



**PORT OF OAKLAND
SEAPORT**

NOVEMBER 2017

MARITIME e-NEWS

- Terminal Gates / Berth Numbers
- Container Cranes (Port Owned)
- Container Cranes (Tenant Owned)
- Container Cranes (Private)
- Overweight Corridor
- Port Scales
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Landmark vote for Seaport Logistics Complex

A long-held vision to revitalize Oakland's decommissioned Army Base is nearer reality at the Port of Oakland. Port Commissioners have given initial approval to a landmark deal with CenterPoint Properties for a logistics center at the former base. The tentative agreement caps nearly 15 years of planning for the most-anticipated Port growth project ever. Port officials say that the agreement includes unprecedented commitments to hire local workers.

"The future is at hand," said Port of Oakland Executive Director Chris Lytle. "We've got a great development partner, a great plan for the community and a new direction that will set us apart from competitors once the deal is fully approved."

The Board of Port Commissioners voted initial approval

of the agreement Nov. 9. It comes up for final vote Nov. 30. If Commissioners say yes a second time, the deal becomes official in January.

The agreement calls for industrial real estate giant CenterPoint Properties to develop a \$52 million logistics facility on Port property that once served as an Army supply depot. Construction would culminate 20 months of negotiations between CenterPoint, the Port, and Revive Oakland and Oakland Works which are coalitions of more than 30 organizations including labor, community and faith partners.

The project would be the first phase of a planned Seaport Logistics Complex that could eventually encompass nearly 180 acres. The vision for the Complex: modern distribution centers, including a railyard, close by marine terminals in the heart of the Port. Port officials said no other U.S. port has the land to duplicate Oakland's marriage of transportation and logistics capabilities.

Work on CenterPoint's 440,000-square-foot building could begin as early as the first quarter of 2018, the Port said. Port

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officials said the building would be the largest distribution facility at any U.S. West Coast Port.

"We're pleased to take part in an important growth project for California's economy," said CenterPoint Chief Development Officer Michael Murphy. "The Port of Oakland has a thoughtful vision for the future and with this agreement we can help them bring it to life and provide jobs that give people dignity and allow them to stay in Oakland."

Central to the deal has been the Revive Oakland and Oakland Work Coalition's collaboration with the Port of Oakland and CenterPoint to develop a groundbreaking jobs policy. The policy is envisioned as an economic driver and job generator. Among the stipulations:

- Preferences for hiring local residents, particularly those in neighborhoods nearest the Port;
- Special consideration for disadvantaged residents including the chronically unemployed, single parents, formerly incarcerated and military veterans;
- Funding for a local, community-based workforce development partner, the West Oakland Job Resource Center, to train work force candidates and provide the opportunity to refer job applicants.

The Port estimated that the facility could create hundreds of construction and permanent jobs in Oakland. "As the Port of Oakland grows, we also ensure that our neighboring communities benefit from our success," said Port Social Responsibility Director Amy Tharpe. "Giving local residents from all backgrounds access to good, family-sustaining jobs is central to this project."

The Army decommissioned its Oakland base in the late 1990s. Since then, planners have envisioned a logistics campus that could further strengthen Oakland's role as a global trade gateway. The Port received about 241 acres of the property between 2003 and 2007. The city of Oakland received a similar parcel.

The Seaport Logistics Complex will be located off Maritime Street near Oakland's Outer Harbor. The Port initiated development there last year with the opening of a \$100 million railyard.

Under terms of its deal with the Port, CenterPoint Properties would construct and manage the first building at the Complex. Tenants would likely include companies requiring transloading. That's the process of transferring cargo between trucks, trains and vessels for shipment. Transloading is common near West Coast ports, Port officials said. But Oakland would become one of the few ports able to perform the task within its boundaries.

"We'll provide the most efficient and most cost-effective means of delivering cargo," said Port of Oakland Maritime Director John Driscoll. "That will be a major driver of our growth in the years ahead."



Future Seaport Logistics Complex

The Army Base that became a logistics center

Port of Oakland history spans a period of 165 years beginning with the San Francisco Bay becoming a working harbor in the mid-1800s. The Port's past encompasses the Gold Rush, Civil War, Industrial Revolution, two World Wars, and the United States coming of age as a global power.

