



AGENDA REPORT

PROPOSED ACTION: **Resolution:** Authorize the Executive Director to Execute a Grant Agreement with the U.S. Department of Transportation Maritime Administration for \$49.5 Million of Fiscal Year 2024 Port Infrastructure Development Program Funding, which Requires \$16.5 Million in Matching Funds, to Implement the Outer Harbor Terminal - Modernizing Wharf Infrastructure for Efficiency and Safety at the Port of Oakland Project as a Component of the Outer Harbor Wharf Modernization Project; and Adopt the Initial Study/Mitigated Negative Declaration and Mitigation and Monitoring and Reporting Program for the Outer Harbor Wharf Modernization Project under the California Environmental Quality Act.

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

Parties Involved: U.S. Department of Transportation Maritime Administration; Sean Duffy, Secretary of Transportation

Amount:

Capital Expenditure: \$66,022,800 (FY27-FY28)

Grant Revenue: \$49,517,100 (Federal)

Grant Revenue: \$6,524,000 (California)

EXECUTIVE SUMMARY: In July 2024, the Port of Oakland (Port) accepted a Port Freight and Infrastructure Program (PFIP) grant from the State of California for the Outer Harbor Wharf Modernization Project (Proposed Project), which includes funding for the environmental analysis and engineering design of various wharf improvements at Berth 22 through Berth 38. The PFIP grant does not include any construction funding. Separately, in November 2024, the U.S. Department of Transportation Maritime Administration (MARAD) awarded the Port a Port Infrastructure Development Program (PIDP) grant in the amount of approximately \$49.5 million to pay for the construction of certain components of the wharf modernization at Berth 24 through Berth 26 (the Outer Harbor Terminal - Modernizing Wharf Infrastructure for Efficiency and Safety at the Port of Oakland Project), which improvements are a component of the Proposed Project and herein referred to as the Proposed Action. The PIDP grant would be matched by approximately \$10.0 million of Port cash and \$6.5 million of the PFIP grant, which the Port previously accepted. In conjunction with the pursuit and award of the PFIP and PIDP grants, pursuant to the California Environmental Quality Act (CEQA), Port Staff prepared an Initial Study/Mitigated Negative Declaration (IS/MND) to evaluate the potential significant environmental effects from the Proposed Project, including the Proposed Action.

BACKGROUND & ANALYSIS

PFIP Grant

The Port's PFIP grant, previously accepted by Board Resolution 24-40, includes funding for the environmental analysis and engineering design of the Proposed Project, which is

composed of various wharf modernization improvements from Berth 22 through Berth 38. The Proposed Project includes fender and bollard upgrades, crane rail and girder strengthening, electrical improvements for crane power and shore power, improvements to berthing at Berth 34, and general maintenance and repairs. The PFIP grant does not include construction funding.

PIDP Grant

The PIDP grant is a federal discretionary grant program funded by the Bipartisan Infrastructure Law. Grants are awarded on a competitive basis to projects that improve the safety, efficiency, or reliability of the movement of goods into, out of, around, or within a port. In November 2024, MARAD awarded the Port a FY24 PIDP grant in the amount of \$49.5 million for construction of the Proposed Action, which would rehabilitate and modernize approximately 2,250 linear feet of wharf at Berth 24 through Berth 26. Key features of the Proposed Action include:

- Strengthening the landside and waterside crane rails to support modern cranes.
- Converting the crane power system from a conductor bar to a cable system.
- New asphalt paving between the crane rails.

The total estimated cost of the Proposed Action is \$66.0 million. The PIDP grant leverages the environmental and design funds from the PFIP grant. The PIDP grant requires a match of \$16.5 million, which would be composed of PFIP grant funding (\$6.5 million) and Port cash (\$10.0 million). The Port's match is budgeted in FY2027 (\$6.5 million) and FY 2028 (\$3.5 million). The Port is responsible for any cost overruns.

Environmental Process and IS/MND

The Port published the CEQA Draft IS/MND for the Proposed Project and held a 30-day public review period from March 5, 2025, to April 4, 2025. The Port received four comment letters on the Draft IS/MND, all from regulatory agencies who regularly review CEQA documents. The Final IS/MND consists of these comments received, responses to those comments, and any necessary revisions to the text of the Draft IS/MND. The Final IS/MND identified mitigation measures to reduce all identified potentially significant effects to less than significant. The Final IS/MND must first be adopted before it can be relied upon for approval of any element contained in the Proposed Project.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

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

- ☐ Categorically exempt under the following CEQA Guidelines Section:

Choose an item.

- ☐ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
☒ Other/Notes: The Port prepared an Initial Study/Mitigated Negative Declaration for the Proposed Project (State Clearinghouse No. 2025030228)

BUDGET

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

Analysis: The adoption of the 2025 Outer Harbor Wharf Modernization IS/MND has no FY25 budgetary impact. The Proposed Action is included in the Port's 5-year capital improvement plan (FY 2026 – FY 2030), which is currently under development and will be considered by the Board for adoption on or about June 2025.

STAFFING

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

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Other) - see explanation below.

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

LIVING WAGE (City Charter § 728):

Applies?

No (No Covered Agreement) – proposed action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage requirements.

☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? Yes.

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> The Port will include sustainable opportunities during design as feasible, including but not limited to concrete and asphalt recycling.</p>	<p>Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port's Strategic Plan:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Capture Our Market and Grow the Economic Base <input checked="" type="checkbox"/> Modernize and Upgrade Infrastructure <input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input type="checkbox"/> Maximize Land Use Value and Revenues <input type="checkbox"/> Workforce Training and Jobs Development <input type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development 	