



# Growth With Care

Port of Oakland  
Strategic Business Plan  
2018-2022



**PORT OF OAKLAND**



## Contents

1. Executive Director’s Introduction .....	1
2. Port of Oakland Profile .....	3
3. Port Governance .....	4
4. Vision/Mission/Values .....	6
5. Port of Oakland Strategic Goals.....	7
6. Maritime Plan .....	13
7. Aviation Plan.....	16
8. Commercial Real Estate Plan.....	18
9. Success Measures .....	20



# 1. Executive Director's Introduction



*Executive Director  
Chris Lytle*

We view the next five years at the Port of Oakland with excitement. Our home market—Northern California—is robust. Our business lines—Aviation, Commercial Real Estate and Maritime—are thriving. Our outlook is for steady gains into the next decade.

In other words, our time is now. The Port of Oakland anticipates a period of commercial success perhaps unrivaled in its 90-year history. Along the way, records should fall. We expect to handle more containerized cargo than ever at our seaport. Our airport will reach all-time highs for domestic and international travel. The number of visitors to our Jack London Square will increase beyond anything we've ever seen.

This fits into our strategy: growth that's sustainable and responsible. We want to increase our volume of business. It will lead to more jobs, more economic stimulus, more opportunity for Oakland and the East Bay. But here's the corollary to that strategy: We must grow with care.

The Port of Oakland is more than a collection of businesses. It's the symbol of a city. Our great cranes are emblazoned on T-shirts, murals, coffee mugs.... even the Mayor's earrings. We're the big, bustling neighbor right across the fence.

With that role comes responsibility. It requires us to conduct ourselves in the public interest for the public good. We can grow, but we want our neighbors to grow with us with a minimum of negative impacts.

So how will we maximize benefits and minimize impacts? Here's how:

**Economic stimulus:** For nearly a century, the Port of Oakland has strengthened the Bay Area economy. We bring more than \$64 billion annually in trade through our seaport. Thirteen million passengers a year fly through our Airport. Another 3 million visit our Jack London Square. Countless businesses depend on this activity to support their livelihoods. We're investing in our businesses to keep theirs thriving.

**Jobs:** More than 73,000 Bay Area jobs are traced to the Port of Oakland. As our business grows, so will employment. One example: It's estimated that for every 1,000 additional containers of cargo brought to Oakland, eight jobs are created.

**Air quality:** Ships, trucks, trains and planes...we've got them all at the Port of Oakland. What do they have in common? Among other things, most ships, trucks and trains use diesel engines. That's an ongoing concern for our neighbors. What are we doing about it? We continue to implement our Maritime Air Quality Improvement Plan. It has cut diesel emissions from trucks by 98 percent, from vessels by nearly 80 percent in the last decade. We'll keep testing new technology—such as battery-powered trucks—to further reduce emissions. We'll improve efficiency to cut down on queues of trucks with idling engines. The shipping industry will help by consolidating cargo on fewer, larger vessels and reducing the number of visits they make. Airport operations will help by shifting to electric ground equipment.

**Local hiring:** We're a highly visible operation active both day and night. If we're asking neighbors to accept that, it's only fair that they get something in return. Right? That's what we think, anyway. So we must demonstrate leadership in generating good, well-paid jobs and in connecting disadvantaged communities with those jobs. Therefore, we'll continue to introduce policies ensuring that local residents get a fair share of our work. We'll target those policies to provide a leg up for our community.

**Workforce development:** The Port will continue to promote programs that train local job candidates for careers in transportation, logistics or the building trades. We'll provide internships and work with agencies that offer skills training. We'll also ensure that contractors on capital improvement projects reach out to apprentices for work opportunities.

**Small businesses:** The Port annually spends tens of millions of dollars on capital improvements. Our policies will continue to ensure that small, local businesses have every opportunity to share in that work.

**Access:** The Port's Jack London Square is one of Oakland's main entertainment districts. We'll continue to offer events free of charge to give our neighbors and out-of-town visitors full access to the city's most beautiful venue. We also provide miles of public access trails and hundreds of acres of parks and open space for the public to gain access to the Oakland shoreline, natural areas and San Francisco Bay.

**Community support:** We'll continue to support local nonprofit organizations specializing in education, job training and skills development to make sure that Oaklanders and Californians have the skills for jobs at the Port and Port-related industries.

**Water quality:** The Port is entrusted with protection of San Francisco Bay waters under its jurisdiction. We'll continue to enforce policies that prevent pollutant runoff into the harbor, Oakland Estuary or San Francisco

Bay. Tenants at all of our facilities are required to follow State water quality regulations and we will work with them to ensure the highest levels of compliance.

**Traffic:** More than 6,000 trucks are registered to haul cargo in and out of the Port of Oakland. They don't all show up every day. But there are enough of them to slow traffic if we're not operating efficiently. So we'll continue to refine our Truck Management Program to keep trucks from neighborhoods. We'll provide services for drivers—such as fueling stations—so they don't have to drive through the city. We'll continue to refine marine terminal operations to prevent crowding at entrance gates. We'll make sure there's plenty of parking overnight for big rigs. The Oakland International Airport BART connection will bring more passengers directly to the Airport without cars. Our objective: keep everyone—and everything—moving efficiently.

**Outreach:** With such an outside presence in the community, the Port of Oakland must not hide. For starters, we can't. We're too big. But beyond that, we can't be good neighbors if we're not engaged with the

public. So we'll emphasize outreach. We're already pretty good at it. More than 2,000 visitors a year contact us directly through our online LiveChat feature. Try it yourself at [www.portoakland.com](http://www.portoakland.com). Between 8:30 a.m. and 5 p.m. Monday-through-Friday, you can contact a Port representative. If you prefer face-to-face, you can visit with Port officials during bimonthly office hours in West Oakland. Most importantly, you can speak directly to our Board of Port Commissioners. They meet twice per month in public session at Port Headquarters. Visit [www.portoakland.com](http://www.portoakland.com) for details.

We've got hundreds of thousands of neighbors who feel invested in the Port. They work here. They play here. Most importantly, they live here...very nearby, anyway. We've got a responsibility to them.

