce air pollutant emissions from goods movement and promote a healthier environment and quality of life for the Port's neighboring communities.

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- The Port has developed public engagement plans and programs in the Maritime and Aviation Divisions. These include truck management initiatives, community electrification forums, and the redevelopment of the former Oakland Army Base. As key examples:
  - The Port created the Aviation Stakeholder Committee to assist in the development of the Master Plan for OAK. Since the plan was completed in 2006, the committee continues to meet quarterly to strengthen the relationships between OAK and its neighboring communities. Additionally, OAK has ongoing stakeholder engagement for a terminal modernization and development project.
  - The Port participates in the Truckers Working Group (TWG), the longest-standing regular forum for community engagement on Port trucking issues. The TWG is attended primarily by the Port, motor carriers serving the Seaport, truck drivers, brokers, shippers, terminal operators, and ocean carriers. Community members and government/regulatory agencies also attend routinely.
  - The Port also continues to manage the Port Efficiency Task Force (PETF), working with its supply chain tenants and other partners to find ways to minimize congestion and increase operational efficiency.

COMMUNICATIONS

The Port strives to constantly improve awareness of its mission at the community, regional, national, and worldwide levels:

- The Port has launched a public education campaign called, “Everyone’s Port” which is a corporate rebrand including a new Port logo and websites for both the Seaport and Airport.
- The Port reaches out daily to local and national media on issues related to our Aviation, Maritime, CRE and Utilities businesses. The goal is to enhance the Port’s reputation and elevate its global presence.
- The Port provides educational, relevant and timely social media updates across its Facebook, Instagram, LinkedIn, X (formerly Twitter) and YouTube platforms.
- The Port offers unique opportunities to learn about its Seaport operations through harbor tours, which are free and open to the public.

GOVERNMENT AFFAIRS

The Port takes its duty seriously as a steward of the resources granted by the State and under its management. It is committed to administering and managing federal, State, local, and Port policies and adhering to regulatory requirements as they relate to economic and equal employment opportunity. The Port also takes steps to ensure that the Port and its contractors, vendors, and tenants fulfill their regulatory compliance requirements (i.e., federal, State, local, and Port mandates).

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ENVIRONMENTAL STEWARDSHIP

ZERO EMISSIONS

The Port continues to enhance the design of its infrastructure and facilities to improve operational flow, enhance energy efficiency, and reduce the emissions of pollutants. The Port also continues to review alternative fuel sources such as hydrogen and renewable natural gas to support its zero-emissions goal. To enable the clean energy transition of Port and Port tenant operations (for example, replacing diesel cargo-handling equipment with an electrified fleet), the Port is working to replace electrical substations nearing end-of-life with higher-capacity infrastructure.

Seaport

The technologies and initiatives currently in full-scale operation or demonstration at the Seaport to reduce air pollutant emissions include: electric and/or hybrid diesel-electric cargo-handling equipment (such as top-picks and yard tractors); battery-electric drayage trucks; diesel truck replacements with cleaner model-year engines; and shore power for ocean-going vessels.

Electric Vehicle Charger at Port's Harbor Facilities Complex

The Port also has several Seaport projects planned for the coming years: a new charging facility for battery-electric drayage trucks; rooftop solar panels; and several electrification infrastructure improvements to support the electrification of Port-owned equipment.

In addition to these investments in Port and tenant infrastructure and equipment, the Port may also support or facilitate the initiatives of other Port stakeholders where there is synergy with Seaport operations. For example, the Port recently supported the deployment of 30 hydrogen fuel cell drayage trucks serving Seaport operations as well as the construction of a hydrogen fueling station on land adjacent to the Seaport which began operation in 2024.

The Port has been awarded a $322 million grant under the Environmental Protection Agency Clean Ports Program to further reduce emissions. This community-led grant program includes converting 475 diesel drayage trucks and 188 diesel cargo handling equipment to battery-electric or fuel cell hydrogen. The grant program also includes community engagement and facilitation support, installation of fence-line air quality monitors, workforce development, and a truck loaner program.

Airport

On the landside, OAK uses renewable natural gas (RNG)-fueled shuttle buses and provides publicly available alternative fuel infrastructure, including an RNG fueling station and 21 parking stalls dedicated to electric vehicle charging. The Airport has also placed five new electric-powered shuttle buses into service. As of April 2025, the Airport has completed construction of an electric shuttle bus charging depot in OAK's North Field, which includes five Direct Current fast chargers and room for 15 additional chargers to serve a future electrified fleet of 40 buses. Looking towards the future, the Airport completed a Landside Electric Vehicle Readiness Study to investigate the feasibility of adding additional Electric Vehicle (EV) charging stations and has also initiated an EV charging pilot project in the Daily Parking Lot.

Solar Panels at OAK Airport

On the airside, the Airport seeks to help air carriers minimize emissions while enabling their transition to an all-electric ground support equipment (GSE) fleet. To that end, OAK offers pre-conditioned air and 400Hz power for parked aircraft and charging for electric GSE at each aircraft gate. OAK also recently completed an Airport-wide microgrid assessment of additional on-site solar generation and battery storage options, creating a roadmap to enhance grid reliability and resiliency, shave peak loads, and enhance electrical capacity. Currently, a battery energy storage system is under design to smooth peak loads and enable a zero-emissions transition. Also underway at OAK is a Terminal Energy and Decarbonization Audit that will provide recommendations for reducing energy costs, energy use, and carbon emissions over the next five years. Looking forward, we continue investigating the feasibility of using renewable natural gas generated by the neighboring City of San Leandro to meet the Airport's thermal needs and displace the use of fossil natural gas.

SUSTAINABILITY PROGRAMS

The Port Sustainability Policy promotes sustainability in its planning, management, development, and operations. Key initiatives have included pursuing solar energy, water recycling, waste reduction and reuse of materials. These goals and others came together in the design and construction of the Port's OAK Terminal 2 concourse extension, which was the first airport passenger terminal awarded the Leadership in Energy and Environmental Design (LEED) Silver Certification by the U.S. Green Building Council. The 236-foot air traffic control tower was designed to LEED-Gold standards and incorporates several green systems, including solar power, geothermal heating, and rainwater storage. Additionally, OAK's Terminal 1 Retrofit and Renovation Program followed many LEED principles and standards, such as high recycled content of building materials, daylight harvesting, and light-emitting diode (LED) lighting (the mezzanine portion of the construction received LEED-Gold certification).

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The Port participates in the Airport Council International's Airport Carbon Accreditation (ACA) program, an international program that commits airports to carbon footprint reductions. In 2024, the Port received a "Level 3 – Optimization" accreditation from the ACA, which offers seven levels of accreditation. The Port will continue to assess, manage, and implement carbon emissions reduction measures at OAK in alignment with the Port's goal of zero-emission operations at the Airport.

In FY 2024, the Port received certification under the Green Marine Program, a leading environmental certification program for the maritime industry. This program supports the Port's initiative to improve air quality and mitigate pollution of soil/groundwater and surface waters.

Looking forward, in FY 2026, the Port will develop its Sustainability Management Plan, providing a roadmap for reducing resource consumption, reducing greenhouse gas emissions, enhancing environmental resiliency, and promoting environmental justice and social responsibility. Also in FY 2026, the Port will complete its Waste Management Plan confirming regulatory compliance, documenting existing infrastructure and programs, and recommending enhancements to engage stakeholders and increase waste diversion across Port facilities.

Other environmental initiatives on the horizon include drafting a policy to promote use of zero emission construction equipment, updating the Port's Environmental Ordinance to advance transition of diesel equipment to battery-electric or alternative fuel at the Airport, and encouraging the use of unleaded aviation gasoline and sustainable aviation fuel.

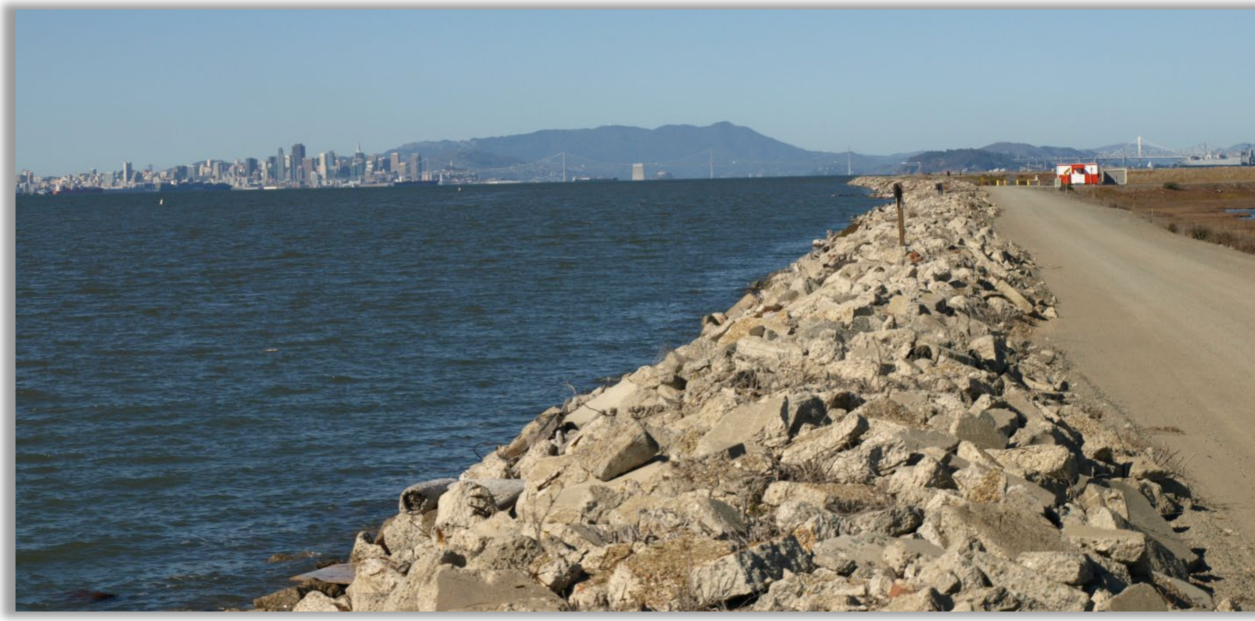
CLIMATE RESILIENCE

Climate change is projected to raise sea and groundwater levels as well as intensify the impact of meteorological activity. Sea-level rise (SLR) and increased storm severity could lead to shoreline flooding of Port facilities. Groundwater intrusion (GWI) is a condition where subsurface groundwater levels are elevated by encroaching subsurface sea levels. Taken together, SLR and GWI could damage or destroy subsurface utilities, impact legacy groundwater contamination, and critically impair ground-level Port infrastructure.

To gain a better understanding of future vulnerabilities, the Port is conducting an extensive study of SLR and GWI at all Port areas and developing an adaptation plan. Communities and cities near the Port may also be impacted by SLR and GWI, so the Port is partnering with the City of Oakland and its neighborhoods to include waterfront communities in its SLR/GWI assessment. The Port also engages with neighboring cities, such as the City of Alameda, to share available information and partner in addressing and adapting to the threats of climate change. The Port is a member of Oakland Alameda Adaptation Committee (OAAC), a group including cities (Alameda, Oakland), local agencies (East Bay Regional Park District, East Bay Municipal Utilities District), and a state agency (Caltrans). OAAC is conducting a grant-funded study aimed at SLR adaptation projects.

At the Airport, the Airport Perimeter Dike (APD) provides tidal flood protection. Originally built in 1960, the perimeter dike was upgraded and rehabilitated in 1983. The APD was further improved in 2021-2022 to current Federal Emergency Management Agency (FEMA) levee standards, which included addressing SLR. Construction of seismic stability improvements of the APD began in March 2025. In addition, the Port commissioned reports on two aspects of surface water management at the Airport: The North Field Vulnerability Report (Vulnerability Report) and an updated Airport Stormwater Management Plan (Stormwater Management Plan).

The Vulnerability Report examined the extent of floodwater resilience in the North Field of the Airport and recommended improvements to mitigate future flooding. The Stormwater Management Plan performed updated hydraulic modeling of the stormwater infrastructure and recommended improvements to maintain the system and improve throughput.



OAK Airport Perimeter Dike

ENVIRONMENTAL COMPLIANCE

In addition to the initiatives discussed above, the Port has ongoing environmental compliance obligations and oversight requirements for its own activities as well as those of its tenants. Two major areas of compliance are as follows:

Storm Water Management

The Port is implementing the requirements of the State of California's National Pollutant Discharge Elimination System (NPDES) permit program including, but not limited to, discharge of storm water from construction and industrial activity and from the Port's Municipal Separate Storm Sewer System (MS4):

- Construction and Industrial Activities: The Port works with its tenants and its own contractors to help prevent contaminants from entering the Bay from industrial operations and construction projects. The Port conducts pollution prevention training sessions, performs inspections, and monitors storm water discharge at various sites throughout the Port.

- MS4: In 2013, the Port established its MS4 program to reduce pollutants in storm water discharges and eliminate unauthorized, non-storm water discharges to the Port's MS4. General elements of the MS4 program include public education and outreach, public involvement and participation, illicit discharge detection and elimination, construction site storm water runoff control, post-construction storm water management, and program effectiveness assessment. To support implementation and administration of the MS4 program, the Board adopted the Port Storm Water Ordinance on January 15, 2015.

The Port is proactively engaged with State and Regional Water Quality Control Boards as they adopt new regulations that apply to the Port (for example, the Full Trash Capture Program).

Remediation and Hazardous Materials Management

The Port actively conducts soil, groundwater, and soil gas remediation to comply with federal and State laws and protect human health and the environment with oversight from various local, State, and federal regulatory agencies. The Port also oversees storage, transportation, and disposal of Port-generated hazardous and non-hazardous waste in accordance with all local, State, and federal regulations.

PARKS AND OPEN SPACES

The City's waterfront has evolved through the decades to include industrial, commercial, and recreational uses as well as significant public access and restored natural habitat areas. The following are the major public access and open space areas along the Oakland waterfront:

Middle Harbor Shoreline Park

- *Port View Park and Middle Harbor Shoreline Park (MHSP)* – These two parks, located in the Middle Harbor area of the Seaport, are physically connected. Together, they comprise approximately 40 acres of park and open space adjacent to the Seaport's large marine terminals. MHSP's features include an amphitheater, open space natural areas, interpretive exhibits, an observation tower, nature trails, and views of the San Francisco Bay. Additionally, MHSP provides observation points where visitors can view active marine terminal operations and shore birds. Port View Park features a play area for children, an exhibit within the historic railroad building, bayside walkways, and a public fishing pier.
- *Union Point Park* – Union Point Park comprises nine acres of property located in the San Antonio/Fruitvale district. The Port leases this park to the City to provide waterfront recreational space near the San Antonio and Fruitvale neighborhoods.
- *Martin Luther King, Jr. Regional Shoreline* – This shoreline park comprises approximately 600 acres of land and water area in the Oakland Airport Business Park. The Port leases this park to the East Bay Regional Park District (EBRPD). The regional shoreline offers facilities for picnicking, fishing, hiking, bicycling, boating, and bird watching.
- *Estuary Park and the Jack London Aquatic Center* – Estuary Park is a seven-acre City park located on property leased from the Port, featuring the Jack London Square Aquatic Center, a 16,000 square-foot boathouse and community center for which the construction was partially Port-funded. The City is currently undergoing design planning and public outreach for a complete re-envisioning and redevelopment of this park.
- *Portions of the San Francisco Bay Trail* – 19 miles of the 450 miles of San Francisco Bay Trail will be located within the City and Port's footprint when this regional public access project is completed. The Port has already constructed and improved numerous segments of the San

Francisco Bay Trail on Port-owned properties located between JLS and Embarcadero Cove, as well as other public access segments within JLS and connector trails, such as the Class I bicycle trail along Ron Cowan Parkway at OAK. Significant portions of the Bay Trail have also been constructed by the Port and the City to link bicycle and pedestrian access between the cities of Emeryville, Alameda, Oakland, and San Leandro.

- *Brooklyn Basin* – Construction of approximately 32 acres of public open space on land leased from the Port is planned as part of the mixed-use development project at Brooklyn Basin. Construction of the park and open space areas is anticipated to occur in phases, with some portions already open to the public. When completed, the park and open space areas will provide significant new public access for the Brooklyn Basin area of the Oakland Estuary for Oakland residents and visitors.

WETLAND AND HABITAT RESTORATION

The Port is the local sponsor of the U.S. Army Corps of Engineers' (USACE) restoration of the 189-acre Middle Harbor Enhancement Area (MHEA), a former U.S. Navy vessel berthing area in the Middle Harbor (located adjacent to MHSP). The MHEA beneficially reused 5.5 million cubic yards of clean dredged material from the Port's 50-foot harbor deepening/dredging project. The purpose of the MHEA is to create a shallow subtidal habitat, with 15 acres of eelgrass beds, a three to five-acre educational marsh, and an avian roosting habitat. The MHEA project is still in Phase I of the eelgrass planting, which started in 2019. This will be followed-up with a Phase II planting, if required, for the project to reach the 15-acre goal. Portions of the project have entered a 10-year monitoring period for the completed portions of the restoration while USACE awaits funding for building out the educational marsh and a public beach area. The 10-year monitoring for the educational marsh and public beach area would start upon completion of construction. Once the monitoring period is completed, the MHEA project will be transferred to the Port in perpetuity.

ECONOMIC IMPACT

The Port is a key driver of economic activity and growth in the Bay Area. Enormous economic vitality arises from cargo volumes that pass through the Seaport, passenger and air freight activity at OAK, and the many businesses served by the Port's Commercial Real Estate portfolio, as well as from revenue generated from the Port's Utilities infrastructure.

An economic impact study performed between 2021 and 2022 showed that the Port of Oakland is the second largest job generator in Oakland and the fifth largest job generator in the region. This study is based on the Port's activity levels, economic analysis models, and surveys of those impacted by the Port. Download a copy of the Economic Impact Study **HERE**. [1]

According to the Port's 2021 Economic Impact Study, the Port's activities, along with those of its tenants and customers:

- Support more than 98,000 jobs across the region (direct, indirect, and induced) of which approximately one in four are direct Port jobs held by Oakland residents;
- Touch more than one million jobs across the nation (trade, travel, and tourism related jobs);

[1] www.portofoakland.com/files/PDF/PortOakland_2021_consolidatedEIS_report_public.pdf

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- Provide overall economic value from business revenue, consumer spending and the total value of goods and services, in excess of $174 billion;
- Generate $970 million in annual local, State, and federal taxes; and
- Generate more than $7.5 billion in personal income/local consumption.

Trade, travel, and tourism related jobs generated by the Port have numerous positive characteristics, including:

- The majority of Port-related jobs are above-average wage jobs;
- Port-related jobs generally cannot be outsourced overseas; and
- Port opportunities range from entry-level to advanced-degree jobs.

FINANCIAL POLICY GUIDELINES

GENERAL GUIDELINES

The basis on which the budget is prepared is consistent with the basis of accounting used, as promulgated by the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 1700.116. The operating budget is presented on the accrual basis of accounting, wherein revenues are recognized when they are earned, not when received, and expenses are recognized when they are incurred, not when paid.

The Port adopts a balanced budget in which total sources equal or exceed total expenditures.

All known expected revenues and expenses are reflected.

Expected future revenue, which may not have signed contracts, is budgeted to the extent such expectation is reasonable.

Incremental revenue from new capital projects, some of which are completed and others of which are expected to be completed within the budget period, are included as revenue only to the extent such expectation is reasonable.

The capital planning process and development of the 5-Year Capital Improvement Plan (CIP) is primarily focused on regulatory compliance, life and safety, revenue maintenance, asset management, and essential infrastructure improvement. The Board approves a Capital Budget every year, and if costs exceed a pre-determined amount, the Board must grant contract authority before funds can be disbursed or encumbered.

- Funding sources for operating and capital expenditures are identified, including Port-generated cash, debt proceeds, grant proceeds, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and Cap & Trade and Low Carbon Fuel Standard (LCFS) credit sales.
- The City of Oakland Charter requires the Port to send its adopted budget to the City by the third Monday in July.

BOND COVENANT

- The Port's Bond Indentures require a minimum debt service coverage ratio (DSCR) of 1.25 for Senior Lien and 1.10 for Intermediate Lien debt service.

PORT DEBT POLICY

- The Port's debt policy provides a structured framework for the issuance and management of bonds and other forms of indebtedness of the Port, together with any credit, liquidity or other security instruments and agreements that may be executed in connection with the issuance of bonds and other forms of indebtedness. Key objectives of the Port's debt policy are to (a) ensure cost-effective access to financial markets through prudent debt management practices, (b) maintain manageable debt levels and sustainable debt service through effective long-term financial planning, (c) support major capital improvements with reasonable debt financing, (d) structure long-term financings to minimize transaction-specific and portfolio-side risks to the Port, (e) preserve financial flexibility to adapt to changing social conditions, (f) maintain the highest feasible credit ratings to reduce borrowing costs, (g) foster strong investor relationship through timely dissemination of material financial information, (h) strengthen public trust and accountability through transparent financial practices, (i) provide user-friendly, publicly accessible online portal for timely dissemination of material financial disclosures, and (j) ensure full compliance with all bond covenants and applicable law.
- Under the Port's debt policy, each Port line of business and the Port on a consolidated basis must maintain annual debt service coverage ratio of at least 1.40x as calculated on both an indenture and cash basis. Indenture debt service coverage ratio calculation is in accordance with the methodology and terms defined in the applicable bond trust indenture. Cash basis debt service coverage calculations reverse non-cash accounting adjustments and take into account impacts to cash flow from non-operating activities. In addition, each line of business is subject to (i) meeting an Additional Leverage Test, which varies by line of business, prior to issuance of new debt to fund new capital projects, (ii) maintaining a minimum days cash on hand (365 days by business line and 400 days Port wide), and (iii) operating expense ratio of 65% or less. Temporary declines below items (ii) and (iii) targets are permitted with approval from the Port's Chief Financial Officer, provided that projections demonstrate compliance with the respective minimums by the end of the five-year projection period.

BOARD RESERVES

- Port Operating Reserve Fund established at 12.5% of operating expense budget.
- Port Bond Reserve Fund (separate from Debt Service Reserve Funds held by Trustee) established at $30 million.
- Capital Reserve Fund established at $15 million.

FINANCIAL REPORTING PRACTICE

- Financial statements are prepared in accordance with accounting principles generally accepted in the U.S., as promulgated by GASB and audited by independent external auditors.
- An Annual Comprehensive Financial Report (ACFR) is prepared which includes: Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; Statement of Cash Flows; and other statistical data.
- Monthly unaudited financial statements and quarterly capital budget variance reports are prepared and distributed to the Board to monitor performance and determine if corrective action is needed.

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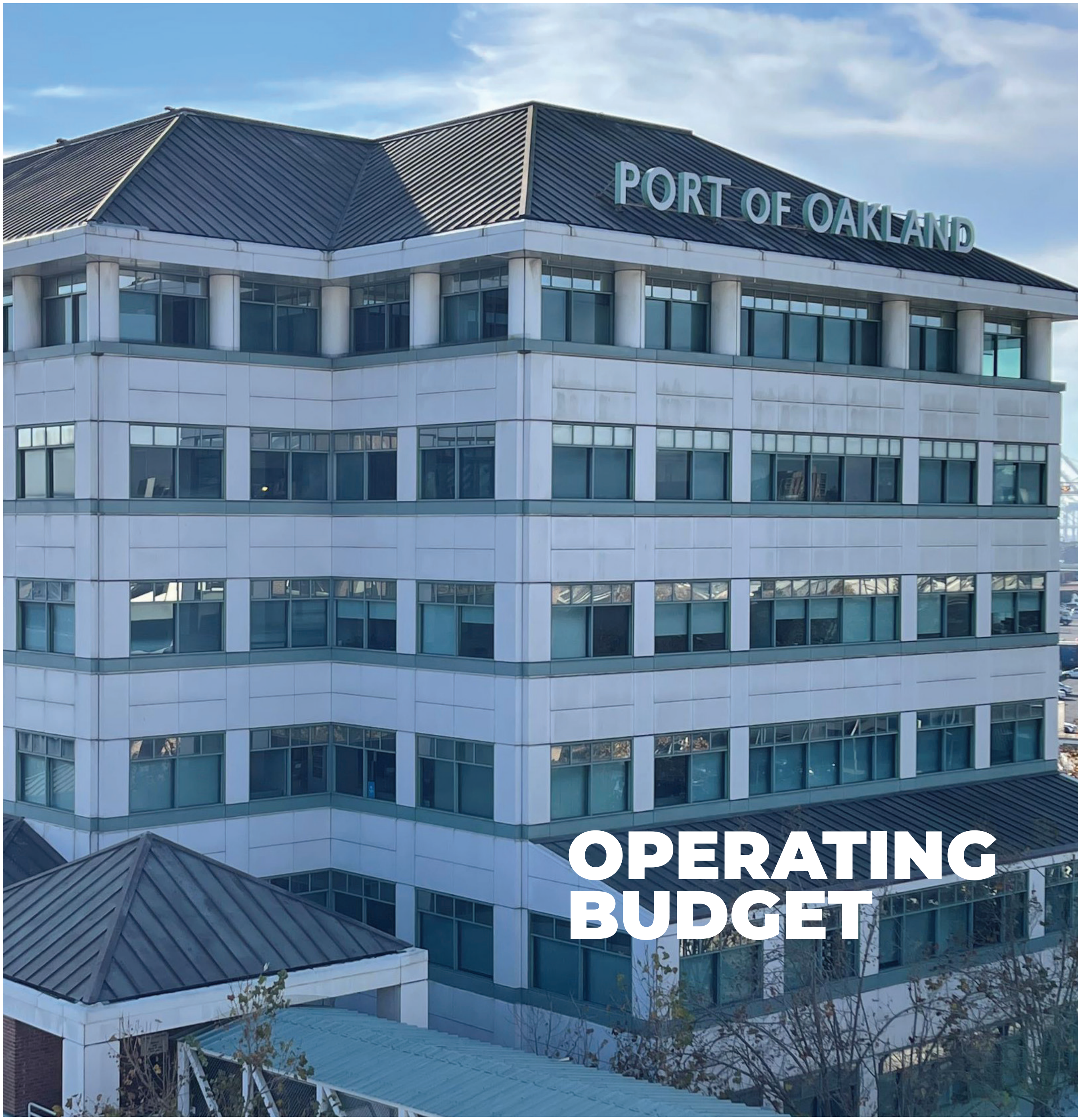
- The external auditors prepare an annual management letter addressed to the Board.
- The Port is an independent department of the City and accounted for as a discrete component unit of the City. The Port maintains separate accounting records and issues an ACFR that is incorporated into, but reported separately, in the ACFR of the City.
- The Port does not use fund accounting. For budgeting purposes, the Port reports all of its operations similar to a single enterprise fund.



CONTENTS

OPERATING BUDGET

Operating Budget Process and Timeline

The Port's operating budget is an essential and major component in the Port's overall planning and management process. The operating budget is a plan for each division's operating revenues and expenses and for Port-wide non-operating income and expenses. The Port's operating budget is intended solely for planning purposes, and nothing in this operating budget should be construed as an assurance of actual results. Actual results will vary and may vary materially.

Preliminary budget policies are determined early in the cycle by the Port's senior management team. Preliminary budget meetings provide the opportunity for discussion and review of operational needs, and proposed increases in revenues and expenses. Budget instructions, forms, and worksheets based upon the outcome of these meetings are distributed in February to all divisions responsible for budget preparation. Each division is also responsible for preparing a seasonally-adjusted proposed budget.

The upcoming fiscal year operating budget is adopted through resolution of the Board. The operating budget may only be amended by a resolution of the Board. During the fiscal year, monthly variance reports are prepared comparing actual monthly results to seasonally-adjusted monthly budgets. Copies of the adopted budget are provided to various City officials in accordance with the City Charter.

In conjunction with the development of its operating budget, the Port also develops financial forecasts for the subsequent four fiscal years, which are provided for informational and conceptual purposes only. Actual results will vary and may vary materially.

FY 2026 BUDGET CALENDAR

JANUARY – FEBRUARY 2025

- Planning and policy meetings
- Preliminary budget meetings
- Budget Guidelines – preparation and distribution

MARCH – APRIL 2025

- Baseline budget preparation
- Divisions submit revenue and operating budgets
- Preliminary operating budget analysis and compilation, including iterations

MAY – JUNE 2025

- Preliminary proposed budget drafted
- Distribute Draft Budget Summary Book for review by Divisions and Executive Management
- Final budget revisions and budget document preparation

JULY – AUGUST 2025

- Presentation of proposed FY 2026 Budget to Board for Board approval on July 10
- Budget Summary Book distribution via Port's website
- Copy of Adopted Budget filed with the City by the third Monday of July
- Budget Detail Book production and distribution via Port's intranet

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Operating Budget Highlights and Assumptions

OBJECTIVES

- Develop a balanced budget in which total sources equal or exceed total expenditures.
- Develop an operating budget that targets a minimum debt policy debt service coverage ratio (DSCR) of 1.40x Port wide and by revenue division.[1]
- Maintain a minimum General Fund cash balance at the end of each fiscal year or by the end of the five- year projection period equal to approximately 400 days-cash-on-hand (DCOH)[2] Port wide and between 365 and 500 DCOH by revenue division, taking into account future anticipated needs such as capital improvements and accrued liabilities.
- Target a maximum operating expense ratio of 65.0% or less across the Port and within each revenue division (except Utilities) by fiscal year or by the end of the five-year projection period. If achieving this target requires more than five years, the projections over the next five fiscal years should demonstrate annual progress toward achieving the goal.
- Maintain Board reserves at levels consistent with Port policy of approximately $82.5 million.
- Maintain discipline of paying down outstanding bonds and commercial paper notes.

GENERAL

- FY 2026-30 Operating Revenues for Aviation, Maritime, CRE, and Utilities are based on divisional input incorporating known market and competitive factors, existing contracts, and the anticipated execution of future contracts. Projected revenues assume Port tenants will comply with their contractual obligations.
- The impacts of GASB 87[3] Lease Accounting are reflected in the Operating Revenues and Interest Income for FY 2024 Actual, FY 2025 Budget, FY 2026 Budget and FY 2027-2030 Projections.
- FY 2026 through FY 2027 Operating Expenses include targeted cost reductions and/or deferrals to mitigate the impact of significantly lower than anticipated revenue projections than presented previously.
- FY 2028 through FY 2030 Operating Expenses incorporate known and anticipated cost increases and decreases but in general, assumes that expenses unless otherwise identified will grow by 2.0% per annum.
- No assurances can be given that projections and future results discussed in the operating budget will be achieved. Future results, for example, could be adversely impacted by such factors as (i) decreases in revenues and/or business activity levels, (ii) the impact of tariffs on business activity levels and construction costs, (iii) potential labor and service disruptions at U.S. West Coast ports during the next ILWU contract negotiations in July 2028, (iv) ability to staff at budgeted levels, (v) unanticipated increases in expenditures, (vi) tenant defaults, (vii) unavailability of assumed funding

[1] Debt policy DSCR calculation as defined in Administrative Policy 514 (Debt Policy).
[2] Including Board Reserves. See *Debt Service and Cash Flow* section.
[3] GASB 87 adjustments are non-cash entries reflecting the amortization of Port leases. The adjustments made to Operating Revenues do not represent a reduction in actual cash collected from operations nor do the adjustments made to Interest Income represent an increase in actual cash earned.

sources, (viii) construction delays or cost overruns, or (ix) other adverse and unforeseen macroeconomic or industry specific events or conditions affecting the Port.

FY 2026 REVENUE BUDGET HIGHLIGHTS AND ASSUMPTIONS

Note: All comparisons are to FY 2025 Budget, unless otherwise noted.

- Port-wide Operating Revenues are projected to be $417.3 million net of GASB 87 adjustments (Net Operating Revenues) and $435.1 million excluding GASB 87 (Gross Operating Revenues). FY 2026 Gross Operating Revenues are $12.9 million (-2.9%) lower than FY 2025 Budget Gross Operating Revenues. FY 2026 Net Operating Revenues are projected to be $7.8 million (-1.8%) lower than FY 2025 anticipated Net Operating Revenues of $425.1 million.
- Aviation Operating Revenues are projected to be $211.2 million net of GASB 87 adjustments, and $213.6 million excluding GASB 87. Aviation FY 2026 Gross Operating Revenues are $0.4 million (-0.2%) lower in comparison to FY 2025 Budget Gross Operating Revenues. Aviation FY 2026 Net Operating Revenues are projected to be $4.9 million (-2.3%) lower than FY 2025 anticipated Net Operating Revenues of $216.1 million. Aviation Revenues reflect lower anticipated passenger activity at OAK when compared to FY 2025 Budget. FY 2026 passenger volumes are forecasted at 68.4% of FY 2019 levels (pre-pandemic).
  - Total passengers are projected to be 9.3 million (10% lower than FY 2025 anticipated passengers of 10.4 million)
  - Terminal rent revenues are projected to increase by $0.6 million due to higher costs, despite a reduction in airline-leased space and the application of a prior year true-up over-collection credit, which resulted from actual FY 2024 total expenditures coming in below the FY 2024 budget.
  - Ground transportation revenues are projected to decrease by $0.7 million as Transportation Network Company (TNC) revenues are anticipated to decrease by $0.5 million (-9.3%) ($0.3 million decrease compared to FY 2025 anticipated revenues) and other ground transportation revenues decreasing by $0.2 million (-20.0%) (-5% lower compared to FY 2025 anticipated revenues).
  - Parking revenues are projected to decrease $4.5 million (-11.7%) ($2.7 million decrease compared to FY 2025 anticipated revenues) reflecting lower anticipated passenger enplanements.
  - Car rental revenue is projected to stay flat in FY 2026 compared to FY 2025 Budget and to FY 2025 anticipated Actuals of $11.3 million.
  - Lease revenues are projected to increase by $1.0 million primarily due to higher cargo rents of $0.5 million and higher space rentals of $0.5 million.
  - Terminal concession revenues are projected to decrease by $0.5 million ($0.9 million lower compared to FY 2025 anticipated revenues). Lower concession revenues are due to delays in the build-out of space by the new retail concessionaires operating at OAK and anticipated declines in passenger traffic.
  - Airfield revenues are anticipated to increase by $4.5 million due to higher net operating expenses resulting in part from $2.2 million in prior year (FY 2024) true-up costs recovered through the landing fee rate.

