

**SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION (SF BCDC)
BAY PLAN AMENDMENT 2-19**

SUPPLEMENTAL INFORMATION FROM THE APPLICANT

April 7, 2022

EXECUTIVE SUMMARY

On March 16, 2022, the San Francisco Bay Conservation and Development Commission (BCDC) convened its Seaport Planning Advisory Committee (SPAC) to make a recommendation regarding Bay Plan Amendment (BPA) 2-19. As stated in the related March 4, 2022, BCDC staff report, “BPA 2-19 is a request by the Oakland Athletics (Applicant) to remove the Port Priority Use Area (PPUA) designation from Howard Terminal (Howard) at the Port of Oakland.” Following the March 16, 2022, SPAC meeting, BCDC staff will prepare a preliminary recommendation to BCDC regarding BPA 2-19.

BCDC staff invited the Applicant to present supplemental information regarding Port of Oakland capacity to meet Year 2050 forecasted demand by cargo type - container, dry bulk and Ro-Ro – without the Howard property or the need for Bay Fill. To prepare the supplemental information, the Applicant, assisted by the Port of Oakland (Port) and the City of Oakland (City), referred to the *2019-2050 Bay Area Seaport Forecast* (Cargo Forecast, May 2020) and conducted additional research and analysis, in reliance on the Port’s own expertise in maritime development, planning, and operations.

The Applicant offers the supplemental information to support BCDC’s on-going analysis of BPA 2-19. The Applicant understands that, upon review by BCDC, the supplemental information may elicit clarifying responses and additional inquiry. The Applicant looks forward to continued engagement with BCDC regarding BPA 2-19.

The supplemental analyses support the following understandings:

- Based upon actual growth in container cargo volumes, which averaged 0.46% between 2005-2021, the Slow Growth Scenario (1.3% CAGR to 2050) is reasonable for long-term container cargo planning purposes. The Moderate Growth Scenario (2.2% CAGR to 2050) is on the “high-end” of a reasonable CAGR.
- Under either the Slow or Moderate Growth Scenarios, the Port of Oakland can fully accommodate Year 2050 container cargo and dry bulk demand without the Howard or the need for Bay fill.
- Substantial reductions in the demand for Ro-Ro exports, specifically from Tesla’s Fremont production facility, since BCDC published the Cargo Forecast suggest that the Slow Growth Scenario may also be most appropriate for Ro-Ro.

- Due to a reported substantial increase in acres available for Ro-Ro operations at the Port of Benicia (totaling approximately 200 acres) since BCDC published the Cargo Forecast, the San Francisco Bay region can meet projected Year 2050 Ro-Ro demand under both the Moderate and Slow Growth Scenarios without the use of Howard or the need for Bay fill. 110-acres of new Ro-Ro land at the AMPORTS Ro-Ro facility in Antioch, California further increases the Bay Area's supply of Ro-Ro terminal capacity. Finally, potential densification (parking structures) and expansion of existing Ro-Ro facilities present options to further increase capacity.
- Howard is not suitable, operationally or financially, for modern container, dry bulk, or Ro-Ro operations for the long-term. As an isolated, small, obsolete facility, its removal from PPUA will not detract from regional capability to meet the Year 2050 projected growth in cargo nor increase pressure for Bay fill. The Region's Year 2050 Cargo Forecast can be met without Howard.

ANALYSIS

This section summarizes the supplemental information provided by the Applicant, Port, and City in response to questions received from BCDC staff on March 22, 2022, by email. The responses have been updated as necessary to provide greater detail about each topic set forth below and are attached hereto as **Exhibit A**.

1. Container Cargo Forecast

A review of the Port's container cargo volumes for the twenty-four-year period from 1998 through 2021 shows compounded annual growth of 1.9%, greater than the Slow Growth Scenario of 1.3%, but less than the Moderate Growth Scenario of 2.2%. However, most of this growth occurred during the eight-year span from 1998 – 2005, when the Port expanded under its Vision 2000 Maritime Development program, adding 600 new acres from the decommissioned Fleet Industrial Supply Center, Oakland (FISCO), which now comprises the Oakland International Container Terminal (OICT), the Port's largest and newest terminal. Following this expansion, the Port experienced a stabilized growth rate over the most recent seventeen-year period from 2005 – 2021 of only 0.46%, substantially lower than either the Slow or Moderate Growth Scenarios.

Under either the Slow Growth or Moderate Growth Scenarios, the Port of Oakland – the Bay Area's only container port – can fully accommodate Year 2050 container cargo demand without Howard or the need for Bay fill.

2. Dry Bulk Cargo Forecast

Information that was either not reflected or unavailable when BCDC prepared and finalized the Cargo Forecast substantially reduces projected demand for acreage to accommodate dry bulk cargoes, as described below.

a. Reduction in Scrap Metal Cargo Operations

On March 15, 2022, BCDC sent the Port a revised estimate of dry bulk terminal requirements¹. Revised Table 10 shows a reduction in forecasted dry bulk terminal acreage requirements in 2050 under both the Moderate Growth (from 182 to 164 acres) and Strong Growth (from 227 to 206 acres) scenarios, while the projected requirement under the Slow Growth Scenario would remain at 152 acres. With 152 existing acres dedicated to dry bulk movement in 2018, the revised additional acreages projected to be needed to meet 2050 demand are 12 acres (assuming Moderate Growth) or 54 acres (assuming Strong Growth.) According to BCDC's March 15, 2022 email, the reduction in dry bulk terminal acreage was due to an over-estimation of scrap metal cargo.

b. Coal and pet coke exports eliminated

Separate city council actions in Oakland and Richmond eliminated coal and pet coke exports. In February 2020, Richmond's City Council adopted an ordinance prohibiting coal and petroleum coke (pet coke) storage and handling. In November 2021, Richmond announced the settlement of five lawsuits challenging the City's ordinance². As a result, coal and pet coke exports – which accounted for almost 20% of total 2018 dry bulk volumes – will be eliminated entirely by December 31, 2026, and the 25-acre Levin-Richmond Terminal will be available for other commodities or Ro-Ro.

c. New dry bulk capacity comes online

In February 2022, the City of Oakland and Oakland Bulk and Oversized Terminal (OBOT) announced a settlement framework to resolve pending lawsuits and allow development of the planned new ship-to-rail OBOT to proceed, while ensuring that no coal or coke will be loaded, unloaded, or transferred at the new terminal³. Although not designated as a Port Priority Use Area, the site's use for dry bulk is secured through a 66-year ground lease and development agreement. At 33 acres, the addition of OBOT alone will more than satisfy the 12 additional acres needed to accommodate Moderate Growth in dry bulk cargo through 2050, even before adjusting for the elimination of trade in coal and pet coke.

d. Eagle Rock Aggregates provides 18 acres of immediate dry-bulk capacity

On February 24, 2022, the Port of Oakland Board approved the lease of 18 acres to Eagle Rock Aggregates (ERA) for stockpiling and distribution of construction aggregates (i.e., sand and gravel). The ERA project is located at the Outer Harbor Terminal and will utilize Berth 22 for vessel and barge operations and backlands at Berths 20, 21, and 22.

With the potential addition of the 25-acre Levin-Richmond Terminal to the 33 acres at OBOT, the Bay Area could enjoy an additional 58 acres in potential dry bulk cargo capacity to meet the

¹ See Revised Table 10: *Bay Area Estimated Dry Bulk Terminal Requirements for 2050*

² http://www.ci.richmond.ca.us/DocumentCenter/View/59376/2021-11-12-Press-release_Coal-and-petcoke-ordinance-lawsuit-settlement?bidId=

³ https://www.oaklandcityattorney.org/News/Press%20releases/Ground_Lease_Settlement.html#:~:text=In%202013%2C%20the%20City%20entered,the%20San%20Francisco%20Bay%20Bridge.

projected 12-acre Moderate Growth or 54-acre Strong Growth demand, with 42-acre and 4-acre reserves, respectively.

Based upon the reduction in dry bulk acreage needs reported by BCDC on March 15, 2022, the elimination of coal and pet coke operations at OBOT and the Levin-Richmond Terminal, and the Port of Oakland's February 2022 lease of 18 acres for sand and gravel operations (providing immediate capacity for dry bulk cargo), the Year 2050 dry bulk cargo demand can be met under all growth scenarios without the Howard property or the need for Bay fill.

3. Ro-Ro Cargo Forecast

Information either not reflected or unavailable when BCDC prepared and finalized the Cargo Forecast suggests a substantial reduction in need for Ro-Ro acreage, as described below.

a. Ro-Ro exports plummet

As noted in the Cargo Forecast, “[b]arring no major shakeup in the automotive industry, Ro-Ro export figures for the Bay Area will be driven primarily by Tesla volumes, which makes projecting future export numbers highly speculative.”⁴ The Forecast presents a combined weighted average of Year 2050 Ro-Ro exports and imports, which projects the export share at 31% of Ro-Ro volume⁵. However, in December 2019, Tesla opened a new factory in Shanghai to service its Asian markets, followed by a Berlin factory, which came online in March 2022 to serve its European customers. As a result, while total Tesla deliveries increased 68%⁶ in the first quarter of 2022, year-over-year, exports from its Fremont plant have *declined* by more than 60%⁷, in marked contrast to the 2.0% Moderate Growth CAGR projected through 2050⁸.

b. Additional existing Ro-Ro capacity identified

The Forecast identifies 215 acres in use for Ro-Ro cargoes. This includes 75 acres at Benicia, 80 acres at Port Potrero (Richmond), and 60 acres at SF Pier 80⁹. The Forecast projects a Year 2050 demand for Ro-Ro of 313 total acres under the Slow Growth Base Case, 375 acres under the Moderate Growth Base Case, and 496 acres under the Strong Growth Base Case, resulting in a forecasted need for 98, 160, and 281 additional acres, respectively, in Year 2050.¹⁰ The Forecast presents likely expansion sites as SF Pier 96 & Other (67 acres), Howard Terminal (40 acres), Benicia (35 acres), and Richmond Terminal 3 (20 acres), for a total of 162 acres available to accommodate projected growth in Ro-Ro cargo movements.

⁴ Cargo Forecast, p. 150.

⁵ Exhibit 162, Cargo Forecast, p. 155.

⁶ Bobrowsky, Meghan. (2022, April 2). Tesla Deliveries Rose in Quarter Elon Musk Calls Exceptionally Difficult. *The Wall Street Journal*.

⁷ PMSA West Coast Trade Report, March 2022, p. 7.

⁸ Exhibit 159, Cargo Forecast, p. 152.

⁹ Table 8, BCDC San Francisco Bay Plan Amendment 2-19: Howard Terminal Staff Analysis, March 4, 2022.

¹⁰ Table 9, BCDC San Francisco Bay Plan Amendment 2-19: Howard Terminal Staff Analysis, March 4, 2022.



However, multiple sources, including BCDC itself¹¹, indicate that significantly more land (approximately 200 acres, as compared to the 75 noted in the Forecast) is already in use for Ro-Ro cargo movement in Benicia. This discrepancy was previously noted in the Mercator study “Expected demand for Howard Terminal as a cargo handling facility” submitted by the Applicant in November 2019, reiterated in Mercator’s March 26, 2022 memorandum, and confirmed by Port of Oakland staff in an April 5, 2022,

conversation with AMPORTS, the Port of Benicia terminal operator, which estimated current Ro-Ro uses at Benicia totaling 225 acres. A map of the Ro-Ro operations at Benicia's port is readily available on the AMPORTS website and reproduced here for ease of reference.

Adjusting for the actual Ro-Ro acreage at Benicia, conservatively assumed to be 200 acres, the total existing acreage allocated to Ro-Ro operations appears closer to 340 acres¹², resulting in a revised Year 2050 surplus of 27 acres (340 existing acres as compared to a projected need for 313 acres) assuming Slow Growth, and a much-reduced need for 35 additional acres (340 existing acres compared to a projected need for 375 acres) assuming Moderate Growth.

Because Ro-Ro operations are most likely to expand at the Bay Area seaports with existing Ro-Ro facilities, it is reasonable to assume that available capacity totaling over 120 acres at SF Pier 96 & Other (67 acres), Benicia (35 acres), and Richmond Terminal 3 (20 acres) will more than satisfy the need for 35 additional acres, resulting in an approximately 85-acre surplus of land available for Ro-Ro cargo movement in the Moderate Growth Scenario, even absent the Howard property. Finally, Table 12 in the March 4, 2022, BCDC Staff Report did not include the 35-acre Benicia Short-Term Lease site referenced in Table 9 of the Cargo Forecast as a potential

¹¹ Table 1, BCDC San Francisco Bay Area Seaport Plan: Alternatives Analysis, March 16, 2021

¹² Assumes that the 75 acres in existing Ro-Ro terminal use noted in the Forecast is included in the 200 acres noted in the Mercator reports and BCDC's March 2021 Staff Analysis, resulting 125 additional acres.

area for Ro-Ro operations. Further clarification by BCDC regarding Ro-Ro acreage currently in use and available for future use at Benicia is needed.

Finally, in December 2021, a new, approximately 110-acre AMPORTS Ro-Ro facility was approved in Antioch. Wharf reconstruction and expansion are well underway, with expected completion within 2023. A test vessel call was successfully completed in early 2021¹³. Located just outside the planning boundaries of the Seaport Plan¹⁴, upon completion in 2023, the new AMPORTS facility, with a capacity equal to approximately 20% - 25% of total projected Ro-Ro volume for the region (assuming Slow to Moderate Growth, respectively)¹⁵, will compete head-to-head with San Francisco Bay area ports, substantially alleviating pressure and reducing demand for additional acreage to be dedicated to Ro-Ro cargo operations. Given that AMPORTS operates both the Benicia and Antioch facilities, it seems reasonable to account for the 110-acre Antioch Ro-Ro facility in the analysis of Bay Area regional Ro-Ro acreage demand.

Due to slowing exports, the Slow Growth Scenario for Ro-Ro is probably appropriate; nonetheless, by accounting for the 200+ acres in existing Ro-Ro operations at the Port of Benicia, the Region appears to comfortably meet its Year 2050 Ro-Ro demand under both the Slow Growth and Moderate Growth scenarios without use of the Howard property or the need for Bay fill.

While the Strong Growth Scenario seems highly unlikely given its one-third export allocation, with the additional 87 acres potentially available at the Port of SF, Pier 96 & Other (67 acres) and Richmond (20 acres), the long-term Ro-Ro capacity without the Howard property would total 537 acres (340 + 110 acres today + 87 acres available for expansion), exceeding projected Year 2050 demand of 496 acres assuming Strong Growth. As noted above, further clarification by BCDC regarding Ro-Ro acreage use at Benicia will clarify how many acres might be available to meet or exceed demand under all growth scenarios.

Ancillary Maritime Services Forecast

The Cargo Forecast projected a need between 167 (assuming Slow Growth) and 269 (assuming Strong Growth) acres of land for ancillary maritime services, including truck parking. As stated in the Forecast, with “305 acres of land in the immediate Port area either already in an ancillary use...under development for an ancillary use...or available for long-term ancillary use”, this need is fully satisfied, and “there is adequate space within the Port of Oakland complex for ancillary services to support projected cargo growth in all three scenarios.”¹⁶

¹³ <https://www.amports.com/updates-news/amports-and-siem-car-carriers-successfully-transit-vessel-to-antioch>

¹⁴ Notably, more than half of Howard Terminal itself also lies outside BCDC jurisdiction; see **Exhibit B**.

¹⁵ Mercator, Analysis of Demand/Supply of Ro-Ro Terminal Capacity for Northern California, March 26, 2022, Section 2(e); Forecast, Exhibit 165.