As we progress in these next five years, we want our neighbors and our communities to prosper with us. How do we make that happen? By following a simple strategy: growth with care.





## 2. Port of Oakland Profile

The Port of Oakland manages the Oakland seaport, Oakland International Airport, and about 20 miles of waterfront. Together with its business partners, the Port supports more than 73,000 jobs in the region and nearly 827,000 jobs across the United States.

### Our Seaport

We are the seventh-busiest container port in the U.S., handling 99percent of all containerized goods in Northern California. Port history spans the Civil War, the Industrial Revolution, two World Wars, and America's coming of age as a global power. In the late 1960s, Oakland was the first major port on the West Coast to build terminals for the then-revolutionary container ships, becoming the second-largest container port in the world. The Port has maintained its prominence in the shipping industry thanks to strong leadership and constant innovation. As a leading international cargo and transportation hub, we have pioneered shipping innovations to expedite the movement of goods worldwide. Our largest container terminal handles more transactions than any other single terminal on the West Coast. Whether adopting specialized intermodal containers, dredging our channels to accommodate ever-larger vessels, or improving adjacent railroad facilities for greater efficiencies, we continue to be a leader in the port industry.

### Our Airport

Oakland International Airport is the second-busiest international airport in the San Francisco Bay Area and

fourth-busiest in California. We welcome 13 million passengers annually flying to and from more than 60 domestic and international destinations. The Airport is a leading gateway to Europe and Latin America. It is the most convenient airport for Bay Area travelers and visitors. Renovated terminals, a premium passenger lounge and improved Customs and Immigration facilities help Oakland passengers fly efficiently, pleasantly and safely. The Airport is the modern-day successor to Oakland Municipal Airport, constructed in 1927. In 1962 completion of the \$20 million, 600-acre Oakland International Airport (OAK) complex inaugurated the era of the jetliner.

### Our Commercial Real Estate

Commercial Real Estate (CRE) includes 875 acres of Oakland's waterfront property along San Francisco Bay and the Oakland Estuary, over 75percent of which are open space. CRE has transformed those former industrial properties into dynamic new development through private investment dollars. The heart of the Port's real estate portfolio is Jack London Square, home to restaurants and entertainment options and the East Bay's prime entertainment venue. Sunday farmers' markets, educational events, festivals, outdoor movie screenings and a wide variety of seasonal community celebrations and beautiful public walking paths all work together to keep this waterfront bustling.



### 3. Port Governance

#### Charter

The Port of Oakland was established by Article VII, Section 700 of the Oakland City Charter:

*Establishment of a Port Department. To promote and more definitely insure the comprehensive and adequate development of the Port of Oakland through continuity of control, management and operation, there is hereby established a department of the City of Oakland known as the "Port Department."*

The Port of Oakland is not supported by Oakland tax dollars, and must therefore be financially self-sustaining.



#### Board of Port Commissioners

The City of Oakland Charter gives the Board of Port Commissioners exclusive control and management of the Port of Oakland. Our Board consists of seven members nominated by the Mayor and appointed by the City Council for four-year terms. Members must live in Oakland during their term and at least 30 days prior to their appointment. Port Commissioners donate their time to the Board as they serve without salary or compensation. Port Commissioners exercise exclusive control over the use of and income from properties along San Francisco Bay and Oakland Estuary that stretch from the borders of Emeryville in the north to San Leandro in the south.



JOAN H. STORY  
President



CESTRA "CES" BUTNER  
First Vice President



ANDREAS CLOVER  
Second Vice President



MICHAEL COLBRUNO  
Commissioner



EARL S. HAMLIN  
Commissioner



ARABELLA MARTINEZ  
Commissioner



ALAN S. YEE  
Commissioner

Port Commissioners – September 2017



## Senior Management

The senior management team directs our Aviation, Commercial Real Estate, and Maritime businesses and includes key support divisions such as Engineering, Environmental, and Social Responsibility. The senior management team is responsible for executing the Port's strategy and achieving our business objectives. It meets weekly to ensure collaboration and alignment with the Port's strategic plan. Our team strives to reflect the diversity of the Port's employee base and surrounding communities. We have deep experience in the Port's various lines of business and supporting functions. Senior management team members attend all meetings of the Board of Port Commissioners to support Board deliberations.

## Tidelands

The Port of Oakland is steward to more than 4,500 acres of land on or near the waterfront. Much of the historically submerged lands (or tidelands) belong to the State of California. The Port holds these tidelands as trustee of the State and must use the lands and assets for the benefit of navigation, water-related activities and statewide commerce and recreation. With this mission as a guide, the Port has developed parks and public access along with airport and shipping facilities. To promote productive uses, underused acreage is being converted into multimodal distribution facilities, homes, warehouses, hotels, offices, shops, restaurants, and other development projects through private development partners and investment dollars. Today, this development is fueling Oakland's urban renaissance by creating jobs, housing, recreation and leisure activities.



**CHRIS LYTLE**  
Executive Director



**KATHERINE BUCKLEY**  
Acting Chief Audit Officer



**DARIA EDGERLY**  
Acting Secretary of the Board



**CHRISTOPHER BOUCHER**  
Director of Human Resources



**CHRIS CHAN**  
Director/Chief Engineer



**MATT DAVIS**  
Governmental Affairs Director



**JOHN C. DRISCOLL**  
Maritime Director



**BRYANT L. FRANCIS, C.M.**  
Director of Aviation



**EVA JAKUBOWSKA**  
Information Technology Director



**PAMELA KERSHAW**  
Director of Commercial Real Estate



**SARA LEE**  
Chief Financial Officer



**RICHARD SINKOFF**  
Director of Environmental Programs and Planning



**AMY THARPE**  
Director of Social Responsibility



**DANNY WAN**  
Port Attorney



**MIKE ZAMPA**  
Communications Director

Port Senior Management – September 2017

## 4. Vision/Mission/Values

The Strategic Plan provides a policy framework to guide the Port of Oakland during a five-year period. It supports an on-going planning process, and serves as a statement of the Port's vision, mission, values, goals and strategic objectives to promote optimal performance and long-term sustainability. The Strategic Plan sharpens the Port's focus on growth of its core businesses by aligning governance, policies, processes and resources. The Strategic Plan establishes that all activities are based upon collaboration, accountability and innovation. The Strategic Plan guides the Port to long-term fiscal and environmental sustainability and optimal performance.