- The ongoing uncertainty surrounding the impact of tariffs on imports and exports continues to present significant challenges when forecasting Maritime division revenues. Assuming that the initial reductions in cargo volume resulting from currently elevated tariff levels are temporary, a partial rebound is anticipated once tariffs are lowered, as cargo activity is expected to catch up to meet deferred demand. Under these sets of assumptions, Maritime Operating Revenues are projected to be $163.2 million net of GASB 87 adjustments, and $176.3 million excluding GASB 87 (Maritime Gross Operating Revenues). Maritime FY 2026 Gross Operating Revenues are $6.3 million (-3.4%) lower in comparison to FY 2025 Budget, and $0.7 million (-0.4%) lower than FY 2025 anticipated Gross Operating Revenues of $177.0 million.
    - Full TEUs are projected to be 1.71 million, or 1.8% higher compared to FY 2025 Anticipated Actuals of 1.68 million Full TEUs. Empty TEUs are projected at 0.51 million, an increase of 1.0% from FY 2025 Anticipated Actuals of 0.50 million. Total TEUs (full and empty) are projected at 2.22 million, or 1.6% higher than FY 2025 Anticipated Actuals of 2.18 million.
    - Marine Terminal revenue is projected to increase by $2.3 million from FY 2025 Anticipated Actuals of $126.6 million primarily due to anticipated increases in fixed rent and marine terminal space assignment rent.
    - Revenue from Rail Terminals is projected to decrease $3.4 million from FY 2025 Anticipated Actuals of $4.4 million due to renegotiated lease terms that reflect low throughput at the Joint Intermodal Terminal as well as anticipated conversion of the JIT to new on-dock rail facilities. Relative to FY 2025 Budget, Rail Terminal revenues are anticipated to decrease by $2.9 million.
    - Revenue from other (non-marine and non-rail) tenants is projected to be approximately $0.2 million higher than FY 2025 Anticipated Actuals of $44.6 million due to anticipated scheduled rent increases and the full year's impact of new or modified tenancies that began in FY 2025; and approximately $8.0 million lower than FY 2025 Budget primarily due to the termination of certain short-term and long-term tenancies, and lower utilization of the Port's Truck Parking/Container Depot.
    - Other revenue is projected to increase to $1.9 million due to the transfer of shore power maintenance and vessel commissioning revenues from Utilities.
- CRE Operating Revenues are projected to be $15.3 million net of GASB 87 adjustments (CRE Net Operating Revenues), and $17.6 million excluding GASB 87. CRE FY 2026 Gross Operating Revenues are $0.9 million (-4.9%) lower in comparison to FY 2025 Budget. CRE FY 2026 Net Operating Revenues are $0.3 million (-2.2%) lower in comparison to FY 2025 anticipated Net Operating Revenues of $15.7 million due to lower hotel and office rents.
    - CRE revenues are based on anticipated lease expirations, new leases, percentage rents, and scheduled rent adjustments.
- Projected Utilities Revenues of $27.6 million (net of intercompany elimination) are $4.2 million (-13.3%) lower in comparison to FY 2025 Budget due primarily to lower usage and maritime pass-through electricity revenues partially offset by scheduled electric rate increases. In comparison to FY 2025 anticipated net revenues of $27.5 million, FY 2026 projected net revenues are higher by $0.1 million (+0.5%).
    - Electricity revenues decrease by $4.2 million in comparison to the FY 2025 Budget due to lower shore power of $1.3 million, lower wholesale of $1.2 million at the Airport, lower retail usage in Marine Terminals of $1.0 million, and lower wholesale at Harbor Transportation Center (HTC) of

$0.8 million. Electricity revenues are higher by $1.4 million relative to FY 2025 Anticipated Actuals of $27.5 million.

- Sales of CAP & Trade allowances increase by $0.1 million compared to FY 2025 Budget but 7% lower relative to FY 2025 Anticipated Actuals of $0.7 million. AB1890 sales increase by $0.1 million compared to FY 2025 Budget and flat relative to FY 2025 Anticipated Actuals.

FY 2026 OPERATING EXPENSE BUDGET HIGHLIGHTS AND ASSUMPTIONS

Note: All comparisons are to FY 2025 Budget, unless otherwise noted.

- Port-wide Operating Expenses before Depreciation and Amortization are budgeted at $299.7 million, a slight decrease of $0.4 million (-0.1%), driven by strategic cost reductions and cost deferrals to offset rising personnel costs and align operating expenses to projected lower operating revenues.
- Personnel costs are budgeted to increase by $10.9 million (+7.6%); personnel costs represent 51.4% of the Operating Expense Budget before Depreciation and Amortization.
    - 534 Full-time Equivalents (FTEs); 16 vacant positions eliminated from the FY 2025 Budget.
    - Salaries are higher by $2.6 million (+3.2%) due to the full year impact of a 2.5% cost of living adjustment (COLA) effective January 1, 2025 and step increases. No COLA adjustment assumed in FY 2026 following the expiration of labor MOU's on September 30, 2025.
    - The Port's employer pension contribution is anticipated to decrease $0.3 million to $29.3 million due to a projected decrease in pension rate from approximately 36.1% to 34.6% on July 1, 2025.
    - FY 2026 medical costs are projected to increase based on medical premium rates as of January 1, 2025, and an assumed increase in rates on January 1, 2026, of 5.0% for medical and 3.0% for dental, vision, employee assistance program (EAP), and by changes in employee-elected coverage levels.
    - Retiree medical costs are projected to increase by $8.0 million based on the most recent actuarial study and anticipated adjustments to OPEB expense related to GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*
    - Aviation and Maritime overtime lower by $0.4 million and $0.3 million, respectively.
    - Workers' compensation budgeted to increase by $0.3 million based on the most recent actuarial study projecting claims and costs.
    - A vacancy factor of 29.5 FTEs assumed due to retirements, normal attrition, and normal hiring lag
- Contractual services are budgeted to decrease $5.4 million (-4.7%). Utilities Cost of Commodities is budgeted to decrease by $4.0 million (-14.4%). General and Administrative expenses are budgeted to decrease $1.4 million (-5.0%). Supplies are budgeted to increase $0.2 million (+2.3%). Intercompany electricity expense credit of $6.3 million included in General and Administrative (Port use electricity revenue billed by Utilities Division).
    - Electricity usage and rates decrease by $2.0 million.

- Security costs at the Airport increase by $0.3 million (+1.0%).
  - Increased Alameda County Sheriff's Office of $0.7 million.
  - Decreases in Airport security costs of $0.4 million.
- Maritime truck parking operations lower by $2.5 million due to lower demand.
- Consulting decreases by $0.4 million due to lower aviation consultants of $2.5 million offset by cost escalations in Engineering to support the creation of a Project Management Office of $0.8 million and $0.7 million to support contract administration and GIS initiatives in addition to $0.8 million in Maritime.
- Environmental consultants higher by $0.5 million to support environmental programs (partially offset by grants).
- Insurance premiums anticipated to decrease by $0.2 million.
- Contractual services with tenants decrease by $1.4 million.
- Computer systems decrease by $0.4 million.
- All other expenses including impact of Intercompany elimination are budgeted to decrease in aggregate by $5.5 million.

FY 2026 NON-OPERATING REVENUE & EXPENSE BUDGET HIGHLIGHTS AND ASSUMPTIONS

Note: All comparisons are to FY 2025 Budget, unless otherwise noted.

- Interest income of $37.3 million (gross $14.6 million excluding GASB 87) is higher by gross $0.9 million due to an increase in the assumed interest rate on Port funds to 3.7% compared to 3.5% in FY 2025 Budget and higher than FY 2025 budgeted beginning cash balance. GASB 87 related interest income totals $22.7 million and is broken down as follows by revenue divisions: $1.7 million (Aviation), $17.3 million (Maritime), and $3.7 million (CRE).
- Interest expense of $11.6 million, which includes letter of credit (LOC) fees and accounting accruals, is lower by $1.5 million (-11.4%).
  - The Port assumes a 2.6% interest rate on its outstanding Commercial Paper (CP) Notes in FY 2026.
- Passenger Facility Charges (PFCs) of $18.1 million are $2.9 million (-13.8%) lower compared to FY 2025 Budget, reflecting lower projected passenger activity level for FY 2026. The ability to use PFCs to fund eligible capital improvement projects in the five-year CIP is subject to approval of a new PFC application that is currently in process with the FAA. See *Capital Budget and 5-Year Capital Improvement Plan* section.
- Customer Facility Charges (CFCs) of $3.5 million are $0.6 million (-13.8%) lower compared to FY 2025 Budget due to lower anticipated rental car transactions. CFCs are used to reimburse rental car shuttle bus operating costs and to fund any improvements of the rental car facility at OAK. See *Capital Budget and 5-Year Capital Improvement Plan* section.
- Other income (expense) includes the sale of LCFS credits of $4.5 million, $1.6 million in zero emission and environmental grants offsetting Port consultants costs, $3.2 million in payments to the City for general services and Lake Merritt maintenance, $2.0 million for wholesale electricity tariff

conversion, $0.7 million to purchase land from the City of Oakland, and 100% grant funded corridor improvements.

- Gain (loss) on sale (disposal) and abandonment of capital assets includes the $2.8 million sale of Port property to the City and loss on demolition of capital assets of $3.0 million.
- Grants from government agencies include $55.4 million in Aviation grants (AIP, Federal Bi-Partisan infrastructure law, and zero-emissions vehicles grant) for reimbursement of certain capital expenditures, $24.3 million in Maritime grants for numerous infrastructure repairs and improvements, and $2.0 million in grants for utility upgrades. See *Capital Budget and 5-Year Capital Improvement Plan* section.

FY 2027 TO 2030 REVENUE PROJECTION HIGHLIGHTS AND ASSUMPTIONS

- Port-wide net Operating Revenues (including GASB 87 adjustments and Intercompany elimination for Utilities Port-Use Electricity) projected to increase from $417.3 million in FY 2026 to $488.6 million in FY 2030, for a compound annual growth rate of 4.0%.
- Net Operating Aviation Revenues are projected to increase from $211.2 million in FY 2026 to $249.6 million in
  FY 2030 for a compound annual growth rate of 4.3%.
  - Enplanements are assumed to increase by 2.0% annually in FY 2027 through FY 2030.
  - Landing fees and terminal rent revenues are in general projected to increase due to forecasted increases in operating and capital costs.
  - Parking revenues are forecasted to increase 2.0% annually in FY 2027 through FY 2030.
  - TNC revenues are forecasted to increase by 2.0% annually in FY 2027 to FY 2028, flat in FY 2029 before increasing by 2.0% in FY 2030.
  - Lease revenues projected to increase in accordance with existing or anticipated lease terms.
- Net Operating Maritime Revenues projected to increase from $163.2 million in FY 2026 to $177.8 million in
  FY 2030, for a compound annual growth rate of 2.2%. While anticipated TEU growth is close or equal to the 10-year average growth of 1.0%, anticipated growth in FY 2027 revenues are higher (i.e., 3.8%) because of new tenancies, assumed higher utilization of certain facilities, and scheduled rate increases.
  - Full TEUs assumed to increase 1.6% in FY 2027 and 1.0% annually in FY 2028 through FY 2030.
  - An annual increase to certain Tariff rates, at least commensurate with inflation, is assumed for certain tenancies.
  - Marine terminal revenues are projected in accordance with existing or anticipated lease terms, and with the anticipated distribution of cargo throughput among terminals. Leases due to expire are generally expected to renew at similar or more favorable terms, commensurate with market values for industrial property.
  - Rail terminal revenue is based on 1.0% activity growth in FY 2027 through FY 2030, as well as current and anticipated lease terms.

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  - Revenue from other tenants (non-marine terminal and non-rail terminal) assumes scheduled or anticipated lease terms, rent increases driven by anticipated Tariff increases or fair market value adjustments, anticipated new tenancies, and anticipated loss of tenancies (or revenue from continuing tenancies) due to development activities.
- Net CRE Revenues are projected to increase from $15.3 million in FY 2026 to $21.8 million in FY 2030, for a compound annual growth rate of 9.2%. CRE revenues assume improving parking revenues, new hotel operator, less vacancies, projected increase in percentage rents, and minimum rent adjustments due to projected lease renewals and scheduled rent adjustments.
- Net Utilities Revenues after Intercompany elimination are projected to increase from $27.6 million in FY 2026 to $39.4 million in FY 2030, for a compound annual growth rate of 9.3%. Revenues in FY 2027 and beyond reflect a series of future electric rate increases.

FY 2027 TO 2030 OPERATING EXPENSE PROJECTION HIGHLIGHTS AND ASSUMPTIONS

- Net Operating Expenses before Depreciation and Amortization (after Intercompany elimination for Port use electricity in Aviation, Maritime, and CRE) are assumed to increase from $299.7 million in FY 2026 to $317.2 million in FY 2030, for a compound annual growth rate of 1.3% per year from FY 2026 through FY 2030.
- Personnel costs assumed to increase at a compound annual growth rate of 2.0% from FY 2026 through FY 2030 as per the following assumptions:
  - FTEs assumed unchanged at 534.
  - Medical premiums assumed to increase 5% per year during this timeframe.
  - CalPERS employer pension contribution rate assumed to be 34.6% in FY 2026, increasing to an estimated 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030 based on CalPERS projections. The Port's projections reflect estimated pension payments to CalPERS and does not reflect the impact of adjustments to pension expense related to GASB No. 68, *Accounting and Financial Reporting for Pensions*.
  - No salary adjustments other than step increases assumed through FY 2030. Actual Cost of Living Adjustments (COLA) to be determined based on labor negotiations following the expiration of current MOUs on September 30, 2025.
  - Assume vacancy factor of 29.5 FTEs due to retirements, normal attrition, and normal lags in hiring.
- Contractual services, general and administrative costs, and supplies consider anticipated changes, but otherwise assume expenses will be flat in FY 2027 and then grow at 2.0% per year. Contractual services are assumed to increase at a compound annual growth rate of +0.4% based on one-time expenditures during this time period, the wind down of environmental consulting, completion of EPMO software implementation, and fluctuations in major maintenance and maintenance dredging. General and administrative costs, and supplies increase 6.3%, and 1.5%, respectively, for this time period.
- Utility Cost of Sales changes are driven by anticipated changes in customer usage and rates.

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FY 2027 TO 2030 NON-OPERATING REVENUE & EXPENSE PROJECTION HIGHLIGHTS AND ASSUMPTIONS

- Interest income (including GASB 87) is anticipated to decrease in FY 2027 by 6.8%, FY 2028 by 4.7%, FY 2029 by 6.9%, and FY 2030 by 3.0% due to lower cash balances as cash is used to fund a portion of the Port's five-year CIP partially offset by higher interest earnings rate assumed at 3.7% in FY 2027, 3.9% in FY 2028 through FY 2029, and 4.2% in FY 2030. Interest income projections for GASB 87 are as follows: FY 2027 total of $19.4 million [$1.0 million (Aviation), $14.8 million (Maritime), and $3.5 million (CRE)], FY 2028 total of $15.9 million [$0.3 million (Aviation), $12.2 million (Maritime), and $3.4 million (CRE)], FY 2029 total of $12.9 million [$9.6 million (Maritime) and $3.3 million (CRE)], and FY 2030 total of $10.1 million [$7.0 million (Maritime) and $3.1 million (CRE)].
- Interest expense anticipated to fluctuate up and down due to reduction in interest associated with scheduled repayment of outstanding bond principal and projected repayment of existing CP notes, offset by increases in interest associated with projected issuance of new CP Notes and CP Note takeout bond financings (see Debt Service and Cash Flow section) in FY 2027 through FY 2030.
- PFCs projected to increase at the same rate as projected passenger growth rate.
- CFCs projected to increase at the same rate as projected passenger growth rate.
- Other income (expense) assumes ($3.2) million for City general services and Lake Merritt maintenance increases 4.0% annually, zero emission and environmental grants offsetting Port consultants costs, and 100% grant funded corridor improvements.
- Loss on abandoned and demolished assets assumed to be $8.5 million in FY 2027 due to the demolition of old and obsolete buildings and demolition of the Oakland Maintenance Center (OMC) at the Airport (3-year project). Losses anticipated at $4.2 million in FY 2028 due primarily to the demolition of the OMC and additional aviation buildings. FY 2029 assumes additional demolition of obsolete maritime and aviation buildings.
- Grants from government agencies include anticipated Aviation and Maritime grants for reimbursement of certain aviation debt service and capital expenditures and based on the 5-Year CIP. See *Capital Budget and 5-Year Capital Improvement Plan* section.

DEPRECIATION AND AMORTIZATION

The budget for Depreciation and Amortization reflects the anticipated in-service date and life expectancy of capital assets.

STATEMENT OF REVENUE, EXPENSES AND CHANGE IN NET ASSETS

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 THROUGH 2030

(In $Thousands)

Division	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30	Variance 2026B vs. 2025B B/(W)	% Variance 2026B vs. 2025B B/-W
Operating Revenue									
Aviation	$ 206,287	$ 214,016	$ 213,583	$ 223,962	$ 235,346	$ 241,909	$ 249,573	$ (432)	-0.2%
Maritime	172,146	183,792	176,295	181,937	186,997	187,709	195,553	(7,497)	-4.1%
CRE	17,399	18,359	17,632	19,453	22,661	23,353	24,062	(727)	-4.0%
Utilities	27,886	38,029	33,980	38,327	43,482	49,645	51,017	(4,049)	-10.6%
Intercompany Elimination	0	(6,162)	(6,343)	(7,645)	(9,263)	(11,275)	(11,642)	(180)	-2.9%
GASB 87 Leases Revenue Adjustment	(15,979)	(13,508)	(17,799)	(20,568)	(22,579)	(20,112)	(20,002)	(4,291)	-31.8%
Total Operating Revenue	**407,738**	**434,526**	**417,349**	**435,467**	**456,644**	**471,229**	**488,561**	**(17,176)**	**-4.0%**
Operating Expenses									
Aviation	(116,128)	(128,148)	(126,354)	(128,881)	(132,831)	(137,820)	(140,420)	1,794	1.4%
Maritime	(38,729)	(47,481)	(45,163)	(51,542)	(49,415)	(51,527)	(48,434)	2,319	4.9%
Commercial Real Estate	(7,237)	(8,789)	(9,215)	(9,557)	(9,049)	(9,254)	(9,423)	(426)	-4.9%
Utilities	(17,467)	(30,005)	(26,701)	(26,980)	(27,271)	(27,590)	(27,877)	3,305	11.0%
Engineering	(29,886)	(24,726)	(25,218)	(25,606)	(24,812)	(25,490)	(25,882)	(493)	-2.0%
Environmental	(5,793)	(6,750)	(7,582)	(7,816)	(7,950)	(5,594)	(5,563)	(832)	-12.3%
IT	(9,673)	(10,882)	(11,116)	(11,217)	(11,436)	(11,713)	(11,921)	(234)	-2.1%
Executive	(1,735)	(1,569)	(1,471)	(1,498)	(1,525)	(1,517)	(1,537)	98	6.2%
Public Engagement Office	(6,394)	(6,886)	(6,104)	(6,087)	(6,206)	(6,370)	(6,476)	782	11.4%
Board	(692)	(754)	(751)	(772)	(778)	(800)	(812)	3	0.5%
Audit	(1,831)	(2,011)	(1,623)	(1,657)	(1,688)	(1,738)	(1,763)	388	19.3%
Legal	(5,871)	(6,401)	(6,243)	(6,361)	(6,482)	(6,667)	(6,768)	157	2.5%
Finance & Administration	(21,473)	(25,644)	(24,886)	(25,502)	(26,167)	(26,976)	(27,602)	758	3.0%
Non-Departmental Expenses	(20,344)	(18,210)	(26,043)	(26,331)	(26,674)	(27,030)	(27,400)	(7,833)	-43.0%
Absorption of Labor & Overhead to Capital Assets	10,676	11,969	12,393	12,661	12,769	12,904	13,014	424	3.5%
Depreciation & Amortization	(116,933)	(110,256)	(123,467)	(128,374)	(137,420)	(149,936)	(162,310)	(13,211)	-12.0%
Intercompany Elimination		6,162	6,343	7,645	9,263	11,275	11,642	180	2.9%
Total Operating Expenses	**(389,513)**	**(410,380)**	**(423,200)**	**(437,874)**	**(447,671)**	**(465,843)**	**(479,533)**	**(12,820)**	**-3.1%**
Operating Income (A)	18,225	24,146	(5,851)	(2,407)	8,973	5,385	9,028	(29,996)	-124.2%
Non-Operating Items									
Interest Income	41,882	13,759	14,629	15,436	17,220	18,030	19,878	870	6.3%
GASB 87 Interest Income Adjustment	29,002	22,455	22,705	19,371	15,952	12,866	10,091	249	1.1%
Interest Expense	(13,788)	(13,135)	(11,630)	(12,835)	(15,861)	(17,347)	(20,723)	1,505	11.5%
Passenger Facility Charges (PFC's)	20,678	20,944	18,052	18,413	18,780	19,155	19,537	(2,892)	-13.8%
Customer Facility Charges (CFC's)	3,262	4,054	3,494	3,564	3,635	3,707	3,781	(560)	-13.8%
Customer Facility Charge Expenses	(3,577)	(4,054)	(3,494)	(3,564)	(3,635)	(3,707)	(3,781)	560	13.8%
Gain (Loss) on Sale (Disposal) of Capital Assets	(1,571)	2,488	(162)	(8,500)	(4,200)	(800)	(650)	(2,650)	-106.5%
Other Income (Expenses)	23,720	(5,126)	127	8,343	(455)	(1,421)	(4,953)	5,253	102.5%
(B)	99,607	41,386	43,721	40,227	31,436	30,485	23,180	2,335	5.6%
Capital Contributions									
Grants from Government Agencies **(C)**	28,577	55,293	81,725	158,293	71,964	19,200	13,600	26,432	47.8%
CHANGE IN NET ASSETS (A+B+C)	$ 146,410	$ 120,824	$ 119,595	$ 196,112	$ 112,373	$ 55,070	$ 45,807	$ (1,229)	-1.0%
Net Assets, Beginning of the Year	1,698,580	1,525,916	1,646,740	1,766,336	1,962,448	2,074,821	2,129,891	120,824	7.9%
Beg. Balance Adj for adoption of GASB 87									
Net Assets, End of the Year	**$ 1,844,990**	**$ 1,646,740**	**$ 1,766,336**	**$ 1,962,448**	**$ 2,074,821**	**$ 2,129,891**	**$ 2,175,698**	**$ 119,595**	**9.0%**

Senior Lien Debt Service Coverage Ratio	9.08	7.01	5.64	5.76	4.76	4.95	5.20
Intermediate Lien Debt Service Coverage Ratio	3.01	2.17	2.00	2.00	2.12	2.07	2.07
Aggregate Debt Service Coverage Ratio	2.78	2.02	1.87	1.85	1.94	2.02	2.03
Funded FTE's (Full-Time Equivalent)	466	550	534	534	534	534	534

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OPERATING EXPENSES BY CATEGORY

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 THROUGH 2030

($ Thousands)

	Actual 2023-24	Budget 2023-24	Budget 2024-25	Budget 2025-26	Variance 2026B vs. 2025 B/(W)	% Variance 2026B vs. 2025 B/(W)	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
			[A]	[B]	[A-B=C]					
Personnel Services	$136,154	$134,393	$143,037	$153,931	($10,894)	(7.6%)	$157,178	$160,017	$164,411	$166,774
Contractual Services	99,311	115,043	113,422	108,039	5,383	4.7%	113,466	111,325	1111,728	109,950
Supplies	8,120	6,885	6,794	6,947	(153)	(2.3%)	6,954	7,076	7,226	7,362
General & Administrative	22,499	27,641	27,447	26,083	1,364	5.0%	28,442	29,868	32,372	33,329
Utilities	17,467	25,146	27,894	23,874	4,020	14.4%	24,107	24,343	24,581	24,821
Departmental Credits	(10,972)	(12,008)	(12,307)	(12,798)	490	4.0%	(13,001)	(13,115)	(13,135)	(13,371)
Intercompany Elimination	n/a	n/a	(6,162)	(6,343)	180	2.9%	(7,645)	(9,263)	(11,275)	(11,642)
Operating Expenses before Depreciation	**272,579**	**297,101**	**300,124**	**299,733**	**391**	**0.1%**	**309,500**	**310,251**	**315,907**	**317,223**
Depreciation & Amortization	116,933	109,458	110,256	123,467	(13,211)	(12.0%)	128,374	137,420	149,936	162,310
Total Operating Expenses	**$389,513**	**$406,559**	**$410,380**	**$423,200**	**($12,820)**	**(3.1%)**	**$437,874**	**$447,671**	**$465,843**	**$479,533**

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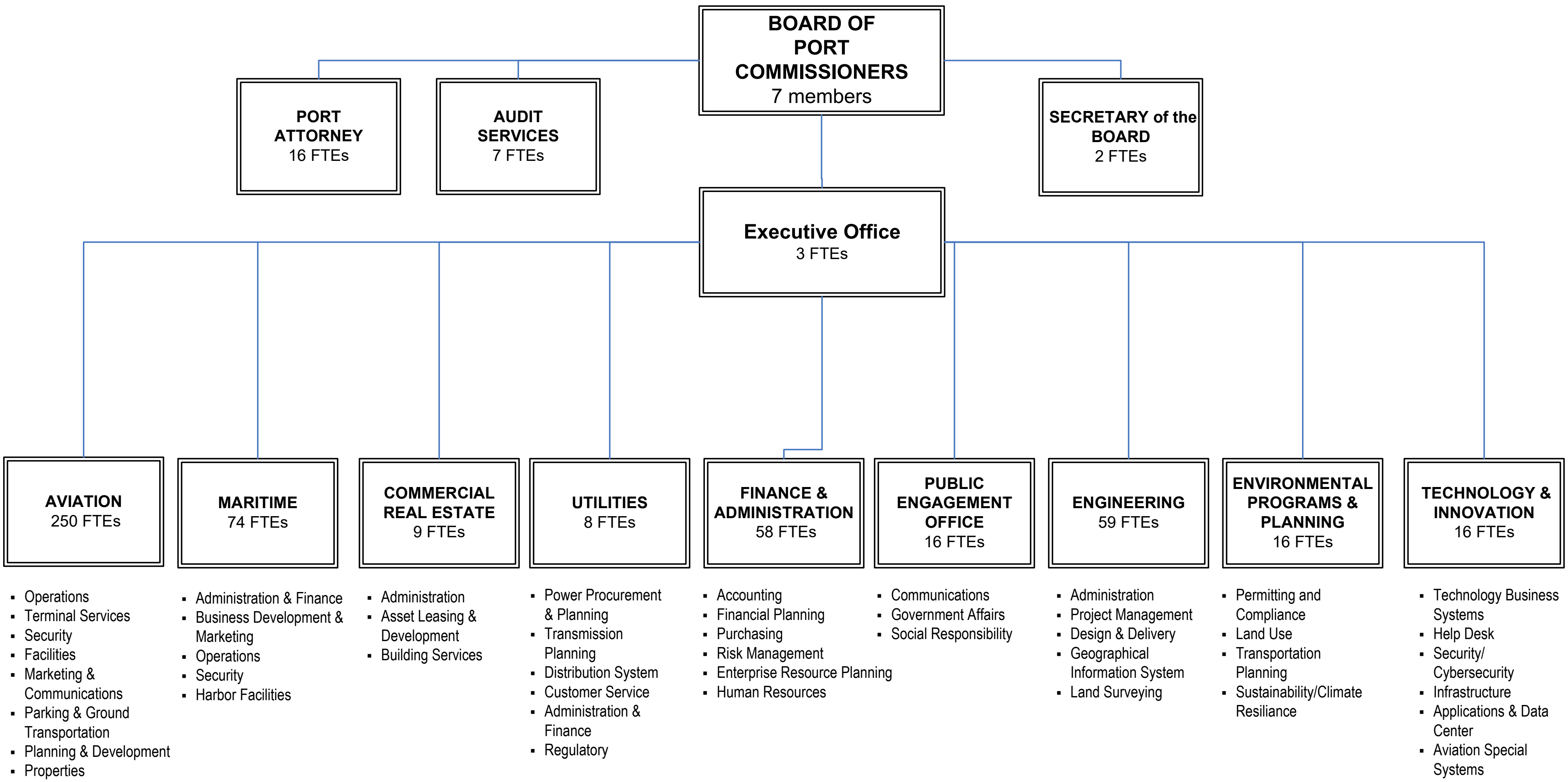
PORT OF OAKLAND
ORGANIZATION CHART

FISCAL YEAR 2025-26

534 FTES (FULL-TIME EQUIVALENTS)



STAFF SUMMARY

The Port continues to evaluate its staffing needs to ensure operational and customer needs are achieved while balanced against available financial resources.

FY 2026 staffing levels of 534 FTEs are reduced from FY 2025 by eliminating 16 previously vacant positions. A summary of staffing by Division is provided in the chart on the following page.

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STAFF SUMMARY

(FULL-TIME EQUIVALENT)

	Actual 2023-24	Budget 2023-24	Budget 2024-25[1]	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
FTEs								
Aviation	218	262	261	250	250	250	250	250
Maritime	71	74	74	74	74	74	74	74
Commercial Real Estate	8	8	8	9	9	9	9	9
Utilities	n/a	n/a	8	8	8	8	8	8
Executive Office[2]	3	4	3	3	3	3	3	3
Public Engagement Office	13	15	16	16	16	16	16	16
Engineering	58	72	64	59	59	59	59	59
Environmental	10	16	16	16	16	16	16	16
Information Technology	13	16	16	16	16	16	16	16
Board of Port Commissioners	2	2	2	2	2	2	2	2
Audit Services	6	7	7	7	7	7	7	7
Port Attorney	15	16	16	16	16	16	16	16
Finance and Administration	49	58	59	58	58	58	58	58
Total FTEs[3]	**466**	**550**	**550**	**534**	**534**	**534**	**534**	**534**

[1] Prior to FY 2025, Utilities staff were included in Engineering's FTEs. Beginning in FY 2025 Utilities became a standalone Revenue Division.
[2] Includes Chief Operating Officer
[3] FY 2023-24 Total FTEs represent the number of FTEs on payroll as of June 30, 2024.

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PERSONNEL COSTS BY DIVISION [1]

($ Thousands)

	Actual 2023-24	Budget 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Aviation	53,133	53,694	55,319	56,840	58,123	59,257	61,022	61,960
Maritime	17,855	17,526	19,897	20,521	21,010	21,424	22,073	22,412
Commercial Real Estate	1,791	2,001	2,106	2,368	2,422	2,469	2,545	2,583
Utilities			1,382	2,194	2,241	2,282	2,349	2,381
Executive Office	1,215	1,308	1,319	1,242	1,269	1,292	1,330	1,347
Public Engagement Office	4,132	4,041	4,510	3,823	3,906	3,981	4,101	4,162
Engineering	17,247	17,028	17,364	17,153	17,532	17,860	18,391	18,651
Environmental	3,055	2,939	3,661	4,180	4,276	4,360	4,494	4,562
Information Technology	3,553	3,924	4,073	4,487	4,588	4,675	4,817	4,886
Board of Port Commissioners	563	548	575	572	585	596	614	623
Audit Services	1,823	1,898	1,980	1,592	1,627	1,657	1,706	1,730
Port Attorney	5,053	5,209	5,249	5,248	5,365	5,466	5,632	5,712
Finance and Administration	12,227	13,330	14,099	13,861	14,175	14,450	14,891	15,114
Non-Departmental[2]	14,507	10,947	11,503	19,853	20,059	20,248	20,445	20,651
Total Personnel Services[3]	**136,154**	**134,393**	**143,037**	**153,931**	**157,178**	**160,017**	**164,411**	**166,774**

[1] Includes, but not limited to: salaries, fringe benefits, retiree medical costs, workers' compensation, overtime, temporary help, wellness program, professional development, continuing education, training, college tuition program, and meal allowance. Vacancy factor of 53 FTEs assumed in FY 2024 Budget, 45 FTEs assumed in FY 2025 Budget ,and 29.5 FTEs in FY 2026 Budget and in the FY 2027-30 projections. Vacancy factor is due to normal attrition and lags in hiring.
[2] Non-Departmental personnel costs include, but are not limited to, retiree medical expenses, workers’ compensation costs, vacation and sick leave accruals, retroactive pension costs, and unemployment insurance.
[3] Totals may not add up due to rounding.

