

AGENDA REPORT

Resolution: Authorization for the Executive Director to Take Certain Actions to Further Implement the Alameda County Transportation Commission Port Priority Project Intelligent Transportation Systems and Technology, to Apply for Grant Funds for Project Implementation, and to Assume Responsibilities for Project Operations and Maintenance **(Engineering/Maritime)**

MEETING DATE: 6/8/2017

AMOUNT: No Financial Impact at this time
(up to \$1 million/year subject to future Board approvals)
Operating Expense

PARTIES INVOLVED: Alameda County Transportation Commission
U.S. Department of Transportation
U.S. Department of Homeland Security
Federal Emergency Management Agency

SUBMITTED BY: Chris Chan, Director of Engineering
John C. Driscoll, Director of Maritime

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

Staff seeks to update the Board regarding the Alameda County Transportation Commission's ("Alameda CTC") delivery of certain Port Priority Projects at the Port Maritime Area (seaport) funded by Measure BB, specifically the Intelligent Transportation Systems and Technology ("ITST") Project. Staff also seeks the Board's authorization to take certain actions to implement the ITST Project, including applying for certain grants and a commitment to accept operation and maintenance responsibilities/costs, if grant funds are accepted and/or if the ITST Project is otherwise implemented.

BACKGROUND

For several years, the Port has worked closely with the Alameda CTC on the development and delivery of Port Priority Projects that are critical to enhancing the activities of the Port's Maritime Area (seaport), and the entire goods movement sector in the region. Key milestones to date include:

- November 2014 – Alameda County voters approved Measure BB, which authorized an extension and increase to sales tax to fund various transportation-related projects. The tax is expected to generate \$8 billion over a 30-year period, The Alameda CTC is administering these funds.
- July 2015 – Port staff submitted grant applications to the Alameda CTC for various projects. The 7th Street Grade Separation East and West Projects (“7th Street GSP”), Middle Harbor Road Improvement Project (MHRIP), and Port Intelligent Transportation Systems and Technology (ITST) Project (collectively, “the Projects”) were identified as regionally significant investments to Alameda County, with a combined cost estimate of \$455 million (in 2017 dollars).
- March 2016 – The Alameda CTC approved the allocation of \$33 million of Measure BB funds for preliminary engineering and environmental review for the Projects and authorized the use of its staff and consultant resources to perform work on certain Project development phases. The Alameda CTC is pursuing additional federal, state, and local grants in addition to Measure BB funds for subsequent phases of the Projects. However, Measure BB is not expected to fund operation and maintenance (“O&M”) costs that follow Project implementation.
- April 2016 – The Alameda CTC issued a Request for Proposals (“RFP”) for Preliminary Engineering for the Projects. The Alameda CTC also submitted an application to the U.S. Department of Transportation (“US DOT”) for grant funding under the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (“FASTLANE”) program to fund construction/implementation of the Projects.¹ Grant funds were not awarded for the Projects.
- May 2016 – The Port and the Alameda CTC entered into a Memorandum of Understanding (“MOU”) for the design and delivery of the Projects. The MOU defines the management structure, roles, and responsibilities of the agencies involved.
- June 2016 – Through FY 2020-21, the Port included \$6.5 million in the Port’s 5-year Capital Improvement Plan (“CIP”) to support the advancement of the Projects. More specifically, in June 2016, the Board approved \$1.75 million of FY 2016-17 CIP Pipeline funding for Port staff and consultant(s) costs. For the upcoming 5-year CIP (FY 2017-18 through FY 2021-22), Port staff has requested a combined total of approximately \$20 million for the Projects, of which approximately \$9 million is for the ITST Project.
- August 2016 – The Alameda CTC entered into an agreement with Jacobs for the preliminary engineering of the Projects. Currently, the Alameda CTC anticipates completion of 30% design by March 2018 at an estimated consultant cost of \$10-\$13 million. The balance of the \$33 million Measure BB allocation will be to finalize design and prepare for Project implementation (e.g. obtaining permits, development of

¹ FASTLANE was established by the Fixing America’s Surface Transportation Act (“Fast Act”). For the 7th street GSP, only the West portion was included.

Memoranda of Understanding with participating agencies (CalTrans, Metropolitan Transportation Commission, etc.).

- December 2016 – The Alameda CTC submitted an additional application to the US DOT – FASTLANE program to fund construction/implementation of the Projects; this application was similar in nature to the previous application submitted to the USDOT – FASTLANE program in April 2016. To date, the Alameda CTC has not been notified regarding an award of grant funding.

The Port understands that the Alameda CTC expects additional Measure BB funding to become available for Project implementation. However, in the event this expectation does not materialize, the Port and the Alameda CTC have been working on an implementation funding strategy that includes various sources of grant funding. These grants present some complications to the project delivery strategy because, for example, some granting agencies do not allow sub-grant agreements. Both the Port and Alameda CTC staff are working through these issues.

ANALYSIS

Given the security-related aspects of the ITST Project and its suitability for grant funding opportunities with deadlines in the immediate term, the Port and the Alameda CTC are advancing the design of the ITST Project at a quicker pace relative to the other Port Priority Projects. Specifically, the design of certain ITST Project elements will reach the 10% design stage by June 2017.

The ITST Project is a portfolio of sub-projects to enhance 1) management of traffic within the seaport, 2) communication and collaboration of traffic information, and 3) public dissemination of real-time traffic information. Examples of the sub-projects include (a) installation of “smart intersection” hardware, (b) deployment of message signboards (similar to what is used on freeways in the SF Bay Area), and (c) new and/or additional surveillance cameras for increased domain awareness. The sub-projects have been prioritized for implementation as “Immediate,” “Near-Term,” and “Long-Term.” The cost to fully implement the ITST Project is currently estimated at \$20 million.