¹⁶ Cargo Forecast, p. 138

The Forecast describes three separate estimates of truck parking needs – a 2001 Tioga report that estimated a 2020 need for 30 acres of land for overnight tractor parking and container and chassis staging; a 2016 Tioga update concluding that those 2020 needs had previously been overestimated and re-projecting the 2020 need at 22 acres; and most recently, the Cargo Forecast, which anticipated a need for at least 28 acres (assuming Slow Growth) up to a maximum of 30 acres (assuming Strong Growth) of land for tractor parking and container and chassis storage through 2050. None of these three forecasts, conducted over the course of the last 20 years, supports the need for additional truck parking acreage or the assertion that displacing existing uses from Howard Terminal could lead to an increase in truck parking and idling in West Oakland. Nonetheless, on February 15, 2022, the Oakland City Council adopted an Ordinance amending sections 10.28.145 and 10.28.160 of the Oakland Municipal Code to limit truck parking in West Oakland, further strengthening protections to residents from the potential impacts of truck operations in residential neighborhoods.

The City and Port of Oakland are currently providing the required 30 acres of dedicated truck parking recommended in the Forecast. As noted above and in the Forecast, the need for additional land for ancillary maritime services can be met under any growth scenario without the Howard property or the need for Bay fill.

4. Future Use of Howard Terminal

As stated in the Bay Plan, “[p]art of the Commission’s founding mandate is to encourage the development of the Bay and its shoreline to their highest potential.”

If Howard Terminal continues to be designated as Port Priority Use, this valuable waterfront property will likely languish for decades in minimally productive use with no public access to the shoreline and infrastructure, subsurface contamination remediation and sea-level rise (SLR) protections unfunded due to limited revenue potential from maritime operations.

- a. Howard is unsuitable as a modern cargo terminal.** The smallest of all of Oakland’s terminals, at approximately 40 acres after turning basin widening, Howard is physically disconnected from the other 1,250 acres which comprise Oakland’s Seaport. Constrained by private property to the north and west and a ferry terminal which serves almost 200,000 passengers annually to the east¹⁷, its only expansion option is into the Bay. As noted in the Cargo Forecast, planned expansion of the Inner Harbor Turning Basin – essential to accommodating projected growth in Oakland’s core containerized cargo business – will result in a truncated berth capable of accepting few of the vessels projected to call Oakland by 2050. Due to the constraints noted above, vessels berthing at Howard Terminal cannot “overhang” the berth. At –42 feet, without additional dredging, Howard Terminal’s berth depth is similarly inadequate to serve the modern vessels that increasingly call Oakland. Howard is also one of the oldest properties at the Oakland Seaport, with most structures, utilities, surfaces and equipment 30 – 50 years

¹⁷ Water Emergency Transportation Agency (WETA), April 7, 2022

old. Four existing container cranes on Howard Terminal date from 1968, 1980, and 1986. The oldest of these is of sufficient vintage to have been deemed a historic resource in the EIR for the proposed Waterfront Ballpark District.

- b. Howard is not suitable for Ro-Ro use.** In addition to the constraints noted above, the backlands on the Howard property, already smaller (following expansion of the turning basin) than standard Ro-Ro terminals on the US West Coast, would be further reduced if rail were to be brought on-site from the adjacent main line. With no rail access, limited berth length and depth, and inadequate backlands, the Howard property is undesirable and cannot compete for Ro-Ro imports with superior facilities throughout the region and West Coast.
- c. Efforts to market Howard Terminal for terminal use have not been fruitful.** Howard Terminal was last used as a container terminal in 2013, when Matson terminated early its lease for Howard Terminal and relocated to superior facilities available elsewhere in Oakland's Inner Harbor. In 2013, the Port issued an RFP for lease of the Howard Terminal property. Despite extensive marketing, the Port received only three proposals – two for bulk operations including coal and pet coke, and one for limited (3-acre) use of the site by neighboring Schnitzer Steel.
- d. Rehabilitation of Howard Terminal's functionally obsolete facilities is cost-prohibitive and a poor use of limited Port funds.** Returning Howard Terminal to maritime use would require investment of more than \$200M. These funds can be better spent by the Port on expanding the Inner Harbor Turning Basin and further developing its facilities in the Outer Harbor, which, unlike the Howard property, feature multiple deep-water berths, modern cranes, rail access, and ample backlands.
- e. Without significant investment, rising seas will impact the viability of Howard Terminal for any use by 2050.** As noted above, such investment is unlikely given competing priorities at the Seaport. Assuming only two feet of sea level rise, by 2050, the Port's sea-level rise assessment shows that most of the Howard site will experience regular storm-tide overtopping and 100-year storm-tide flooding.
- f. Absent a change of use, Howard Terminal will continue to limit the access of socially vulnerable communities to the shoreline.** BCDC policy requires "that the Bay remains a public resource, free and safe for all to access and use". As noted in the Staff Analysis for BPA 2-19, "due to the size of the port, the intensive nature of its operation, and the degree of security the Port of Oakland is obligated to provide, nearly the entire West Oakland shoreline is closed to the public", limiting public access to the shoreline for "numerous block groups categorized as highest or high social vulnerability within a mile of the Oakland Port Priority Use Area...clustered in the West Oakland, Old Oakland, and Chinatown neighborhoods".

CONCLUSION

Because the Howard property is not suitable for modern terminal operations, and there exists adequate land to meet Slow and Moderate Growth projections for all cargo types (container, bulk, and Ro-Ro) as well as ancillary maritime services (including truck parking), removal of Howard from PPUA would not detract from the Bay Region's capability to meet the Cargo Forecast, nor result in new Bay fills.

Exhibit A

Seaport Forecasts – Additional Considerations

A. Introduction

The *2019-2050 Bay Area Seaport Forecast* (Cargo Forecast, May 22, 2020) details many of the factors that can impact forecasts of future growth in cargo volumes in the Bay Area. As shown in the Cargo Forecast, many factors are highly sensitive, leading to variability in the forecasted volumes of cargo and related demand for terminal acreage and ancillary support services. Changes in economic activity can greatly alter long range forecasts. For example, the independent business decisions of a single company can affect a specific trend in cargo activity, such as Tesla's control and influence on Ro-Ro exports out of the Bay Area.

To account for factor sensitivity, the Cargo Forecast models three levels of growth in cargo volumes – Slow, Moderate, and Strong – and then further differentiates each level according to projected changes in efficiency of operations and productivity.

Added to the sensitivity of forecasts to small changes in factors is the variable of time. Developing precise forecasts of cargo volumes and acreage over a 30-year planning horizon is an imprecise science at best. Understandably, given the purpose of these forecasts related to BCDC responsibilities, the primary focus is acreage. However, there are numerous other real constraints, including business, operational, and financial constraints, that can greatly impact realized activity levels, even if acreage is available to accommodate growth. Thus, it is important for all – especially decisionmakers – to be aware of the factors that can change forecast outcomes, including the degree of accuracy that can be reasonably expected.

B. Recent Growth Trends for Container Cargo at the Port of Oakland

In conjunction with its review of the Cargo Forecast, the Port of Oakland reviewed its own historical container cargo volumes for the twenty-four-year period from 1998 through 2021. The Port's records show a wide fluctuation in container cargo volumes and related growth rates year to year, driven by factors such as availability of land and facilities, economic and trade trends, and labor conditions. The Cargo Forecast projects a 2.2% CAGR on 2018 container cargo volume (assuming Moderate Growth), as compared to the Port's actual growth rate from 1998 – 2021 of 1.9%. However, most of the Port's 1.9% growth during this twenty-four-year time period was concentrated in a span of 8 years from 1998 – 2005, when the Port expanded under its Vision 2000 Maritime Development Program and developed 600 new acres at the decommissioned Fleet Industrial Supply Center, Oakland (FISCO), which now comprises the Oakland International Container Terminal (OICT), the Port's largest and newest terminal. Following this one-time expansion, the Port experienced a growth rate during the most recent seventeen years (from 2005 – 2021) of only 0.46%, drastically lower than the 2.2% Moderate Growth forecast. Because it is highly unlikely that the Port of Oakland will experience such large-scale land acquisition for cargo terminal growth in the future, it is reasonable to rely on slower container cargo growth assumptions for planning purposes.

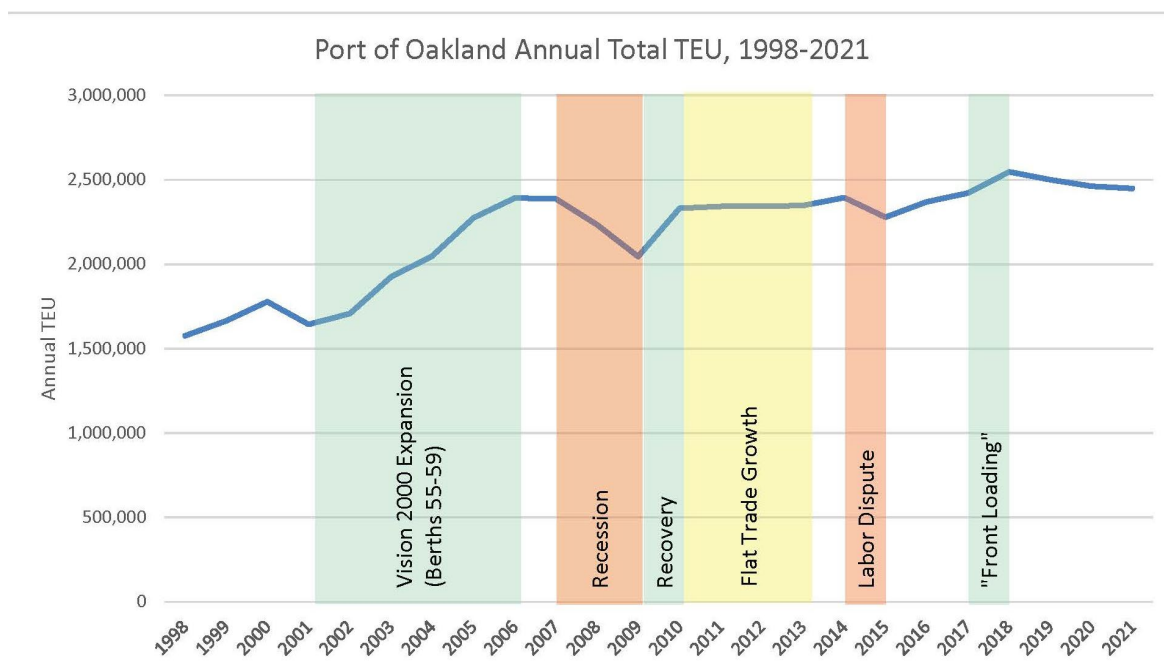
Exhibit 1 illustrates the growth in container cargo volume during specific periods between 1998-2021. The graph demonstrates the highly unpredictable and variable nature of growth,

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influenced by singular events (such as acquisition of the former Oakland Army Base), broad economic trends (such as the Great Recession and subsequent recovery), and unexpected events (such as labor disputes.)

Exhibit 1

Historical Annual Total TEU, Port of Oakland



Source: Seaport Forecast Report May 22, 2020, as expanded by the Port of Oakland, March 2022

Historically, container activity has fallen far short of prior forecasts. As noted in the Cargo Forecast, due to a variety of factors, including several shown on Exhibit 1, the 2018 container cargo volume projected in the prior (2009) Cargo Forecast exceeded 2018 actuals by 24%. In discussing “*Container Port Competition*” on page 69, the Cargo Forecast identifies several issues impacting the prior (2009) Forecast, including 1) “competitive issues on rising costs of locating and operating distribution and manufacturing facilities in California, versus aggressive economic development efforts in other states such as Texas and Alabama”, 2) “Modernization and increased capacity at Atlantic and Gulf ports”, 3) “New Panama Canal locks permitting larger, more efficient vessels on that route.”, 4) “Increased cost at California ports due to ‘clean truck’ requirements”, and 5) “rising drayage costs from port and highway congestion.” All these factors remain challenges and will influence future activity, as they have in the recent past.

C. Slow Growth Scenario is Reasonable; the Moderate Growth Scenario is Aspirational

The Port of Oakland fully expects to grow its maritime cargo activity over the forecast period. The Port is an important economic engine of the region, working with its stakeholders and business partners to create 84,000 jobs importing and exporting goods, ultimately touching everyone in the region. Based upon its historical, sustained long-term growth of less than 0.5%, the Slow Growth scenario (1.3% CAGR to 2050) reflects a reasonable growth trend aligned with actual historical norms. Selecting a growth rate between 1.3% and 2.2% could also be reasonable. The Port considers the Moderate Growth scenario to be on “high” end of reasonably foreseeable outcomes when mapped to a 30-year planning horizon. For this reason, the Moderate Growth rate should be considered to provide significant “cushion” if it is selected for planning purposes. If the Moderate growth forecast is selected, the Port recommends applying that level of growth to actual 2021 activity levels, rather than 2018 levels, to most accurately reflect new information available since drafting of the Forecast, accounting for current trends.

The Cargo Forecast highlights how previous changes in circumstances caused cargo volumes to fall significantly short of forecasts. The Cargo Forecast also notes that applying the growth rate to the updated numbers has merit; the Port believes that this approach is applicable here. Importantly, page 76 of the Cargo Forecast states, “The Moderate Growth 2018-2050 is slightly higher than the past average due to expected long-term increase in Northern California manufacturing and distribution, and to the introduction of first call vessels to serve that increase.” While the Port is optimistic about achieving specific types of first call, including smaller “only call” vessels, the notion that manufacturing will significantly increase in Northern California should be considered speculative given the many factors affecting these decisions for businesses. In addition, it has been widely reported that California has recently experienced net loss of population and migration to other regions of the country, and the factors, such as remote work opportunities, that may make this a long-term trend should be accounted for in forecasting future growth rates.

The Port believes that growth projections best serve the region’s seaport planning and economic development interests when they are reflective of actual historical growth rates combined with foreseeable opportunities based on broader economic trends. As reasoned above, the Port believes the Slow Growth Scenario is reasonable for long-term planning purposes for container activity. Nonetheless, even under the Moderate Growth Scenario, the Port can accommodate Year 2050 container cargo and dry bulk cargo demand without any Bay fill. For Ro-Ro, the Port views the Slow Growth scenarios as more accurate, especially given the heavy reliance on exports by Tesla in distinguishing between the scenarios. Considering developments by Tesla in the past two years, including opening new manufacturing facilities in China (Shanghai) and Europe (Berlin) and the increase in domestic demand absorbing more of the Fremont plant’s production capacity, the Moderate forecast now seems unreasonably high. With production located closer to overseas markets, Tesla’s exports from the Port of San Francisco have decreased substantially, making it unlikely that the high level of exports contemplated in the Moderate Growth scenario will be realized in 2050. Nonetheless, the Port has also offered several reasonable ways in which the Moderate forecast could be accommodated in its discussion of Ro-Ro considerations and recent developments.

