



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

November 3, 2017

Joan H. Story
President, Board of Port Commissioners
Port of Oakland
30 Water Street
Oakland, CA 94607

Subject: Ordinance and Resolution to approve Lease with CenterPoint-Oakland Development I, LLC for a Transload and Distribution Facility on the Former Oakland Army Base

Dear Ms. Story and Members of the Board of Port Commissioners (Board):

The Bay Area Air Quality Management District (Air District) has reviewed Agenda item 5.1 on your November 9, 2017 meeting and is requesting that the Board:

- Delay approval of any resolution or ordinance on this item until the Port of Oakland (Port) has developed and funded the emission reduction programs (in concert with the City of Oakland (City)) identified by the former Oakland Army Base (OAB) Environmental Impact Report (EIR) Standard Conditions of Approval/Mitigation Monitoring and Reporting Program (SCA/MMRP); and
- Developed criteria via a public process to determine when low emission equipment or strategies are “readily available” or “cost effective.”

As currently drafted, Agenda item 5.1 seeks to authorize the Port of Oakland (Port) Executive Director to enter a ground lease with CenterPoint-Oakland Development I, LLC, (the Developer) for the design, construction, finance, operation, and maintenance of a transload and distribution facility (Project). The proposed Project seeks to build a 440,800-square foot facility with approximately 140 dock doors, and parking for 365 autos and 70 trailers for warehouse, storage, other maritime trade and logistics uses. The proposed location is approximately 27 acres at the former Oakland Army Base (OAB) land the Port has named the Seaport Logistics Complex.

As stated in the Board’s Agenda Report, this and any project on the former OAB is required to comply with the OAB Environmental Impact Report (EIR) Standard Conditions of Approval/Mitigation Monitoring and Reporting Program (SCA/MMRP). As you may recall, the SCA/MMRP was adopted by the Oakland City Council (City) and the Port to mitigate the significant health and air quality impacts expected to occur in the West Oakland community and impacts to regional air quality resulting from the build out of the OAB. However, many the SCA/MMRPs require the City and the Port to develop emission reduction programs that have not been developed, such as:

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Pauline Russo Cutter
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- MM 4.4-3a: “The Port shall develop and implement a criteria pollutant reduction program aimed at reducing or off-setting Port-related emissions in West Oakland from its maritime and rail operations to less than significant levels...”
 - MM 4.4-4 “The City and the Port shall jointly create, maintain and fund on a fair share basis, a truck diesel emission reduction program. The program shall be sufficiently funded to strive to reduce redevelopment related contributions to local West Oakland diesel emissions to less than significant levels”
 - MM 4.4-5: “Major developers shall fund on a fair share basis BAAQMD – recommended feasible Transportation Control Measures (TCMs) for reducing vehicle emissions from commercial, institutional, and industrial operations, as well as all CAP [Clean Air Plan] TCMs the BAAQMD has identified as appropriate for local implementation”
 - MM 4.4-6: “...the City and Port shall implement sustainable development policies and strategies related to new development design and construction...”
 - MM 5.4-1: “The City and the Port shall encourage, lobby, and potentially participate in emission reduction demonstration projects that promote technological advances in improving air quality...”
 - MM GCC-1: “The project applicant shall retain a qualified air quality consultant to develop a Greenhouse Gas (GHG) Reduction Plan for City review and approval. The applicant shall implement the approved GHG Reduction Plan...”
 - Some of the mitigation measures include language that would require emission reduction actions only if low emission equipment or strategies are “readily available” or “cost effective”.

To date, neither the City nor the Port has developed or funded the emission reduction programs identified above or developed any criteria to determine when low emission equipment or strategies are “readily available” or “cost effective.” The Air District recommends that the Port develop the emission reduction programs and guidance identified above in a forum that seeks public input prior to acting on this Project. The Air District believes that any resolution adopted by the Board relative to this project should include clear language and direction to staff and the proposed tenants/operators that ensures the maximum use of zero and near zero emission equipment at the time of building permit issuance, and requires upgrades into the future as fully zero emissions equipment options become available.

To assist the Board, City and Port in determining what is “readily available” or “cost effective,” the Air District has attached its draft “BAAQMD Emissions Reductions Actions for the Port of Oakland/Former Oakland Army Base,” (August 2017) document. The Air District is currently finalizing this document in consultation with both Port and City staff and expects some minor changes to it based on those discussions. However, the technology suggestions in this document

have been reviewed by the California Air Resources Board and represent what the Air District believes to be most protective of community health and air quality relative to equipment that is currently and reasonably available.

West Oakland remains the most disproportionately impacted community in the Bay Area due in part to its proximity to the Port. Since 2001, the Air District has invested over 80 million dollars of public funds to reduce diesel particulate matter (DPM) emissions from Port truck, maritime and rail operations and over \$50 million to reduce emissions on adjacent highways. In 2018, the Air District projects another approximately \$70 million dollars in incentive funds will be available for the purchase of zero and near zero emission equipment and technologies that could be used at the Port and OAB. The Air District stands ready to assist current and prospective tenants/operators at the Port and OAB in taking advantage of these funds.

However, these incentives alone cannot address the air quality related health issues in the West Oakland community. It is important that the Board play a leadership role in reducing the impacts of the Port's operations by directing its staff to honor the spirit and letter of the mitigation measures required in the SCA/MMRP. This includes specifying requirements for zero and near zero equipment and operations as part of new leases and ordinances.

Air District staff is available to assist the Board or Port staff with questions about these comments. If you have any questions, please contact Alison Kirk, Senior Planner, at (415) 749-5169 or akirk@baaqmd.gov.

Sincerely,



Damian Breen
Deputy Air Pollution Control Officer

Attachment: BAAQMD Emissions Reductions Actions for the Port of Oakland/Former Oakland Army Base – Draft Document (August 2017)

cc: BAAQMD Director Pauline Russo Cutter
BAAQMD Director Scott Haggerty
BAAQMD Director Rebecca Kaplan
BAAQMD Director Nate Miley
Cynthia Marvin, California Air Resources Board
Claudia Cappio, City of Oakland
Richard Grow, EPA
Matt Lakin, EPA
Ben Machol, EPA