

## Port of Oakland Additional Information re: BPA 2-19

June 6, 2022

### 1. Ancillary Uses: Please provide additional information, if any, on where ancillary uses at Howard Terminal would be relocated.

***The Cargo Forecast concludes that the Port of Oakland has sufficient acreage to accommodate ancillary uses under all Cargo Forecast growth scenarios without the Howard Property. BCDC staff concur with this assessment.***

The Cargo Forecast (May 2020) and the May 2, 2022, BCDC Staff Report conclude that there is sufficient capacity to accommodate ancillary uses at the Port of Oakland under all growth scenarios without the Howard Property. See Cargo Forecast (May 2020), Exhibit 145: Summary Ancillary Acreage Needs (Cargo Forecast, p. 138).

***The BCDC May 2, 2022, Staff Report states that ancillary uses are not appropriate for water-oriented property and fall outside BCDC's Seaport and Bay Plan authority.***

The Cargo Forecast, Exhibit 145, specifies the categories of ancillary uses analyzed in the Cargo Forecast: truck services, overnight tractor parking, short-term container staging, heavy-cargo transloading, and reefer depots. The May 2, 2022, BCDC Staff Report clarifies that "BCDC's authority, in the context of the Seaport Plan and the Bay Plan, is focused on retaining appropriate available sites for water-oriented uses without an alternative upland location, such as marine terminals for offloading cargo." (May 2, 2022, BCDC Staff Report, p. 73).

***The uses on the Howard property are not water-dependent, are temporary in nature, and/or could be relocated on short notice within the Seaport's existing 305 acres of ancillary backlands.***

All uses at Howard property are either temporary in nature or can be relocated on short notice. All agreements are terminable on six months' notice or less, with most on a month-to-month basis. The only water-dependent use at the Howard property is the temporary lay berthing of the John Glenn, a federal vessel. None of the other uses on the Howard property is water-dependent. Thus, these uses fall outside BCDC's authority and are more appropriately accommodated on the Port's ancillary backlands. Table 1: *Temporary Uses at Howard Terminal and Relocation Sites*, lists the uses by acreage and duration of need and/or potential relocation options.

**Table 1: Temporary Uses at Howard Terminal and Potential Relocation Sites**

Temporary Use	Acre s	Potential Relocation Site(s)
Pandemic Congestion* Relief Yard ("Pop Up Yard") - mostly empty container stacking	21.70	No more need when pandemic-induced congestion dissipates. Any remnant needs for empty container storage could be accommodated in the State of California storage facilities. See <a href="#">California Provides Short Term Container Storage</a>
Port-managed parking or container staging (single level, wheeled) Cargo Forecast determined 33 acres	15.00	<ul style="list-style-type: none"><li>• Port-operated truck parking lot at Roundhouse Property (15 acres at 1195 Middle Harbor Road)</li><li>• City-owned truck and wheeled container parking (15 acres at 10 Burma Road)</li><li>• Various leased lots to long-term logistics support tenants</li></ul>

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total required for 2050 moderate forecast.		
Longshore training area	5.00	Planned for the backlands at Berth 10 near 17 <sup>th</sup> and Maritime Streets
Leased container staging and truck parking (single level, wheeled)	3.65	<ul style="list-style-type: none"> <li>• Various leased lots to long term logistics support tenants</li> <li>• Container owner operated facilities inland of Port</li> </ul>
Vessel lay-berthing (mooring) facilities	1.32	Vessel lay-berthing (mooring) at Howard is temporary use; vessel will leave Howard berth
Truck Repair	0.16	No more need as truck parking relocates
<b>Total (Acres)</b>	<b>46.83</b>	**