The Vision Statement is a shared and compelling picture of what we will see over the next five years, and how we will achieve our growth.

**Vision:** The Port of Oakland is the Preferred Gateway for Trade, Travel and Recreation.

The Mission Statement reflects the business of the Port, and our responsibility to care for our assets, our people and our community.

**Mission:** We are stewards of public assets. We lead our seaport, airport and commercial real estate businesses in a fiscally sound and socially beneficial way.

Our values reflect the ways in which we will conduct ourselves and our business to grow with care.

- **Safety** – The safety of our customers, our guests, our employees, our community and our environment is our highest priority.
- **Citizenship** – We are part of our city, our state, our nation and our world, and we will endeavor to support each in everything we do.
- **Transparency** – As a public agency our actions, decisions and policies are public. We are open in our relationships with public and private stakeholders.
- **Efficiency** – We maximize the use and productivity of our people and our assets and minimize our costs.
- **Sustainability** – The Port is in business for the long run, and we must conserve and maintain the physical and fiscal assets we use and the environment in which we operate.
- **Service** – We offer our Maritime, Aviation and Commercial Real Estate customers the best possible service, and we help them do the same for their customers.
- **Communication** – We keep our customers, our stakeholders, our public and our colleagues informed on what we are doing and why. We solicit meaningful input from the public and stakeholders to inform our decisions.
- **Fiscal Prudence** – The Port must always use its resources wisely, efficiently and effectively, with expenditures in alignment with revenues.



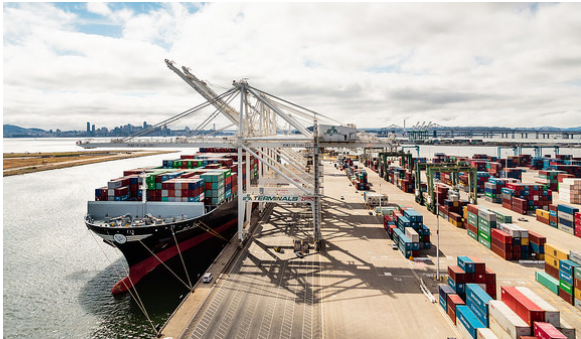


## 5. Port of Oakland Strategic Goals

We have established the goals outlined below to achieve our mission and make our vision a reality, and the Business and Port-wide objectives and strategies are the key steps towards those goals.

### Business Goals

Our three businesses—Maritime, Aviation and Commercial Real Estate—generate revenue by serving their customers. As the business plans in the following sections explain in more detail, the Port operates in a challenging commercial, economic and regulatory context.



### Goal: Grow Net Revenue

For the Port’s business lines, growing net revenue means increasing both the volume of business and the revenue yield on the business we have. We can increase our business by accommodating growth in the markets we serve and by increasing our share of those markets. We can increase our net revenue on that expanding business by keeping our costs low through efficiency, and securing the best possible prices and rates for our assets and services.



### Goal: Improve Customer Service

The Port has both direct and indirect customers, and the goal of improving customer service applies to both.

The Port’s *direct customers* are the maritime terminal operators and ancillary service providers; the airport’s airlines and concessionaires; and the Commercial Real Estate tenants with whom we have business

agreements. The success of these direct customers drives the Port’s success, and the Port seeks to maintain and improve our relationship with them. Many of our objectives are, in fact, joint objectives between the Port and our direct customers, with a strong emphasis on collaboration and coordination.

The Port’s *indirect customers* are the thousands of maritime shippers, truckers, airline passengers and local shoppers and patrons that serve and use our port, airport and properties. These are the direct customers of our direct customers, and we have both a responsibility and an interest in seeing that they receive the best possible service.



### Goal: Modernize and Maintain Infrastructure

Our assets—the seaport, airport and commercial properties—are at the core of our responsibility to the community and are the basis for our services. Fiscal prudence and long-run sustainability require continued attention to the competitiveness and condition of those assets. As the industries we serve evolve and modernize, our facilities must keep pace. To promote safety, sustainability, reliability and long-term value, our facilities must be diligently maintained. Each of our businesses has specific modernization and maintenance objectives to meet, notably development of long-term asset management plans. Moreover, those objectives require careful attention to environmental, social responsibility and human resources issues.

### Port-wide Goals

There are some goals and objectives that cut across all businesses, such as strengthening employee communication and engaging community and other stakeholders.



### Goal: Pursue Employee Excellence

To grow with care the Port needs the best possible employees, and must strive to organize and support them in the best way possible. The Port must strengthen employee communication within and between divisions to improve understanding of the Port’s objectives and performance.

The Port will be only as good as its employees make it. The Port as a whole must advance its position as the employer of choice for Oakland and its surrounding community. The Port will create and sustain a workplace culture of excellence and high engagement; foster innovation and growth; promote diversity and respect; and support the integration of the demands of work and life.

The Port must create and develop an agile organization to leverage employee talent and increase efficiency. Investing in people through workforce development opportunities permits them to grow as the Port grows.

To attract and retain the best employees, the Port must maintain and promote an integrated employee health, wellness and safety concept to support and encourage employee well-being. The Port must also manage complex federal, state and local employment laws and ensure ongoing Port-wide compliance.

**Objective** Develop an agile organizational structure and job classification that best meet current and future business needs.

