



AGENDA REPORT

PROPOSED ACTION: Ordinance: Approve and Authorize the Executive Director to Extend Space Assignment Agreements, Temporary Rental Agreements, and Temporary License Agreements that (a) Have Been In Effect For More Than One Year As of December 5, 2024, and/or (b) Are Likely To Be In Effect For More Than One Year As of December 31, 2024, Through December 31, 2025, Resulting In Annual Revenue of Approximately \$8.6 Million, and Find that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Maritime)**

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

Parties Involved: Various, as listed herein	Amount: \$8.6 Million (FY2025) (Operating Revenue)
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EXECUTIVE SUMMARY: Port of Oakland (Port) Staff enter into Space Assignment Agreements, Temporary Rental Agreements, and Temporary License Agreements in the Maritime Area (Seaport). Once these tenants are in place or anticipated to be in place longer than one year, continuation of these tenancies requires Board of Port Commissioners' (Board) approval. Port Staff bring forward those Agreements each Fall for such approval.

BACKGROUND & ANALYSIS

The Port's Maritime Division leases and provides temporary access to certain lands on a short-term basis by way of Space Assignment Agreements, Temporary Rental Agreements, and/or Temporary License Agreements (referred to collectively as "Short-Term Agreements"). These Short-Term Agreements typically have month-to-month terms and may be terminated by the Port or tenant upon 30 days' written notice, with limited exceptions provided for in Tariff No. 2-A. The Seaport currently has 64 Short-Term Agreements, broken down as follows: 61 Space Assignment Agreements, one Temporary Rental Agreement, and two Temporary License Agreements, which are expected to collectively generate revenue of approximately \$8.6 million in FY 2025.

Because Short-Term Agreements initially are viewed as temporary in nature, Tariff No. 2-A and the by-laws authorize Port Staff to enter into these agreements without further Board approval in accordance with the rates, charges, and conditions set forth in these two Board-approved documents. Once these tenants are in place or anticipated to be in place longer than one year, continuation of these tenancies requires Board approval. Port Staff typically seeks the Board's approval for the continuation of these agreements in the Fall of each calendar year. The Board's approval, if any, does not change the term of the Short-Term Agreements; it simply allows them to remain in effect for longer than one year. Of the 64 current Short-Term Agreements in effect today, 59 have been in place for more than one year since the Board's last approval to extend, and five are anticipated to be in effect longer than one year prior to the next request for extension of Short-Term Agreements, which is expected to occur in Fall of 2025.

The tenancies and uses authorized under Short-Term Agreements are varied and include, but are not limited to, trucking companies, warehouse operators, cross-docking, tugboat and barge operations, truck scales, fumigation, truck and container depots, food vendors, construction staging, and vessel line handling/servicing. Some of the tenants with Short-Term Agreements also hold long-term leases with the Port. The Short-Term Agreements are primarily located in areas of the Seaport for which the Port does not have immediate plans to lease or redevelop the subject properties on a long-term basis, so these Short-Term Agreements allow the Port to earn revenue from the properties while keeping the land available for future development.

Space Assignments

There are 56 Space Assignments that have been in effect for more than one year since the Board's last approval to extend. There are five Space Assignments that are anticipated to be in effect longer than one year prior to the next request for extension. These agreements are listed below in Tables 1 and 2, respectively.