Source: Port of Oakland, June 6, 2022

\*Why Need for Pandemic Congestion Relief Yard (21.7 acres) is temporary: The import surge and labor shortages are causing a temporary situation where containers are being stored on Port terminal properties for excessively long “dwell” time due to inability of cargo owners to process and distribute their shipments inland in a timely manner. Moreover, empty containers are also dwelling at the Port for longer periods than normal, waiting for ships to pick them up to return to Asia because of the lack of space on ships to pick up empties. Both factors are causing containers to “pile up” at the Port (hence, the “congestion” at the Port), *even though total volume of cargo being loaded and unloaded at the Port of Oakland is decreasing* compared to pre-pandemic volumes when cargo was being transported offsite quickly for distribution and when empty containers were being picked up. As cargo owners adjust their warehousing and distribution capacities inland, import volumes normalize and shipping companies balance their empty containers pickups, the need for Howard Terminal for congestion relief are expected to dissipate by the end of 2022. In any case, extra inland and off-port space are being made available as the State of California is providing additional container storage facilities to help absorb the temporary surge in need for container dwell time. As these state facilities become equipped, containers can be moved to these state facilities should the Howard Terminal need to be vacated. See [California Provides Short Term Container Storage](#).

\*\* The balance of Howard Terminal acreages are access and egress areas, and common utilities areas.

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- 2. Please provide any additional information about EJ outreach or EJ effects of the BPA removal.**

*Please refer to letter from the City of Oakland sent on June 6, 2022, for additional information on community engagement efforts.*

*PPUA Removal Fully Satisfies Bay Plan Policy 1 on Environmental Justice and Equity especially regarding EJ Outreach Efforts and Environmental Benefits*

*Absent a change of use, Howard Terminal will continue to limit the access of socially vulnerable communities to the shoreline.*

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3. (Wasserman) Please provide any additional information if any on the financial feasibility of redeveloping Howard Terminal for cargo use, outside of the information already provided and included in the staff summary and preliminary recommendation.

***The Howard property is not functional as a cargo terminal and would require substantial, cost-prohibitive investment for it to become a functional terminal to serve future forecast demand.***

***At 38 acres, Howard would be smaller than any other container terminal in the United States identified in the Cargo Forecast, at a very high cost of investment.***

As described previously, Howard is not a functional terminal and has not been since it was abandoned as an antiquated, inefficient, uncompetitive, and undersized terminal. Howard and its infrastructure have not been maintained since and significant investment and time would be needed to convert the area into a functional terminal. As described in more detail in previous memos, the property would need hundreds of millions of dollars of investment to be used as a container terminal for the 2050 forecast. This includes all new cranes as the current cranes are no longer useable or repairable; new wharf structures and strengthening; new sewer, water, and storm drain systems; new electrical; pavement rehabilitation; and major access improvements as there is no Port roadway for access or queuing which could have major neighborhood impacts on adjacent commercial, retail, and housing land uses. In addition, Howard is expected to experience flooding beginning in 2030, and by 2050, it is expected to be routinely flooded. The costs to elevate the entire property and construct SLR protections are expected to also be substantial. Critically, such improvements, even if made, would be for a facility that has already been left behind as too small and unworkable as a long-term modern terminal by current Port tenants. The smallest terminals in the United States identified in the Cargo Forecast were larger than Howard would be and those are at ports much smaller than Oakland with very limited container activity.

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**4. (Wasserman) Contamination and SLR is likely an issue that would be raised and examined in the permitting process, but if you have any information to provide concerning contamination at the site, please provide that.**

***The Proposed Project includes significant additional work toward managing and monitoring the contamination on the Howard property.***

***Without significant investment, rising seas will impact the viability of the Howard property for any use by 2050. The Proposed project proposes making the significant investment needed to protect this area from SLR.***

***Please refer to the June 6, 2022, letter from the Oakland A's for further information regarding Environmental Remediation and Sea Level Rise Resiliency.***

