



**PORT OF OAKLAND
SEAPORT**

DECEMBER 2017

MARITIME e-NEWS



[Click here to see full information on the Seaport Logistics Complex.](#)

Seaport Logistics Complex

A big chunk of Oakland’s decommissioned Army Base has new life. Port of Oakland Commissioners late last month gave final OK to a plan that re-invents the site as a Seaport Logistics Complex. Port officials called it a game-changer for global trade and transportation.

“There’s not anything like it on the U.S. West Coast,” said John Driscoll, the Port’s Maritime Director. “This Complex will make it faster and cheaper to import and export containerized goods internationally than ever before.”

The plan calls for Oak Brook, IL-based CenterPoint Properties to build a 440,000-square foot distribution center adjacent to the Port’s \$100 million rail yard. It will be located across the street from marine terminals where container ships berth in Oakland. The new building and railyard are part of a plan to develop a 180-acre logistics campus on Port land. CenterPoint said work could begin late in 2018.

CenterPoint officials said the project would distinguish Oakland on two counts:

continues page 2

Maritime Director’s Message



Maritime Director John Driscoll

Our vision at the Port of Oakland is to be the preferred gateway for global trade and transportation. A project in the heart of the Port is helping us realize that vision. Working with one of the world’s leading industrial real estate developers, we’re building a Seaport Logistics Complex. The first building will rise on 27 acres near our marine terminals. It will adjoin our new \$100 million railyard. It will give Oakland new capabilities unmatched by competing U.S. ports. The Seaport Logistics Complex will be the key to our future.

CenterPoint Properties is our esteemed partner in this project. The firm is a global leader in developing real estate then managing it. In Oakland, CenterPoint is building a \$52 million, 440,000-square-foot logistics hub. The facility will specialize in speeding containerized cargo to final destination. Its location—where ships, trucks and trains converge—is optimal. There’ll be

continues page 2

Import volume ahead of last year's pace

Port of Oakland containerized import volume for 2017 is outpacing 2016 totals despite a pause in November. The Port reported that imports were up 3.8 percent through the first 11 months of this year. Gains came mostly from the summer-autumn peak season when retailers replenished holiday inventories, the Port said.

The Port said that import volume in November declined 1.6 percent from the same month a year ago. Import volume had risen 12.6 percent in September and 6.4 percent in October.

Total 2017 container volume—imports, exports and empties—was up 2 percent through November, the Port said.

[Click here](#) to see complete 2017 cargo statistics



First call

Improved infrastructure coupled with new supply chain capabilities should result in record cargo volume at the Port of Oakland. It could also make Oakland a first port of call for container ships visiting the U.S. from Asia. That's the message a senior Port official gave supply chain executives here this month.

Maritime Director John Driscoll said construction projects currently underway would attract additional containerized cargo to Oakland beginning in 2018. He predicted all-time highs in Oakland cargo volume annually through 2022.

"I'm forecasting growth because of the development that's going on here," Mr. Driscoll told a gathering of 50 trade and transportation leaders. "It won't be dramatic—it will be steady—but it will result in more cargo volume than we've ever had before." Mr. Driscoll's comments came before the Port's Efficiency Task Force—an audience of supply chain officials that meets three times a year to review Oakland's operating performance.

The Maritime Director said that three international shipping lines are contemplating Oakland first calls due to recent Port improvements. That's important since the first port of call is where ships discharge most U.S. imports. Oakland import volume could increase if any of the shipping lines makes the move.

"The ocean carriers are looking favorably at Oakland," Mr. Driscoll said. "It's a major discussion between them and their import customers."

The Maritime Director said these projects are drawing the most interest from shipping lines:

- **Crane raising:** Four ship-to-shore cranes are being lifted 27-feet higher at Oakland International Container Terminal. Higher cranes would be better equipped to load and unload megaships in Oakland. Work on the second of four cranes should conclude by year-end. Completion of the entire \$14 million to \$20 million project is expected mid-2018.



- **Cool Port Oakland:** Cool Port will process beef and poultry exports in a 280,000-square-foot temperature-controlled facility. The plant expects to handle the equivalent of 27,000 20-foot containers full of meat annually. The \$90 million refrigerated distribution center should open next August.
- **Seaport Logistics Complex:** This \$52 million, 440,000-square-foot distribution center will be designed for transloading. That's the rapid transfer of cargo between ships, trucks and trains. Construction is expected to begin in late 2018.
- **Truck Service Center:** Negotiations are still underway to construct an 8-acre facility for harbor truck drivers. It would include food stops, fueling stations and overnight parking. There's no timetable yet for construction.

The Port of Oakland reported total volume of 2.37 million 20-foot containers in 2016. Earlier this year the Port projected that volume will reach 2.6 million containers by 2022. That would be 8 percent more than the Port has ever handled in a single year.

