



**AGENDA REPORT**

**PROPOSED ACTION: Ordinance:** Authorization 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 November 30, 2023, and/or (b) Are Likely To Be In Effect For More Than One Year As Of December 31, 2023, Through December 31, 2024, Resulting In Annual Revenue of Approximately \$20 Million, And Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. **(Maritime)**

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

Parties Involved:

Various, as listed herein

Amount: \$20 Million Revenue (FY2023-24)

**EXECUTIVE SUMMARY:** Port Staff requests the Board of Port Commissioners' (Board) authorization to approve an extension to Space Assignment Agreements, Temporary Rental Agreements, and Temporary License Agreements in the Port's Maritime Area (Seaport) that have been or are expected to be in effect longer than one year, through December 31, 2024, as described herein.

**BACKGROUND & ANALYSIS**

The 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, (further referred to collectively as "Short-Term Agreements"). These Short-Term Agreements have month-to-month terms and may be terminated by the Port of Oakland (Port) or tenant upon 30 days' written notice. There are currently 71 Short-Term Agreements in effect, broken down as follows: 66 Space Assignment Agreements, one (1) Temporary Rental Agreement, and four (4) Temporary License Agreements, which collectively generate revenue of approximately \$20 million annually.

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, the Board must approve the continuation of the tenancy. Staff typically seeks the Board's approval for the continuation of these agreements in the fall of each calendar year. Of the 71 current Short-Term Agreements in effect today, 61 have been in place for more than one year since the Board's last approval to extend, and 10 are anticipated to be in place longer than one year prior to the next scheduled request to extend the Short-Term Agreements.

The tenancies 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, and food vendors. Some of the Space Assignment tenants also hold long-term leases with the Port. Additionally, the Port entered into Short-Term Agreements to allow various types of activities and access for purposes such as construction, vessel line handling, etc. 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 significant revenue from the properties while keeping the land available for future development.

There are 57 Space Assignments that have been in effect for more than one year since the Board's last approval to extend. There are 9 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 11/30/2023**

Company	Agreement	Type of Use	Current Lease Start Date	Monthly Rent <sup>1</sup>
Academy of Truck Driving	1182MMJ1	Parking of training vehicle	8/1/2006	\$868.14
Academy of Truck Driving	1185MMJ1	Office and training space	8/1/2006	\$1,398.29
American Tongren	1644MMJ1	Trans-loading operations	11/21/2021	\$18,853.13
Amnav Maritime Services	1172MMJ1	Tugboat operations	7/1/2006	\$12,091.56
Ariana Hot Dog	1368MMJ3	Food vendor	10/15/2013	\$250.00
AV Trucking	1663MMJ4	Trucking Operations	2/12/2022	\$12,326.80
Bay City Express	1511MMJ1	Trucking operations	12/1/2018	\$15,039.69
Bridgeport Transportation	1504MMJ4	Trucking operations	10/13/2018	\$37,665.52
Cal Lift	1565MMJ1	Equipment repairs	8/1/2020	\$9,856.14
Centerline Logistics	1575MMJ4	Tugboat operations	6/1/2020	\$8,097.38
CPX Carrier	1138MMJ1	Office space/trucking ops	5/1/2017	\$1,802.80
CTS Tires and Recycling	1363MMJ1	Truck repairs	9/25/2013	\$7,874.32
Digital Realty Trust	1280MMJ3	Storage and auto parking	7/13/2010	\$3,729.60
E&H 24-Hour Road Svcs	1529MMJ4	Truck repairs	8/1/2019	\$2,818.00
El Patron Lonchera	1229MMJ3	Food vendor	6/1/2008	\$250.00

