



PORT OF OAKLAND
SEAPORT

MAY 2018

MARITIME e-NEWS

abcd@adventintermodal.com



OAKLAND PORTAL Powered by eModal

PORT NEWS

PORT OF OAKLAND'S NEW 5-YEAR STRATEGY: 'GROWTH WITH CARE'

Oakland, Calif. – March 12, 2018: The Port of Oakland released a new 5-year strategic plan today that pairs business expansion with community benefits. Called "Growth with Care," the plan



Phone: (510) 238-4400
Hours: M-F 8:00am - 5:00pm



Phone: (385) 777-5522
Hours: M-F 7:00am - 4:15pm



Phone: (877) 267-2722
Hours: M-F 8:00am - 12:00pm



Phone: (800) 462-8766
Hours: M-F 8:00am - 11:45am

The new PortView digital platform

Oakland Portal, online shipping platform, is live

Common portal gives cargo owners, freight haulers a single gateway to most ops at the Port of Oakland

A one-stop, online gateway to the Port of Oakland went live this month. The Port said its new tech platform, called the [Oakland Portal](#), would provide a single point of entry to seaport operations. It's believed to be an industry first in the quest to digitize containerized cargo transportation.

"This is what our industry is asking for," said Port of Oakland Maritime Director John Driscoll. "We're providing a comprehensive digital view of ships, cargo and terminal information all in one place on the computer...no more clicking through multiple websites."

The Oakland Portal is thought to be the first digital collaboration platform that aggregates shipping information from every marine terminal in a harbor. Terminals are where ships, trucks and trains converge to transport the world's containerized trade. The Port said the Oakland Portal consolidates information from Oakland's four active marine terminals. The data includes:

- Vessel schedules;
- Cargo status; and
- Live camera views of Port thoroughfares.

The features are available to all users, the Port said. Additional specialized functions such as paying terminal fees, cargo status updates or trucker appointments—are available with registration and a login.

The Port said this is Phase 1 of the Oakland Portal. A future iteration would incorporate real-time performance metrics such as transaction times for freight haulers, the Port said. Other applications for cargo owners and freight haulers could be added as well. The Port expected Phase II features to be completed in early 2019.

The Port said supply chain operators would better manage trade flow with the portal in place. For instance, cargo owners would know with greater precision when to expect merchandise. Trucking companies would know exactly when and where to dispatch drivers for container pick-up.

New Jersey-based logistics software provider Advent Intermodal Solutions LLC created the Oakland Portal as an extension of its customer-based eModal system. The Port's four marine terminals all use the system for customer interface.

continues on page 4

Port of Oakland's four-year journey to record cargo volume



Chris Lytle, Executive Director

In 2014, stalled negotiations over a new waterfront labor contract crippled ports from San Diego to Seattle. Today, a number of those ports are handling record cargo volumes.

What changed? At the Port of Oakland, it was collaboration, according to Executive Director Chris Lytle.

"All links in the supply chain came together to dig us out of the hole," Mr. Lytle told an audience of 300 this week. "Labor...management...cargo owners... everyone joined in common purpose—to make Oakland better."

Mr. Lytle recounted Oakland's resurgence for the Board of Marine Underwriters of San Francisco. He traced a four-year journey that began when West Coast employers and dockworkers reached a protracted bargaining impasse. It climaxed this January when Oakland

reported record volume of 2.42 million 20-foot cargo containers for 2017.

Recovery was slow, but steady, Mr. Lytle said, requiring transformation of the Port's operating model. It was also an existential imperative.

Mr. Lytle said West Coast ports leaked business to East Coast competitors as the

Boss credits 'all links in the supply chain' with comeback from 2014 low point

labor impasse paralyzed freight. On top of that, Congress threatened to intervene in future port labor negotiations.

Faced with grim prospects, change had to happen, the Oakland boss told his audience. Here's how it unfolded in Oakland:

- The Port assembled an Efficiency Task Force that included dockworkers, waterfront employers, shipping lines, trucking companies, cargo owners and railroads. The task force identified Oakland's

most pressing shortcomings, then brainstormed fixes.

- Port partners implemented the changes ranging from night gates for truckers to appointments for cargo pick-up.
- It consolidated marine terminals to absorb excess capacity that depressed cargo-handling rates.

Those changes turned around the Port's operating performance, Mr. Lytle said. Two other developments completed Oakland's transformation: 1) dockworkers and employers approved a contract extension through 2022 ensuring labor peace; and 2) tenants went all in at the Port committing nearly \$800 million for capital investment.

"None of this would have happened without all parties collaborating on change," Mr. Lytle explained. "No mistrust...no misunderstandings...no misalignment...everyone was at the table and the result was a roadmap to a better future."

Mr. Lytle said the Port's Task Force has grown to 50 members. It meets quarterly

Fruit, vegetable cargo up 36 percent

Port of Oakland containerized fresh fruit and vegetable shipments have jumped 36 percent since 2013, according to data released this month. The Port said further gains are likely as it adds capacity to handle temperature-controlled cargo.

