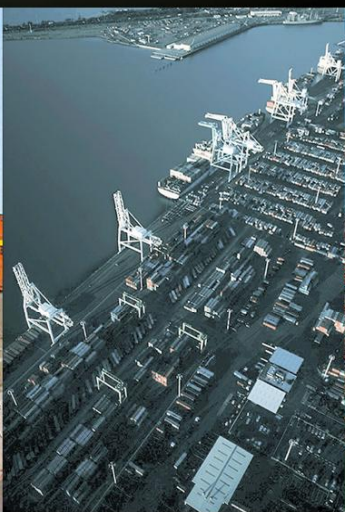




# Restoring Oakland's Working Waterfront



**TIGER III Funding Application Project Narrative**

## Table of Contents

	Page
I. Project Description _____	3
II. Project Parties _____	6
III. Grant Funds & Sources/Uses of Project Funds _____	8
IV. Selection Criteria _____	11
a. Long-Term Outcomes	
b. Job Creation and Near-Term Economic Activity	
c. Innovation	
d. Partnership	
V. Project Readiness and NEPA _____	21
VI. Federal Wage Rate Certification _____	24
VII. Changes from the Pre-Application _____	26

*NOTE:* All Supplementary Materials can be found at the project website:  
<http://www.oaklandglobal.com/tiger3.php>

## Contact Info

Patrick Cashman  
Community and Economic Development Agency  
250 Frank Ogawa Plaza, 5th floor  
Oakland, CA 94612  
Phone: 510 238 6281  
Email: [PCashman@oaklandnet.com](mailto:PCashman@oaklandnet.com)  
Application ID: OaklandPort68288

## I. Project Description

The Oakland Army Base (OAB) was decommissioned in 1999, resulting in the loss of more than 7,000 jobs in the region and the dismantling of a national maritime and military asset. Located at the base of the Bay Bridge on the north, the neighborhood of West Oakland on the east, and the Port of Oakland to the south and west, this 330-acre former base is at a nexus of maritime, rail and highway transportation. After a decade of strategic planning for the redevelopment of the base and the surrounding lands, the implementation of a bold vision to revitalize Oakland's working waterfront is underway—Oakland Global.

The Oakland Global Trade and Logistics Center (Oakland Global) is a project of national significance that seeks to transform the former Oakland Army Base into a world-class intermodal trade and logistics center. The Port of Oakland is the only international container trade gateway for the Northern California MegaRegion; it is the leading U.S. export gateway on the West Coast and is the fifth-ranked U.S. seaport by containerized cargo movements. A map is provided in Exhibit 1.

The Port of Oakland is a strategic trade gateway that has seen over a billion dollars in investment over the past decade to support the growing demand for global trade through the nation's limited trade gateways. These investments include:

- Vision 2000 Development Program – Construction of 5 new shipping berths, nearly 300 acres of container terminal development, an 85 acre near-dock intermodal rail terminal, and a new shoreline park and shallow water habitat within the seaport
- 50 Foot Channel Deepening – Under a joint effort by the US Army Corps of Engineers and the Port, Oakland's navigational channels have been dredged to 50 feet deep. Oakland is one of 6 US ports with 50 feet deep or greater harbors, allowing the largest container ships in the world to call at the Port of Oakland.
- Port Facility Modernization Projects – With the increases in vessel sizes and the increases in cargo activity through the Port of Oakland, the Port has upgraded its facilities with its partners, including wharf strengthening, new cranes, terminal renovations, security improvements, and air quality improvement projects.

This project will be another critical development initiative to open US businesses to international markets through an improved Oakland seaport. A TIGER III investment will leverage the previous investments by the Port, City, state, and federal government as well as private partners in creating one of the nation's strategic trade gateways. The TIGER III funded project will be the first \$438 million phase of Oakland Global. This first phase will represent the build out of a City-owned 170 acre development area and the establishment of a new intermodal rail terminal on 40 acres of the Port property. Subsequent phases of Oakland Global will include further expansion of the rail terminal and an additional one million-plus square feet of trade and logistics facilities on the Port's land. The first phase will be implemented over the next five years and the subsequent phases should be completed in the following five years.

Overall the Project will represent a first phase totaling \$438 million, with a mix of private and public funds and subsequent phases that may represent an additional investment of \$200 to \$400 million, much of which may be private investment.

The Project outlined in this TIGER III application describes a discrete portion of the much larger Oakland Global program. The key components of the TIGER project described in this application are:

- Construction of a new rail terminal
- Restoration of Oakland's only deep water break-bulk terminal, a unique component of the Marine Super Highway
- Construction of new trade and logistics facilities for warehousing directly within the Port area
- Relocation of export-oriented recycling operations and trucking operation from impacted neighborhoods
- Improvements to the backbone infrastructure of the former Oakland Army Base, including roadway improvements to Maritime Street and Burma Road

TIGER III funds will be used for the rail and the backbone infrastructure required for the intermodal/break-bulk transfer facilities. Details on the major components are provided below.

**Rail Terminal.** \$45.4 million. The Port's existing Knight Yard would be upgraded to accommodate a twenty-fold increase in rail capacity. It would include 50,000 feet of railroad tracks for the loading and unloading of railcars to transfer containers for export and vice-versa for import. At full utilization, the terminal will be able to accommodate 250 railcars per day which is estimated to drive as much as 700,000 TEUs of new Port cargo. The rail terminal development would include new tracks to the City's break-bulk terminal as well.

**Break Bulk Terminal.** \$29.9 million. On the City's West Gateway site, Berth 7 would be converted to a modern break-bulk terminal for movement of commodities such as iron ore, corn and other products brought in to the terminal by rail. The terminal would also accommodate project cargo such as windmills, steel coils and oversized goods.