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PERSONNEL COSTS

($ Thousands)

	Actual 2023-24	Budget 2023-24	Budget 2024-25	Budget 2025-26
Salaries and Wages	71,378	77,181	80,664	83,271
Pension	29,445	28,157	29,594	29,333
Health Care – Retirement	8,847	5,696	6,009	14,000
Health Care – Active	11,203	11,114	13,496	14,597
Overtime	6,454	4,353	4,879	4,042
Workers' Compensation	2,078	2,500	2,625	2,931
Vacation/Sick Leave	3,073	2,255	2,351	2,404
Medicare	1,185	1,118	1,170	1,207
Life, Disability, Accident Insurance	960	991	1,168	1,202
Training and Education	583	624	671	703
Other	947	404	410	240
Total Personnel Costs[1]	**136,154**	**134,393**	**143,037**	**153,931**
FTEs	466[2]	550	550	534
Vacancy Factor[3]	n/a	53	45	29.5

[1] Totals may not add up due to rounding.
[2] On June 30, 2024, there were 466 FTEs on payroll.
[3] Due to normal attrition and lags in hiring.

DIVISION BUDGETS

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DIVISION BUDGETS

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AVIATION DIVISION

AVIATION ADMINISTRATION

Aviation Administration manages, promotes, and develops air transportation facilities for use by the traveling public and tenants in a manner that prioritizes safety, security, customer experience, and maximizes OAK's economic contribution to the City of Oakland and the surrounding region, while caring for Oakland's community and environment.

AIRPORT OPERATIONS

Airport Operations provides 24/7 safety, security, crash, fire and emergency medical services; assigns and manages aircraft gates; manages noise and environmental issues; manages airfield surfaces; and coordinates with Airport Facilities Maintenance and Planning and Development regarding the maintenance and improvement of facilities. Staff inspects and maintains the Airport's operational facilities to ensure compliance with FAA, TSA, CBP, and other regulatory requirements. Staff also assists in ensuring facilities are safe, secure, and serve Airport customers by monitoring terminal and landside areas such as checkpoint and ticket counter activities.

AIRPORT TERMINAL SERVICES

Airport Terminal Services manages passenger terminal facilities and operations 24/7, interacts with airlines for space requirements, assigns ticket counters, ensures that terminal facilities serve Airport customers, manages custodial services, manages the Airport signage program, and coordinates with TSA regarding the security checkpoint screening area and CBP regarding international processing of passengers. Additionally, this team manages the volunteer and airport music program.

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AVIATION SECURITY

Aviation Security administers security, which includes Airport-worker training, background vetting, and the issuance of identification badges. This department also develops contingency plans for security-related emergencies at OAK, administers contracts with outside agencies to provide law enforcement and security guard services, manages and operates the Airport’s automated access control and video management systems, and coordinates with the TSA on terminal and perimeter security matters and the operation of the security checkpoints.

AVIATION FACILITIES MAINTENANCE

Aviation Facilities Maintenance performs maintenance, repair and construction of all Airport grounds, facilities, and physical plant components for the entire 2,600-acre campus and ensures compliance with numerous federal safety and security regulations and standards. This includes building exteriors, pavement (including runways, taxiways, and roadways), drainage, fences, dikes, and landscaping; all utility systems including electrical power distribution, water, and sewer systems; and the interior of the Airport terminals which includes electrical, lighting, heating, ventilating and air conditioning systems, baggage handling systems, elevators, escalators, and passenger loading bridges.

AVIATION PARKING AND GROUND TRANSPORTATION

Aviation Parking and Ground Transportation manages Airport public and employee parking facilities and ground transportation services, including operations, revenue control, shuttle services, and related management contracts supporting a safe, secure, and convenient customer and employee experience on the landside area of the Airport.

AVIATION MARKETING

Aviation Marketing develops, executes, and manages programs intended to maintain and grow passenger and cargo traffic levels at OAK. It manages OAK's brand and directs advertising programs, sponsorships, and community marketing initiatives. The department is also responsible for managing the air service incentive program, executing co-operative marketing campaigns for new routes and new entrant airlines.

AVIATION AIR SERVICE BUSINESS DEVELOPMENT

The department executes a business development strategy that seeks to sustain current levels of air service as well as grow the number of destinations served nonstop from OAK, with special focus on the top unserved air service markets.

AVIATION PLANNING AND DEVELOPMENT

Aviation Planning and Development evaluates and identifies Airport facility needs, develops plans and capital improvements to meet local and federal compliance regulations. The team also explores funding programs and manages implementation of all approved aviation capital projects to achieve scope, schedule, and budget objectives.

AVIATION PROPERTIES

Aviation Properties manages the leasing, acquisition, and disposition of on-airport properties. This includes all commercial airline lease agreements, principal land and building leases, in-terminal concessions, telecommunication services, and rental car agreements. Additionally, this department manages agreements with fixed base operators (FBOs), the airline fuel consortium, aircraft ground handlers, cargo operators, outdoor advertising, and a municipal golf course. Aviation Properties also coordinates with Aviation Planning and Development for the redevelopment of non-terminal facilities and underutilized assets.

The tables and notes on the following pages outline the Aviation Division's Key Operating Statistics and provide details on Operating Revenues and Expenses over the 5-year planning horizon of the Port.

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CY 2024 OAK Passenger Activity and Market Share by Carrier

Marketing Airline	Passengers	Market Share
Southwest Airlines[1]	8,264,312	76.4%
Spirit Airlines	809,647	7.5%
Volaris[2]	608,027	5.6%
Hawaiian Airlines	331,146	3.1%
Alaska/Horizon Airlines[3]	320,960	3.0%
Skywest Airlines[4]	175,012	1.6%
Delta Air Lines	130,529	1.2%
JSX Public Charter	81,941	0.8%
Allegiant Air	41,142	0.4%
Viva	23,521	0.2%
Advanced Air	10,735	0.1%
Sun Country Airlines	9,219	0.1%
Charter/Other[5]	8,029	0.1%
SATA Azores	6,813	0.1%
Total	**10,821,033**	**100%**

[1] Includes Southwest International
[2] Includes Vuela El Salvador, S.A. DE C.V., DBA Volaris El Salvador
[3] Horizon Air and Alaska Airlines are wholly owned subsidiaries of Alaska Air Group
[4] Skywest Airlines is a regional carrier operating at OAK under a contract with Delta Air Lines and Alaska Airlines
[5] Includes service operated by TACA DBA Avianca, Contour Airlines, and charter operations by Alaska Airlines and Sun Country Airlines

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OAK Passenger and Cargo Statistics

	CY 2024	CY 2023	% Change
PASSENGERS			
Enplaned	5,408,547	5,611,677	-3.6%
Deplaned	5,412,392	5,627,398	-3.8%
Total	10,820,939	11,239,075	-3.7%
FREIGHT *(in 000 lbs)*			
Inbound	506,326	566,962	-10.7%
Outbound	506,925	554,664	-8.6%
Total	1,013,251	1,121,626	-9.7%
MAIL *(in 000 lbs)*			
Inbound	17,885	5,814	207.6%
Outbound	19,523	5,276	270.0%
Total	37,408	11,090	237.3%
TOTAL AIR CARGO	1,050,659	1,132,716	-7.2%
(Freight & Mail, in 000 lbs)			
LANDED WEIGHT *(in 000 lbs)*	9,479,814	10,037,270	-5.6%
AIRCRAFT OPERATIONS	205,570	207,101	-0.7%

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Aviation Activity Levels

(Thousands)

	Actual 2023-24	**Budget 2024-25**	**Budget 2025-26**	**Projected 2026-27**	**Projected 2027-28**	**Projected 2028-29**	**Projected 2029-30**
Total Passengers	11,229	10,809	9,317	9,503	9,693	9,886	10,083
% Growth	(2.9%)	(3.7%)	(13.8%)	2.0%	2.0%	2.0%	2.0%
Enplaned Passengers	5,603	5,405	4,658	4,751	4,846	4,943	5,042
% Growth	(3.1%)	(3.5%)	(13.8%)	2.0%	2.0%	2.0%	2.0%
Landing Weight	9,759,775	9,006,158	8,675,289	8,762,041	8,849,662	8,938,158	9,027,540
% Growth	(6.4%)	(7.7%)	(3.7%)	1.0%	1.0%	1.0%	1.0%
Parking Transactions	799	775	660	674	687	701	715
% Growth	1.4%	(3.0%)	(14.8%)	2.0%	2.0%	2.0%	2.0%

Notes on Aviation Activity Levels:

- Budgeted FY 2026 passengers are 9.3 million or 13.8% lower than FY 2025 Budget and lower by 10.0% to anticipated FY 2025 passengers of 10.4 million.
- Passenger growth is projected to increase 2.0% annually in FY 2027 through FY 2030.
- Budgeted FY 2026 landing weight is 8.7 billion pounds or 3.7% lower than FY 2025 Budget, and 6.5% lower than anticipated FY 2025 landing weight of 9.3 billion pounds.
- Budgeted FY 2026 parking transaction volume is 660,384 or 14.8% lower than FY 2025 Budget, and 10.0% lower than anticipated FY 2025 parking transactions of 733,760. Parking transaction volume is anticipated to increase 2.0% annually in FY 2027 through FY 2030.

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Aviation Operating Revenues

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Airfield	42,551	49,325	53,854	53,424	55,815	58,000	60,335
Terminal	57,535	61,335	61,935	69,712	76,653	79,199	82,849
Parking and Ground Access	47,313	45,143	39,927	40,667	41,422	42,084	42,867
Other Airport Rentals	35,555	36,790	37,782	38,863	39,944	40,890	41,556
Car Rental	11,603	11,304	11,292	11,292	11,292	11,292	11,292
Terminal Concessions	8,858	7,462	7,011	7,213	7,421	7,637	7,859
Fueling	2,971	2,543	2,663	2,663	2,663	2,663	2,663
Miscellaneous & Other Charges	559	225	216	222	229	236	243
Utilities	0	138	155	157	158	160	161
Subtotal	206,944	214,266	213,833	224,212	235,596	242,159	249,823
Bad Debt Reserve	(657)	(250)	(250)	(250)	(250)	(250)	(250)
Total	206,287	214,016	213,583	223,962	235,346	241,909	249,573
GASB 87 Adjustment	(1,710)	(1,206)	(2,415)	(2,378)	(2,098)	n/a	n/a
NET TOTAL REVENUE	**204,577**	**212,810**	**211,169**	**221,584**	**233,248**	**241,909**	**249,573**

Notes on Aviation Operating Revenues:

- **FY 2026:** Assumes a 13.8% decrease in enplaned passengers compared to FY 2025 Budget of 5.4 million and 10.0% decrease relative to FY 2025 anticipated actuals of 5.2 million. Assumed aircraft landed weight 3.7% lower compared to FY 2025 Budget of 9.0 billion pounds and decreases by 6.5% relative to anticipated FY 2025 actuals of 9.3 billion pounds. Concessions and rental car revenues calculated on a percentage of MAG or percentage of sales basis, whichever is greater.
    - Total FY 2026 Aviation revenues budgeted at $211.2 million [a decrease of $1.6 million or 0.8% below FY 2025 Budget of $212.8 million] and $4.9 million or 2.3% lower than anticipated FY 2025 actuals of $216.1 million.

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- In FY 2026, GASB 87 adjustments reduce Aviation operating revenues by $2.4 million and increase Aviation interest income (Non-Operating Revenue) by $1.8 million. GASB 87 adjustments are non-cash entries reflecting the amortization of Port leases. The adjustments made to Operating Revenues do not represent a reduction in actual cash collected from operations nor do the adjustments made to Interest Income represent an increase in actual cash earned.
- Airfield revenue is projected to increase $4.5 million in FY 2026 compared to FY 2025 Budget and increase $1.8 million relative to anticipated actuals of $51.9 million. The increase is due in part to $2.2 million in additional costs to recover from the airlines for under-collection in landing fees in FY 2024.
- Terminal rent is projected to increase by $0.6 million in FY 2026 compared to FY 2025 Budget and decrease $2.1 million from FY 2025 anticipated actuals of $64.0 million. Terminal rent is higher due to increased costs mostly offset by a $2.4 million credit from lower terminal costs in FY 2024, and reduction in overall airline leased space.
- Parking and ground access revenues are projected to decrease $5.2 million in FY 2026 compared to FY 2025 Budget and decrease by $3.0 million relative to FY 2025 anticipated actuals of $42.9 million. The decrease in FY 2026 Budget is driven by decline in anticipated passenger traffic at OAK.
- Other Airport rentals are projected to increase $1.0 million in FY 2026 compared to FY 2025 Budget, and $0.5 million relative to FY 2025 anticipated actuals of $37.3 million. Other airport rentals increase due to higher anticipated cargo rents and space rents.
- Car rental revenue is projected to be flat to FY 2025 Budget in FY 2026 and flat to FY 2025 anticipated actuals of $11.3 million.
- Terminal concession revenues are budgeted at $7.0 million and projected to decrease by $0.5 million compared to FY 2025 Budget and $0.9 million lower compared to FY 2025 anticipated revenues. FY 2026 Concession revenues projected lower due to delays in the build out of space by the new retail concessionaires operating at OAK and anticipated declines in passenger traffic at OAK.
- Fueling revenue is projected to increase $0.1 million in FY 2026 compared to FY 2025 Budget and flat relative to FY 2025 anticipated actuals.
- Utilities revenue includes gas and sewer increase in FY 2026 due to higher pass-through rates.

- **FY 2027 - FY 2030:** Revenue is based on forecasted passenger growth, aircraft landed weight, airline seat capacity and current or anticipated lease terms. Highlights include:
  - Higher Airfield revenue and terminal rent increases reflect cost recovery of higher anticipated operating expenses, higher debt service payments and Port cash use amortization to fund Airfield and Terminal cost center capital projects.
  - Parking and ground access revenues projected to increase based on forecasted passenger growth.
  - Other Airport rentals increase based on contractual lease adjustments.
  - Sewer and gas revenues anticipated to increase 1% per annum.

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Aviation Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	53,133	55,318	56,840	58,123	59,257	61,022	61,960
Contractual Services	56,081	60,331	57,368	57,368	58,515	59,686	60,879
Supplies	4,331	3,052	3,080	3,075	3,136	3,199	3,263
General & Administrative	2,583	9,309	8,925	10,172	11,778	13,767	14,074
Utilities Cost of Commodity	n/a	138	141	143	144	146	147
TOTAL EXPENSE	**107,254**	**128,148**	**126,354**	**128,881**	**132,831**	**137,820**	**140,324**
FTEs (headcount)	*218*	*261*	*250*	*250*	*250*	*250*	*250*

Notes on Aviation Operating Expenses:

Personnel Services

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025. Overtime higher by $1.6 million. Vacancy factor of 27 FTEs or $5.1 million assigned directly to Aviation due to normal attrition.
- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA, step increases, and the elimination of 11 previously vacant positions. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026. Overtime decreases $0.4 million. Vacancy factor of 14 FTEs or $2.7 million assigned directly to Aviation compared to vacancy factor of 27 FTEs or $5.1 million in FY 2025.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB No. 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2025:** $4.2 million higher mainly due to increases in Alameda County Sheriff's Office (ACSO) expense of $2.9 million, consulting services of $1.6 million, parking lot and ground transportation operations of $1.4 million, and airport security of $0.6 partially offset by the elimination of one-time runway pavement repairs of $1.0 million in FY 2024, lower Airport Rescue Fire Fighting (ARFF) of $0.7 million, maintenance & repairs of $0.4 million, and US Customs and Border Patrol (CBP) of $0.1 million.
- **FY 2026:** $3.0 million lower mainly due to lower consulting services of $2.5 million, airport security of $0.4 million, maintenance and repairs of $0.5 million, and parking lot and ground transportation operations of $0.3 million partially offset by higher ACSO expense of $0.7 million.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

Supplies

- **FY 2025:** Decrease of $1.3 million due to lower electrical supplies of $0.3 million, janitorial supplies of $0.3, mechanical supplies of $0.3 million, maintenance materials of $0.2 million and safety & security supplies of $0.1 million.
- **FY 2026:** Increase due primarily to higher mechanical supplies partially offset by lower expendable equipment.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

General & Administrative

- **FY 2025:** Expenses higher by $6.7 million due to Port-Use Electricity related to airport billed to Aviation from Utilities related to Utilities being reported as a standalone revenue Division beginning in FY 2025. Cooperative marketing and travel increase by $0.2 million and $0.1 million, respectively.
- **FY 2026:** Lower marketing and advertising of $0.5 million, port use water and sewer of $0.4 million, and special events of $0.1 million partially offset by higher port use electricity of $0.3 million, public relations of $0.2 million, and cooperative marketing of $0.1 million.
- **FY 2027 through FY 2030:** Port use electricity higher due to rate increases while all other expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

Utilities Cost of Commodity

- **FY 2026 through FY 2030:** Sewer and gas cost of commodity for tenant billings anticipated to increase 1% annually.

MARITIME DIVISION

The Maritime Division leases, manages, promotes, and develops maritime-related logistics facilities, services and programs, which stimulate international trade and generate revenue – all to support the mission of the Port and promote economic growth in the Bay Area, Northern California, and beyond.

MARITIME ADMINISTRATION AND FINANCE

Maritime Administration and Finance assist in the overall management of the Division, including strategic planning, facility planning, budgeting, and real estate agreements. This department:

- Performs negotiation and administration of long-term lease agreements
- Provides facility pricing, contract negotiations and compliance, revenue billing, overall Tariff enforcement and administration, and audit support
- Conducts financial analysis and projections, including budget development and monitoring, as well as statistical data collection and analysis
- Performs strategic planning and analysis of environmental, legislative, and regulatory initiatives
- Executes day-to-day management of administrative matters

MARITIME OPERATIONS

Maritime Operations is responsible for day-to-day knowledge of field conditions and acts as liaison with maritime tenants and agency partners such as CBP, San Francisco Bar Pilots, and Marine Exchange of the San Francisco Bay Region. This department:

- Administers short-term lease agreements for various types of facilities
- Coordinates rail access and planning, as well as the Port's dredging program
- Enforces Tariff where applicable
- Identifies and monitors maintenance needs
- Coordinates with tenants and users on various operational matters, such as traffic management and extended terminal gate hours

MARITIME SECURITY

Maritime Security is responsible for day-to-day liaison with maritime tenants and agency partners for matters related to the security of Seaport operations and facilities. This department:

- Acts as a liaison between the U.S. Coast Guard, CBP, local law enforcement, and the Port's marine terminal operators for security regulations and enforcement strategies
- Ensures compliance with all mandates of the Federal Maritime Transportation Security Act and U.S. Coast Guard regulations related to maritime security
- Monitors security and communications systems and coordinates patrol services in response to Seaport incidents
- Plans, develops, implements, and evaluates Seaport security programs, projects, and public safety activities in the Seaport

MARITIME BUSINESS DEVELOPMENT AND MARKETING

Maritime Business Development and Marketing develops, recommends, and implements a broad range of targeted marketing and business development programs to address the commercial, operational, and strategic needs of the Seaport and its customers. This department:

- Gathers and analyzes statistical data and other market intelligence
- Seeks opportunities in domestic and foreign markets and formulates and executes market entry strategies
- Develops and implements strategies to promote the Seaport as a preferred gateway
- Markets available properties within the Seaport and manages the business development process
- Manages marketing communications consistent with overall Division objectives

MARITIME PROJECT MANAGEMENT

Maritime Project Management (PM) is responsible for day-to-day oversight and delivery of various projects ranging from major maintenance to construction of new capital assets. This department:

- Oversees and works with other Port departments to deliver a wide range of projects, including tenant-constructed projects
- Manages various consultant contracts in support of planning and development
- Interfaces with regulatory agencies and stakeholders to ensure project delivery
- Manages the Division's CIP budget
- Identifies and pursues grant funding opportunities to deliver projects

HARBOR FACILITIES

Harbor Facilities is responsible for maintaining Port-owned utilities, facilities, and equipment primarily in the Maritime and CRE areas and, to a lesser extent, at OAK and the Airport Business Park. As such, Harbor Facilities resources are shared across the Port's business lines. Harbor Facilities also provides support during construction of capital projects, performs regular and preventive maintenance, assists with operational needs such as traffic management, and provides first response during natural disasters and other emergencies. Below are the major functions of the department:

- *Facilities Management* plans, leads, organizes and controls the department's budget, programs, resource management, and cost allocation
- *General Maintenance* performs a wide variety of maintenance services such as roofing, paving, building maintenance, signage, landscaping, and maintenance and sweeping of Port-controlled roads
- *Utilities* maintains most Port-owned water and power distribution systems within the Seaport and CRE areas. Responsibilities include maintenance and/or installation of fire prevention services; electrical substations and sewer lift station lighting; electrical and mechanical systems for certain buildings; and above/underground utilities.
- *Fleet Maintenance* maintains and services Port vehicles, construction equipment, and aircraft crash and fire rescue vehicles
- *Diving Services* plans, coordinates, and performs inspection and repair of the Port's waterfront marine structures throughout the Maritime area, as well as in the CRE areas and various water-side structures and equipment at OAK. The Diving Services group can provide a variety of water-based services such as on-call response for aircraft and ferry boat accidents in the San Francisco Bay, and first response on waterside oil spill containment

The tables and notes on the following pages outline the Maritime Division's Key Operating Statistics and provide details on Operating Revenues and Expenses over the 5-year planning horizon of the Port.

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United States Container Port Activity by Volume (TEUs)

PORT	CY 2024	CY 2023	% CHANGE
LOS ANGELES (CA)	10,297,352	8,629,681	19.3%
LONG BEACH (CA)	9,649,724	8,018,668	20.3%
NEW YORK/NEW JERSEY (NY/NJ)	8,697,767	7,810,005	11.4%
SAVANNAH (GA)	5,545,557	4,927,654	12.5%
HOUSTON (TX)	4,139,911	3,824,600	8.2%
HAMPTON ROADS (VA)	3,523,512	3,287,546	7.2%
NW SEAPORT ALLIANCE (WA)	3,340,733	2,974,416	12.3%
CHARLESTON (SC)	2,497,143	2,482,080	0.1%
OAKLAND (CA)	2,262,921	2,065,750	9.5%

Source: American Association of Port Authorities (AAPA) 2024 Container Port data; Respective port web sites

Oakland Container Activity by Volume (TEUs)[1]

CONTAINTER TYPE	CY 2024	CY 2023	% CHANGE
FULL TEU			
IMPORT	964,240	838,231	15.0%
EXPORT	776,100	736,254	5.4%
TOTAL FULL	**1,740,340**	**1,574,485**	**10.5%**
TOTAL EMPTY	**522,582**	**491,266**	**6.4%**
TOTAL TEUS	**2,262,921**	**2,065,750**	**9.5%**

[1] Numbers may not sum exactly due to rounding. Includes estimates.

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Maritime Activity Levels

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Vessel Calls	1,077	1,050	1,030	1,030	1,030	1,030	1,030
Total TEUs[1]	2,189,469	2,086,452	2,215,076	2,246,825	2,269,196	2,291,793	2,314,615
% Growth	3.4%	-4.7%	6.2%	1.4%	1.0%	1.0%	1.0%
Full TEUs	1,697,527	1,629,207	1,707,115	1,733,786	1,751,027	1,768,442	1,786,030
% Growth	8.9%	-4.0%	4.8%	1.6%	1.0%	1.0%	1.0%
Empty TEUs	491,942	457,245	507,961	513,039	518,169	523,351	528,585
% Growth	-12.2%	-7.1%	11.1%	1.0%	1.0%	1.0%	1.0%

Notes on Maritime Activity Levels:

- **FY 2026 Vessel Calls:** The number of Vessel Calls is difficult to project in future years and is not a direct indicator of cargo activity or revenue. In FY 2025, vessel calls are anticipated to be lower than in FY 2024 Actual due to changes in ocean carrier schedules. For simplicity, Vessel Calls in FY 2026 are held flat to FY 2025 Anticipated Actuals and then again held flat in FY 2027 through FY 2030.
- **FY 2026 Cargo Throughput:** Total cargo throughput at marine terminals (i.e., Total TEUs) is projected to be 6.2% higher than the FY 2025 Budget and 1.6% higher than FY 2025 Anticipated Actual, reflecting modest growth in FY 2026, particularly at the Seaport's largest marine terminal. More detail is as follows:
    - Budgeted FY 2026 Total TEUs is 2.22 million, which is:
        - 1.6% higher than FY 2025 Anticipated Actual of approximately 2.18 million TEUs. Anticipated Actual is based on the first six months of FY 2025
        - 6.2% higher than FY 2025 Budget
        - 1.2% higher than FY 2024 Actual
    - Budgeted FY 2026 Full TEUs is 1.71 million, which is:
        - 1.8% higher than FY 2025 Anticipated Actual of 1.68 million
        - 4.8% higher than FY 2025 Budget
        - 0.6% higher than FY 2024 Actual
    - Budgeted FY 2026 Empty TEUs is 0.51 million, which is:
        - 1.0% higher than FY 2025 Anticipated Actual of 0.50 million
        - 11.1% higher than FY 2025 Budget
        - 3.3% higher than FY 2024 Actual

[1]TEU – Twenty-Foot Equivalent Unit. Does not include restows and shifts.

- **FY 2026 Rail Cargo:** Rail terminal cargo is budgeted at approximately 9,500 lifts. Some of the cargo handled at the marine terminals is transported directly to adjacent rail yards for transport inland. For the railyards owned by the Port, rail cargo throughput in FY 2026 is anticipated to grow 1.0% relative to FY 2025 Anticipated Actuals, generally consistent with cargo growth assumptions at marine terminals.
- **FY 2027 – FY2030:** Total TEU growth is assumed at 1.4% in FY 2027 and then at 1.0% in each of FY 2028 through FY 2030 (consistent with the Seaport's historic average rate of growth). Current projections over the 5-year period do not anticipate a full recovery to pre-COVID-19 throughput (2.6 million TEUs in FY 2019); current projections are for 2.3 million TEUs in FY 2030, which is approximately equal to FY 2016 throughput. Rail cargo volume is assumed to grow by 1.0% in each of FY 2027 through FY 2030 consistent with marine terminal cargo growth.

Maritime Operating Revenues

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Marine Terminals	119,847	125,749	128,832	134,692	137,818	145,236	146,666
Rail Terminals	3,722	3,900	1,025	2,526	4,027	6,028	6,028
Other Properties	47,467	52,779	44,809	43,154	43,571	34,838	41,234
Other[1]	546	380	1,597	1,571	1,588	1,613	1,630
Utilities	0	6	282	243	244	244	244
Subtotal	**171,582**	**182,814**	**176,545**	**182,187**	**187,247**	**187,959**	**195,803**
Bad Debt Reserve	(182)	(250)	(250)	(250)	(250)	(250)	(250)
Total	**171,400**	**182,564**	**176,295**	**181,937**	**186,997**	**187,709**	**195,553**
GASB 87 Adjustment	(12,166)	(10,162)	(13,070)	(15,790)	(18,085)	(17,824)	(17,758)
NET TOTAL REVENUE	**159,234**	**172,402**	**163,225**	**166,147**	**168,912**	**169,885**	**177,795**

Notes on Maritime Operating Revenues:

Changes in Maritime revenues are not always or entirely correlated with changes in cargo activity (discussed above) because of the terms of lease agreements, all of which provide for fixed rent independent of cargo activity. Nevertheless, cargo activity is a direct indicator of the overall health of the Seaport.

- **FY 2026 Total Maritime Revenue** (before GASB 87) is budgeted at $176.3 million:
  - A decrease of $6.3 million or 3.4% lower than FY 2025 Budget.

[1] Beginning in FY 2025, Other Revenue includes maintenance and vessel commissioning charges for the Port's shore power system.

- A decrease of $0.7 million or 0.4% lower than Anticipated FY 2025 Actual of $177.0 million.
- GASB 87 adjustments decrease Maritime operating revenues by approximately $13.1 million. GASB 87 adjustments are non-cash entries reflecting the amortization of Port leases. The adjustments made to Operating Revenues do not represent a reduction in actual cash collected from operations, nor do the associated adjustments to Interest Income (non-operating expense) represent an increase in actual cash earned.
- Includes revenue from the Common Area Electric Utility Assessment (CAEUA), gas, sewer, as well as shore power vessel commissioning and maintenance fees. Each of these revenues is intended to recover costs incurred by the Port. These revenues were not recognized as Maritime division revenue prior to FY 2026 and were not budgeted as Maritime division revenue prior to FY 2026.

- **FY 2026 Marine Terminals Revenue** is budgeted at $128.8 million, which is:
  - An increase of $3.1 million or 2.5% higher than FY 2025 Budget.
  - An increase of $2.3 million or 1.8% higher than FY 2025 Anticipated Actual of $126.6 million. This increase is due to anticipated increases in fixed rent and marine terminal space assignment rent.
- **FY 2026 Rail Terminals Revenue** is budgeted at $1.0 million, which is:
  - A decrease of $2.9 million or 73.7% lower than FY 2025 Budget due to renegotiated lease terms that reflect low throughput at the Joint Intermodal Terminal (JIT) as well as the anticipated conversion of the JIT to new on-dock rail facilities.
  - A decrease of $3.4 million or 76.8% lower than Anticipated FY 2025 Actual of $4.4 million due to renegotiated lease terms and the anticipated conversion of the JIT, as noted above.
- **FY 2026 Other Properties Revenue** is budgeted at $44.8 million, which is:
  - A decrease of $8.0 million or 15.1% less than FY 2025 Budget. This decrease in FY 2026 is due to lower utilization than anticipated at the Port's truck parking/container depot lots and the termination or reduction of leased space by certain long-term and short-term tenancies. The decrease is partially offset by scheduled rent increases for long-term lease tenants and a Tariff rate increase for short-term tenancies.
  - An increase of $0.2 million or 0.6% higher than Anticipated FY 2025 Actual of $44.6 million. This is due to anticipated scheduled rent increases and the full year's impact of new or modified tenancies that began in FY 2025. The increase is partially offset by lower utilization (reflecting the second half of FY 2025) of the Port's truck parking/container depot and the termination of certain long-term lease agreements and a short-term tenancy.
- **FY 2026 Utilities and Other Revenues** are comprised of registration fees for the Port's Comprehensive Truck Management Plan (CTMP); the CAEUA, as well as gas and sewer charges; and shore power fees discussed above. In total, FY 2026 Other Revenue increases to $1.9 million from $0.4 million in the FY 2025 Budget, primarily due to the budgeting changes in FY 2026 discussed above for utilities and shore power.
- **FY 2027 – FY2030: Total Maritime Revenue** is based on forecasted cargo activity growth at the Seaport, as well as current or anticipated lease terms. Specific revenue contributors include:

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- TEU growth of 1.4% in FY 2027 from anticipated new incremental volumes at certain marine terminals. TEU growth of 1.0% is expected in FY 2028 through FY 2030 which is consistent with the Port's historical average growth in cargo volumes.
- Growth of bulk cargo to 1.9 million metric tons through FY 2030 once operations at a new marine terminal commence in FY 2027 (anticipated).
- Scheduled fixed rent increases, and variable rent increases based on cargo activity.
- Assumed rent increases upon scheduled lease renewals.
- Anticipated new revenue from development/modernization of certain land at the Outer Harbor Terminal for marine terminal operations.

Maritime Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	17,855	19,897	20,521	21,010	21,424	22,073	22,412
Contractual Services	17,290	21,766	18,662	24,432	21,780	23,067	19,483
Supplies	3,120	3,193	3,293	3,288	3,354	3,421	3,489
General & Administrative	497	2,665	2,731	2,857	2,903	3,013	3,090
Departmental Credits	(33)	(49)	(50)	(50)	(51)	(51)	(52)
Utility Cost of Commodity	n/a	10	5	5	5	5	5
TOTAL	**38,729**	**47,481**	**45,163**	**51,542**	**49,415**	**51,527**	**48,427**
FTEs (headcount)	*71*	*74*	*74*	*74*	*74*	*74*	*74*

Notes on Maritime Operating Expenses:

<u>Personnel Services</u>

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025. Vacancy factor of 1.5 FTEs or $0.4 million assigned directly to Maritime due to normal attrition.

- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026. No vacancy factor assumed in Maritime compared to vacancy factor of 1.5 FTEs or $0.4 million in FY 2025.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB No. 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

<u>**Contractual Services**</u>

- **FY 2025:** Higher by $4.5 million primarily due to higher ancillary services (including truck parking) of $2.3 million, maintenance reimbursements to tenants of $1.6 million, consulting of $1.2 million, and Oakland mitigation cost share of $0.1 million partially offset by lower maintenance & repairs of $0.5 million and security of $0.3 million.
- **FY 2026:** Lower by $3.1 million due to lower ancillary services (including truck parking) of $2.5 million, maintenance reimbursements to tenants of $1.4 million, and lower major maintenance of $0.1 million partially offset by higher consulting of $0.9 million and maintenance & repairs of $0.1 million.
- **FY 2027:** Higher by $5.8 million compared to FY 2026 due to higher consulting $4.4 million, major maintenance of $1.3 million, other contractual services of $1.4 million, and Oakland mitigation cost share of $0.2 million partially offset by lower maintenance reimbursements to tenants of $1.0 million ancillary services (including truck parking) of $0.7 million.
- **FY 2028:** Lower by $2.7 million primarily due to lower consulting of $2.4 million, other contractual services of $0.4 million, major maintenance of $0.1 million, and repairs & maintenance of $0.1 million partially offset by higher ancillary services (including truck parking) of $0.1 million and security of $0.1 million.
- **FY 2029:** Higher by $1.3 million primarily due to consulting of $0.1 million, major maintenance of $1.1 million, and higher ancillary services (including truck parking) of $0.1 million partially offset by lower other contractual services of $0.2 million.
- **FY 2030:** Lower by $3.6 million primarily due to lower major maintenance of $0.6 million, lower consulting of $3.0 million, and other contractual services of $0.2 million, partially offset by higher ancillary services (including truck parking) of $0.2 million.

