



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Execute Project Supplement No. 3 with the California State Transportation Agency, Authorizing \$144,246,480 in State Funding to be Distributed to the Port of Oakland for Various Design and Construction Projects, and Finding That the Proposed Action is Exempt Under the California Environmental Quality Act (Executive Office)	
Submitted By: Kristi McKenney, Acting Executive Director	
Parties Involved: California State Transportation Agency Sacramento, CA	Amount: \$144,246,480 (grant funding)
EXECUTIVE SUMMARY: The 2021 State Budget Act (A.B. 128) allocated \$279,500,000 to the Port of Oakland (Port) for improvements that facilitate enhanced freight and passenger access in and around the seaport and waterfront and to promote the efficient and safe movement of goods and people. The California State Transportation Agency (CalSTA) was designated by the State Legislature to administer this funding. The proposed Project Supplement No. 3 between CalSTA and the Port authorizes the disbursement of up to \$144,246,480 in funding to the Port of Oakland for pass-through distribution to the City of Oakland (City) for design, project management and oversight, and/or construction of projects that will substantially improve safety, strengthen connectivity, increase access to Oakland waterfront and seaport, and improve the efficiency of the goods movement system.	

BACKGROUND & ANALYSIS

The Port of Oakland, City of Oakland, and related transportation stakeholders have initiated and/or completed a number of improvements that have facilitated enhanced freight and visitor access in and around the seaport and waterfront with additional investments planned for major capital infrastructure projects and intelligent transportation system initiatives that promote the efficient and safe movement of goods and people and seek to reduce transportation conflicts.

Several infrastructure programs and project areas of focus have been identified which could accelerate these initiatives and provide additional benefits to both residents and freight stakeholders. The 2021 State Act Budget Act (A.B. 128) included a budget allocation for the Port for transportation funding targeted for enhanced seaport and waterfront access and the design and potential construction of related infrastructure improvements and programs to reduce transportation conflicts in the seaport and waterfront areas. CalSTA was designated by the State Legislature to administer this State funding.

On July 21, 2022, the Board of Port Commissioners (Board) approved a Baseline Agreement (Baseline) between the Port and CalSTA which outlined the terms and conditions for the use of

these funds as well as the programmatic areas of investment focus that the State funding could potentially support.

The Baseline contemplated that some project improvements, design efforts, and/or construction activities would be undertaken by third parties, as several of the proposed infrastructure improvements have direct benefits to the Port but are not located on Port-controlled property or within Port-owned right of way. In such cases, third parties such as the City, Alameda County Transportation Commission (Alameda CTC), and/or private entities (as it related to certain potential rail improvements, for example) could be deemed eligible to serve as the primary design and/or implementing agency, consistent with the purposes of the Baseline.

The Baseline outlined several programmatic categories of potential state partnership and investment support, subject to further augmentation and refinement with supplementary project descriptions and approvals by the Board and CalSTA. These programmatic categories are consistent with specific infrastructure funding requests the Port's Executive Director identified to the State Legislature to secure this legislatively directed funding. The Baseline outlines that approval for the actual disbursement of funding to support specific phases for any of the elements of these potential projects must be separately approved by the Board via a Project Supplement agreement.

In those instances where the Port would not be the lead implementing agency for a project, the Port would still serve as the lead agency for the purposes of the CalSTA grant and would subgrant the funding, along with the related compliance terms and conditions, to the third-party implementing organization. For example, on March 23, 2023, the Board approved the First Project Supplement with CalSTA that authorized \$20 million to be distributed on a pass-through basis to the Alameda CTC in support of the 7th Street Grade Separation Project. Additionally, on June 8, 2023, the Board approved the Second Project Supplement with CalSTA that authorized \$17,969,402 to be distributed on a similar reimbursement basis to the City for design and engineering of a suite of transportation projects in and around the seaport and waterfront.