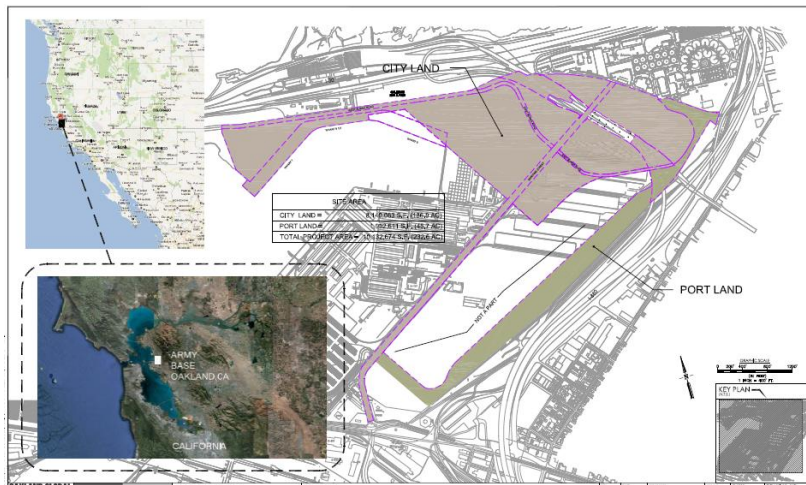
**Trade and Logistics Warehouses.** \$240.3 million. Up to seven new transload facilities and distribution centers would be constructed on the Central and East Gateway sites for an estimated cost of approximately \$100 million, which would be privately funded. Work would include publicly funded site preparation, including raising the site and surcharging for a cost of approximately \$143 million, as well as utilities and roadway infrastructure. Rail service and truck parking would be provided for the warehouses as appropriate. These transload/crossdock and deconsolidation facilities are a critical component of the increase in break bulk and intermodal capacity of the project and would be used predominantly by importers and exporters for goods movement associated with the Port of Oakland transportation hub.

**Relocation of Recycling Businesses.** \$60 million. Two recycling operators, located in a mixed-use neighborhood of West Oakland, would be relocated to the industrial area adjacent to the

Port. Both recyclers use the Port terminals for the export of metals, paper and other collected materials.

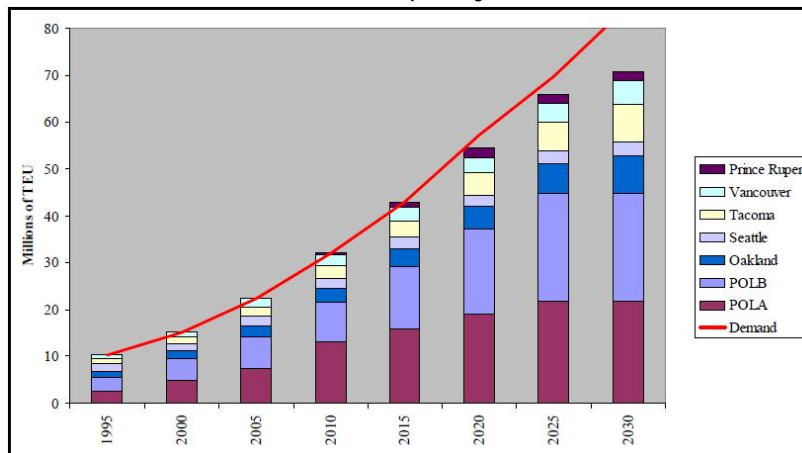
**Maritime and Burma Improvements.** \$62.6 million. Burma Road would be relocated to the south to better accommodate the City's central gateway development plan. The work would include traffic improvements, landscaping and bike/pedestrian improvements as well. Both streets would be completely rebuilt with new public utilities placed underground for the Port and City developments to tie into.

Exhibit 1: Location and Geographic Context of the Restoring Oakland's Working Waterfront Project



### Transportation Challenge Addressed

In order to meet the projected demand for West Coast port capacity, the implementation of all of the ambitious expansion plans that each of the West Coast ports have proposed in recent years will be required. A compilation of port capacities and projected West Coast demand is presented in Exhibit 2. The demand for West Coast port capacity continues to grow and infrastructure development continues to be delayed. A small piece of this overall market demand creates a significant increase for Oakland. Thus, the benefits attributable to the Project do not come at the expense of other ports; rather the capital improvements outlined in this TIGER application permit Oakland to accommodate growth in the overall market and provide domestic shippers with transportation cost savings—making them more economically competitive. Oakland is a desirable port of entry due to the large local consumer population. Shippers can achieve benefits by combining this local cargo with intermodal cargo headed to and from the rest of the United States.

**CITY OF OAKLAND****Exhibit 2: West Coast Ports' Capacity and Demand**

Source: Port of Oakland Outer Intermodal Terminal Development Planning Study, September 2007

## II. Project Parties

The following entities play a major role in the Restoring Oakland's Working Waterfront Project.

