



SENT VIA E-MAIL

July 15, 2021

City of Oakland City Council
Council President & District 2 Councilmember Nikki Fortunato Bas
At Large Member & Vice Mayor Rebecca Kaplan
District 1 Councilmember Dan Kalb
District 3 Councilmember Carroll Fife
District 4 Councilmember & Oakland City Council President Pro Tempore Sheng Thao
District 5 Councilmember Noel Gallo
District 6 Councilmember Loren Taylor
District 7 Councilmember Treva Reid
1 Frank H. Ogawa Plaza, 2nd Floor
Oakland, CA 94612

RE: Port Considerations of the Oakland A's Howard Terminal Proposed Project

Dear Honorable Members of the Oakland City Council,

In 2019, the Port of Oakland (“Port”) and the Athletics Investment Group LLC dba The Oakland Athletics (“Oakland A’s”) entered into an EXCLUSIVE NEGOTIATION TERM SHEET FOR HOWARD TERMINAL (“Port Term Sheet”) dated May 13, 2019. The Port Term Sheet sets forth the terms for negotiating the potential lease of certain parcels and sale of other parcels of Port property commonly known as the “Howard Terminal”. The Port Term Sheet also enabled the Oakland A’s to submit its application to the City for the necessary approvals from the City Council for the development of a proposed new baseball stadium and a residential and commercial mixed-use development on Howard Terminal and adjacent privately-owned parcels (“Project”).

Since the Oakland A’s application to the City, City and Port staff have collaborated to outreach to community and seaport industry stakeholders, study the environmental impacts, examine land use and transportation compatibility and facilitate community benefits discussions. These efforts, led by City Staff, have produced a framework for City Council’s consideration of the City’s negotiating term sheet on financing of infrastructure, the community benefits and seaport compatibility, among other topics, as described in the City Staff Report for the City Council’s July 20, 2021 Special Meeting.

This letter outlines the Port’s role in that framework. The Board of Port Commissioners (“Port Board”) adopted the Port Term Sheet on the premise that the proposed Project can be an asset to the Port, the City, the communities and businesses that thrive at the Port. The Port Board continues to believe that the Howard Terminal Project, if conditioned on appropriate infrastructure investments, and operations planning and implementation, will be compatible with the Port’s commitment to grow and modernize the seaport’s cargo and freight activities and, at the same time, create transformational value to the Port’s and the City’s waterfront to serve both commerce and people in Oakland and the region.

530 Water Street | Oakland, CA 94607-3798
Phone: (510) 627-1100
www.portofoakland.com

This letter and attachments supplement the comprehensive information provided in the published City Staff Agenda Report for the Community and Economic Development Committee Study Session held on July 7, 2021 ("CED Staff Report"). In response to questions raised at the study session regarding the role and jurisdiction of the Port in considering the Project, this letter provides more detailed descriptions relating to:

1. The Port's jurisdiction in the context of the City Council authority to amend the General Plan, and approve housing developments in the Port Area;
2. The inclusion in the Project of measures, designs, and operational standards to ensure that the Project does not impact or interfere with the Port's use or operations outside of the Project ("Seaport Compatibility Measures" or "SCMs"); and
3. The Port's policy framework and role in providing community benefits.

Port Approvals in Relation to City Council Authority

The Port of Oakland is a department of the City that is governed and managed by the Board of Port Commissioners ("Port Board") and its appointed staff. Under the Charter of the City of Oakland ("City Charter"), the Port Board has the "complete and exclusive power" to control and manage Port Areas. The Port Areas consist of State Tidelands that are granted to the City. (For a discussion of the Port's authorities under the City Charter and restrictions on use of State Tidelands and trust funds, see Attachment 1 to this letter.)

The Howard Terminal is a State Tidelands in the Port Area under the control and management of the Port Board. However, the Port Board's Authority to approve the Project is subject to certain City Council powers under the Charter. Currently, the City's General Plan does not permit the uses the Oakland A's are proposing at Howard Terminal. The City Council must first amend the General Plan to allow these proposed uses. In addition, the Port Board cannot consider the approval of the proposed residential use in the Project until and unless the City Council consents to such use.