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Seaport Forecasts – Additional Considerations

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D. Other Considerations

- Given the escalating value of land in the Bay Area, the Seaport Plan generally does and should support and anticipate investment in high efficiency, densified operations, rather presuming continuation of operations that could otherwise be managed on less acreage. Additional opportunities, such as decking and other vertical solutions, should be given stronger consideration as options to meet some of the forecasted Ro-Ro demand on less acreage.
- Forecasted cargo volumes are generally unconstrained by factors other than available land acreage. It is thus important that, in reviewing the Forecast, normal business operational and financial constraints be considered. These are real and drive business and investment decisions for all San Francisco Bay ports.
- A PPUA designation does not guarantee that certain activities will occur. Each port, and in some cases other local agencies with overlapping land use jurisdiction, will ultimately decide what seaport uses are implemented on PPUA designated lands. The PPUA designation does not ensure a particular acreage will be used to meet a particular seaport forecast. Many factors go into that decision, including community input, environmental impacts, and business, operational and financial realities. To be meaningful, the Seaport Plan should reflect this reality and incorporate the input of each respective jurisdiction regarding the future use of lands within its control.
- Evaluation of the need for a PPUA designation should not be artificially constrained by lines on a map. The Cargo Forecast projects demand for the entire Bay Area region but constrains consideration of the options to meet that demand to only those areas officially considered the “San Francisco Bay” rather than looking to actual capacity throughout the Bay Area Region. This would include, for example, the 110-acre AMPORTS Antioch Ro-Ro terminal, which will directly serve and compete with the San Francisco Bay shipping market.
- The Cargo Forecast also provides information on market share shifts and losses in the West Coast and at the Port of Oakland in particular. At the beginning of 2000, the Port of Oakland enjoyed the position as the 4th largest container port in the United States. The Port of Oakland now holds the 9th position. This market share shift involves many factors, some of which the Bay Area can address. Many other factors, however, also influence market position, such as the lower cost of development and operations at competing seaports elsewhere in the nation, such as Savannah, which has overtaken the Port of Oakland as the 4th largest U.S. container port. The Port fully intends to grow its business and benefits to the entire Northern California region and beyond, but these larger realities and forces should not be ignored in assessing how the Seaport will grow, and at which rate.

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Ro-Ro Cargo Forecast

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Ro-Ro Cargo Forecast

Important information either not reflected or unavailable at the time the BCDC Cargo Forecast (May 2020) was written results in significantly reduced demand for land at other Bay Area ports to accommodate Ro-Ro cargoes. Specifically, demand for Ro-Ro exports has fallen dramatically, and new or expanded facilities are up and running in Benicia and Antioch. Further, the Cargo Forecast presents numerous ways in which the wide forecast range can be considered and acknowledges that small changes can have a large effect on the needed acreage. The Forecast also offers other options for meeting the demand and discusses possible trends since the Cargo Forecast that have a material effect on our understanding of how much acreage is truly needed to accommodate Year 2050 Ro-Ro demand. Finally, Ro-Ro activities cannot be placed on any waterfront lands without regard to infrastructure. A full-service, fully operational Ro-Ro facility requires significant physical infrastructure to be viable. Howard Terminal does not meet these criteria. Creating such infrastructure on Howard Terminal would be cost prohibitive and, even if completed, would only produce a limited service, isolated terminal.

Demand Factors:

- ***Demand for Ro-Ro has declined since the May 2020 BCDC Cargo Forecast: There is more information regarding trends discussed and relied upon in the Cargo Forecast that should be reviewed considering supplemental and updated information.*** The Cargo Forecast acknowledges that “projecting vehicle imports is complicated by the advent of new technologies, changes in societal urbanization and consumer spending trends, and in an uncertain trade environment. This forecast examined several factors and trends to develop a range of scenarios suitable for seaport planning.” The Cargo Forecast acknowledges the inherent limitation of these forecasts and the possibility of many different outcomes.
- ***The Forecast for Ro-Ro Exports is Significantly Lower Given Recent Changes in the Production of Tesla vehicles, the Primary Export Under the Cargo Forecast.*** The Cargo Forecast¹ indicates that the majority or perhaps all the export forecast scenarios are based on decisions of a single company, Tesla, and how it will use its Fremont factory in serving export and/or domestic markets. Reviewing the most recent information is critical to understanding how sensitive the forecasted capacity needs are to small changes in assumptions and helps advise which growth scenario is most reasonable for long-range planning. The Cargo Forecast acknowledges there are several potential changes and, importantly, the outcomes of some of those changes are now much clearer than when the Cargo Forecast was prepared in 2019 and early 2020. For example, in December 2019, Tesla opened a new factory in Shanghai to serve its Asian markets, followed by a Berlin factory, which came online in March 2022 to serve Tesla’s European customers. As a result, while total Tesla deliveries increased 68%² in the first quarter of 2022, year-over-year, exports from its Fremont plant have *declined* by more than 60%³, in marked contrast to the 2.0%

¹ p. 150 – 151.

² Bobrowsky, Meghan. (2022, April 2). Tesla Deliveries Rose in Quarter Elon Musk Calls Exceptionally Difficult. *The Wall Street Journal*.

³ PMSA West Coast Trade Report, March 2022, p. 7.

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Ro-Ro Cargo Forecast

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Moderate Growth CAGR projected through 2050.⁴ The Cargo Forecast projects the export share of total (import and export) Ro-Ro volume at 31%⁵. If Tesla exports account for all or near all of the export volume, as suggested in the Cargo Forecast, approximately 115 acres of the 375 acres projected to be needed to meet the Moderate Base Case forecast would be subject to Tesla's export decisions. Given the developments since the writing of the Cargo Forecast and the recent plummeting of Tesla exports, it is reasonable to assume something much less than 115 acres will be required to accommodate Ro-Ro export volumes.

- ***The baseline for Ro-Ro Cargo has declined since 2018.*** The BCDC Seaport Forecast relies upon a 2018 baseline for Ro-Ro Cargo. The 2021 baseline is significantly lower than the activity levels in the prior four years. The Cargo Forecast also states that “Benicia and Richmond... are already operating at capacity,” but importantly, current port activity indicates that this is no longer the case. Applying the forecast to the current baseline provides a more accurate picture of anticipated Ro-Ro Cargo growth. For example, based on the 2018 baseline, the Cargo Forecast projects total 2050 Ro-Ro Cargo of 587,949 vehicles assuming Slow Growth, 718,863 vehicles assuming Moderate Growth, and 974,850 assuming Strong Growth⁶. In 2021, the activity levels dropped from 360,671 vehicles to approximately 269,000 vehicles, a significant decline. There is sufficient available acreage without Howard Terminal to accommodate the Slow Growth forecast even with the 2018 baseline. If the same forecasted Moderate Growth rate of 2.2%⁷ were applied to the most recent year's data (2021), the 2050 forecast would be approximately 518,000 vehicles.
- ***Foreseeable reduced dwell times will further reduce acreage demand: The Cargo Forecast bases its projected Ro-Ro acreage need by assuming a 15-day average dwell on terminal. This dwell time is highly variable and could be significantly reduced with a variety of approaches discussed in the Cargo Forecast, including more strategic use of backlands or increased focus on electric and fuel-efficient vehicles.*** In discussing the Base and High productivity scenarios, the Cargo Forecast states that the average dwell could be reduced from 15 days (Base) to 12 days (High) by factors such as: concentration of future truck and large SUV production in the US; increased popularity of compact electric cars and SUVs and use of compact vehicles in ride-hailing; rising fuel prices; import strategies favoring minimal processing at the Port and maximum use of rail. While all these factors may not occur, some already have. Even a partial reduction in dwell time between the Base and High scenarios would reduce the acreage requirement meaningfully (assuming Moderate Growth, an improvement from Base to High productivity would reduce the acreage needed for Ro-Ro by 97 acres). In contrast, utilizing the Base productivity scenario would assume that ports, which operate with intense economic competition and responsiveness, would need to remain static in their efficiency for decades, which is unlikely.

⁴ Exhibit 159, Cargo Forecast, p. 152

⁵ Exhibit 162, Cargo Forecast, p. 155

⁶ Exhibit 159, Page 152

⁷ Exhibit 159, page 152

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Ro-Ro Cargo Forecast

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Supply (Capacity) Factors

- ***The Port of Richmond will have expansion capacity by 2026: In November 2021, Richmond confirmed plans to eliminate coal shipments in 2026, which allows for reuse of the current coal terminal.*** This 25-acre property could be deployed as overflow storage similar to Richmond Terminal 3 discussed in the Cargo Forecast.
- ***Antioch will provide 110 acres of new capacity close to emerging population centers and consumers. The BCDC Cargo Forecast discusses the approximately 110-acre new Ro-Ro terminal in Antioch, but does not factor its capacity into calculations of acreage needed to serve Ro-Ro demand because it is not “covered by the Seaport Plan.”*** In December 2021, a new, approximately 110-acre AMPORTS Ro-Ro facility was approved in Antioch. Wharf reconstruction and expansion are well underway, with expected completion within the next year. A test vessel call was successfully completed in early 2021⁸. Located just outside the planning boundaries of the Seaport Plan, upon completion in 2023, the new AMPORTS facility, with a capacity equal to approximately 20% - 25% of total projected Ro-Ro volume for the region (assuming Slow to Moderate Growth, respectively)⁹, will compete head-to-head with San Francisco Bay area ports, substantially alleviating pressure and reducing demand for additional acreage to be dedicated to Ro-Ro cargo operations. The Cargo Forecast (page 159) states that because “the Antioch site...is not part of the Port Priority Area there is no certainty that it will be used for maritime Ro-Ro cargo in the future.” However, this is also true of all lands within the Port Priority area. The designation of PPUA may restrict certain uses, but it does not require, let alone offer any greater confidence that a particular property will actually be used for particular uses. Actual uses are critically dependent on market demand as well as the economic feasibility of transforming such properties with sufficient capital improvements to allow for such use. Applied to Howard, a PPUA would likely perpetuate the status quo – the property will remain a training facility, wheeled storage, and container storage truck parking yard until such time as sea level rise renders it unusable for even those purposes. This scenario would not help meet forecasted Ro-Ro demand, even if Howard retained its Port Priority Use Area designation. By contrast, the already developed and marketed terminal in Antioch would be significantly more likely (regardless of PPUA designation or the boundaries of the Seaport Plan) to add Ro-Ro capacity. Additionally, the Antioch terminal is developed and marketed by AMPORTS, an established and successful operator with facilities in Benicia, elsewhere in the United States, and Mexico. Adjacent developments such as Antioch and feasibility grounded in economic realities must inform an accurate forecast used for PPUA designations. Insufficiently analyzing the capacity contributed by such a significant development increases the likelihood that San Francisco Bay property will lie fallow for decades with no public access.

⁸ <https://www.amports.com/updates-news/amports-and-siem-car-carriers-successfully-transit-vessel-to-antioch>

⁹ Mercator, Analysis of Demand/Supply of Ro-Ro Terminal Capacity for Northern California, March 26, 2022, Section 2(e); Forecast, Exhibit 165.

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- memorandum, and confirmed by Port of Oakland staff in an April 5, 2022, conversation with AMPORTS, the Port of Benicia terminal operator, which estimated current Ro-Ro uses at Benicia totaling 225 acres. A map of the Ro-Ro operations at Benicia's port is readily available on the AMPORTS website and reproduced here for ease of reference. Adjusting for the actual Ro-Ro acreage at Benicia, conservatively assumed to be 200 acres, the total existing acreage allocated to Ro-Ro



¹² Table 1, BCDC San Francisco Bay Area Seaport Plan: Alternatives Analysis, March 16, 2021

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operations appears closer to 340 acres¹³, resulting in a revised Year 2050 surplus of 27 acres (340 existing acres as compared to a projected need for 313 acres) assuming Slow Growth, and a much reduced need for 35 additional acres (340 existing acres compared to a projected need for 375 acres) assuming Moderate Growth.

Because Ro-Ro operations are most likely to expand at the Bay Area seaports with existing Ro-Ro facilities, it is reasonable to assume that available capacity totaling over 120 acres at SF Pier 96 & Other (67 acres), Benicia (35 acres), and Richmond Terminal 3 (20 acres) will more than satisfy the projected need for 35 additional acres, resulting in an approximately 85-acre surplus of land available for Ro-Ro cargo movement in 2050 under the Moderate Growth Scenario, even absent the Howard property. Finally, Table 12 in the March 4, 2022, BCDC Staff Report did not include the 35-acre Benicia Short-Term Lease site referenced in Table 9 of the Cargo Forecast as a potential location for future Ro-Ro operations. Further clarification by BCDC regarding Ro-Ro acreage currently in use and available for future use at Benicia is needed to determine the magnitude of any shortfall or surplus of Ro-Ro lands in each growth scenario.

- ***It would be infeasible to berth common Ro-Ro vessels once the Inner Harbor Turning Basin is expanded.*** The BCDC Seaport Forecast Report, page 159, indicates that Howard Terminal “appears to have a useable wharf face for Ro-Ro operations”. However, in the intervening years since publication of the Cargo Forecast, planning for the expansion of the Inner Harbor Turning Basin has progressed, presenting supplemental information that shows that Howard Terminal will no longer have a useable wharf face for Ro-Ro. The Howard Terminal wharf is 1,946 feet. The expanded Inner Harbor Turning Basin, as currently planned, will take approximately 800 feet of wharf face, leaving approximately 1,150 feet of wharf. Ro-Ro vessels are typically 600 – 900 feet long. They need approximately 150 feet at the bow and 300 feet at the stern to allow for the ramp. This results in a required length of 1,000 – 1,300 feet. There is no option for any vessel to “overhang” the berth at Howard Terminal, as one end is adjacent to the ferry dock and the other end to the turning basin. The expansion of the turning basin has been deemed essential for the growth of the Port’s core container cargo business.
- ***Howard Terminal does not have sufficient berth depth for Ro-Ro.*** Howard Terminal berths are permitted to -42 feet. The BCDC Seaport Forecast Report, page 142, describes a Ro-Ro auto vessel and states: “Fully loaded, such a vessel would require about 44 feet of draft (with 4 feet of underkeel clearance)”. To accommodate fully loaded vessels would require berth deepening and significant environmental assessment and permitting processes, including foreseeable additional stabilization of the wharf to retain the additional depth.
- ***Rail access is infeasible.*** The rail loading facility described in the Forecast¹⁴ would occupy approximately one-third of Howard Terminal, not only leaving inadequate space for Ro-Ro operations on-site, but also eliminating portions of the adjacent Schnitzer Steel property and

¹³ Assumes that the 75 acres in existing Ro-Ro terminal use noted in the Forecast is included in the 200 acres noted in the Mercator reports and BCDC’s March 2021 Staff Analysis, resulting 125 additional acres.

¹⁴ p. 205, Exhibit 218

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Ro-Ro Cargo Forecast

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eliminating access along Embarcadero Road to Schnitzer Steel extending to the Adeline Street bridge. On-site rail would also conflict with a truck gate, which is critical for terminal operations. Thus, while the Cargo Forecast notes “it may be possible to add rail loading capabilities to Howard if access trackage can be built as required past Schnitzer Steel”, upon closer review, adding sufficient rail is not feasible and would block access to existing operations. Replacement Figure 9 shows this more clearly and should be revised to include the full length of the rail trackage, which would help illustrate some of the off-Howard impacts to existing operations and access to Howard itself.

- ***There is insufficient backland for vehicle processing facilities.*** Import Ro-Ro requires acreage for a variety of other activities, including pre-delivery inspection, technical service, and coordination of inland transportation to regional dealerships. Howard Terminal does not have sufficient acreage to accommodate these activities.
- ***Ro-Ro services at seaports are a competitive business and other California ports are better positioned to serve this activity.*** Numerous ports in the San Francisco Bay Area and throughout California already compete and meet the need for Ro-Ro services. The BCDC Seaport Forecast notes on Page 141 that “the Ports of San Diego, Long Beach, Hueneme, Benicia, San Francisco, and Richmond all participate and compete.” Also described on page 141 of the Forecast are “key factors in this competition” including “[c]osts of ocean shipment, port handling, and vehicle processing. Trucking costs to local and regional markets, rail access, service, and cost to intrastate markets.” These factors position other terminals to be more competitive. Forecast for Ro-Ro demand is likely to ultimately be constrained by other California competitors, who are further advanced and focus on Ro-Ro operations and facility needs. It would be impossible to match the level of service provided by these facilities at Howard Terminal. For example, the Port of Hueneme provides a large, dedicated Ro-Ro terminal with 6 deep water berths and adjacency to 3 auto-processors (BMW @ 24-acres; GLOVIS @ 80+ acres and WWL at @50,400 sf), with additional capacity to meet increasing demands.
- ***Decked Structure Vehicle Parking can provide additional capacity: Given the infeasibility of the Howard property for Ro-Ro, decking or structured parking is more feasible and should be considered at other Ro-Ro facilities if additional capacity is needed to meet demand.*** The Cargo Forecast discusses the opportunity to densify existing Ro-Ro facilities, creating efficiencies and using less land to process more Ro-Ro volume. The Cargo Forecast states “it is not clear whether multi-level parking would be economically or technically feasible at Bay Area ports.” The Port of Hueneme, mentioned in the Cargo Forecast, estimated a parking structure to cost \$10,300,000 in its 2020 Strategic Plan, which is considerably less than long-term infrastructure costs estimated for Howard. Decking would significantly reduce the acreage needed to meet Ro-Ro demand.