### City of Oakland, California

The City of Oakland is home to over 390,000 residents according to the 2010 Census. The recession has hit the City's economy particularly hard; the City of Oakland's jobless rate is well above the U.S. rate and ranks among the highest in the state. The City of Oakland's role for the Project includes:

- TIGER III Discretionary Grant Applicant
- Owner of a portion of the assets and Funding Commitment Partner
- Signatory to an Exclusive Negotiating Agreement (ENA) with Private Developers Prologis/CCIG since 1/2010. The parties are on schedule to enter into a Development Agreement when the pre-requisite CEQA environmental clearance is completed, which is scheduled for 3/2012.
- Participant with the Port in a Cost Sharing Agreement, whereby the City has agreed to advance \$32 million towards the planning, design and construction of the entire OAB, and the Port agreed to share the state TCIF grant with the City. That agreement enabled the City to initiate final infrastructure master planning, committing \$14.1 million of its funds, pursuant to a Second Amendment to the ENA, to fund the public infrastructure portions of the Developer's preparation of the master plan. That master planning process has created the design and cost basis for the TIGER III application and the plan to be analyzed pursuant to the state CEQA environmental review process.
- Land use planning and regulation responsibilities including the Oakland Base Reuse Authority .

### Port of Oakland, California

The Port of Oakland is the only international container trade gateway for the Northern California MegaRegion. It has the third highest volume of international trade on the U.S. West Coast and leads among West Coast ports as a U.S. export gateway. The Port of Oakland's role for the Project includes:

- Grant Recipient: serves as the sub-grantee for the portion of the Project on Port lands
- Existing grantee recipient for an allocation of \$242 million in State of California Trade Corridor Improvement Funds (TCIF) for the Project
- Owner of a portion of the assets and Funding Commitment Partner
- Participant with the City in a Cost Sharing Agreement—see details in City section above
- Operator
- Provides technical expertise and logistical assistance
- Aids in ensuring efficient integration of the TIGER III Project into the existing intermodal operations at the Port, as well as planned projects
- Signatory to Predevelopment with Private Developers Prologis/CCIG since July 2011

### State of California

The State of California is one of the nation's leading producers of agricultural exports and serves as an international gateway for the nation as a whole. Recognizing the critical role that infrastructure plays in supporting this aspect of the economy, the California Transportation Commission established a Trade Corridor Improvement Fund (TCIF) to support such investments. The California Transportation Commission's role in this Project is:

- Funding participant through the TCIF fund allocation of \$242 million for infrastructure components of the former Oakland Army Base's "Restoring Oakland's Working Waterfront" Project.

### Private Development Partners

Prologis is one of the largest private developers of industrial properties worldwide. Prologis is the leading global provider of industrial real estate, offering customers approximately 600 million square feet (55.7 million square meters) of distribution space in markets across the Americas, Europe and Asia. California Capital & Investment Group (CCIG) is a full-service commercial real estate company specializing in Commercial Brokerage, Asset Management, Private Lending, Development, Entitlement Services, Consulting and Government Affairs. CCIG has undertaken a number of projects in the Oakland community. The private developers' role in this Project includes:

- Proposed funding participant
- Signatory to an Exclusive Negotiating Agreement (ENA) with City
- CCIG is performing the infrastructure master planning activities under a Professional Services Agreement within the Second Amendment to the ENA
- Operator of private terminals and trade and logistics facilities



- Negotiator with Port of Oakland under the terms of a Predevelopment Agreement entered into in July 2011

### Private Recyclers

California Waste Solutions, Inc. (CWS) and Custom Allow Scrap Services (CASS), Inc. operate materials recycling facilities in the Bay Area. The recyclers intend to relocate from their existing locations in the City, where in some cases they have a negative impact on adjacent neighborhoods, and to develop 23+ acres in the Project area. Their role in the Project is:

- Proposed funding participant
- Anticipated signatory to an Exclusive Negotiating Agreement (ENA) with City. The City is scheduled to approve an ENA in December. It has been held up, since staff accepted the CWS/CASS unsolicited offer to purchase in April 2011, due to a State of California state-wide moratorium affecting the Redevelopment Agency's right to enter into new agreements.
- Operator of private materials recycling facilities

### III. Grant Funds & Sources/Uses of Project Funds

The following outlines the funding strategy for the Restoring Oakland's Working Waterfront project.

#### Amount of Grant Funding Requested

The City of Oakland, on behalf of its funding partners, is requesting \$40,000,000 of TIGER III Discretionary Grant funds to implement the Project.

#### Availability/Commitment of Funds Sources and Uses of All Project Funds

Capital. A non-federal match of \$398,113,036.63 is committed to the project. *Every dollar of TIGER funding leverages \$9.95 of state, local and private funding.*

Exhibit 3: Summary of Funding Partners, Amounts and Sources

Funding Partner	Amount of Committed Funds	Source
California Transportation Commission	\$184,063,035.98	TCIF 7 <sup>th</sup> St. and OHIT Grants
City of Oakland	\$32,000,000	\$5,700,000 portion of Joint Remediation Fund; balance comes from Joint Infrastructure fund including \$14,100,000 already committed to master planning
Port of Oakland	\$5,700,000	\$5,700,000 portion of Joint Remediation Fund
Prologis	\$79,998,548.94	Private funds
CCIG	\$36,349,485.63	Private funds
Recyclers (CWS/CASS)	\$60,001,966.08	Private funds
Total	\$398,113,036.63	

#### Operations and Maintenance

The Project consists of several types of infrastructure, including roads, rail, and utilities; and several types of vertical development including a rail terminal and a marine terminal; and the equipment needed to operate the buildings, rail operations, and marine terminal.

The private portions of the Project—the buildings, the marine terminal, and some of the rail and all of the equipment required of the private operations—will be privately operated and maintained. The private developers and their subsequent tenants will be under lease and covenant obligations to maintain their properties and improvements pursuant to lease or sales terms.