Therefore, as part of the Port Board's consideration of the Project, the Port will review the Project for compliance with the findings and mitigations and conditions in a Final Environmental Impact Report ("FEIR") as may be approved and certified by the City Council. As well, the Port Board must consider whether the Project conforms to the land use designation and conditions as may be adopted by the City Council's general plan amendment and zoning actions. As noted in the CED Staff Report, there are approximately 5 acres of the proposed Project that are privately owned that are not under the Port Board's jurisdiction.

Seaport Compatibility Measures

An important consideration for the City Council and the Port Board is the Project's compatibility with Port operations. The Port Term Sheet agreement provides that the Port and the Oakland A's must negotiate for inclusion in the Project a set of measures, designs, and operational standards to ensure that the Project does not impact or interfere with the Port's use or operations outside of the Project, or "Seaport Compatibility Measures" or "SCM's"¹.

¹ Attachment D of the Port Term Sheet provides that the Port will consult seaport and maritime stakeholders regarding SCMs to be ultimately negotiated with the Oakland A's. Attachment D also outlines considerations to guide these negotiations, including:

(i) "the Port's current or reasonably anticipated future use, operation, and development of Port facilities, properties, and utilities of Port tenants, Port contractors, or operators engaged in the maritime use of the Port Area;

The policy considerations underlying Seaport Compatibility Measures overlap and intersect with the City's considerations underlying its environmental review and land use regulations. At their essence, the SCMs are meant to address land use compatibility, health and safety, transportation safety, and congestion considerations. These same considerations also are important in the City's review of the EIR, consideration of amendments to the General Plan, and adoption of land use regulations.

Recognizing the City's and the Port's overlapping policy interests in the Project's compatibility with the seaport operations at the Port, City staff has assisted and participated in the Port's meetings with over 100 members of the seaport and maritime operations community. These have included representatives of truckers, terminal operators, logistics and warehouse operators, agricultural exporters, labor, railroad, shippers, and import/export facilitators. Port staff collated and distilled stakeholder feedback to identify compatibility issues and potential measures. Many of the potential SCMs were analyzed and addressed in some form or degree in the Draft EIR ("DEIR"). Public commenters to the DEIR have suggested additional SCMs or refinements to SCMs for analysis. For illustration purposes, a partial list of these SCM categories already included in the DEIR is attached to this letter as Attachment 2.

The SCMs may be implemented through infrastructure improvements, such as a vehicular and pedestrian/rail grade separation. Others SCMs are operational in nature, such as event-day traffic control or waterside safety measures. It is anticipated that a significant portion of the needed infrastructure to enhance vehicular and pedestrian safety at rail crossings may be eligible for state or federal transportation or infrastructure funding. Designs and measures to segregate Project traffic from streets and roads used heavily by Port operations are anticipated to be built into the Project.

Through the process described above of stakeholder consultations, technical analysis, EIR study and financial planning, the following categories of SCMs have emerged as broadly supported by stakeholders and as feasible:

Categories of Requested and Analyzed Seaport Compatibility Measures include:

1. Physical grade separation of vehicle, bicycle, and pedestrian traffic from train operations:
 - a. a new vehicular grade above and across Embarcadero to minimize interference of Project traffic with train operations, and to minimize physical conflict between trains, seaport-related traffic (such as trucks), and Project vehicular traffic; and
 - b. one or more new or enhanced pedestrian bridges to reduce pedestrian crossing of train tracks at grade.
2. Increased at-grade rail safety measures to assure safe pedestrian at grade crossings of train tracks at controlled intersections and to deter pedestrian and bicycle mid-street crossings:
 - a. physical barriers to prohibit mid-street pedestrian crossings;
 - b. enhanced intersection controls;
 - c. signalization;
 - d. bicycle lanes and buffering; and

-
- (ii) the health and safety of the Port's employees, tenants, contractors, or operators engaged in Port operations in the Port Area (and their respective employees) as well as of the future occupants of the Premises;
 - (iii) measures to ensure that the future users, owners, lessees, and residents of and in the Project shall be notified of potential impacts of Port maritime and marine operations on their use and waive rights to claims arising therefrom; and
 - (iv) measures to ensure that the Project minimizes vehicular congestion from the Project and avoids conflict between vehicular and pedestrian traffic generated by the Project with Port seaport operations, including cargo truck routes and traffic."