Oakland was a small settlement on the San Francisco Bay's east shoreline during the gold rush days. Schooners sailed in and out of Oakland's harbor moving supplies and local goods. In 1869 Oakland became the terminus for the transcontinental railroad establishing it as California's most important rail center.

WWI spurred huge growth in shipyards. In 1918, the Union Construction Company built a shipyard on a large parcel of land at the end of 14th Street,



which eventually became part of the Oakland Army Base.

WWII thrust the nation into global conflict following the attack on Pearl Harbor in 1941. The Outer Harbor Terminal became the "Oakland Sub-Port of the San Francisco Port of Embarkation," where tens-of-thousands worked in the wartime industry. In January 1944, the Oakland wharves and warehouses officially became the "Oakland Army Base."

At the end of the WWII in 1945, the Base served as a reception center for service personnel returning from the Pacific. It continued to function throughout the Cold War.

In the late 1960s, Oakland became the first major port on the West Coast to build terminals for the then-revolutionary container ships. The Base was also home to the largest military port complex in the world during the Vietnam War, which ended in 1975.

The Oakland Army Base closed in the late 1990s through the Department of Defense Base Realignment and Closure Commission. The property was transferred to the Oakland Army Base Reuse Authority, a joint powers agency.

Between 2003 and 2007, the Port acquired approximately 241 acres of the Base. The City of Oakland acquired a nearly equal share. Since closure, the Port and City have been planning the



development and reuse of the Base. The Port refers to its portion of the property and planned development as the Seaport Logistics Complex (SLC). The Port and City of Oakland took ownership of the Base in 2006 and broke ground on their

respective land parcels to strengthen Oakland's position as an international gateway.

To protect the environment and local communities while improving seaport facilities and growing its maritime business, the Port implemented several programs between 2002 and 2017. The Environmental Impact Report was completed and approved in 2002 for the development of the Base, which

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Army Base, continued from page 1

included California Environmental Quality Act requirements. This allowed for the required cleanup of the site between 2003 and 2013 and the implementation of mitigation projects since 2002 that cleared the way for improvements.

Port Commissioners adopted the Maritime Air Quality Improvement Plan in 2009, part of development mitigation. This resulted in reducing diesel emissions from trucks serving the Port by 98 percent between 2005 and 2015. In that same timeframe, ship diesel emissions dropped 75 percent. The work continues to reduce these emissions.

In 2009, the Port published a Request for Qualifications for the development of logistics facilities at the SLC. Over the subsequent years, the Port negotiated with various companies but was unable to reach a suitable agreement.

In 2013, the Port began construction of the Outer Harbor Intermodal Terminal (OHIT) Phase I, which comprises storage and support railyards on approximately 24 acres of the SLC. The Port substantially completed this development in late 2016.



The Port and Community worked together to create local jobs through the initial development of the SLC. In 2015, 61 percent of the project workforce were local hires. Thirty-three percent of the 460 workers lived in the Port's Local Impact Areas: Oakland, San Leandro, Alameda and Emeryville. Another 28 percent were from the Local Business Areas: Alameda and Contra Costa counties.

Talks began between the Port and industrial real estate developer CenterPoint Properties (CNT) in fall 2015 to develop a portion of the Port's OAB property with a major commitment to hire local workers.

The planned construction is part of the Port's Seaport Logistics Complex envisioned as a state-of-the-art cargo logistics hub with transload, cross-docking, and distribution facilities where importers can quickly transfer containerized cargo from ships to trains. This will be adjacent to the \$100 million rail yard that the Port completed in 2016.

Port Commissioners approved a landmark agreement with CNT in 2017 for the first phase of the SLC construction project. Full development of the Base will occur over several years.

From Army Base to Seaport Logistics Center – An historical timeline



- 1918** The Union Construction Company built a shipyard on a large parcel of land at the end of 14th Street
- 1941** After the attack on Pearl Harbor, the Port's Outer Harbor Terminal was transformed into the "Oakland Sub-Port of the San Francisco Port of Embarkation," where thousands worked in the wartime industry
- 1944** Oakland Sub-Port of the San Francisco Port of Embarkation officially becomes "Oakland Army Base," considered the largest military port in the world
- 1945** World War II ends
- 1975** Vietnam War ends and operations at the Oakland Army Base slow
- 1999** Oakland Army Base is closed and the land is transferred to the Oakland Base Reuse Authority, a joint powers agency that will decide how to best use the land for economic development and community preference
- 2006** Ownership of the former Army Base site is transferred to the City of Oakland and the Port of Oakland
- 2013** The Port and the City break ground on their respective parcels of the former Army Base (Port's parcel is 241 acres)
- 2015** Port achieves 61 percent local hiring targets and 30 percent are Oakland residents
- 2016** Port welcomed its first train to use a \$100 million near-dock rail facility at the former Army Base as part of a strategy to enhance the Port's intermodal capabilities
- 2017** Port completes negotiation for the development of the Golden Gate Landing at the former Army Base with CenterPoint Properties