<u>**Supplies**</u>

- **FY 2025:** Higher by $0.1 million primarily due to higher maintenance materials and electrical supplies offset by lower vehicle maintenance supplies, mechanical supplies, and safety supplies.
- **FY 2026:** Higher by $0.1 million due to higher electrical supplies, maintenance materials, and automotive fuel.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

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General & Administrative

- **FY 2025:** Higher by $2.2 million due to Port-Use Electricity related to Maritime from Utilities related to Utilities being reported as a standalone revenue Division beginning in FY 2025 and higher travel of $0.2 million.
- **FY 2026 through FY 2030:** Port use electricity higher due to rate increases while all other expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

Utilities Cost of Commodity

- **FY 2026 through FY 2030:** Sewer and gas cost of commodity for tenant billings anticipated to increase 1% annually.

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COMMERCIAL REAL ESTATE DIVISION

The Commercial Real Estate (CRE) Division manages, promotes, develops, and enhances the City's urban waterfront for economic benefit and public enjoyment. CRE customers include:

- Tenants and individuals who manage, develop, and/or lease Port land, buildings, marinas, and other facilities;
- Employees and patrons of those businesses;
- Users of the public spaces such as plazas, piers, paths, and promenades; and
- Other Port Divisions and departments.

The CRE Division performs several major functions: marketing and managing Port assets; providing information, services, and special events to the public; planning and facilitating new development on the urban waterfront; and providing building services support to all Port Divisions.

The tables and notes on the following pages detail the Commercial Real Estate Division's Operating Revenues and Expenses over the 5-year planning horizon of the Port.

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Commercial Real Estate Operating Revenues

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Jack London Square	8,511	9,278	8,555	9,353	10,452	10,814	11,189
Embarcadero Cove	3,035	3,278	2,967	3,052	3,224	3,326	3,423
Business Park and Distribution Center	3,716	2,854	3,881	4,156	6,068	6,215	6,366
Brooklyn Basin and Other Areas	2,164	2,315	2,415	3,077	3,158	3,239	3,325
Subtotal	**17,696**	**18,734**	**17,817**	**19,638**	**22,902**	**23,594**	**24,303**
Bad Debt Reserve	(297)	(185)	(185)	(185)	(241)	(241)	(241)
Total	**17,399**	**18,549**	**17,632**	**19,453**	**22,661**	**23,353**	**24,062**
GASB 87 Adjustment	(2,103)	(2,141)	(2,313)	(2,400)	(2,396)	(2,288)	(2,244)
NET TOTAL REVENUE	**15,295**	**16,218**	**15,319**	**17,053**	**20,264**	**21,065**	**21,818**

Notes on Commercial Real Estate Operating Revenues:

FY 2026 CRE gross revenues before GASB 87 adjustments are projected to total $17.6 million, a decrease of $0.7 million (-4.0%) compared to FY 2025 Budget. Taking into account GASB 87 adjustments, FY 2026 Budget net operating revenues are projected to be $15.3 million which is $0.9 million (-5.5%) lower than FY 2025 Budget. In FY 2026, GASB 87 adjustments reduce CRE operating revenues by $2.3 million while they increase interest income (Non-Operating Revenue) by $3.7 million. GASB 87 adjustments are non-cash entries reflecting the amortization of Port leases. The adjustments made to Operating Revenues do not represent a reduction in actual cash collected from operations nor do the adjustments made to Interest Income represent an increase in actual cash earned.

Jack London Square

- **FY 2025:** Higher parking revenues, marina rent (accounting change), and restaurant rents
- **FY 2026:** Lower office rents at Port facility and hotel vacancy
- **FY 2027 through FY 2030:** Increase in parking revenues, percentage rents, and minimum rent adjustments due to projected lease renewals, new tenants, and scheduled rent adjustments

Embarcadero Cove

- **FY 2025:** Lower building with land and land rents due to vacancies
- **FY 2026:** Lower hotel percentage rents
- **FY 2027 through FY 2030:** Increase in percentage rents, and minimum rent adjustments due to projected lease renewals and scheduled rent adjustments

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Business Park and Distribution Center

- **FY 2025:** Higher land and warehouse rents
- **FY 2026:** Lost rent from hotel closure nearly offset by higher land, building, and warehouse rents
- **FY 2027 through FY 2030:** Assumes minimum rent adjustments for projected lease renewals and scheduled rent adjustments. Miscellaneous revenue increases in FY 2028 as derived from the optimal use of the land under the demolished hotel (to be determined by a Request for Proposal).

Brooklyn Basin and Other Areas

- **FY 2025:** Higher billboard revenue due to favorable lease renewals, partially offset by lower delinquency charges
- **FY 2026:** Higher land rents due to new tenancy
- **FY 2027 through FY 2030:** Projected increase in percentage rents, and minimum rents due to projected lease renewals and scheduled rent adjustments

Commercial Real Estate Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	1,790	2,106	2,368	2,422	2,469	2,545	2,583
Contractual Services	5,298	6,177	6,494	6,097	6,219	6,343	6,470
Supplies	22	30	30	30	31	31	32
General & Administrative	356	706	554	1,237	565	573	582
Departmental Credits	(230)	(230)	(230)	(230)	(235)	(239)	(244)
TOTAL EXPENSE	**7,237**	**8,789**	**9,215**	**9,556**	**9,049**	**9,254**	**9,423**
FTEs (headcount)	*8*	*8*	*9*	*9*	*9*	*9*	*9*

Notes on Commercial Real Estate Operating Expenses:

Personnel Services

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025.

- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA, step increases, and the transfer in of 1 previously vacant position from Finance. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2025:** Higher parking lot operating costs of $0.4 million, 530 Water Street operating costs of $0.1 million, consulting of $0.1 million, JLS common area maintenance (CAM) of $0.1 million, and security of $0.1 million
- **FY 2026:** Higher one-time building maintenance costs of $0.3 million and parking lot operations of $0.1 million, partially offset by lower security
- **FY 2027:** Lower building maintenance costs of $0.4 million. All other expenses assumed flat.
- **FY 2028 through FY 2030:** Expenses assumed to increase by approximately 2% each year

General & Administrative

- **FY 2025:** Higher by $0.3 million due to Port-Use Electricity now billed as an inter-departmental charge paid to the Utilities division. (Starting FY 2025, the Utilities division is classified as a standalone Revenue Division of the Port that charges the other Port departments for electricity). Higher Port Use of Water and Sewer.
- **FY 2026:** Lower promotional expenses of $0.1 million and lower Port-Use water. All other expenses assumed to remain flat.
- **FY 2027:** A one-time expenditure for leasing commissions of $0.7 million. All other non-utility expenses assumed flat and utilities increasing by 1%.
- **FY 2028 through FY 2030:** FY 2027 lower by due to the elimination of one-time expenditure for leasing commissions of $0.7 million in FY 2027 with all other expenses assumed to increase approximately 2% each year and Port-Use utilities increasing by 1%.

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UTILITIES DIVISION

The Utilities Division operates the Port's publicly owned utility system (electric) and supports the Port's operations by managing the administration of the retail utilities (electric, natural gas, water, and sanitary sewer). The Division purchases electricity in the wholesale and retail markets, ensures safe and reliable delivery of utility services to Port tenants and customers, oversees financial planning and rate development, manages billing for Port's electric, natural gas, wastewater collection services, and ensures compliance with applicable rules and regulations.

The Utilities Division also participates in the planning, operation, and upgrading of the Port's utility systems. The Division develops long-term resource acquisition strategies, negotiates renewable energy contracts for Port utility customers, operates in the Cap & Trade market, supports the Port's sustainability goals, and promotes energy efficiency and greenhouse gas reductions.

The tables and notes on the following pages detail Utilities Division Revenue and Operating Expense over the 5-year planning horizon of the Port.

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Utilities Revenue

($Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Electricity – Retail	7,771	8,325	7,329	7,403	7,477	7,552	7,627
Electricity – Wholesale	8,180	13,755	11,844	13,883	16,313	19,214	19,831
Electricity – Capacity	230	166	167	172	177	182	188
Shore Power	9,284	8,422	7,116	8,041	9,086	10,267	10,575
Inter-Company	n/a	6,162	6,343	7,645	9,263	11,275	11,642
Gas[1]	51	n/a	n/a	n/a	n/a	n/a	n/a
Water (Sewer)[2]	142	n/a	n/a	n/a	n/a	n/a	n/a
Cap & Trade	954	563	650	647	624	608	601
AB 1890	454	636	531	537	542	548	553
TOTAL REVENUE	**27,066**	**38,029**	**33,980**	**38,327**	**43,482**	**49,645**	**51,017**

Notes on Utilities Revenue:

FY 2026 Utilities revenues are budgeted at $34.0 million including inter-company revenues, and $27.6 million excluding inter-company revenues. Lower revenues in FY 2026 are due to lower expected electricity demand from Port tenants, lower pass-through electricity revenues, offset partially by scheduled electric rate increases.

Electricity Retail

- **FY 2026:** Decrease due to reduction in demand
- **FY 2027 through FY 2030:** Anticipated 1.0% annual growth

Electricity Wholesale

- **FY 2026:** Decrease due to reductio in electricity demand despite increase in electric rates on certain rate classes
- **FY 2027 through FY 2030:** Increases due to increased usage, and anticipated rate increases

[1] Starting in FY 2025, for Aviation and Maritime business lines, the cost of commodity for water, sewer and gas are included in their respective Division's operating expenses.
[2] Ibid. Water includes sewer.

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Electricity Capacity

- **FY 2026:** Higher by $1k or +0.6%
- **FY 2027 through FY 2030:** Assumes 2.8% to 3.3% annual increase in FY 2027 compared to FY 2026 Budget

Shore Power

- **FY 2026:** Lower usage anticipated due to less vessel calls
- **FY 2027 through FY 2030:** Rates anticipated to decrease in FY 2026. Revenues are projected to grow 13.0% annually in FY 2027 to FY 2029 and by 2.0% in FY 2030.

Inter-Company Revenue

- **FY 2026:** Higher by 2.8% compared to FY 2025 Budget.
- **FY 2027 through FY 2030:** Anticipated to grow annually between 2.3% and 21.7% due to increase in electricity demand and future rate increases

Cap & Trade

- **FY 2026 through FY 2030:** Revenue varies by year based on sale of allowances

AB 1890

- **FY 2026:** Increases due to normalizing to anticipated FY 2025 Actuals
- **FY 2027 through FY 2030:** Usage anticipated to increase annually

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Utilities Division Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	n/a	1,382	2,194	2,241	2,282	2,349	2,381
Contractual Services	n/a	793	680	680	694	707	722
Supplies	n/a	76	87	87	89	91	93
General & Admin	n/a	8	12	12	12	13	13
Electricity – Retail	6,650	9,415	8,129	8,211	8,293	8,376	8,460
Electricity – Wholesale	6,830	12,225	11,360	11,474	11,588	11,704	11,821
Shore Power	3,644	5,290	3,661	3697	3735	3772	3809
Gas[1]	50	n/a	n/a	n/a	n/a	n/a	n/a
Water & Sewer[2]	67	n/a	n/a	n/a	n/a	n/a	n/a
Cap & Trade	182	180	540	540	540	540	540
AB 1890	41	14	37	37	37	38	38
LCFS	2	0	0	0	0	0	0
TOTAL EXPENSE	**17,467**	**30,005**	**26,701**	**26,980**	**27,271**	**27,590**	**27,877**
FTEs (headcount)	n/a	*8*	*8*	*8*	*8*	*8*	*8*

Notes on Utilities Division Operating Expenses:

Personnel Services

- **FY 2025:** Utilities Division is now recognized as a stand-alone revenue division at the start of the fiscal year. Prior to FY 2025, budgeted expenses were included in the Engineering Division. Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025. Vacancy factor of 3 FTEs or $0.7 million assigned directly to Utilities.

[1] Starting in FY 2025, for Aviation and Maritime business lines, the cost of commodity for water, sewer and gas are included in their respective Division's operating expenses.
[2] Ibid. Water includes sewer.

- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026. Vacancy factor of 2 FTEs or $0.4 million assigned directly to Utilities compared to vacancy factor of 3 FTEs or $0.7 million in FY 2025.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB No. 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2025:** Utilities Division is now recognized as a stand-alone revenue division at the start of the fiscal year. Prior to FY 2025, budgeted expenses were included in the Engineering Division.
- **FY 2026:** Utility software annual maintenance lower by $0.1 million.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

General & Administrative

- **FY 2025:** Utilities Division is now recognized as a stand-alone revenue division at the start of the fiscal year. Prior to FY 2025, budgeted expenses were included in Engineering Division.
- **FY 2026:** Port-Use Electricity related to CRE operations moves to CRE from Operations Office related to Utilities being reported as a standalone revenue Division beginning in FY 2025. All other expenses assumed to increase approximately 3% each year.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

Utilities Cost of Commodity (Water and Gas)

- **FY 2025 through FY 2030**: Utilities Division is now recognized as a stand-alone revenue division at the start of the fiscal year. Water/sewer cost of commodity previously reported as Utilities expenses are now removed from Utilities expense and are instead billed on a go-forward basis to the respective Port divisions that are consuming them.

ENGINEERING DIVISION

The Engineering Division supports the development, renewal, and compliance of the physical infrastructure of the Port through planning support, design, construction and asset integration of Port facilities. Engineering's primary role is to help develop and manage capital and expense projects and programs of the Port. Engineering also supports the revenue Divisions with tenant projects and coordinates with Facilities Departments who are responsible for asset management through their maintenance activities. Engineering work on behalf of the Port and tenants is critical to the Port's drive to Zero Emissions across all its business activities.

Engineering provides planning support, scoping, engineering design, engineering project management, construction management, cost estimating, scheduling, facility inspections/assessments, review and inspection of tenant improvements, and technical studies to support the Port's revenue Divisions' infrastructure and development needs. Preparation of plans and specifications are accomplished largely through outside professional services contracts with oversight and management being provided by staff. In conjunction with the Social Responsibility Division (SRD), the Engineering team ensures that there is compliance with the non-discrimination and small and local business utilization policy. Also, working with other Divisions, the Engineering team supports the application for and implementation of outside grants/funding sources as these relate to Port projects.

Engineering also manages the water depth of the channels and berths to provide for safe and efficient maritime navigation at the Port. This responsibility includes the Port's berth maintenance dredging program, coordination with the U.S. Army Corps of Engineers for the federal channel maintenance dredging, and deepening projects as applicable.

Engineering is additionally responsible for the structural integrity and major operational maintenance of Port-owned container cranes, including project management and construction administration, construction inspection, testing, loading, delivery, unloading, and commissioning of cranes.

Finally, Engineering provides a variety of engineering-related support services to the Port, Port tenants, and the public, including.

- ***Contract Administration -*** administering the consultant and construction contracts that are issued by the Division and assisting in the management of the Maritime and Aviation Project Labor Agreement (MAPLA) as well as maintaining a comprehensive project contract file archive.
- ***Document Control -*** administering the bid process for public works contracts and long-term management of project manuals and engineering documents.
- ***Geomatics (Surveys and Land Records) -*** providing survey, mapping, and land records management services to support the Port's development needs.
- ***Geographical Information System Mapping Technology (GIS) -*** verifying and developing mapping solutions for information sharing and data retention to support the Port operations.

The tables and notes on the following pages detail the Engineering Division's Operating Expenses over the 5-year planning horizon of the Port.

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Engineering Division Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	17,247	17,364	17,153	17,532	17,860	18,391	18,651
Contractual Services	5,452	7,250	7,958	7,958	6,842	6,979	7,119
Supplies	191	25	29	37	30	39	31
General & Administrative	6,999	86	78	78	79	80	81
Departmental Charges (Credits)	(4)	(0)	(0)	(0)	(0)	(0)	(0)
TOTAL EXPENSE	**29,886**	**24,726**	**25,218**	**25,606**	**24,812**	**25,490**	**25,882**
FTEs (headcount)	*58*	*64*	*59*	*59*	*59*	*59*	*59*

Notes on Engineering Division Operating Expenses:

Personnel Services

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025. Vacancy factor of 6 FTEs or $1.5 million assigned directly to Engineering.
- **FY 2026** Assumes salaries adjusted for a 1.2% COLA, step increases, and the elimination of 5 previously vacant positions. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026. Overtime decreases $0.4 million. Vacancy factor of 3 FTEs or $0.8 million assigned directly to Engineering compared to vacancy factor of 6 FTEs or $1.5 million budgeted in FY 2025.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2025:** Higher engineering consulting of $1.5 million to support Engineering Project Management Office initiative (EPMO), crane maintenance of $0.3 million, and electrical repairs of $0.1 million

- **FY 2026:** Higher consulting to support EPMO initiative of $1.0 million partially offset by lower maintenance dredging consulting of $0.2 million and crane maintenance of $0.1 million
- **FY 2027:** Expenses assumed to be flat
- **FY2028 through FY 2030:** FY 2028 consulting assumed to decrease by $1.2 million as EPMO implementation completed. All other expenses assumed to increase approximately 2% each year.

Supplies

- **FY 2025:** Lower electrical supplies and office supplies
- **FY 2026:** Higher office supplies offset by lower expendable equipment
- **FY 2027 through FY 2030**: Expendable equipment fluctuates annually. FY 2027 assumed flat with all other expenses assumed to increase by 2% each year thereafter.

General & Administrative

- **FY 2025:** Port use electricity transferred to Utility Division and reported as electricity cost of commodity. Port use water/sewer and gas transferred to Aviation, Maritime, and CRE and reported as Port use commodities.
- **FY 2026:** Lower travel, legal advertising, and books & subscriptions mostly offset by higher port issued cellular devices
- **FY 2027 through FY 2030:** FY 2027 assumed flat with all other expenses assumed to increase by 2% each year thereafter

Departmental Credits

- **FY 2025 through FY 2030:** No Bill to Others for Port labor assumed in the budget

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ENVIRONMENTAL PROGRAMS AND PLANNING DIVISION

The Environmental Programs and Planning Division (EP&P) has primary responsibility to promote Port business development, including the 5-Year CIP, through environmental stewardship and ensuring environmental compliance with all federal, State, and local statutes and regulations in all Port plans, activities, operations, and development programs and projects. There are three core functions within the EP&P: (1) Sustainability; (2) Planning; and (3) Environmental Compliance. Programs within each category include:

Sustainability

- Zero Emission planning, grant seeking and management support, and technology evaluation and strategy;
- Port/tenant, community, and other stakeholder engagement and collaboration for clean equipment and infrastructure; and
- Development of long-term strategies, plans and programs to address critical environmental issues, such as air quality, climate resilience, storm water, truck operations, sea level rise, and sustainability.

Planning

- Environmental planning and assessment as Lead Agency or Responsible Agency pursuant to the California Environmental Quality Act and review under the National Environmental Policy Act;
- Technical planning services, expertise, and management to support the Port's current and long-range planning efforts, including studies, specific plans, site plans, land use and transportation plans;
- Environmental policy and advocacy vis a vis public regulatory bodies, trade associations, community and environmental organizations; and
- Support to community relations and media activities to raise awareness of Port environmental stewardship activities, programs, and accomplishments.

Environmental Compliance

- Regulatory programs and permitting for Port operations, maintenance, and capital improvement projects and coordination with regulatory agencies;
- Environmental hazardous materials management and remediation, including soil and groundwater pollution clean-up, remediation, and prevention; sediment management; abatement, and disposal of hazardous materials and waste; and environmental liability insurance recovery technical support; and
- Port development permits, City building permits, and code compliance support for the Port, its tenants and other landowners within the Port Area.

The tables and notes on the following pages detail the Environmental Programs and Planning Division's Operating Expenses over the 5-year planning horizon of the Port.

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Environmental Programs and Planning Division Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	3,055	3,661	4,180	4,276	4,360	4,494	4,562
Contractual Services	2,592	3,034	3,456	3,528	3,576	965	985
Supplies	7	2	2	2	2	2	2
General & Administrative	167	113	70	70	71	73	74
Departmental Charges (Credits)	(29)	(60)	(125)	(60)	(60)	(60)	(60)
TOTAL EXPENSE	**5,793**	**6,750**	**7,582**	**7,816**	**7,950**	**5,594**	**5,563**
FTEs (headcount)	*10*	*16*	*16*	*16*	*16*	*16*	*16*

Notes on Environmental and Planning Division Operating Expenses:

Personnel Services

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025. Vacancy factor of 2 FTEs or $0.4 million assigned directly to Environmental due to normal attrition.
- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026. No vacancy factor assumed compared to 2 FTEs or $0.4 million budgeted in FY 2025.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB No. 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2025:** Higher environmental consulting costs of $0.5 million and municipal storm water permits of $0.1 million partially offset by lower hazardous waste testing, hauling & disposal of $0.2 million

- **FY 2026:** Higher environmental consulting costs of $0.5 million partially offset by lower municipal storm water permits and ongoing permitting fees of $0.1 million (net)
- **FY 2027:** Higher environmental consulting costs partially offset by lower municipal storm water permits
- **FY 2028:** Lower environmental consulting costs of $2.6 million due to completion of Port Vulnerability and Resiliency Planning & Assessment
- **FY 2029 through FY 2030:** Expenses assumed to increase approximately 2% each year

Supplies

- **FY 2025:** Lower office supplies and expendable equipment
- **FY 2026 through FY 2030:** Expenses assumed flat in FY 2026 and FY 2027 with expenses assumed to increase approximately 2% each year thereafter

General & Administrative

- **FY 2025:** Lower hazardous waste, travel, and personnel advertising
- **FY 2026:** Lower hazardous waste assumed
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 with expenses assumed to increase approximately 2% each year thereafter

Departmental Credits

- **FY 2025:** Higher Environmental Permit Fee recoveries anticipated compared to FY 2024 actuals.
- **FY 2026:** Higher Environmental Permit Fee recoveries anticipated
- **FY 2027 through FY 2030:** Lower Environmental Permit Fee recoveries in FY 2027 and assumed flat each year thereafter

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TECHNOLOGY AND INNOVATION DIVISION

The Technology and Innovation Division (T&I) is responsible for the planning, development, management, operation, security, and maintenance of the Port's business systems, special systems and technology portfolio.

The division collaborates with Port Divisions and stakeholders to provide long-term technology planning and guidance; facilitates the integration of technology solutions into Port operations to support overall goals and strategies; manages technology resources to ensure that the Port's business systems run efficiently with minimal service disruptions; maintains the integrity, availability, and security of Port business systems and technology infrastructure; and supports the Port's continuity of operations by preparing and exercising contingency and disaster recovery plans.

The tables and notes that follow detail the Technology and Innovation Division's Operating Expenses over the 5-year planning horizon of the Port.

Technology and Innovation Division Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	3,353	4,073	4,487	4,588	4,675	4,817	4,886
Contractual Services	5,010	5,570	5,431	5,431	5,539	5,650	5,763
Supplies	358	323	338	338	345	352	359
General & Administrative	752	915	860	860	877	894	912
TOTAL EXPENSE	**9,673**	**10,882**	**11,116**	**11,217**	**11,436**	**11,713**	**11,921**
FTEs (headcount)	*13*	*16*	*16*	*16*	*16*	*16*	*16*

Notes on Technology and Innovation Division Operating Expenses:

<u>Personnel Services</u>

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025. Vacancy factor of 1 FTE or $0.3 million assigned directly to Technology and Innovation due to normal attrition.

- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026. Overtime decreases $0.4 million. No vacancy factor assumed compared to a vacancy factor of 1 FTE or $0.3 million budgeted in FY 2025.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB No. 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2025:** Higher maintenance and repairs of $0.3 million and computer systems of $0.3 million
- **FY 2026:** Higher consulting of $0.1 million and computer systems of $0.1 million partially offset by higher maintenance and repairs of $0.1 million
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 with expenses assumed to increase approximately 2% each year thereafter

Supplies

- **FY 2025:** Lower computer supplies and expendable equipment.
- **FY 2026:** Higher expendable equipment
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 with expenses assumed to increase approximately 2% each year thereafter

General & Administrative

- **FY 2025:** Higher wireless communications of $0.1 million and landline and data services of $0.1 million
- **FY 2026:** Lower landline and data services partially offset by higher wireless communications.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter

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FINANCE AND ADMINISTRATION DIVISION

The Finance and Administration Division provides the Port with short and long-term financial guidance in the areas of financial planning, financial management, capital project funding, and internal and external financial reporting. This Division is also responsible for risk management, purchasing, and the ERP information technology function. Additionally, the Human Resources Division reports to the Chief Financial Officer.

FINANCE

- ***Accounting*** is overseen by the Port Controller and provides centralized accounting and financial statement reporting services for the entire Port. Accounting develops and maintains a system of internal controls to help maintain reliable financial reporting and plays an important role in safeguarding assets and preventing and detecting fraud. The primary functions of the department include: producing and delivering invoices to tenants, processing payments to suppliers, preparing and distributing payroll, custody and maintenance of the general ledger, preparing monthly financial statements, managing of grant reimbursements, and managing the annual external audits which includes the production of the Port's Annual Comprehensive Financial Report (ACFR). Additionally, Accounting works closely with the Port's Audit Services Division on internal audits and with Financial Planning on certain reports and studies.

- ***Financial Planning*** prepares the Port's annual operating and capital budgets, prepares financial analyses and forecasts, and develops and coordinates the funding of capital projects. The department is also responsible for Aviation Rates and Charges, cash management, debt management, debt compliance, and long-range financial planning.

- ***Purchasing*** facilitates and manages the acquisition of supplies, equipment and services for the Port, except for those items and services which are procured through construction bids (public works).

- ***Risk Management*** is responsible for identifying, evaluating and recommending risk transfer of insurable loss exposures faced by the Port. The department coordinates and directs various risk transfer functions, including risk analysis, insurance purchase, claims administration, selection of agents/brokers, and allocation of risk charges to operating departments. Risk Management reviews Port contracts, and recommends and tracks insurance protection levels for tenants, vendors, consultants, and suppliers. The department also administers the Port's Owner-Controlled Insurance Program (OCIP) for capital improvement projects.

ENTERPRISE RESOURCE PLANNING

The Enterprise Resource Planning (ERP) Group provides technical and functional support to users of the Oracle eBusiness Suite. The Port utilizes Oracle eBusiness Suite in the following business areas: Financials, Human Resources, Payroll, Projects & Grants, Procurement, Enterprise Asset Management, Property Management, and Maritime Tenant Revenue.

HUMAN RESOURCES

Human Resources (HR) is responsible for servicing and advising the Port on matters related to human resources administration.

- ***Talent Services*** is responsible for the administration of the Personnel Rules and Procedures of the Port of Oakland (Port Personnel Rules); and maintains and administers provisions related to classification and compensation, recruitment and selection, certification, appointment, and performance management.

- ***Payroll and Benefits*** is responsible for the effective delivery of services related to payroll, wellness, and benefits administration.

- ***Employee and Labor Relations*** is responsible for the administration of the four labor contracts at the Port; engages with Port labor unions in the negotiation of successor contracts; when appropriate, meets and confers with labor unions over changes in wages, hours, and working conditions; assists and guides management in handling grievances, employee discipline matters, and employee relations issues; and provides support to the Port Attorney's Office for litigation or arbitrations arising out of employment related contract disputes.

- ***Equal Opportunity*** is responsible for policies and programs that ensure the Port is free of discrimination and harassment pursuant to rules and regulations promulgated by the Department of Fair Employment and Housing (DFEH) and the Equal Employment Opportunity Commission (EEOC). Equal Opportunity is also responsible for the Accessibility and Accommodation Program, which prohibits discrimination against persons with disabilities in employment, transportation, public accommodation, communications, governmental activities, and telecommunication.

- ***Workers' Compensation*** maintains and operates a self-insured, self-funded workers' compensation program in compliance with all applicable laws and statues. Workers' Compensation investigates each industrial injury or illness, reports suspected fraudulent claims, monitors medical treatment, arranges medical consultations, determines eligibility for workers' compensation benefits, provides information on benefits to employees, communicates with Port management on return-to-work status and coordinates with reporting agencies and other Port Divisions to resolve work-related illness or injury issues.

- ***Organizational Effectiveness*** is responsible for the delivery of an array of training programs designed to enhance staff morale and develop and promote an efficient and high performing workforce.

- ***Employee Health and Safety*** implements and administers the Port's Safety Program including pertinent safety monitoring and control, training, disaster/emergency response, accident prevention and other related functions to reduce safety hazards and loss for the Port. It also provides technical consultation to Port departments to ensure compliance with the Occupational Safety and Health Act and other federal, State, and local ordinances pertaining to hazardous waste, toxic substances, and safety.

The tables and notes that follow detail the Finance and Administration Division's Operating Expenses over the 5-year planning horizon of the Port.

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Finance and Administration Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	12,227	14,099	13,861	14,175	14,450	14,891	15,114
Contractual Services	2,603	3,172	2,992	2,992	3,050	3,088	3,148
Supplies	69	72	72	72	74	75	76
General & Administrative	6,574	8,300	7,960	8,262	8,593	8,922	9,264
TOTAL EXPENSE	**21,473**	**25,644**	**24,886**	**25,502**	**26,167**	**26,976**	**27,602**
FTEs (headcount)	*49*	*59*	*58*	*58*	*58*	*58*	*58*

Notes on Finance and Administration Operating Expenses:

Personnel Services

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025. Vacancy factor of 4 FTEs or $0.8 million assigned directly to Finance and Administration due to normal attrition.
- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA, step increases, and the transfer out of 1 previously vacant position to CRE. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026. Vacancy factor of 5.5 FTEs or $1.1 million assigned directly to Finance and Administration compared to vacancy factor of 4 FTEs or $0.8 budgeted in FY 2025.
- **FY 2026 through FY 2029:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB No. 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2025:** Higher computer systems costs of $0.3 million, financial consultants of $0.1 million, consulting of $0.1 million, and security costs of $0.1 million.
- **FY 2026:** Lower computer systems costs of $0.2 million and financial consultants of $0.1 million partially offset by higher HR consultants of $0.1 million.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

Supplies

- **FY 2025:** Higher safety supplies offset by lower office supplies.
- **FY 2026 through FY 2029:** Expenses assumed flat in FY 2026 and FY 2027 and then increase by approximately 2% each year thereafter.

General & Administrative

- **FY 2025:** Higher insurance premiums of $1.7 million driven by a $1.4 million or 42% increase in Fire Insurance premiums.
- **FY 2026:** Lower Insurance premiums of $0.2 million and personnel recruitment of $0.1 million.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

EXECUTIVE OFFICE

The Executive Office provides leadership, vision, and direction to all Port Divisions. The Executive Director, who is appointed by the Board, is the Port's top management official. In accordance with Board direction, the Executive Director is responsible for the formulation, interpretation, and implementation of all Port policy. Divisions that directly report to the Executive Director include Aviation, Maritime, Commercial Real Estate, Utilities, Finance and Administration, the Public Engagement Office, Engineering, Environmental Programs and Planning, and Technology and Innovation.

The tables and notes that follow detail the Executive Office's Operating Expenses over the 5-year planning horizon of the Port.

Executive Office Operating Expenses

($ Thousands)

	Actual 2023-24*	Budget 2024-25[1]	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	1,215	1,319	1,242	1,269	1,292	1,330	1,347
Contractual Services	172	105	25	25	25	26	27
Supplies	12	6	1	1	1	1	1
General & Administrative	337	139	202	202	206	160	163
TOTAL EXPENSE	**1,735**	**1,569**	**1,471**	**1,498**	**1,525**	**1,517**	**1,537**
FTEs (headcount)	*3*	*3*	*3*	*3*	*3*	*3*	*3*

Notes on Executive Office Operating Expenses:

<u>**Personnel Services**</u>

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025.

[1] Includes Chief Operating Officer

- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2025:** Lower consulting.
- **FY 2026:** Lower consulting.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

General and Administrative

- **FY 2025:** Primarily lower special events of $0.2 million.
- **FY 2026:** Higher special events of $0.1 million.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

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OFFICE OF THE CHIEF PUBLIC ENGAGEMENT OFFICER

The Office of the Chief Public Engagement Officer (Office of the CPEO) serves as a central point of coordination for internal and external affairs of all the Port Divisions. The Public Engagement Office comprises the Communications, Social Responsibility, and Governmental Affairs departments, among other functional responsibilities.

COMMUNICATIONS

Communications oversees the Port's media relations, crisis communications, and social media outreach for Port stakeholders. The functions are designed to increase public awareness and understanding of the Port, including projects and policies, as well as the following:

- Develops and implements communication strategies to promote and strengthen the Port's reputation;
- Handles ongoing media outreach to local, national, international and industry-specific news outlets;
- Manages press conferences, special events and prepares public presentations including web site management;
- Produces employee communications; and
- Provides reprographic services to all Port Divisions including digital printing, binding, and copying.