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Bay Fill

April 7, 2022

Removal of Howard from PPUA would not detract from the region's capacity to handle waterborne cargo under the 2050 forecast and will not increase the need for Bay fill.

Container Cargo

The Seaport Forecast found that, for container cargo under the Moderate Growth Scenario, there would be 18 surplus acres in the Bay Area Regional Ports system available for growth without Howard in 2050. (See Bay Area Seaport Forecast, Exhibit 6: Container Cargo Growth and Acreage Requirements, May 22, 2020.) On February 24, 2022, the Oakland Board of Port Commissioners approved a lease of 18 acres for Eagle Rock Aggregates' bulk cargo operation at Berths 20-21. Based on the Seaport Forecast (May 2020), the Port concluded that the Port can fully meet both the 2050 Moderate and Slow growth scenarios for container cargo with no deficit in terminal acreage under the scenario where both Howard and Berths 20-21 were not available in 2050. Because there is no container terminal acreage deficit foreseen by 2050, there would be no need for fill either at the Port of Oakland or regionally for container terminal development.

Dry Bulk

On March 15, 2022, BCDC sent the Port of Oakland a revised estimate of dry bulk terminal acreage and berth needs (see March 15, 2022, email from Cory Mann to Richard Sinkoff.) Revised Table 10 shows there would be a 12-acre dry bulk regional terminal need under the Moderate Growth Scenario. Under the Slow Growth Scenario, the dry bulk terminal need is also estimated at 12 acres while the Strong Growth Scenario need is 14 acres. With the Port's February 24, 2022, lease to Eagle Rock Aggregates of an 18-acre site at Berths 20-22 in the Outer Harbor, the Port has exceeded the region's Year 2050 projected dry bulk terminal need. Thus, under all growth scenarios, there would be sufficient land for dry bulk cargo operations and no foreseeable need for Bay fill for development of new dry bulk cargo terminals

Ro-Ro

For Ro-Ro cargo, the Port and the Applicant have provided significant supplemental information regarding the infeasibility of accommodating Ro-Ro operations on the Howard property. The Port provided supplemental information to show that lack of rail access (and significant challenges and impacts of attempting to construct rail including right of way and eliminating access to other PPUA operations), limited wharf length especially following the planned Turning Basin expansion project, shallow berth depth for fully loaded Ro-Ro vessels, and constrained acreage for auto processing facilities make a Ro-Ro facility operationally and financially infeasible at this site. Also, the significant required cost of rehabilitation of the Howard property including all major infrastructure and protection from sea-level rise (SLR) flooding by 2050 would require reconstruction and raising and sea wall construction of the entire property would not be financially feasible for a limited operation small Ro-Ro facility to fund. Because the Howard property is infeasible for Ro-Ro cargo operations, its removal from Port Priority Use Area designation does not affect the region's forecasted Ro-Ro need. ***Numerous non-fill alternatives address the Year 2050 projected need for Ro-Ro terminal capacity.***

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Bay Fill

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The Seaport Forecast states that there are three active Ro-Ro terminals within the Bay Area Seaport system: Benicia, Richmond Port Potrero, and the Port of San Francisco Pier 80. The Seaport Forecast reasonably suggests that these ports would expand existing Ro-Ro operations to accommodate projected growth in the Ro-Ro market. With the significant drop-off in exports since the Seaport Forecast was prepared Pier 80 has the capacity to handle significantly more activity. Importantly on page 196, the Seaport Forecast Report states “The Bay Area could probably meet moderate Ro-Ro cargo growth needs at SF Pier 96 and Richmond’s Terminal 3” Available expansion sites at SF Pier 96 (67 acres), Richmond Terminal 3 (20 acres), and Benicia Short-Term Lease (35 acres) could foreseeably add 122 acres to Bay Area’s Ro-Ro portfolio. These potential expansions meet 76% of the Year 2050 projected Ro-Ro terminal need under the Moderate Growth Scenario and 124% under the Slow Growth Scenario. Under the Moderate Growth High Productivity Scenario, 63 new acres would be needed. SF Pier 96 alone could accommodate and exceed this need by 4 acres.

If the Port of San Francisco, the Port of Richmond, and the Port of Benicia were all to expand their Ro-Ro operations onto available land, there would be a projected reserve of 24 acres under the Slow Growth Scenario. Given the availability of expansion areas at existing Bay Area Ro-Ro terminals, it seems reasonable to assume that Bay Area seaports would accommodate projected Ro-Ro cargo growth within their existing land areas rather than pursue costly and environmentally challenging new terminal development and/or development requiring Bay fill.

Further, the Seaport Forecast explores non-Bay fill alternatives to accommodate regional Ro-Ro need including the Antioch AmPorts site, conversion of dry bulk terminal acreage at the Port of Redwood City, and construction of decks or multi-level parking structures on existing Ro-Ro terminals. Since the Seaport Forecast was prepared the approximately 100 acre AmPorts site has been further developed and tested operations and is actively marketing for a relatively turnkey Ro-Ro operations. In terms of capital costs, parking structures are a far more feasible and environmentally-sound approach than the unlikely prospect of Bay fill. Finally, current Ro-Ro cargo trends show a precipitous decline (see PMSA, West Coast Trade Report, March 2022), which notes, for example, that Tesla exports from the Port of San Francisco, have declined by 60.6% from the same month a year earlier). Given the dynamic nature of the Ro-Ro trade, it is reasonable to be cautious when projecting a long-term regional need for additional Bay Area Ro-Ro terminal acreage. As noted in the Seaport Forecast on page 150, “Barring no major shakeup in the automotive industry, Ro-Ro export figures for the Bay Area will be driven primarily by Tesla volumes, which makes projecting future export numbers highly speculative.” Ultimately, it is unlikely that the return-on-investment would justify Bay fill, especially with other California competitors already focusing on this market with existing facilities and infrastructure in place.

**Port of Oakland Supplemental Information to BCDC
Seaport Forecasts for Ancillary Uses
April 7, 2022**

Being *able to use* land is different than *needing land to meet a forecast*; the Port can target rental rates at any level to use vacant land for various storage needs as long as it has vacant land not otherwise needed at the time. This does NOT equate to a requirement for that much storage on or even near the Port is necessary to successfully handle increases in cargo demand.

Ancillary Uses (including truck parking)

Ancillary Services Land Use was developed in the BCDC's 2019-2050 Bay Area Seaport Forecast, issued in May 22, 2020, relative to how ancillary uses relate to needs generated by container volume growth. ***BCDC's Seaport Forecast for 2050 makes clear that the Port of Oakland has more than sufficient lands and PPUA areas to accommodate the forecast for ancillary uses, including truck parking, without Howard Terminal.***

The total acreage needs for ancillary uses including truck parking are described in BCDC's Seaport Forecast report on **Page 138, Table 145: Summary of Ancillary Acreage Needs**. The BCDC Seaport Forecast estimates a need in 2050 including truck parking of 167 acres of ancillary uses to accommodate Slow Growth; 209 acres for Moderate Growth; and 269 acres for Strong Growth. With respect to the truck parking portion of ancillary services specifically, the BCDC Seaport Forecast on **Page 137 and Exhibit 144: BCDC Forecast Ancillary Services Truck/Container Model: 2050 Scenarios** determines that in 2050, 28.4 acres are required under the Slow Growth Forecast, 29.7 acres are required under the Moderate Growth, and 30.5 acres are required under the Strong Growth.

The Port of Oakland has enough acreage throughout its Seaport campus, not including Howard Terminal, to meet both the overall ancillary use acreage and truck-parking-specific acreage needed under all growth scenarios. There are currently 305 acres of ancillary backlands in the Port of Oakland, including more than 30 acres of truck parking, all without Howard Terminal. This availability would be more than enough to accommodate all 3 growth forecast levels. Howard Terminal was not included in the total acreage in the BCDC Seaport Forecast because it has served largely temporary container storage, training, and other short-term uses. The recent short-term, temporary uses on the Howard property only occurred during the COVID-19 pandemic including a temporary pop-up yard related to the supply-chain crisis. Thus, All 3 levels of forecast ancillary uses can be accommodated without Howard Terminal. The Port's March 3, 2022, letter to BCDC also referenced the finding of the Seaport Forecast, which concluded that there is "adequate space within the Port of Oakland complex to support projected cargo growth in all three scenarios." (See Seaport Forecast, p. 138).

BCDC's Cargo Forecast concludes: "The modeling results showed that the increased need for trucking and truck parking from cargo growth tends to be offset by the measures terminals take to accommodate that growth. Notably, extending gate hours into the night shifts reduces the number of trucks that would otherwise be needed and keeps them busy more and parked less. The Port's FITS system program will include a parking information system that should increase utilization of available space." The Cargo Forecast also advises that "Day use parking is typically accommodated in the same lots that provide overnight space."

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Seaport Forecasts for Ancillary Uses

April 7, 2022

Importantly, the Port and the City of Oakland have both committed to each provide a minimum of 15 acres each for a total of 30 in the Seaport area. Both the Port and the City currently do so and will continue to so, thereby meeting the forecast need for truck parking. To reconfirm and reassure this commitment, BCDC may choose to recommend the City's 15 acres of truck parking be added to the PPUA area (the Port's acreage is already included).

BCDC's Seaport Forecast does not identify a need for any other ancillary acreages, including any other truck parking, and thus any other ancillary uses are not a rationale for denying removal of the PPUA designation from Howard Terminal.

Port of Oakland Supplemental Information to BCDC

Howard Marketing Efforts and Capital Needs

April 7, 2022

Seaport Uses of Howard and Capital Needs

In 2013, as part of a settlement of a lawsuit brought against the Port, the Port agreed to ending container operations on the Howard property by allowing SSAT/Matson to relocate to a newly consolidated “mega terminal” in the Middle Harbor (Berths 55-63). The Public Agenda Report from the June 27, 2013, meeting of the Board of Port Commissioners (Board) describes the planning and analysis basis for this decision: “Port staff has for some time analyzed the future needs of terminal operations at the Port, notably the trend toward larger terminals that can service multiple carriers. As larger vessels rapidly replace smaller vessels, port and terminal operations will be greatly impacted and will require longer berth length and larger terminal area.” This resulted in the current Middle Harbor marine terminal configuration providing a more flexible and efficient container terminal which rendered Howard obsolete for container cargo activity.

With Howard vacated and no longer serving container activity, Port staff presented an informational report on September 26, 2013, to the Board, recommending the issuance of an RFP that solicited broadly for any maritime uses on Howard.

On October 7, 2013, the Port issued RFP No. 13-14/06 for lease of the Howard property. During the 60-day response period, the Port disseminated the RFP in a variety of ways:

- Port website
- Advertisement in the Oakland Tribune
- Advertisement in 3 trade journals and/or affiliated websites (Journal of Commerce, American
- Journal of Transportation, and American Association of Port Authorities)
- Directly emailed to 54 seaport customers and maritime industry contacts
- Verbal communication with known interested parties or in response to inquiries about available property within the seaport

During the response period, seven companies attended the pre-proposal meeting held on October 18, 2013. 21 companies downloaded the RFP from the Port website, and three companies visited the data room to review documents made available for proposers to perform due diligence.

On the deadline of December 6, 2013, the Port received three proposals in response to the RFP from:

- Bowie Resource Partners, LLC (Bowie)
- California Capital Group/Kinder Morgan/Metro Ports (CCIG)
- Schnitzer Steel Industries, Inc. (Schnitzer)

Staff provided the following evaluations of the responses at the February 27, 2014, Board Meeting:

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Howard Marketing Efforts and Capital Needs

April 7, 2022

1. **Bowie** proposed a bulk operation on the entire 50-acre property, to handle borax, petroleum coke, coal, and iron ore pellets and fines. These materials would be brought into Howard by rail and handled on-site through a system of conveyors and storage domes (150 feet high x 190 feet diameter), for ultimate loading onto ships for export. This proposal provided a minimum annual rent at commencement of the lease, along with increases in minimum rent and participation rent based upon volume, over the proposed 30-year lease term for the site (with one 30-year extension option).

Upon review and analysis of the Bowie proposal, Port staff determined that Bowie's proposed use and operation of the property raised environmental concerns related to the handling of commodities such as coal. Environmental concerns about handling commodities such as coal stem primarily from issues of coal fugitive dust and the effects of coal on climate change. Port staff stated that operations such as those proposed by Bowie conflict with adopted Port policies and programs intended to create or support environmental sustainability.

Staff also advised the Board that the proposal also raised some potentially significant operational concerns about rail capacity, blockage of traffic along certain streets, and interference with other seaport operations, due to many rail car transfers between the property and near dock railyard(s). Staff recommended against entertaining the Bowie proposal.

2. **CCIG** also proposed bulk/commodity operations on the entire 50-acre property, but the type of commodities and details of the proposed operation were not specified. Based on other operations of team members elsewhere in the U.S., staff infers that commodities similar to those proposed by Bowie might be handled under this proposal. Also, no specific rental amount was included in the response. Staff determined that the CCIG proposal did not provide sufficient information for staff to evaluate the uses proposed, the operations proposed, or the rent to be received by the Port and recommend against entertaining the CCIG proposal.
3. **Schnitzer** operates a metal recycling facility on private property adjacent to Howard. Schnitzer proposed relocating their current maintenance facility to a 3-acre portion of the property to improve operational efficiencies. Schnitzer proposed rent consistent with the existing Port Tariff 2-A rates applicable to the property and requested a term of 25 years. The Schnitzer proposal was for only 3 acres of the total 50-acre site.

Staff recommended that due to the small portion of the site proposed to be utilized, the Schnitzer proposal should not be entertained.

Howard Capital Infrastructure Needs

The Port also performed various studies in the 2013, 2014, and 2016 timeframes that evaluated which uses would be both desirable and profitable on the Howard property. These studies discussed water-dependent maritime uses but acknowledged lack of suitable infrastructure, high capital costs, operational challenges, a long "payback" period, and low ROI (Return on

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Howard Marketing Efforts and Capital Needs

April 7, 2022

Investment). The most recent of these reports concluded that offering short-lease, cheaper “off terminal” staging, parking, and storage with very low capital investment for immediate term uses was the best use of the Howard site for the foreseeable future.

Based on: (1) the failure of the 2013 solicitation process; (2) no other waterfront maritime interests coming forward; (3) the subsequent analysis; and (4) the 2016 report regarding substantial capital needs, the Port has pursued a strategy of accommodating a variety of temporary services including training, storage, staging, and parking, which do not need to be located on the waterfront and do not yield the same revenue as a water-dependent marine terminal.