#### ***Current Contamination and Remediation on Howard***

The main contaminants at Howard Terminal include arsenic, lead, gasoline, diesel, motor oil, volatile organic compounds, polycyclic aromatic hydrocarbons ("PAHs"), pesticides, and polychlorinated biphenyls ("PCBs"), among others. Further information about the contamination, the past removal action, and the proposed remedial action at Howard Terminal are located on the Department of Toxic Substances Control ("DTSC") publicly available Envirostor database ([https://envirostor.dtsc.ca.gov/public/profile\\_report?global\\_id=01440006](https://envirostor.dtsc.ca.gov/public/profile_report?global_id=01440006)) and the Final Environmental Impact Report for the "Waterfront Ballpark District at Howard Terminal" dated December 2021 ("Final EIR"), Section 4.8 (Hazards and Hazardous Materials).

In 2003, pursuant to an order from DTSC, the Port implemented a removal action at Howard Terminal that included plugging underground pipes with cement grout to prevent potential pathways for contaminant migration. Since then, the Port has been maintaining a structured (asphalt) cap, undertaking ongoing groundwater monitoring, implementing health and safety plans, implementing a Soil and Groundwater Risk Management Plan, complying with a recorded deed restriction, and conducting five-year reviews, all pursuant to DTSC's review and approval. DTSC signed a Removal Action Certification on November 4, 2004, which indicates that the removal was completed but ongoing monitoring will be required.

#### ***Proposed Project's Measures to Address Remediation***

Due to the Oakland A's proposed development and corresponding new uses at Howard Terminal, the Oakland A's conducted further site investigation in 2019. As documented in the Final EIR, Section 4.8 (Hazards and Hazardous Materials), the Oakland A's are proposing to remediate and/or mitigate the site during grading and construction. The Final EIR states that potential remedial action approaches and methods include: "treat or remove soil gas and/or soil contamination in the vadose zone include encapsulation or surface capping, excavation, soil vapor extraction (SVE), bioventing and in-situ bioremediation, 10 in-situ chemical oxidation (reduction), and/or thermal desorption. Methods that would treat or remove groundwater contamination include monitored natural attenuation, pump and treat, petroleum skimming from wells, air sparging, dual-phase extraction, and/or permeable reactive barriers. Containment

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strategies include vapor intrusion mitigation systems (vapor barriers) and vertical cutoff barriers/walls, in addition to the previously listed surface capping.”

As documented in the Final EIR, the proposed remedy also includes the recordation of a new deed restriction, and implementation of various engineering controls. Finally, the Final EIR provides that the Oakland A's also propose to import several feet of approved (clean) soil fill to cover much of the site for grading purposes, which would act as an additional buffer between subsurface contamination and the public. These remedies are subject to DTSC approval.

In addition, the City of Oakland reviewed the impacts of sea level rise in its Final EIR for the “Waterfront Ballpark District at Howard Terminal” dated December 2021. The Final EIR included two supporting documents: 1) Tidal Datums and Sea Level Rise Design Basis Memorandum (Moffatt & Nichol, 2019); and 2) Coastal Flooding, Proposed Grading Strategy, Sea Level Rise Adaptation, and Public Access on Wharf Memorandum (Moffatt & Nichol, 2021) that described the projected sea level rise for 2050 and 2100 (1.9 feet and 5.7 to 6.9 feet, respectively, under medium-high risk aversion scenario) and potential adaptation strategies that the A's/developer may implement.

### ***Proposed Project's Measures to Address SLR***

Overall, the proposed project will import fill to the site to raise the current ground elevation as shown in Figure 4.9-1 (Preliminary Site Grading Plan) of Section 4.9 of the Final EIR to adapt to the projected sea level rise. Grading plans include raising the ground along the shoreline, constructing finished floor elevations of residential buildings to be at or above 10 feet City of Oakland Datum (COD), the ballpark structure to be above 5-10 feet COD, and roadway elevations to be approximately 9-14 feet above City of Oakland Datum (with the exception of the north edge of the site will be at 4.9 feet above the City of Oakland Datum to match with existing grade of adjacent properties). Refer to the attached Figure 4.9-1 for additional details.