- e. other potential design measures.
3. Estuary/waterside safety measures to prevent Project-related watercraft or activities from interfering with maritime related ship and boat operations and to ensure safe navigation of the Estuary and turning basin:
 - a. operational controls, enforcement, and public information (such as signage) measures to prohibit recreational watercrafts from idling or congregating in navigation waters;
 - b. special event day enforcement;
 - c. lighting mitigation or design standards to prevent Project-generated lights from interfering with navigation;
 - d. reflective surface minimization measures to reduce lighting and glare from interfering with navigation; and
 - e. ongoing process for the Port, the City, the Oakland A's, and stakeholder collaboration to address any needed changes to operating plan as issues arise.
4. Transportation improvements and management plan to prevent Project-related traffic and congestion from interfering with safe and efficient movement of seaport freight and trucks to and from the seaport:
 - a. street and intersectional improvements;
 - b. signage;
 - c. operational controls and regulations;
 - d. enhanced event-day traffic control and enforcement;
 - e. separation of Project-related traffic from seaport truck routes and maritime traffic by restricted routing, physical improvements, and enforcement;
 - f. street parking restrictions (off project site) and additional intersection management during events;
 - g. timely completion of local street improvements to ensure traffic compatibility; and
 - h. ongoing process for the Port, the City, the Oakland A's, and stakeholder collaboration to address any needed changes to the operating plan as issues arise due to unforeseen impacts.
5. Land use compatibility measures to enhance compatibility between industrial operations at Seaport and Project residential and commercial developments:
 - a. requirements already in the Port Term Sheet that require the future users, owners, lessees, and residents of the Project to be notified of potential impacts of Port maritime and marine operations on their use, and to waive rights to claims arising therefrom, such as through disclosures and releases recorded against the land;
 - b. requirement already in the Port Term Sheet that provides land parcel "buffer" between industrial use and residential use; and
 - c. zoning and land use designations or regulations to assure appropriate and consistent buffer distancing between residential and industrial uses.
6. Retain turning basin expansion provisions to ensure sufficient area for the expansion of the Inner Harbor Turning Basin to accommodate large ships calling on the Port:
 - a. provisions already in the Port Term Sheet reserving Port's options to use portions of Howard Terminal to construct turning basin expansion.

It should be noted that, as further stakeholder consultations take place and as further research and analysis is completed, further SCMs and refinements of them may be requested and considered.

In the stakeholder consultations, many Maritime and community stakeholders frequently urge the City and the Port to better collaborate in land use and transportation planning beyond those for the Howard Terminal or the Project. Indeed, the years of planning and analysis for Howard Terminal have led to closer City/Port collaboration on other efforts, such as the City's General Plan Process, the Port's seaport land use and infrastructure investment plan, truck parking study and management, truck and heavy weight route designations, industrial use preservation and coordination to secure federal, state, and regional transportation funding.

Port's Dedication to Delivering Project-Derived Community Benefits

Just as the Port is dedicated to negotiating Seaport Compatibility Measures into the Project, the Port is equally dedicated to including benefits derived from the Project that would accrue to the community ("Community Benefits"). The Port's pioneering Maritime and Aviation Project Labor Agreement ("MAPLA") and its innovative Operations Jobs Policy would provide the policy framework for negotiations with the Project applicant and for delivering Project-generated workforce development, local jobs, and equity funds benefits to the community.

As is the case with developing SCMs, the policy interests of the City and the Port align in developing Community Benefits based on input by community stakeholders. To this end, the Port has participated and supported the City staff in facilitating a multi-stakeholder community- and equity-centered process to help shape a Community Benefits Agreement ("CBA") to be adopted as part of any approval of the Project. The Port is a member of the CBA Steering Committee.

Dating back to the late 1990s, the Port has implemented Community Benefit policies that promote local hiring on its projects, support organizations that prepare disadvantaged workers to enter Port-related careers, and ensure that local, small, and very small businesses are utilized on Port projects. In 2000, after extensive public input and negotiations with Alameda County Building and Construction Trades Council, the Port adopted its MAPLA. MAPLA policies apply to capital projects contracted by the Port and to certain Port tenant projects in its seaport and airport areas. Since its inception, MAPLA projects have resulted in over 58% of total construction trades hours being performed by a local workforce². It has also generated over \$590,000 in contributions to the MAPLA Social Justice Trust Fund that has been donated to local workforce development agencies to train local workers.