GOVERNMENTAL AFFAIRS

Governmental Affairs works with other Port Divisions to develop and implement legislative, regulatory and advocacy strategies to establish the Port's position on legislative and regulatory proposals. The department manages and coordinates the Port's relationships with local, regional, state, and federal governments and leads the initiatives to identify and secure governmental agency funding for Port projects and programs.

SOCIAL RESPONSIBILITY

Social Responsibility (SRD) aims to facilitate inclusion, fairness, equity, and access to economic opportunities, programs, and services of the Port for the people and businesses in the Port community through innovative policies and programs, strategic partnerships, and outreach. In addition, the roles of SRD include the following:

- Promotes inclusion of small, local, and/or disadvantaged business enterprises in procurement and contracting opportunities at the Port;
- Promotes the hiring of local residents on Port-related projects;
- Promotes and facilitates job opportunities and sustainable wages for the local community;
- Defines, develops, and administers comprehensive community education and outreach programs, and manages the community engagement planning for the organization; and
- Ensures the Port's compliance with Title VI of the Civil Rights Act of 1964.

The tables and notes that follow detail the Office of the Chief Public Engagement Officer's Operating Expenses over the 5-year planning horizon of the Port.

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Office of the CPEO Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	4,132	4,510	3,823	3,906	3,981	4,101	4,162
Contractual Services	1,534	1,530	1,341	1,241	1,266	1,291	1,317
Supplies	5	5	7	7	7	8	8
General & Administrative	723	840	933	933	951	970	990
TOTAL EXPENSE	**6,394**	**6,886**	**6,104**	**6,087**	**6,206**	**6,370**	**6,476**
FTEs (headcount)	*13*	*16*	*16*	*16*	*16*	*16*	*16*

Notes on the Office of the CPEO Operating Expenses:

Personnel Services

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025.
- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026. Vacancy factor of 2.5 FTEs or $0.7 million assigned directly to Communications and SRD compared to no vacancy budgeted in FY 2025.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB No. 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2025:** Higher computer systems costs of $0.1 million offset by lower Middle Harbor Shoreline Park (MHSP) management fees of $0.1 million
- **FY 2026:** Lower MHSP management fees of $0.2 million partially offset by higher communications consulting
- **FY 2027:** Lower communications consulting
- **FY 2028 through FY 2030:** Expenses assumed to increase by approximately 2% each year.

General and Administrative

- **FY 2025:** Primarily higher marketing & advertising for "Everyone's Port" of $0.1 million.
- **FY 2026:** Higher marketing & advertising and special events.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

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PORT ATTORNEY'S OFFICE

The Port Attorney's Office, as provided under City Charter Section 706, paragraph 20, passes upon the form and legality of all contracts within the jurisdiction of the Board; gives legal advice to the Board, its officers and employees on all matters within its jurisdiction; defends and prosecutes or compromises all actions at law or equity and special proceedings for or against the City related to Port activities or any Port officers in their official capacity; prepares all legal briefs and memoranda, contracts, ordinances, resolutions, and other documents of the Port; and makes all appearances in actions and proceedings on behalf of the Port. The Port Attorney, who reports directly to the Board, discharges these duties directly and through assistants and deputies. Duties are assigned among the staff attorneys on a case-by-case basis with some specialization in maritime, aviation, commercial real estate, utilities, environmental, insurance, litigation, public finance, construction, open meeting laws, tax, and labor/employment.

The tables and notes that follow detail the Port Attorney's Office's Operating Expenses over the 5-year planning horizon of the Port.

Port Attorney's Office Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	5,053	5,249	5,248	5,365	5,466	5,632	5,712
Contractual Services	719	1,048	905	905	923	941	960
Supplies	3	5	3	3	3	3	3
General & Administrative	95	98	88	88	89	91	93
TOTAL EXPENSE	**5,871**	**6,401**	**6,243**	**6,361**	**6,482**	**6,667**	**6,768**
FTEs (headcount)	*15*	*16*	*16*	*16*	*16*	*16*	*16*

Notes on the Port Attorney's Office Operating Expenses:

Personnel Services

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2024. Vacancy factor of 0.5 FTE or $0.1 million assigned directly Port Attorney's Office

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- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025. Vacancy factor of 1 FTE or $0.2 million assigned directly Port Attorney's Office.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB No. 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2024:** Higher legal services of $0.3 million anticipated.
- **FY 2025:** Legal expenses assumed to decrease by $0.1 million.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter .

Supplies

- **FY 2025:** Higher office supplies anticipated.
- **FY 2026:** Lower office supplies anticipated.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter .

General & Administrative

- **FY 2025:** Higher travel anticipated.
- **FY 2026:** Lower books & subscriptions and travel anticipated.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

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OFFICE OF AUDIT SERVICES

The Office of Audit Services provides independent and objective reviews and evaluations of the Port's financial and operational activities to assist the Board and management in the effective discharge of their oversight responsibilities. These assessments assist Port management in promoting operational efficiency, effectiveness, compliance, and ethics. The Office of Audit Services also manages and administers the Port's Whistleblower Program.

INTERNAL AUDIT

Internal Audit conducts performance and compliance audits to ascertain the adequacy and effectiveness of the Port's internal controls over financial reporting, safeguarding of assets, compliance with all applicable laws and regulations, and efficiency of operations. Internal Audit furnishes constructive recommendations for process and internal control improvements. Internal Audit also conducts investigations of whistleblower hotline reports.

FIELD AUDIT

Field Audit conducts concession and contract audits to verify that revenues received from Port tenants and expenditures reimbursed/paid to Port consultants/contractors are properly calculated and reported.

The tables and notes that follow detail the Office of Audit Services Operating Expenses over the 5-year planning horizon of the Port.

Office of Audit Services Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	1,823	1,980	1,592	1,627	1,657	1,706	1,730
Contractual Services	21	22	24	24	25	25	26
Supplies	0	1	1	1	1	1	1
General & Administrative	(12)	8	5	5	6	6	6
TOTAL EXPENSE	**1,831**	**2,011**	**1,623**	**1,657**	**1,688**	**1,738**	**1,763**
FTEs (headcount)	*6*	*7*	*7*	*7*	*7*	*7*	*7*

Notes on the Office of Audit Services Operating Expenses:

Personnel Services

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025.
- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026. Vacancy factor of 1.5 FTE or $0.4 million assigned directly to Office of Audit Services due to normal attrition compared to no vacancy factor assumed in FY 2025.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2025:** Higher audit software licensing costs
- **FY 2026:** Higher audit software licensing costs
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter

General & Administrative

- **FY 2025:** No audit fee recoveries budgeted in FY 2025 compared to $21k in FY 2024
- **FY 2026:** Lower auto and cell phone allowances due to anticipated vacancies and lower dues & registrations
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter

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OFFICE OF THE BOARD OF PORT COMMISSIONERS

The duty of the Board, as established in the City Charter, is to promote and assure the comprehensive development of the Port through continuity of control, management, and operation. Pursuant to the City Charter, the exclusive control and management of the Port is vested in the Board, comprised of seven members who are nominated by the Mayor of Oakland and appointed by the Oakland City Council. The Board is specifically charged with the tasks presented in Article 7 of the City Charter.

The Board Secretary and Assistant Secretary manage the functions of the Office of the Board of Port Commissioners. Key duties include assuring the public's right to know and participate in a meaningful way in the decision-making processes of the Port; publishing the Board Agendas, Minutes, Resolutions, and Ordinances in conformance with the City Charter, Ralph M. Brown Act, and the Port's Sunshine Ordinance; receiving and publicly opening all sealed bids; coordinating Public Information Requests; and managing on behalf of the Port and Board the annual filing of the Fair Political Practices Commission's Form 700 Statement of Economic Interest.

The tables and notes that follow detail the Office of the Board of Port Commissioners Operating Expenses over the 5-year planning horizon of the Port.

Office of the Board of Port Commissioners Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	563	575	572	585	596	614	622
Contractual Services	5	6	6	6	6	6	7
Supplies	2	3	3	12	3	3	3
General & Administrative	122	170	170	170	173	177	180
TOTAL EXPENSE	**692**	**754**	**751**	**772**	**778**	**800**	**812**
FTEs (headcount)	*2*	*2*	*2*	*2*	*2*	*2*	*2*

Notes on the Office of the Board of Port Commissioners Operating Expenses:

Personnel Services

- **FY 2025:** Assumes salaries adjusted for a 3.3% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 36.1% from 39.8%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2025.

Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2025.

- **FY 2026:** Assumes salaries adjusted for a 1.2% COLA and step increases. CalPERS pension employer contribution rate assumed to decrease to 34.6% from 36.1%. No pension adjustment for the impact of GASB No. 68 assumed. Medical premiums assumed to increase 5.0% on January 1, 2026. Dental, vision, and Employee Assistance Program (EAP) premiums assumed to increase 3% on January 1, 2026.
- **FY 2027 through FY 2030:** Assumes salaries adjusted for step increases. CalPERS pension employer contribution rate assumed to increase to 36.0% in FY 2027, 36.8% in FY 2028, 39.3% in FY 2029, and 39.4% in FY 2030. No GASB No. 68 adjustments budgeted. Medical premiums assumed to increase 5%. Dental, vision, and EAP premiums assumed to increase 3% annually. No additional FTEs assumed.

Contractual Services

- **FY 2025:** Higher computer systems
- **FY 2026 through FY 2030:** Expenses assumed flat in FY 2026 and FY 2027 and then increase by approximately 2% each year thereafter

Supplies

- **FY 2025:** Higher expendable equipment
- **FY 2026:** Expenses assumed flat
- **FY 2027 through FY 2030**: One time replacement of six iPads plus two spares anticipated in FY 2027 with all other expenses assumed and then increase by approximately 2% each year thereafter

General & Administrative

- **FY 2025:** Primarily higher legal advertising, business meals, and receptions anticipated
- **FY 2026 through FY 2030:** Expenses assumed flat in FY 2026 and FY 2027 and then increase by approximately 2% each year thereafter

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NON-DEPARTMENTAL

Non-Departmental is a cost center that collects Port-wide non-discretionary expense items which are not initially allocated directly to Port Divisions. These expenses include, but are not limited to, retiree medical expenses, workers' compensation costs, supplemental pension expense for high earning retirees, vacation and sick leave accruals, unemployment insurance, certain City services and assessments, insurance claims, utilities for Port usage, and certain legal and environmental costs. Also included are departmental credits, which are mostly labor and overhead costs allocated to the capital budget.

The tables and notes that follow detail Non-Departmental Operating Expenses over the 5-year planning horizon of the Port.

Operating Expenses

($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Personnel Services	14,507	11,503	19,853	20,059	20,248	20,445	20,651
Contractual Services	2,532	2,618	2,696	2,778	2,863	2,952	3,045
General & Administrative	3,305	4,089	3,494	3,494	3,563	3,633	3,705
Departmental Credits	(10,676)	(11,969)	(12,393)	(12,661)	(12,769)	(12,904)	(13,014)
TOTAL EXPENSE	**9,668**	**6,241**	**13,650**	**13,670**	**13,905**	**14,126**	**14,386**

Notes on Non-Departmental Operating Expense

<u>Personnel Services</u>

- **FY 2025:** Lower retiree medical costs of $2.8 million based on actuarial report and vacation/sick leave accrual of $0.7 million partially offset by higher workers' compensation accrual based on actuarial report of $0.5 million.
- **FY 2026:** Higher OPEB expense of $8.0 million assumed (elimination of a $5.0 million credit assumed in FY 2025 and $2.7 million expense assumed in FY 2026) based on actuarial assumptions and workers compensation accrual of $0.3 million.
- **FY 2027:** Higher workers' compensation costs of $0.2 million.
- **FY 2028 through FY 2030:** Higher projected workers' compensation costs based on projected increases in medical premiums.

Contractual Services

- **FY 2025 through FY 2030:** City services and JLID costs assumed to increase approximately 4% and 5%, respectively, each year while City of Oakland Landscaping and Lighting Assessment District (LLAD) is anticipated to remain flat.

General & Administrative

- **FY 2025:** Higher pollution remediation of $0.4 million and legal contingency of $0.3 million assumed.
- **FY 2026:** Lower pollution remediation of $0.8 million offset by higher legal contingency of $0.2 million anticipated.
- **FY 2027 through FY 2030:** Expenses assumed flat in FY 2027 and then increase by approximately 2% each year thereafter.

Departmental Credits

- **FY 2025:** Full year impact of addition of 2 new Engineers mostly assumed to be charged to capital projects with the Port's priority to deliver the FY 2025 CIP.
- **FY 2026 through FY 2030:** Increased percentage of Port labor assumed to be charged to capital projects with the Port's priority to deliver major capital projects in the 5-Year CIP.

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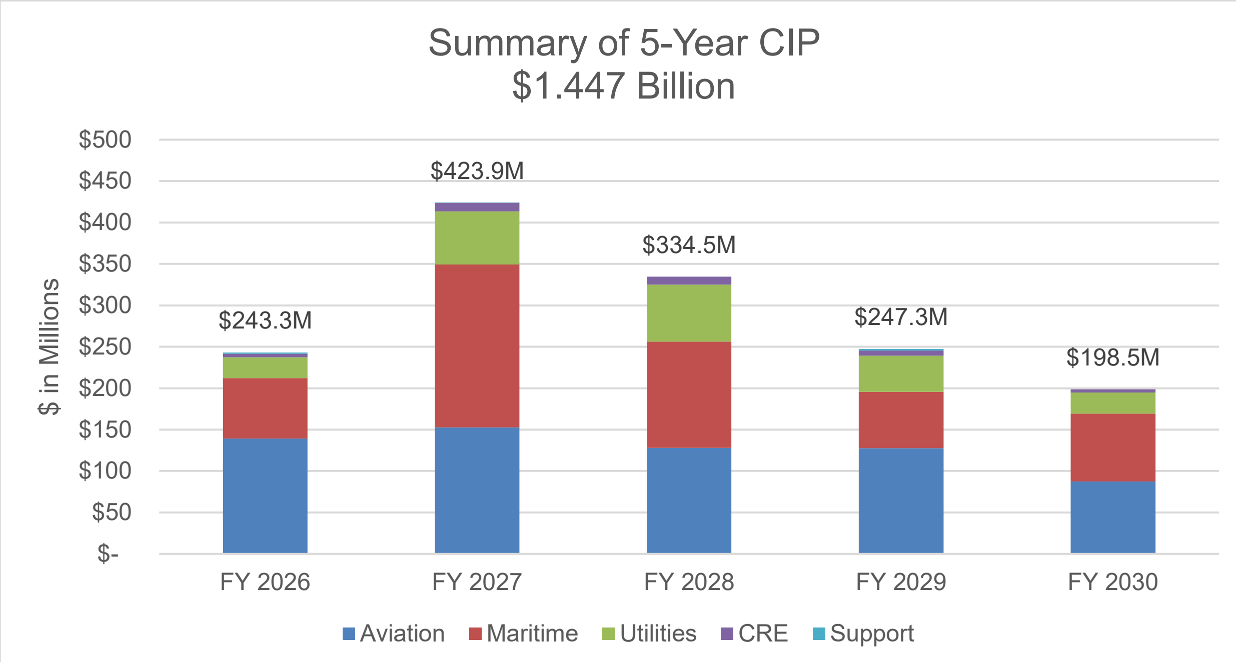
CAPITAL BUDGET AND 5-YEAR CAPITAL PLAN

Capital Budget and 5-Year Capital Improvement Plan

A total FY 2026 Capital Budget of $243,280,000 includes capital projects as summarized below. The amounts shown are expected expenditures in FY 2026 and do not include prior or subsequent fiscal year expenditures for projects spanning multiple fiscal years.

FY 2026 Capital Budget -- Projects Summary	FY 2026 Capital Budget ($ millions)	%
Airport Terminal Projects	$55.5	22.8%
Marine (Seaport) Terminal Projects	$47.5	19.5%
Airfield Perimeter Dike Improvements	$38.6	15.9%
Airfield Projects (Primarily Taxiways)	$26.9	11.0%
Utilities Electric Projects	$25.1	10.3%
Maritime (Seaport) Utility Projects	$14.6	6.0%
Aviation (Airport) Utility Projects	$14.0	5.7%
Maritime Dredging Projects	$5.2	2.1%
Maritime (Seaport) Capital Equipment	$3.2	1.3%
CRE: Various Building and Tenant Improvements	$3.0	1.2%
Port Wide Miscellaneous Projects	$2.2	0.9%
Middle Harbor Shoreline Park (MHSP) Improvements	$1.7	0.7%
Aviation Security Projects	$1.6	0.7%
Information Technology (IT) Equipment & Systems	$1.6	0.6%
Aviation Capital Equipment	$1.4	0.6%
Aviation Ground Access & Parking Projects	$1.4	0.6%
Total	**$243.3**	**100.0%**

5-Year Capital Improvement Plan



The Port maintains a 5-Year Capital Improvement Plan, which consists of anticipated expenditures and funding sources for capital projects the Port plans to undertake over the next five fiscal years. The 5-Year CIP is updated annually and is currently estimated at $1.447 billion (FY 2026-FY 2030).

Capital planning and the capital budget are strategically designed to be responsive to both available financial and staffing resources, taking into account that many of the staff working on the CIP also spend time on important non-capital expense maintenance work, tenant projects, lease negotiations support, and various other matters in support of Port operations. The 5-Year CIP reflects prioritization of health and life safety, regulatory compliance, policy and contractual obligations, preservation and generation of revenue, asset management, and essential infrastructure improvements. The CIP particularly emphasizes projects that support the ongoing development of the Port's asset management program across multiple asset categories. The focus is to upgrade and maintain key infrastructure to be compliant with regulation and ensure revenue-producing assets remain operational.

No assurances can be made that the funding sources identified to fund the CIP will be available in the amounts projected or the Port will be able to staff projects at levels necessary to complete the entirety of projects included in the 5-Year CIP (see Capital Project Funding Sources section). The cost estimates and available funding sources for these projects are subject to various levels of uncertainty; as such, these estimates are subject to change. Any negative variance from current cost or funding estimates could be material and may result in the Port issuing additional indebtedness, including Senior or Intermediate Lien Bonds sooner than anticipated or in amounts greater than currently projected, or delaying or not undertaking certain projects outlined in the CIP. The failure to complete certain projects included in the 5-Year CIP may significantly affect projected Port revenues.

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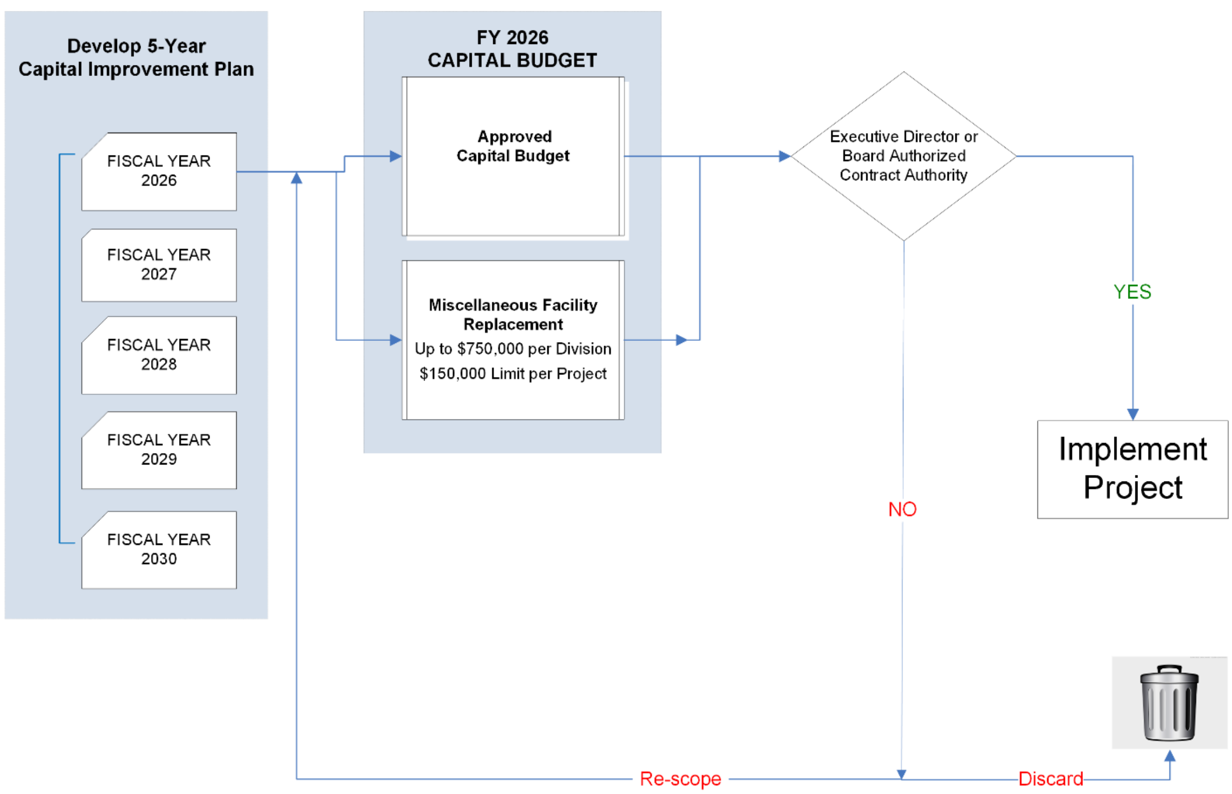
The Port has secured and continues to pursue several federal and State grant opportunities to fund portions of its future capital infrastructure investments. To the extent the Port is successful with its grant seeking efforts, and staffing resources remain a constraining factor (as they have in the past), the Port may choose to de-prioritize certain projects in the CIP and re-allocate resources toward grant funded projects; grant agreements commonly require project completion and delivery by a pre-determined date or risk losing a portion of the funding awarded. Certain non-grant funded projects may also be de-prioritized and delayed to the extent future grants require the Port to make substantial cash matching contributions for its share of the project cost or actual construction bids received on grant-funded projects are materially higher than budgeted which may require changes in scope or adjustments to construction timeline of non-grant funded projects.



Port of Oakland Capital Budget Approval Process

LONG RANGE FINANCIAL PLAN

In addition to the capital projects highlighted in the 5-Year CIP, the Port continually evaluates the condition of its assets, the need for capital investments to maintain revenue, as well as opportunities for investments to grow revenue. Some of these capital projects are currently in the 5-Year CIP but will extend beyond the five-year horizon of the CIP, while others, if approved by the Board, would constitute additional capital projects.

The Port continues to evaluate the feasibility of performing and funding its future major capital projects. Capital expenditures above and beyond those currently in the 5-Year CIP will require not only funds but also additional Port staff. Examples of possible future CIP projects include:

- Airport Terminal Modernization and Development Project to modernize existing Terminals 1 and 2, and to build a new terminal at OAK;
- At the Seaport, redevelopment of portions of the former OAB property and the Outer Harbor Terminal;
- Redevelopment of Howard Terminal for marine and non-marine uses; and
- In the Utilities division, planning is underway for electric vehicle charging stations, solar and battery storage systems for peak energy demand optimization, and expansion of peak capacity to address expected increases in electricity demand associated with increased adoption of zero and near-zero emission technologies.

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Aviation Projects

The Aviation capital program for FY 2026 includes needed infrastructure upgrades and customer amenity improvements in the passenger terminals. The projects included in this 5-year period are essential to maintaining safe and secure airport operating conditions (airfield pavement and lighting systems), and addressing compliance and infrastructure needs of sewer, water, and electric system projects to provide uninterrupted critical services.

Consideration is also given to funding source availability (i.e., grant-funded projects), availability of federal Bipartisan Infrastructure Law (BIL) funding and other strategic purposes. The projects included in the FY 2026 capital budget are deemed essential to maintaining safe, secure airport operating conditions, and upgrading customer experience.

The 5-Year CIP includes approximately $635.0 million as follows:

- Over the 5-year period:
  - Airport Perimeter Dike seismic upgrades at $42.9 million;
  - Airfield improvements totaling $141.0 million;
  - Terminal improvements totaling $212.8 million;
  - Ground Access and Parking upgrades totaling $51.7 million;
  - Security improvements of $7.5 million;
  - Utilities projects totaling $159.1 million; and
  - Aviation Administration (capital equipment and facilities maintenance) at $20.0 million.
- FY 2026 capital budget:
  - $139.4 million for essential projects to support the Airport operations, regulatory compliance and customer service.
  - Of the FY 2026 capital budget, almost 75% ($104.1 million) is allocated to projects that were bid for construction in FY 2025, or will be bid in early FY 2026 and have started or will start construction in early FY 2026. These include the Airport Perimeter Dike Seismic Improvements; Restroom Upgrades Phase 2; Runway 10R-28L and Taxiway Bravo Rehabilitation; M103 Roof and Air Handler Replacement; SSEV-1 North Field Distribution Substation, and South Field Airside Sewer Improvements, Phase 2.

Key projects starting or continuing in FY 2026 are highlighted in the following pages.

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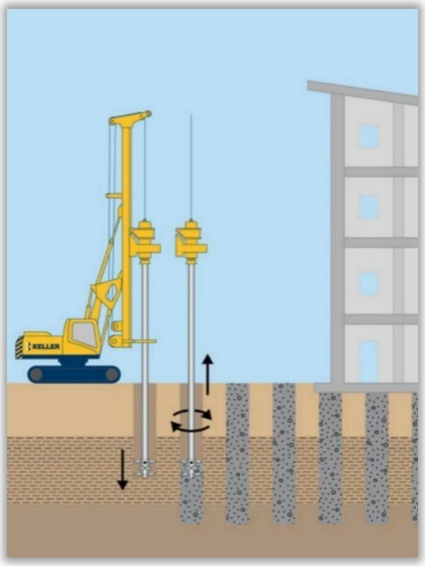
AIRPORT PERIMETER DIKE SEISMIC IMPROVEMENTS



Dike Perimeter Seismic Improvements

The Airport Perimeter Dike (APD) separates the OAK airfield from San Francisco Bay waters and protects the South Field of the Airport from storm events and rising Bay waters.

The first phase of APD improvements were substantially completed in January 2022 to enhance the 4.5-mile structure to meet Federal Emergency Management Agency (FEMA) certification standards and meet projected mid-century sea-level rise impacts. Phase 2 of the APD improvements is intended to protect the APD from catastrophic damage during a major earthquake using a soil mixing with cement grout to reinforce and densify granular soils. The construction of the Phase 2 APD seismic improvements has been bid, a contractor has been selected and construction activities began in Spring 2025.

The project cost over the next two fiscal years is estimated at approximately $42.9 million of which $38.6 million has been included in the FY 2026 capital budget. Funding for this project is anticipated to include Airport Infrastructure Grants (AIG), Passenger Facility Charges (PFCs), Airport Improvement Program (AIP) Grants and Port cash.

TERMINAL 1 RESTROOM UPGRADES (PHASE 1 AND PHASE 2)

Terminal restrooms at OAK have been in service for over 15 years, have far exceeded their useful life and no longer meet passenger experience and operational needs of the Airport. A complete renovation of the Terminal 1 and Terminal 2 restrooms has been programmed to meet current standards and passenger expectations. The scope of work will include gender-neutral facilities, modernizing finishes and installing low water use fixtures that meet current standards, extend life cycle, and ease maintenance requirements in the future.

Rendering of new restroom entryway

Phase 1 of the project includes the restoration of the currently closed women's restroom at Gate 4; a complete renovation of the men's restroom at Gate 3; a conversion of the men's restroom at Gate 7 into family restrooms and a lactation suite and waiting area. The Gate 3 Men's restroom was opened in January 2025. Gate 4 Women's and the Gate 7 family restrooms will be opened in Summer 2025. The Phase 2 restroom upgrade package will be bid in Spring 2025 and includes restrooms in both Terminal 1 and 2 (Gates 12, 15, 23, 27, Terminal 1 pre-security, flex restrooms in Terminal 2 Baggage Claim and a Lactation Suite and Universal Adult Changing Room in Terminal 2). Construction on Phase 2 will begin in late 2025/early 2026. Design for the last phase of restrooms will begin in FY 2026, with full construction anticipated to be completed by late 2027.

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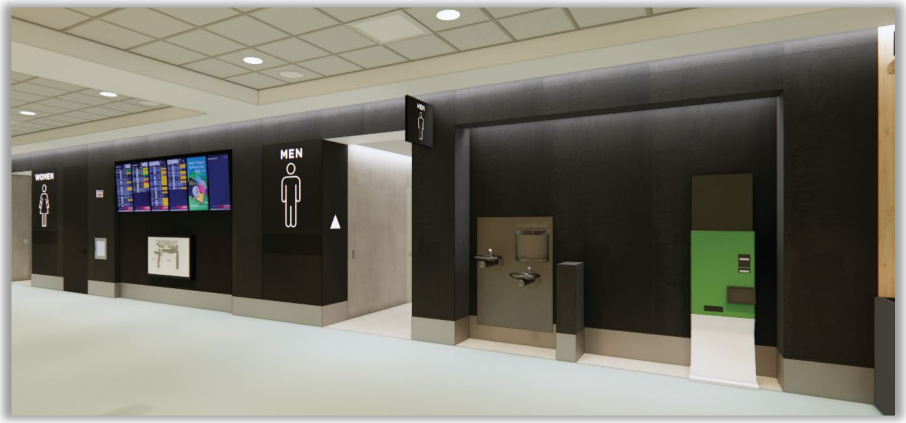


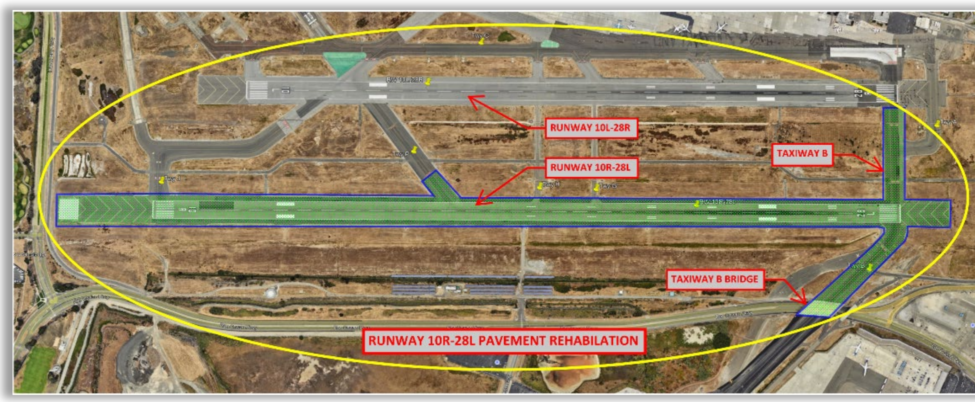
Rendering of Gate 23 restroom exterior

The 5-Year CIP includes $54.3 million for the planned upgrades, of which approximately $4.3 million is for Phase 1 and about $50.0 million is for Phases 2 and 3. Phase 1 project costs including expenditures in prior fiscal years will be funded with $10 million of BIL competitive Airport Terminal Program (ATP) grant funding, Passenger Facility Charges, and Port cash. The Port will seek additional ATP funding, as well as PFC authority for the full program.

RUNWAY 10R/28L AND TAXIWAY BRAVO PAVEMENT REHABILITATION

Runway 10R-28L and Runway 10L-28R are parallel runways located in OAK's North Field. These runways serve general aviation activity and serve as an alternative to the main air carrier runaway, Runway 12-30 during construction, maintenance and other incidents on South Field. Runway 10R-28L is the longest runway on the North Field. Taxiway Bravo serves as the connector between North Field and South Field and serves as access to the North Field runways. The pavement on Runway 28L and on Taxiway Bravo (between Runway 10L-28R and the Ron Cowan Bridge) have been identified as the next priority paving project at OAK.

The Runway 10R-28L and Taxiway Bravo Pavement Rehabilitation project includes design and construction of runway pavement, pavement marking, and lighting. The runway surface is made of asphalt concrete and spans a length of 6,213 feet, with a width of 150 feet and was most recently upgraded in 2007. This section of Taxiway Bravo is 2,200 feet in length and 75 feet wide and was last upgraded in 2003.

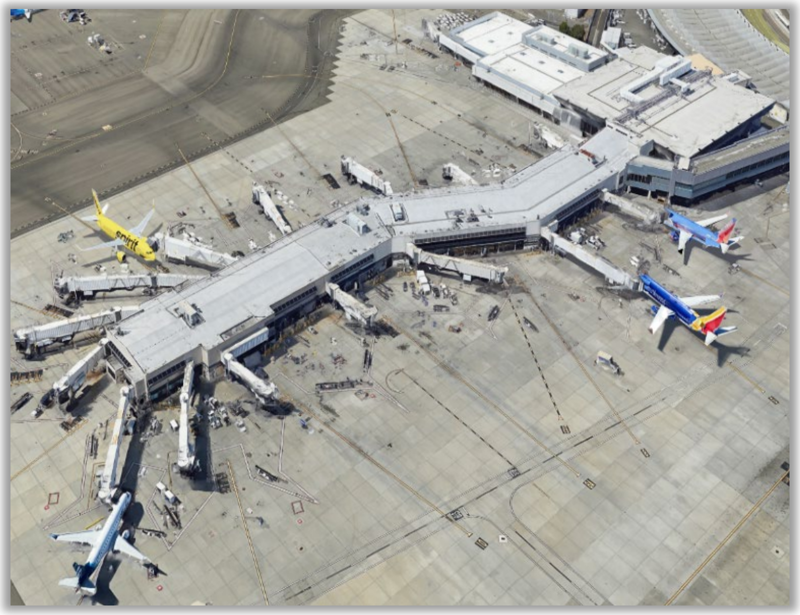


Runway 10R-28L and Taxiway Bravo Rehabilitation

The project has been designed and bid, and construction is expected to begin in June 2025 and end in November 2025. The total project cost is estimated at $24.9 million, with $21.0 million budgeted for FY 2026. The project will be funded using AIP grant, PFCs and Port cash.