The public and franchised utility portions of the Project will be maintained by the public and/or the utility franchise. Those infrastructure portions of the Project that are owned by the City (such as roadways, sidewalks, landscaping, and storm drains) will be maintained by the City. Portions of these City obligations, such as sidewalk and landscape improvements will be maintained by the adjacent property lessee or owner. Other City obligations such as roadways and storm drainage may also be paid for by the property owner/lessee through an assessment district levy, or funded directly by the City with property taxes. The power, water, and sanitary franchise utilities will pay for their ongoing maintenance using their standard rate fees.

### Total Project Costs

Total project capital cost is \$438,113,036.63 (\$2011). Exhibit 4 summarizes the major cost categories. Detailed cost information is provided with the supplementary materials provided with this application located at [www.oaklandglobal.com/tiger3.php](http://www.oaklandglobal.com/tiger3.php).

Exhibit 4: Summary of Capital Costs by Major Project Element

Capital Element	Estimated Cost
RAP/RMP Remediation Program	\$ 11,400,000.00
Site Soils and Grading	\$131,617,006.47
Backbone Infrastructure	\$ 59,889,370.92
Bulk/Manifest Rail Yard	\$ 45,357,593.59
West Gateway Break Bulk Terminal	\$ 29,858,913.40
Oakland Global Logistics Facilities	\$ 99,998,186.17
Recycling Facilities	\$ 60,001,966.08

### Percentage of Project Costs that Would be Paid for with TIGER Funds

If selected for TIGER III award, TIGER funds would represent 9.13 percent of total capital project costs. The balance of the Project costs would come from state, local and private funding sources. Every dollar of TIGER funding would leverage another \$9.95 in non-federal sources.



### Identify and Percentage Shares of All Parties Providing Funds for the Project

Exhibit 5: Proposed Capital Funding Breakdown

Sources of Capital	Amount	Percentage
TIGER III Federal Share	\$ 40,000,000	9.13%
California Transportation Commission	\$184,063,036	42.01%
City of Oakland	\$ 32,000,000	7.30%
Port of Oakland	\$ 5,700,000	1.30%
Prologis	\$ 79,998,549	18.26%
CCIG	\$ 36,349,486	8.30%
Recyclers (CWS/CASS)	\$ 60,001,966	13.70%
Total	\$438,113,037	
Total Federal	\$ 40,000,000	9.13%
Total State & Local	\$221,763,036	50.62%
Total Private	\$176,350,001	40.25%

## IV. Selection Criteria

### a. Long-Term Outcomes

Over 20 years the benefits of Restoring Oakland's Working Waterfront will exceed the costs of the restoration by a factor of 3.31-to-1.00 when discounted at 7 percent. This ratio rises to 4.66 to 1.00 when benefits and costs are discounted at 3 percent. As Exhibit 6 summarizes, the sum of all quantifiable benefits over this period of operations has a discounted value of \$1,163 million. Please see the supplementary material provided with this application for a description of how the assumptions and methods used to develop the benefit cost analysis were determined.

Exhibit 6: Summary of Quantifiable Long-Term Benefits and Project Costs

Long-Term Criterion	Benefit(s) / Costs(s)	20-Year Sum @3%	20-Year Sum @7%
Benefits			
State of Good Repair	O&M Costs Avoided	\$ 25.54	\$ 17.15
	Residual Value	\$ 99.42	\$ 33.27
Economic Competitiveness	Shipper Savings	\$ 1,373.45	\$ 866.30
Sustainability	Air Quality	\$ 68.58	\$ 46.16
	Climate Change*	\$ 35.71	\$ 35.71
	Water Savings	\$ 17.34	\$ 9.63
Safety	Value of Crashes Avoided	\$ 245.97	\$ 155.15
Total		\$ 1,866.00	\$ 1,163.36
Costs			
Capital		\$ 396.51	\$ 349.39
Operating		\$ 3.79	\$ 2.21
Total		\$ 400.30	\$ 351.60
BCA Ratio		4.66	3.31

\*Climate Change benefits are only discounted at 3% per Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866, Interagency Working Group on Social Cost of Carbon, Feb 2010

### State of Good Repair (Long-term Outcome)

An important long-term economic benefit of the Project is the return of the infrastructure to a state of good repair, reducing the long-term cost of maintenance and permitting more modern infrastructure to be constructed at the waterfront location.

- (i) The Project is consistent with relevant State, local and regional efforts and plans to maintain transportation facilities / systems in a state of good repair. The overall Project is part of the local effort to return the decommissioned Oakland Army Base (OAB) to a productive non-military use that benefits the local and regional economy. The OAB site is a large strategically located land site that has the potential to be an economic driver for the regional and national economy. The site's potential was identified in the Port's Marine Development Alternatives Study (MDAS), which allows planners to evaluate development proposals in the context of projected demand and long-term build-out scenarios. One of the findings of the MDAS was that a 160-acre portion of the OAB could be used as a near-dock/on-dock intermodal terminal. The rail facilities would increase the Port's rail capacity and could potentially increase the Port's throughput if roadway improvements were also made. The Project outlined in this TIGER application is consistent with the findings of that plan. The success of such a strategy also hinges on complementary planning coordination with the railroads. BNSF and UPRR have been planning and investing to improve their intermodal network out of Oakland. The railroads continue to invest in their infrastructure. For example, the UP recently invested nearly \$30 million at Donner Pass, which improved regional and cross-country rail movements across the Sierra Nevada mountain range in Northern California. The BNSF is engaged in a nearly \$90 million public-private project to expand rail capacity at the Tehachapi Pass. The UP and BNSF each operate railyards within the Port of Oakland complex, across the street from Oakland's eight marine terminals. The Port has coordinated with these efforts and worked to support the railroad initiatives.
  
