



**PORT OF OAKLAND
SEAPORT**

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Port of Oakland boss: ‘Our time is now’

Investment in new capabilities could drive Port of Oakland cargo volume to all-time highs again in 2018. That’s the message the Port’s Executive Director delivered Jan. 30.

“This is our time,” proclaimed Chris Lytle before his annual State of the Port speech in Oakland’s Jack London Square. “We’ve spent much of this decade working with business partners to build out the cargo delivery platform our customers want and in 2018 we’re putting it to work.”

Mr. Lytle addressed an audience of 300 invited by the Pacific Merchant Shipping Association and Women in Logistics. His presentation highlighted 2018 investment milestones expected to drive more cargo growth in Oakland following a record 2017. Among them:

- Completion of a year-long project to heighten four ship-to-shore cranes for megaship operations;
- Opening of Cool Port Oakland, a 283,000-square-foot refrigerated distribution center for containerized perishables; and
- Expansion of TraPac marine terminal to double its Oakland footprint.

The Port set a cargo volume record in 2017, handling the equivalent of 2.42 million 20-foot containers. With new capabilities coming on line, it’s forecasting new volume records annually through 2022. Cool Port alone is expected to ship 30,000 containers a year. A new Seaport Logistics Complex, scheduled to open in 2019, could further boost volume.

Mr. Lytle said international shipping lines view Oakland as a candidate for first-call service from Asia. A first call would drive up Oakland import volumes, he said. The first port of call in the U.S. is where most imports are discharged.

Mr. Lytle revealed that the Port plans to produce a new 5-year strategic plan in 2018. He said the plan would balance business growth with community needs. “As the Port progresses, we want our neighbors to benefit, as well,” Mr. Lytle said.

Learn more about the State of the Port

Port of Oakland Executive Director Chris Lytle presented the 2018 State of the Port Jan. 30 in Oakland’s Jack London Square. [Go here to see his presentation](#)—and the accompanying video that was screened for the audience.

Oakland port upgrade, more capacity, improved efficiency

Bill Mongelluzzo, Senior Editor

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The Port of Oakland this year and next will complete major infrastructure projects and support facilities designed to convince beneficial cargo owners (BCOs) the Northern California port will efficiently handle their imports and exports.

"It's not just adding capacity. This is about making the capacity more efficient," Executive Director Chris Lytle said. Marine terminal expansion, a refrigerated warehouse and construction of a 180-acre cargo logistics hub are underway or planned for construction soon. Rail infrastructure, grade separation projects and supporting infrastructure, such as expansion of a container dray-off lot, will enhance cargo velocity, he said.

Oakland in 2017 handled a record 2.42 million TEU, an increase of 1.3 percent over 2016, according to port figures for loaded and empty container movements. Lytle said the port projects growth of 2.7 percent in containerized imports, a 1-2 percent increase in exports and total growth of about 3.5 percent in 2018.

Like other West Coast ports that experienced gridlock, excessive container dwell times and cargo diversion during the 2014-15 contract negotiations between the International Longshore and Warehouse Union (ILWU) and the Pacific Maritime Association (PWA), Oakland experienced a slow recovery the past two years. However, the port used the slack period to double down on infrastructure expansion. Now those capital projects are beginning to pay off, Lytle said in his annual state of the port address.

He added that Oakland at the same time built confidence in the international investment community by increasing revenues and reducing costs. The port last year reported record operating

continues page 3



Maritime Director John Driscoll addresses CenterPoint officials at the site of the Port's future Seaport Logistics Complex

CenterPoint visits Port site

CenterPoint Properties officials toured the Port of Oakland this month for a preview of the Seaport Logistics Complex. The commercial real estate giant is building a 440,000-square-foot distribution center at the Port. It'll be the first part of a 180-acre logistics campus adjacent to the Port's railyard and marine terminals.

CenterPoint Board members and senior management visited the building site. They didn't pinpoint a start date for construction but work is expected to start in 2018.

The Seaport Logistics Complex is the centerpiece of future Port development. The Port inherited the property from the U.S. Army after an Oakland supply depot closed in the 1990s.

"In this business, fast access to transportation is essential," Port of Oakland Executive Director Chris Lytle told the CenterPoint Board. "You're so close you'll be able to throw a rock to our marine terminals and railyard."

CenterPoint and the Port reached agreement in late 2017 to develop the first building at the Seaport Logistics Complex. Their vision is to construct a transload facility enabling shippers to move intermodal cargo quickly and cost effectively. Few, if any, U.S. ports offer transload facilities on site.

"We started discussions with CenterPoint back in 2015," pointed out Port Maritime Director John Driscoll. "It was a long road, but it has been a real pleasure and we couldn't be more excited about the results."

TraPac update

TraPac marine terminal is moving closer to a major milestone in its Port of Oakland expansion. The Port's second-largest terminal is testing a new gate complex on Maritime Street. Testing began earlier this winter with bobtail tractors and trucks with bare chassis passing through the new entrance.

The new complex has 11 semi-automated drive-through lanes for truck transactions. TraPac is expected to process loaded containers through its new gates in the coming weeks.

TraPac is increasing its Oakland footprint from 66-to-123 acres. It's incorporating an additional vessel berth into the Oakland terminal along with three more ship-to-shore cranes. The expansion will include additional lanes for import deliveries as well as new racks for refrigerated cargo.

TraPac signed a new 14-year lease with the Port in late 2016.



A crane is moved off the line at Oakland International Container Terminal in preparation for raising its height 27 feet

Crane raising moves ahead

Oakland International Container Terminal (OICT) has passed the halfway point in its major crane-raising project. The second of four heightened cranes moved back to the line in January. A third crane is being prepped now for raising. The fourth and final crane should be done by midyear.