About \$6.1 billion worth of containerized fruit and veggie shipments moved through Oakland in 2017, the Port said. The volume equaled 135,000 20-foot containers. The Port's volume was less than 80,000 containers just four years ago.

"This is high-value cargo that has to be handled carefully and shipped promptly," said Port of Oakland Maritime Director John Driscoll. "Growth in our volume would indicate that we're doing the job effectively."

Exports accounted for 103,000 containers of Oakland's 2017 fresh fruit



and vegetable cargo volume. That was a 44 percent increase from four years ago. Fruit and vegetable imports jumped 16 percent.

The Port said oranges and grapes were among top exports. Japan, South Korea and Hong Kong were leading export markets.

The data is watched closely because Oakland is considered one of the country's most important agricultural gateways. The reasons:

- Oakland is adjacent to major growing regions in the Central, Napa and Salinas valleys.
- Producers export through Oakland because it's the last U.S. destination before outbound vessels head to Asia. That means their cargo isn't delayed at intermediate stops.

The Pacific Merchant Shipping Association said that Oakland shipped 42.3 percent of America's 2017 fruit and nut exports to China. It handled 93 percent of wine exports.

The Port said it expects fruit and vegetable shipments to grow because it's improving the ability to handle temperature-controlled cargo. Refrigerated export containers are now being delivered principally at night to Oakland's largest marine terminal. That speeds up handling and wait-time for

sensitive cargo by avoiding busier dayside operations. Oakland's second-largest terminal is adding hundreds of electrical plug-in spaces for refrigerated containers this summer. That means it can safely store more perishable cargo until the containers are loaded on vessels.

Exports make up half of the Port of Oakland's total cargo volume. Farm goods account for 40-to-50 percent of the Port's total exports.

Meat shipments up 27 percent in four years

Containerized meat shipments moving through the Port of Oakland have increased 27 percent in the past four years. The Port said this month that even greater growth is likely in the fall when a new refrigerated distribution center opens.

According to just-released Port data:

- Oakland exported the equivalent of 60,000 20-foot containers laden with fresh and frozen meat products—primarily beef, pork and poultry—during 2017. That was up 24 percent from 2013 totals.

continues on page 4

Highest percentage of total loaded container volume from exports in 2017 (50.3%).



2018 Industrial U.S. Seaport Outlook

The **Port of Oakland** was established in 1927 and is a world-class international cargo transportation and distribution hub. Located on the mainland shore of San Francisco Bay, one of the great natural harbors of the world, Oakland was among the first ports globally to specialize in the intermodal container operations that have revolutionized international trade and stimulated the global economy.

The Port of Oakland completed many projects in 2017 to stay competitive and environmentally conscious. Beginning in Spring 2017, up to six 366-foot-tall cranes at the Port of Oakland's largest terminal are in the process of being raised 27 feet to make it easier to load and unload megaships. The Port, which operates its own electric utility, also approved a deal to purchase solar power for the next 20 years. Under the agreement, the Port will buy approximately 11,000 megawatt hours of electricity annually from a solar farm.

With terminal expansion projects well underway or completed, Oakland is now focusing on developments within the harbor footprint, that will improve efficiency and differentiate it from other U.S. ports. The Cool Port cold storage and transloading facility, which is scheduled for completion in August 2018, 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 rail cars and transloaded into marine containers in a temperature-controlled environment.



Capabilities: A total of four terminals serve the Port of Oakland. All shipping channels and 90% of the 18 berths at the port are dredged to 50 feet to make them capable of accommodating vessels up to 18,000 twenty-foot equivalent unit (TEU) capacity. The Port has a total of 34 cranes, 27 of which are capable of handling Post-Panamax vessels.

Trade: Agricultural export tonnage has grown significantly at the Port of Oakland in the past five years. The result has transformed the Port's trade profile, making Oakland a leading gateway to Asia—especially for California growers. In fact, 76% of Oakland's trade is with Asia. Europe accounts for 14%, Australia/New Zealand and Oceania about 5% and other foreign economies about 5%.

After reporting a 10.4% increase in loaded export trade volume in 2016 of 947,454 TEUs, loaded exports declined slightly in 2017 to 930,826 TEUs. Overall, 50.3% of total loaded container volume handled at the Port was from exports—the highest for a major port in the U.S. Top trading partners include China/Hong Kong, Japan, South Korea, Taiwan and Vietnam. The top imports include automobiles, computers, wine and furniture. Top exports

include edible fruits and nuts; beef and pork; beverages and spirits; motor vehicles; and rice.

Intermodal Transportation: Two Class I rail providers service the Port of Oakland. Union Pacific and BNSF railroad facilities are located adjacent to the heart of the marine terminal area, to provide reliable and efficient movement of cargo between the terminals or transload facilities and the intermodal rail facilities.

"The Port of Oakland was the first major port on the Pacific Coast and today it is one of the busiest container ports in the United States. Serving one of the nation's largest metropolitan areas, the Port loads and discharges more than 99% of containerized goods moving through Northern California and generates more than 73,000 jobs across the region, connecting 827,000 jobs nationwide. The Port of Oakland is an ideal location for logistic and industrial distribution because it's surrounded by one of the world's wealthiest regions, with a population of 10 million e-commerce consumers. This is a positive influence for major institutional landlords and occupiers in the growing e-commerce industry."