The Final EIR also includes Mitigation Measure HYD-3, stating that the A's/developer will develop and implement a “Sea Level Rise Final Adaptive Management and Contingency Plan” (Mitigation Measure HYD-3) prior to first issuance of a grading permit and will be reviewed and approved by both the City and State Lands Commission (per AB 1191). Mitigation Measure HYD-3 states:

“Prior to the issuance of the first grading permit for the Project, the Project sponsor shall develop a final adaptive management and contingency plan for sea level rise using the strategies identified in the Tidal Datums and Sea Level Rise Design Basis Memorandum prepared for the Project (Moffat & Nichol, 2019) or other equivalent strategies that will be implemented to address the medium-high risk aversion scenario through 2100, subject to approval of the City and the State Lands Commission pursuant to AB 1191. The final adaptive management and contingency plan shall, at a minimum, include enforceable strategies incorporating an adaptive management approach to sea level rise for the duration of ground lease term for the final trust lands. The plan shall establish a monitoring and compliance program providing for regular review and enforcement by the City, including actual measured sea level rise adjacent to the Project site, and strategies that have been implemented, or are required to be implemented in the future, to address then-current projections of sea level rise.” The Final EIR determined that with the importation of fill that

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will raise current elevation and implementation of Mitigation Measure HYD-3, impacts from sea level rise and ground water intrusion will be fully addressed.

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**5. The statement was made that Ports are looking to expand by adding Port land. As far as BCDC staff is aware at this time there is no proposed expansion of PUAs currently proposed in BPA 1-19 for the five ports in the Bay Area (the Port of Benicia Antioch site is not a Port PUA). However, please provide any information relevant to this statement.**

Like BCDC staff, the Port of Oakland is not aware of any requests by any Port in San Francisco Bay to add land to their existing Port footprints, nor to propose filling the Bay to expand their existing footprints.

Quite to the contrary, the Port of Oakland has experienced two separate instances in the past nine years in which two completely different marine terminal operators abandoned their premises at the Port of Oakland prior to the end of the term of their agreements with the Port. The first instance occurred in 2013 and was the result of litigation filed by SSA against the Port of Oakland. It involved the Port granting SSA's request to terminate their marine terminal operations agreement at Howard and depart the premises four years prior to the end of the term of that agreement, on the exact same acres of Howard that is being discussed as part of BPA 2-19. The second instance occurred in 2016, when Outer Harbor Terminal, LLC (which had changed its name from Ports America Outer Harbor Terminals, LLC) declared bankruptcy and abandoned its marine terminal operations on 160+ acres in the Outer Harbor. Neither of these two sites, Howard or Outer Harbor, have been used for marine terminal operations ever since. The Port has significant unutilized and underutilized container terminal capacity for future growth.

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### 6. Please provide any responses to Commissioner McGrath's questions forwarded to you by Cory on May 25.

#### Key Points

- Sustainable capacity is 6,668 TEU/acre for existing conventional terminals. Reaching the capacity for “high productivity terminals” of 7,112 TEU/acre would only require a less than 7% increase in efficiency, NOT an increase of 66%. The “high productivity” figure is itself extremely conservative in that it only requires modest improvements to a portion of existing terminals and makes the implausible assumption that there would be no additional ideas, technology, or reductions in costs for current technology over the next 30 years.
- The 4,279 TEU/acre is NOT the maximum capacity nor “sustainable capacity” of Oakland per acre. Rather, it is simply the number of TEUs divided by the number of acres currently leased to terminal operators. The Port typically leases the terminals in their entirety even if an operator does not initially need all the acres as it is impracticable to lease to others inside the same terminal.
- Howard will not provide capacity for container operations in 2050 and thus will not impact regional capacity and will not affect Bay fill. According to the Consultant report, if Howard were used as a container terminal, it would be the smallest one in the United States today, let alone in 2050. It will have deteriorated beyond reasonable investment for what would amount to a few percent of very limited type of capacity for a massive investment. This is entirely impractical and has no basis in any reasonable analysis.