- (ii) An important outcome of the Project is the rehabilitation and upgrade of surface transportation assets and facilities. Much of the infrastructure at the site is at the end of its useful life, and maintenance costs are rising steadily. Implementation of the Project will return the road, drainage and water systems to a state of good repair and significantly reduce maintenance costs over the long-term. For example, Maritime Street is a route servicing thousands of trucks and vehicles daily. In addition to providing access to all four City development areas, Maritime Street is also used to access some of the Port's land available for development. Maritime Street's pavement is already showing significant signs of deterioration due to constant and heavy truck loading. To preserve Maritime's infrastructure, the recommended course of action would include a reconstruction of Maritime Street. A proper reconstruction would reduce future maintenance, and put Maritime Street on a 20-year maintenance cycle for minimal surface restoration.

Similarly, Burma Road is the only connector road between Maritime Street and the proposed West Gateway Area, existing Caltrans maintenance facilities and a planned

Gateway Park to be constructed to provide pedestrian and bike access to the new Bay Bridge. Burma Road is in critical need of reconstruction and its pavement is considered failed due to settlement, broken pavement, base failures and other indications of pavement failure. Improvements would include roadway reconstruction, as well as new sidewalk, curb and gutter, parking, bike lanes and travel lanes, curb ramps, adjustment of existing castings to grade, traffic signage and lane striping.

The existing water mains also are in a state of disrepair. A comparison of the "utility main" meter volumes and the "sub-meter" volumes of tenants yields an estimate of the losses due to leakage between 62% and 83% of the water delivered to the site, which is accelerating the settlement of the road system. The gallons leaked per year are increasing at a rate of 15%. Details of this maintenance assessment are provided in the supplementary materials provided with this application at <http://www.oaklandglobal.com/tiger3.php>

The operations and maintenance costs avoided through upgrading the site yields a savings of just over \$17 million over the forecast horizon when discounted at 7 percent. Similarly, the residual value of the upgraded Project facilities totals \$33.27 million when discounted at 7 percent.

- (iii) The Project is adequately capitalized and utilizes creative partnerships to address its long-term needs for both the maintenance of capital and the ongoing operations. The capital construction budget is based on thorough engineering cost estimates. The detailed construction cost estimates and engineering designs are available at <http://www.oaklandglobal.com/tiger3.php>. The Project has a contingency budget that is consistent with industry standards and appropriate to the level of design. Detailed estimates of the ongoing maintenance needs have been prepared based on field visits, consultant reports, and engineering experience.
- (iv) A sustainable source of revenue is available for long-term operations and maintenance of the Project. The private portions of the Project—the buildings, marine terminal, and some of the rail and all of the equipment required of the private operations, will be privately operated and maintained. The private developers and their subsequent tenants will be under lease and covenant obligations to maintain their properties and improvements pursuant to lease or sales terms. The public and franchised utility portions of the Project will be maintained by the public and/or the utility franchise. Those infrastructure portions of the Project that are owned by the City (such as roadways, sidewalks, landscaping, and storm drains) will be maintained by the City. Portions of these City obligations, such as sidewalk and landscape improvements will be maintained by the adjacent property lessee or owner. Other City obligations such as roadways and storm drainage may also be paid for by the property owner/lessee through an assessment district levy or funded directly by the City with property taxes. The power, water, and communication franchise utilities will pay for their ongoing maintenance using their standard rate fees.

### Economic Competitiveness (Long-term Outcome)

The Project improves economic competitiveness at both the local and regional/national level.

- (i) The Project improves long-term cost competitiveness in the movement of goods. By providing rail access to both the new rail terminal and the break-bulk terminal, the Project eliminates the need for freight to be trucked to the Port. The elimination of this truck move reduces the cost of a container by an estimated \$300, based on the distance from the nearest alternate rail hub to the Port and a market analysis of trucking costs. The \$300 estimate takes into account the cost of additional rail mileage to carry the freight to the port terminals. It also assumes a variation in loading times and associated costs for the trucking. At full capacity, just under 375,000 truckloads can be sent directly into the Port by rail rather than by trucking over the road, yielding over \$112 million in annual savings for the nation's exporters. Although the port has railyards nearby, the existing Oakland railyards do not have the space, nor are their facilities designed to accommodate bulk and break-bulk cargo; thus such cargo must be drayed in from a more distant railyard. The proposed new railyard will be designed to accommodate bulk cargo trains so that cargo can be unloaded into a large open area (or a protected warehouse) and then loaded into containers destined for a container ship. As a result, the long-term competitiveness of U.S. exports through the Port of Oakland is enhanced. The total shipping savings is \$866.30 million over the analysis period, discounted at 7 percent.
- (ii) The local productivity of labor in an economically distressed area is improved by the Project, as well. As detailed more in Section IVb Job Creation and Near-Term Economic Activity, the Project will ensure that there are employment and apprenticeship opportunities for Oakland residents, a labor market that has sustained a much higher than average unemployment rate for the past two years. The training is critical as it allows people to develop new skills and builds human capital in the local labor market.

### Livability (Long-term Outcome)

Although the benefit cannot be monetized directly, the Project will significantly benefit the livability of the Oakland community. By relocating the recyclers and truck parking to the Project site, conflicts between parked/idling trucks and neighborhood's quality of life will be eliminated, as will two sources of air pollutants. Based on the Project's ability to relocate trucks and recyclers out of the neighborhoods and onto Port property, it will make a measurably positive contribution to the quality of life for West Oakland residents.

As explained in the Sustainability section below, the shift from trucks to rail will also have a positive impact on the air quality of West Oakland and is factored into the estimated value of the improved air quality associated with the diversions from trucks to rail.