<sup>1</sup> Rent includes a common area electric utility assessment

Everport Terminal Services	1637MMJ2	Marine terminal ops	2/2/2022	\$239,970.53
Flex Intermodal	1572MMJ1	Trucking operations	8/1/2020	\$9,352.24
Fred's Truck Service	1635MMJ1	Truck repairs	10/1/2021	\$4,639.80
Fundis Company	1245MMJ1	Trucking operations	2/1/2009	\$18,020.00
Fundis Company	1571MMJ1	Truck Scales	4/1/2020	\$6,600.00
Geneva Refrigerated	1595MMJ1	Warehouse operations	2/6/2021	\$7,192.56
Gill Freightline	1562MMJ1	Trucking operations	7/7/2020	\$6,207.57
GSC Logistics	1630MMJ1	Trucking operations	8/9/2021	\$195,932.88
GSC Logistics	1646MMJ1	Office space	11/15/2021	\$551.71
Impact Transportation	1545MMJ1	Trucking operations	5/1/2020	\$16,799.40
Impact Transportation	1500MMJ1	Fumigation	12/1/2018	\$640.80
Intermodal Logistics	1526MMJ1	Trucking operations	8/1/2019	\$15,039.69
Isaac Logistics	1489MMJ4	Trucking operations	5/1/2018	\$7,958.00
JD Trucking Services	1573MMJ1	Trucking operations	8/1/2020	\$11,098.38
JS Container Services	1569MMJ1	Trucking operations	8/1/2020	\$9,103.28
La Chole	MHQ-1031	Food vendor	9/1/2003	\$250.00
Maritech Equipment	1089MMJ1	Office space and repairs	1/1/2005	\$5,009.88
MC&PL Tire	1105MMJ5	Truck tire repair	4/1/2005	\$561.80
Metritech	1268MMJ1	RFID center	12/17/2009	\$168.60
North Central Truck Supply	1311MMJ1	Truck parts	8/1/2011	\$9,937.50
North Central Truck Supply	1464MMJ1	Trucking operations	7/1/2017	\$3,834.32
Oakland Port Trans	1609MMJ4	Office space	4/4/2021	\$1,395.48
Oakland Port Trans	1664MMJ4	Trucking operations	2/12/2022	\$11,689.50
Olivia's Catering	1475MMJ1	Food vendor	10/1/2017	\$250.00
PCC Logistics	1670MMJ1	Trucking operations	10/15/2022	\$44,461.69
Pacific Maritime Association	1378MMJ4	ILWU training	2/24/2014	\$61,201.80

PRO-SE Services	1452MMJ3	Trucking operations	2/1/2017	\$4,721.77
Ranokx Logistics	1655MMJ1	Trucking operations	2/5/2022	\$13,267.98
Rick's Portable Welding	1375MMJ1	Equipment repair	1/15/2014	\$1,638.31
Schnitzer Steel	1231MMJ3	Steel export operations	1/16/2011	\$9,617.75
Schnitzer Steel	1284MMJ3	Steel export operations	4/1/2011	\$2,287.50
SGS Transportation	1555MMJ1	Trucking operations	6/1/2020	\$10,935.40
Sincere Hardware	1241MMJ4	Storage and auto parking	12/1/2008	\$3,333.30
S-Line Transportation	1611MMJ1	Trucking operations	4/15/2021	\$37,950.00
STG Drayage	1416MMJ4	Trucking operations	12/1/2015	\$29,901.80
Streetline Technology	1651MMJ1	Office space	1/1/2022	\$550.00
Tacos Los Cuates	1253MMJ4	Food vendor	6/1/2009	\$250.00
Tran Kim Muoi	1333MMJ2	Food vendor	6/1/2012	\$250.00
TraPac	1607MMJ1	Marine terminal ops	5/24/2021	\$257,959.64
US Army Corps of Engineers	1672MMJ1	Vessel layberth	6/13/2022	As needed
Villegas Diesel Tech	1418MMJ1	Truck repairs	2/1/2016	\$4,601.90
Westar Marine Services	1165MMJ1	Water taxi services	4/1/2006	\$927.50

**Table 2. Space Assignments expected to be in place longer than one year as of 12/31/2023**

<b>Company</b>	<b>Agreement</b>	<b>Type of Use</b>	<b>Current Lease Start Date</b>	<b>Monthly Rent<sup>2</sup></b>
Amnav Maritime Services	1684MMJ1	Tugboat operations	7/1/2023	\$5,486.21
California Engineering Contractors	1691MMJ1	Construction Laydown	11/1/2023	\$10,436.34
Baha West Coast Express	1690MMJ1	Trucking repairs	9/23/2023	\$9,180.27
CMI Transportation	1476MMJ5	Trucking operations	7/1/2023	\$45,034.03

<sup>2</sup> Rent includes a common area electric utility assessment

Ghilotti Construction	1687MMJ1	Construction laydown	8/1/2023	\$21,609.76
GSC Logistics	1682MMJ1	Trucking operations	3/3/2023	\$16,324.27
Lengner & Sons Produce	1683MMJ1	Office space	7/21/2023	\$3,593.58
Safari Truck Lines	1689MMJ1	Office space	9/19/2023	\$3,005.52
Sea-Logix	1680MMJ1	Trucking operations	1/14/2023	\$3,217.80

There is one 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 11/30/2023**

Company	Agreement	Type of Use	Current Agreement Start Date	Monthly Rent
City of Oakland	TRA	Construction access	7/1/2022	\$0.00

There are three Temporary License Agreements that have been in effect for more than one year. There is one Temporary License Agreement that is anticipated to be in effect longer than one year prior to the next request for extension. These agreements are listed below in Tables 4 and 5, respectively.