Complex, continued from page 1

- The distribution center would be the largest warehouse-style building at any U.S. West Coast port.
- It would be one of few nationally where cargo could be transloaded within a port's footprint for transport by ship, truck or train. That's how international shippers can expect to cut transportation costs while reducing shipment time.

"This is a unique opportunity," said CenterPoint Chief Development Officer Michael Murphy. "There are very few places in North America where we can develop a logistics facility of this size which will effectively accommodate the efficient movement and delivery of goods that are critical to the economic health of a city and provide meaningful jobs for area residents."

The Port will lease property to CenterPoint, which will manage the facility. The land is the site of a former Army supply depot shuttered in 1999. The Port and City of Oakland each received 240-acre parcels from the closure.

The Port's agreement with CenterPoint includes a jobs policy giving hiring priority to residents from the neighboring community. Disadvantaged residents would receive special employment consideration. Community activists have hailed the agreement as a national model for equitable development and job creation that strengthens local communities.

Driscoll, continued from page 1

no wasted time or expense in moving containers. It's also unique. No other American trade gateway has land available to develop such logistics capabilities within its footprint.

The Seaport Logistics Complex will help the Port of Oakland grow by attracting additional cargo volume. That's good for our business. Just as importantly, however, it'll be good for our community. We're creating hundreds of new jobs through this project. And our CenterPoint Partners have committed to giving local residents first shot at the work.

With growth comes responsibility. It'll be our job to manage added cargo volume so that it doesn't negatively affect neighboring communities. We've got programs in place to keep truck traffic and diesel exhaust emissions in check. Those programs have significantly reduced congestion and emissions in the past decade. We'll enforce them vigorously to ensure we don't backslide.

The Seaport Logistics Complex is the cornerstone of our work at the former Oakland Army Base. We inherited 240 acres at the decommissioned Base 15 years ago. Ever since, we've envisioned a logistics campus that would distinguish us in the trade and transportation sector. The vision is now reality. We're building our future. The result will benefit our customers, business partners and neighbors.

Air quality plan revamped

A seminal document guiding Port of Oakland environmental policy since 2009 is about to be overhauled. The Port announced this month that it would produce an updated Maritime Air Quality Improvement Plan next fall. The plan's purpose: reduce emissions from containerized cargo operations over the next decade.

Port officials said they'll convene a task force this winter to revamp the existing plan that expires in 2020. They told the governing Board of Port Commissioners that the new plan would address two key objectives:

- Extending the Port's long run of success in reducing diesel particulate matter emissions; and
- Developing a greenhouse gas emissions reduction strategy.

"Over nearly a decade, we've made significant progress in curbing emissions, improving air quality and protecting the community's health," said Richard Sinkoff, the Port's Director of Environmental Programs and Planning. "But we can't stop now—we've got to have a new plan in place well before the old one expires."

The Port said diesel emissions have fallen 76 percent since Oakland adopted its influential air quality plan eight years ago. Truck emissions are down 98 percent while vessel emissions are off 76 percent. Diesel emissions have been shown to have a significant impact on public health.

The new plan can hasten emissions reductions by emphasizing emerging technology, the Port said. Examples could include zero-and-near zero-emissions cargo handling equipment. The Port said government grants could help in the quest to identify useful technology.

The Port said its air quality task force would include transportation officials, civic leaders, community activists and environmental experts. They'll be expected to produce a document for Port Commissioners to vote on in the third quarter of 2018.

The plan should have added significance because the state of California is developing its own rules for freight transport. Those rules are expected to severely limit emissions from trucks and ships. Port officials have said they intend to align Oakland policies with the state's.

International Maritime Center

Nearly 5,000 sailors arrive here each year on container ships. The Port of Oakland has ensured that they'll continue to find temporary respite from the sea.

Port Commissioners last month extended for five years a rent-free lease with Oakland's International Maritime Center. The center provides everything from shopping sprees to billiards for visiting mariners whose stays last 24 hours or less. It even offers spiritual care through the Seafarers Ministry of the Golden Gate, Apostleship of the Sea, Korean Presbyterian, and others.

The Port agreement keeps the doors open at the center's 20-year-old office module in Outer Harbor. It also extends a 50-year tradition of providing sailors a landside Oakland get-away.

"Our role is to recognize and appreciate the contributions of seafarers and shipping to the Bay Area," International Maritime Center Director John Claassen told Port Commissioners. "We provide a safe space for the seafarers and the Port community to just take a break."

Mr. Claassen said the center's 2017 Oakland report card includes:

- 387 visits by clergy or volunteers to ships berthed at Port;
- 1,500 visiting sailors at the center; and
- shopping excursions to East Bay retailers for 766 seafarers.

"We even took a sea captain to Sequoyah Country Club for a round of golf," said Mr. Claassen. He said many sailors, lonely after months at sea, use the center's facilities to call loved ones back home.

The Port's lease covers 0.2 acres of land near Ben E. Nutter marine terminal. The building is owned by the operators of the International Maritime Center. For more information, contact the center at <http://imcbayarea.org/>.