Relocation of the two West Oakland recycling companies away from the neighborhood is anticipated to reduce the health risk by moving these industrial operations further away from residential areas.

### Sustainability (Long-term Outcome)

The operation of the Project's intermodal facilities at the Port of Oakland will eliminate truck drayage to/from the port facilities. As a result, the region will experience a steep reduction in truck VMT—more than 120 million VMT when full-build of the rail facilities is reached in 2018, and the associated air pollutants. The VMT estimate is based on the number of truck trips and the distance between the Port and Stockton and Lathrop as included in the 2009 Amended TCIF Funding Nomination report, which is available for review in the TIGER III application's supporting materials (see Executed Baseline Agreement OHIT.pdf for details). Additionally, the VMT shown in the TCIF report was multiplied by 98.6 percent because this is the percentage of the volume shown in the TCIF that is included in the TIGER III Project.

This reduction in VMT decreases the amount of Carbon Monoxide (CO), Nitrogen Oxides (NOx), Volatile Organic Compounds (VOC), Particulate Matter (PM2.5 and PM10), Sulfur Dioxide (SO2), and Carbon Dioxide (CO2) in the atmosphere. Federal Motor Carrier Safety Administration guidance for the pollutant factors associated with truck drayage from the Hours of Service Environmental Assessment were applied to the annual VMT avoided. The economic benefit of the decreased emissions is estimated by applying the economic cost of air emissions to the reduction of CO, NOx, PM2.5, PM10, SO2, and VOC. Discounted at 7%, the estimated value of the improved air quality associated with these diversions is \$46.16 million.

Additionally, using the Interagency Working Group on Social Cost of Carbon guidance, the value of carbon dioxide benefits are discounted at 3 percent (as directed in the guidance), which yields a total savings of \$35.71 million in greenhouse gas (or climate change) benefits.

The investments to repair the OAB water system will also eliminate the loss of millions of gallons of water, a scarce resource. The value of the water saved is estimated at \$9.63 million when discounted at 7 %.

### Safety (Long-term Outcome)

The reduction of truck VMT from the region's road system reduces the number of vehicles on the road and the potential for auto and truck conflicts and associated vehicular crashes. The economic benefit of avoiding the loss of life, and the costs of injuries and property damage, discounted at 7%, is \$155.15 million.

#### b. Job Creation and Near-Term Economic Activity

Both the City of Oakland and the Oakland-Fremont-Hayward Metropolitan Division meet the unemployment rate criteria in the definition of "Economically Distressed Areas" from Section 301 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161). The City has an unemployment rate of 16.5%, which is more than 7 percentage points above the U.S. average of 9.4%. Because the unemployment rate at the city level lags the U.S. data by one month, the 24-month span reported here runs from October 2009 – September 2011. The Metropolitan Division unemployment rate of 11.0% for Oakland-Fremont-Hayward was 1.6 percentage points above the U.S. average. This is the most recent data available at the time of this application. As these data are subject to revision in the time period following the

application deadline, copies of the downloaded unemployment data are provided for the reviewers' verification in the supplementary materials provided for this application.

The construction and operation of the Restoring Oakland's Working Waterfront Project will support and create jobs in this economically distressed area. Construction is estimated to support or create over 4,900 jobs of one-year's duration, including 2,500 direct jobs, as detailed in Exhibit 8 on the following page. A job for one person that lasts 3 years would be three person-year jobs. These jobs are temporary; they last for the duration of the construction period, fluctuating with the construction cycle.

The long-term job creation resulting from Project operation primarily will result from private investments in the commercial uses at the Port of Oakland. These investments will create opportunities for residents of the City of Oakland for high quality, skilled jobs at the Port facilities, including the new rail terminal, and relocated recycler facilities. In anticipation of the project's implementation, the City has begun an outreach initiative with the Oakland community and other key stakeholders to ensure that local residents share in the economic prosperity created by the Restoring Oakland's Working Waterfront investment. Still in development, the package of benefits, once adopted by the City's Agency Board, will apply to all developers and will be supported by all key project stakeholders, including Community Coalitions. Some of the key guidelines and goals, subject to coordination with any required federal regulations, identified to date include:

- All *new* apprentices at the Port are required to be City of Oakland residents.
- 50% (plus one) work hours for Oakland residents, craft by craft.
- Additional hiring priority given to West Oakland residents and Enterprise Zone residents (or another proxy for areas of low-income, high employment etc.)
- Locating a Jobs Center in West Oakland that will be readily accessible, and will serve as a resource for contractors, employers and job seekers during Construction and Operations phases.
- The Center will connect job seekers with job training, education and other support services, such as transportation.
- A Young Adult/Re-entry Employment Program also is being developed.

These components are designed to build the skills of local community residents and improve the employment and higher-income opportunities for the economically distressed City residents.

Exhibit 8: Quarterly Construction Schedule and Job Impacts (in job-years)

	2010				2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL PROJECT COSTS (Mil 2011\$)	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 4.0	\$ 5.8	\$ 5.9	\$ 2.9	\$ 2.1	\$ 12.9	\$ 20.6	\$ 19.0
Direct Employment	5	5	5	5	5	5	5	5	25	36	36	18	13	75	119	110
Total Employment	10	10	10	10	10	10	10	10	52	74	75	37	27	150	238	220
Total Earnings (Millions 2011\$)	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 2.9	\$ 4.2	\$ 4.2	\$ 2.1	\$ 1.5	\$ 7.8	\$ 12.3	\$ 11.4
Discounted @ 7%	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 2.7	\$ 3.9	\$ 3.9	\$ 2.0	\$ 1.3	\$ 6.8	\$ 10.7	\$ 9.9
Discounted @ 3%	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 2.8	\$ 4.0	\$ 4.1	\$ 2.0	\$ 1.4	\$ 7.3	\$ 11.6	\$ 10.7