Below are answers, based on the BCDC Seaport Forecast Report, to the questions and issues raised by Commissioner McGrath

#### A. Question/Issue 1: Terminal Capacity, Newer Berths, and Vessel Calls

***Contrary to comments during the June 2, 2022, public hearing, efficiency does NOT need to increase by 66%. Rather, the Report assumes less than a 7% increase in TEU per acre productivity needed by 2050 to meet forecasts. This confusion may have resulted by mistaking the existing sustainable capacity at Oakland (6,668 TEU/acre) with the 2017 snapshot of activity levels across all leased acres (which yielded 4,279 TEUs of actual throughput per acre under lease, regardless of whether such acre was actually used).***

- The “sustainable” productivity is 6,668 TEU/acre for conventional terminals (Seaport Forecast Report, p.83). This is the existing productivity rate.
  - The 4,279 TEU/acre is NOT the maximum capacity nor “sustainable capacity” of Oakland per acre. Rather, it reflected a snapshot from 2017 of activity levels (but not productivity) by simply dividing the number of TEUs by the number of acres currently leased to terminal operators. Leased acres do not correlate with acres actually used for terminal operations, however, because the Port typically leases the terminals in their entirety. Even if an operator does not initially need all the acres in a terminal, it is impracticable to lease parts of the same terminal to others.

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- The 7,112 TEU/acre figure is the productivity rate for “high productivity terminals.” The 2050 forecast uses this figure when calculating capacity. Meeting this figure would only require a 6.7% increase in TEU per acre productivity by 2050, which is achievable even under conservative assumptions. The 7,112 TEU/acre figure is the average of existing terminals that have made modest capital investments to make only a portion of their operations more efficient. This figure therefore assumes no other improvements in technology nor operations in 2050 as compared to 2018, which is a very conservative assumption.

***4,279 TEU/acre is NOT the existing “sustainable capacity” at Oakland but rather a simple reflection of terminal activity levels at a point in time, without regard to acreage that is actually used.***

The terminal activity levels from the Seaport Forecast (Exhibit 89: 2017 Port Productivity Comparison) simply shows the number of TEUs at various ports (except Oakland) divided by the total number of acres they say they have for container activity. For Oakland, the exhibit adopts a different approach and only counts the currently leased acreage, not the total available acreage of container terminals. These numbers in no way reflect actual capacity or currently achievable levels of productivity at each port on the list. Some ports may be very congested and at peak efficiency in 2017 while others may have generous room to grow and could handle many more TEUs per acre. For example, Savannah plans to serve far more TEUs on its more than 1,200 acres without any additional investments operating as a conventional terminal. Thus, the 3,372 TEU/acre for Savannah is in no way reflective of their existing efficiency capability because they have room to grow. In fact, since the Exhibit was prepared using 2017 data, Savannah, one of the fastest growing ports in the country, increased its TEU/acre to approximately 3,500, still far from its full capacity. At Oakland the 4,279 TEU/acre is simply the 2017 TEUs divided by the number of acres leased; it in no way reflects the maximum capability of each terminal which is described in the Seaport Forecast as much higher. Operators lease an entire terminal in long term leases even if they do not need to maximize all the acreage for years to come.

On Pages 82 and 83 of the Seaport Forecast Report, the Consultant explains this using 2018 actuals for OICT. OICT handled 63% of all the TEUs at a rate of 5,001 TEU/acre and the Consultant’s research and analyses (in Exhibit 90: Terminal Productivity Benchmarks) demonstrated that this terminal is currently capable (without any equipment or technology advancements) of a maximum capacity of 8,335 TEU/acre and a “sustainable capacity” (80% of maximum) of 6,668 TEU/acre. Thus, OICT would only need to increase its exiting productivity capability by 6.7% to achieve the “high productivity terminal” figure used for 2050 forecasts (note there appears to be a math error on Page 83 where it states the increase needed is 17%).