In looking at the past information and the status of the Howard property condition and future infrastructure requirements, ***Howard requires an enormous capital investment to be utilized for any significant purpose beyond discretionary, minor, low impact, and interim-term provisional uses. The main factors supporting the assessment of the capital investment needed are the following:***

- Howard is among the oldest facilities at the Port and the most recent structures, utilities, and surface and equipment are mostly 30, 40, and 50 years old. The cranes are from 1968, 1980, and 1986 and are not reusable.
- Howard will require significant investment in the next decade to address infrastructure deterioration, as well as additional investments if it were actually to serve as a marine terminal in 2045-2050 as well as on-going maintenance to keep the facility operational for long-term use. Based upon a past Port analysis from 2019, the rough order of magnitude of these costs is \$250-\$200M in 2022 dollars. This estimate had been developed for rehabilitation and reconstruction of the property for long-term use for past consideration of seaport uses and been consistently deemed too expensive for the revenue generated by those uses. Notably, it does not include costs associated with adapting the facility for projected sea-level rise, remediation of on-site contamination, nor ground water intrusion impacts.
- In addition, according to the Port’s AB 681 Study (July 1, 2019), sea level rise is expected to begin impacting the Howard property by 2030. By 2050 with 2 feet of sea-level rise, Howard is expected to have storm-tide overtopping and 100-year storm tide flooding over most of the site. Thus, economic activity and revenues would need to be large enough long before 2050 to make such significant investment which is not anticipated from maritime uses based on BCDC Seaport Forecasts nor Port efforts to generate maritime business interest.
- In contrast, the Port anticipates significant investment needs to rehabilitate its Outer Harbor terminals (Ben Nutter, TraPac, and Berths 24-20) and all currently operating marine container terminals in order to keep them operational, address sea level rise, and meet the 2050 container and dry bulk forecasts as well as completing extensive redevelopment of the former Oakland Army Base to ensure meeting the ancillary and backlands needs for the success of the seaport.

Port of Oakland Supplemental Information to BCDC

Use of Outer Harbor

April 7, 2022

If Outer Harbor were used for Ro-Ro or other ancillary uses, would this use impact the ability of the Region to meet the cargo forecast specifically for container cargo?

The Outer Harbor terminal could accommodate any of the three cargo types. In fact, on February 24, 2022, the Port approved leasing 18-acres at the far corner of the Outer Harbor, specifically at Berths 20-22 for a dry-bulk (e.g., sand and gravel) facility. However, the Port does not foresee Ro-Ro operations in the Outer Harbor by 2050 because accommodating Ro-Ro would occupy acreage needed to accommodate container cargo. Nor does the Port foresee long-term ancillary uses at the Outer Harbor because, according to the Cargo Forecast, the ancillary uses demand is all satisfied without the Outer Harbor acres.

The Port plans to modernize the Outer Harbor for container cargo operations. The Outer Harbor provides the deep-water berths, wharf length, state-of-the-art container cranes, and backlands acreage ideal for container cargo operations. While the Howard property is not necessary to move any of the region's three cargo types, in contrast, the Outer Harbor is necessary to provide the acreage for the long-term forecasted growth in container cargo operations.

Environmental Justice and Social Equity

This memo is provided in response to BCDC's request for additional information related to the proposed removal of Howard Terminal from Port Priority Use (BPA 2-19) and its consistency with the Bay Plan's Environmental Justice and Social Equity policies.

*As noted in BCDC's Staff Analysis of the proposed Bay Plan Amendment, dated as of March 4, 2022, BCDC staff identified "numerous block groups categorized as **highest or high social vulnerability** within a mile of the Oakland Port Priority Use Area. These block groups are clustered in the West Oakland, Old Oakland, and Chinatown neighborhoods." While this social vulnerability determination was driven by multiple factors, including income, limited English, and the presence of hazardous materials, the Staff Analysis focused on two issues of particular concern to local residents – air pollution and lack of access to the shoreline.*

*Specifically, the Staff Analysis focused at some length on concerns that "**displacing existing uses from Howard Terminal could lead to an increase in truck parking and idling in West Oakland**, where efforts to reduce truck activities have been ongoing for many years, and where residents are already exposed to greater levels of air pollutant emissions than in other neighborhoods." While noting that "due to the size of the port, the intensive nature of its operation, and the degree of security the Port of Oakland is obligated to provide, **nearly the entire West Oakland shoreline is closed to the public**", the Staff Analysis drew no conclusions about the proposed project's potential benefits in opening up a portion of this shoreline, noting instead that "because BPA 2-19 is limited to a consideration of whether Howard Terminal is needed for port use, and not an assessment of the proposed Oakland Sports and Mixed-Use Project, this staff report does not include an analysis of the potential impacts of that Project."*

*Below is a description of recent City actions to prevent truck parking and idling in West Oakland, including the **City's March 15, 2022 approval of an Ordinance amending the Oakland Municipal Code (OMC) to prohibit truck parking in West Oakland**. While this code change was long anticipated, having been previously included as Strategy #38 in BAAQMD's West Oakland Community Action Plan and Strategy #8 in the City's West Oakland Truck Management Plan, and its implementation widely supported by the West Oakland community, it should be noted that, even barring this code change, **BCDC's own projections have repeatedly concluded that the 30 acres already committed by City and Port – none of which is located on Howard Terminal – is adequate to serve the needs of the Port**.*

*Finally, below is a description of how **the proposed BPA 2-19 and the Project can meaningfully contribute to BCDC's "commitment to ensuring that the Bay remains a public resource, free and safe for all to access and use"** in this vulnerable community, which currently lacks equitable access to this vital public resource.*

1. Truck Parking

As noted above, BCDC's 2019-2050 Bay Area Seaport Forecast detailed three separate estimates of truck parking needs – a 2001 Tioga report that estimated a 2020 need for 30 acres of land for overnight tractor parking and container and chassis staging; a 2016 Tioga update concluding that those 2020 needs had previously been overestimated and re-projecting the 2020 need at 22 acres;

and most recently, the 2020 Forecast, which anticipated a need for at least 28 acres (assuming slow growth) up to a maximum of 30 acres (assuming strong growth) of land for tractor parking & container and chassis storage through 2050. None of these three forecasts, conducted over the course of the last 20 years, supports the assertion that displacing existing uses from Howard Terminal could lead to an increase in truck parking and idling in West Oakland.

Nevertheless, in response to longstanding community concerns related to the impact of trucks traversing, idling and parking in West Oakland, on March 15, 2022, Oakland's City Council considered and unanimously approved an Ordinance amending the OMC to prohibit truck parking throughout nearly all of West Oakland. A copy of that Ordinance is attached as **Exhibit A**. The Ordinance is intended to support increased safety and better health outcomes, contributing to the Citywide priorities of holistic community safety and vibrant, sustainable infrastructure.

Specifically, the Ordinance prohibits parking of heavy-duty drayage and semi transport trucks, with or without an attached trailer, in West Oakland, except on a limited set of blocks in industrial areas away from residences and parks. Previously, under the OMC, commercial trucks (and trailers) were allowed to park on streets in Oakland for up to 72 hours outside of primarily residential areas unless signs prohibit truck parking. The Ordinance restructures the OMC to treat commercial truck parking as generally prohibited except on designated streets, where it is specifically allowed. This proposed change would restrict commercial truck parking in West Oakland to a subset of blocks in the industrially zoned areas of West Oakland where "truck parking" signs are posted. See **Exhibit B** for the map of areas where commercial truck parking will continue to be allowed.

The blocks were selected during fieldwork evaluation of the industrially zoned areas of West Oakland, conducted by the West Oakland Truck Management Plan (TMP) implementation team. The review considered: presence of industrial businesses, truck services, and residences; widths of roads and condition of shoulders; effects on sightlines; expected truck volumes; and likely routes to access blocks. The proposed roads were selected to:

- Limit the impacts on residences and parks in West Oakland, including expected routes to access the designated truck parking;
- Help support the needs of local businesses and drivers; and
- Maintain safe and efficient movement of trucks on truck routes.

The Ordinance also prohibits unattached commercial trailer parking citywide. The citywide ban on unattached commercial trailer parking eliminates the need to post and maintain signs prohibiting unattached trailer parking in certain areas, which is the current practice.

To ensure the Ordinance is effective, City Parking Enforcement staff will be trained on the new regulations in the first quarter of 2022.

Community Engagement

To solicit feedback on the proposed Ordinance, the TMP team used the following channels to engage key stakeholders: 1) regular email updates; 2) regularly updated project website; 3) multilingual survey (English, Chinese, and Spanish) to which over 280 responses were received; and 4) flyer shared with the industrial business community to inform stakeholders of the project.

In addition, the TMP team engaged the following stakeholders through virtual meetings:

- Industry / Trade Groups
 - Trucker Work Group
 - Harbor Trucking Association
- Stakeholder Groups
 - West Oakland Environmental Indicators Project
 - WOCAP Steering Committee
 - WOCAP Port & Freight Subcommittee
 - Howard Terminal Community Benefits Transportation Subcommittee
 - WOCAG
- Neighborhood Groups
 - Prescott Neighborhood Council
 - West Oakland Neighbors

Additional methods were used to reach truck-related businesses and the trucking community, who may need to change their practices to help ensure successful implementation of proposed changes.

Stakeholder feedback ranged from those calling for the elimination of truck parking on all City streets to those wanting safe places to park trucks to facilitate the efficiency of the freight industry.

Changes made to address community feedback included removing Wood Street, 32nd Street, and 34th Street as proposed truck parking blocks to protect unhoused residents living in the area and removing blocks of 20th Street and Campbell Street south of West Grand Avenue as proposed truck parking blocks to protect nearby residences and users of Raimondi Park.

2. Equitable Public Access to the Bay

In October 2019, BCDC voted unanimously to approve Bay Plan Amendment 2-17 (BPA 2-17), implementing new Environmental Justice and Social Equity policies, which, as the Staff Analysis noted, “should shape all of its actions and activities.”

The June 7, 2019 staff report for BPA 2-17, *Toward Equitable Shorelines: Environmental Justice and Social Equity at the San Francisco Bay*, stated:

When BCDC was established, only four non-contiguous miles of the Bay shoreline were open to public access. BCDC has played a major role in making the San Francisco Bay and its shoreline a national recreational treasure. Today, hundreds of miles of the Bay shoreline are open to the public as part of the San Francisco Bay Trail...The Bay belongs to everyone, and therefore, diverse water-oriented recreational facilities should be provided to meet the needs of a growing and diversifying population. These should be well distributed around the Bay and improved to accommodate a broad range of activities for people of all races, cultures, ages, abilities, and income levels.

Unfortunately, in this regard, much work remains. As noted in the Staff Analysis for BPA 2-19, “due to the size of the port, the intensive nature of its operation, and the degree of security the Port of Oakland is obligated to provide, nearly the entire West Oakland shoreline is closed to the public.” During public comment made at the March 16, 2022 Seaport Planning Advisory Committee, one Oakland resident further highlighted this inequity, stating in part:

The City of Oakland has about 19 miles of shoreline. About 15 miles of that is for the Port and the airport, and nearly all of the remaining 4 miles is either zoned industrial or is directly adjacent to the freeway. Oakland is left with just a small sliver of publicly accessible waterfront in Jack London Square and Brooklyn Basin. Contrast that with the city of San Francisco, which has about 30 miles of shoreline; nearly all of it is accessible to the public – Ocean Beach, the Presidio, the Marina, Fisherman’s Wharf, the Embarcadero, the Ferry Terminal, Candlestick Point, and, of course, Oracle Park, are just a few of the iconic waterfront landmarks. In spite of this inequity, in 2016, Pier 48 and the adjacent land in San Francisco were removed from Port Priority Use to make way for the Mission Rock development.

While the Staff Analysis correctly notes that “BPA 2-19 is limited to a consideration of whether Howard Terminal is needed for port use, and not an assessment of the proposed Oakland Sports and Mixed-Use Project,” the two are nevertheless inextricably linked. The applicant for BPA 2-19 is the Oakland Athletics, not the Port or City of Oakland. As noted in its January 2019 application, the A’s express purpose in bringing forth BPA 2-19 is to “allow the Oakland Athletics to develop and operate on the Howard Terminal site a world-class waterfront ballpark with related mixed-uses.” Moreover, Assembly Bill 1191, requires that, even in the event that BPA 2-19 is approved, “if the port and the Oakland Athletics have not entered into a binding agreement by January 1, 2025, that allows for the construction of the Oakland Sports and Mixed-Use Project, the port priority use designation shall be automatically reinstated on the Howard Terminal property as if it had not been deleted pursuant to BCDC’s Seaport Plan and Bay Plan amendment process.”¹ Should BPA 2-19 be approved, the proposed project will return to BCDC for separate consideration of a Major Permit. For these reasons, consideration of the proposed project’s potential benefits is highly relevant to BCDC’s consideration of BPA 2-19, including:

- Up to 18.3 acres of new, publicly accessible waterfront parks and open space, on a site which is currently wholly inaccessible to the public;
- An approximately 1.5-mile extension of the San Francisco Bay Trail;
- Approximately .5 miles of new transit-only lanes connecting Oakland’s neighborhoods and transit facilities to the waterfront;
- Approximately 1.25 miles of new protected bike lanes connecting the West Oakland neighborhood and Bay Area Rapid Transit (BART) station with Downtown Oakland and the Oakland waterfront;
- Safe, convenient, grade-separated access for people, bikes and cars to the waterfront;
- Protection against sea-level rise through 2100; and
- Remediation of existing toxic contaminants in soil and groundwater.

As stated in the Bay Plan, “[p]art of the Commission’s founding mandate is to encourage the development of the Bay and its shoreline to their highest potential.” In light of this mandate, failure to consider the substantial potential benefits of the proposed project – which cannot proceed unless BPA 2-19 is first approved – in ensuring, consistent with BCDC policy, “that the Bay remains a public resource, free and safe for all to access and use” provides an incomplete picture, at best, and, at worst, risks perpetuating past harms reflected in BCDC’s own findings that, “the Commission’s Priority Use Areas, intended to minimize the necessity for future Bay fill...facilitated the aggregation of pollution sources within areas designated for Port...Priority Use Areas”² – including, in the present case, “numerous block groups categorized as highest or high social vulnerability within a mile of the Oakland Port Priority Use Area...clustered in the West Oakland, Old Oakland, and Chinatown neighborhoods.”

¹ Section 8 (b).

² Finding b, San Francisco Bay Plan Findings and Policies Concerning Environmental Justice and Social Equity Around the Bay.

INTRODUCED BY COUNCILMEMBER _____



CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

ORDINANCE AMENDING SECTIONS 10.28.145 AND 10.28.160 OF THE OAKLAND MUNICIPAL CODE TO LIMIT TRUCK PARKING IN WEST OAKLAND; AND ADOPTING APPROPRIATE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FINDINGS.

WHEREAS, the West Oakland Truck Management Plan (TMP) was adopted in 2019 and included 10 strategies to reduce the impact of truck travel on local streets; and

WHEREAS, the TMP included Strategy 8: Change Parking Regulations, which is addressed by this legislation; and

WHEREAS, the West Oakland Community Action Plan, prepared in response to Assembly Bill 617, contains Strategy 38 which includes language to “change the parking regulations so they are easier to enforce”; and

WHEREAS, the City of Oakland (City) and the Port of Oakland (Port) vetted the proposed parking regulations updates with the West Oakland stakeholders through a multi-lingual survey, virtual neighborhood group meetings, virtual meetings with industry and trade groups, and other community-based stakeholder group meetings; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 10.28.145 of the Oakland Municipal Code (OMC) is added to read as follows (additions are in double underline):

Section 10.28.145 Prohibition on Parking of Trucks Exceeding 22 Feet in Length
No person shall park any truck, tractor, trailer, or other commercial vehicle of any kind whatsoever exceeding 22 feet in length on any public street or portion of street in a district defined herein. Parking is restricted on all streets included in a district, including streets defined as borders.