**Strategies** Recognize changing workforce demand and develop flexible staffing structures

Deploy effective recruitment strategies to hire quality candidates

Recruit vacant positions within 60 days

**Objective** Promote a culture of accountability.

**Strategies** Develop and update Administrative Policies

Ensure full Port-wide participation in Ethics training and public funds stewardship

**Objective** Develop succession plans that incorporate training and development opportunities for a robust workforce.

**Strategies** Develop a succession plan for each division

Expand training opportunities

Use the e-Learning platform for 25 percent of the Port’s corporate training to support continuous learning

Encourage utilization of Professional Development and Educational Reimbursement funds to seek higher education and degrees

Provide work shadowing opportunities whenever operationally feasible

**Objective** Maintain close working relationships with organized labor.

**Strategies** Ongoing labor-management collaboration on key Port objectives and initiatives

Successful completion of the 2017 – 2018 labor negotiations with all four labor groups

**Objective** Maximize workplace safety.

**Strategies** Complete consolidation of the Occupational Health and Safety Office into Human Resources functions

Ensure expedited return-to-work through managed care and utilization of temporary modified duty assignments

Maintain American Heart Association Platinum Employer status

**Objective** Maximize Human Resources effectiveness through technology.

**Strategies** Use technology to streamline services and access to information and resources for managers and employees

Deployment of a new automated Learning Center (LMS)

**Objective** Strengthen employee communication to improve understanding of the Port’s objectives and performance.

**Strategies** Consolidate Aviation Administrative Offices into T1 Mezzanine

Regular staff updates from management

Introduce new, enhanced employee intranet



<b>Objective</b>	Promote a workplace free of harassment or discrimination.
<b>Strategies</b>	Full compliance in mandatory Preventing Harassment training 100 percent employee completion of Unconscious Bias training Continued compliance through management partnership, investigations and complaint resolution



**Goal: Strengthen Safety and Security**

Safety and security are fundamental to everything the Port does. We achieve safety and security through our own efforts, and through our cooperation with Customs and Border Protection (CBP), the Transportation Security Administration (TSA), the US Coast Guard, Oakland’s public safety officers, our tenants and our customers. Our focus on safety and security extends to our airline passengers, the working environment at our seaport and airport terminals, our employees, the operators and customers at our commercial properties, our customers’ cargo and the residents of our community. All Port businesses are responsible to periodically test and refresh their business continuity and resiliency plans. With the prospect of future sea level rise, the Port is also responsible for identifying the implications and planning accordingly.

<b>Objective</b>	Minimize security breaches.
<b>Strategies</b>	Work with TSA to prevent breaches of federally secured airport zones and facilities Work with marine terminal and Coast Guard staff to prevent unauthorized entry to marine terminals and seaport facilities

<b>Objective</b>	Improve emergency readiness through additional training and testing.
<b>Strategies</b>	Maintain Emergency Communications Plan Adequately prepare for out-of-the-ordinary emergency events Advise, effectively and promptly, the Port community, customers, government agencies and the public on issues and developments

<b>Objective</b>	Enhance Airport traveler and employee safety and security.
<b>Strategies</b>	Improve seismic safety through terminal improvements Conduct facilities analysis to identify systems, equipment, which must be upgraded or replaced in order to perform at highest levels Strengthen Partnership with CBP and TSA Collaborate with TSA surrounding security screening efficiencies with increased passenger volume

<b>Objective</b>	Test/refresh business continuity and resiliency plans.
<b>Strategies</b>	Ensure that business continuity and resiliency plans are current and update as required Conduct appropriate tests and incorporate feedback in planning



**Goal: Serve Our Community**

The Port’s responsibilities extend beyond our property lines, and we must engage community, industry and other stakeholders to better inform our business priorities. The Port must be aware of its potential positive and negative impacts and strengthen our community as we grow. The Port is an economic engine for Oakland and the greater Bay Area, and our objectives include making sure that the benefits of economic growth are accessible to all, and that our operations provide prevailing and living wage jobs for local

residents. Our operations inevitably impact the community and the environment, and we must make every effort to understand and minimize adverse impacts and seize opportunities to maximize benefits.

The Port will maximize the community benefit of Port projects, engage residents in neighboring communities, enhance existing and new relationships with the community and invest in individuals and organizations that further the region’s social and economic vitality.

<b>Objective</b>	Engage community and other stakeholders.
<b>Strategies</b>	Open and maintain communication channels between the Port and the public  Use bimonthly office hours and our LiveChat website feature to understand and respond to community concerns
<b>Objective</b>	Improve Port access for the community.
<b>Strategies</b>	Promote Harbor Tours  Promote the visits to Community Office Hours  Encourage use of Port-area parks  Participate in public Jack London Square events
<b>Objective</b>	Minimize adverse community impacts.
<b>Strategies</b>	Develop and complete a Joint City-Port Truck Management Plan with community input on actions and strategies  Minimize noise and “stray” light from seaport and airport operations
<b>Objective</b>	Ensure that as the Port thrives, the community thrives.
<b>Strategies</b>	Ensure that local residents have employment opportunities and receive livable wages on Port capital projects  Ensure that local and small businesses enjoy equal access to the Port’s bidding opportunities  Prepare local residents and students for employment by providing education, work experience and scholarship support  Promote and support civic engagement amongst Port staff  Support locally based partners in their efforts to promote, economic vitality and workforce development/education

## Goal: Care for Our Environment

The Port has both legal and ethical obligations to care for our land, air and marine environment. Our maritime, airport and commercial real estate facilities and operations must meet ever stricter environmental standards. Among our tidelands resources are sensitive habitat and marine areas, and it is our duty to ensure their long-term ecological health and sustainability. This goal calls for a high degree of cooperation between the Port and our stakeholders.

Over the next five years, we will introduce new zero or near-zero emissions technologies to our partners to help them transition from existing practices and equipment.

Environmental stewardship isn’t just about protecting the essential natural resources—air, water and land. It goes beyond protection of fragile shoreland areas, wildlife habitats, water resources and open space. Environmental stewardship encompasses our local neighborhoods, public health and quality of life for residents and workers. It encompasses all issues related to the challenges of growing responsibly and sustainably.

**Maritime Air Quality Improvement Plan.** The Port, in partnership with the Bay Area Air Quality Management District, the West Oakland Environmental Indicators Project and the maritime industry developed a Maritime Air Quality Improvement Plan to reduce Diesel Particulate Matter emissions by 85 percent by 2020.