Table 1. Space Assignments in place longer than one year as of 12/5/2024

	Company	Agreement	Type of Use	Current Lease Start Date	Monthly Rent
1.	Academy of Truck Driving	1182MMJ1	Parking of training vehicles	8/1/2006	\$904
2.	Academy of Truck Driving	1185MMJ1	Office and training space	8/1/2006	\$1,454
3.	American Tongren	1644MMJ1	Trans-loading operations	11/21/2021	\$19,617
4.	Amnav Maritime Services	1172MMJ1	Tugboat operations	7/1/2006	\$12,584
5.	Ariana Hot Dog	1368MMJ3	Food vendor	10/15/2013	\$350
6.	AV Trucking	1663MMJ4	Trucking operations	2/12/2022	\$12,362
7.	Baha West Coast Express	1690MMJ1	Truck repairs	9/23/2023	\$9,213
8.	Bridgeport Transportation	1504MMJ4	Trucking operations	10/13/2018	\$37,800
9.	California Engineering Contractors	1691MMJ1	Construction laydown	11/1/2023	\$10,473
10.	Cal Lift	1565MMJ1	Equipment repairs	8/1/2020	\$9,967
11.	Centerline Logistics	1575MMJ4	Tugboat operations	6/1/2020	\$8,097
12.	CPX Carrier	1138MMJ1	Office space/trucking ops	5/1/2017	\$1,876
13.	Digital Realty Trust	1280MMJ3	Storage and auto parking	7/13/2010	\$3,874
14.	E&H 24-Hour Road Svcs	1529MMJ4	Truck repairs	8/1/2019	\$2,855

15.	El Patron Lonchera	1229MMJ3	Food vendor	6/1/2008	\$350
16.	Fred's Truck Service	1635MMJ1	Truck Repairs	10/1/2021	\$4,824
17.	Fundis Company	1245MMJ1	Trucking operations	2/1/2009	\$18,768
18.	Fundis Company	1571MMJ1	Truck scales	4/1/2020	\$6,624
19.	Geneva Refrigerated	1595MMJ1	Warehouse operations	2/6/2021	\$7,479
20.	Ghilotti Construction	1687MMJ1	Office Space	8/1/2023	\$14,750
21.	Ghilotti Construction	1692MMJ1	Construction laydown	12/16/2023	\$4,933
22.	Gill Freightline	1562MMJ1	Trucking operations	7/7/2020	\$6,230
23.	GSC Logistics	1646MMJ1	Office space	11/15/2021	\$575
24.	Impact Transportation	1545MMJ1	Trucking operations	5/1/2020	\$17,442
25.	Impact Transportation	1500MMJ1	Fumigation	12/1/2018	\$666
26.	Intermodal Logistics	1526MMJ1	Trucking operations	8/1/2019	\$15,650
27.	Isaac Logistics	1489MMJ4	Trucking operations	5/1/2018	\$8,027
28.	JD Trucking Services	1573MMJ1	Trucking operations	8/1/2020	\$11,138
29.	JS Container Services	1569MMJ1	Trucking operations	8/1/2020	\$9,136
30.	La Chole	MHQ-1031	Food vendor	9/1/2003	\$350
31.	Lengner & Sons Produce	1683MMJ1	Office space	7/21/2023	\$3,737
32.	Maritech Equipment	1089MMJ1	Equipment repair	1/1/2005	\$5,208
33.	MC&PL Tire	1105MMJ5	Truck tire repair	4/1/2005	\$585
34.	Metritech	1268MMJ1	RFID center	12/17/2009	\$169
35.	NFI Port Services (CMI Transportation)	1195MMJ5	Trucking operations	7/1/2023	\$45,178
36.	North Central Truck Supply	1311MMJ1	Truck parts	8/1/2011	\$10,350
37.	North Central Truck Supply	1464MMJ1	Trucking operations	7/1/2017	\$3,989
38.	Oakland Port Trans	1609MMJ4	Office space	4/4/2021	\$1,444
39.	Oakland Port Trans	1664MMJ4	Trucking operations	2/12/2022	\$11,717
40.	Olivia's Catering	1475MMJ1	Food vendor	10/1/2017	\$350
41.	Pacific Maritime Association	1378MMJ4	ILWU training	2/24/2014	\$61,420
42.	PRO-SE Services	1452MMJ3	Trucking operations	2/1/2017	\$4,902
43.	Radius Recycling	1231MMJ3	Steel export operations	1/16/2011	\$9,986