**Table 4. Temporary License Agreements in place longer than one year as of 11/30/2023**

Company	Agreement	Type of Use	Current Agreement Start Date	Monthly Rent
Central Valley Ag Grinding	TLA	Rail access	10/1/2022	\$0.00
Pacific Crane Maintenance Company	TLA	Container Storage	2/14/2022	\$344,654.48 <sup>3</sup>
Pasha Stevedoring	TLA	Vessel line handling	4/1/2022	\$0.00

<sup>3</sup> Rent includes a common area electric utility assessment

**Table 5. Temporary License Agreements expected to be in place longer than one year as of 12/31/2023**

<b>Company</b>	<b>Agreement</b>	<b>Type of Use</b>	<b>Current Agreement Start Date</b>	<b>Monthly Rent</b>
FirstElement Fuel	TLA	Mobile hydrogen fueling	8/1/2023	\$0.00

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, with the exception of Digital Realty Trust and Sincere Hardware, who are tenants at the former Harbor Facilities parking lot on Brush Street, approximately five blocks from the Port headquarters.

Port Staff recommend the continuation of the Short-Term Agreements listed in Tables 1 through 5 because they are important to the continuity and growth of Maritime Division revenue and contribute to the health of overall Seaport operations. Staff proposes an approximate one-year extension, through December 31, 2024. While Staff recommends Board approval of the proposed extensions, this is primarily for efficiency purposes. Staff does not purport to represent, and any proposed recommendation does not constitute, that such an approval is an acknowledgment that the listed tenants are presently in good standing under their respective Short-Term Agreements. 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, 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.

## 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:

<b>Tenant</b>	<b>Agreement</b>	<b>Waiver or Reduction</b>	<b>Reason</b>
City of Oakland	TRA	Waived	Access through Port land for construction project
Everport Terminal Services, Inc.	1637MMJ2	Waived	Tenant has long-term lease for adjacent marine terminal
Impact Transportation, LLC	1545MMJ1	Reduced (one months' rent)	Tenant has long-term lease for adjacent warehouse
Pacific Crane Maintenance Company, LLC.	TRA	Reduced (one months' rent)	Emergency set up and operation of off-dock container yard
Pasha Stevedoring & Terminals, L.P.	TLA	Waived	Access right to handle lines for vessel arrivals/departures as needed
TraPac, LLC	1607MMJ1	Waived	Tenant has long-term lease for adjacent marine terminal

As part of the Board's approval of the continuation of the Short-Term Agreements, Staff proposes the security deposit amounts remain unchanged. All other Short-Term tenants are still subject to the Port's 3-month 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.
- 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 Short-Term Agreements discussed in this Agenda Report currently represent monthly revenue of approximately \$1.7 million and annual revenue of about \$20 million. This revenue is expected to continue through FY2024 and has been included in the FY 2024 Maritime Division operating revenue budget.

### **STAFFING**

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

### **MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):**

Applies? No (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.

- Additional Notes:

### **LIVING WAGE** (City Charter § 728):

Applies?

No (Other) – see explanation below.

- Additional Notes: Living Wage will apply to the 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.

### **SUSTAINABLE OPPORTUNITIES:**

Applies? Yes.

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

Conformity Determination:



<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 electric trucks) with existing tenants and new tenants as grant opportunities and various environmental programs arise.</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><b><u>STRATEGIC PLAN.</u></b> The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port's Strategic Business Plan:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Grow Net Revenues</li> <li><input checked="" type="checkbox"/> Improve Customer Service</li> <li><input type="checkbox"/> Strengthen Safety and Security</li> <li><input type="checkbox"/> Care for Our Environment</li> <li><input type="checkbox"/> Modernize and Maintain Infrastructure</li> <li><input type="checkbox"/> Pursue Employee Excellence</li> <li><input type="checkbox"/> Serve Our Community</li> </ul>	