In 2017, the Port expanded its local hire goals to operations jobs in addition to construction work, with an emphasis on disadvantaged workers, by adopting the Seaport Logistics Complex Operations Jobs Policy ("Operation Jobs Policy"). The Operations Jobs Policy was the product of vigorous public input and negotiations with labor, community and social justice representatives related to the development of the CenterPoint warehouse at the Seaport Logistics Complex. The policy required local and disadvantaged worker hiring goals, a fair chance hiring policy, strong worker protections and funds for local workforce development support.

- *MAPLA*: MAPLA applies to Port projects over \$150K that are a part of the Port's Capital Improvement Program ("CIP") or performed by a Port tenant pursuant to a Port Building Permit. Contractors are required to pay \$0.30 per work hour into a Social Justice Trust Fund that is used to support local workforce training and jobs placement. The CED Staff Report anticipated that work hours to build the Project would generate significant funds to the Social Justice Trust Fund for contribution to Community Benefits equity funds during construction.
- *Port's Operations Jobs Policy tenets*: Key aspects of this landmark jobs agreement with CenterPoint development include living wages and benefits for workers, priority consideration for unemployed

² The Port of Oakland operations have environmental, jobs and economic impacts on its geographic vicinity area that is larger than the City of Oakland (e.g., Port-bordering areas of Alameda, San Leandro, and Emeryville). Therefore, the Port definition of "local" varies from the City's definition for certain policies. Under MAPLA, a "local hire" worker is defined as an individual residing in the Port's Local Impact Area ("LIA") [Oakland, Alameda, San Leandro and Emeryville] and Local Business Area [Alameda and Contra Costa Counties]. While Oakland residents do receive preference for MAPLA construction jobs along with residents in the surrounding areas, the MAPLA does not contain an Oakland-specific hiring requirement.

individuals, armed forces veterans, single parents, ex-offenders, and foster care adults; and a ban on asking applicants about prior criminal offenses. The specific Operations Jobs Policy requirements do not currently apply to the proposed Howard Terminal Project. However, the Port anticipates that policies underlying the Operations Jobs Policy would serve as the basis for analysis, negotiations and consideration as part of the Project requirements.

- *Local, small, and disadvantaged business utilization policies:* The Port has bid preferences and goals for including local, small, and disadvantaged businesses on Port projects. Therefore, contracts let by the Port related to the Project, if any, will be subject to bid preferences for local small or disadvantaged businesses.

Contractor contributions to the Social Justice Fund derived from any construction of the Project would provide needed funds during the construction phases of the Project, in the early period of the 66-year term of the CBA. Consistent with the equity-centered recommendations in the Community Benefits Summary Report, this early contribution may be used to assist local residents in eliminating employment barriers and entering and remaining in the building trades.

The Port is also considering a source of project-generated funding for the later years of the CBA term. As described in the CED Staff Report, sales of the Project condominiums are expected to generate condominium transfer fees both under the terms of the Port Term Sheet and pursuant to the City's negotiation with the Oakland A's. (For a discussion of the financial terms provided for under the Port Term Sheet, see [Attachment 3](#) to this letter). As the CED Staff Report indicated, contribution of this condominium transfer fee revenue could generate significant funds for Community Benefits in the later period of the CBA term as transfer fees are not expected until the condominium units are built, sold, and resold over time.

Conclusion

The City and the Port have collaborated on outreach to stakeholders and the community and conducting analysis to identify and refine Seaport Compatibility Measures and Community Benefits. This letter identifies the SCMs that, through stakeholder consultations and technical analysis, have emerged as been broadly supported by stakeholders and feasible. The Port's PLA and community benefits policies, as well the condominium transfer fees, offer both the framework and resources for the Port's commitments to Community Benefits from resources generated by the proposed Project if it is approved. The Port Board continues to believe that the Howard Terminal Project, if conditioned on appropriate infrastructure investments and operational planning and implementation, will be compatible with the Port's commitment to grow and modernize the seaport's cargo and freight activities and, at the same time, create transformational value to the Port's and the City's waterfront to serve both commerce and people in Oakland and the region. The Port Board looks forward to the continued analysis and evaluation of the proposed Project prior to considering any potential approval actions.