**Comprehensive Truck Management Program.** The Port’s Maritime Comprehensive Truck Management Program (CTMP) comprehensively addresses security, air quality, business and operations, and community issues related to trucking operations at the Port of Oakland maritime facilities.

**Clean Water Program.** In 2013, the Port joined the statewide Municipal General Permit for storm water, which mandates procedures and controls designed to reduce runoff pollution. During the 5-year phase-in period, the Port will implement new initiatives to control pollution from run-off, eliminate trash and educate its employees, tenants and the public as to how they can help.



**Objective** Increase reliance on zero and near-zero technologies and renewable energy in Port and tenant operations.

**Strategies** Maximize use of shore power (cold ironing) to reduce vessel emissions, meet or exceed state requirements

Identify and promote electrification options for container handling equipment and airport ground service vehicles

**Objective** Minimize truck emissions and impacts.

**Strategies** Work with Maritime to minimize truck turn times and idling

Monitor compliance of Oakland drayage fleet with CARB and EPA regulations

Prepare Joint Port-City Truck Management Plan and implement TMP measures (2017-2023)

**Objective** Meet MAQIP goals for 2018-2020.

**Strategies** Analyze and implement next tier of emission control strategies to achieve 85 percent DPM reduction

Design and implement Advanced Technology Demonstration Program for near-zero and zero emissions equipment

Partner with tenants to share risk, and with vessel operators to improve environmental performance



**Objective** Develop an updated MAQIP beyond 2020.

**Strategies** Solicit input to design and implement a new public engagement forum to inform the MAQIP Beyond 2020 Plan

Align Port air quality goals with State of California goals

Frame the MAQIP Beyond 2020 Plan to reflect California greenhouse gas reduction goals

Design and implement Advanced Technology Program for near-zero and zero emissions equipment

Partner with CARB and BAAQMD to identify funding opportunities to implement ATP-related programs and projects

Pursue public sector grant funding to promote technology and electrification of Seaport-related operations

Collaborate with tenants to develop projects and identify match funds for successful grant applications

Conduct engineering feasibility studies to support transformation of operations to near-zero and zero emissions

**Objective** Reduce GHG emissions from operations and facilities.

**Strategies** Design and implement Port of Oakland *Advanced Technology Demonstration Program*

Replace fueled equipment with electric equipment where feasible

Reduce congestion through design and technology systems improvements

Analyze GHG emissions “co-benefits” in Seaport diesel emissions reduction measures

Prepare project-specific GHG Reduction Plan for OAB projects (required by the OARB SCA/MMRP)

**Objective** Environmentally sound airport Land Development Plan.

**Strategies** Over next five years, explore development options for 125+ acres of our airfield

Terminal roadway upgrade will reduce delays from traffic growth

Further analyze needs through a comprehensive Landside Plan

**Objective** Strengthen the Sustainability Policy.

**Strategies** Update Port Sustainability Policy to focus on development projects, electric charging and renewable energy

**Objective** Plan for future dredging needs.

**Strategies** Work with the US Army Corps of Engineers, and the SF Bay Conservation and Development Commission to create a State budget line item for dredging



<b>Objective</b>	Improve storm water quality.
<b>Strategies</b>	Design and implement a Trash Elimination program throughout the Port Area to comply with State regulations
<b>Objective</b>	Minimize the impact of aircraft noise on neighboring communities.
<b>Strategies</b>	Work closely with communities to address noise concerns through the Noise Forum, Airport Working Groups, the Noise Abatement Office, other community channels and direct engagement with FAA and aircraft operators
	Update community on changes to aviation operations

<b>Objective</b>	Prepare the Port’s utility systems for sustainable business growth.
<b>Strategies</b>	Operate and maintain a reliable power system
	Project future electrical power demand, develop plan to meet capacity needs
	Increase use of renewable energy
	Seek available funding alternatives, such as grants, to maintain reliable utility service





## 6. Maritime Plan

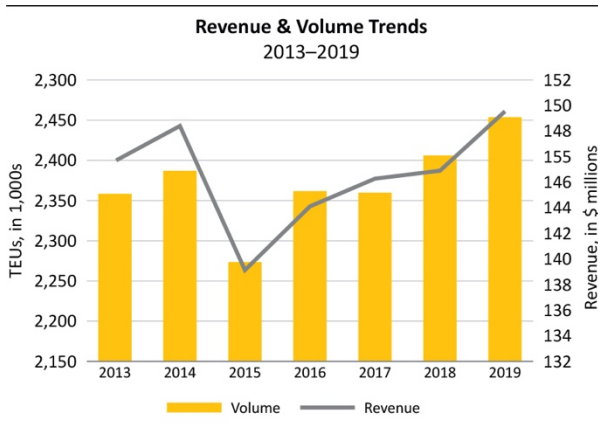
Since our founding in 1927 the Oakland seaport has served as the principal ocean gateway for international cargo shipments in Northern California. We manage more than 1,300 acres of maritime-related facilities. We serve a local market of over 14.5 million consumers, 34 million more within a seven-hour drive, and 50 percent of the US population within 3-4 days by rail. Four active container terminals and two intermodal rail facilities serve the Oakland waterfront. All shipping channels and 90 percent of berths at the Port are dredged to -50 feet, capable of accommodating the largest vessels serving North America. The Union Pacific and BNSF railroad facilities are located adjacent to the heart of the marine terminal area to provide a reliable and efficient movement of cargo between the marine terminals or transload facilities and the intermodal rail facilities.

The Port’s maritime business has recovered from the worldwide recession and is growing. We are handling more containers with fewer but more efficient terminals,

and on fewer but larger ships. Today the seaport is the preferred gateway for Northern California importers and exporters. To sustain and grow that position the Port must earn every container load with efficiency, customer service, reliability and safety.