44.	Radius Recycling	1284MMJ3	Steel export operations	4/1/2011	\$2,833
45.	Ranokx Logistics	1655MMJ1	Trucking operations	2/5/2022	\$13,315
46.	Rick's Portable Welding	1375MMJ1	Equipment repair	1/15/2014	\$1,703
47.	Safari Truck Lines	1689MMJ1	Office space	9/19/2023	\$3,108
48.	Sea-Logix	1680MMJ1	Trucking operations	1/14/2023	\$3,246
49.	SGS Transportation	1555MMJ1	Trucking operations	6/1/2020	\$20,360
50.	Sincere Hardware	1241MMJ1	Storage and auto parking	12/1/2008	\$3,469
51.	STG Drayage	1416MMJ4	Trucking operations	12/1/2015	\$31,759
52.	Streetline Technology	1651MMJ1	Office space	1/1/2022	\$575
53.	Tacos Los Cuates	1253MMJ4	Food vendor	6/1/2009	\$350
54.	Tran Kim Muoi	1333MMJ2	Food vendor	6/1/2012	\$350
55.	TraPac	1607MMJ1	Marine terminal operations	5/24/2021	\$99,728
56.	Westar Marine Services	1165MMJ1	Water taxi services	4/1/2006	\$966

Table 2. Space Assignments expected to be in place longer than one year as of 12/31/2024

	Company	Agreement	Type of Use	Current Lease Start Date	Monthly Rent
1.	4G Management, Inc.	1681MMJ1	Emissions capture barge	6/15/2024	\$11,982
2.	Bay City Express	1702MMJ1	Trucking operations	8/1/2024	\$15,650
3.	CTS Tires and Recycling	1703MMJ1	Truck repairs	7/1/2024	\$8,185
4.	GSC Logistics	1698MMJ1	Trucking operations	4/1/2024	\$49,256
5.	Sea-Logix	1693MMJ1	Trucking operations	2/1/2024	\$28,676

Temporary Rental and License Agreements

There is one (1) Temporary Rental Agreement that has been in effect for more than one year. This agreement is listed below in Table 3.

Table 3. Temporary Rental Agreements in place longer than one year as of 12/5/2024

	Company	Agreement	Type of Use	Current Lease Start Date	Monthly Rent
1.	City of Oakland	TRA	Construction access	7/1/2022	\$0

There are two (2) Temporary License Agreements that have been in effect for more than one year. These agreements are listed below in Table 4.

Table 4. Temporary License Agreements in place longer than one year as of 12/5/2024

	Company	Agreement	Type of Use	Current Lease Start Date	Monthly Rent
1.	Central Valley Ag Grinding	TLA	Rail access	10/1/2022	\$0
2.	Pasha Stevedoring	TLA	Vessel line handling	4/1/2022	\$0

Most of these tenants provide services directly to or in support of maritime activity at the marine terminals and rail yards located in the Seaport, except Digital Realty Trust and Sincere Hardware, who are tenants at the former Port Harbor Facilities parking lot on Brush Street, approximately five blocks from the Port headquarters.

Port Staff recommends the continuation of the Short-Term Agreements listed in Tables 1 through 4 because they are important to the continuity and growth of Seaport revenue and contribute to the health of overall Seaport operations. Staff proposes an approximate one-year extension, through December 31, 2025.

While Port Staff recommends Board approval of the proposed extensions, this is primarily for efficiency purposes. Port Staff does not purport to represent, and any proposed recommendation does not constitute, that such an approval is an acknowledgement that the listed tenants are presently in good standing under their Short-Term Agreement(s). Neither would such an approval confer any additional rights of continued occupancy of the subject properties beyond what may be provided in those Short-Term Agreements, nor constitute a waiver by the Port of any and all events of default under those Short-Term Agreements. Consistent with Port policy, including Administrative Policy (AP) 509, Port Staff will pursue, or continue to pursue, any and all listed tenants who are in default under their Short-Term Agreements through collection, eviction, and/or other appropriate means. Several of the tenants listed in Tables 1 through 3 are delinquent on one or more payments to the Port; Port Staff continues to pursue these outstanding payments as described herein. Two of the listed tenants were recently referred to the Port Attorney's Office for commencement of collection efforts.