It is erroneous to suggest comparing an actual activity number 4,279 TEU/acre (which is well below current capacity) as the “baseline efficiency” for the existing conventional terminals when the Seaport Forecast clearly says that current actual capacity is much greater and in fact already very close to 7,112 TEU/acre. Ultimately, page 83 of the Seaport Forecast Report clearly stated:

*“The container capacity estimated in this report therefore use the sustainable Oakland capacity estimates of 6,668 annual TEU/acre for conventional terminals and 7,112 annual TEU/acre for high productivity terminals.”*

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***“High productivity terminals” described in the Report only require modest changes and assume no new ideas and no new technology between now and 2050.***

What the Report calls “high productivity terminals” actually entail only modest changes to some equipment on existing terminals, but not full-scale rebuilding of terminals. The Seaport Report describes these as relatively low-cost capital investments that can be retrofitted into existing terminals, which yield the 7,112 TEU/acre figure as an average of terminals already in operation. In other words, this “high productivity” number is conservative in that it uses today’s proven productivity rates for only limited equipment enhancements of one function (at relatively reasonable capital cost versus full terminal rebuilding) and assumes no new ideas, new technology, or cost reductions in technology between now and 2050. That makes the 7,112 TEU/acre figure not a worryingly large increase but rather a conservative minimum that should even be considered.

***Terminal rebuilding and all new equipment would reach 11,366 TEU/acre per the Cargo Forecast. This would put capacity at Oakland at close to 9 million TEU, far beyond any of the approved forecasts.***

The Seaport Forecast also discusses capabilities of more significantly rebuilt terminals. It is unclear when and if this may happen at Oakland or elsewhere on the West Coast. Terminal rebuilding and all new equipment, however, would entail a rate of 11,366 TEU/acre (see Forecast, page 82, Exhibit 90), which would put capacity at Oakland at close to 9 million TEU, far beyond any of the approved forecasts. For more information on the parameters of such improvements, a recent PMA report discusses these issues in relation to both urban ports with high land values and the State’s regulatory efforts to electrify port equipment and is available here: <https://www.pmanet.org/wp-content/uploads/2022/05/Nacht-and-Henry-Automation-Report-May-2022-Final.pdf>.

***Vessels calling Oakland were generally increasing in average size prior to COVID. The number of calls were also generally declining and more cargo per call was being on- and off-loaded. These factors are heavily disrupted by COVID due to many vessels bypassing Oakland. Overall, these trends, which are expected to return in the future, were discussed and factored into in the Seaport Forecast Report. The Consultant determined there is enough berth capacity and has factored in peaking characteristics and container and vessel dwell times as well.***

The Port of Oakland primarily serves as a second port of call. Thus, vessel sizing decisions are related to the ship’s overall routing and its first port of call (typically Los Angeles or Long Beach). Vessel size does not necessarily bear a relationship to the number of containers loaded or unloaded at Oakland. A shipping line visiting a second port of call such as Oakland may load or unload a small number of containers from a larger vessel and a larger number of containers from a smaller vessel.

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The overall trends at Oakland prior to COVID were a consistent increase in vessel size commensurate with the industry trends and vessels calling LA and Long Beach. Regardless of vessel size, the Port of Oakland has generally seen a reduction in vessel calls and an increase in the number of TEU moves per vessel call. During COVID, the size of vessels calling Oakland has generally declined, but this is considered a short-term impact of the current supply chain disruptions. It is most reasonable to assume that vessel size will continue to increase over time. The more critical factor for capacity at the terminals is dwell time of containers, which is a key factor during the COVID “backlog” at various ports and is the focus of correcting the supply chain disruption by getting containers out to cargo owners and not allowing storage on seaports clogging up capacity.