The seaport loads and discharges more than 99 percent of the containerized goods moving through Northern California, one of the nation’s largest mega-regions. Oakland’s cargo volume makes it the seventh-busiest container port in the United States, and ranks San Francisco Bay among the three principal U.S. Pacific Coast gateways for U.S. containerized cargo. About 76 percent of Oakland’s trade is with Asia. Europe accounts for 14 percent, Australia/New Zealand and Oceania about 5 percent and other foreign economies about 5 percent. About 0.2 percent of Oakland’s trade is domestic (Hawaii and Guam) and military cargo.

The care we take with our trading partners must be extended to our community, so Oakland and its residents are sustained and grow with the Port. We are working to reduce emissions and congestion in the seaport area, and to encourage local hiring for Port construction projects.



### Maritime Status:

**Operational Stability** – In recent years the Port of Oakland, its partners and its stakeholders have worked through a deep recession, a difficult management-labor dispute, a labor shortage and a terminal closure to achieve safe, stable and efficient operations. Shippers have a renewed confidence in Oakland and our container traffic is growing. This recovery was achieved in part through a series of investments and innovations that also position the Port, the terminal operators and the labor unions for further growth.

**Marine Terminal Improvements** – The Port and its tenants have made substantial capital investments and introduced multiple operating innovations to improve throughput, reduce waiting times and cut costs while maintaining a safe working environment. Port and tenant investments have totaled:

- \$100 million in the CoolPort project
- \$55 million in the TraPac Terminal
- \$63 million in the Oakland International Container Terminal
- \$25 million in Ben E. Nutter Terminal
- \$100 million in the Outer Harbor

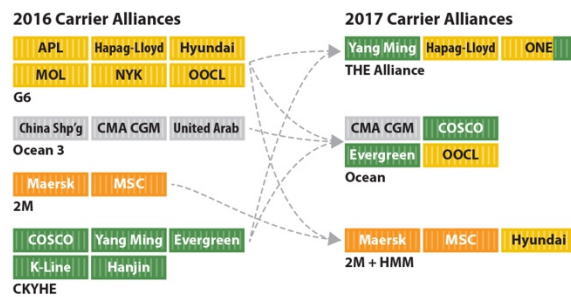
In cooperation with the Port, our marine terminal operator tenants have introduced:

- Extended Gate Hours to spread the daily workload over additional shifts and reduce congestion;
- Appointment Systems to eliminate long morning truck queues and facilitate driver and dispatcher planning

	1999	2017	2031
Largest Containership	8,000 TEUs	21,000 TEUs	↑
Number of Marine Terminals	11 Terminals	6 Terminals	↔
TEUs Handled	1.69 million TEUs	2.37 million TEUs	↑
Number of Ocean Carriers	44	45	↓
Average Terminal Size	49 acres	133 acres	↑
Largest Marine Terminal	81 acres	291 acres	↑

**Maritime Cargo Outlook.** The Maritime Division anticipates a 5-year run of record cargo volume starting with more than 2.4 million cargo containers in 2018. By 2022, the Port expects to handle the equivalent of 2.6 million 20-foot containers annually—8 percent more volume than the Port has ever processed in a single year. The Port foresees increased cargo volume arriving at Oakland on larger ships. The CoolPort development and expanded rail and logistics capabilities will give the seaport and its customers new tools to handle a wide range of cargo types. Northern California’s booming freight market will drive the growth.

### Ocean Carrier Alliances & Consolidation



**Industry Challenges.** Besides maintaining the capacity necessary to accommodate growth, the Maritime Division must address ocean carrier trends and changes in the way containerized trade is being conducted. To handle that growth with care, the Port will pursue every opportunity to increase efficiency and strengthen our competitive position. Despite major realignment of ocean carrier alliances in early 2017, the Port has maintained operational stability and terminal throughput. Increasing vessel size has implications for yard and berth space requirements, and the Objectives and Strategies below address those challenges.



## Maritime Objectives and Strategies:

### Goal: Grow Net Revenue

**Objective** Maximize local/regional market penetration.

**Strategies** Cargo recapture, especially the Utah and Colorado markets

Continue to market our services beyond Northern and Central California shippers

Work with ocean carriers, terminals and truckers to maximize Oakland's participation in newly permitted rice exports to China

Work closely to develop automotive parts strategies that support local auto manufacturers and grow this market segment

Explore bulk and break-bulk cargo opportunities

**Objective** Increase discretionary intermodal cargo to 15 percent and grow refrigerated exports by 10 percent and imports by 5 percent.

**Strategies** Extend our marketing efforts to western grain and Midwest frozen meat exporters

Pursue strategies that will better utilize our extensive rail resources

Promote new transload and refrigerated cargo capabilities

**Objective** Obtain new first port of call service.

**Strategies** Work with importers through the Port Efficiency Task Force (PETF) to influence ocean carrier deployments

Strengthen terminal and rail performance to attract first-call intermodal imports

**Objective** Differentiate Oakland from our competitors.

**Strategies** Tell the Port's success stories through industry meetings and media

Increase cargo velocity complex-wide

**Objective** Maximize net revenue from Maritime property.

**Strategies** Tightly manage land assets to prevent over/under supply

Maximize space leases

**Objective** Improve cost-competitiveness.

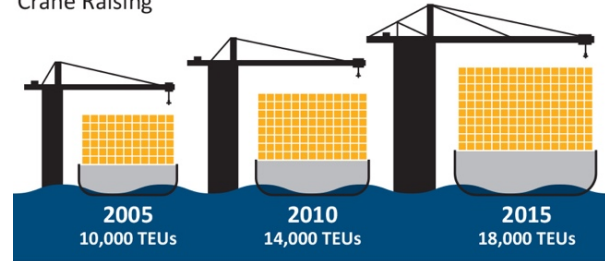
**Strategies** Raise and add cranes to accommodate larger vessels and higher container loads efficiently

Minimize trucking turn times and costs through operational improvements

### Vessel Size

#### Infrastructure Demands

Crane Raising



### Goal: Improve Customer Service

**Objective** Introduce new logistics capabilities.

**Strategies** Develop logistics facilities – including the Seaport Logistics Complex – to meet customer needs for an efficient and cost-effective supply chain