M103 ROOF AND AIR HANDLER REPLACEMENT

Both the roof membrane and four roof top air handler units (AHUs) in OAK's Terminal 1 concourse (Building M-103) are nearing the end of their life expectancy and the Port is now planning for their replacement. This project presents an opportunity to reassess all of M-103's HVAC needs to improve the energy performance of the building's envelope and equipment that heats and cools the concourse.



Aerial View of M103 Roof

A basis of design was conducted to identify the key components of the project which includes replacement of existing AHU with new raised framing and support, new roofing and insulation, the addition of scuppers, extending hot/cold water loops, relining or replacing existing rainwater leaders, and the addition of perimeter roof railing and roof davits. Once implemented, the project will serve to improve roof top drainage, resolve long standing maintenance challenges with the aging equipment and depressed wells where the AHUs are located, and enhance fall protection and worker safety. The energy design criteria incorporated into this project promotes an improved building envelope and higher performance equipment, resulting in reduced energy usage and fewer carbon emissions.

The project is currently in design and is expected to be bid in FY 2026. Total remaining project cost is estimated at $28.2 million, with $16.5 million budgeted in FY 2026 and $9.5 million budgeted in FY 2027. The project will be funded with Port cash.

Maritime Projects

Maritime's CIP provides for continued investment in the modernization of core infrastructure such as marine terminal yards, wharves, and utilities to meet changing and growing regulatory compliance requirements in addition to industry needs. The CIP also includes various projects that support the Port's transition to zero emission operations, many of which are primarily funded through various State and federal grants.

The 5-Year CIP is not reflective of all the capital investments at the Seaport but rather includes only those capital investments that the Port will own, perform, and/or pay for directly. Other major investments include:

- The 7th Street Grade Separation East project (7SGSE project), a $350 million investment delivered by Alameda CTC and funded through State and regional sources that broke ground in late 2023;

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- A new 18-acre bulk sand/aggregate marine terminal at the Outer Harbor that is expected to break ground in Summer of 2026 and reflects a private investment of approximately $65 million;
- Two new ship-to-shore cranes expected to arrive in 2026 at the Trapac Terminal, representing a private investment of approximately $40 million; and
- The U.S. Environmental Protection Agency (EPA) awarded the Port of Oakland $322 million in grant funds associated with the Clean Ports Program, which will result in deployment of 663 pieces of zero-emissions equipment (475 drayage trucks and 188 cargo-handling units) at the Seaport by grant partners totaling approximately $468 million.

The 5-Year CIP include approximately $548 million in Capital expenditures as follows:

- Over the 5-year period:
  - Marine Terminal improvements totaling approximately $245.4 million. The majority ($223 million) is for wharf, yard, and crane repairs and upgrades, including reconstruction and grading of the backlands at Berths 24 and 33-34 and crane rail/wharf strengthening at Berths 24 to 26;
  - Dredging and dredging-related improvements totaling $158.7 million;
  - Utility improvements totaling $102.3 million, the majority of which ($91.6 million) are for a new project called the Green Power Microgrid and trash capture regulatory compliance projects across the Seaport;
  - Roadway improvements totaling about $0.3 million; and
  - Miscellaneous projects totaling $41.3 million, of which $26.3 million is for improvements at the Middle Harbor Shoreline Park related to permit compliance, $13.4 million is for capital equipment, and $1.6 million is for improvements to the Port's harbor facilities complex.
- FY 2026 capital budget:
  - $72.9 million total capital expenditures of which $62.0 million are for essential projects primarily in the Marine Terminal and Utilities categories.

Key projects starting or continuing in FY 2026 are highlighted below:

BERTH 24 IMPROVEMENTS

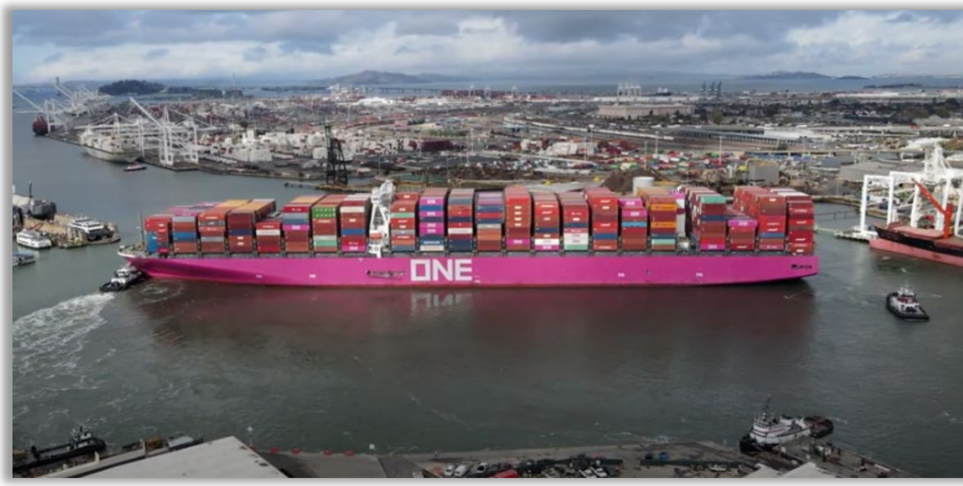
The Port has commenced with plans to redevelop the backlands at Berth 24 located at the Port's Outer Harbor Terminal. The work planned over the 5-year period will consist of approximately 25 acres of new pavement, LED high mast lighting, rubber tire gantry cranes (RTGs), refrigerated container and grounded storage, substation improvements, and battery storage and charging stations to expand the Port's electrical grid capacity and support power reliability and resiliency. The project will be designed to allow for integration into existing marine terminal operations that will improve the Port's ability to accommodate supply chain uncertainties and surges in imports, exports, empties, and refrigerated cargo, particularly agricultural exports; improve operational efficiencies; and advance zero-emissions goals. This project's environmental review is complete, and design is underway. Construction is anticipated to start in mid-2026. This project is estimated to cost $65.0 million, funded with a combination of grants and Port cash.

BERTH 33-34 IMPROVEMENTS

Currently, Berths 33 and 34 backlands (i.e., yard areas) are adjacent but functionally separated by an elevation difference, which precludes integration of the two yards. While this elevation difference is not currently a problem because the two yards are leased to different marine terminal operators, the future functionality of the Port's 7th Street and Outer Harbor Terminals is hampered by this condition. With grant funding, the Port plans to raise and reconstruct approximately 25 acres of yard area to address this condition. The scope of work will also incorporate other adjacent areas currently used for staging and stockpiling Port-owned materials. Environmental review is complete, and design is under way. Construction is expected to start in spring of 2026. Approximately $33.9 million is included in the 5-Year CIP for this work, funded by $27.1 million of grants and $6.8 million in Port cash.

TURNING BASINS WIDENING

The Port has partnered with the U.S. Army Corps of Engineers (USACE) to study, and potentially construct, the widening of the two Oakland Harbor turning basins, which are part of the federal waterway that serves the Seaport. Vessels use the Inner and Outer Harbor Turning Basins (Basins) to turn around upon arrival or departure. The Basins are critical to Seaport operations today and in the future. However, the Basins were designed and constructed in the early 2000s for smaller vessels than those in operation today and in the future.



Container Ship in Port of Oakland Inner Harbor Turning Basin

Due to the inadequate diameter of the present Basins, vessels are restricted in when and how they can turn. A feasibility study completed by the USACE in 2024 recommended widening the Basins to reduce these restrictions and reduce vessel transit inefficiencies. The project is federally authorized and included in the Water Resource and Development Act of 2024. Pending various discretionary approvals and federal funding, the design to widen the Basins is anticipated to commence in the Summer of 2025 and conclude in 2027. Construction is anticipated to start in 2027 and finish in late 2030.

The USACE and Port will share the cost of the widening project, which preliminarily totals about $700 million. The Port's total anticipated capital investment to widen the Basins is currently estimated at approximately $225.5 million; however, the current CIP only includes $158.7 million through FY 2030 (construction dollars beyond FY 2030 are not reflected).

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GREEN POWER MICROGRID

Approximately $65.7 million is included in the 5-Year CIP to accommodate the transition to zero emission cargo handling operations at the Seaport, currently under the umbrella of the Green Power Microgrid project. This project consists of a wide range of electrical infrastructure and related assets including electric vehicle chargers and infrastructure upgrades. Environmental review was completed for this project in late 2023, grant funding was obligated by the State of California in May 2024, and design work is nearing completion. This component of the project is planned to cost $69.0 million inclusive of prior year capital expenditures, funded with $28.4 million of grants, $8.2 million from sale of LCFS credits, and $32.4 million of Port cash or debt.

7TH STREET GRADE SEPARATION EAST

The 7SGSE project, which includes the road segment between I-880 and Maritime Street, is a key access point to and within the Seaport. Construction of the 7SGSE project is underway with construction scheduled for completion in late 2028. As discussed earlier, Alameda CTC is constructing the 7SGSE project with cooperation and oversight from the Port and the City of Oakland. Ownership, operation and maintenance of this asset will be transferred to the Port and City upon completion.

Rendering of 7SGSE Project

The total project cost is anticipated to exceed $350 million with funding from a combination of the Measure BB Tax Measure, State/local grants, and a very small contribution of (non-capital) Port Funds. Therefore, the project is not included in the 5-Year CIP; however, it is discussed here because it is a major and long-awaited improvement for the Seaport.

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Utilities Projects

The 5-Year CIP includes $226.8 million in electrical infrastructure projects to replace four main electrical substations and to integrate microgrids (solar arrays and battery energy storage systems) into the Airport and Seaport's power distribution systems to enhance grid reliability and resiliency. The FY 2026 capital budget is approximately $25.1 million. Key projects starting or continuing in FY 2026 are highlighted below.

SUBSTATIONS 1 AND 2 UPGRADES (AIRPORT)

Substation 1 and 2 Location at OAK Airport

Substation 1 (SS-1) and 2 (SS-2) are located near Earhart Road and were installed in 1982 and are beyond their 30-year design life. Substation 1 is an essential piece of infrastructure as it serves as one of the two points of connection with the California electrical transmission system. This infrastructure is critical to the reliable power feed and distribution for the Airport. The scope of this project is to replace the aging substations, switchgears, and distribution system as necessary for system reliability. Bids are anticipated to be received by the end of FY 2025.

A total of $64.8 million is included in the 5-Year CIP for this project.

GREEN POWER MICROGRID – SOLAR AND BATTERY STORAGE (SEAPORT)

Approximately $25.3 million is included in the 5-Year CIP to promote energy resiliency through installation of solar generation infrastructure to increase green energy capacity at the Seaport, along with installation of battery storage electric systems at six locations to provide charging for electric vehicles and port operations during blackout periods. This project is planned to be funded with $10.5 million of grants, and $14.8 million of Port cash or debt.

115kV SUBSTATION REPLACEMENTS, DAVIS & CUTHBERTSON (SEAPORT)

New Substation "Alpha" will replace Substation Davis and Substation "Bravo" will replace Substation Cuthbertson. These are both currently located at the northwest corner of 7th Street and Maritime Street and are primary substations connected to the California electrical transmission system fed from a 115 kV overhead line. The Davis and Cuthbertson substations are critical pieces of infrastructure to the Seaport electric distribution system. The scope of this project is to assess, rehabilitate, relocate, and replace the substations, switchgears, and distribution systems as necessary for system reliability.

Port of Oakland Electric Substation at 7th and Maritime St

The overall cost of the project is estimated at $124.9 million with approximately $99.4 million included in the 5-Year CIP for this project (construction dollars beyond FY 2030 are not reflected). Project completion is expected in FY 2031.

Commercial Real Estate Projects

The 5-Year CIP includes about $34.3 million for projects related to CRE, of which $4.3 million is included in the FY 2026 capital budget. Approximately $24.2 million of the 5-Year CIP is for boardwalk replacement in Jack London Square, improvements at the 530 Water Street building, and sanitary sewer rehabilitation. The remaining CIP is for Washington Street parking garage improvements, building and tenant improvements, primarily in JLS, Embarcadero Cove and the Airport Business Park.

Support Division Projects

The 5-Year CIP includes $3.3 million for Port information technology system needs, most of which is for capital equipment purchases. Please refer to the 5-Year CIP reference guide at the end of this section for additional details.

Capital Project Funding Sources

Capital projects at the Port are funded by grants, PFCs, CFCs, LCFS, Cap&Trade, Port-generated cash, and debt. A description of the anticipated funding sources for Port capital projects is described below.

The Port has not yet secured all the funding for the projects in the 5-Year CIP. Further, the Port can provide no assurance that all anticipated grants will be received in full, that reimbursable Port costs will be reimbursed in a timely manner, or that changes in project circumstances will not preclude award or receipt of grant funds. The amount projected to be available from each funding source is based on the estimated cost of certain projects and various other assumptions. Such estimates and assumptions are subject to change. Any such changes could have an impact on the Port's plans for funding the 5-Year CIP, and such changes could be material. If grants, PFCs, CFCs, LCFS, Cap&Trade, and/or cash are not available as anticipated, the Port will need to use other sources of funds for these projects, such as additional Commercial Paper (CP) Note proceeds, additional Senior Lien Bonds or additional Intermediate Lien Bonds, or the Port may delay, not undertake or complete these projects. The failure to complete certain projects could significantly impact Port revenues.

FEDERAL AVIATION ADMINISTRATION AIRPORT IMPROVEMENT PROGRAM (AIP) GRANTS AND OTHER AVIATION GRANTS

AIP can fund approximately 80% of AIP-eligible costs for Airport projects at OAK, but actual grant awards depend on the annual calculation of entitlement grants (based on passenger volumes and cargo tonnage) and the competition for available discretionary funding among the airports in the region. The Port is required to fund the remaining 20% from PFCs, internally generated cash or debt.

From FY 2026 through FY 2030, total anticipated AIP grants for OAK (consisting of both AIP entitlement and discretionary funds) are estimated to be about $72.3 million if fully funded. In FY 2026, OAK anticipates using approximately $24.4 million in AIP grants. The AIP grants will be used on grant-eligible portions of the airport perimeter dike seismic improvement, airfield runway, and taxiway projects. In addition, the 5-Year CIP includes federal Bipartisan Infrastructure Law funding estimated at $33.9 million of FAA Airport Infrastructure Grant entitlement grant funds to pay for eligible portions of the airport perimeter dike seismic improvement, airfield runway and taxiway projects, and an additional potential $31.6 million in Airport Terminal Program grants primarily for restrooms upgrades.

MARITIME GRANTS

The Port was awarded $102 million in California State Transportation Authority Port and Freight Infrastructure Program (PFIP) funding for various marine terminal modernization projects, including funding to replace all diesel-powered yard tractors and top handlers at the Matson Terminal to zero emission technology.

Other grants included in the 5-Year CIP timeframe are as follows:

- 2022 Maritime Administration Port Infrastructure Development Program (PIDP): A $36.6 million grant for the "Phase I Outer Harbor Terminal Redevelopment" project. This project includes the redevelopment of backlands at Berth 24, including approximately 25-acres of new pavement, LED high mast lighting, rubber tire gantry cranes (RTGs), refrigerated container and grounded storage, substation improvements, and battery storage and charging stations to expand the Port's electrical grid capacity and support power reliability and resiliency. The total cost of this project is estimated at $65.0 million.

- SB1/Trade Corridor Enhancement Program (TCEP): $31.1 million of the $41.6 million grant award to support the Green Power Microgrid Project. The component of this project carried in the Maritime CIP will deploy electrical infrastructure upgrades and zero emission vehicle charging equipment throughout the Seaport at a cost of approximately $69.1 million. The total project cost (including the components of the project carried in the Utilities CIP are estimated at $95.6 million).

- Caltrans Funding: A $6.0 million financial contribution only funding under the State Highway Operation and Protection Program (SHOPP) to fund the Port's installation of large trash capture devices at two Maritime storm drain outfall locations.

- California Governor's Office of Business and Economic Development (GoBiz): A $1.2 million grant has been awarded to fund the Port's data interoperability project in order to develop a centralized data environment to collect, store, organize and disseminate information.

- United States Environmental Protection Agency Diesel Emissions Reduction Act (DERA) Grant: A $544,500 grant to replace two off-highway diesel trucks with fully electric trucks. The Port will replace one battery electric water truck at the Seaport and one refuse hauler at the Airport.

- United States Federal Highway Administration Reduction of Port Emissions at Port Facilities Grant Program: A $4.1 million grant that will replace one Port fleet diesel truck with a Class 8 electric truck and charger. Eagle Rock Aggregates (Eagle Rock) is a partner in this grant and will purchase four (4) electric Class 8 trucks, one (1) electric street sweeper, one (1) electric pickup truck, and eight (8) electric vehicle chargers for Eagle Rock terminal operations.

- 2024 Maritime Administration Port Infrastructure Development Program: A $49.5 million grant for wharf strengthening and other needed structural repairs including crane girder upgrades, added piling, beam strengthening, and crane rail replacement at Berths 24-26 within the Outer Harbor Terminal to better accommodate the larger ship-to-shore cranes required to efficiently serve the larger container vessels calling the Port. The total cost of this project is estimated at $59.5 million.

UTILITIES GRANTS (Maritime)

The Port was awarded $5.2 million in federal funding through the 2021 Maritime Administration Port Infrastructure Development Program grant known as the "Powering the Future" project. The total project cost inclusive of prior year expenditures is estimated at $38.7 million and is anticipated to include a new substation (SS-R-10) to replace existing substation (SS-R-14) and connecting circuitry, a solar array and supporting battery energy storage systems, and a potential fuel cell.

The Port expects to apply $10.5 million of the $41.6 million TCEP grant awarded to fund a portion of the costs to install solar generation infrastructure and battery electric storage systems at the Harbor Facilities location. The total cost for this component of the project inclusive of prior year expenditures is approximately $26.6 million (total project cost is $95.6 million including the components of the projects carried in the Maritime division's CIP).

PASSENGER FACILITY CHARGES (PFC)

PFCs are a user fee charged by the Airport and collected by the airlines when tickets are sold to revenue passengers enplaning at OAK. The current PFC is $4.50 per enplaned revenue passenger. Passengers using frequent flyer award certificates and non-revenue passengers, such as airline employees, do not pay a PFC. Airlines retain $0.11 (2.4%) per PFC to cover administrative costs and disburse the remaining amount collected to the Port. PFCs are due to the Port by the last day of the month following the month in which they are collected. Initiated at OAK in September 1992, PFCs are approved by the FAA and are used to fund eligible capital improvement projects. The Port received approximately $20.7 million in PFCs in FY 2024.

The Port anticipates that approximately $69.9 million in PFC revenues will fund the costs of certain projects currently in the 5-Year CIP. Amounts available for funding capital projects may vary from projections depending on future air travel demand. Additional FAA PFC imposition and use authority is needed for certain projects that are anticipated to occur in the 5-Year CIP and beyond.

CUSTOMER FACILITY CHARGES (CFC)

CFCs can fund costs to finance, design, and construct a consolidated rental car facility and to finance, design, construct, and operate a common use transportation system. The Port's primary use of CFCs is to fund the operating costs for common use rental car buses.

Currently, the Port charges a per-transaction-day CFC rate of $7.50 for on-Airport and $7.42 for off-Airport rental car operators. The revenue from the new CFC rate may be allocated to cover all current and projected future common busing operating and maintenance expenses, and to fund future CFC-eligible capital expenditures. Potential expenditures include the acquisition and operation of electric buses, the bus system's proportionate share of cost to construct an electric bus charging depot, and related infrastructure.

Amounts available to rental car shuttle busing operations may vary from projections depending on future air travel demand. No CFC revenues are assumed to fund projects in the 5-Year CIP.

LOW CARBON FUEL STANDARD (LCFS) FUNDS

California Air Resources Board's (CARB) LCFS regulation is designed to reduce greenhouse gas (GHG) emissions associated with the life cycle of transportation fuels used in California.

By participating in CARB's LCFS program, the Port earns credits from providing electricity for shore power and subsequently sells those credits in the LCFS market. Money earned in the program must be spent making the transportation system less carbon intensive and can be used to support more electrification. The Port registered its shore power equipment and electric car charging stations in the LCFS program and has been earning LCFS credits since January 2019.

At its last auction on August 13, 2020, the Port raised $4.4 million in LCFS revenues through the sale of 23,729 LCFS credits generated over five quarters. Proceeds from the sale of LCFS credits are restricted and may only be used to fund expenses or projects that reduce the carbon intensity of transportation fuel in the State. The Port anticipates that approximately $18.7 million in LCFS revenue from future LCFS credit sales will fund eligible projects in the 5-Year CIP.

GREENHOUSE CAP & TRADE PROGRAM

The Greenhouse Cap & Trade program (AB 32) sets a total permissible level of emissions in the State (i.e, the "cap"), and issues free allowances to businesses which are required to adhere to the "capped" level of emissions. Because the Port does not have any electricity generation facilities nor imports electricity directly from outside the State, the Port does not have any compliance obligations. The generators that produce the electricity the Port purchases will likely include the cost of compliance with Cap & Trade. CARB recognizes this and as a result is giving free allowances to the Port to offset the increased costs of AB 32. Revenues derived from the sale of allowances are restricted to spending on programs that further reduce greenhouse gas emissions such as renewable energy, infrastructure for transportation electrification, fuel switching/fuel substitution, reductions in the use of sulfur hexafluoride (a greenhouse gas), etc. In the 5-Year CIP, the Port anticipates using $1.5 million towards the cost of purchasing and installing a battery electric storage system at the Airport.

PORT CASH

Approximately $647.3 million of cash on hand and cash generated from future operations is assumed and applied to fund portions of the 5-Year CIP.

PORT DEBT

Approximately $365.3 million of Commercial Paper debt is assumed to be issued to fund portions of the 5-Year CIP.

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FY 2025-26 CAPITAL BUDGET
Expenditure and Funding Sources
($ Thousands)

FY 2026 EXPENDITURE BY DIVISION

Division		$ (000s)	%
Aviation		139,375	57.3%
Maritime		72,900	30.0%
Utilities		25,115	10.3%
CRE		4,329	1.8%
Support		1,561	0.6%
Total Uses	**$**	**243,280**	100.0%

FY 2026 FUNDING SOURCES

Funding Sources		$ (000s)	%
Aviation			
Airport Improvement Program (AIP) Grants[1]		24,431	17.5%
Airport Terminal Program (ATP) Grants[1]		13,194	9.5%
Airport Infrastructure Grant (AIG) Grants[1]		17,763	12.7%
PFC Pay-Go[2]		19,856	14.2%
Cash		64,131	46.0%
Total Aviation	**$**	**139,375**	100.0%
Maritime			
CA State Transportation Auth (CalSTA) Grant		11,300	15.5%
MARAD Port Infrastructure Development (PIDP) Grant		4,320	5.9%
Trade Corridor Enhancement Program (TCEP) Grant		3,720	5.1%
CalTrans Grant		3,600	4.9%
Other Grants		1,397	1.9%
LCFS Funds		4,700	6.4%
Cash		43,863	60.2%
Total Maritime	**$**	**72,900**	100.0%
Utilities			
MARAD Port Infrastructure Development (PIDP) Grant		2,000	8.0%
Cap&Trade		300	1.2%
Commercial Paper		4,704	18.7%
Cash		18,111	72.1%
Total Utilities	**$**	**25,115**	100.0%
Commercial Real Estate			
Cash	**$**	**4,329**	100.0%
Support			
Cash	**$**	**1,561**	100.0%
Total Sources	**$**	**243,280**	

[1] The Port has not yet obtained grant funding for all capital projects.
[2] Subject to FAA approval of new PFC application, otherwise funded with cash.

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5-YEAR CAPITAL IMPROVEMENT PLAN
Expenditure and Funding Sources
FY 2025-26 to FY 2029-30
($ Thousands)

5-YEAR EXPENDITURE BY DIVISION

Divisions	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Estimated Expenditures
Aviation	139,375	152,553	127,911	127,734	87,450	635,023
Maritime	72,900	196,765	128,350	67,950	82,000	547,965
Utilities	25,115	64,010	68,708	43,451	25,500	226,784
CRE	4,329	10,495	9,527	6,395	3,575	34,321
Support	1,561	30	-	1,750	-	3,341
Total	**$ 243,280**	**$ 423,853**	**$ 334,496**	**$ 247,280**	**$ 198,525**	**$ 1,447,434**

5-YEAR FUNDING SOURCES

Funding Source	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	Estimated Funding
Aviation						
Airport Improvement Program (AIP) Grants[1]	24,431	9,511	5,600	19,200	13,600	72,342
Airport Terminal Program (ATP) Grants[1]	13,194	14,335	4,074	-	-	31,603
Airport Infrastructure (AIG) Grants[1]	17,763	14,765	1,300	-	-	33,828
PFC Pay-Go[2]	19,856	15,678	8,059	14,650	11,650	69,893
Commercial Paper	-	-	43,878	33,884	-	77,762
Cash	64,131	98,264	65,000	60,000	62,200	349,595
Total Aviation	**$ 139,375**	**$ 152,553**	**$ 127,911**	**$ 127,734**	**$ 87,450**	**$ 635,023**
Maritime						
CA State Transportation Auth (CalSTA) Grant	11,300	20,912	16,160	-	-	48,372
Trade Corridor Enhancement Program (TCEP) Grant	3,720	22,500	2,168	-	-	28,388
MARAD Port Infrastructure Development (PIDP) Grant	4,320	56,600	37,380	-	-	98,300
FHWA Charging and Fueling Infrastructure Grant (CFI)	504	-	-	-	-	504
EPA CalSTART Grant	-	3,900	-	-	-	3,900
CalTrans Grant	3,600	2,400	-	-	-	6,000
Other Grants	293	1,950	3,050	-	-	5,293
Data Interoperability Grant	600	-	-	-	-	600
LCFS Funds	4,700	10,850	1,650	1,500	-	18,700
Commercial Paper	-	32,100	42,082	16,450	38,144	128,776
Cash	43,863	45,553	25,860	50,000	43,856	209,132
Total Maritime	**$ 72,900**	**$ 196,765**	**$ 128,350**	**$ 67,950**	**$ 82,000**	**$ 547,965**
Utilities						
MARAD Port Infrastructure Development (PIDP) Grant	2,000	11,420	2,232	-	-	15,652
Cap&Trade	300	500	500	200	-	1,500
Commercial Paper	4,704	21,755	54,767	34,651	20,195	136,071
Cash	18,111	30,335	11,209	8,600	5,305	73,561
Total Utilities	**$ 25,115**	**$ 64,010**	**$ 68,708**	**$ 43,451**	**$ 25,500**	**$ 226,784**
Commercial Real Estate						
Commercial Paper	-	9,495	8,527	4,645	-	22,667
Cash	4,329	1,000	1,000	1,750	$3,575	11,654
Total Commercial Real Estate	**$ 4,329**	**$ 10,495**	**$9,527**	**$6,395**	**$ 3,575**	**$ 34,321**
Support						
Cash	**$ 1,561**	**$ 30**	**$ -**	**$ 1,750**	**$ -**	**$ 3,341**
Total	**$ 243,280**	**$ 423,853**	**$ 334,496**	**$ 247,280**	**$ 198,525**	**$ 1,447,434**

[1] The Port has not yet obtained grant funding for all capital projects

[2] Subject to FAA approval of new PFC application, otherwise funded with cash

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5-YEAR CAPITAL IMPROVEMENT PLAN
Expenditures and Funding Sources By Project
FY 2025-26 to FY 2029-30
($ Thousands)

Project #	Project Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY Total 2026-2030
	SUMMARY						
	TOTAL PORT CIP	**$ 243,280**	**$ 423,853**	**$ 334,496**	**$ 247,280**	**$ 198,525**	**$ 1,447,434**
	TOTAL AVIATION	**$ 139,375**	**$ 152,553**	**$ 127,911**	**$ 127,734**	**$ 87,450**	**$ 635,023**
	TOTAL MARITIME	**$ 72,900**	**$ 196,765**	**$ 128,350**	**$ 67,950**	**$ 82,000**	**$ 547,965**
	TOTAL UTILITIES	**$ 25,115**	**$ 64,010**	**$ 68,708**	**$ 43,451**	**$ 25,500**	**$ 226,784**
	TOTAL CRE	**$ 4,329**	**$ 10,495**	**$ 9,527**	**$ 6,395**	**$ 3,575**	**$ 34,321**
	TOTAL SUPPORT	**$ 1,561**	**$ 30**	**$ -**	**$ 1,750**	**$ -**	**$ 3,341**
	AVIATION						
	PERIMETER DIKE IMPROVEMENTS						
A20039202	Airport Perimeter Dike Improvements - Seismic	$ 38,565	$ 4,330	$ -	$ -	$ -	$ 42,895
	Subtotal PERIMETER DIKE IMPROVEMENTS	**$ 38,565**	**$ 4,330**	**$ -**	**$ -**	**$ -**	**$ 42,895**
	AIRFIELD						
New Project	Taxiway Whiskey Rehabilitation - Phase 3	$ 5,000	$ 31,960	$ -	$ -	$ -	$ 36,960
A22023018	Runway 10R/28L Rehabilitation and Taxiway Bravo	$ 21,013	$ -	$ -	$ -	$ -	$ 21,013
New Project	Vehicle Service Road (VSR) Rehabilitation @ Taxiway Charlie	$ -	$ -	$ 3,440	$ -	$ -	$ 3,440
New Project	Airfield Geometric Improvements Hotspot 3	$ -	$ -	$ 7,000	$ 24,000	$ 17,000	$ 48,000
AA2023016	ARFF Fuel Tank Replacement	$ 13	$ -	$ -	$ -	$ -	$ 13
New Project	North Field Roofs (Hangars 7 & 8)	$ -	$ 480	$ 7,080	$ -	$ -	$ 7,560
New Project	JSX Apron Rehabilitation (Longer Term)	$ -	$ -	$ -	$ 600	$ 9,000	$ 9,600
New Project	North Field Apron Rehabilitation	$ 723	$ 7,120	$ 6,000	$ -	$ -	$ 13,843
New Project	Hangar 8 Concrete Rehabilitation	$ 115	$ 433	$ -	$ -	$ -	$ 548
	Subtotal AIRFIELD	**$ 26,864**	**$ 39,993**	**$ 23,520**	**$ 24,600**	**$ 26,000**	**$ 140,977**
	TERMINAL						
A22023003	M103 Roof, Drain Pipe, and Air Handler Replacement	$ 16,473	$ 9,489	$ -	$ -	$ -	$ 25,962
A22024025	Restroom Upgrades Gate 3, 4, 7	$ 4,300	$ -	$ -	$ -	$ -	$ 4,300
New Project	Passenger Boarding Bridge Replacement (4, 8, 8A)	$ 4,500	$ -	$ -	$ -	$ -	$ 4,500
New Project	Passenger Boarding Bridge Replacement (26, 27)	$ -	$ 2,800	$ -	$ -	$ -	$ 2,800
New Project	Passenger Boarding Bridge Replacement (24, 25)	$ -	$ -	$ 3,300	$ -	$ -	$ 3,300
New Project	M130 & M363 Air Handler Units Upgrades	$ 50	$ 2,542	$ 15,933	$ 11,016	$ -	$ 29,541
A22023006	Air Operations Center (AOC) Modernization	$ -	$ -	$ -	$ 400	$ 1,200	$ 1,600
New Project	M103 Energy Efficient Retrofit/Upgrades (Ceiling work/Windows/Finishes)	$ 50	$ 2,000	$ 6,000	$ 20,000	$ 14,000	$ 42,050
New Project	Fire Alarm Replacement	$ -	$ 500	$ 4,500	$ 5,000	$ -	$ 10,000
A22024021	Restroom Upgrades - Phase 2	$ 16,424	$ 17,530	$ -	$ -	$ -	$ 33,954
New Project	Restroom Upgrades - Phase 3	$ 1,900	$ 7,100	$ 7,000	$ -	$ -	$ 16,000
New Project	Terminal Signage Replacement	$ 200	$ 2,300	$ 2,000	$ -	$ -	$ 4,500
A22021014	New Concession Infrastructure Support	$ 5,000	$ 200	$ -	$ -	$ -	$ 5,200
New Project	T2 Generator Software/Hardware Upgrades	$ 300	$ -	$ -	$ -	$ -	$ 300
New Project	Cloud Phone System Replacement	$ 100	$ -	$ -	$ -	$ -	$ 100
New Project	Holdroom Electrification/Charging Stations	$ 600	$ -	$ -	$ -	$ -	$ 600
New Project	IT Infrastructure Replacement (Cores, Servers, Switches +Designer)	$ 3,045	$ -	$ -	$ -	$ -	$ 3,045
New Project	Jetway Flooring Replacement	$ 180	$ 180	$ -	$ -	$ -	$ 360
New Project	Gate Podium Replacement 20-25	$ -	$ -	$ -	$ 1,000	$ 6,000	$ 7,000
New Project	M103 Lower Level Flooring Replacement	$ 300	$ 2,600	$ -	$ -	$ -	$ 2,900
A22025010	Common Use Passenger Processing System	$ 80	$ -	$ -	$ -	$ -	$ 80
New Project	Endpoint Cybersecurity Solution	$ -	$ 100	$ -	$ -	$ -	$ 100
New Project	Public Address System Replacement	$ 500	$ -	$ -	$ -	$ -	$ 500
New Project	Passenger Boarding Bridge Replacement (29, 21, 23)	$ -	$ -	$ -	$ 4,650	$ -	$ 4,650
New Project	Passenger Boarding Bridge Replacement (30, 1, 3)	$ -	$ -	$ -	$ -	$ 4,650	$ 4,650
New Project	Refresh of T1 Information Booth	$ -	$ -	$ 300	$ 800	$ -	$ 1,100
New Project	T1 Trash Lift and Washout Containment	$ -	$ -	$ 472	$ 1,263	$ -	$ 1,735
New Project	Multi-user Flight Display, Airport Ops Database and Content Mgmt System	$ -	$ 500	$ -	$ -	$ -	$ 500
New Project	Conference Room Upgrades	$ 200	$ -	$ -	$ -	$ -	$ 200
New Project	Passenger Boarding Bridge Refurbish (4, 9, 11)	$ 1,300	$ -	$ -	$ -	$ -	$ 1,300
	Subtotal TERMINAL	**$ 55,502**	**$ 47,841**	**$ 39,505**	**$ 44,129**	**$ 25,850**	**$ 212,827**