	2014				2015				2016				2017				2018	TOTAL
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
TOTAL PROJECT COSTS (Mil 2011\$)	\$ 36.6	\$ 49.0	\$ 39.6	\$ 50.2	\$ 45.5	\$ 29.1	\$ 17.9	\$ 17.9	\$ 17.7	\$ 7.6	\$ 7.7	\$ 7.7	\$ 7.5	\$ 7.6	\$ 7.7	\$ 7.7	\$ 1.7	\$ 438.1
Direct Employment	209	279	226	286	259	166	101	101	100	43	43	43	42	43	43	43	9	2,507
Total Employment	411	548	446	561	509	327	195	195	193	83	84	84	82	83	84	84	18	4,941
Total Earnings (Millions 2011\$)	\$ 20.8	\$ 27.5	\$ 22.5	\$ 28.1	\$ 25.5	\$ 16.5	\$ 9.6	\$ 9.6	\$ 9.5	\$ 4.1	\$ 4.1	\$ 4.1	\$ 4.0	\$ 4.1	\$ 4.1	\$ 4.1	\$ 0.9	\$ 249.8
Discounted @ 7%	\$ 17.0	\$ 22.4	\$ 18.3	\$ 23.0	\$ 19.5	\$ 12.6	\$ 7.3	\$ 7.3	\$ 6.8	\$ 2.9	\$ 2.9	\$ 2.9	\$ 2.7	\$ 2.7	\$ 2.7	\$ 2.7	\$ 0.6	\$ 200.2
Discounted @ 3%	\$ 19.0	\$ 25.1	\$ 20.6	\$ 25.7	\$ 22.7	\$ 14.7	\$ 8.5	\$ 8.5	\$ 8.2	\$ 3.5	\$ 3.5	\$ 3.5	\$ 3.4	\$ 3.4	\$ 3.4	\$ 3.4	\$ 0.7	\$ 226.6

### c. Innovation

The intermodal freight movement system is inherently a partnership between the public and the private sector. The Project is innovative in its delivery approach in that it leverages the only freight trade corridor-focused bond funding program of any state in the U.S. It is using best practices for engaging the local workforce to participate in and benefit from the prosperity created by the Project; it will serve as a case study for other freight project developers. Moreover, the Project effectively combines private developers and public infrastructure owners in the project delivery process.

### d. Partnership

The Restoring Oakland's Working Waterfront Project is the result of collaboration between the public and private sectors. In addition to the financial partnership, the Project has obtained significant support from a variety of jurisdictions, as shown by the letters of support provided in the supplementary materials with this application, located at <http://www.oaklandglobal.com/tiger3.php>. The Project is structured to address local community concerns about air quality and truck parking, even as it delivers improvements to the regional/national goods movement network.

The Project development effort has been financed and supported by private sector business interests and key regional Oakland leaders and stakeholders. The Project takes an integrated approach to transportation, land use, and supportive project delivery policies (for example, ensuring that neighboring communities benefit directly from the Project); and the Project embodies a multidisciplinary approach to urban investment. Supporters include, but are not limited to, the California Transportation Commission, Cities throughout the Northern California Mega-Region, the City of Oakland, the Port of Oakland, and West Oakland and greater Oakland community coalitions.

## V. Project Readiness and NEPA

The concept to restore Oakland's Working Waterfront by developing state-of-the-art intermodal facilities at the site has been underway for a decade. In that time, all necessary planning work has been accomplished for the Project elements included in this TIGER III application, an implementation and funding strategy has been developed (as outlined in Section III of this application), public agency roles and private developer partnerships have been negotiated, and design work has advanced into preliminary engineering.

The initial phase of this Project is underway. Site remediation work began in 2010.

Exhibit 8: Project Schedule

Activity	Anticipated Completion
Master Planning	Q1 2012
CEQA, NEPA Analysis	Q1 2012
Construction Documents	Q4 2012
Permitting	Q1 2013
Bidding and Mobilization	Q2 2013
Construction Commencement	Q2 2013
Environmental Remediation	Q3 2013
Site Soils and Grading	Q2 2015
Backbone Infrastructure	Q1 2015
Rail Yard Grand Opening	Q2 2015
Logistics Grand Opening – Phase 1	Q3 2015
Recyclers Grand Opening	Q1 2016
Bulk Terminal Grand Opening	Q1 2016
Logistics Grand Opening – Phase 2	Q4 2016
Logistics Grand Opening – Phase 3	Q1 2018

NEPA was completed in 2001 with the issuance of an Environmental Impact Statement (EIS). In 2002, both the Oakland City Council and Board of Port Commissioners certified the Final Environmental Impact Report (EIR) for the "Oakland Army Base Area Redevelopment Plan," which analyzed the environmental impacts associated with the proposed development. The OAB Development has been authorized to proceed by certification of the "Oakland Army Base Reuse Environmental Impact Report" (EIR) as required by the "California Environmental Quality Act" (CEQA).

Since 2002, the Project has undergone a number of refinements. As a result, an addendum to the EIR is underway to update the original EIR finding. The anticipated completion date for the EIR addendum and concurrent NEPA analysis is Q1 2012. Permitting is expected to be completed by Q1 2013.

The City has encountered similar circumstances concerning new redevelopment concepts outside the Port and the development of a supplemental document has proven to be an effective approach.

### Legislative Approvals

No legislative approvals are required for the implementation of the Restoring Oakland's Working Waterfront Project.