- Seaport Logistics Center buildout
- Cool Port development buildout

**Objective** Reduce marine terminal truck wait times.

**Strategies** Minimize trucking turn times and costs through operational improvements

Implement a new turn time measurement system

Implement a common data portal to facilitate digitalization of transactions and communication between supply chain participants

Maximize coverage and use of extended gates and appointment systems

### Goal: Modernize and Maintain Infrastructure

**Objective** Modernize wharf and terminal structures.

**Strategies** Raise and add container cranes to handle larger vessels efficiently

Maintain and upgrade bollards, fenders, wharves and shore power



## 7. Aviation Plan

Oakland International Airport (OAK) has long been associated with innovation and achievement. We continue to build on this proud legacy as we embrace today’s market challenges. We spare no effort to make the travel experience as safe, comfortable and seamless as possible. For starters, we have the best on-time arrival and departure rates of the three major Bay Area airports. With our centralized location, easy highway access, public transportation services and numerous parking options—it’s easy to understand why OAK is the preferred gateway for Bay Area residents. OAK now offers more destinations than ever before. New air carriers, new domestic and international routes and customer-focused terminal upgrades provide travelers with even more choices and more reasons to fly OAK.

### Aviation Status:

As of 2017 OAK has had four consecutive years of sustained year-over-year passenger traffic growth, making OAK the fourth-busiest passenger airport in California. The 13 passenger brands at OAK serve more than 60 nonstop destinations (including seasonal markets) and 12 international markets currently. Our UPS and FedEx activity make us the second-busiest air cargo airport in California.

**Aviation Industry Conditions:** The aviation industry continues to be highly competitive, especially in the Greater Bay Area with five airports. New carriers need gate capacity, and OAK has provided that capacity to multiple new domestic and international carriers in the past few years.

	FY 2017	FY 2022	Change	%
Low Range	12.6m	14.1m	1.5m	12%
High Range	12.6m	15.2m	2.5m	20%

**Passenger travel outlook.** The OAK Annual Airline Passenger Forecast calls for 12 percent to 20 percent growth by 2022.

**OAK Airfield Operations.** OAK airfield capacity appears sufficient for the foreseeable future. Runways and taxiways are generally not seen as a capacity constraint in the next five years.

**Aircraft Rescue and Firefighting (ARFF) Facility.** Sustained increase in commercial flights from the north side of the airfield may eventually require the construction of a new ARFF station. Further increases in widebody aircraft activity will result in upgrade in OAK’s ARFF index, requiring purchase of additional emergency response equipment.

## Aviation Objectives and Strategies:

### Goal: Grow Net Revenue

**Objective** Growth from all carriers.

**Strategies** Focus on top 50 markets for Bay Area travelers

- Increase service to underserved markets such as New York, Boston and Washington, D.C.
- Introduce service to unserved markets such as Minneapolis/St. Paul and Charlotte

Target international markets in regions such as Canada, Asia and South America

Support Norwegian Air service to two new markets—Rome in February 2018, Paris in April 2018—with marketing and promotional efforts in each city and locally to maximize awareness

Continue to build on Keystone Partnership with Southwest Airlines

Increase revenue from North Field activity

### Goal: Improve Customer Service

**Objective** New and improved Airport concessions and hotel services.

**Strategies** Refresh airport food & beverage concessions

- OAK Gateway improvement program
- Full service hotel and restaurant development
- Relocation of Aviation Institute of Maintenance to Hangars 6 & 7

Additional Initiatives

- Add EV charging to Daily Lot
- Replace aging shuttle bus fleet (rental car & parking)

**Objective** Minimize passenger waits.

**Strategy** Work with TSA to optimize screening and security processes and facilities



### Goal: Modernize and Maintain Infrastructure

**Objective** Complete Airport renovations/upgrades.

**Strategies** Complete Terminal 1 and International Arrivals Building renovation/expansion projects

Complete Terminal 2 Enhancements

- Southwest Airlines growth requires renewed focus on maximizing efficiency of T2 facilities
- Ramp restripe plan for larger Boeing 737 aircraft parking
- Expanded seating options in select T2 holdrooms

Expand and redevelop Airport Rental Car Center



## 8. Commercial Real Estate Plan

The Port's Commercial Real Estate Division (CRE) cares for, promotes, develops and enhances Oakland's urban waterfront for economic benefit and public enjoyment. Since 1927, the Port has been the steward of almost 20 miles of waterfront property along San Francisco Bay and the Oakland Estuary. Our Commercial Real Estate Division is transforming many of those properties, formerly used for industrial purposes, into dynamic new development through private investment dollars.

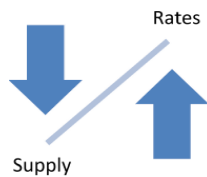
### Commercial Real Estate Status

**Portfolio Overview.** The diverse portfolio of roughly 850 acres includes about 100 tenant accounts (five hotels, retail/entertainment uses, restaurants, warehouses, office buildings, parks/open space, light industrial land, public parking). The portfolio is stable due to longer term leases and low vacancy rates. CRE follows an asset manager model versus a property manager model in most instances. CRE has low capital improvement costs due to our ground lease model and the use of private investment capital instead of Port dollars.

Our CRE portfolio is accessible to the public. About 630 acres are public access or open space (75 percent of the total Port portfolio). Only about 220 acres are used for revenue-generating leases. Waterfront paths, parks, nature preserves and public access line most of the division's properties and attract visitors and local stakeholders. In addition, the Port hosts more than 55 free public events annually at Jack London Square.

### Commercial Real Estate Industry Conditions

**Market Conditions.** Commercial/industrial vacancy rates are at historic lows, and as vacancy rates drop, rental rates rise. The CRE portfolio vacancy rate is currently 3-4 percent. We expect steady incremental revenue growth for the near term, but we anticipate market "softening" soon due to normal cycles.



**Tidelands Trust.** The terms of our tidelands trusteeship limit use of Port land to those consistent with the "Public Trust." Uses for marine commerce, navigation, fisheries and open space are clearly consistent. Where the consistency with "Public Trust" is less clear, CRE collaborates with the State Lands Commission to resolve any issues.