A. Area bordered by I-880 between Mandela Parkway and I-580, I-580 between I-880 and I-980, I-980 between I-580 and 7th Street, 7th Street between I-980 and Broadway,

Broadway between 7th Street and Embarcadero West, Embarcadero West between Broadway and Adeline Street, Adeline Street between Middle Harbor Road and 3rd Street, and 3rd Street between Adeline Street and Mandela Parkway

Within a district, the City Traffic Engineer is authorized to erect signs on streets allowing commercial vehicles exceeding 22 feet to park. Where signs are posted, commercial vehicles exceeding 22 feet may park for up to 72 hours.

SECTION 2. Section 10.28.160 of the OMC, entitled Parking prohibited—Unattached trailers, is amended to read as follows (additions are in double underline and deletions are in strikethrough):

~~A. The City Traffic Engineer is authorized to place signs indicating no parking of unattached trailers upon any street or portion of any street when the City Traffic Engineer has determined that the parking of unattached trailers is creating a nuisance, blight or hazard.~~

~~B. When official signs prohibiting unattached trailer parking are erected upon any street or portion of any street as authorized herein, no person shall park an unattached trailer at any time upon any such street or portion of any such street in violation of any such sign.~~

No person shall park an unattached trailer, semitrailer, or any other trailer used for commercial purposes on any street, except:

- A. Under permission from the City Traffic Engineer
- B. While loading or unloading property

SECTION 3. California Environmental Quality Act (CEQA). On July 31, 2002, the City certified an Environmental Impact Report (EIR) for the OAB Redevelopment Plan and on the same date the City, acting as the Oakland Base Reuse Authority and Oakland Redevelopment Agency, approved the Final OAB Reuse Plan. Subsequently in 2012, the City Council in their role as the Oakland Redevelopment Successor Agency adopted an amended OAB Reuse Plan, supported by an Addendum to the 2002 EIR. On July 16, 2013, the City Council adopted a revised Standard Conditions of Approval/Mitigation Monitoring and Reporting Plan (SCA/MMRP). Preparation of the TMP was undertaken expressly to comply with and to implement mitigation measure 4.3-7 of the SCA/MMRP which states: “The City and the Port shall continue and shall work together to create a TMP designed to reduce the effects of transport trucks on local streets.” This action of implementing the TMP by updating the West Oakland parking regulations complies with the requirements of MM 4.3-7. This action implements a previous mitigation measure and, as a result, there is no new information or substantial changes to the previously certified EIR and approved Addendum requiring further analysis pursuant Public Resources Code Section 21166 and CEQA Guidelines Section 15162.

In addition, Staff has also determined that the implementation of the TMP is exempt from CEQA pursuant to CEQA Guidelines Sections 15301 (existing facilities), 15308 (actions by regulatory agencies for protection of the environment), and 15061(b)(3) (common sense exemption). Each of the foregoing provides a separate and independent basis for CEQA compliance, and when viewed collectively, provides an overall basis for CEQA compliance.

SECTION 4. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional

SECTION 5. Effective Date. This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA,

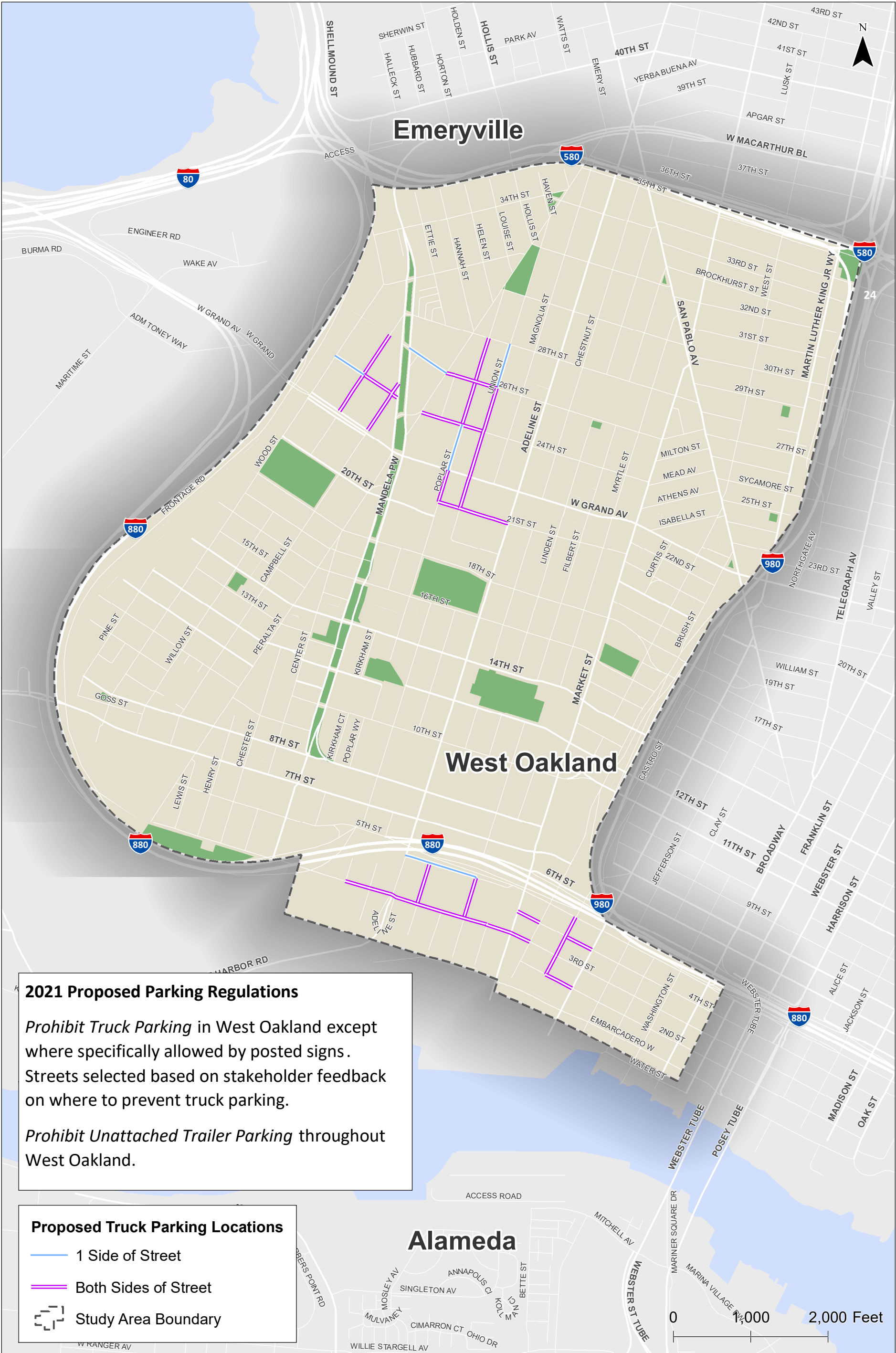
PASSED BY THE FOLLOWING VOTE:

AYES – FIFE, GALLO, KALB, KAPLAN, REID, TAYLOR, THAO AND
PRESIDENT FORTUNATO BAS

NOES –
ABSENT –
ABSTENTION –

ATTEST: _____
ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California

Date of Attestation: _____



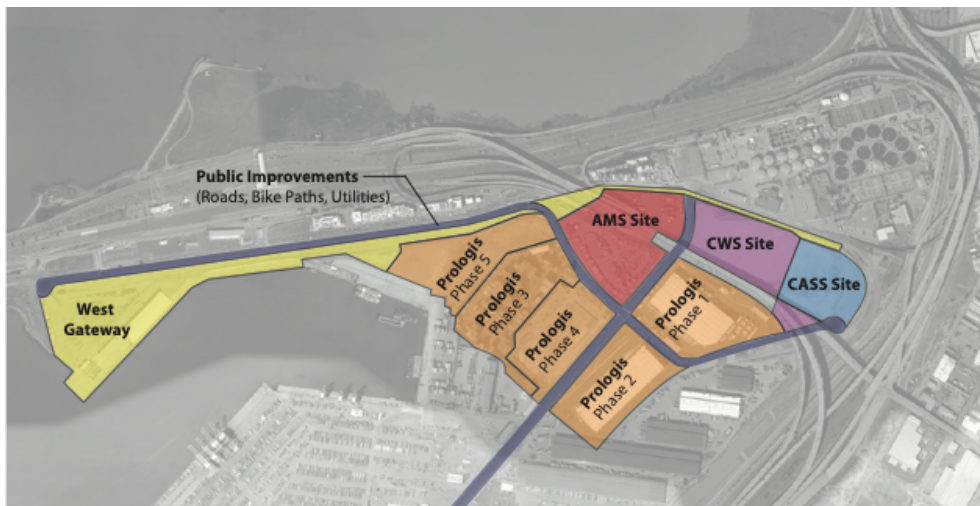
City of Oakland Supplemental Information to BCDC
Gateway Industrial District / Ancillary Maritime Services
March 24, 2022

Ancillary Maritime Services

*As noted in the Port of Oakland's memo of March 22, 2022, BCDC's 2019-2050 Bay Area Seaport Forecast identified the need for between 167 acres of land in a "slow growth" scenario up to a maximum of 269 acres of land for ancillary maritime services (including truck parking) in a "strong growth" scenario. As stated in the Forecast, with "305 acres of land in the immediate Port area either already in an ancillary use...under development for an ancillary use...or available for long-term ancillary use", this need is fully satisfied, and **"there is adequate space within the Port of Oakland complex for ancillary services to support projected cargo growth"**.*

Below is a description of the facilities already in ancillary maritime use within the City of Oakland's Gateway Industrial District, including more than 62 acres of land plus nearly 200,000 square feet (or 4.3 acres) of logistics space. This total exceeds the 63 acres of ancillary services space anticipated to be provided by the City in Exhibit 145 (Summary: Ancillary Acreage Needs) of the Forecast. Likewise, the City's 16.7-acre AMS site exceeds the 15-acre truck parking requirement set forth in BPA 4-00 and referenced in the Forecast.

The former Oakland Army Base (OAB), now the Gateway Industrial District (the District), is located adjacent to the Port of Oakland and the community of West Oakland (see context map attached as **Exhibit A**). The District is designed to support the City's industrial needs and the movement of goods while providing jobs and reducing air pollution emissions. The District was formerly part of the OAB, which was closed in 1999. To enable redevelopment, the City completed a major public infrastructure project in 2019, installing new roads, utilities, and rail facilities, as well as a significant fill and surcharge program to address sea-level rise.



Today, the District features new state-of-the-art warehouse and distribution facilities constructed by Prologis over 72 acres in the East Gateway and Central Gateway areas. The City has activated truck parking and services on the 17-acre Ancillary Maritime Services (AMS)

Site, as required by its permit from the Bay Conservation and Development Commission (BCDC). Finally, the City is in final settlement negotiations with Oakland Bulk and Oversized Terminal (OBOT) over the last approximately 33 acres, which will include a bulk marine terminal with rail connections. Currently, the only vacant land at the Gateway Industrial District is the 22-acre North Gateway Area, slated for the relocation of two recyclers currently sited in the West Oakland neighborhood. A figure of the Gateway Industrial Area is provided below for context, along with additional detail on each sub-area.

1. Central and East Gateway Areas

Prologis has completed its portion of the master planned Oakland Global Trade and Logistics Center at the Gateway Industrial District. In total, the City has leased approximately 72 acres to Prologis under four 66-year ground leases. At present, Prologis' development includes a mix of ancillary maritime services and more traditional warehousing and distribution. More detail on the areas that provide ancillary maritime services, is presented below.

- a. **Phase 4** (Completed 2022). Prologis has completed construction of a 189,038 square foot warehouse and logistics space at 2001 Maritime Street. The tenant, Custom Goods, will operate the site as a US Customs and Border Protection Centralized Examination Station.
- b. **Phase 5** (Completed 2021). The approximately 13-acre site located at 171 Burma Rd. is leased by Prologis to ConGlobal for use as a container storage depot. ConGlobal also operates a repair facility which consists of an 8,650-square foot open maintenance building for paint touch up and minor repairs to the containers and an outdoor container wash area adjacent to the maintenance building. Outdoors and adjacent to the maintenance building the area is used for repair, maintenance and temperature setting of empty refrigerated containers. Empty chassis, which are the trailers upon which containers are placed, are also be stacked and stored on-site.

2. West Gateway/Ancillary Maritime Services Area

The Gateway Industrial District is adjacent to the Port of Oakland. The district includes approximately 17 acres dedicated to ancillary maritime services, such as truck parking, cargo storage, and truck services, as well as plans for a bulk commodities marine terminal on approximately 33 acres.

- a. **Ancillary Maritime Services.** The City has over 15 acres of land dedicated to ancillary maritime services at the AMS Site, as required by its 2000 BCDC permit. The City entered into a Lease Development and Disposition Agreement (LDDA) with Oakland Maritime Support Services (OMSS) in 2014 for an approximately 16.7-acre site for development of a range of support services for trucking companies that require close proximity to the Port of Oakland terminals. Until such time as the site is fully developed, the City is leasing half of the site to OMSS for truck parking uses, and the City is operating an interim truck parking lot, the Wake Avenue Parking Lot, on half of the site, providing truck, chassis and container parking spaces on a daily, weekly and monthly basis. Current and future truck parking and services provided at this central location help to minimize the impact from truck traffic in the nearby West Oakland community.
- b. **Bulk Marine Terminal.** The City entered into a 66-year Ground Lease with OBOT in 2016 for the development of a ship-to-rail terminal for the export of non-containerized bulk commodities and import of oversized or overweight cargo; associated wharf, utility, and rail improvements and connections; and ancillary uses including trailer and cargo storage and movement, chassis pools, open storage and truck parking. Since 2016, this project has been the subject of ongoing litigation, during which portions of the OBOT site have been utilized for ancillary maritime services (truck parking) by an OBOT sublessee.

In February 2022, OBOT and the City agreed to key terms of a settlement framework that will resolve the pending lawsuits and allow development of the West Gateway to proceed while ensuring that no coal or coke will be loaded, unloaded, or transferred at the West Gateway.

Contribution of City-Owned Sites to Regional Cargo Capacity

Although the City's provision of a minimum of 15 acres of ancillary maritime services on the former OAB property was the subject of previous BCDC actions, none of the City-owned property within the Gateway Industrial District (including the AMS site) is currently depicted as Port Priority Use Area in the January 2012 Seaport Plan. As noted above, this includes the following City-owned properties, which are currently contributing, via long term leases and development agreements, to regional cargo capacity:

Property	Size	Tenant	Use	Port Priority Use (per January 2012 Seaport Plan)
Central Gateway Phase 4 / 2001 Maritime Street	189,038 square feet	Custom Goods	US Customs and Border Protection Centralized Examination Station	No
Central Gateway Phase 5 / 171 Burma Road	13 acres	ConGlobal	Chassis storage; container storage, repair and maintenance	No
Ancillary Maritime Services / 10 Burma Road	16.7 acres	City/OMSS	Truck, chassis and container parking and services	No*
Bulk Marine Terminal / 375 Burma Road	33 acres	OBOT	Ship-to-rail bulk terminal	No

*Satisfies minimum 15-acre requirement per previous BCDC approvals, including BPA 4-00 and 3-06.

With the exception of the AMS Site, which the City requests be identified as a Port Priority Use Area on all amended maps and text to be implemented through BPA 2-19, the properties noted above (totaling more than 62 acres of land and nearly 200,000 of logistics space) are encumbered by existing long-term leases and development agreements that prevent the City from seeking a Port Priority Use Area designation over those properties at present. However, those same agreements – as well as the District's location adjacent to the Port of Oakland and the more than \$260 million in infrastructure improvements and sea level rise protections already completed throughout the District – ensure that they can and will continue to contribute to regional cargo capacity for decades to come.