Respectfully submitted,



Danny Wan
Executive Director

Attachment 1

Port Authorities Under City Charter and State Tideland Trust Relating to Howard Terminal

The City of Oakland City Charter assigns to the Board of Port Commissioners the power to:

“To take charge of, control, and supervise the Port of Oakland, including all the water front properties, and lands adjacent thereto, or under water, structures thereon, and approaches thereto, storage facilities, and other utilities, and all rights and interests belonging thereto, which are now or may hereafter be owned or possessed by the City, including all salt or marsh or tidelands and structures thereon granted to the City in trust by the State of California for the promotion and accommodation of commerce and navigation.”³

As the above dictates, the Port Board has control over tidelands that were granted to the City by the State in trust and/or acquired with trust proceeds (“State Tidelands”)⁴. All such State Tidelands and other properties over which the Port Board has control and jurisdiction are referred to as the “Port Area” in the Charter. The Port Area includes the Oakland International Airport, the seaport, Jack London Square, and, with some exceptions, public lands along the Oakland waterfront including the Howard Terminal.

The Port Board’s authority to control and manage the State Tidelands in the Port Area is subject to restrictions under the Public Trust Doctrine. Under the Public Trust Doctrine⁵, State Tidelands may be only used for public access and commercial purposes related to navigation, fishing, boating, natural habitat protection and other water-oriented activities for the benefit of the general public in the State (“Trust Purposes”). Also, funds derived from the use of State Tidelands (i.e., all Port funds) must be used for Trust Purposes.

The Howard Terminal is a State Tidelands. Therefore, each of the uses proposed in the Project must be determined by the California State Lands Commission as either consistent with the Trust Purposes or to be released from the trust by exchange. Under Tideland Trust requirements, any lease or sale of Howard Terminal must be for fair market value.

City Council Has Authority to Amend General Plan and Approve Housing Development

In addition to conditions on use of State Tidelands, the Port’s development and use of the Port Area is also subject to certain conditions in the City Charter. Relevant to the consideration of the Project are two provisions of the City Charter: (1) Section 727⁶ dictates that the Port may develop and use property within the Port Areas “in conformity with the General Plan of the City”; and (2) Section 706(23)⁷ requires the Port Board to obtain the consent of the City Council when approving any residential housing development. Currently, the City’s General Plan does not permit the uses the Oakland A’s are proposing at Howard Terminal; the City Council must first amend the General Plan to allow these proposed uses. In addition, the Port Board cannot consider

³ City Charter Section 706(2)

⁴ “Tidelands are one type of sovereign land held by California. These are the lands that are historically situated between the ordinary high water and ordinary low water mark of tidal waters. Today, Tidelands managed and controlled by the Port are mostly filled tideland, including Howard Terminal.

⁵ For a description of the Public Trust and the Public Trust doctrine, refer to the California State Lands Commission website at <https://www.slc.ca.gov/public-engagement/>.

⁶ City Charter Section 727: “Land Use and Development. The Board shall develop and use property within the Port Area for any purpose in conformity with the General Plan of the City. Any variation therefrom shall have the concurrence of the appropriate City board or commission; provided, that the Board may appeal to the Council for final determination of adverse decisions of such board or commission, in accordance with uniform procedures established by the Council.”

⁷ City Charter Section 706 (23): “To provide in the Port Area, subject to the provisions of Section 727, for other commercial development and for residential housing development; provided that any residential housing development shall be approved by the Board with the consent of the City Council.

the approval of the proposed residential use in the Project until and unless the City Council consents to such use.

Subject to the City's actions described above, the Port Term Sheet provides for the negotiation between the Port and the Oakland A's of certain lease and sale agreements for properties at Howard Terminal ("Transaction Documents"). In addition to reaching agreement with the Port as the owner of the land on the Transaction Documents, the Oakland A's must also obtain a building permit from the Port for construction of any building or structure on Howard Terminal⁸ ("Port Building Permit"). Under the terms of the Port Term Sheet, the Port anticipates consideration of the EIR and Transaction Documents Sheet and the Port Building Permit concurrently.