Greig Lagomarsino, SIOR
Executive Vice President | Oakland

Real Estate Impact: While Oakland remains the top beneficiary of the Port, the Port of Oakland is a top demand driver for all East Bay and Central Valley industrial markets. At the close of 2017, Oakland posted one of the lowest industrial vacancy rates in the country, at 1.8%. Oakland also has one of the highest industrial asking rents in the country, finishing 2017 at \$10.80 per square foot per year.

In December, port commissioners gave final approval to a \$52 million expansion plan at the Port of Oakland, which would create much needed distribution space in the market. The first phase of CenterPoint Properties' Seaport Logistics Complex will eventually span 180 acres at the former Oakland Army base. Construction is expected to start in early 2018, with an expected completion date in the spring of 2019.

Despite this new industrial development, Oakland is an infill market, and because of this, other markets further east with available land are ramping up big-box development. One of those markets is Stockton-San Joaquin County which is one of Colliers Top 10 Emerging U.S. Industrial Markets to Watch in 2018. Development remains strong in Stockton due to large amounts of available land in the region.

Nearly 4 million square feet of industrial product was completed in 2017, bringing the post-recession total to just under 12 million square feet, which equals 11% of the total inventory in the market. New development looks to explode in the coming year with 7.6 million square feet currently under construction. With activity strong in this product, combined with growing demand from tenants looking to move into the region, new development will be robust for the foreseeable future.

Despite a large amount of new development, the overall vacancy rate declined significantly in 2017 to 4.8%, 120 basis points lower than the previous year, and significantly lower than the recession high vacancy rate of 17.8% in 2010. Despite a large amount of new product coming on line in the coming year, vacancy rates will remain low in the region for the foreseeable future.

Meat Shipments continued

- Oakland imported about 6,000 containers of meat last year, a 64 percent increase.

The Port valued Oakland's 2017 containerized meat shipments at more than \$8 billion. It said two-thirds of all meat exports went to Japan. South Korea, Hong Kong and Taiwan were other major export markets. Imported meat shipments came primarily from Australia and New Zealand.

The Port said greater containerized meat volume reflects overall strength in the market for farm goods. Agricultural shipments moving through Oakland increased nearly 43 percent between 2013 and 2017, the Port said. Fruit and vegetable volume jumped 36 percent.

"We're benefiting from a number of positive influences," explained Port of Oakland Maritime Director John Driscoll. "Asian demand for U.S. agriculture is soaring, American growers continue to improve productivity and the Port of Oakland is in the sweet spot: on the edge of the Pacific Rim and adjacent to California farm country."

The Port said it expects meat shipments to grow further beginning in September. That's when a 283,000-square-foot refrigerated distribution center known as Cool Port Oakland is scheduled to open. It's estimated that the facility could handle up to 50,000 containers of beef, pork and poultry annually.



Refrigerated containers stacked up awaiting next shipments of perishable commodities at the Port of Oakland

PortView continued

The portal takes information from each terminal to provide a universal Port view.

Ports nationwide are contemplating digital platforms. The online portals are a response to supply chain operators who complain about the difficulty in transporting or tracking containerized cargo.

Cargo volumes up 2.9 percent from a year ago

The Port of Oakland's total **cargo volumes** are up 2.9 percent over the same period a year ago. The Port reported that terminals handled 791,371 TEUs between January to April 2018. During the same period in 2017, the volume was 768,789 TEUs. Total volume includes loaded and empty containers.

April 2018 was the Port's best month ever for imports in its 90-year history. The volume for loaded imports was 75,369 TEUs. The previous record was in April 2006 at 75,243 loaded imports.

"These container statistics show that we are off to a solid start in 2018," said Port of Oakland Maritime Director John Driscoll. "We're on track for steady growth in our cargo volumes for the rest of the year."

When comparing loaded import and export container volumes for the first four months of 2018, the data shows a 1.2 and 0.5 percent growth respectively. Growth in exports was hampered by the negative effects of China's stringent rules on recycled materials. However, the Port's meat, fruits and vegetable exports helped offset the loss in recycled commodities.

Port and A's talk about Howard Terminal

Port of Oakland Commissioners have approved exclusive negotiations with the Oakland A's in the team's search for a new ballpark. The one-year agreement authorizes talks with the baseball club about the Port's Howard Terminal as a potential stadium site.

A's officials have indicated that the waterfront location is one of two sites they're considering for a new home. The other is at the Oakland Coliseum, where the team currently plays home games. The negotiating agreement gives the A's a year to decide if Howard Terminal is suitable, the Port said.

The Port said the A's would put up a \$100,000 deposit as part of the negotiating agreement. The deposit is refundable if negotiations terminate before the year is up. The ballclub would forfeit its deposit if it can't reach an option agreement for Howard Terminal within a year.

Howard Terminal, at the edge of the Port's Jack London Square, currently supports Oakland Maritime operations. It's used for maritime ancillary purposes including long-term vessel berthing, container and truck parking, staging and storage, and longshore labor training and administration.