Request for Seaport Plan Update to Implement Port Priority Use Area Designation

A legal description and plat map of the AMS site is attached hereto as **Exhibit B**. The City hereby requests that, concurrently with BPA 2-19, the Seaport Plan be updated to implement Port Priority Use Area designation of the AMS Site, consistent with BPA 3-06.

Local Land Use Context

As illustrated in the Oakland Army Base General Plan and Zoning map attached hereto as **Exhibit C**, the District is zoned Gateway Industrial, and designated in the City's General Plan for General Industry and Transportation and Business Mix.

Exhibit A

GATEWAY INDUSTRIAL DISTRICT

WEST OAKLAND

DOWNTOWN OAKLAND

SEAPORT AREA

UNION PACIFIC

Port of Oakland Jurisdiction

0 2,000 Feet



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Exhibit B

EXHIBIT – "A-1"

OAB AMS Site

Land Description of a parcel of land situate in the City of Oakland, County of Alameda, State of California, and being portions of Lots 3 & 5 as shown upon Parcel Map 10095 filed on August 13, 2013, in Book 324 of Parcel Maps at Pages 6 thru 15 Official Records of said County, being a portion of that certain parcel described as Parcel 56444 (West Grand Avenue) in a Quitclaim Deed recorded on February 13, 2002 under document no. 2002-072863 in the Official Records of said County, and being more particularly described as follows:

Beginning at the most southern corner of said Lot 3, same corner being on the north line of said Parcel 56444; Thence along the common line between Parcel 3 and Parcel 56444 for the following four (4) courses: (1) North 49° 47' 18" West – 156.87 feet, (2) North 54° 46' 46" West – 103.19 feet, (3) North 47° 07' 33" West – 55.66 feet to the beginning of a curve to the left, and (4) in a northwesterly direction 13.73 feet along the arc of said curve to the left, having a radius of 1160.00 feet and through a central angle of 00° 40' 42" to the southeast corner of that certain parcel described as Caltrans Parcel 7 in an Easement Instrument recorded on April 29, 2005 under document no. 2005-171016 in the Official Records of said County; Thence leaving said common line and along the east line of said Caltrans Parcel 7 for the following fourteen (14) courses: (1) South 36° 37' 46" West – 70.05 feet, (2) South 51° 19' 40" East – 66.99 feet, (3) South 32° 28' 20" West – 27.14 feet, (4) South 31° 56' 59" West – 28.07 feet, (5) North 67° 56' 50" West – 61.75 feet, (6) North 67° 23' 33" West – 63.74 feet, (7) North 63° 48' 02" West – 57.80 feet, (8) South 88° 45' 28" West – 55.77 feet, (9) North 60° 16' 02" West – 72.57 feet, (10) North 59° 57' 33" West – 65.51 feet, (11) South 30° 39' 04" West – 68.04 feet, (12) South 59° 48' 18" East – 53.67 feet, (13) South 59° 18' 19" East – 86.15 feet, and (14) South 34° 21' 44" East – 57.77 feet to the most southern corner of said Caltrans Parcel 7, same corner being on the common line between said Lot 5 and Parcel 56444; Thence along said common line for the following four (4) courses: (1) South 71° 14' 04" East – 214.96 feet, (2) South 68° 12' 53" East – 121.49 feet, (3) South 52° 34' 03" East – 57.26 feet, and (4) South 26° 23' 46" West – 3.42

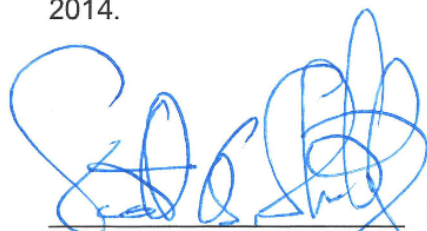
feet to the northeast corner of Lot 5; Thence along the easterly, southerly, and westerly lines of Lot 5 for the following nine (9) courses: (1) South $41^{\circ} 00' 50''$ West – 594.91 feet to the beginning of a curve to the right, (2) in a southwesterly direction 78.54 feet along the arc of said curve to the right, having a radius of 50.00 feet and through a central angle of $90^{\circ} 00' 00''$, (3) North $48^{\circ} 59' 10''$ West – 161.80 feet to the beginning of a curve to the right, (4) in a northwesterly direction 261.89 feet along the arc of said curve to the right, having a radius of 617.00 feet and through a central angle of $24^{\circ} 19' 11''$, (5) North $24^{\circ} 39' 59''$ West – 531.72 feet to the beginning of a curve to the left, (6) in a northwesterly direction 26.92 feet along the arc of said curve to the left, having a radius of 343.00 feet and through a central angle of $04^{\circ} 29' 49''$ to a point of reverse curvature, (7) in a northeasterly direction 11.74 feet along the arc of said curve to the right, having a radius of 258.00 feet and through a central angle of $02^{\circ} 36' 24''$ to a point of reverse curvature, (8) in a northwesterly direction 100.77 feet along the arc of said curve to the left, having a radius of 272.00 feet and through a central angle of $21^{\circ} 13' 33''$ to a point of compound curvature, and (9) in a northwesterly direction 12.06 feet along the arc of said curve to the left, having a radius of 347.50 feet and through a central angle of $01^{\circ} 59' 19''$ for the northwest corner of the herein described parcel, same corner being on a curve to the right from which point the center bears South $24^{\circ} 28' 22''$ East; Thence crossing through Lot 5, Parcel 56444, and Lot 3 for the following eight (8) courses: (1) in a northeasterly direction 78.27 feet along the arc of said curve to the right, having a radius of 439.28 feet and through a central angle $10^{\circ} 12' 32''$, (2) North $75^{\circ} 44' 10''$ East – 75.58 feet, (3) North $82^{\circ} 05' 31''$ East – 270.27 feet for the beginning of a curve to the left, (4) in a northeasterly direction 83.51 feet along the arc of said curve to the left, having a radius of 593.69 feet and through a central angle of $08^{\circ} 03' 53''$, (5) North $74^{\circ} 01' 57''$ East – 78.61 feet to the beginning of a curve to the right, and (6) in a southeasterly direction 231.50 feet along the arc of said curve to the right, having a radius of 553.69 feet and through a central angle of $23^{\circ} 57' 20''$, (7) South $82^{\circ} 00' 42''$ East – 283.53 feet to the beginning of a curve to the right, and (8) in a southeasterly direction 159.53 feet along the arc of said curve to the right, having a radius of 2844.93 feet and through a central angle of $03^{\circ} 12' 46''$ to a point on the curving east line of Lot 3, being a curve to the left from which point the center bears North $11^{\circ} 12' 04''$ East; Thence along the east line of said Lot 3 for the following six (6) courses: (1) in a southerly direction 94.83 feet along the arc of said curve to the left, having a radius of 346.00 feet and through a central angle of $15^{\circ} 42' 11''$, (2) South $05^{\circ} 26' 56''$ East – 50.00 feet to the beginning of a curve to the right, (3) in a southwesterly direction 264.40

feet along the arc of said curve to the right, having a radius of 379.00 feet and through a central angle of $39^{\circ} 58' 17''$ to a point of compound curvature, (4) in a southwesterly direction 4.75 feet along the arc of said curve to the right, having a radius of 26.00 feet and through a central angle of $10^{\circ} 28' 28''$, (5) North $45^{\circ} 00' 11''$ West – 0.50 feet to the beginning of a curve to the left, from which point the center bears North $45^{\circ} 00' 11''$ West, and (6) in a southwesterly direction 2.50 feet along the arc of said curve to the left, having a radius of 25.50 feet and through a central angle of $05^{\circ} 36' 34''$ to the **POINT OF BEGINNING**, containing 728,753 square feet (16.7 acres), more or less, measured in ground distances, as depicted on the Plat labeled (Exhibit "B" AMS Site), attached and hereby made part of the land description.

Bearings and distances called for herein are based upon the California Coordinate System, Zone III, North American Datum of 1983 (1986 values) as shown upon that certain map entitled Record of Survey 990, filed in Book 18 of Record of Surveys, Pages 50-60, Official Records of the said County of Alameda. To obtain ground level distances, multiply distances called for herein by 1.0000705.

End of Description

This description and its accompanying plat were prepared by me, or under my direction, in July 2014.


Scott A. Shortlidge, LS 6441



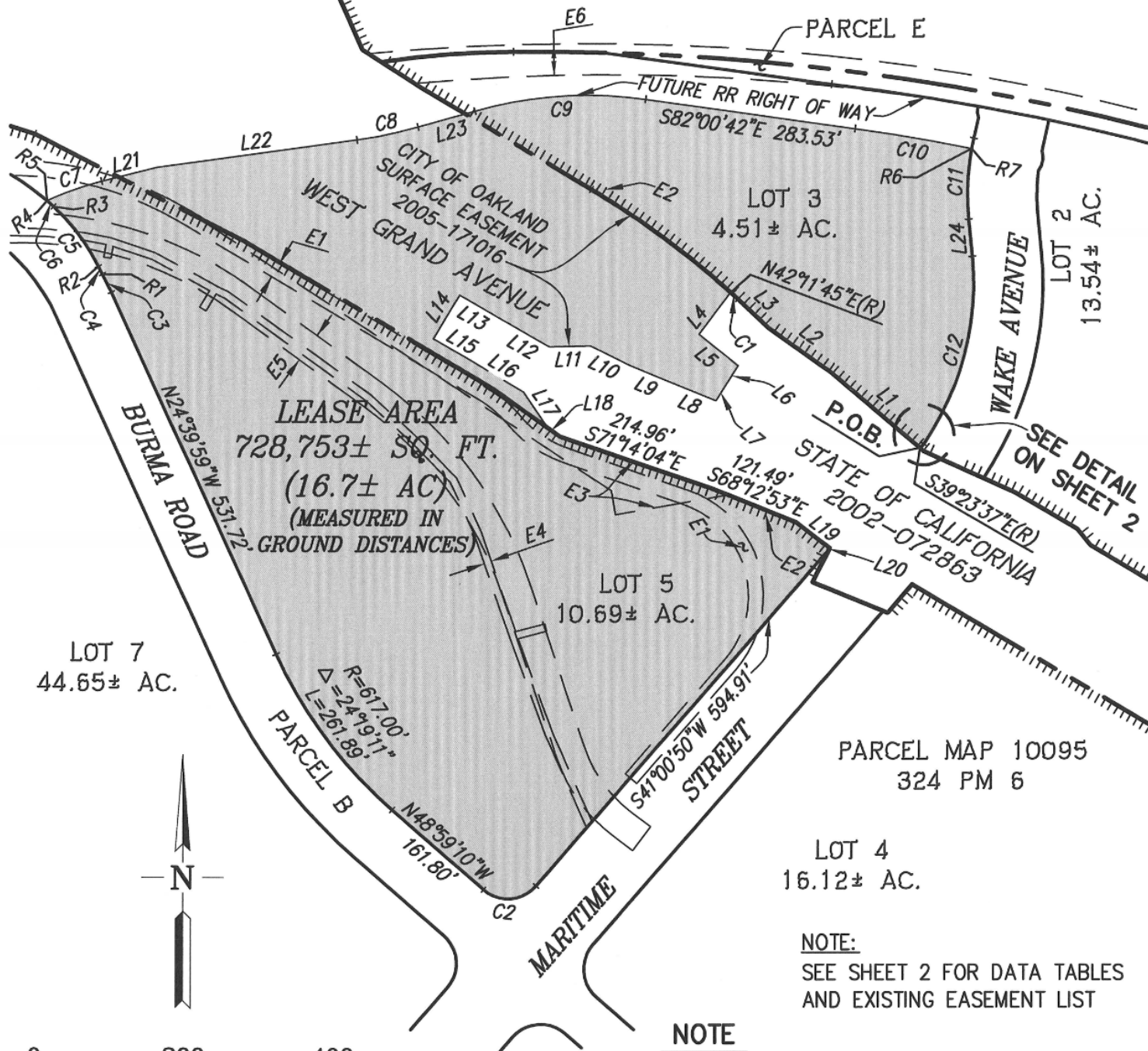
7-17-2014
Date

STATE ROUTE 80

EAST BAY MUNICIPAL UTILITY DISTRICT
2007-243205

LEGEND

LEASE AREA



PARCEL E

FUTURE RR RIGHT OF WAY
S82°00'42"E 283.53'

CITY OF OAKLAND
SURFACE EASEMENT
2005-171016
WEST GRAND AVENUE

LOT 3
4.51± AC.

LOT 2
13.54± AC.

LEASE AREA
728,753± SQ. FT.
(16.7± AC.)
(MEASURED IN
GROUND DISTANCES)

STATE OF CALIFORNIA
2002-072863
P.O.B.

SEE DETAIL
ON SHEET 2

LOT 7
44.65± AC.

LOT 5
10.69± AC.

PARCEL MAP 10095
324 PM 6

LOT 4
16.12± AC.

NOTE:
SEE SHEET 2 FOR DATA TABLES
AND EXISTING EASEMENT LIST

NOTE

BEARINGS AND DISTANCES ARE BASED ON
RECORD OF SURVEY NO. 990. ALL
DISTANCES SHOWN OR DERIVED FROM THIS
DRAWING ARE GRID. TO OBTAIN GROUND
LEVEL DISTANCES MULTIPLY BY 1.0000705.