Among the Port Board's consideration, the Port will review the Project for compliance with the findings and mitigations and conditions in a Final Environmental Impact Report ("FEIR") as may be approved and certified by the City Council. As well, the Port Board must consider whether the Project conforms to the land use designation and conditions as may be adopted by the City Council's general plan amendment and zoning actions. As noted in the CED Staff Report, there are approximately 5 acres of the proposed Project that are privately owned that are not under the Port Board's jurisdiction.

Because of the sequential and concurrent jurisdiction of the City Council and the Port Board over Howard Terminal, the City and the Port have entered a "Memorandum of Understanding Between City and Port Regarding Howard Terminal Oakland A's Ballpark Project" ("MOU"). The MOU sets forth the anticipated administrative and procedural steps in the City's and the Port's potential exercise of each's respective authorities. Under the MOU, City and Port staff agree to cooperate and mutually consult in the preparation of the Environmental Impact Report ("EIR") that the City is preparing as lead agency under the California Environmental Quality Act, and to cooperate in the processing of permits and any approvals. In exercising each party's authority, the City and the Port would aspire "to avoid duplication or conflicting rules". The MOU notes that the Port Board reserves its rights to adopt regulations in addition to those that the City Council may have adopted but may also adopt the same regulations as adopted by the City Council by reference.

Of course, the City's and the Port's actions are not the only regulatory approvals needed before the Project may proceed. The Project applicant must also apply for and receive the necessary approvals and permits from the State Lands Commission, the San Francisco Bay Conservation and Development Commission, and the Department of Toxic Substances Control, among others.

⁸ City Charter Section 708: "Building Permits. No person or persons shall construct, extend, alter, improve, erect, remodel or repair any pier, slip, basin, wharf, dock or other harbor structure, or any building or structure within the "Port Area" without first applying for and securing from the Board a permit so to do, in accordance with the rules and regulations adopted by it. In approving or denying the right to said permit, the Board shall consider the application therefor, the character, nature and size and location of the proposed improvement, and exercise a reasonable and sound discretion in the premises...."

Attachment 2:

Summary of Certain Seaport Compatibility Measures (SCMs) included in the Draft Environmental Impact Report

Category of Seaport Compatibility Measures	Seaport Compatibility Measures Incorporated in the Draft EIR
1. Physical grade separation of vehicle, bicycle, and pedestrian traffic from train operations	<u>Mitigation Measure TRANS-3b:</u> Pedestrian and Bicycle Overcrossing (likely at Clay or Jefferson)
2. Increased at-grade rail safety measures to assure safe pedestrian at grade crossings of train tracks at controlled intersections and to deter pedestrian and bicycle mid-street crossings	<u>Mitigation Measure TRANS-3a:</u> Implement At-Grade Railroad Crossing Improvements <u>Alternative 3:</u> The Proposed Project with Grade Separation
3. Boating and recreational water safety plan and lighting/glare measures to prevent Project-related watercraft or activities from interfering with maritime related ship and boat operations and to ensure safe navigation of the Estuary and turning basin	<u>Mitigation Measure LUP-1a:</u> Boating and Recreational Water Safety Plan and Requirements <u>Improvement Measure AES-1:</u> Construction Lighting Design Features. During construction, light sources associated with proposed Project construction shall be shielded and/or aimed so that no direct beam illumination is directed/aimed outside of the Project Site boundary to the extent feasible... <u>Improvement Measure AES-2/MM LUP-1b:</u> Design Lighting Features to Minimize Light Pollution... if the ballpark orientation or design of light stands changes such that light and glare levels in the shipping channel or Inner Harbor Turning Basin would be substantially different than analyzed in the Lighting Technical Report, the Project sponsor shall be required to assess the changes in a supplemental Lighting Technical Report subject to review and approval by the City and the Port.
4. Transportation improvements and management plan to prevent Project-related traffic and congestion from interfering with safe and efficient movement of seaport freight and trucks to and from the seaport.	<u>Transportation Non-CEQA Recommendations:</u> local roadway improvements, for example on Adeline Street, that facilitate truck movement. <u>Mitigation Measure TRANS-1a:</u> Transportation and Parking Demand Management (TDM) Plan (to achieve 20% reduction in vehicle miles traveled for non-ballpark development). <u>Mitigation Measure TRANS-1b:</u> Transportation Management Plan (TMP), which includes operational strategies to optimize access to and from the ballpark. TMP includes strategies to address Port operations, such as: <ul style="list-style-type: none"> • Traffic Control Officers (TCOs) at 5th Street & Adeline and at 3rd Street & Adeline for all ballgames and events to direct bike/ped/auto traffic to Market and MLK • Variable message signs near West Oakland Bart station and 880 off-ramps to guide ballpark traffic to Market and MLK • Performance measures for truck travel time between Port and freeways and for auto cut-through traffic in Seaport