Port of Oakland Terminal Gate Schedule

	Thanksgiving Day Thursday November 24	Friday November 25	Christmas Day Monday December 25	New Year's Day Monday January 1
	1 ST & 2 ND Shift		1 ST & 2 ND Shift	1 ST & 2 ND Shift
Ben E. Nutter (Everport)	Closed	Open	Closed	Closed
TraPac	Closed	Open	Closed	Closed
OICT (SSA)	Closed	Open	Closed	Closed
Matson	Closed	Open	Closed	Closed
Shippers	Closed	Open	Closed	Closed
Transport Express	Closed	Open	Closed	Closed

Schedules and SSCO participation subject to change
 Visit terminal operator websites or contact terminal customer service for updated information
 Note: Anticipate higher than normal gate volume preceding and following holidays.

Port of Oakland agreement may be a national model for local hiring

New development will give first chance to nearby and disadvantaged workers

Community leaders say a new Port of Oakland development agreement could be a national model for local hiring. They're hailing the plan to build a Seaport Logistics Complex that prioritizes employing workers from nearby neighborhoods.

"This agreement is part of the growing grassroots movement across the country to win locally and set in motion a wave of larger national change," said Nikki Fortunato Bas, Executive Director of the Partnership for Working Families. "This is how we take back our cities, our communities, and our democracy: policy by policy on the local level."

The Port this month announced plans for a 440,000-square-foot distribution center on decommissioned Oakland Army Base property. It would be the first building at the Port's planned Seaport Logistics Complex. Central to the project: giving nearby residents first crack at jobs with an emphasis on disadvantaged workers. There's also a job-training component to help develop the local labor pool.

Workforce development activists negotiated the agreement over 20 months with the Port and developer CenterPoint Properties. The Port called the community's involvement unique, and said local representatives would help monitor implementation of the job policy.

"Community leaders, Centerpoint and

the Port demonstrated how large-scale development deals can offer shared benefit to our neighboring community, empower local residents and strengthen our economy," said Port of Oakland Social Responsibility Director Amy Tharpe.

"The goal is to level the playing field and provide community members, regardless of perceived barriers, with priority access to jobs and opportunity."

Key aspects of the job agreement include:

- Living wages and benefits for workers;
- Priority consideration for unemployed individuals, armed forces veterans, single parents, ex-offenders, and foster care adults; and
- A ban on asking applicants about prior criminal offenses.

"This agreement will send a ripple throughout the warehousing industry as the economy transforms from brick and mortar stores to online retailing," said Jahmese Myres, Director of the community coalition Revive Oakland. "At the heart, this is about ending economic racism for Black and Brown folks who have been locked out of good jobs."

Port and CenterPoint officials said the Seaport Logistics Complex project would create hundreds of jobs. They'll be divided between construction work and ongoing warehouse-type operations jobs.



The agreement to build a Seaport Logistics Complex at the Port of Oakland includes strong preferences for local hiring

October record for imports

The Port of Oakland reported a record-setting finish to the peak shipping season. The Port said it handled the equivalent of 76,706 20-foot import containers last month. It was the busiest October for imports in Oakland history and followed a similar record performance in September.

The cargo rush signaled a successful conclusion to the traditional summer-autumn peak season, the Port said. That's the time of year when U.S. retailers stock shelves with overseas merchandise for the holidays.

Industry analysts and Port officials attributed import growth to a strong economy that has spurred consumer demand. The Port said its numbers topped even those from 2005-06 when international container trade reached its zenith.

Through 10 months of 2017, Oakland import volume is up 4.4 percent.

"We're encouraged by the results we're seeing," said Port of Oakland Maritime Director John Driscoll. "The test for the industry is whether or not we can carry momentum into next year."

The Port said its 2018 total container volume—including imports, exports and empty containers—is up 2.8 percent.