SHEET 1 OF 2

EXHIBIT A-1 AMS SITE

CENTRAL/NORTH GATEWAY LEASE AREA

CITY OF OAKLAND, ALAMEDA COUNTY, CALIFORNIA

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RUGGERI-JENSEN-AZAR
ENGINEERS • PLANNERS • SURVEYORS
4690 CHABOT DRIVE, SUITE 200 PLEASANTON, CA 94588
PHONE: (925) 227-9100 FAX: (925) 227-9300

SCALE:
1"=200'

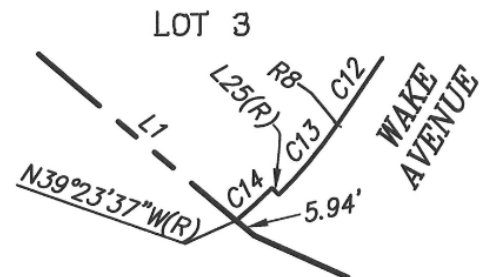
DATE:
7-17-2014

JOB NO.:
111069

Line Table		
Line	Bearing	Distance
L1	N49°47'18"W	156.87'
L2	N54°46'46"W	103.19'
L3	N47°07'33"W	55.66'
L4	S36°37'46"W	70.05'
L5	S51°19'40"W	66.99'
L6	S32°28'20"W	27.14'
L7	S31°56'59"W	28.07'
L8	N67°56'50"W	61.75'
L9	N67°23'33"W	63.74'
L10	N63°48'02"W	57.80'
L11	S88°45'28"W	55.77'
L12	N60°16'02"W	72.57'
L13	N59°57'33"W	65.51'
L14	S30°39'04"W	68.04'
L15	S59°48'18"E	53.67'
L16	S59°18'19"E	86.15'
L17	S34°21'44"E	57.77'
L18	S54°38'31"E	19.57'
L19	S52°34'03"E	57.26'
L20	S26°23'46"W	3.42'
L21	N75°44'10"E	76.58'
L22	N82°05'31"E	270.27'
L23	N74°01'57"E	78.61'
L24	S05°26'56"E	50.00'
L25	N45°00'11"W	0.50'

Curve Table			
Curve	Radius	Delta	Length
C1	1160.00'	00°40'42"	13.73'
C2	50.00'	90°00'00"	78.54'
C3	343.00'	04°29'49"	26.92'
C4	258.00'	02°36'24"	11.74'
C5	272.00'	21°13'33"	100.77'
C6	347.50'	01°59'19"	12.06'
C7	439.28'	10°12'32"	78.27'
C8	593.69'	08°03'34"	83.51'
C9	553.69'	23°57'21"	231.50'
C10	2844.93'	03°12'46"	159.53'
C11	346.00'	15°42'11"	94.83'
C12	379.00'	39°58'17"	264.40'
C13	26.00'	10°28'28"	4.75'
C14	25.50'	05°36'34"	2.50'

Radial Bearing Table		
No.	Bearing	Radius
R1	N60°50'12"E	258.00'
R2	N63°26'36"E	258.00'
R3	N42°13'03"E	347.50'
R4	N40°13'44"E	347.50'
R5	N24°28'22"W	439.28'
R6	N11°12'04"E	2844.93'
R7	N79°44'45"W	346.00'
R8	N55°28'39"W	379.00'



DETAIL
NOT TO SCALE

EXISTING EASEMENTS

- E1 - BIKE PATH EASEMENT, 2010-208571
- E2 - RELINQUISHMENT OF ABUTTER'S RIGHTS,
2002-072863, 1979-034788
- E3 - UTILITY & RAILROAD EASEMENT, BK 4186 PG 156
- E4 - GAS LINE EASEMENT, UNRECORDED
- E5 - ROADWAY EASEMENT, 2002-072864
- E6 - RAILROAD EASEMENT, RE 978 IM 378

SHEET 2 OF 2

EXHIBIT A-1

AMS SITE

CENTRAL/NORTH GATEWAY
LEASE AREA

CITY OF OAKLAND, ALAMEDA COUNTY, CALIFORNIA

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PHONE: (925) 227-9100 FAX: (925) 227-9300

SCALE:
N/A

DATE:
7-17-2014

JOB NO.:
111069

This aerial map displays the Gateway Industrial District, outlined in yellow. The district is situated along Interstate 80 (I-80) and near Highway M-40. Various zoning districts are labeled throughout the area, including IG, D-GI, CIX-I, CIX-ID, CIX-IC, CIX-IA, CR-I, RM-2, OS(AF), OS(NP), HBX-2, HBX-4, D-W-S-1 through D-W-S-9, and S(LP). A legend in the bottom-left corner defines the symbols used:

- Zoning**: Represented by a blue outline.
- Gateway Industrial District**: Represented by a yellow outline.
- General Plan**:
 - Mixed Housing Type Residential (Orange)
 - Resource Conservation (Green)
 - Urban Residential (Brown)
 - Housing and Business Mix (Light Gray)
 - Regional Commercial (Pink)
 - Business Mix (Light Pink)
 - General Industry and Transportation (Purple)
 - Institutional (Blue)
 - Urban Park and Open Space (Light Green)

A scale bar indicates distances from 0 to 1,000 feet, and a north arrow points upwards. Source information at the bottom right credits Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community.



Planning & Building Department
March 5, 2020

March 26, 2022

Mr. Noah Rosen
Senior Manager, Project Development
Oakland Athletics
7000 Coliseum Way
Oakland, California 94621

RE: DEMAND/SUPPLY OF RO-RO TERMINAL CAPACITY FOR NORTHERN CALIFORNIA

Dear Mr. Rosen,

As you know, the Seaport Planning Advisory Commission (SPAC) of the San Francisco Bay Conservation and Development Commission (BCDC) recently announced that it would not support the conversion of the Port of Oakland's Howard Terminal to a non-maritime use (i.e. for the development of a baseball stadium at that site), because the Bay Area may have a shortage of "RO-RO" terminal capacity at some point between 2020 and 2050, based on an analysis performed by Tioga Group, as reported in the latter's June 2019 report to the SFBCDC. In this context, "RO-RO" means "Roll-on-Roll off and refers to the manner in which certain cargoes (in particular, automobiles, trucks, and other vehicles) are discharged from, or loaded to, a ship.

To independently evaluate the rationale underpinning the SPAC's decision, Mercator International LLC (Mercator) has assessed the demand for and supply of RO-RO terminal capacity in Northern California, as well as in the Pacific Northwest and Southern California.

We conclude that the SPAC's decision is flawed for several reasons:

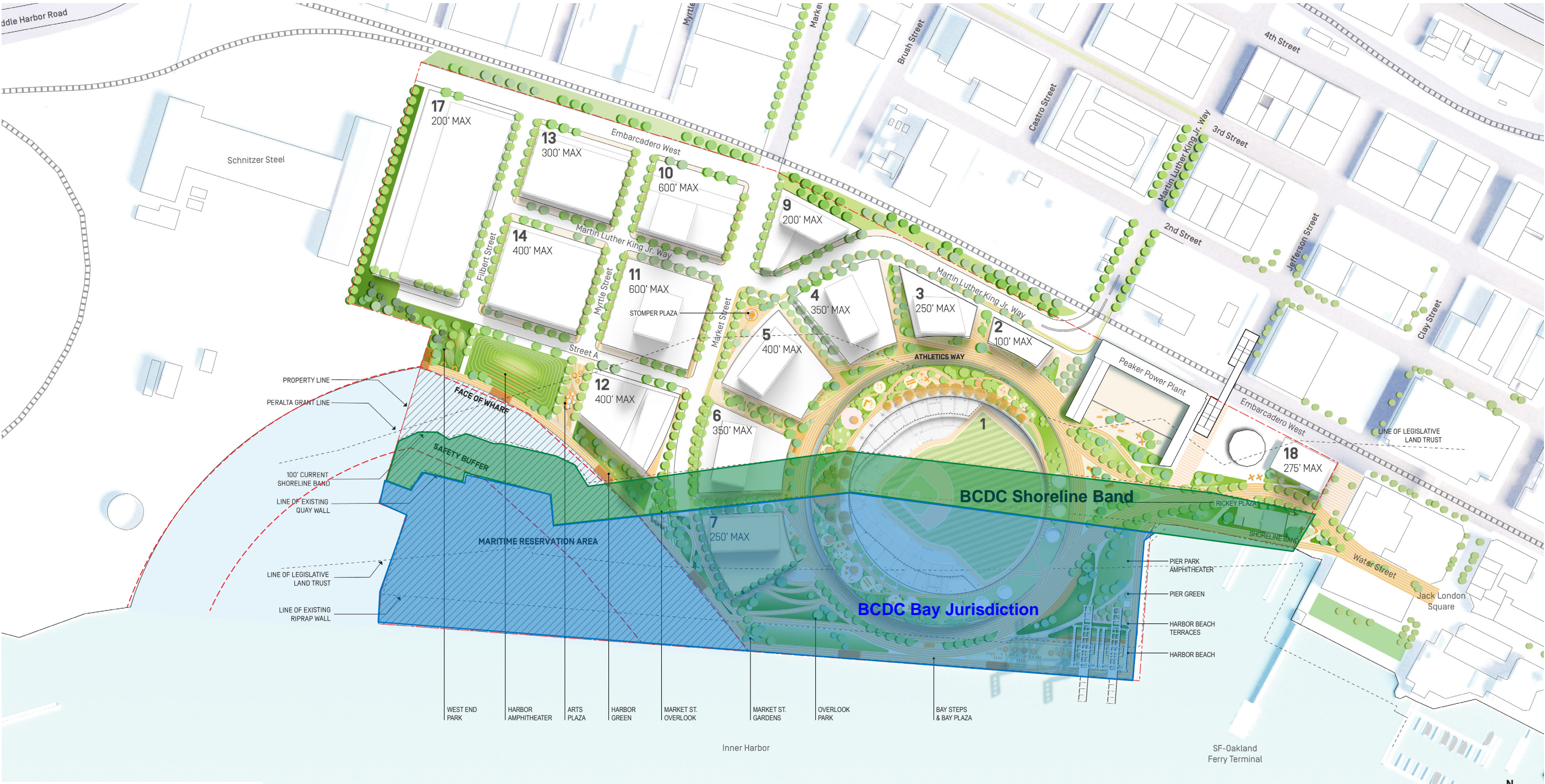
1. First, and most importantly, the Howard Terminal – if converted into a RO-RO terminal – would be inefficient, insufficiently large, and commercially uncompetitive for handling the import of vehicles.
 - a. As noted in the Tioga forecast, with the reduction in acreage to the site from the project that will extend the diameter of the Inner Harbor vessel turning basis, the terminal will be only approximately 38 acres in size -- some of which will be consumed by the wharf area and other on-terminal structures, leaving only perhaps 30-35 acres for vehicle marshalling. That will be a smaller area than at any other RO-RO terminal for vehicle imports/exports on the US West Coast.
 - b. Although a Union Pacific main line runs directly behind the terminal, it will not be feasible to construct effective or efficient working tracks for loading import vehicles onto multi-level railcars (for transport to interior US markets) on the terminal, because:

- i. Each working track would need to be double-ended (to facilitate the inbound and outbound movement of railcars) and thus could be no more than about 1250' long (given the overall dimensions of the site) --- and after allowing for a 150' break in the middle (to enable the loading and unloading of cars without fouling the lead track on each end), each track could hold only 10 railcars
 - c. The rail transfer area would consume more than 10 acres, thereby further reducing the area available for parking vehicles
 - d. Without an on-dock rail transfer area, the terminal would be unattractive to automotive companies wanting to use Oakland as a gateway to move their import vehicles into interior US markets. Draying new cars and trucks from the terminal to an off-dock site where they could be loaded into multi-level railcars would not be commercially acceptable (especially when every other RO-RO terminal on the West Coast that is handling imports has an on-dock railcar loading area), nor is it clear where such an off-dock site could be realistically located.
 - e. Corroborating the preceding points, ***the Port Authority has separately and clearly stated*** in its March 22nd Supplemental Information to BCDC, ***that it will be infeasible to build an on-dock rail transfer area within this site.***
 - f. With or without a rail transfer area here, there also won't be sufficient space for vehicle processing functions, which are also essential for a West Coast RO-RO terminal seeking to handle vehicle imports – all of the RO-RO terminals competing for import vehicle traffic --- not only those in the Bay Area (Benicia, Port Richmond, and soon Antioch) but in Southern California (National City, Long Beach, Los Angeles, and Port Hueneme) and in the PNW (Portland, Vancouver-WA, and Tacoma) have sizable vehicle processing infrastructure on-dock.
 - g. Howard Terminal could potentially serve export vehicles produced locally in the Bay Area and which therefore do not require rail transport. However, the opportunity for exports will be constrained by expanding offshore production by Tesla (which is building a plant in the PRC and potentially, assembly plants in other countries, as well), and rising domestic demand, which could lead to falling exports after a few years. The potential for declining exports driven by rising US demand and increasing offshore production (rather than exports rising sharply and then remaining at a very high level), was not considered in the Tioga forecast and is a plausible, if not likely, scenario.
2. Second, since the Tioga Forecast Study was submitted in June 2019, Amports has moved forward to develop its Antioch property into a terminal for handling vehicle imports and exports.

- a. We note that at the time the Tioga Study was prepared and when we reviewed the study in the fourth quarter of 2019, it was not yet confirmed that Amports would spend the capital required to construct the Antioch facility infrastructure for handling RO-RO ships or just use the property for domestic vehicle storage/distribution. **This uncertainty no longer exists.**
 - b. CEQA approval (with no environmental impact / negative declaration) was obtained in December 2021, and wharf reconstruction and expansion is well progressed, with expected completion within 2022 or early 2023. A test vessel call was successfully made by a Siem Car Carrier vessel in early 2021.
 - c. The new facility is expected to add over 100 acres of vehicle handling port space.
 - d. Moreover, Mercator understands that vacant land around the facility is also available to further expand the terminal and add additional vehicle handling capacity.
 - e. This new Antioch RO-RO terminal, with more than 100 acres, while outside of the BCDC's jurisdiction, will nonetheless **increase the vehicle-handling capacity of the Bay Area by approximately 150,000-175,000 units per year** --- which will be a significant capacity gain that was not accounted for in the 2019 Tioga study.
 - f. Moreover, considering the still undeveloped land parcels adjacent to the new terminal, the latter has further growth potential with the addition of approximately 50 more acres, thus increasing its capacity by at least 75,000+ units per year.
3. Third, Amports' terminal in Benicia has a significant amount of on-dock acreage that is used for receiving domestic vehicles built in US Midwest plants and sold to dealerships in Northern California. Multi-level railcars are unloaded in this 36-acre area and the cars are then transferred to car-carrier specialist trucking companies for distribution within the region. As import volumes increase, Amports has the ability to contract the domestic operation and convert that acreage for import operations – **thereby adding at least 50-60,000 units per year of capacity**
4. Fourth, while Tioga assumed that Amports-Benicia has a capacity of 250,000 units per year, Mercator's understanding (based on prior work for Amports) is that the terminal's current capacity for vehicle imports is greater than that figure (perhaps over 300,000 units per year), with nearly 200 acres being available for car storage at this terminal.
 - a. Tioga's analysis of the AMPORTS Benicia capacity is internally inconsistent and therefore unreliable. On page 139 in Exhibit 155 of its June 2019 report, Tioga shows BPTC's area for vehicle storage at 75 acres, with a high-productivity capacity of 162,000 units per year, but elsewhere in the report, mentions that the terminal handled 200,000+ units in one particular year

- b. Mercator believes from its prior work for Amports that Tioga's 75-acre figure is substantially understated, and that the capacity is on the order of 275,000 - 300,000 TEUs per year
- 5. Thus, even assuming that the Bay Area RO-RO terminals (in aggregate) retain their collective share of US vehicle imports and substantially grow vehicle exports (which may not occur due to production and demand changes as noted above), ***the Bay Area should have the capacity to handle the volume of vehicles projected by Tioga in its base case and its aggressive case through at least 2048***
 - a. Tioga projected a volume of between 486,000 units (base case) and 611,000 units (high case) – on page 133 of its June 2019 report.
 - b. Tioga projected the acreage required to handle this volume based on land productivity rates (cars/acre/year) ranging between 1370 (low case), 1700 (base case), and 2170 (upside case)
 - c. With Tioga's assumptions and forecasts, required acres range from about 445 acres (high case volume, low case land productivity) to only 225 acres (base case volume, high case land productivity). The base case demand//base case productivity requirement would be 285 acres.
 - d. Even if one assumes that BPTC only has 75 acres currently (which is clearly understated), and that total current acreage (as of 2019) for Bay Area Ro-Ro terminals is 215 acres (the 75 acres at Benicia plus 80 at Richmond and 60 at San Francisco), the total acreage can clearly be expanded to at least 351 acres by adding:
 - i. The 100+ acres presently under development at Antioch
 - ii. The 36 acres that can be converted from domestic use at Benicia
 - e. The latter two additions will create enough acreage to handle Bay Area RO-RO volumes for all but one scenario --- the high volume/low land productivity case.
 - f. However, if the high volume/low land productivity case materializes – with its requirement for about 445 acres – that higher requirement can still be satisfied with further expansions at Antioch and San Francisco.
 - g. Finally, in the unlikely event that traffic exceeds the high-growth forecasts, there is also the possibility to expand vehicle handling capacity by constructing multi-level parking structures at the Point Potrero, Benicia, Antioch, and/or San Francisco RO-RO terminals to increase vehicle-handling capacity without requiring additional waterfront land.
 - h. Thus, according to these facts and based on Tioga's forecasts that the SPAC adopted, there will be no need to convert the Howard Terminal into a RORO terminal by or before 2048

Exhibit B



 PUBLIC TRUST USE

HOWARD TERMINAL - MRS SITE PLAN