### State and Local Planning

The Project outlined in this application is the result of an extensive state and local planning process. The Port began planning for how to reuse the former Navy base through implementation of its Vision 2000 Program subsequently planned to reuse the former Army Base with its "Maritime Development Alternatives Study" (MDAS). The Vision 2000 efforts provided major expansions into land that the U.S. Navy decommissioned. Part of this expansion included new marine terminals at Berths 55-56 and Berths 57-59, and the Oakland International Gateway (OIG) rail yard (formerly known as Joint Intermodal Terminal - JIT). The MDAS planning effort subsequently identified discrete elements that could be implemented as market and customer demand warranted. During preparation of the MDAS, the Port anticipated the opportunity to redevelop portions of the former Oakland Army Base property and included multiple base redevelopment scenarios into the development planning. The Oakland Army Base property transferred ownership and became available for Port and City development in August 2006, and the Port and City then began working to advance concept development and implementation.

As described in the Environmental Approvals section, the Project has gone through both the NEPA and CEQA planning processes and is currently undergoing additional planning review to update past findings.

Concurrent with these efforts, the City has undertaken a number of local planning initiatives to advance implementation. Upon transfer of the Base to the Oakland Base Reuse Authority (OBRA) in 2003, the City completed both a Redevelopment Plan and a Reuse Plan for the former Oakland Army Base. In 2008, a Request for Qualifications (RfQ) was issued, seeking a Master Developer for the site, and in 2009 a subsequent Request for Proposals (RfP) was issued. Prologis/CCIG, formerly AMB/CCG, was selected via this process to be the Master Developer in July 2009. In July of 2011, the Oakland Redevelopment Agency (ORA) executed a

Cost-Sharing Agreement with the Port of Oakland, which enabled the concurrent master planning of the Port's portion of the Base in exchange for access to the Outer Harbor Intermodal Terminal (OHIT) TCIF grant awarded to the Port in December 2009 for the Project. Infrastructure master planning activities, being performed by the selected development team under the Exclusive Negotiating Agreement (ENA), are currently underway, and the work product submitted with this application is indicative of the substantial progress made in terms of the master plan, the budget, and the schedule.

There has been significant outreach to the local Oakland community to develop hiring and contracting policies that ensure that the local community is a direct participant in and beneficiary of the Project, and not just the next-door neighbor to this large freight operation. These efforts are described in more detail in the Job Creation and Near-Term Economic Activity section of this application.

The Project described in this TIGER III application is included in Project ALA090026 in the TIP and in Project 3 of the Trade Corridors Improvement Fund (TCIF) Program.

### Technical Feasibility

The anticipated date of design completion is March 2013. Preliminary engineering and other critical path elements for the Restoring Oakland's Working Waterfront Project continue to advance. This work has included the development of design standards, utility surveys and scans, site drawings, an assessment of operations and management needs, a program management plan, initial procurement strategies, and a capacity and operations analysis of the site. The elements of the TIGER III Project are technically feasible. Site drawings and other technical information are provided in the supplementary information provided with this application, located at: [www.oaklandglobal.com/tiger3.php](http://www.oaklandglobal.com/tiger3.php).

### Financial Feasibility

All sources and uses of the funds needed to implement this Project have been identified and secured, subject to the parties reaching final agreement and obtaining necessary approvals on the terms of the disposition and development of the project. The Project partners have also obligated the financial commitments to ensure a positive 20-year cash flow for operations and maintenance. Both capital and operations and maintenance costs and revenues have been developed with appropriate cost escalations and conservative assumptions to assure minimal risk. See Section III for additional details on project commitments and costs. The substantial amount of engineering work accomplished to date reduces the potential for unexpected technical costs to arise as the project advances.

## VI. Federal Wage Rate Certification

### Certification of Compliance with Federal Wage Rate Requirements

Restoring Oakland's Working Waterfront  
TIGER III Discretionary Grant Application  
Application ID: OaklandPort68288

The Port of Oakland certifies that it will comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code (Federal Wage Rate Requirements) as required by the FY 2011 Continuing Appropriations Act.

Signature: Mark Erickson

Date: 10/30/2011

Mark Erickson  
Senior Maritime Projects Administrator  
Port of Oakland  
530 Water St  
Oakland, CA 94609  
(510) 627-1549



Certification of Compliance with Federal Wage Rate Requirements

Restoring Oakland's Working Waterfront  
TIGER III Discretionary Grant Application  
Application ID: OaklandPort68288

The City of Oakland certifies that it will comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code (Federal Wage Rate Requirements) as required by the FY 2011 Continuing Appropriations Act.

Signature: 

Date: 10/30/11

## VII. Changes from the Pre-Application

The following describes the changes between this application and the pre-application form.

1. The Port of Oakland and the City of Oakland remain co-applicants. The point of contact for this application has changed. The new point of contact is:

Patrick Cashman  
Community and Economic Development Agency  
250 Frank Ogawa Plaza, 5th floor  
Oakland, CA 94612  
Phone: 510 238 6281  
Email: [PCashman@oaklandnet.com](mailto:PCashman@oaklandnet.com)

2. The Project name has changed from Oakland Intermodal Trade Gateway to Restoring Oakland's Working Waterfront.
3. The Project description has expanded as outlined in the full application.
4. The requested amount of TIGER funding remains unchanged. The amount of non-federal match funding has increased, along with the overall Project cost. The new Project cost is \$438,113,036.57 (\$2011). The non-federal match has increased from \$104,000,000 to \$398,113,036.57. *Every dollar of TIGER funding will leverage \$9.95 of state, local and private funding.*