	<p>Mitigation Measure TRANS-1c: Implement at Transportation Hub on 2nd Street (to support non-auto transportation)</p> <p>Mitigation Measure TRANS-1d: Implement bus only lanes on Broadway (to support non-auto transportation)</p> <p>Mitigation Measures TRANS-2a and TRANS-2b: Implement bike lanes on 7th Street from Mandela Parkway to Martin Luther King Jr. Way and on Martin Luther King Jr. Way from Embarcadero West to 8th Street</p>
<p>5. Land use compatibility measures to enhance compatibility between industrial operations at Seaport and Project residential and commercial developments.</p>	<p>Mitigation Measure LUP- 1c: Land Use Siting and Buffers. All proposed sensitive uses (including residences and childcare facilities) on the Project site shall be prohibited west of Myrtle Street...place residential uses over 1,000 feet from the UPRR railyard to the northwest of the Project site...</p> <p>Improvement Measure LUP-1: Statement of Disclosure... on the lease or title to all new tenants or owners of the Project, or any portion thereof, acknowledging the commercial and industrial character of the Project's environs...</p> <p>Mitigation Measure NOI-2a: Sound Control Plan for concert events</p> <p>Mitigation Measure NOI-3: Noise Reduction Plan for Exposure to Community Noise (e.g. sound-rated windows)</p> <p>Mitigation Measure AIR-5a: Install MERV16 Filtration Systems, to reduce pollutant exposure for Project building occupants.</p>
<p>6. Retain turning basin expansion provisions to ensure sufficient area for the expansion of the Inner Harbor Turning Basin to accommodate large ships calling on the Port.</p>	<p>Maritime Reservation Scenario: A version of project with the turning basin is evaluated in the EIR.</p>

Attachment 3

Fair Market Value Payments Under the Port Term Sheet and Increment Tax Revenue for the City

As the City Council is considering the terms of financing for the Project, a summary of the financial terms under the Port's Port Term Sheet is helpful here. As described in Attachment 1, the Port must receive "fair market value" for any lease and sale of Howard Terminal in order to fulfill requirements Tideland Trust obligations. Under the Port Term Sheet, the Project would make payments to the Port equal to the fair market value of the land pursuant to various lease and sale agreement. These payments consist of lease payments that include an initial minimum guaranteed annual rent payment of \$3.8 million, and various variable "participation" rent such as a 10% share of the net parking revenues generated on Howard Terminal and a \$3 per drop off and pick up by transportation network companies (e.g., Uber or Lyft). To pay fair market value for the purchase of certain sale parcels, the Oakland A's are committed to negotiating a fee to be paid to the Port upon each sale and transfer of a residential condominium unit occurring after the initial sale by the developer equivalent to 0.35% of the sale price ("Condominium Transfer Fee"). The Port is not a taxing entity and does not currently receive any local tax revenues that accrues to other public agencies such as the City, the County, the school district, and others. Therefore, none of the incremental tax revenues derived from any development of the Project will be paid to the Port.

As the CED Staff Report details, the incremental tax revenues that would accrue to the City from a fully built-out Project would add up to over \$26.6 million (in today's dollars) of additional net tax revenues annually to the City (net of Project expenses), as well as over \$60 million in one-time City revenues derived from construction activities. In addition, the City will expect to receive \$1.6 million annually in parking tax revenues to fund public safety and violence prevention and \$960,000 for cultural affairs.⁹ These revenues are net of operations and maintenance expenses the City would incur to provide public services such as police, traffic control, and public works for the Project site. Under the Infrastructure Financing District ("IFD") financing mechanism described in the City Staff Report, \$10.4 million of the net incremental property tax revenues would be used annually to pay infrastructure costs under the IFD.

⁹ Additionally, other taxing entities such as Alameda County and the school district would receive their share of tax revenue increments.