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Project #	Project Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY Total 2026-2030
	GROUND ACCESS AND PARKING						
New Project	Bus Lot Site Improvements and Admin Building	$ -	$ -	$ 500	$ 8,000	$ -	$ 8,500
New Project	Main Parking Bowl Paving Rehabilitation	$ -	$ -	$ -	$ 830	$ 10,300	$ 11,130
New Project	Landside/Curbside Paving Rehabilitation	$ -	$ 6,100	$ 6,750	$ -	$ -	$ 12,850
New Project	Ron Cowan/John Glenn Parking Activation & Access Control	$ 690	$ 4,000	$ 3,000	$ -	$ -	$ 7,690
A22022002	Neil Armstrong Access Control	$ -	$ 650	$ 5,400	$ -	$ -	$ 6,050
A22025014	EV Charging - Daily Parking Lot	$ 125	$ 150	$ 60	$ -	$ -	$ 335
A12024028	NF Culvert Replacement	$ -	$ 316	$ -	$ -	$ -	$ 316
New Project	Turn Lane Conversion at 98th Ave and Airport Access	$ -	$ -	$ 400	$ -	$ -	$ 400
New Project	Shuttle Bus Procurement/Replacement Phase 2	$ 250	$ 900	$ 1,500	$ 1,500	$ -	$ 4,150
New Project	EV Charging - Neil Armstrong Parking Lot	$ 100	$ -	$ -	$ -	$ -	$ 100
New Project	Ron Cowan Off-Ramp Left Turn	$ 200	$ -	$ -	$ -	$ -	$ 200
	Subtotal GROUND ACCESS AND PARKING	**$ 1,365**	**$ 12,116**	**$ 17,610**	**$ 10,330**	**$ 10,300**	**$ 51,721**
	SECURITY						
New Project	CCTV Program Expansion (Curbside & Terminal)	$ 50	$ 1,270	$ 2,600	$ -	$ -	$ 3,920
New Project	Digital CCTV to PBB and Card Reader Technology	$ 400	$ 400	$ -	$ -	$ -	$ 800
AA0030322	North Field Fiber Upgrades and Radios (Wireless CBRS)	$ 600	$ -	$ -	$ -	$ -	$ 600
New Project	Airport-wide Analog Camera Replacement	$ -	$ -	$ 510	$ 510	$ -	$ 1,020
New Project	North Field to South Field Fiber Optic Cable Installation	$ 200	$ 600	$ -	$ -	$ -	$ 800
New Project	Police Station (L-311) New Flooring	$ 125	$ -	$ -	$ -	$ -	$ 125
New Project	Police Station (L-311) Remodel Two Restrooms	$ 250	$ -	$ -	$ -	$ -	$ 250
	Subtotal SECURITY	**$ 1,625**	**$ 2,270**	**$ 3,110**	**$ 510**	**$ -**	**$ 7,515**
	AVIATION UTILITIES						
A12024026	SSEV-1 Phase 2	$ 2,655	$ 11,398	$ 10,818	$ 8,207	$ -	$ 33,078
AA00520019	Southfield Airside Sewer Improvements, Phase 2	$ 4,700	$ -	$ -	$ -	$ -	$ 4,700
AA00520017	Southfield Landside Sewer Improvements, Phase 3	$ 50	$ 430	$ 9,400	$ -	$ -	$ 9,880
A20052009	Airport Drive Sewer Line Improvements/Upgrades	$ 279	$ 5,672	$ -	$ -	$ -	$ 5,951
AA00520013	Lift Station 1	$ 1,407	$ 11,036	$ -	$ -	$ -	$ 12,443
New Project	Northfield Sewer Improvements, Phase 4	$ -	$ -	$ 1,000	$ 16,400	$ -	$ 17,400
New Project	AP155P Southwest Provisioning Bldg Lift Station	$ -	$ -	$ 400	$ -	$ -	$ 400
New Project	AP137P Tank Farm/Swissport Lift Station	$ -	$ -	$ 530	$ -	$ -	$ 530
New Project	AP911P ARFF Lift Station	$ -	$ 700	$ 900	$ -	$ -	$ 1,600
New Project	AP912P Ground Run-up Equipment (GRE) Lift Station	$ -	$ 400	$ 900	$ 630	$ -	$ 1,930
New Project	Post-construction Stormwater Mitigation	$ 580	$ 1,150	$ -	$ -	$ -	$ 1,730
A22024020	Southfield Runway and Terminal 1 Generators in M104	$ 150	$ -	$ -	$ -	$ -	$ 150
A22023015	Southfield Airfield Lighting Generator Replacement and Upgrades	$ 580	$ 4,310	$ -	$ -	$ -	$ 4,890
New Project	Terminal 1 Generator in M104	$ 50	$ 500	$ 3,500	$ -	$ -	$ 4,050
New Project	Storm Water - Pump House 7	$ -	$ -	$ 2,700	$ 9,300	$ -	$ 12,000
New Project	Storm Water - Pump House 2	$ -	$ -	$ 800	$ 800	$ 2,800	$ 4,400
New Project	Storm Water - Pipe W of Twy D	$ -	$ -	$ -	$ 700	$ -	$ 700
New Project	Flood Mitigation - Alt 4 short term tidal	$ -	$ -	$ -	$ 1,500	$ 10,100	$ 11,600
A12024019	NF Microgrid	$ -	$ -	$ -	$ 2,000	$ 8,000	$ 10,000
New Project	ARFF Oil Water Separator Replacement	$ -	$ 260	$ 1,420	$ -	$ -	$ 1,680
New Project	Lift Station in M103 Upgrades	$ -	$ -	$ -	$ 200	$ 400	$ 600
New Project	Hangar 8 Fire Suppression Replacement	$ 500	$ -	$ -	$ -	$ -	$ 500
New Project	Replacement Grease Interceptor - Gate 6	$ 255	$ -	$ -	$ -	$ -	$ 255
New Project	Hangar 2 Sewer Lateral (New)	$ 550	$ -	$ -	$ -	$ -	$ 550
New Project	Permanent Load Monitoring Device Installation	$ -	$ -	$ 470	$ -	$ -	$ 470
New Project	Medium Voltage Cable Replacement	$ 1,000	$ 3,000	$ 4,000	$ 2,000	$ -	$ 10,000
New Project	Water Distribution Upgrades	$ 500	$ -	$ -	$ -	$ -	$ 500
New Project	Trash Capture Pre-Design & Location 2	$ 253	$ 877	$ -	$ -	$ -	$ 1,130
New Project	Trash Capture - Other Locations	$ 470	$ 1,010	$ 2,358	$ 1,878	$ -	$ 5,716
New Project	Scada	$ -	$ 250	$ -	$ -	$ -	$ 250
	Subtotal AVIATION UTILITIES	**$ 13,979**	**$ 40,993**	**$ 39,196**	**$ 43,615**	**$ 21,300**	**$ 159,083**
	AVIATION ADMIN						
Cap Equip- Aviation	Capital Equipment - Aviation	$ 925	$ 4,510	$ 4,470	$ 4,050	$ 3,500	$ 17,455
Cap Equip- Aviation	Miscellaneous Aviation	$ 500	$ 500	$ 500	$ 500	$ 500	$ 2,500
	Subtotal AVIATION ADMIN	**$ 1,425**	**$ 5,010**	**$ 4,970**	**$ 4,550**	**$ 4,000**	**$ 19,955**

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Project #	Project Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY Total 2026-2030
	MARITIME						
	MARINE TERMINALS						
M20001	Wharf Upgrades for Ultra-Large Container Vessels (OICT)	$ 200	$ -	$ -	$ -	$ -	$ 200
M25005	Wharf/Crane Rail/Bollard/Fender Design (CalSTA Grant)	$ 9,700	$ 9,700	$ 4,900	$ -	$ -	$ 24,300
M25001	B33/34 Leveling Project (CalSTA Grant)	$ 3,600	$ 15,000	$ 15,300	$ -	$ -	$ 33,900
M25009	Matson CHE Electrical Infrastructure Upgrades (CalSTA)	$ 825	$ 1,440	$ -	$ -	$ -	$ 2,265
New Project	Pile Stabilization Program	$ -	$ 275	$ 3,400	$ -	$ -	$ 3,675
M25007	Maritime/17th Street Landscaping	$ 1,385	$ -	$ -	$ -	$ -	$ 1,385
M23003	B24 Backlands Redevelopment (2022 MARAD Grant)	$ 5,400	$ 30,500	$ 29,100	$ -	$ -	$ 65,000
M24015	Berth 22 Shore Power (Eagle Rock Development)	$ 4,700	$ 7,800	$ 3,050	$ -	$ -	$ 15,550
M24001	ETS Pavement	$ 6,575	$ 2,600	$ -	$ -	$ -	$ 9,175
M24004	STE Bioswale	$ 1,100	$ -	$ -	$ -	$ -	$ 1,100
M24013	Delamination ETS	$ 3,100	$ 3,700	$ -	$ -	$ -	$ 6,800
M24014	Delamination Matson	$ 3,100	$ 3,700	$ -	$ -	$ -	$ 6,800
New Project	Misc Paving	$ -	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 4,000
M24006	Berth 23, SS-B-19, TX-RT5-2, Transformer Replacement	$ 50	$ -	$ -	$ -	$ -	$ 50
New Project	B24 - 26 Crane Rail/Wharf Upgrades (FY24 MARAD PIDP)	$ -	$ 38,700	$ 20,800	$ -	$ -	$ 59,500
New Project	OHT - Container Storage Grind and Pave	$ 1,750	$ -	$ -	$ -	$ -	$ 1,750
New Project	OHT- S Line Grind and pave	$ 875	$ -	$ -	$ -	$ -	$ 875
New Project	Building 107 Rehab	$ 500	$ 1,500	$ -	$ -	$ -	$ 2,000
New Project	B60-B63 Bollard/Wharf Face Repairs	$ 500	$ 2,500	$ -	$ -	$ -	$ 3,000
M20005	B55-B59 OICT Crane Drive Upgrade	$ 2,300	$ -	$ -	$ -	$ -	$ 2,300
M24005	Trapac Crane Drive Upgrade	$ 1,600	$ -	$ -	$ -	$ -	$ 1,600
M25011	Trapac Spreaders	$ 205	$ -	$ -	$ -	$ -	$ 205
	Subtotal MARINE TERMINALS	**$ 47,465**	**$ 133,415**	**$ 62,550**	**$ 1,000**	**$ 1,000**	**$ 245,430**
	DREDGING						
New Project	Inner/Outer Harbor Turning Basins Widening	$ 5,225	$ 27,000	$ 30,500	$ 40,500	$ 55,500	$ 158,725
	Subtotal DREDGING	**$ 5,225**	**$ 27,000**	**$ 30,500**	**$ 40,500**	**$ 55,500**	**$ 158,725**
	MARITIME UTILITIES						
M23001	Sanitary Sewer Compliance: Maritime Street Trunk Sewer Rehab (N/S)	$ 100	$ -	$ -	$ -	$ -	$ 100
M21010-06	Sanitary Sewer Compliance: Joint Intermodal Terminal Area, Berth 60-63 and Berth 59, Roundhouse, Schnitzer Steel, and Middle Harbor Road Area Sewer Pipeline Rehabilitation	$ 1,140	$ -	$ -	$ -	$ -	$ 1,140
M21004	Fire Water Loop Connection at OHIT (North)	$ -	$ -	$ 850	$ 1,775	$ -	$ 2,625
New Project	Fire Water Loop Reconstruction at Roundhouse	$ -	$ -	$ 500	$ 3,000	$ -	$ 3,500
M25006	General Upgrade of Vault Lids	$ 700	$ 2,100	$ -	$ -	$ -	$ 2,800
M23010	Trash Capture Compliance (MAR-12, MAR-17, MAR-19)	$ 5,700	$ 2,400	$ -	$ -	$ -	$ 8,100
New Project	Trash Capture Compliance (OICT: MAR-7, MAR-8, MAR-9, MAR-10)	$ -	$ -	$ 1,300	$ 8,800	$ 1,800	$ 11,900
New Project	Trash Capture Compliance (Outer Harbor: MAR-14)	$ -	$ -	$ -	$ 525	$ 4,700	$ 5,225
M25008	Green Power Microgrid (TCEP Grant)	$ 6,200	$ 37,500	$ 15,900	$ 6,100	$ -	$ 65,700
New Project	SS-E-2 Upgrades	$ 520	$ -	$ -	$ -	$ -	$ 520
New Project	Trash Capture Compliance - Small Devices	$ 200	$ -	$ 200	$ -	$ 250	$ 650
	Subtotal MARITIME UTILITIES	**$ 14,560**	**$ 42,000**	**$ 18,750**	**$ 20,200**	**$ 6,750**	**$ 102,260**
	ROADWAY						
New Project	Rail Crossing Arm (Maritime/Middle Harbor)	$ -	$ -	$ 300	$ -	$ -	$ 300
	Subtotal ROADWAY	**$ -**	**$ -**	**$ 300**	**$ -**	**$ -**	**$ 300**
	OTHER						
M23005	MHSP Baseline Improvements (excluding Elevator and 7th St Bike Path)	$ 500	$ -	$ -	$ 5,000	$ 12,600	$ 18,100
M22003	MHSP - (Elevator)	$ 500	$ 1,900	$ -	$ -	$ -	$ 2,400
M24003	MHSP - 7th Street Bikepath	$ 650	$ -	$ -	$ -	$ 5,150	$ 5,800
M25012	Data Interoperability	$ 600	$ -	$ -	$ -	$ -	$ 600
New Project	Misc Business Opportunities	$ 250	$ 250	$ 250	$ 250	$ -	$ 1,000
	Subtotal OTHER	**$ 2,500**	**$ 2,150**	**$ 250**	**$ 5,250**	**$ 17,750**	**$ 27,900**
	MARITIME ADMIN						
Cap Equip	Capital Equipment - Maritime	$ 3,150	$ 7,200	$ 1,000	$ 1,000	$ 1,000	$ 13,350
	Subtotal MARITIME ADMIN	**$ 3,150**	**$ 7,200**	**$ 1,000**	**$ 1,000**	**$ 1,000**	**$ 13,350**

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Project #	Project Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY Total 2026-2030
	UTILITIES						
	ELECTRIC PROJECTS - AIRPORT SYSTEM						
UTP23001	Battery Storage System OAK	$ 300	$ 500	$ 500	$ 200	$ -	$ 1,500
A12020754	Substation 1 and 2 Upgrades	$ 5,429	$ 21,166	$ 22,108	$ 16,051	$ -	$ 64,754
AA2025013	Battery Energy Storage System Site Improvements at SS-1A	$ 886	$ 694	$ -	$ -	$ -	$ 1,580
	Subtotal ELECTRIC PROJECTS - AIRPORT SYSTEM	**$ 6,615**	**$ 22,360**	**$ 22,608**	**$ 16,251**	**$ -**	**$ 67,834**
	ELECTRIC PROJECTS - SEAPORT SYSTEM						
M20009	115kV Main Substation Replacement (Davis) - Harbor	$ 935	$ 14,100	$ 11,550	$ 14,025	$ 14,025	$ 54,635
M21009	115kV Main Substation Replacement (Cuthbertson)	$ 765	$ 11,550	$ 9,450	$ 11,475	$ 11,475	$ 44,715
M22001	SS-R-14 Substation Replacement (14th/Maritime)	$ 13,800	$ 5,300	$ 13,500	$ 1,700	$ -	$ 34,300
M25008	Green Power Microgrid (TCEP Grant) Solar & BESS	$ 3,000	$ 10,700	$ 11,600	$ -	$ -	$ 25,300
	Subtotal ELECTRIC PROJECTS - SEAPORT SYSTEM	**$ 18,500**	**$ 41,650**	**$ 46,100**	**$ 27,200**	**$ 25,500**	**$ 158,950**
	Subtotal ELECTRIC PROJECTS	**$ 39,913**	**$ 64,798**	**$ 64,330**	**$ 34,241**	**$ 25,500**	**$ 228,782**
	COMMERCIAL REAL ESTATE						
	JACK LONDON SQUARE (JLS)						
C19002	HVAC Equipment Upgrades/Replacement at 530 Water Str	$ 110	$ 115	$ 120	$ 125	$ -	$ 470
C19002	Chiller replacement and thermostat upgrades at 530 Water Str	$ -	$ 850	$ -	$ -	$ -	$ 850
C19002	Sun Control Window Film at 530 Water Str	$ -	$ 200	$ -	$ -	$ -	$ 200
C23001	Washington Street EV Chargers (Port vehicles)	$ 275	$ -	$ -	$ -	$ -	$ 275
New Project	530 Water St Window Enhancement (noise mitigation)	$ -	$ 25	$ 250	$ -	$ 3,000	$ 3,275
New Project	Washington Street EV Chargers (full buildout)	$ 50	$ 150	$ 100	$ 500	$ -	$ 800
New Project	Boardwalk Replacement by Waterfront Hotel	$ 50	$ 175	$ 6,500	$ -	$ -	$ 6,725
New Project	JLS concrete wharve rehab	$ -	$ -	$ 50	$ 250	$ -	$ 300
New Project	530 Water Street Roof Gutter Drain System Rehabilitation	$ -	$ 50	$ 175	$ 5,000	$ -	$ 5,225
New Project	Washington Street Garage Painting	$ -	$ 50	$ 500	$ -	$ -	$ 550
P10000001	Tenant Improvements in JLS	$ 117	$ 921	$ 346	$ 195	$ -	$ 1,579
New Project	Refurbish Elevators at 530 Water St Building	$ -	$ 825	$ 1,025	$ -	$ -	$ 1,850
New Project	Building Improvements - Waterfront Hotel	$ -	$ 1,000	$ -	$ -	$ -	$ 1,000
New Project	530 Water Street 6th and 2nd Floor Improvements	$ 580	$ -	$ -	$ -	$ -	$ 580
	Subtotal JACK LONDON SQUARE (JLS)	**$ 1,182**	**$ 4,361**	**$ 9,066**	**$ 6,070**	**$ 3,000**	**$ 23,679**
	EMBARCADERO COVE						
New Project	1285-1363 Embarcadero Parking Lot Pavement Rehabilitation	$ 50	$ 750	$ -	$ -	$ -	$ 800
P20066302	Environmental Remediation / Permits Union Pt Basin Park	$ 308	$ -	$ -	$ -	$ -	$ 308
New Project	Embarcadero St Paving	$ -	$ 500	$ -	$ -	$ -	$ 500
	Subtotal EMBARCADERO COVE	**$ 358**	**$ 1,250**	**$ -**	**$ -**	**$ -**	**$ 1,608**
	BUSINESS PARK						
New Project	Tenant Improvements at Business Park	$ 1,279	$ -	$ 136	$ -	$ 250	$ 1,665
New Project	Building Improvements - Roof Replacement 7729-31 Oakport	$ -	$ 249	$ -	$ -	$ -	$ 249
New Project	Building Improvements - Roof Replacement 424 Pendleton	$ -	$ 115	$ -	$ -	$ -	$ 115
New Project	Building Improvements - Roof Replacement 7719-23 Oakport	$ -	$ 195	$ -	$ -	$ -	$ 195
New Project	Building Improvements - Asphalt Replacement 7719-23 Oakport	$ 185	$ -	$ -	$ -	$ -	$ 185
	Subtotal BUSINESS PARK	**$ 1,464**	**$ 559**	**$ 136**	**$ -**	**$ 250**	**$ 2,409**
	OTHER						
C23002	Sanitary Sewer Rehab	$ 1,000	$ 4,000	$ -	$ -	$ -	$ 5,000
New Project	Misc. Facility Replacement Projects, CRE	$ 325	$ 325	$ 325	$ 325	$ 325	$ 1,625
	Subtotal OTHER	**$ 1,325**	**$ 4,325**	**$ 325**	**$ 325**	**$ 325**	**$ 6,625**
	SUPPORT						
	EQUIPMENT AND SYSTEMS						
New Project	Telecom and Conf Room Refresh - DT and Maritime	$ 100	$ -	$ -	$ -	$ -	$ 100
Capital Equipment	JLS Access Switch Replacements	$ -	$ -	$ -	$ 1,000	$ -	$ 1,000
Capital Equipment	JLS Wi-Fi	$ 130	$ -	$ -	$ -	$ -	$ 130
Capital Equipment	MDR Hardware Replacement	$ -	$ -	$ -	$ 250	$ -	$ 250
Capital Equipment	Cisco Smartnet Subscription	$ -	$ -	$ -	$ 500	$ -	$ 500
Capital Equipment	HSM Replacement	$ -	$ 30	$ -	$ -	$ -	$ 30
Capital Equipment	DR/Testing Servers	$ 50	$ -	$ -	$ -	$ -	$ 50
Capital Equipment	CV Media Agents	$ 20	$ -	$ -	$ -	$ -	$ 20
New Project	Cloud Phone System	$ 100	$ -	$ -	$ -	$ -	$ 100
New Project	JLS/HFC Access Control Upgrades	$ 400	$ -	$ -	$ -	$ -	$ 400
New Project	IT Infrastructure Replacement (ALL CORES, ISE Servers, DNA Servers, DC Switches, Misc switches + Design and consulting)	$ 761	$ -	$ -	$ -	$ -	$ 761
	Subtotal EQUIPMENT AND SYSTEMS	**$ 1,561**	**$ 30**	**$ -**	**$ 1,750**	**$ -**	**$ 3,341**

CONTENTS

DEBT SERVICE AND CASH FLOW

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Debt Service

Debt service as reflected in this budget is based on the scheduled annual principal and interest payments required of the Port's outstanding bonds and projected future bonds, as well as assumed interest and principal repayment schedule on outstanding and future Commercial Paper notes.

OUTSTANDING AND PLANNED DEBT

The Port does not have taxing power and has issued debt secured by a pledge of Port revenues (with certain exceptions).

Outstanding Debt

The Port currently has Senior Lien Bonds (Series R), Intermediate Lien Bonds (Series D, E, G and H), and CP Notes outstanding. The Port's Senior Lien Bonds are rated A+, A1 and A+ by Fitch, Moody's and Standard & Poor's, respectively. The Intermediate Lien Bonds are rated A, A2 and A by Fitch, Moody's and Standard & Poor's, respectively. In addition, the Port maintains a rating of A3 from Moody's and an A rating from Fitch in connection with its CP program, however, the CP notes themselves take on the rating of the letter of credit provider supporting the CP program. In this case, the ratings on the CP notes are F1+, P-1, and A-1 from Fitch, Moody's and Standard & Poor's, respectively. Please see below for a more detailed explanation of the Port's CP program and the letter of credit provider.

Outstanding Debt	Unaudited June 1, 2025
Senior Lien Bonds	$ 253,055,000
Intermediate Lien Bonds	205,280,000
CP Notes	17,535,000
Total	*$ 475,870,000*

The current outstanding revenue bonds (Senior Lien and Intermediate Lien) were issued in 2017, 2020, and 2021 at fixed rates ranging from 1.517% to 5.00% with remaining principal repayments scheduled for FY 2026 through FY 2033. In FY 2021, the Division of Boating and Waterways (DBW) Loan issued to finance the 1999 renovation of Jack London Square Marinas was refunded using proceeds of the Series R bonds. Consequently, the Port does not have any DBW Loan outstanding.

The Port initiated a $300 million CP program in 1998 to provide flexibility to borrow funds on short notice to (1) fund a portion of the capital program, (2) provide interim financing for cash management (e.g., lags in grant reimbursement), and (3) provide emergency funding. CP Notes may be repaid with cash, PFCs, other legally available sources or refinanced with long-term debt. The interest rate on the CP Notes is variable, resets every 1 to 270 days and is assumed to range between 2.6% and 3.7% in FY 2026 through FY 2030. Under the CP Indenture, the maximum CP Notes interest rate allowed is 12% with a maximum term of 270 days.

The Port has two letters of credit (LOC) with Bank of America N.A. (BANA) securing the CP Notes set to expire on December 31, 2026. One LOC facility secures $150 million (Series ABC) in CP Notes and a second LOC facility secures $50 million (Series DEF) in CP Notes.

The priority of payment for the Port's debt from top-to-bottom is as follows:

1. Senior Lien Bonds
2. DBW Loan
3. Intermediate Lien Bonds
4. CP Notes

Planned Debt

During the FY 2026-2030 forecast period, the Port has programmed the issuance of $365.3 million of non-PFC eligible CP Notes between FY 2026 and FY 2030 to fund capital projects in the Maritime, Aviation, CRE and Utilities divisions. It is anticipated that these short-term Notes may partially be refunded with long-term revenue bonds as early as FY 2027. Actual timing and amount of CP Notes refinanced with long-term revenue bonds may vary from current projections. Some but not all interest payments after the issuance of these future revenue bonds are anticipated to be capitalized.

Repayment of Outstanding CP Notes

As of June 1, 2025, approximately $15.2 million of the Port's outstanding CP Notes is non-PFC eligible, meaning PFCs cannot be used to pay principal and interest on these non-PFC eligible CP Notes. Going forward, the Port plans to make annual principal repayments ranging between $5.0 million and $5.2 million during the FY 2026-28 period as part of an overall plan to pay down its outstanding non-PFC eligible CP Notes Balance.

As of June 1, 2025, $2.3 million of the Port's outstanding CP Notes is PFC-eligible and is expected to be redeemed from PFC revenues. During the FY 2026-30 forecast period, the Port does not anticipate issuing new PFC-eligible CP Notes to fund capital costs in the 5-Year CIP. Absent any new issuances of PFC-eligible CP Notes, it is anticipated that the current outstanding balance of PFC-eligible CP Notes will be fully repaid by the end of FY 2026.

DEBT COVENANTS

The Port has covenanted in the Bond Indentures and in the LOC Agreements to maintain Net Revenues (as defined in the Bond Indentures) at or above specified levels of the annual debt service paid by the Port in each fiscal year. The minimum debt service coverage ratio (DSCR) for Senior Lien Bonds is 1.25x and the minimum DSCR for the Intermediate Lien Bonds is 1.10x. Under the LOC Agreements, the Port has also agreed to maintain a minimum Intermediate Lien DSCR of 1.10x.

DEBT SERVICE COVERAGE RATIOS

The Senior Lien, Intermediate Lien, and Aggregate DSCRs are shown in the following table. The Intermediate Lien DSCR includes debt service on Senior Lien Bonds, DBW Loan, and Intermediate Lien Bonds that are to be paid with net operating revenues. The Aggregate DSCR includes debt service on Senior Lien Bonds, DBW Loan, Intermediate Lien Bonds, and CP Notes that are to be repaid with net operating revenues, including the Port's plan to make annual principal payments on CP Notes (non-PFC eligible) of between $5.0 million and $5.2 million, as part of an overall plan to pay down this debt. The Aggregate DSCR does not include debt service on CP Notes anticipated to be repaid with PFCs. The interest rate on the CP Notes is assumed to be 2.6% in FY 2026, increasing to 3.7% by FY 2030. Excluded from the DSCR calculation are operating expenses and debt service paid from non-operating revenues including grants and capitalized interest (CAPI) funds.

DEBT SERVICE

The Debt Service Coverage table below lists bond and commercial paper debt service amounts and associated debt service coverage through the end of the forecast period. Debt service paid from PFCs, grants, and capitalized interest funds are excluded from the computation of DSCR.

Aggregate debt service in the table increases from FY 2026 through FY 2030 reflect additional interest expense on new CP Notes issued to fund on an interim basis a portion of the Port's future capital improvement plan plus interest on long-term bonds issued in the future to refinance the new CP Notes. Current projections assume bond issuances in FY 2027 through FY 2030 to takeout $66.3 million, $140.7 million, $77.9 million and $56.8 million of CP Notes, respectively.

The subsequent Debt Service Schedule table summarizes bond debt service through FY 2030 by bond series. In addition, commercial paper debt service is broken down by amounts paid from passenger facility charges, and amounts paid using Port funds. The debt service shown in this table are higher than the debt service reported in the previous table, because this table shows debt service on a gross basis before subtracting debt service paid from capitalized interest, which is excluded from debt service coverage calculations. For instance, the debt service associated with the new FY 2027 bond issuance is fully reflected here even though a significant portion of the debt service is expected to be paid from bond proceeds deposited in a capitalized interest fund.

The Bond Debt Service Profile chart below summarizes the Port's debt service profile net of capitalized interest through FY 2035. Debt service payments from future bond issuances programmed in FY 2027 through FY 2030 extend beyond FY 2035. Not shown in the chart are debt service related to future bond issuances which may occur beyond the five-year forecast period.

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DEBT SERVICE COVERAGE
FY 2023-24 to FY 2029-30
($ Thousands)

	Actual 2023-24	Budget 2024-25	Budget 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Operating Revenues	$407,739	$434,526	$417,349	$435,467	$456,644	$471,229	$488,561
Operating Expenses[1]	(264,450)	(299,849)	(298,067)	(303,885)	(306,386)	(313,957)	(317,223)
Interest Earned[2]	68,710	35,187	35,692	33,005	30,786	28,244	26,672
Net Revenues	**212,000**	**169,864**	**154,974**	**164,586**	**181,044**	**185,516**	**198,010**
Debt Service[3]							
Debt Service – Senior Lien Bonds	23,337	24,231	27,489	28,560	38,040	37,470	38,080
Debt Service – Senior & Intermediate Lien Bonds	70,515	78,165	77,630	82,473	85,399	89,799	95,740
Debt Service – Aggregate[4]	76,249	84,012	83,083	88,964	93,259	91,936	97,665
Debt Service Coverage Ratio							
Senior Lien[5]	9.08	7.01	5.64	5.76	4.76	4.95	5.20
Intermediate Lien[6]	3.01	2.17	2.00	2.00	2.12	2.07	2.07
Aggregate[7]	2.78	2.02	1.87	1.85	1.94	2.02	2.03

[1]Excludes depreciation and amortization, as well as expenses reimbursed with federal and State grants.

[2]Interest Earned is interest income in accordance with generally accepted accounting principles and does not include the interest earned on PFC and CFC funds.

[3]The amounts listed do not include debt service paid from PFCs, capitalized interest, or reimbursed with federal and State grants. This is due to the fact that debt services paid from these sources are excluded from DSCR calculations pursuant to terms outlined in the Port's bond indentures. See Debt Service Schedule table on the succeeding page for debt service payment amounts before the application of other debt proceeds or other grant funds. Includes debt service on future bond and CP Note issuances which are subject to change.

[4]Includes planned principal payments on outstanding CP Notes of $5.0 million to $5.2 million per year during the FY 2026-28 time period, as part of an overall plan to repay the existing CP Notes down. It excludes principal and interest payments made with PFC funds. The interest rate on CP Notes is assumed to be 2.6% in FY 2026, increasing to 3.7% by FY 2030.

[5]Senior Lien DSCR equals Net Revenues divided by Debt Service – Senior Lien Bond.

[6]Intermediate Lien DSCR equals Net Revenues divided by Debt Service – Senior & Intermediate Lien Bonds & DBW Loan.

[7]Aggregate DSCR equals Net Revenues divided by Debt Service – Aggregate.