Security Deposits

Depending upon the nature of the use, in some cases the Executive Director has waived or reduced the security deposit requirement for certain Short-Term Agreements, as detailed below:

	Company	Agreement	Waiver or Reduction	Notes
1.	City of Oakland	TRA	Waived	Access through Port land for construction project
2.	GSC Logistics	1698MMJ1	Waived	Tenant has other tenancy agreements at Seaport
3.	Impact Transportation	1545MMJ1	Reduced (one months' rent)	Tenant has other tenancy agreements at Seaport
4.	Pasha Stevedoring	TLA	Waived	Access right to handle lines for vessel arrivals/departures as needed

As part of the Board's approval of the continuation of the Short-Term Agreements, Port Staff proposes the security deposit amounts remain unchanged. All other tenants listed herein are still subject to the Port's standard security deposit requirement.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☒ Categorically exempt under the following CEQA Guidelines Section:
15301 (Existing Facilities)
- ☐ Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- ☐ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- ☒ Other/Notes: Extending the Short-Term Agreements with existing tenants to continue their current business operations meets the criteria for this exemption.

BUDGET

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

Analysis: The extension of the Short-Term Agreements in Tables 1 through 4 in this Report is estimated to generate revenue of approximately \$8.6 million in FY 2025, which is approximately 5% of total Maritime Division operating revenue budgeted for FY 2025. The \$8.6 million assumes full tenant compliance with all monetary obligations under the Short-Term Agreements. Absent such compliance, the amount of collectible revenue from these Agreements in FY 2025 could be materially lower than the estimated \$8.6 million.

STAFFING

- ☒ No Anticipated Staffing Impact.
- ☐ Anticipated Change to Budgeted Headcount.
Reason:
- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

<p><u>MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):</u></p> <p><u>Applies?</u> No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.</p> <p><input type="checkbox"/> <u>Additional Notes:</u></p>	<p><u>LIVING WAGE</u> (City Charter § 728):</p> <p><u>Applies?</u></p> <p>No (Other) – see explanation below.</p> <p><input checked="" type="checkbox"/> <u>Additional Notes:</u> Living Wage will apply to Short-Term Agreements if the tenant employs 21 or more employees working on Port-related work and the tenancy agreement is greater than \$50,000.</p>								
<p><u>SUSTAINABLE OPPORTUNITIES:</u></p> <p><u>Applies?</u> Yes.</p> <p><u>Reason:</u> The matters in this agenda report do not approve a project that is subject to the Port's Sustainable Opportunities Assessment (SOA). However, the SOA is now included in the Port's form of Short-Term Agreement and Staff is exploring sustainability opportunities (e.g. implementation of zero-emission trucks) with existing tenants and new tenants as grant opportunities and various environmental programs arise.</p>	<p><u>GENERAL PLAN</u> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>No Project – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>								
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port's Strategic Business Plan:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Grow Net Revenues</td> <td><input type="checkbox"/> Modernize and Maintain Infrastructure</td> </tr> <tr> <td><input checked="" type="checkbox"/> Improve Customer Service</td> <td><input type="checkbox"/> Pursue Employee Excellence</td> </tr> <tr> <td><input type="checkbox"/> Strengthen Safety and Security</td> <td><input type="checkbox"/> Serve Our Community</td> </tr> <tr> <td><input type="checkbox"/> Care for Our Environment</td> <td></td> </tr> </table>		<input checked="" type="checkbox"/> Grow Net Revenues	<input type="checkbox"/> Modernize and Maintain Infrastructure	<input checked="" type="checkbox"/> Improve Customer Service	<input type="checkbox"/> Pursue Employee Excellence	<input type="checkbox"/> Strengthen Safety and Security	<input type="checkbox"/> Serve Our Community	<input type="checkbox"/> Care for Our Environment	
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