### **B. Question/Issue 2: Potential Shifts in Cargo Allocation Between Northern and Southern California**

The West Coast Ports have lost market share over an extended period primarily to East Coast Ports. This includes lost market share over East Asia imports. As of 2019, Oakland served approximately 4% of the US containerized imports and was the 9<sup>th</sup> largest container port in the US, having declined from 4<sup>th</sup> largest several years ago. The Port would like to reverse the current trend of ships bypassing Oakland as a second port of call after LA and Long Beach, but thus far Oakland’s container volume has continued to decline to approximately 2.2 million TEUs over the past 12 months. It is difficult to say when the economics will shift in terms of restoring service to Oakland to serve Northern California demand. The Intermodal cargo through Oakland has not changed substantially over many years and projections have not been achieved nor exceeded. Cargo rates remain about 20-25% of previous projections when the Joint Intermodal Terminal was constructed.

The specific comparisons requested would need to be performed by the BCDC Consultant. For general information on West Coast market share decline, please also refer to a report from the PMSA website, available here: <https://www.pmsaship.com/wp-content/uploads/2019/12/Briefing-Paper-Loss-of-Market-Share-at-U.S.-West-Coast-Ports.pdf>.

### **C. Question/Issue 3: What are the Economics of “Densification”?**

As explained in Question/Issue 1 above, the 4,279 TEU/acre figure is NOT the per acre capacity of Oakland but rather merely the activity level in 2017. Pages 82 and 83 of the Report make clear that the actual existing “sustainable capacity” of Oakland is in fact 6,668 TEU/acre. Only a 6.7% increase is required to achieve the assumed 7,112 TEU/acre in 2050 (using currently available technology). The costs are also described in this section of the Seaport Forecast Report as relatively low capital investment that can be retrofitted onto existing terminals.

The Port has NOT revived any Seaport Bay fill projects and has no plans for, nor any funding for, any Bay fill. The Port’s long-term CIP for the Seaport is fully focused on rehabilitating extensive existing aging infrastructure, electrification, rebuilding of the second half of the former Oakland Army Base, renovation of the Outer Harbor, improving resiliency against sea level rise, and making critical access and safety improvements on and in the vicinity of the Port.

The record demonstrates that structured parking maybe be feasible in an urban, high value land market. In fact, the very private company that advised the consultant they would prefer to not build a parking structure operates two locations with parking structures, thus proving it is feasible and profitable. This same company has also invested in developing 110 acres in

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Antioch for their expansion of Ro-Ro capacity, which, while just outside of BCDC's jurisdiction, is an actual and certain private investment that directly impacts the capacity of the Bay Area, in the same way that global shipping trends also affect supply and demand.

Finally, please note that Tesla, the only auto manufacturer in Northern California, transmitted a letter to the Commission on June 2, 2022, making clear that its "future operations in California are not contingent on" the removal of PUA designation on Howard. This reaffirms earlier conclusions that the Howard property is not needed for Ro-Ro exports.

### **D. Question/Issue 4: Does the Port of Oakland Benefit Financially or in Throughput Capacity from the Infrastructure Improvement Planned as Part of the Stadium Project?**

***Yes. Through several years of due diligence by and collaboration among all stakeholders including tenants, Port users, community members, the City of Oakland, and the Oakland A's, the proposed project has changed substantially to make the project compatible with the surrounding land uses. Importantly, a large collection of seaport compatibility measures, which include required mitigations, will go above and beyond in addressing not just potential impacts of the projects but also long-standing issues impacting Port efficiency and operations.***