The terminal is the largest at the Port of Oakland. It began an effort in 2017 to raise four cranes 27-feet higher. The workhorses are being extended to reach higher above the decks of megaships. Each crane is placed on a jack and lifted off the ground. The lower portion of each crane leg is removed and replaced with longer legs fabricated in China.

Export volume rises in January

The Port of Oakland reported that containerized export volume in January increased 2.1 percent from the same month a year ago. It was the second consecutive month of export growth at the Port.

The increase follows a 1.8 percent decline in Oakland exports during 2017. The Port said a weakening dollar contributed to the January increase. American products are more affordable overseas when the dollar's value declines.

The Port said exports of refrigerated commodities climbed in January. Pork exports jumped 20 percent last month when compared to January 2017. Beef shipments were up 18 percent.

The Port is currently constructing Cool Port, a 283,000-square-foot refrigerated distribution center to bring more U.S. meat products to Asia. The facility is scheduled to open in August.

"The Port of Oakland and its maritime partners have made key investments to increase refrigerated exports," said Port of Oakland Maritime Director John Driscoll. "We expect volumes to increase as we open our new facilities."

The Port of Oakland reported a 4.3 percent increase in overall container volumes last month compared to January 2017. That was due largely to the increase in empty containers. For more details about the Port of Oakland's monthly container statistics, please [click here](#).



Port upgrade, continued from page 2

revenue of \$358.7 million and operating income of \$63.7 million. "It's about building confidence. Investors are saying, 'This is a place where we should invest our money,'" Lytle said.

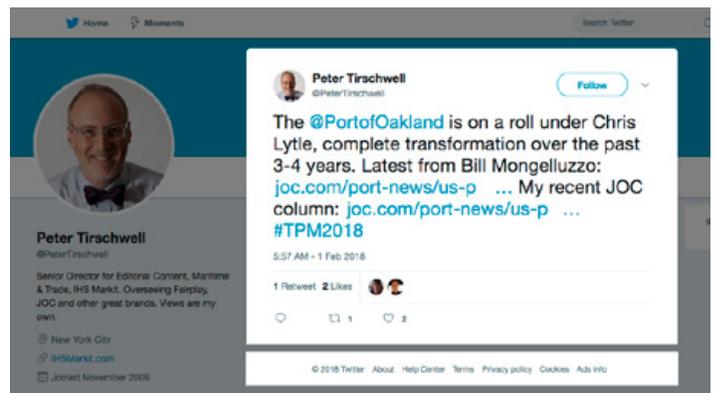
At the Oakland International Container Terminal (OICT), which handles about 70 percent of Oakland's container volume, the board is investing \$20 million to increase the height of four cranes, and is considering the purchase of six super post-Panamax cranes. "OICT will be able to handle any vessel that comes here," Lytle said.

Oakland is the outbound port of call in the Pacific Southwest services from Asia, and therefore handles the largest ships calling in North America. There are 28 vessel strings with ships up to 15,000-TEU capacity that call in Los Angeles-Long Beach and then in Oakland before returning to Asia. CMA CGM in 2016 did test runs with the 18,000-TEU Benjamin Franklin, and West Coast ports say it is just a matter of time before they see regular weekly services with vessels of that size.

About \$60 million is earmarked for the TraPac terminal for re-paving, addition of support buildings, an expanded gate complex and more refrigerator plugs. TraPac has doubled the size of its terminal. Everport has completed \$20 million of improvements at its facility.

With terminal expansion projects well underway or completed, Oakland is now focusing on developments within the harbor footprint that Lytle said will improve efficiency and differentiate it from other US ports. The Cool Port cold storage and transloading facility, which is scheduled for completion in August, will feature a rail track running up the middle of a structure with dozens of truck bays. This will allow frozen and chilled products to be unloaded from reefer rail cars and transloaded into marine containers in a temperature-controlled environment. The loaded containers will be moved a short distance to the ocean vessel.

In addition, ground will be broken this quarter on the 440,000 square-foot Seaport Logistics Complex, where cargo will be transloaded between domestic and marine containers, also on port property and close to marine terminals. Transloading of imports at US ports today occurs at distribution centers five to 50 miles from the docks. This involves a truck move that can cost as much as \$500. The logistics complex will eliminate those drays. It will also be able to handle export loads. Lytle said the project developer, CenterPoint, is generating "a lot of



interest" from BCOs who are interested in locating there after construction is completed in 2019.

Oakland is working with Alameda County for approval of a \$500 million project that will separate truck and rail traffic at the port. The 7th Street grade separation project will take several years to complete once it is approved, and it is an example of port development which does not directly affect containers being lifted on and off a vessel, but improves overall cargo velocity at the port, he said.

The Shippers Transport Express yard used by OICT to dray inbound containers immediately from the vessel to the temporary storage yard a half-mile away is being expanded and is another example of the port repurposing land for facilities that improve cargo velocity, Lytle said.

Oakland is also developing a truck service center where functions like fueling, servicing and weighing that would otherwise have to occur in nearby neighborhoods will be carried out within the port's footprint. Lytle said the project appears to have the support of nearby residents.

The port's five-year projection for cargo shows steady growth from 2.42 million TEU in 2017 to 2.6 million TEU in 2022. Port staff recently completed a five-year strategic plan that will be released after review by the harbor commission. With labor peace assured until at least 2022 with last summer's extension of the coastwide contract, and processes such as container dray-offs, trucker appointment systems and extended gate programs in place, the combination of physical expansion and improved processes should allow Oakland to efficiently handle its growing cargo volume, Lytle said.