ITST Project Grant Funding – The Port and the Alameda CTC are currently preparing applications for various grant opportunities with application deadlines in June 2017. These programs are 1) the U.S Department of Transportation (USDOT) Advanced Transportation and Congestion Management Technologies Deployment Initiative (“ATCMTD”) and the 2) Department of Homeland Security (DHS) and Federal Emergency Management Agency (FEMA) Port Security Grant Program (“PSGP”). Although the Port and the Alameda CTC are working jointly to prepare the applications, the official grant applicant may be the Port, the Alameda CTC, or both (joint applicant), depending on the grant. If grant funds are awarded, Staff will be seeking future Board approval to enter into grant agreements.

ITST Project O&M – Grants typically do not pay for on-going O&M costs, so Staff also expects to seek the Board's confirmation that it will assume all such responsibilities in connection with the receipt of grant funds. Staff estimates annual O&M costs will range from 3% to 5% of the total capital investment, regardless of how the ITST Project is funded (i.e., with grants, Measure BB, or other funds). Therefore, if the full ITST Project is implemented at the estimated cost of \$20 million, the annual O&M cost is anticipated to range from \$600,000 to \$1,000,000. However, the Port and the Alameda CTC are focused on implementation of "Immediate" and "Near Term" ITST sub-projects, which are estimated to cost \$10 million to \$15 million to implement. If only these sub-projects were implemented, annual O&M costs would range from \$300,000 to \$750,000, depending upon the actual level of capital expenditure.

Next Steps & Long-Term Considerations - Pursuing the implementation of the ITST Project, including grant opportunities, requires significant Staff resources and coordination with the Alameda CTC. Complex issues related to sub-grantee limitations and Project implementation responsibilities (i.e., responsible party to implement) will need to be resolved. Before Staff invests more resources in pursuing grants and other implementation efforts for the ITST Project, Staff seeks the Board's authorization to pursue implementation of the ITST Project, the Board's concurrence with Staff's approach in this matter and the Board's commitment to accept all O&M responsibilities/costs if grant funds are accepted and/or if the Project is otherwise implemented. The actions proposed today do not commit the Board to accepting grant funds or to additional expenditures. Rather, they provide Staff with guidance, enhance the competitiveness of the Port's and/or the Alameda CTC's grant applications, and provide the Alameda CTC with assurances of the Port's intent to continue moving forward with all necessary actions including, in particular, the assurance that the Port will manage and fund O&M.

BUDGET & STAFFING

The proposed action does not have any direct budgetary impact. Costs associated with preparing grant applications and supporting the Alameda CTC have been included in the Port's budget. However, as discussed above, future actions related to implementation of the ITST Project, if approved by the Board, will have an impact on the Port's operating expense budget and possibly on the Port's CIP.

There are sufficient existing staff resources to support the activities discussed in this Agenda Report. However, future actions may require additional or re-allocation of staffing, which may affect the delivery of other Maritime projects.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The matters included in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Plan (<http://www.portofoakland.com/pdf/about/strategicPlan2011-2015.pdf>)

- Goal A: Objective 4: Pursue strategic partnerships at all levels: local, regional, national and international.
- Goal F: Objective 2: Partner with other agencies to create joint grant strategies.

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply because the requested action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage Regulations.

ENVIRONMENTAL

The proposal to authorize certain actions related to grant funding opportunities and O&M responsibilities for the ITST Project was reviewed in accordance with the requirements of the California Environmental Quality Act ("CEQA") and the Port's CEQA Guidelines. The requested authorization for grant funding applications does not commit either the Port or the Alameda CTC to proceed with the ITST Project and, at most, allows both agencies to explore the possibility of using grant funds to implement the ITST Project; such action therefore does not require further review under CEQA.

Should the actions requested herein subsequently result in the implementation and maintenance of the ITST Project (installation of additional fiber optic cable in existing and new conduits, upgrades to the security camera system, vehicle detection equipment, changeable message signs and, other related improvements), such Project is categorically exempt from the requirements of CEQA pursuant to Section 15301 (Existing Facilities) which exempts the operation, maintenance, or minor alteration of existing public or private structures, facilities, etc. No additional environmental review is required.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

This action is not subject to the Port's Owner Controlled Insurance Program (OCIP) as it is not a capital improvement construction project. However, the OCIP may be applicable to future Board actions related to the ITST, and such applicability will be evaluated as that time.

OPTIONS

Staff has identified the following options for the Board's consideration:

1. Authorize the Executive Director to take the following actions to further the implementation of the ITST Project, as outlined herein. Specifically:
 - (a) Authorize the Executive Director to apply for grants solely and/or jointly with the Alameda County Transportation Commission;
 - (b) Make the CEQA determination outlined herein; and,
 - (c) Commit to perform and fund the operations and maintenance, subject to applicable future Board approvals.

This is the recommended Board action.

2. Authorize the Executive Director to further the implementation of the ITST Project with modifications to the approach and actions outlined herein. Depending on the modifications, the competitiveness of the grant applications could be negatively impacted.
3. Direct the Executive Director to end staff work on the ITST Project. Staff would advise and discuss this direction with the Alameda CTC and report any concerns raised by the Alameda CTC to the Board at its next scheduled meeting.

RECOMMENDATION

Staff recommends that the Board of Port Commissioners authorize the Executive Director to take the following actions to further the implementation of the Intelligent Transportation Systems and Technology Project ("ITST"), as outlined herein. Specifically:

- (a) Authorize the Executive Director to apply for grants solely and/or jointly with the Alameda County Transportation Commission;
- (b) Make the CEQA determination outlined herein; and,
- (c) Commit to perform and fund the operations and maintenance, subject to applicable future Board approvals.