The certified EIR includes numerous measures that address a multitude of improvements in the larger Seaport Area. These measures include improvements to every roadway adjacent corridor, rail safety improvements, and grade separations. These include improvements along one of the three primary access points to the Port: Adeline Street from Interstate 880 to the Port. The certified EIR also includes numerous compatibility measures that address a variety of concerns raised by the Port and Port stakeholders to ensure continued or improved Port operations. The City also approved the vehicular grade separation alternative, which provide the first vehicular overpass over the rail corridor in the Jack London Square Area and will improve safety and circulation across rail lines that also run through the seaport. In addition, the Port's term sheet with the A's lay out clear protections for Port operations, including a waiver of claims by future tenants and users of the project site, as well as the clear ability for the Port to elect to expand the turning basin. Given the scale of the proposed project and the improvements proposed, significant attention and interest has emerged in this transformational opportunity for the region. The Port anticipates significant benefits accruing to Port access, egress, and operations for both its Seaport and Commercial Real Estate areas of responsibility.

### **E. Question/Issue 5: Could the lack of ancillary services, or the distance to those services, prevent the assumed increase in throughput from densification?**

***No. In fact the vast majority of "ancillary services" are not located near the Port. They are spread throughout Northern California. Nevertheless, critical on-Port ancillary facilities are and will remain fully supported with ample acreage available as described in the Seaport Forecast Report.***

Critical transloading and cold storage operations are key ancillary services that allow the Port to better serve market opportunities for this type of cargo. Approximately 85-90% of all of the 5,300+ drayage registry trucks are based somewhere other than the Port and start and end their

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day throughout greater Northern California. The remainder have long-term commitments from both the City and the Port for permanent parking as part of ancillary services. The Port still has approximately half of the old Oakland Army Base to further redevelop improved ancillary facilities.

### **F. Question/Issue 6: Environmental Justice**

The Port has more than sufficient land available for ancillary uses even under the strong growth scenario. The current uses at the Howard property are either temporary in nature or have already identified locations where they could be relocated. Importantly, the Port and the City have collaborated for many years in obtaining input from stakeholders, including Port tenants, users, and community members. These efforts have resulted in several programs to limit impacts to the surrounding community, including a comprehensive truck management plan that recently resulted in a City of Oakland ordinance banning truck parking in most of Oakland.

### **G. Question/Issue 7: Howard Property Capacity as a “Terminal”**

As discussed previously in several of the Port comments, the Howard property is entirely unsuitable as a container terminal in the late 2040s or 2050s when additional capacity may be theoretically needed. Even today, the Seaport Forecast Report demonstrates that the Howard property, at 38 acres, would be the smallest container terminal in the United States and perhaps even in the world. It is implausible that anyone would invest the necessary infrastructure improvements – including new cranes, wharf rebuilding, paving, sewer, water, electrical, raising the site for sea level rise, and protecting against toxic materials – to operate a very limited and occasionally used inefficient terminal at extremely high operating costs per TEU.

The capacity of Howard to meet the future forecast is demonstrably zero. Its impact on the regional capacity or Bay fill is therefore also zero. If, in a theoretical world, we imagined all this investment happening after Howard lays fallow and flooding from 2030-2050, the 38 acres would likely not be functional as a high productivity terminal as it would be an odd shape not lending itself to the requisite equipment. Usability of Howard would also depend on assumptions about vessel calls, dwell times and functionality, and roadway congestion (this would be the only terminal requiring regular neighborhood streets with houses and businesses for queuing versus the other terminals that all use roads interior to the Port).

If we assume the high productivity (highly unlikely per the Seaport Forecast Report) of 7,112 TEU/acre, then the Howard property could support 270,256 TEUs. If we assume the 6,668 TEU/acre then it would be 253,384 TEUs; if we assume the 4,279 TEU per acre and 40 acres, it would be 171,160 TEU. Essentially, this would equate to about one or two more years of 2.2% growth; however, as a severely limited terminal, it could not actually serve the growth as it would be limited to only certain shipping lines and vessels and those may not be the ones growing. So even if Howard could theoretically be used, it would add almost no value to true capacity because of its limited uses. The Howard property should not be relied upon at all to serve future container demand nor impacting capacity.