



**PORT OF OAKLAND**

# **COMMERCIAL REAL ESTATE**

## **Business Plan Summary**

*July 2017*

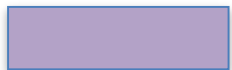
# Map of Port Land



**Commercial Real Estate**



**Parks, Open Space, Utility**



**Maritime**



**Aviation**



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# CRE Portfolio Overview

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- Diverse portfolio of 850 acres
  - 100+/- tenant accounts (*hotels, retail/entertainment uses, restaurants, warehouses, offices, parks/open space, industrial uses, public parking*)
- Asset Manager Model = Steady, Stable Growth
  - Large projects initiated 10-15 years ago in implementation stages now
  - Very low vacancy rates throughout portfolio
  - Low CIP costs due to private investment capital versus Port \$\$
  - Direct property management role in only a few CRE assets
- CRE portfolio very accessible to the public
  - Approx. 630 acres of public access/open space leases = **75% of total CRE portfolio**
  - Only 220+/- acres of land devoted to revenue-generating uses
  - 55+ free public events/celebrations hosted by Port in JLS each year



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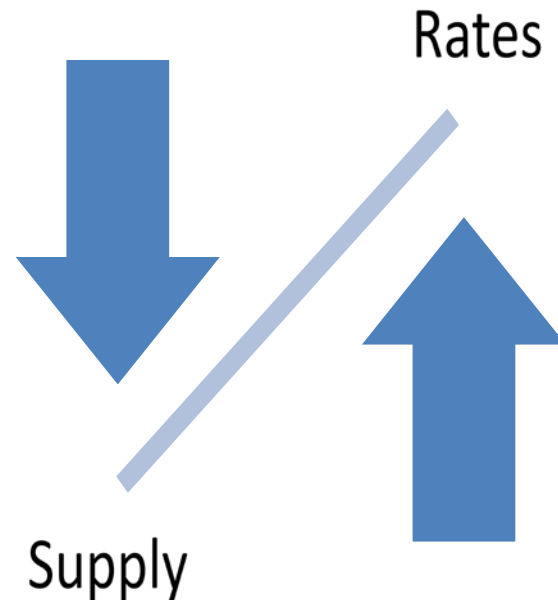




# Current Market Conditions

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- Commercial/industrial vacancy rates extremely low
- As vacancy rates ↓  
rental rates ↑
- CRE portfolio vacancy rate currently approx. 3%
- Steady incremental revenue growth projected
- Anticipate market “softening” soon due to normal cycles





# Challenges

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- **TIDELANDS TRUST:** Uses allowed on Port lands limited to “Public Trust” uses
  - Water-oriented commerce, navigation, fisheries, State-wide or regional open space, visitor-serving uses, etc.
  - Lack of clarity in Public Trust uses = requires collaboration with SLC
- **COMPETITION:** Must compete with spaces available “across the street”
  - No unique/critical physical attribute of CRE properties to attract tenants (i.e. 50’ water depth; 10,000 ft. runway)
  - Must keep rental/lease rates competitive with surrounding similar privately owned commercial/industrial properties to attract/retain tenants



# Embarcadero Cove

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# Business Focus: FY 18-22

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## Development Project(s):

Enhancement and completion of JLS and 029 development projects

## Asset Management & Leasing:

Maintain low vacancy rate and effectively manage 100 +/- property agreements

## Stakeholder Collaboration:

Engage with key stakeholders/regulatory agencies on issues affecting portfolio

### Port Strategic Plan Goals and Objectives:

Maximize the use of existing assets.

Develop and maintain a high performing workforce.

Increase revenue, job creation and small business growth.

Develop effective relationships with regulatory and resource agencies.

## Maintenance/Operations:

Maintain and enhance assets directly managed by CRE (public parking garages, admin headquarters, etc.)

## Workforce Development:

Improve expertise and knowledge of staff in real property agreement issues and practices



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# JLS Project – Key Actions FY 18+



- 2 new residential projects on CIM owned land ★
- Proposed Common Area enhancements
- Negotiation of potential amendments to JLS Operating Agreement
- Potential hotel on remaining ground lease site F-3 ★



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# Brooklyn Basin – Key Actions FY 18+



ILLUSTRATIVE DEVELOPMENT PLAN

RESPONSE TO NOVEMBER 2006 BCDC DESIGN REVIEW COMMENTS • APRIL 23, 2007 • PAGE 17

- Developer soil remediation obligations through 2018++
- Marina Lease obligations of Developer
  - Potential amendments to Marina Lease proposed
- Residential and Open Space Phase 1 construction underway
- Open Space Phase 2 planning begun



# Brooklyn Basin construction

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# Other Key Action Items: FY 18+

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- Maintain low vacancy rate while market is hot
- Issue Parking Operations RFP
- Final Waterfront Trail segment improvements
- Il Pescatore lease and building improvements
- Lease remaining small space in Business Park
- Carpet/lighting replacement at 530 Water Street
- ENA with EBRPD on Embarcadero Road site
- Embarcadero Road repaving via Engineering



# Airport Business Park

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# Waterfront Trail segments

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