The Second Project Supplement provided funding to perform preliminary design development activities for thirteen transportation subprojects. The Third Project Supplement, which is substantially in the form included as **Attachment A**, proposes up to \$144,246,480 in State funding for additional planning, engineering, design, reimbursement, project management, and construction authorization tasks related to 7 of the 13 subprojects as originally identified, and includes support for planning, environmental, and conceptual design of two additional subprojects, as consistent with the original programmatic goals of the Baseline Agreement. The Third Project Supplement also confirms and executes the new encumbrance deadline of June 30, 2027, to obligate the state funding and the liquidation deadline of June 30, 2030, for full expenditure of the state funding, pursuant to the 2023 State Budget Act (SB 101).

The full suite of transportation subprojects is summarized below in Table 1. All the transportation subprojects that are included in both the Second and Third Project Supplements are listed for reference; and the second column indicates if funding is being requested for any project phase in this Third Project Supplement funding authorization.

Table 1: Third Supplement Transportation Subprojects

Subproject	Funding Under Third Project Supplement?
1. Reconstructing Embarcadero West Rail/Street Corridor between Oak Street to Clay Street	Yes
2. Reconstructing Embarcadero West Rail/Street Corridor between Clay Street to Market Street	Yes
3. Feasibility Study/Conceptual Designs Associated with Installing a New Vehicle Bridge and/or a Pedestrian and Bicycle Bridge Crossing Over the Embarcadero West Roadway and Railroad Corridor, Including Investigations of Improvements to Existing Grade Separated Structures	No
4. New Permitted Heavy Weight Vehicle Route and Emergency Vehicle Access Roadway Connecting Middle Harbor Road to Embarcadero West	Yes
5. Improvements to the Adeline Street Corridor, between 3 rd Street and 7 th Street, and 5 th Street, between Union Street and Adeline Street	No
6. Traffic Signal Modification Designs (Brush/17th, Brush/18th, Castro/5th, MLK/17th)	No
7. Improvements to the Market Street Corridor between Embarcadero West and 7 th Street	No
8. Improvements to the 3rd Street Truck Route Corridor between Adeline Street and Broadway	No
9. Improvements to the Martin Luther King, Jr. Way Corridor	Yes
10. Improvements to the 7th Street Corridor	Yes
11. Improvements to the Broadway Transit Corridor	Yes
12. Improvements to the 1-880 and I-980 Under crossings at Washington Street, Market Street, Marin Luther King, Jr. Way, Broadway, and 7 th Street Corridors.	Yes
13. Parking and Traffic Management	No
14. Improvements to the 8 th Street Corridor	Yes
15. Improvements to the 2 nd Street Transit Hub and Bike Gap Closure	Yes

The State funding authorized by the Third Project Supplement is organized separate work tasks, which support the following activities: Preliminary design for all subprojects supported in this request (Task 1); Preliminary geometric design for improvements to the 8th Street Corridor and

2nd Street Transit Hub (Task 3); Project management and staff reviews (Task 5); Preparation of final plans and specifications (Task 6) and; Construction of public infrastructure improvements (Task 7). Previous tasks for National Environmental Policy Act (NEPA) studies (Task 2) and reimbursement to the Union Pacific Railroad (Task 4) were supported by funding authorized in the Second Project Supplement and are included here for consistency's sake but are not part of this funding authorization work plan.

Table 2: Project Funding Plan

Task 1	Task 2	Task 3	Task 4	Task 5	Task 6	Task 7	Total
Preliminary Design	NEPA	Geometric Design	UPRR	Project Management	Final Plans & Specs	Construction	
\$215,766	\$0	\$215,766	\$0	\$11,471,185	\$30,641,026	\$101,702,737	\$144,246,480

The proposed Project Supplement No. 3 between the Port and CalSTA is substantially in the form included as **Attachment A**.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

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

- Categorically exempt under the following CEQA Guidelines Section:
Choose an item.
- Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- Other/Notes: Categorically and statutorily exempt under CEQA, as further described in Attachment B.

BUDGET

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

Analysis: There is no direct budgetary impact as the CalSTA funding will be directed to the City of Oakland

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: Proposed action does not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of MAPLA do not apply.

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? No.

Reason:

GENERAL PLAN (City Charter § 727):

Conformity Determination:

Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.

STRATEGIC PLAN. The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port's Strategic Business Plan:

Grow Net Revenues

Modernize and Maintain Infrastructure

Improve Customer Service

Pursue Employee Excellence

Strengthen Safety and Security

Serve Our Community

Care for Our Environment