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DEBT SERVICE SCHEDULE
FY 2025-26 TO FY 2029-30
($Thousands)[1]

Description	FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29			FY 2029-30		
	Principal	Interest[2]	Total	Principal	Interest[2]	Total	Principal	Interest[2]	Total	Principal	Interest[2]	Total	Principal	Interest[2]	Total
Senior Lien Revenue Bonds															
2020 Refunding Bonds Series R	22,310	5,179	27,489	23,720	4,840	28,560	33,595	4,445	38,040	33,680	3,790	37,470	34,980	3,100	38,080
Subtotal Sr. Lien Rev. Bonds	22,310	5,179	27,489	23,720	4,840	28,560	33,595	4,445	38,040	33,680	3,790	37,470	34,980	3,100	38,080
Intermediate Lien Revenue Bonds															
2017 Refunding Bonds Series D	13,255	2,036	15,291	6,085	1,553	7,638	8,895	1,178	10,073	9,460	719	10,179	9,655	241	9,896
2017 Refunding Bonds Series E	2,485	1,440	3,925	15,715	985	16,700	3,740	498	4,238	4,075	303	4,378	4,020	101	4,121
2017 Refunding Bonds Series G	4,970	470	5,440	2,550	354	2,904	3,075	265	3,340	3,290	162	3,452	3,285	54	3,339
2021 Refunding Bonds Series H	19,950	5,536	25,486	20,955	4,539	25,494	21,795	3,491	25,286	23,100	2,401	25,501	24,925	623	25,548
Future Bonds	--	--	--	--	2,476	2,476	--	9,937	9,937	1,046	17,609	18,656	1,917	22,134	24,051
Subtotal Int. Lien Rev. Bonds	40,660	9,482	50,142	45,305	9,906	55,211	37,505	15,369	52,874	40,971	21,195	62,166	43,802	23,153	66,955
Total Sr. & Int. Lien Rev. Bonds	**62,970**	**14,660**	**77,630**	**69,025**	**14,746**	**83,771**	**71,100**	**19,814**	**90,914**	**74,651**	**24,985**	**99,636**	**78,782**	**26,253**	**105,034**
Commercial Paper (Non-PFC) [3]	5,000	452	5,452	5,000	1,492	6,492	5,193	2,666	7,859	--	2,137	2,137	--	1,925	1,925
Total including CP Notes (Non-PFC)	**67,970**	**15,113**	**83,083**	**74,025**	**16,238**	**90,263**	**76,293**	**22,480**	**98,773**	**74,651**	**27,121**	**101,772**	**78,782**	**28,177**	**106,959**
Commercial Paper (PFC) [3, 4]	2,342	30	2,372	--	--	--	--	--	--	--	--	--	--	--	--

[1]Summary amounts may not total due to rounding.

[2] Interest shown on this table is on a cash basis. On the Income Statement, Interest Expense is shown on an accrual basis.

[3]The Port plans to make principal payments on outstanding CP Notes between $5.0 million and $7.3 million per year during the FY 2026-28 period, as part of an overall plan to repay this debt. The interest rate on CP Notes is assumed to be 2.6% in FY 2026, increasing to 3.7% by FY 2030.

[4] Reflects CP Notes payable from PFCs. Preliminary, subject to change based on amount of PFCs available prior to redemption.

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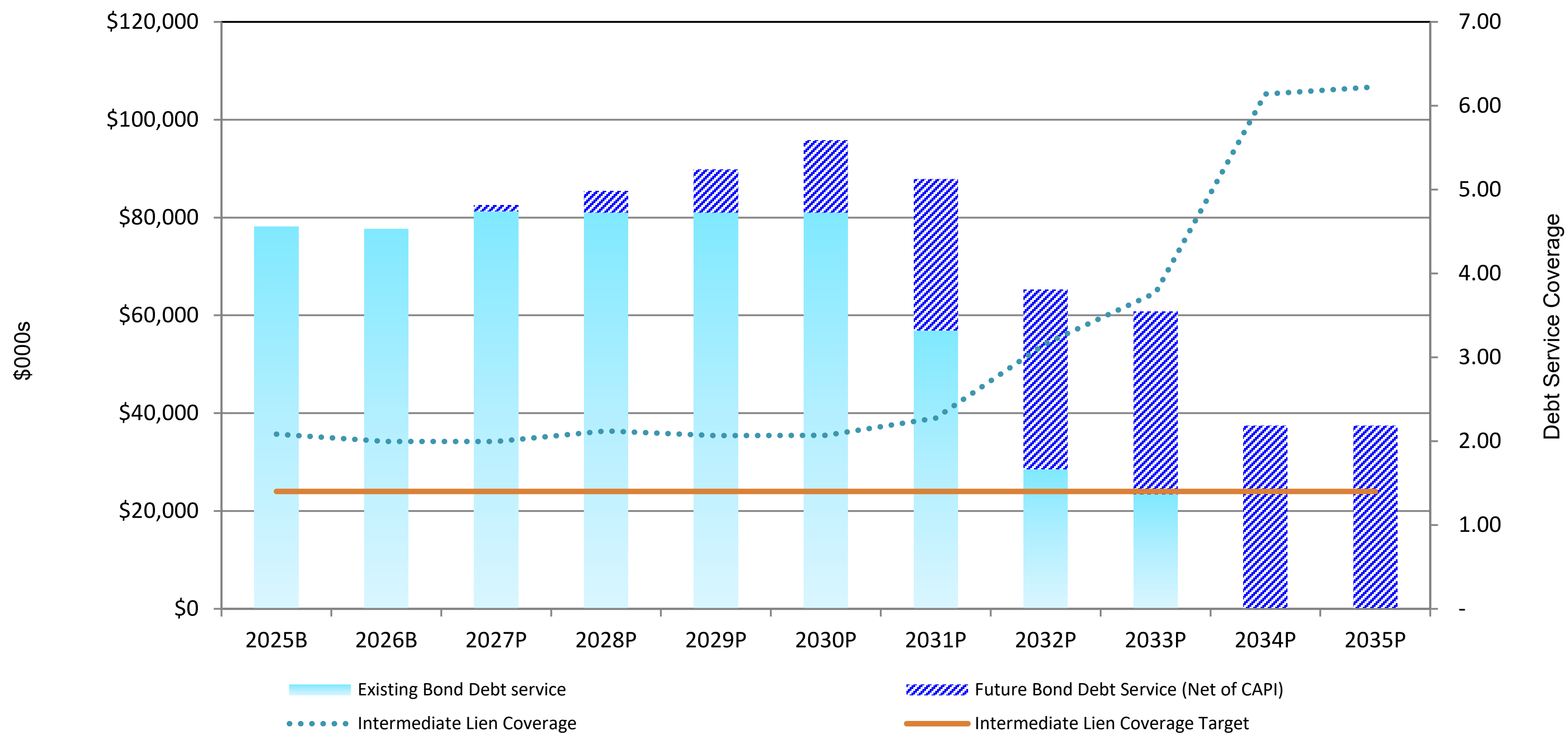
BOND DEBT SERVICE PROFILE
FY 2024-25 to FY 2034-35
($Thousands)



- Debt Service Coverage Ratio (DSCR) measures the Port's ability to meet day-to-day operating costs and debt service payments and resiliency to weather downturns in the economy and Port businesses. DSCR is net revenues divided by debt service (excluding repayments of outstanding CP Notes, as well as debt service funded by grants and draws from the CAPI fund). Net revenues are operating revenues less operating expenses (excluding depreciation and grant-funded operating expenses).
- The above profile only summarizes debt service net of capitalized interest through FY 2035. Debt service from future issuances extends beyond FY 2035 and will be structured with level annual debt service payments through final maturity.
- Not shown in the above profile are debt service on future bond issuances which may occur outside the five-year forecast period.

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Cash Flow and Fund Organization

FUND ORGANIZATION AND FLOW OF FUNDS

The Port is a fiscally independent, legally separate component unit of the City of Oakland established in 1927, and its financial reporting is shown discretely as a single enterprise fund in the City of Oakland's government-wide financial statements. The Port is required by City charter to deposit all income and revenue from operations of the Port or from Port facilities in a special fund in the City Treasury and to be designated as the "Port Revenue Fund." The City is in turn responsible for investing and managing such funds. Deposits in the Port Revenue Fund are to be applied as follows:

1. To pay principal and interest on any or all general obligation bonds of the City issued for Port purposes (no general obligation bonds are outstanding);
2. To pay the principal and interest on revenue bonds;
3. To pay all costs of maintenance and operation of the facilities together with general costs of administration and overhead allocable to such facilities;
4. To defray the expenses of any pension or retirement system applicable to the employees;
5. For necessary additions, betterments, improvements, repairs or replacements of any facilities;
6. To establish and maintain reserve or other funds to ensure the payment on or before maturing of any or all general obligation bonds of the City issued for any facility under the control of the Board. To establish and maintain reserve or other funds to insure the payment on or before maturity of any or all revenue bonds;
7. To establish and maintain such other reserve funds pertaining to the facilities of the Board as determined by a resolution(s) of the Board; and
8. For transfer to the General Fund to the City, to the extent that the Board determines that surplus moneys exist in such fund which is not then needed for any of the above purposes.

BOARD ESTABLISHED CASH RESERVES

The following reserves will be established as of July 1, 2025:

Board Reserves	
Port Bond Reserve	$30,000,000
Operating Reserve	37,467,000
Capital Reserve	15,000,000
Total	***$82,467,000***

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The Board established Reserve Funds are to be used as follows:

- Bond Reserve Fund – Fixed at $30.0 million. Amounts may be withdrawn from the reserve fund for the following purposes:
  - to pay principal of, and interest on, indebtedness of the Port in the event that reserve funds established under the various indentures relating to such indebtedness and revenues of the Port are insufficient to pay such principal or interest then due and owing by the Port; or
  - to pay for emergency capital expenditures or extraordinary operating and maintenance expenditures of the Port.
- Operating Reserve Fund – Adjusted each July 1 to equal 12.5% of the Port's approved annual operating expense budget (before depreciation and amortization). The Port may withdraw funds for unanticipated working capital requirements.
- Capital Reserve Fund – Fixed at $15.0 million. The reserve may be used for the following purposes:
  - to pay principal of, and interest on, indebtedness of the Port in the event that reserve funds established under the various indentures relating to such indebtedness and revenues of the Port are insufficient to pay such principal or interest then due and owing by the Port; or
  - to pay for extraordinary capital improvements or extraordinary operating and maintenance expenditures of the Port.

UNRESTRICTED CASH

Unrestricted cash refers to available cash and cash equivalents that are not subject to legal or contractual restrictions on their use. These funds are available to support the Port's general operations, address unexpected financial needs, pay debt service, or invest in strategic initiatives at the discretion of the Board of Port Commissioners or Port management. While unrestricted in nature, these funds are internally designated for specific purposes to promote fiscal discipline and financial planning. The Port's unrestricted cash is allocated into the following internal funds:

- Debt Service Fund – Used to capture regular monthly se-aside deposits in advance of scheduled principal and interest payments on outstanding debt obligations;
- Self-Insurance Fund – Reserved to cover anticipated liabilities such as worker's compensation claims, employee health benefits and other self-insured risks;
- Working Capital Fund – Maintained to support the Port's day-to-day operating needs and obligations, including pension contributions, other post-employment benefits (OPEB), environmental compliance, and general operations; and
- Capital Investment Fund – Set aside to finance current and future capital improvement projects.

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RESTRICTED CASH

Restricted cash are deposits whose use is designated for a specific purpose by federal or State legislation, bond indenture, or legal contract, and cannot be used for any other purpose. The Port's restricted cash including internally-designated restricted cash are as follows:

- Bond Reserve/Rebate Funds – As stated in the indentures, bond reserve funds are established and held by the bond trustee to pay debt service if the Port has insufficient funds. Rebate funds are held by the bond trustee under the indentures to hold rebate payments to be made to the U.S. Treasury;
- Bond Construction Funds – Funds received from bond proceeds to pay for qualifying capital improvement costs;
- Passenger Facility Charge – A user fee charged by OAK and collected by the airlines for revenue passengers enplaning air carrier flights. The FAA approves the PFCs which are used to fund eligible Airport capital improvements;
- Customer Facility Charge – A per-contract fee charged by rental car companies on behalf of OAK. CFCs are used to fund ground transportation (including buses and shuttle services) and construction related to rental car facilities;
- Construction Escrows – A portion of the amount due to a contractor that is set aside in a construction escrow account until the project has been signed off and placed into service;
- Low Carbon Fuel Standard – A program implemented by CARB to decrease GHG emissions in the transportation sector. Program participants can generate credits by implementing projects to achieve this goal. Revenue from the credits may only be applied to fund additional GHG reduction efforts;
- Public Benefits Programs – Per Assembly Bill (AB) 1890 the Port is required to collect and spend 2.85% of its electricity sales on cost effective energy efficiency, new renewable generation, low-income energy programs, and new electric technologies research and development. The spending of this program will be processed on a first come first serve basis for projects that meet program requirements and amounts are within available funds; and
- Greenhouse Cap & Trade – Another program implemented by CARB, (AB 32) sets a total permissible level of emissions in the State (i.e, the "cap"), and issues free allowances to businesses which are required to adhere to the "capped" level of emissions. Because the Port does not have any electricity generation facilities nor imports electricity directly from out-of-state, the Port does not have any compliance obligations. The generators that produce the electricity the Port purchases will likely include the cost of compliance with Cap and Trade. CARB recognizes this and as a result is giving free allowances to the Port to "offset" the increase cost of AB 32. Revenues derived from the sale of allowances are restricted to spending on programs that further reduce greenhouse gas emissions such as renewable energy, infrastructure for transportation electrification, fuel switching/fuel substitution, reductions in the use of sulfur hexafluoride (a greenhouse gas), etc.

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STATEMENT OF CASH FLOWS
FY 2025-26 to FY 2029-30
($ Thousands)

	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
General Fund[1]	547,031	476,485	365,544	350,316	325,200
Port Bond Reserve Fund	30,000	30,000	30,000	30,000	30,000
Operating Reserve Fund	37,467	38,688	38,781	39,488	39,653
Capital Reserve Fund	15,000	15,000	15,000	15,000	15,000
Beginning Balance	629,498	560,172	449,326	434,805	409,853
Sources					
Operating Revenues[2]	435,148	456,035	479,223	491,341	508,563
PFCs for Debt Service and Fees[3]	2,434	46	50	52	45
Interest Income[4]	14,126	14,933	16,717	17,527	19,374
Trsfr In LCFS[5]	50	2,301	99	21	-
Other[6]	68,836	118,947	110,347	97,318	244
Total Receipts	520,593	592,261	606,436	606,260	528,227
AIP, PFC Pay-Go, CFC, Other Grants[7]	103,248	179,586	83,888	35,800	25,250
Debt Proceeds[8]	4,704	63,350	149,254	89,630	58,340
Debt Proceeds (PFC-Supported)[8]	-	-	-	-	-
Total Capital and Financing Proceeds	107,952	242,936	233,142	125,430	83,590
TOTAL SOURCES	628,545	835,197	839,578	731,690	611,817
Uses					
Operating Expenses	(297,066)	(307,165)	(308,258)	(314,267)	(315,946)
Bond and DBW Debt Service					
Principal	(62,970)	(69,025)	(71,100)	(74,651)	(78,782)
Interest[9]	(14,660)	(13,448)	(14,299)	(15,148)	(16,958)
Total Bond Debt Service	(77,630)	(82,473)	(85,399)	(89,799)	(95,740)
CP Notes					
Principal[10]	(7,342)	(5,000)	(5,193)	-	-
Interest[11]	(483)	(1,492)	(2,666)	(2,137)	(1,925)
Total CP Notes Payments	(7,825)	(6,492)	(7,859)	(2,137)	(1,925)
Capital Expenses[12]	(243,280)	(423,853)	(334,496)	(247,280)	(198,525)
Trsfr Out (LCFS)	(848)	(886)	(940)	(983)	(1,098)
Other Payments[13]	(71,221)	(125,176)	(117,146)	(102,176)	(6,331)
TOTAL USES	(697,870)	(946,044)	(854,099)	(756,642)	(619,565)
Net Cash Flow (Sources less Uses)	(69,325)	(110,847)	(14,521)	(24,952)	(7,748)
Ending Balance	560,172	449,326	434,805	409,853	402,105

Notes to Statement of Cash Flows:

1 Beginning General Fund balance for FY 2026 is an estimate. General Fund balances in subsequent years are projected.
2 Excludes non-cash accounting entries for GASB 87.
3 PFCs anticipated to be used to pay for debt service related to PFC-eligible CP Notes.
4 Excludes non-cash accounting entries (e.g. GASB 87) and interest accrual. Also excludes interest income on PFC and CFC fund balances. Assumes interest rates of 3.70%, 3.70%, 3.90%, 3.90%, 4.20% in FY 2026 through FY 2030, respectively.
5 This line item, transferring in Low Carbon Fuel Standard (LCFS) cash balances, may fund either operating or capital costs.
6 Includes net gain on sales of assets, other non-operating income and releases from bond reserves.
7 The Port has not yet obtained grant funding for all capital projects described, some of which may not be ultimately implemented by the Port. Ability to use PFC to fund eligible capital projects pending FAA approval of new PFC application.
8 Assumes that the Port's CP program will be utilized.
9 Excludes debt service paid from capitalized interest. Includes debt service from future long-term bond issuances to takeout CP Notes issued to finance on an interim basis portions of the CIP.
10 Includes principal repayments of outstanding and future CP Notes in each year ranging between $5.0 million and $7.4 million, including anticipated repayment of PFC-eligible CP Notes, based on 5-Year CIP and PFC revenue projections. See Capital Budget and 5-Year Capital Improvement section.
11 Assumes interest rates of 2.60%, 3.50%, 3.20%, 3.50%, 3.70% in FY 2026 through FY 2030, respectively and CP Notes balance at end of each fiscal year of $14.9 million, $7.0 million, $10.4 million, $22.1 million, and $23.6 million, respectively.
12 Based on the Port's 5-Year CIP. See Capital Budget and 5-Year Capital Improvement Plan section.
13 Includes LOC fees, certain non-operating costs, City payments and deferred prior year maintenance.

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STATEMENT OF CASH FLOWS - RESTRICTED
FY 2025-26 to FY 2029-30
($ Thousands)

	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
Bond Reserve Funds	42,931	49,714	60,350	67,323	72,089
Bond Construction Funds	-	-	-	-	-
Passenger Facility Charge	47,988	45,371	49,840	62,873	69,954
Customer Facility Charge	565	586	608	632	656
Construction Escrows	677	677	677	677	677
Low Carbon Fuel Standard	2,713	2,664	362	263	242
Beginning Balance	94,875	99,012	111,837	131,768	143,618
Passenger Facility Charge (PFC)					
Beginning Balance[1]	47,988	45,371	49,840	62,873	69,954
PFC Revenues	18,052	18,413	18,780	19,155	19,537
PFC Interest Income[2]	1,621	1,780	2,362	2,628	3,269
PFC-Eligible Debt Proceeds[3]	-	-	-	-	-
Less: Interest on PFC-Eligible CP Notes[4]	(30)	-	-	-	-
Less: PFC-Eligible CP Fees	(61)	(46)	(50)	(52)	(45)
Less: PFC Capital Expenditures[3]	(19,856)	(15,678)	(8,059)	(14,650)	(11,650)
Less: Repayment of PFC-Eligible CP Notes	(2,342)	-	-	-	--
Ending Balance	45,371	49,840	62,873	69,954	81,065
Customer Facility Charge (CFC)					
Beginning Balance[1]	565	586	608	632	656
CFC Revenues	3,494	3,564	3,635	3,707	3,781
CFC Interest Income[2]	21	22	24	25	28
Less: CFC Capital Expenditures[3]	-	-	-	-	-
Less: CFC Expenditures	(3,494)	(3,564)	(3,635)	(3,707)	(3,781)
Ending Balance	586	608	632	656	684
AB1890					
Beginning Balance[1]	5,733	6,581	7,467	8,407	9,390
AB1890 Revenues	673	679	686	693	700
AB1890 Interest Income[2]	212	244	291	328	394
Less: AB1890 Capital Expenditures[3]	-	-	-	-	-
Less: AB1890 Expenditures	(37)	(37)	(38)	(38)	(38)
Ending Balance	6,581	7,467	8,407	9,390	10,446
Cap & Trade					
Beginning Balance[1]	5,343	5,351	5,156	4,941	5,001
Cap & Trade Revenues	650	647	624	608	601
Cap & Trade Interest Income[2]	198	198	201	193	210
Less: Cap & Trade Capital Expenditures[3]	(300)	(500)	(500)	(200)	-
Less: Cap & Trade Expenditures	(540)	(540)	(540)	(540)	(540)
Ending Balance	5,351	5,156	4,941	5,001	5,272
Low Carbon Fuel Standard (LCFS)					
Beginning Balance[1]	2,713	2,664	362	263	242
LCFS Revenues	4,550	8,450	1,537	1,468	32
LCFS Interest Income[2]	100	99	14	10	10
Less: LCFS Capital Expenditures[3]	(4,700)	(10,850)	(1,650)	(1,500)	-
Less: LCFS Expenditures	-	-	-	-	-
Ending Balance	2,664	362	263	242	283

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Notes to Statement of Cash Flows - Restricted:

1 Beginning fund balances for FY 2026 are estimates; subsequent years are projected.
2 Assumes interest rates of 3.70%, 3.70%, 3.90%, 3.90%, 4.20% in FY 2026 through FY 2030, respectively.
3 Based on the Port's 5-year CIP. See Capital Budget and 5-Year Capital Improvement Plan section.
4 Assumes interest rates of 2.60%, 3.50%, 3.20%, 3.50%, 3.70% in FY 2026 through FY 2030, respectively.

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GLOSSARY

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GLOSSARY

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Acronyms

ACFR	Annual Comprehensive Financial Report
AHU	Air Handler Unit
AIG	Airport Infrastructure Grant
AIP	Airport Improvement Program
APD	Airport Perimeter Dike
ARFF	Aircraft Rescue and Fire Fighting
ATP	Airport Terminal Program
BIL	Federal Bipartisan Infrastructure Law
BNSF	Burlington Northern-Santa Fe Railway Company
CalPERS	California Public Employees Retirement System
CalSTA	California State Transportation Authority
CARB	California Air Resource Board
CBP	U.S. Customs and Border Protection
CEQA	California Environmental Quality Act
CFC	Customer Facility Charge
CFI	Charging and Fueling Infrastructure
CHE	Cargo Handling Equipment
CHP	California Highway Patrol

CIP	Capital Improvement Plan
COLA	Cost of Living Adjustment
COVID-19	Coronavirus disease of 2019
CP	Commercial Paper
CRE	Commercial Real Estate
CTMP	Comprehensive Truck Management Program
CY	Calendar Year
DBW	Department of Boating and Waterways
DC	Direct Current
DCOH	Days Cash on Hand
DHS	U.S. Department of Homeland Security
DSCR	Debt Service Coverage Ratio
EAP	Employee Assistance Program
EBMUD	East Bay Municipal Utility District
EBRPD	East Bay Regional Park District
E-ISAC	Electricity Information Sharing and Analysis Center
EPA	U.S. Environmental Protection Agency
EP&P	Environmental Programs and Planning
ERP	Enterprise Resource Planning
ETS	Everport Terminal Services
EV	Electric Vehicle
FAA	Federal Aviation Administration
FedEx	FedEx Corporation
FEMA	Federal Emergency Management Agency
FTE	Full-Time Equivalent
FY	Fiscal Year
GASB	Governmental Accounting Standards Board
GHG	Greenhouse Gas
GIS	Geographical Information System Mapping Technology
GSE	Ground Support Equipment
GWI	Groundwater Intrusion
HR	Human Resources
HVAC	Heating, Ventilation, and Air Conditioning
IAB	International Arrivals Building
ILWU	International Longshore and Warehouse Union
IT	Information Technology

JIT	Joint Intermodal Terminal
JLID	Jack London Improvement District
JLS	Jack London Square
LCFS	Low Carbon Fuel Standard
LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design
LOC	Letter of Credit
MAG	Minimum Annual Guarantee
MHEA	Middle Harbor Enhancement Area
MHSP	Middle Harbor Shoreline Park
MOU	Memorandum of Understanding
MS4	Port's municipal separate storm sewer system
NEPA	National Environmental Policy Act
NERC	North American Reliability Corporation
NPDES	National Pollutant Discharge Elimination System
OAAC	Oakland Alameda Adaptation Committee
OAB	Oakland Army Base
OAK	Oakland Airport
OCIP	Owner-Controlled Insurance Program
OHT	Outer Harbor Terminal (Berths 20-24)
OICT	Oakland International Container Terminal
OIG	Oakland International Gateway (also known as Joint Intermodal Terminal - "JIT")
OMC	Oakland Maintenance Center
OPD	Oakland Police Department
OPEB	Other Post-Employment Benefits
PFC	Passenger Facility Charge
PFIP	California State Transportation Authority Port and Freight Infrastructure Program
PG&E	Pacific Gas and Electric
PIDP	Maritime Administration Port Infrastructure Development Program
POU	Publicly Owned Utility
RNG	Renewable Natural Gas
RPS	Renewables Portfolio Standard
RTG	Rubber Tire Gantry Cranes
SFO	San Francisco International Airport
SHOPP	State Highway Operation and Protection Program
SJC	San Jose Mineta International Airport

SLR	Sea Level Rise
SRD	Social Responsibility Division
T1	Oakland Airport Terminal 1
T2	Oakland Airport Terminal 2
T&I	Port Technology & Innovation Division
TCEP	Trade Corridor Enhancement Program
TEU	Twenty-Foot Equivalent Unit
TNC	Transportation Network Company
TSA	Transportation Security Administration
TWG	Truckers Working Group
UP	Union Pacific Railroad
UPS	United Parcel Service, Inc.
US	United States
USACE	United States Army Corps of Engineers
VALE	Voluntary Airport Low Emissions
VSR	Vehicle Service Road
ZOHP	Zarsion-OHPI, LLC

Definitions

Aircraft operation - Refers to landing and subsequent takeoff (also known as a “turn”).

Airport Business Park - Business park near Oakland International Airport and Oakland-Alameda County Coliseum Complex. The park consists of 340 acres, of which 280 acres are privately owned.

Airport Improvement Program (AIP) - Federal program that provides funding from the Airport and Airway Trust Fund for airport development, airport planning, noise compatibility planning, and to carry out noise compatibility programs.

Americans with Disabilities Act (ADA) - Federal legislation that prohibits discrimination against all individuals with mental or physical disabilities.

Amortization - See *Depreciation and Amortization*

Annual Comprehensive Financial Report of the City of Oakland (ACFR) - Document published annually by the City detailing financial, statistical, budgetary, and demographic data to be distributed to the public. It includes the Port's financial information.

Balanced Budget – A budget in which revenues equal or exceed expenditures incurred during a given period.

Calendar Year (CY) – A twelve-month period starting with January 1 and ending with December 31, and which has 365 days in a non-leap year and 366 days in a leap year.

Capital Expenditure – A cost incurred to purchase, construct, transport or make ready a capital asset for its intended purpose if it meets the following conditions: can be directly identified with a specific capital asset; is incurred after the planning phase of a project has completed, and the Port has demonstrated its commitment to execute a construction plan or purchase the asset. The Port will only apply capitalization procedures to individual asset purchases that cost $5,000 or more, and have an economic useful life of two or more years.

Component Unit in the City of Oakland Basic Financial Statement - The account the City uses to record the financial activities of the Port due to the enterprise nature of the Port's operations. The Port is a department of the City.

Comprehensive Truck Management Program (CTMP) - The CTMP is the Port’s Comprehensive Truck Management Program, a plan to address air quality, safety and security, community impacts, and business operation issues related to trucks serving the Port’s maritime facilities. The CTMP seeks to balance the needs of its customers with those of its neighboring community in an effort to improve commerce and quality of life for those living and working in and around the Seaport.

Consumer Price Index (CPI) - An inflationary indicator that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation.

Contractual services - Professional and support personnel services used by the Port other than employees or temporary agencies.

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COVID-19 - Coronavirus disease of 2019 (COVID-19) is the official name given by the World Health Organization (WHO) to the disease caused by SARS-CoV-2 , the new coronavirus that surfaced in 2019 and spread around the globe.

Cranes, post-panamax - Container cranes designed to handle cargo vessels that are too large to fit through the Panama Canal. See *Post-panamax vessels*

Cranes, super post-panamax - Container cranes designed to handle cargo vessels that are too large to fit through the Panama Canal. See *Super post-panamax vessels*

Department - An organizational unit within the Port which is part of a division.

Departmental credits - The application of direct labor and overhead to capital projects or the transfer of expenses from one unit, department, or division to another.

Demonstration project – a project that provides the means to introduce and experience innovative ideas and approaches and prepare the way for replication and up-scaling.

Depreciation and Amortization - The value of an asset is reduced through use, deterioration, or obsolescence. Depreciation describes the decrease in the value of the asset over its estimated useful life. Tangible assets, such as buildings and equipment are depreciated. Amortization refers to intangible assets such as computer software and noise easements. Intangible assets are amortized over the estimated service capacity of the asset.

Division - A major administrative segment of the Port which indicates overall management responsibility for an operation or a group of related operations within a functional area.

Dockage - The charge levied against a vessel for berthing space.

Dredging - Removal of sediments on the bottom of a waterway for the safe passage of vessels.

Embarcadero Cove - Recreational marina area on the waterfront south of Lake Merritt Channel which includes marinas, a public fishing pier, shops, offices, hotels, and restaurants.

Enterprise Fund - A fund established to account for government operations financed and operated in a manner similar to private business enterprises.

Federal Aviation Administration (FAA) - The federal agency responsible for regulating and funding U.S. airports.

Fiscal year (FY) - A twelve-month time period signifying the beginning and ending period for recording financial transactions. The Port has specified July 1 through June 30 as its fiscal year.

Fueling revenue - Port revenue for providing facilities for fuel storage (tank farm) and delivery (fuel hydrant system) for aircraft and ground vehicles. A fuel consortium of passenger and cargo airlines operating at OAK, under lease, reimburses the Port for all costs associated with its use of the fueling infrastructure. The consortium contracts with a third-party operator to provide fueling services.

Full-Time Equivalent (FTE) - A measure of employment used when the work force includes full-time employees.

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General aviation - Aviation activity not air carrier related, such as private aircraft, business aircraft, and corporate aviation activities. OAK's North Field is considered a general aviation airport, although some air carrier activity takes place there.

General Services - See *Payments to the City, General Services*

Generally Accepted Accounting Principles (GAAP) - A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board.

Governmental Accounting Standards Board (GASB) - The independent private-sector organization, formed in 1984 that establishes and improves financial accounting and reporting standards for state and local governments.

Inland Point Intermodal (IPI) - Refers to inland points (non-ports) that can be served by carriers (shipping lines) on a through bill of lading.

Jack London Square (JLS) - A 25-acre mixed-use development area at the foot of Broadway.

Lake Merritt payments - See *Payments to the City, Lake Merritt*

Leadership in Energy and Environmental Design (LEED) - A nationally recognized green building rating system established by the U.S. Green Building Council.

Loss on abandoned and demolished assets - Abandonment losses result on projects written off because it is not feasible to complete the project or the project does not result in an asset. Losses on demolished assets result when a depreciable asset is destroyed, usually to make way for another project.

Net assets - The amount by which the value of a company's assets exceeds its liabilities.

Non-operating items - Income or expenses that are not associated with operations. In the Port's financial reporting, these include interest income, interest expense, and other income and expenses that are either nonrecurring in nature or do not result from its ordinary operations.

Northern California - The northern portion of the State of California, defined generally as those areas including and north of the Monterey, Kings, Tulare, and Inyo counties.

Owner-Controlled Insurance Program (OCIP) - Port-managed program for consolidated purchase of insurance to, among other matters, assist small and local businesses to participate in Port capital projects.

Panamax vessels - Those vessels that fit through the Panama Canal and are no more than 13 containers wide. See *Post-panamax and Super post-panamax vessels*

Pandemic - an epidemic occurring worldwide, or over a very wide area, crossing international boundaries and usually affecting a large number of people.

Passenger traffic - Enplanements, deplanements, and connecting passenger activity. Enplanement is an originating passenger who boards a flight; deplanement is a passenger whose final destination is OAK; and connecting passenger is a passenger who uses OAK to connect between flights. Connecting passengers are considered enplanements for the purpose of collecting PFCs.

Payments to the City, General Services - General Services include police and fire services.

Payments to the City, Lake Merritt - Reimbursement to the City for expenditures of local funds for Lake Merritt tideland trust purposes.

Payments to the City, Special Services - Reimbursement to the City for services, such as City Clerk personnel, City Treasury, and special police services.

Personnel services - Expenditures related to employee compensation including wages and fringe benefits such as medical, dental, and retirement.

Post-panamax vessels - Those vessels that are more than 13 containers but less than 18 containers wide. See *Panamax and Super post-panamax vessels*

Super post-panamax vessels - Vessels that are at least 18 containers wide. See *Panamax and Post-panamax vessels*

Taxilane - the portion of the Airport apron area, or any other area, used for access between taxiways and aircraft parking or storage area

Tidelands Trust - All Port of Oakland lands and assets are held in trust for the people of the State of California, subject to a public trust, commonly known as the Tidelands Trust. The State Lands Commission has jurisdiction over these lands. Permitted uses under the Tidelands Trust generally include maritime commerce, harbors and aviation, as well as uses of statewide interest, such as fishing, public recreation, and enjoyment of the waterfront.

Twenty-foot equivalent unit (TEU) - A TEU or Twenty-foot Equivalent Unit is an international standard of measurement for the volume of business that moves through a container port. Containers vary in length, from 20 feet to 53 feet with the majority of the containers being 40 feet. One forty-foot container is equal to two TEUs.