**Competition.** Port sites and properties must compete with sites and properties "across the street"—off Port property and subject to fewer restrictions. CRE must therefore keep costs and lease rates competitive with similar privately-owned properties in the surrounding area to attract and retain tenants.

## Commercial Real Estate Objectives and Strategies

### Goal: Grow Net Revenue

**Objective** Enhance and complete JLS and Brooklyn Basin development projects.

- Strategies** Jack London Square (JLS)
- Facilitate development of new residential projects on CIM owned land
  - Negotiate potential amendments to JLS Operating Agreement to accommodate residential and Common Area changes
  - Promote Common Area enhancements by CIM
  - Facilitate potential hotel on remaining ground lease site F-3

- Strategies** Brooklyn Basin Projects
- Monitor marina lease and open space obligations of developer
  - Closely monitor developer remediation obligations on Port-owned land
  - Support the potential amendments to Marina Lease for expanded boat slip areas

**Objective** Maintain low vacancy rates.

- Strategies** Lease remaining space in Airport Business Park
- Improve and lease former Il Pescatore building



**Goal: Improve Customer Service**

**Objective** Engage with key stakeholders and regulatory agencies on issues affecting portfolio.

**Strategies** Participate at Chamber of Commerce Board of Directors' meetings on behalf of the Port  
Regularly attend Jack London Improvement District Board meetings

**Goal: Modernize and Maintain Infrastructure**

**Objective** Maintain and enhance assets directly managed by CRE.

**Strategies** Continue interior refurbishment at 530 Water St. by replacing carpeting, lighting, paint, HVAC systems  
Repave Embarcadero Road on Port-owned segment  
Issue RFP for new Parking Operations at JLS

**Goal: Care for Our Environment**

**Objective** Work with regional agencies and developers to reflect environmental priorities in CRE projects.

**Strategies** Monitor Open Space Phase 1 construction underway at Brooklyn Basin

Work with City staff to support City measure for funding Waterfront Trail construction on remaining CRE gap sites

Implement Exclusive Negotiating Agreement with the East Bay Regional Parks District on Embarcadero property



## 9. Success Measures

### Commitment to Measurement

As a public agency the Port is above all accountable to Oakland citizens, and there is no better way to maintain that accountability than to measure our progress against our goals and objectives. This Strategic Plan becomes a reality as the Port as a whole and each division implements and follows the strategies outlined in previous sections. We cannot measure everything, but we are committed to measuring everything we can and tracking those metrics.

### Financial

The Port will track a number of key financial variables to insure fiscal prudence, and insure that the Port can continue to fund needed operations and improvements.

- Operating Income, in aggregate and by business – measures the earnings generated by day-to-day business activities and corresponding operating and capital costs to generate operating revenues
- Debt Service Coverage – measures the Port’s ability to meet operating costs and debt service payments and resilience to weather economic and business downturns
- General Fund Balance, Days Cash on Hand, Working Capital, and Board Reserves – measures the Port’s liquidity, ability to make investments and ability to withstand economic and business downturns
- Actual Operating and Capital Expenses versus Budget/Planned – measures the reasonableness of management estimates and controls

### Maritime

**Port throughput.** The Port will measure a number of seaport activities to assess performance against the strategic goals and Maritime objectives:

- Monthly and annual TEU and container counts (imports, exports, empties) – measures cargo growth
- Refrigerated TEU and container counts – measures progress against goal of increasing refrigerated cargo
- Annual vessel calls – tracks number of container vessel serviced
- Average vessel size – tracks increasing vessel size
- Average TEU/containers per vessel call
- Discretionary rail cargo volume – measures progress toward expansion objective

**Terminal Performance.** With the cooperation of the terminal operators the Port will track key aspects of terminal performance:

- Utilization of Extended Gates – measures growth of the extended gates program to spread the workload over multiple shifts
- Utilization of appointment systems – measures growth in use of the systems and movement toward full appointment system coverage
- Truck turn times – measures reduction in truck time in terminals and in queues

### Aviation

**Flights and Flight Operations.** Moving passengers safely and on-time is our most fundamental responsibility at OAK.

- Number of flights and passengers – to measure progress against growth goal
- On-time arrival and departure rates – for OAK and competing Bay Area airports
- New flights to target under-served and unserved markets – to measure progress against market share goal
- New international flights – to measure progress against market share goal

**Customer Service and Revenue Growth.** If flight operations are the outside part of OAK’s responsibilities, the airport itself, its concessions and the rental car center are the inside part.

- Passenger opinion – to measure progress toward customer service objectives
- Concessions revenue – to measure progress against growth goal
- TSA screening wait times – to measure progress in minimizing waits

### Commercial Real Estate

**Occupancy Rate and Revenue.** CRE generates revenue growth by keeping occupancy rates high and maximizing yields within competitive boundaries.

- Total properties/leases – documenting CRE’s ability to keep properties leased and complete developments in progress.
- Vacancy Rate – measure CRE’s performance toward keeping vacancy rate low



## Environmental

**Environmental Program Progress.** In addition to the many touchpoints between environmental issues and business strategies, there are some specific responsibilities for the Port to track:

- Use of shoreside power (cold ironing) – measures objective of meeting or exceeding state requirements
- Electrification of container handling equipment and airport apron vehicles
- Maritime Air Quality Strategy – Progress toward DPM emissions reduction target
- Implementation of next “tier” of emission control strategies
- Design and adoption of Advanced Technology Demonstration Program
- Truck Management – Completion and implementation of the Joint City-Port Truck Management Plan

- Storm Water: Complete full implementation of Non-Traditional Municipal Storm Water Permit, including Trash Amendments

## Social Responsibility

- Number of Oakland/East Bay residents working at Port-leased facilities – effectiveness of workforce initiatives and local hiring provisions
- Number of Oakland/East Bay residents and apprentices working on Port construction projects – effectiveness of workforce initiatives and local hiring provisions
- Number of Harbor Tour visitors – progress towards improved Port access
- Number of visits to Community Office Hours – progress towards improved stakeholder engagement
- Truck traffic in neighborhoods – progress toward minimization

